

**NEW ISSUE  
BOOK-ENTRY ONLY**

**RATING: Standard & Poor's Underlying: "A-"  
Standard & Poor's Insured: "AA"  
(See "RATING" herein)**

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications, under existing law, the interest on the Series 2015-TE Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is required to be taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the Taxable Series 2015-T Bonds and the Series 2015-TE Bonds is exempt from California personal income taxes. Interest on the Taxable Series 2015-T Bonds is not intended to be excluded from federal income taxation. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds. See "TAX MATTERS" herein.*

**\$22,510,000  
OAKLAND REDEVELOPMENT  
SUCCESSOR AGENCY  
Subordinated Tax Allocation Refunding Bonds,  
Series 2015-TE**

**\$66,675,000  
OAKLAND REDEVELOPMENT  
SUCCESSOR AGENCY  
Subordinated Tax Allocation  
Refunding Bonds, Series 2015-T  
(Federally Taxable)**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside front cover**

**This cover page contains information for quick reference only. It is *not* intended to be a complete summary of all factors relevant to an investment in the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.**

The Subordinated Tax Allocation Refunding Bonds, Series 2015-TE (the "Series 2015-TE Bonds") and Subordinated Tax Allocation Refunding Bonds Series 2015-T (Federally Taxable) (the "Taxable Series 2015-T Bonds" and together with the Series 2015-TE Bonds, the "Bonds" and individually, each a "Series") are being issued by the Oakland Redevelopment Successor Agency (the "Successor Agency") pursuant to an Indenture of Trust, dated as of September 1, 2015, by and between the Successor Agency and Zions First National Bank, as trustee (the "Trustee").

Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2016. Principal of the Bonds will be payable on the dates and in the respective principal amounts set forth on the inside cover page.

The scheduled payment of principal of and interest on the Bonds, when due, will be guaranteed under a municipal bond insurance policy (the "2015 Insurance Policy") to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. (the "2015 Insurer"). See "BOND INSURANCE."



The Bonds of each Series will be issued in book-entry form, without coupons, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Beneficial ownership interests in the Bonds may initially be purchased, in denominations of \$5,000 or any integral multiple thereof, in book-entry only form as described herein. So long as Cede & Co. is the registered owner of the Bonds, payments of principal and interest will be made to Cede & Co., as nominee for DTC. DTC is required in turn to remit such payments to DTC Participants for subsequent disbursements to Beneficial Owners. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Direct Participants and Indirect Participants as more fully described herein. See APPENDIX G – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds of each Series are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Redemption Provisions."

The Bonds are being issued for the purpose of providing funds, together with certain other available monies, to (i) refund certain obligations of the former Redevelopment Agency of the City of Oakland, (ii) purchase the 2015 Insurance Policy from the 2015 Insurer, (iii) purchase a municipal bond debt service reserve insurance policy from the 2015 Insurer for deposit in the Reserve Account for the Bonds to satisfy the reserve requirements for the Bonds, and (iv) pay costs associated with the issuance of the Bonds, all more fully described herein.

The Bonds are payable from and secured by Pledged Tax Revenues (defined herein), consisting primarily of certain revenues deposited into the Redevelopment Property Tax Trust Fund. The pledge of moneys representing Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund to pay debt service on the Bonds is subordinate to the prior pledge, or priority of payment, of certain of such tax increment revenues to the payment of certain outstanding bonds and other obligations of the Successor Agency as described under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Security of Bonds; Equal Security." Pledged Tax Revenues are generated from taxes on the property within the Project Areas (defined herein) on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll. No funds or properties of the Successor Agency, other than the Pledged Tax Revenues and certain other amounts held under the Indenture, are pledged to secure the Bonds. Pledged Tax Revenues consists of Tax Revenues (defined herein) remaining after the payment of certain outstanding obligations of the Successor Agency and, accordingly, the payment of debt service on the Bonds is subordinate to payments due on such obligations.

**The Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Pledged Tax Revenues and certain other amounts on deposit in the funds and accounts held under the Indenture. The Bonds are not a debt of the City of Oakland (the "City"), the State of California (the "State") or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues, property or its full faith and credit to the payment of debt service on the Bonds. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.**

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Curls Bartling P.C., Oakland, California is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by the City Attorney for the City of Oakland. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the Bonds will be delivered to the Underwriters through the facilities of DTC in New York, New York on or about September 2, 2015.

**RBC Capital Markets**

**STIFEL**

Dated: August 11, 2015

## MATURITY SCHEDULES

**\$22,510,000**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Subordinated Tax Allocation Refunding Bonds,**  
**Series 2015-TE**

Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP No. (Base: 67232T) <sup>†</sup>
2035	\$ 9,045,000	5.000%	3.640% <sup>°</sup>	AL9
2036	13,465,000	5.000	3.680 <sup>°</sup>	AM7

**\$66,675,000**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Subordinated Tax Allocation Refunding Bonds,**  
**Series 2015-T**  
**(Federally Taxable)**

**\$41,385,000 Serial Bonds**

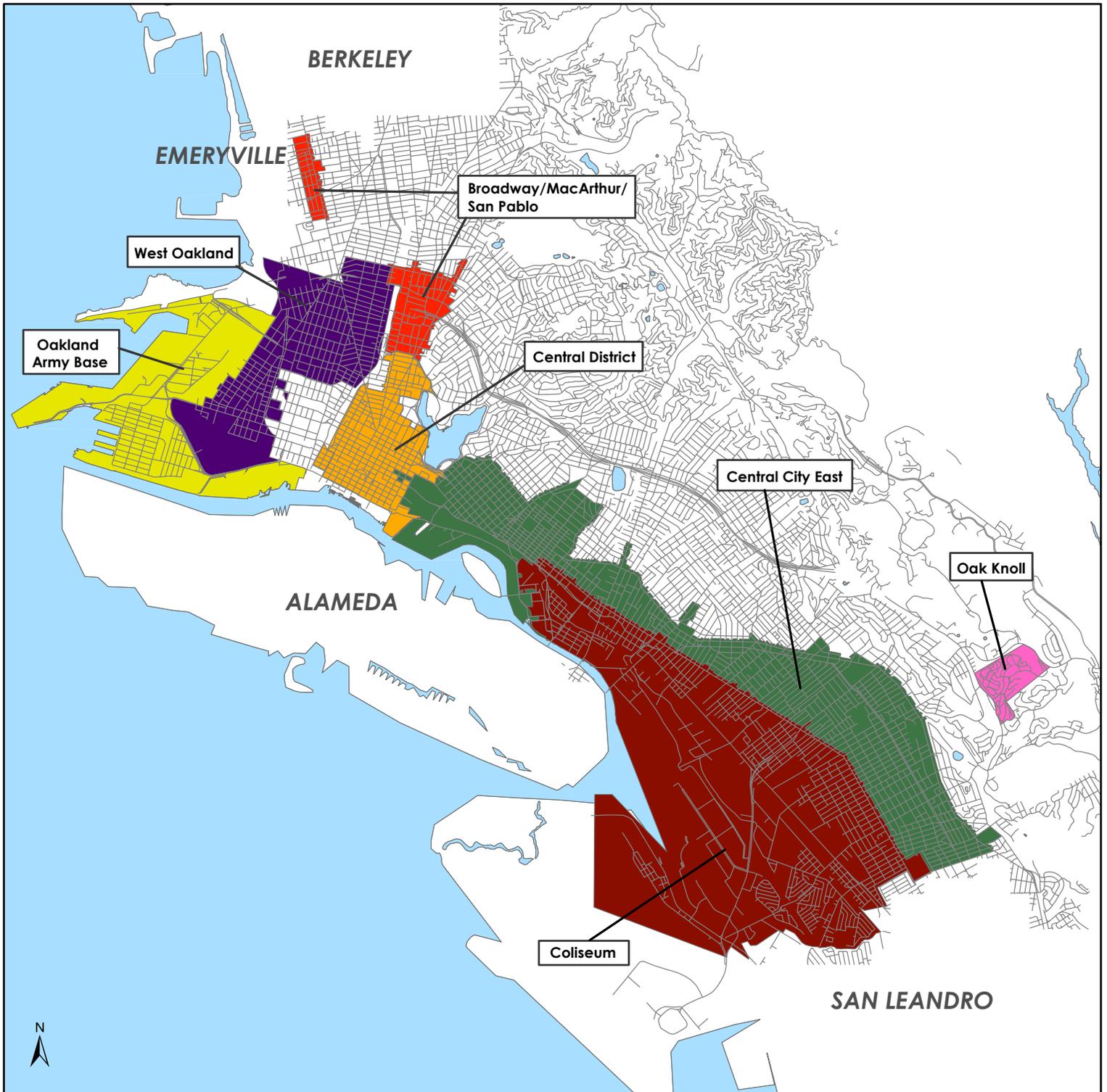
Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP No. (Base: 67232T) <sup>†</sup>
2016	\$ 440,000	1.329%	1.329%	AZ8
2017	4,340,000	1.779	1.779	AN5
2018	4,425,000	2.271	2.271	AP0
2019	4,515,000	2.763	2.763	AQ8
2020	4,645,000	3.163	3.163	AR6
2021	4,795,000	3.483	3.483	AS4
2022	4,955,000	3.783	3.783	AT2
2023	1,995,000	3.962	3.962	AU9
2024	2,075,000	4.162	4.162	AV7
2025	2,160,000	4.312	4.312	AW5
2026	2,255,000	4.412	4.412	AX3
2027	2,340,000	4.512	4.512	AY1
2028	2,445,000	4.612	4.612	BA2

**\$25,290,000 4.916% Term Series 2015-T Bonds due September 1, 2035, Yield 4.916%; CUSIP<sup>†</sup>: 67232TBB0**

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services and are included solely for convenience. Neither the Successor Agency nor the Underwriters assume any responsibility for the accuracy of the CUSIP data.

<sup>°</sup> Priced to par call on September 1, 2025.

# City of Oakland - Redevelopment Project Areas -



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**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY  
and  
CITY OF OAKLAND  
County of Alameda, California**

**AGENCY BOARD AND CITY COUNCIL**

Dan Kalb (District 1)  
*Agency Member and Councilmember*  
Abel J. Guillen (District 2)  
*Agency Member and Councilmember*  
Lynette Gibson McElhaney (District 3)  
*Agency Chair and President of City Council*  
Annie Campbell Washington (District 4)  
*Agency Member and Councilmember*  
Noel Gallo (District 5)  
*Agency Member and Councilmember*  
Desley Brooks (District 6)  
*Agency Member and Councilmember*  
Larry Reid, Jr. (District 7)  
*Agency Member and Councilmember (President Pro Tem)*  
Rebecca Kaplan (At-Large)  
*Agency Member and Vice Mayor*

**AGENCY AND CITY STAFF**

Libby Schaaf, *Agency Chief Executive Officer and Mayor*  
Sabrina Landreth, *City Administrator and Agency Administrator*  
LaTonda Simmons, *Agency Secretary and City Clerk*  
Brenda D. Roberts, *City Auditor*  
Barbara J. Parker, *Agency Counsel and City Attorney*  
Katano Kasaine, *Agency Treasurer and City Treasurer*

**SPECIAL SERVICES**

Fieldman, Rolapp & Associates, Inc. Irvine, California Financial Advisor	HdL Coren & Cone Diamond Bar, California Fiscal Consultant
Jones Hall, A Professional Law Corporation San Francisco, California Bond Counsel	Curls Bartling P.C. Oakland, California Disclosure Counsel
Zions First National Bank Los Angeles, California Trustee	Grant Thornton LLP Minneapolis, Minnesota Verification Agent

No dealer, broker, salesperson or other person has been authorized by the Successor Agency or the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

The information set forth herein has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Successor Agency or the City. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the City since the date hereof. The information and expressions of opinion stated herein are subject to change without notice.

**Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking” statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Successor Agency disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.**

All summaries of the Indenture (as defined herein) and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website.

The City maintains a website, including pages regarding the Successor Agency. However, the information presented therein is not a part of this Official Statement and must not be relied upon in making an investment decision with respect to the Bonds.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

**In connection with this offering, the Underwriters may overallocate or affect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.**

Assured Guaranty Municipal Corp. (“AGM”) has provided the following sentences for inclusion in this Official Statement: AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX I - SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

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## OFFICIAL STATEMENT

**\$22,510,000**  
**OAKLAND REDEVELOPMENT**  
**SUCCESSOR AGENCY**  
**Subordinated Tax Allocation Refunding Bonds,**  
**Series 2015-TE**

**\$66,675,000**  
**OAKLAND REDEVELOPMENT**  
**SUCCESSOR AGENCY**  
**Subordinated Tax Allocation Refunding**  
**Bonds, Series 2015-T**  
**(Federally Taxable)**

### INTRODUCTION

*This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a full review should be made of the entire Official Statement including the cover page, the table of contents and the appendices for a more complete description of the terms of the Bonds. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of provisions of, any other documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions of such documents. Capitalized terms used in this Official Statement and not defined herein shall have the meanings assigned to them in APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”*

#### **Authority and Purpose**

The purpose of this Official Statement, which includes the cover page, table of contents and appendices hereto (collectively, the “**Official Statement**”), is to provide certain information in connection with the offering by the Oakland Redevelopment Successor Agency (the “**Successor Agency**”) of its \$22,510,000 aggregate principal amount of Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE (the “**Series 2015-TE Bonds**”) and its \$66,675,000 aggregate principal amount of Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally Taxable) (the “**Taxable Series 2015-T Bonds**”) and together with the Series 2015-TE Bonds, the “**Bonds**” and individually, each a “**Series**”). The Bonds are being issued in accordance with Section 34177.5(a)(1) of the Redevelopment Law (defined below), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”), a resolution of the Successor Agency adopted on April 21, 2015 (the “**Resolution**”), and an Indenture of Trust, dated as of September 1, 2015 (the “**Indenture**”), by and between the Successor Agency and Zions First National Bank, as trustee (the “**Trustee**”).

The Bonds are being issued by the Successor Agency for the purpose of providing funds, together with certain other available monies, to (i) refund certain obligations of the Former Agency (defined below), (ii) purchase a municipal bond insurance policy (the “**2015 Insurance Policy**”) from Assured Guaranty Municipal Corp. (the “**2015 Insurer**”) to guarantee the scheduled payment of principal of and interest on the Bonds, (iii) purchase a municipal bond debt service reserve insurance policy (the “**2015 Reserve Policy**”) from the 2015 Insurer for deposit in the Reserve Account established for the Bonds to satisfy the Reserve Requirement (defined herein) for the Bonds, and (iv) pay costs associated with the issuance of the Bonds, all as more fully described herein under “– Reserve Account,” “THE REFUNDING PLAN,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “BOND INSURANCE.”

#### **The City**

The City of Oakland (the “**City**”), located immediately east of the City and County of San Francisco across the San Francisco-Oakland Bay Bridge, lies at the heart of the East Bay. The City

occupies approximately 53.8 square miles, is served by Interstates 80, 580, 880 and 980, and boasts a world-class seaport and an international airport.

The City is a charter city incorporated in 1854 and operates under a mayor-council form of government. An eight-member City Council, seven of whom are elected by district and one of whom is elected on a city-wide basis, governs the City. The mayor is not a member of the City Council, but is the City's chief executive officer. The mayor and City Council members serve four-year terms staggered at two-year intervals. For additional information regarding the City, see APPENDIX A – “SELECTED INFORMATION REGARDING THE CITY OF OAKLAND.”

**The General Fund of the City is not liable for the payment of the principal of, premium, if any, or interest on the Bonds, and neither the credit nor the taxing power of the City is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City.**

### **The Successor Agency**

The Successor Agency is the successor to the former Redevelopment Agency of the City of Oakland (the “**Former Agency**”). The Former Agency was created by the City Council of the City (the “**City Council**”) on October 11, 1956, by adoption of Resolution No. 35000, C.M.S., to exercise the powers granted by the California Community Redevelopment Law (Sections 33000 et seq. of the California Health and Safety Code) (the “**Redevelopment Law**”).

As a result of Assembly Bill No. 26 (“**AB 26**”) enacted on June 29, 2011, and the decision of the State Supreme Court in *California Redevelopment Association, et al. v. Matosantos, et al.* (the “**California Redevelopment Association Case**”), as of February 1, 2012, all redevelopment agencies in the State, including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill No. 1484 (as amended from time to time, the “**Dissolution Act**”).

See also “THE SUCCESSOR AGENCY” for further discussion of the Dissolution Act, the formation of the Successor Agency and the current powers, and limitations thereon, of the Successor Agency.

### **The Project Areas**

The Former Agency adopted redevelopment plans for several project areas in the City. A portion of property tax revenues from seven (7) of those project areas (the “**Project Areas**”) provide the source of funds for debt service on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” The Project Areas consist of the redevelopment project areas described in the following redevelopment plans:

- Broadway/MacArthur/San Pablo Redevelopment Project (the “**Broadway/MacArthur/San Pablo Project Area**”)
- Central City East Redevelopment Project (the “**Central City East Project Area**”)

- Central District Redevelopment Project (the “**Central District Project Area**”)
- Coliseum Area Redevelopment Project (the “**Coliseum Area Project Area**”)
- Oak Knoll Redevelopment Project (the “**Oak Knoll Project Area**”)
- Oakland Army Base Redevelopment Project (the “**Oakland Army Base Project Area**”)
- West Oakland Redevelopment Project (the “**West Oakland Project Area**”)

There were three additional redevelopment project areas in the City: Acorn, Oak Center and Stanford/Adeline. All three of these project areas have reached their tax increment limits, and the redevelopment plans for two of them (i.e., Acorn and Oak Center) terminated after reaching their last date of plan effectiveness on January 1, 2012. Since these three project areas no longer produce tax increment, they are not included as Project Areas in the Indenture or in the discussions set forth herein.

### **Tax Allocation Financing**

Prior to the enactment of AB 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the Bonds, to be secured by a pledge of the same revenues pledged to the bonds or obligations being refunded, and to be payable from and further secured by moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency (the “**Redevelopment Property Tax Trust Fund**”), which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects. *Discussions herein regarding tax increment revenues now refer to those moneys deposited by the Alameda County Auditor-Controller into the Redevelopment Property Tax Trust Fund.*

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described herein. See “CERTAIN RISK FACTORS.”

### **Security and Sources of Payment for the Bonds**

The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and payable from and secured by the Pledged Tax Revenues. Pledged Tax Revenues are all tax increment revenues that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Redevelopment Law and the Dissolution Act, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund, excluding (i) Tax Revenues required to pay debt service on the Existing Bonds (defined herein), (ii) certain amounts required to be paid under the Uptown Ground Lease (defined herein) and the 17<sup>th</sup> St. Garage DDA (defined herein) pursuant to the Uptown Redevelopment Project Ground Lease and

the 17<sup>th</sup> St. Garage DDA, and (iii) all amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law and Section 34183(a)(1) of the Dissolution Act, unless such payments are subordinated. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Security of the Bonds; Equal Security” for the full definition of Pledged Tax Revenues pursuant to the Indenture. The amounts owed to taxing entities referred to in the preceding sentence have been subordinated to the payment of debt service on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Statutory Pass-Throughs*.”

The Dissolution Act requires the Alameda County Auditor-Controller (the “**County Controller**”) to determine the amount of property taxes that would have been allocated to the Former Agency had it not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the Redevelopment Property Tax Trust Fund in accordance with the Dissolution Act. The Dissolution Act further provides that bonds authorized thereunder issued by a successor agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized under the Dissolution Act are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution which provided for the allocation of tax increment revenues under the Redevelopment Law. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB 26 and in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, will be included in the Successor Agency’s Recognized Obligation Payment Schedule (defined herein) and will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time, in the Redevelopment Property Tax Trust Fund established pursuant to the Dissolution Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedules.”

The Dissolution Act requires compliance by the Successor Agency with a procedure for the preparation of Recognized Obligation Payment Schedules biannually enabling receipt of funds for payment of debt service and submission thereof to its Oakland Oversight Board (the “**Oversight Board**”) and the State Department of Finance for approval. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Allocation of Taxes Pursuant to the Dissolution Act.” Taxes levied on the property within the Project Areas on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various properties within the Project Areas, to the extent that such taxes constitute tax revenues, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund (the “**Retirement Fund**”) on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedules.” Moneys deposited by the County Controller into the Successor Agency’s Retirement Fund representing Pledged Tax Revenues will first be deposited by the Successor Agency in the Special Fund (defined herein) and will then be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

The Bonds are secured by and payable solely from the Pledged Tax Revenues and moneys in the Special Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Allocation of Taxes pursuant to the Dissolution Act” and “PLEGGED TAX REVENUES AND DEBT SERVICE.” The Project Areas, and the real and personal property therein, do not serve as security for the Bonds.

**The Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Pledged Tax Revenues and certain other amounts on deposit in the funds and accounts held under the Indenture. The Bonds are not a debt of the City, the State or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues, property or its full faith and credit to the payment of debt service on the Bonds. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power. See “PLEGGED TAX REVENUES AND DEBT SERVICE.”**

### **Senior Obligations**

The pledge of moneys representing Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund to pay debt service on the Bonds is subordinate to the prior pledge, or priority of payment, of certain of such tax increment revenues to the payment of certain outstanding bonds and other obligations of the Successor Agency. See also “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Senior Obligations.”

### **Reserve Account**

The Indenture establishes a Reserve Account for the Bonds to be held by the Trustee and to be maintained in an amount at least equal to the Reserve Requirement for the Bonds. The 2015 Insurer has committed to issue, simultaneously with the issuance of the Bonds, the 2015 Reserve Policy for the Bonds in the principal amount of the Reserve Requirement for the Bonds for deposit in the Reserve Account. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Fund; Deposit of Pledged Tax Revenues – *Reserve Account*.”

### **Insurance**

The Successor Agency has obtained the 2015 Insurance Policy to insure the payment of principal and interest on the Bonds when due. See “BOND INSURANCE.”

### **Risk Factors**

Certain events could affect the ability of the Successor Agency to pay debt service on the Bonds when due. See “CERTAIN RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

### **Continuing Disclosure**

The Successor Agency has covenanted for the benefit of Owners and Beneficial Owners to provide certain financial information and operating data relating to the Successor Agency not later than nine (9) months after the end of each Fiscal Year (i.e., March 31), commencing with the Fiscal Year ending June 30, 2015 (the “**Annual Report**”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of the specified events will be filed with the Municipal Securities Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Market Access website (“**EMMA**”) of the MSRB. The specific nature of the information to be contained in the Annual Report and in the notice of events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE

CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

See “CONTINUING DISCLOSURE” for additional information.

### **Available Information**

This Official Statement contains brief descriptions of the Bonds, the security for the Bonds, the Indenture, the Successor Agency, the Former Agency, the City, the Project Areas and certain other information relevant to the issuance of the Bonds. All references herein to the Indenture, the Refunding Law, the Redevelopment Law, the Dissolution Act, the Constitution and laws of the State are qualified in their entirety by reference to the complete text thereof and all references to the Bonds are further qualified by reference to the form thereof contained in the Indenture. All capitalized terms used in this Official Statement, but not otherwise defined shall have the meaning given to such terms in the Indenture.

The Successor Agency’s audited financial statements for the period ended June 30, 2014 are included in APPENDIX B – “SUCCESSOR AGENCY’S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014.” HdL Coren & Cone, Diamond Bar, California (the “**Fiscal Consultant**”) is providing consulting services to the Successor Agency with respect to the Project Areas and their projected taxable values and anticipated tax increment revenues. The Fiscal Consultant will provide a report in substantially the form attached hereto as APPENDIX C – “REPORT OF FISCAL CONSULTANT.” The proposed form of legal opinion of Bond Counsel for the Bonds is set forth in APPENDIX F – “FORM OF BOND COUNSEL FINAL OPINION.”

The information set forth herein and in the Appendices hereto has been furnished by the Successor Agency and includes information which has been obtained from other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by the Successor Agency or the Underwriters and is not to be construed as a representation by the Underwriters. Copies of documents referred to herein and information concerning the Bonds are available upon written request from the Trustee, Zions First National Bank, Corporate Trust Department, 550 South Hope Street, Suite 2875, Los Angeles, California, 90071, or from the City, on behalf of the Successor Agency, from the Finance Department/Treasury Bureau, 150 Frank Ogawa Plaza, Suite 5330, Oakland, California, 94612. The Trustee or the Successor Agency may impose a charge for copying, mailing and handling.

### **THE REFUNDING PLAN**

**General.** The proceeds of each Series of Bonds will be applied, together with certain other available funds, to refund certain outstanding bonds issued by the Former Agency, the proceeds of which were used by the Former Agency to finance or refinance its redevelopment activities. The proceeds of each Series of Bonds will also be used to pay costs associated with the issuance of the Bonds and to purchase the 2015 Reserve Policy for deposit in the Reserve Account to satisfy the Reserve Requirement for the Bonds and the 2015 Insurance Policy to guarantee payment of principal and interest on the Bonds.

**Refunding the Bonds.** The following table detail the series, maturity dates and principal amounts of the outstanding bonds of the Former Agency (the “**Refunded Bonds**”) that will be refunded with the proceeds of a Series of Bonds.

### Refunded Bonds

Bonds	Issue Date	Maturity Date (Sept 1)	CUSIP	Principal Amount Outstanding	Principal Amount to be Redeemed by Series 2015-TE Bonds	Principal Amount to be Redeemed by Taxable Series 2015-T Bonds
Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A	4/4/2006	2018	67232PAF0	\$ 2,195,000	-	\$2,195,000
Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) <sup>(1)</sup>	4/4/2006	2036	67232PAT0	67,180,000	-	59,955,000
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE	10/12/2006	2036	672321HM1	13,780,000	13,780,000	-
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE <sup>(1)</sup>	10/12/2006	2036	672321JG2	24,615,000	4,745,000	-
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE	10/12/2006	2036	672321JK3	4,945,000	4,945,000	-
<b>Total</b>				<u>\$112,715,000</u>	<u>\$23,470,000</u>	<u>\$62,150,000</u>

<sup>(1)</sup> The 2015 and 2016 maturities of these bonds are not being refunded.

The refunding of the Former Agency’s Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE, Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE (other than the 2015 and 2016 maturities) and Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE will be effected by depositing a portion of the proceeds of the Series 2015-TE Bonds, together with other available monies, into a special and irrevocable escrow fund (the “**Escrow Subaccount - Tax Exempt**”) established therefor in accordance with Irrevocable Refunding Instructions given by the Successor Agency (“**Irrevocable Refunding Instructions - Tax-Exempt Bonds**”) to Wells Fargo Bank, National Association, as trustee for such series of Refunded Bonds (“**WFB**”). The refunding of the Former Agency’s Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A and Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (other than the 2015 and 2016 maturities) will be effected by depositing a portion of the proceeds of the Series 2015-T Bonds, together with other available monies, into a special and irrevocable escrow fund (the “**Escrow Subaccount - Taxable**” and together with the Escrow Subaccount - Tax-Exempt, the “**Escrow Subaccounts**”) established therefor in accordance with Irrevocable Refunding Instructions given by the Successor Agency (“**Irrevocable Refunding Instructions - Taxable Bonds**” and together with the Irrevocable Refunding Instructions - Tax-Exempt Bonds, the “**Irrevocable Refunding Instructions**”) to The Bank of New York Mellon Trust Company, N.A., as trustee for such series of Refunded Bonds (“**BNY**” and together with WFB, the “**Escrow Trustees**”). Each of the Irrevocable Refunding Instructions will be dated as of September 2, 2015. The amounts deposited in each Escrow Subaccount will be held as cash uninvested or will be invested in (i) direct noncallable obligations of, or unconditionally guaranteed by, the United States of America (“**Federal Securities**”) and/or (ii)

senior debt obligations of the Federal Home Loan Bank System (“**FHLB Securities**” and together with the Federal Securities, the “**Defeasance Securities**”). The Defeasance Securities will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that such amounts together with any amounts held as cash in each Escrow Subaccount, will provide sufficient monies to pay interest on the series of Refunded Bonds to which it relates as the same shall become due and to pay the redemption price (i.e., 100% of the principal amount) of such series of Refunded Bonds so refunded on September 1, 2016, the redemption date therefor.

Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the indenture related to a series of Refunded Bonds, the liability of the Successor Agency therefor will cease and the series of Refunded Bonds will no longer be outstanding under its indenture, except that the Owners of such Refunded Bonds will be entitled to payment thereof solely from the amounts on deposit in the applicable Escrow Subaccount held by the respective Escrow Trustee.

**Verification.** Grant Thornton LLP, independent certified public accountants, will verify, from the information provided to them, the mathematical accuracy as of the date of delivery of the Bonds of computations relating to the adequacy of the maturing principal amounts of the Defeasance Securities deposited into the Escrow Subaccounts pursuant to the Irrevocable Refunding Instructions and the interest to be earned thereon, together with any amounts held as cash in the Escrow Subaccounts, to pay, the debt service coming due on the related series of Refunded Bonds and to pay, on the redemption date therefor, the redemption price of such Refunded Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

### ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

<i>Sources:</i>	<i>Series 2015-TE Bonds</i>	<i>Taxable Series 2015-T Bonds</i>	<i>Total</i>
Par Amount	\$22,510,000.00	\$66,675,000.00	\$89,185,000.00
Plus Original Issue Premium	2,498,440.00	-	2,498,440.00
<b>Total Sources</b>	<b><u>\$25,008,440.00</u></b>	<b><u>\$66,675,000.00</u></b>	<b><u>\$91,683,440.00</u></b>
 <i>Uses:</i>			
<b>Refunding Escrow Subaccounts</b>			
Series 2006A Housing Bonds	-	\$ 2,296,586.43	\$ 2,296,586.43
Series 2006A-T Housing (Taxable) Bonds	-	63,173,329.89	63,173,329.89
Series 2006A-TE Bonds	\$14,409,903.38	-	14,409,903.38
Series 2006B-TE Bonds	4,961,393.64	-	4,961,393.64
Series 2006C-TE Bonds	5,170,512.81	-	5,170,512.81
Costs of Issuance <sup>(1)</sup>	397,119.16	965,853.41	1,362,972.57
Underwriters' Discount	69,511.01	239,230.27	308,741.28
<b>Total Uses</b>	<b><u>\$25,008,440.00</u></b>	<b><u>\$66,675,000.00</u></b>	<b><u>\$91,683,440.00</u></b>

<sup>(1)</sup>Includes legal, financing and consultant fees, rating agency fee, verification agent fees, fees for the 2015 Insurance Policy, 2015 Reserve Policy and other miscellaneous expenses.

## THE BONDS

### Authority for Issuance

The Bonds were authorized for issuance pursuant to the Indenture, the Refunding Law, the Redevelopment Law and the Dissolution Act. Issuance of the Bonds and the execution of the related documents was authorized by the Successor Agency pursuant to a resolution adopted on April 21, 2015 (the “**Resolution**”), and approved by the Successor Agency’s Oversight Board pursuant to a resolution adopted on April 27, 2015 (the “**Oversight Resolution**”).

Written notice of the Oversight Board’s Resolution was sent to the State Department of Finance, as required by the Dissolution Act, on April 28, 2015. On May 29, 2015, which is within the time period allotted under the Dissolution Act for the State Department of Finance to review the Oversight Board’s Resolution, the State Department of Finance provided a letter to the Successor Agency stating that, based on the State Department of Finance’s review of the Oversight Board’s Resolution and application of applicable law, the State Department of Finance approved the Bonds. A copy of the State Department of Finance’s letter is set forth in APPENDIX H.

### Description of the Bonds

The Bonds of each Series will be issued in the form of fully registered bonds without coupons and in principal denominations of \$5,000 or any integral multiple thereof. The Bonds of each Series will be dated, and shall bear interest from, their date of delivery to the original purchasers thereof. The Bonds of each Series will be issued in the respective aggregate amounts, will bear interest at the respective rates and will mature, subject to redemption provisions set forth hereinafter, on the respective dates and in the amounts all as set forth on the inside cover page hereof. See APPENDIX G – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Interest on each Series of the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2016 (each, an “**Interest Payment Date**”). Interest on the Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated after the close of business on the fifteenth (15<sup>th</sup>) day of the month preceding an Interest Payment Date, whether or not such fifteenth (15<sup>th</sup>) calendar day is a Business Day, and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to February 16, 2016, in which event it shall bear interest from the date of delivery of the Bonds to the original purchasers thereof, provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has been previously paid or made available for payment thereon.

### Book-Entry Only System

Each Series of Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as a securities depository for the Bonds. Individual purchases may be made in book-entry only form. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds so purchased. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal, premium, if any, and interest evidenced by the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. In this Official Statement, the term “**Beneficial Owner**” means the person for whom the DTC Participant acquires an interest in the Bonds.

Each such payment to DTC or its nominee will be valid and effective to fully discharge all liability of the Successor Agency or the Trustee with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. The Successor Agency and the Trustee cannot and do not give any assurance that DTC's Direct Participants or Indirect Participants will distribute to Beneficial Owners (i) payments of interest, principal or premium, if any, with respect to the Bonds, (ii) confirmation of ownership interests in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Bonds, or that DTC's Direct Participants or Indirect Participants will do so on a timely basis.

*Neither the Successor Agency nor the Trustee will have any responsibility or obligation to DTC Participants, Indirect Participants or Beneficial Owners with respect to payment, or the provision of, notice to DTC Participants, Indirect Participants or Beneficial Owners or the selection of Bonds for redemption. See APPENDIX G – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”*

### **Redemption Provisions**

**Optional Redemption.** The Series 2015-TE Bonds maturing on or prior to September 1, 2025, are not subject to optional redemption. The Series 2015-TE Bonds maturing on or after September 1, 2026, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after September 1, 2025, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

**Make-Whole Redemption.** The Taxable Series 2015-T Bonds shall be subject to redemption prior to their respective maturities at the option of the Successor Agency, in whole or in part, in any authorized denomination on any date at a redemption price equal to the Make-Whole Redemption Price.

The “**Make-Whole Redemption Price**” of any Taxable Series 2015-T Bonds to be redeemed is an amount equal to the greater of (i) 100% of the principal amount of such Taxable Series 2015-T Bonds; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Taxable Series 2015-T Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Series 2015-T Bonds are to be redeemed, discounted to the date on which such Taxable Series 2015-T Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 30 basis points, plus, in each case, accrued and unpaid interest on such Taxable Series 2015-T Bonds on such redemption date.

The “**Treasury Rate**” is, as of any redemption date of any Taxable Series 2015-T Bonds, the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the maturity date of such Taxable Series 2015-T Bonds; provided, however, that if the period from such redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The Make-Whole Redemption Price of the Taxable Series 2015-T Bonds will be calculated by an independent accounting firm, investment banking firm or financial advisor retained by the Successor

Agency at the Successor Agency’s expense to calculate such redemption price (the “**Calculating Agent**”). The determination by the Calculating Agent of the redemption price will be conclusive and binding on the Successor Agency and the Owners of the Taxable Series 2015-T Bonds. The Successor Agency and the Trustee may conclusively rely on the Calculating Agent for determining any Make-Whole Redemption Price and will not be liable for such reliance.

**Mandatory Sinking Fund Redemption.** The Taxable Series 2015-T Bonds that are Term Bonds maturing on September 1, 2035, are also subject to mandatory redemption in whole, or pro rata among Owners as described in the paragraph entitled “Manner of Redemption” below, on September 1 in each year, commencing September 1, 2029, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; provided, however, that (y) in lieu of redemption thereof, such Taxable Series 2015-T Term Bonds may be purchased by the Successor Agency as described below, and (z) if some but not all of such Taxable Series 2015-T Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Taxable Series 2015-T Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency.

**Taxable Series 2015-T Term Bonds**

Sinking Account Redemption Date (September 1)	Principal Amount to be Redeemed
2029	\$ 2,560,000
2030	2,685,000
2031	2,820,000
2032	3,780,000
2033	4,060,000
2034	8,455,000
2035*	930,000
	\$25,290,000

\*Maturity

**Purchase in Lieu of Redemption.** In lieu of redemption of the Term Bonds pursuant to the preceding paragraphs or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed on the next succeeding September 1.

**Selection of Bonds for Redemption.** Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds

to be redeemed shall be the Bonds that were assigned the numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds so redeemed or purchased shall be cancelled and destroyed.

Notwithstanding the prior paragraph, optional redemption payments and mandatory sinking fund redemption payments on the Taxable Series 2015-T Bonds being redeemed in part will be made on a pro rata basis to each Owner in whose name such Taxable Series 2015-T Bonds are registered at the close of business on the Record Date immediately preceding the redemption date (which Owner shall be DTC so long as the book-entry system with DTC is in effect). As used in the foregoing sentence, "pro rata" means, in connection with any mandatory sinking fund redemption or any optional redemption in part, with respect to the allocation of amounts to be redeemed, the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of Taxable Series 2015-T Bonds held by an Owner of such Taxable Series 2015-T Bonds, and the denominator of which is equal to the total amount of such maturity of Taxable Series 2015-T Bonds, then Outstanding. So long as there is a securities depository for the Taxable Series 2015-T Bonds, there will be only one registered owner and neither the Successor Agency nor the Trustee will have responsibility for prorating partial redemptions among beneficial owners of the Taxable Series 2015-T Bonds.

***Notice of Redemption; Rescission.*** Notice of redemption will be mailed by first class mail no less than thirty (30) and nor more than sixty (60) days prior to the redemption date (i) to any Insurer and to the Owners of any Bonds to the respective registered owners of the Bonds designated for redemption at their addresses appearing on the registration books for the Bonds, and (ii) to the Securities Depositories and one or more Information Services. Neither failure to receive such notice nor any defect in the notice so mailed nor any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner to notify the Beneficial Owner so affected will affect the sufficiency of the proceedings for redemption of such Bonds or the cessation of accrual of interest thereon on the redemption date.

The Successor Agency may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. If any redemption is rescinded or canceled in accordance with the Indenture, the Trustee will mail notice of such rescission or cancellation in the same manner and to the same recipients as the original notice of such redemption was sent, and neither the Successor Agency nor Trustee shall have any liability to Owners or any other party related to or arising from such rescission of redemption.

***Effect of Redemption.*** From and after the date fixed for redemption, if funds available for the payment of the redemption price and interest on, the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

***Transfer and Exchange.*** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee may refuse to transfer or exchange of (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for

redemption, or (b) any Bonds selected by the Trustee for redemption. See APPENDIX G – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

***Mutilated, Lost, Destroyed or Stolen Bonds.*** The Successor Agency and the Trustee will, under certain circumstances, replace Bonds which have been mutilated, lost, destroyed or stolen. The Successor Agency may require payment of a reasonable fee and of the expenses which may be incurred by the Successor Agency and the Trustee in connection with the issuance of a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen.

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## DEBT SERVICE SCHEDULE

Set forth below for the Bonds is a table showing scheduled principal, interest and total debt service for each Series.

Bond Year <sup>(1)</sup>	Existing Bonds <sup>(2)</sup>	Series 2015-TE Bonds			Taxable Series 2015-T Bonds			Total Debt Service
		Principal	Interest	Debt Service	Principal	Interest	Debt Service	
9/1/2016	\$ 47,969,090	-	\$ 1,122,374	\$ 1,122,374	\$ 440,000	\$ 2,622,006	\$ 3,062,006	\$ 52,153,470
9/1/2017	43,082,696	-	1,125,500	1,125,500	4,340,000	2,623,462	6,963,462	51,171,659
9/1/2018	43,581,757	-	1,125,500	1,125,500	4,425,000	2,546,254	6,971,254	51,678,511
9/1/2019	43,333,490	-	1,125,500	1,125,500	4,515,000	2,445,762	6,960,762	51,419,752
9/1/2020	43,238,750	-	1,125,500	1,125,500	4,645,000	2,321,013	6,966,013	51,330,263
9/1/2021	37,655,016	-	1,125,500	1,125,500	4,795,000	2,174,091	6,969,091	45,749,607
9/1/2022	22,242,924	-	1,125,500	1,125,500	4,955,000	2,007,081	6,962,081	30,330,505
9/1/2023	15,627,566	-	1,125,500	1,125,500	1,995,000	1,819,634	3,814,634	20,567,700
9/1/2024	15,619,076	-	1,125,500	1,125,500	2,075,000	1,740,592	3,815,592	20,560,167
9/1/2025	15,616,676	-	1,125,500	1,125,500	2,160,000	1,654,230	3,814,230	20,556,407
9/1/2026	15,613,560	-	1,125,500	1,125,500	2,255,000	1,561,091	3,816,091	20,555,152
9/1/2027	14,903,051	-	1,125,500	1,125,500	2,340,000	1,461,601	3,801,601	19,830,152
9/1/2028	14,697,266	-	1,125,500	1,125,500	2,445,000	1,356,020	3,801,020	19,623,785
9/1/2029	14,694,393	-	1,125,500	1,125,500	2,560,000	1,243,256	3,803,256	19,623,150
9/1/2030	14,691,627	-	1,125,500	1,125,500	2,685,000	1,117,407	3,802,407	19,619,534
9/1/2031	14,687,476	-	1,125,500	1,125,500	2,820,000	985,412	3,805,412	19,618,388
9/1/2032	13,860,432	-	1,125,500	1,125,500	3,780,000	846,781	4,626,781	19,612,713
9/1/2033	13,764,998	-	1,125,500	1,125,500	4,060,000	660,956	4,720,956	19,611,454
9/1/2034	9,573,862	-	1,125,500	1,125,500	8,455,000	461,367	8,916,367	19,615,729
9/1/2035	8,438,995	\$ 9,045,000	1,125,500	10,170,500	930,000	45,719	975,719	19,585,214
9/1/2036	5,435,920	13,465,000	673,250	14,138,250	-	-	-	19,574,170
<b>Total<sup>(3)</sup></b>	<b>\$468,328,619</b>	<b>\$22,510,000</b>	<b>\$23,180,124</b>	<b>\$45,690,124</b>	<b>\$66,675,000</b>	<b>\$31,693,736</b>	<b>\$98,368,736</b>	<b>\$612,387,479</b>

<sup>(1)</sup> Amounts payable as of September 1.

<sup>(2)</sup> Reflects outstanding debt service on the Existing Bonds not being refunded by the Series 2015-TE Bonds and Taxable Series 2015-T Bonds.

<sup>(3)</sup> Totals may not add due to rounding.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### General

Under the Indenture, the Successor Agency has pledged all of its right, title and interest in and to the Pledged Tax Revenues to payment of the Bonds. The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture, and are payable solely from and secured by a pledge of, security interest in and lien on the (a) Pledged Tax Revenues allocated and paid to the Successor Agency from the Project Areas, other than (i) certain administrative fees, expenses and indemnity payable by the Successor Agency to the Trustee and (ii) any rebate of excess investment earnings payable to the United States of America; (b) all other moneys deposited with the Trustee from time to time in the funds and accounts established under the Indenture, including the Reserve Account; and (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

The Bonds are payable from and secured by Pledged Tax Revenues deposited into the Redevelopment Property Tax Trust Fund. The pledge of moneys representing Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund to pay debt service on the Bonds is subordinate to the prior pledge, or priority of payment, of certain of such tax increment revenues to the payment of certain outstanding bonds and other obligations of the Successor Agency as described under “– Security of Bonds; Equal Security” and “– Senior Obligations.”

**The Bonds are not a debt of the City, the State, or any of its political subdivisions, and neither the City, the State, nor any of its political subdivisions is liable therefor, nor in any event will the Bonds be payable out of any funds or properties other than those of the Successor Agency and only to the limited extent set forth in the Indenture.**

**The principal of, premium, if any, and interest on the Bonds are payable solely from Pledged Tax Revenues and certain other funds pledged therefor under the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. None of the members of the Successor Agency, the City, or any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. The Successor Agency has no taxing power.**

### Tax Increment Financing Generally

Under the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes on all taxable property in a project area levied by or for the benefit of the State, any city, county, district or other public corporation (the “**Taxing Agencies**”) when collected are divided as follows:

(a) To Taxing Agencies. An amount each year equal to the amount that would have been produced by the then current tax rates applied to the assessed valuation of such property within the project areas last equalized prior to the effective date of the ordinance approving the redevelopment plan, plus the portion of the levied taxes in excess of the foregoing amount sufficient to pay debt service on any voter-approved bonded indebtedness of the respective Taxing Agencies incurred for the acquisition or improvement of real property and approved on or after January 1, 1989, is paid into the funds of the respective Taxing Agencies; and

(b) To the Former Agency/Successor Agency. That portion of the levied taxes in excess of the amount described in paragraph (a) is deposited into a special fund of the applicable redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the “on or after January 1, 1989” reference from paragraph (a) above.

### **Allocation of Taxes Pursuant to the Dissolution Act**

**General.** Prior to the enactment of the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects by permitting the pledge of tax increment revenues derived from the applicable project area to repayment of tax allocation bonds. The Dissolution Act requires that all property tax increment derived from all Project Areas be deposited in a Redevelopment Property Tax Trust Fund for the Successor Agency held and maintained by the County Controller. *Discussions herein regarding tax increment revenues or tax revenues refer to those moneys deposited by the County Controller into the Redevelopment Property Tax Trust Fund.*

The Dissolution Act authorizes bonds, including the Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency (the “**Redevelopment Property Tax Trust Fund**”), which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described below.

The Dissolution Act requires the County Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the bonds.

Pursuant to the Dissolution Act, the pledge of the Pledged Tax Revenues to repay the Bonds is made as if the Bonds had been issued prior to the effective date of Dissolution Act, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date. Pursuant to the Dissolution Act, the Successor Agency has covenanted in the Indenture to take all actions necessary to ensure that the Bonds will be included in each of the Successor Agency’s Recognized Obligation Payment Schedules as prepared from time to time in accordance with the Dissolution Act. See “–Recognized Obligation Payment Schedules” below.

Taxes levied on the property within the Project Areas on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent they constitute tax revenues, less administrative costs, as described herein, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Controller to the Successor Agency’s Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment

Schedule in accordance with the requirements of the Dissolution Act. See “– Recognized Obligation Payment Schedules” below.

Prior to the dissolution of redevelopment agencies, tax increment revenues from one project area could not be used to repay indebtedness incurred for another project area. However, the Dissolution Act has only required that county auditor-controllers establish a single Redevelopment Property Tax Trust Fund with respect to each former redevelopment agency within the respective county. Additionally, the Dissolution Act now requires that all revenues equivalent to the amount that would have been allocated as tax increment to the former redevelopment agency will be allocated to the Redevelopment Property Tax Trust Fund of the applicable successor agency, and this requirement does not require funds derived from separate project areas of a former redevelopment agency to be separated. In effect, in situations where a former redevelopment agency had established more than one redevelopment project area (such as the Former Agency) the Dissolution Act combines the property tax revenues derived from all project areas into a single trust fund, the Redevelopment Property Tax Trust Fund, to repay indebtedness of the former redevelopment agency or the successor agency. To the extent the documents governing outstanding bonds of a redevelopment agency have pledged revenues derived from a specific project area, the Dissolution Act states: *“It is the intent that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.”*

***Elimination of Housing Set-Aside.*** Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund not less than twenty percent (20%) of all tax revenues allocated to such agencies. This twenty percent (20%) set-aside requirement was eliminated by the Dissolution Act. Accordingly, Pledged Tax Revenues include the amounts that, prior to dissolution, would have been required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund with respect to the Project Areas, and all such amounts are available for the payment of debt service on the Bonds on a basis subordinate to the existing housing bonds.

#### ***Statutory Pass-Throughs.***

Assembly Bill 1290. Assembly Bill 1290 (being Chapter 942, Statutes of 1993) (“**AB 1290**”) was adopted by the California Legislature and became law on January 1, 1994 (adding among other things, Sections 33607.5 and 33607.7 to the Redevelopment Law). The enactment of AB 1290 created several significant changes in the Redevelopment Law, including a mandatory statutory formula for sharing tax increment (“**AB 1290 Statutory Pass-Through Amounts**”) for project areas established, or amended in certain respects, on or after January 1, 1994, which applied to tax increment revenues net of the housing set-aside. The first twenty-five percent (25%) of net tax increment generated by the increase in assessed value after the establishment of the project areas or the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the 11<sup>th</sup> year of collecting tax increment, an additional twenty-one percent (21%) of the increment generated by increases in assessed value after the 10<sup>th</sup> year must be so paid. Finally, beginning in the 31<sup>st</sup> year of collecting tax increment, an additional fourteen percent (14%) of the increment generated by increases in assessed value after the 30<sup>th</sup> year must be so paid.

Senate Bill 211. In connection with the City’s amendment of the Central District Project Area’s redevelopment plan on January 6, 2004 to eliminate the time limit on the incurrence of debt for the original portion of the Central District Project Area, the Former Agency was obligated to make statutory tax sharing payments (referred to herein as “**SB 211 Statutory Tax Sharing Payments**” and together with AB 1290 Statutory Pass-Through Amounts, the “**Statutory Pass-Through Payments**”) pursuant to Section 33607.7 of the Redevelopment Law. SB 211 Statutory Tax-Sharing Payments are made to all

taxing entities in accordance with the three-tiered formulas for statutory tax sharing payments required of those project areas adopted after January 1, 1994. Since the former time limit on incurrence of new debt for the original portion of the Project Area was January 1, 2004, these SB 211 Statutory Tax-Sharing Payments began in fiscal year 2004-05 and use the valuation for 2003-04 as the adjusted base year. The annual tax sharing amount to be divided among the affected taxing entities is 25% of the revenue derived from the difference in assessed value between the adjusted base year value and the current year value net of a 20% share for the former housing set-aside requirement. According to Redevelopment Law, these SB 211 Statutory Tax-Sharing Payments will continue through the last fiscal year within which the original portion of the Central District Project Area is able to repay indebtedness. The second tier of SB 211 Statutory Tax-Sharing Payments required by Section 33607.7 was initiated in fiscal year 2014-15 and will use the original portion of the Central District Project Area's assessed values for fiscal year 2013-14 as a second adjusted base year value. The annual tier 2 tax sharing amount to be divided among the affected taxing entities is 21% of the revenue derived from the difference in assessed value between the second adjusted base year value and the current year value net of a 20% share for the former housing set-aside requirement. A third tier will not be initiated, since it would take effect, after the expiration of the original portion of the Central District's Project Area's ability to repay indebtedness. The Central District Project Area is also subject to statutory tax sharing under AB 1290.

The Dissolution Act requires that the County Controller calculate and pay the tax sharing obligations of the former redevelopment agencies as part of the process of allocating revenue from the Redevelopment Property Tax Trust Fund each January 2 and June 1. The legislation requires that the calculations be done in the same manner as prior to January 1, 2011. This includes calculation of statutory tax sharing amounts using a deduction of 20% for housing set-aside despite the fact that this obligation is no longer in effect. See “– *Elimination of Housing Set-Aside Requirement*”, above.

Distribution. There are fifteen (15) taxing entities (the “**Taxing Entities**”) within the Project Areas. In addition to the Taxing Entities, the County Controller allocates a portion of revenue to the Educational Revenue Augmentation Fund (“**ERAF**”) for distribution to the schools. The Dissolution Act requires the County Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed for Statutory Pass-Through Amounts to the Taxing Entities for each six-month period before amounts are distributed by the County Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (see below), (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Retirement Fund, from other funds transferred from the Former Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency's enforceable obligations, pass-through payments, and the Successor Agency's administrative cost allowance for the applicable six-month period, and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes for the applicable six-month period.

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period. To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the Taxing Entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments, and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable six-month period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed for

Statutory Pass-Through Amounts, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted.

The Successor Agency is of the opinion that the provisions of AB 1290, including the time limitations provided in AB 1290, will not have an adverse impact on the payment of debt service on the Bonds. The total Statutory Pass-Through Amounts for Fiscal Year 2014-15 was \$21,028,000 and for Fiscal Year 2015-16 is estimated to be \$21,015,000. However, the Successor Agency cannot guarantee that this process prescribed by the Dissolution Act of administering the tax revenues and the Statutory Pass-Through Amounts will effectively result in adequate Pledged Tax Revenues for the payment of principal and interest on the Bonds when due. See “– Recognized Obligation Payment Schedules.” See also “PLEGGED TAX REVENUES AND DEBT SERVICE” for additional information regarding the Statutory Pass-Through Amounts applicable to the Successor Agency and the revenues derived from the Project Areas.

Subordination. Section 33607.5(e) of the Redevelopment Law sets forth a process pursuant to which such payments may be subordinated to debt service on newly-issued bonds or loans. The Successor Agency notified the Taxing Entities of its intent to subordinate the Statutory Pass-Through Amounts to debt service on the Bonds. With the expiration of the requisite 45-day period with no disapproval notice from the Taxing Entities, the Successor Agency is deemed to have the approval of all Taxing Entities to subordinate the payment of the Statutory Pass-Through Amounts to debt service on the Bonds. The Statutory Pass-Through Amount paid through ERAF to the schools is assumed to be subordinated with the Statutory Pass-Through Amount paid directly to the schools. See also “CERTAIN RISK FACTORS – Subordination of ERAF.” Although the Successor Agency’s obligation to pay Statutory Pass-Through Amounts are subordinate to its obligations to pay debt service on the Bonds, it is not subordinate to its obligation to pay debt service on the Existing Bonds, which bonds are senior to the Bonds. As the Successor Agency is projecting ample Pledged Tax Revenues from the Project Areas (see Table 7 herein), these payment priorities are not expected to adversely impact the Successor Agency’s ability to timely make its debt service payments on the Bonds.

### **Security of Bonds; Equal Security**

Except as may otherwise be provided in the Indenture, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and the moneys in the Special Fund, and the Bonds and any additional Bonds (as defined in the Indenture) shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (including any subaccounts therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues, which constitute the amounts deposited in the Redevelopment Property Tax Trust Fund that are not pledged to other obligations of the Former Agency or the Successor Agency, and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

Per the Indenture, “**Pledged Tax Revenues**” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws, and that are deposited in the Redevelopment Property Tax Trust Fund, excluding (i) Tax Revenues required to pay debt service on the Existing Bonds, but only to the extent that such Tax Revenues were pledged to the payment of debt service on the Existing Bonds, (ii) certain amounts required to be paid under the Uptown Ground Lease and the 17<sup>th</sup> St. Garage DDA, but only to the extent that the amounts that would otherwise constitute Pledged Tax Revenues were pledged to the payment thereof (thereby not including in such exclusion Pledged Tax Revenues that were not pledged to the payment of amounts owed pursuant to the

Uptown Ground Lease and the 17th St. Garage DDA), and (iii) all amounts required to be paid to Taxing Entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law and Section 34183(a)(1) of the Dissolution Act unless such payments are subordinated to the payments on the Bonds or any additional Bonds issued pursuant to a Supplemental Indenture or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Redevelopment Law and 34177.5(c) of the Dissolution Act. All amounts owed to Taxing Entities (defined herein) have been subordinated to the payment of debt service on the Bonds. See “– *Statutory Pass-Throughs.*” The Successor Agency’s collection of Pledged Tax Revenues in the Project Areas are subject to certain limitations set forth in their respective redevelopment plans. See “THE PROJECT AREAS.”

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control (e.g., any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies) could affect the amount of Pledged Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds. See “– Tax Increment Financing Generally,” “– Recognized Obligation Payment Schedules,” “LIMITATIONS ON TAX REVENUES” and “CERTAIN RISK FACTORS.”

In consideration of the acceptance of the Bonds by those who will hold the same from time to time, the Indenture constitutes a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements set forth therein to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all owners of the Bonds and the holders of any additional Parity Debt, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof, or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided in the Bonds or in the Indenture.

### **Special Fund; Deposit of Pledged Tax Revenues**

The Indenture establishes a Subordinate Bonds Special Fund (the “**Special Fund**”) to be held by the Successor Agency within the Retirement Fund. The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any Semiannual Period in accordance with the Indenture into the Special Fund promptly upon receipt thereof by the Successor Agency. All Pledged Tax Revenues received by the Successor Agency in excess of the amount required to make the deposits required in order to pay debt service on the Bonds and any Parity Debt and to make any other payments due under the Indenture, and except as may be provided to the contrary in the Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Redevelopment Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in the Indenture and in any Supplemental Indenture or other Parity Debt Instrument.

There has been established under the Indenture a trust fund to be known as the Debt Service Fund, which will be held by the Trustee in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund pursuant to the Indenture, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into accounts amounts required to be transferred with respect to Parity Debt other than Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

**Interest Account.** On or before the fifth (5<sup>th</sup>) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of March 1, 2016, the Successor Agency will withdraw from the Special Fund and transfer to the Trustee for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on such date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture).

**Principal Account.** On or before the fifth (5<sup>th</sup>) Business Day preceding September 1 in each year beginning September 1, 2016, the Successor Agency will withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Bonds and Outstanding Term Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Outstanding Serial Bonds and the Outstanding Term Bonds, including by mandatory sinking account redemption, as it becomes due and payable.

**Reserve Account.** The Indenture establishes a “**Reserve Account**” to be held by the Trustee for the benefit of the Owners of the Bonds. The amount on deposit in the Reserve Account is required to be maintained at the Reserve Requirement, which is defined in the Indenture to mean, with respect to each Series of Bonds and each series of Parity Debt issued in the form of bonds pursuant to a Supplemental Indenture (together, “**Outstanding Bonds**”), the lesser of (i) 125% of average Annual Debt Service with respect to that series of Outstanding Bonds, (ii) Maximum Annual Debt Service with respect to that series of Outstanding Bonds, or (iii) with respect to an individual series of Outstanding Bonds, 10% of the original principal amount of such series of Outstanding Bonds (or, if such series of Outstanding Bonds has more than a *de minimis* amount of original issue discount or premium (as determined in accordance with the Internal Revenue Code), 10% of the issue price of such series of Outstanding Bonds); subject to the limitations and conditions in the Indenture relating to Parity Debt in the form of bonds. The calculation of the Reserve Requirement may, with respect to two or more series of bonds, be determined on a combined basis. The Reserve Requirement for the Bonds will be calculated on a combined basis.

The Reserve Requirement for the Bonds (i.e., \$8,576,066.51) will be satisfied by the delivery of the 2015 Reserve Policy for the Bonds by the 2015 Insurer to the Trustee on the Closing Date for deposit in the Reserve Account for the Bonds. The Trustee will draw on the 2015 Reserve Policy in accordance with its terms and conditions and the terms of the Indenture. The amounts available under the 2015 Reserve Policy will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the Bonds. The Trustee will comply with all documentation relating to the 2015 Reserve Policy as required to maintain the 2015 Reserve Policy in full force and effect and as required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture. The Successor Agency has no obligation to replace the 2015 Reserve Policy or to fund the Reserve Account with cash if, at any time that the Bonds are Outstanding, amounts are not available under the 2015 Reserve Policy other than in connection with a draw on the 2015 Reserve Policy. Additionally, the Successor Agency will have no obligation to replace the 2015 Reserve Policy, or to deposit any cash in the Reserve Account

or to take any other action with respect to the 2015 Reserve Policy in the event that any rating assigned to the 2015 Insurer by S&P or Moody's is lowered or withdrawn.

See "BOND INSURANCE – Assured Guaranty Municipal Corp." for more information about the 2015 Insurer. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for further information regarding the Reserve Account. Amounts on deposit in the Reserve Account are not available to pay debt service in connection with any Senior Obligations. See "– Senior Obligations" below.

## **Senior Obligations**

Pursuant to the Indenture, the Successor Agency cannot issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the Bonds. However, the Successor Agency's pledge of moneys deposited in the Redevelopment Property Tax Trust Fund to pay debt service on the Bonds is subordinate to its prior pledge of or prior claim on certain such tax increment revenues to: (1) pay debt service on the Existing Bonds not being refunded by the Bonds, but only to the extent that such Tax Revenues were pledged to the payment of debt service on the Existing Bonds; (2) make payments pursuant to the Uptown Redevelopment Project Ground Lease dated as of October 24, 2005 by and between the Former Agency, the City and Uptown Housing Partners LP (the "**Uptown Ground Lease**"), but only to the extent that the amounts that would otherwise constitute Pledged Tax Revenues were pledged to the payment thereof (thereby not including in such exclusion Pledged Tax Revenues that were not pledged to the payment of amounts owed pursuant to the Uptown Ground Lease); (3) make payments owed under the 17<sup>th</sup> Street Garage Disposition and Development Agreement, dated August 26, 2004, by and between the Former Agency and Rotunda Garage LP (the "**17<sup>th</sup> Street Garage DDA**"), but only to the extent that the amounts that would otherwise constitute Pledged Tax Revenues were pledged to the payment thereof (thereby not including in such exclusion Pledged Tax Revenues that were not pledged to the payment of amounts owed pursuant to the 17<sup>th</sup> St. Garage DDA); and (4) make pass-through payments unless such payments are subordinated to payments on the Bonds or any additional Bonds (as defined in the Indenture) issued pursuant to a Supplemental Indenture or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act. The Uptown Ground Lease was entered into for the purpose of leasing to Uptown Housing Partners LP certain property located in the Central District Project Area for the development of a mixed-use development comprised of 665 multi-family rental units (a portion of which are affordable housing), approximately 9,000 square feet of neighborhood service retail space, 533<sup>+</sup> parking spaces and an approximately 25,000 square foot public park (the "**Uptown Project**"). The Uptown Ground Lease obligates the Successor Agency to pay Uptown Housing Partners LP, among other amounts, net available increment generated by the development of the Uptown Project and collected from properties located thereon. The 17<sup>th</sup> Street Garage DDA was entered into for the purpose of facilitating the development of a parking garage with 320<sup>+</sup> parking spaces in the Central District Project Area (the "**Garage**") and obligates the Successor Agency to pay Rotunda Garage, LP net available increment revenues resulting from property taxes or possessory interest taxes assessed against properties or improvements to the Garage on the parcel on which it sits. "Net available increment" is defined similarly in both the 17<sup>th</sup> Street Garage DDA and the Uptown Ground Lease as property taxes collected by the Successor Agency from property within the Central District Project Area applicable to the Uptown Project in the case of the Uptown Ground Lease and to the Garage in the case of the 17<sup>th</sup> Street Garage DDA, less housing set aside requirements, tax-sharing pass-through obligations, pledges of said tax increment to the payment of debt service on bonds issued prior to the date of the Lease or DDA and ERAF obligations. The payment of these obligations is subordinate to the payment of debt service on bonds secured by revenues from the Central District Project Area and to payment of debt service on bonds secured by the former housing set-aside requirement.

**Existing Bonds.** The pledge of tax revenues from the Project Areas under the Indenture to pay debt service on the Bonds is subordinate to the pledge thereof for payment of debt service on existing

bonds issued by the Former Agency for the benefit of one or more Project Areas not being refunded by the Bonds (the “**Existing Bonds**”). The Existing Bonds include the following bonds, which will continue to be outstanding following the sale of the Bonds:

<u>Existing Bonds</u>	Outstanding Principal Amount of Existing Bonds (as of <u>September 1, 2015</u> )	Outstanding Principal Amount of Existing Bonds After Issuance <u>of the Bonds</u>
<i>Redevelopment Agency of the City of Oakland</i>		
Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A	\$ 2,195,000	\$ 0
Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable)	63,660,000	3,705,000
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE	13,780,000	0
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T (Federally Taxable)	50,185,000	50,185,000
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE	24,015,000	19,270,000
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T (Federally Taxable)	61,490,000	61,490,000
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE	4,945,000	0
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-T (Federally Taxable)	9,545,000	9,545,000
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2006T (Federally Taxable)	11,555,000	11,555,000
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable)	28,250,000	28,250,000
Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds – Direct Payment)	7,190,000	7,190,000
Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable)	41,520,000	41,520,000
<i>Oakland Redevelopment Successor Agency</i>		
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2013	85,575,000	85,575,000
TOTAL	\$403,905,000	\$318,285,000

**Property Tax Administration Fees.** Pursuant to the Dissolution Act, beginning with Fiscal Year 2012-13, the County Controller charges the Successor Agency a fee to recover property tax administration costs. This administration fee is approximately 0.71% of tax increment and is allocated among all of the Project Areas as determined at the discretion of the Successor Agency. For Fiscal Year 2013-14, the County’s administrative charge to the Successor Agency for all of its project areas was \$815,285. For Fiscal Year 2014-2015, the County’s administrative charge is estimated to be \$875,375. See also “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure – *Property Tax Administrative Costs.*”

## **Limitations on Additional Indebtedness**

**Senior Debt.** Under the Indenture, the Successor Agency has covenanted that it will not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the Bonds.

**Parity Debt.** In addition to the Bonds, the Successor Agency may issue additional bonds (including pursuant to a Supplemental Indenture) or incur other loans, advances or indebtedness payable from Pledged Tax Revenues on a parity with the Bonds (“**Parity Debt**”) to refund any of the Existing Bonds or outstanding Bonds or Parity Debt in such principal amount as shall be determined by the Successor Agency, subject to the following specific conditions which are conditions precedent to the issuance and delivery of such Parity Debt:

(a) No event of default under the Indenture or under any Parity Debt Instrument shall have occurred and be continuing unless such event of default will be cured by the issuance of such Parity Debt;

(b) The debt service on the Parity Debt either will be less than the debt service on the Existing Bonds or the Bonds or Parity Debt being refunded in each Bond Year or, alternatively, Pledged Tax Revenues received or to be received for the then current Fiscal Year based on the most recent taxable valuation of property in the Project Areas as evidenced in a written document from an appropriate official of the County, shall be at least equal to one hundred twenty five percent (125%) of Maximum Annual Debt Service on the Bonds and any other Parity Debt that will be outstanding immediately following the issuance of such Parity Debt;

(c) In the event the Successor Agency issues additional bonds pursuant to a Supplemental Indenture, the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(d) The Successor Agency shall deliver to the Trustee a written certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

**Subordinate.** Nothing contained in the Indenture prevents the Successor Agency from issuing and selling any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency that are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues that is subordinate to the pledge of and lien upon the Pledged Tax Revenues under the Indenture for the security of the Bonds (collectively, “**Subordinate Debt**”).

## **Recognized Obligation Payment Schedules**

**Dissolution Act.** The Dissolution Act requires that, not less than ninety (90) days prior to each January 2 and June 1, successor agencies prepare, and submit to the successor agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule (the “**Recognized Obligation Payment Schedule**”) pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

As defined in the Dissolution Act, “enforceable obligation” includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or

public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following six-month period.

Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue, and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the State Department of Finance to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the State Department of Finance's approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the State Department of Finance, then the State Department of Finance's review of such payments in each future Recognized Obligation Payment Schedule will be limited to confirming that they are required by the prior enforceable obligation.

On May 29, 2015, the State Department of Finance issued its determination letter with regards to the issuance of the Bonds. See APPENDIX H – "STATE DEPARTMENT OF FINANCE DETERMINATION LETTER APPROVING THE BONDS."

**Indenture.** The Successor Agency has heretofore established the Retirement Fund as required by Section 34170.5(a) of the Dissolution Act. In the Indenture, the Successor Agency covenants to comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees in the Indenture to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture.

Further, the Successor Agency covenants to take all actions required under the Dissolution Act to include

- (i) scheduled debt service on the Existing Bonds and any amounts required to replenish any of the reserve accounts established with respect to Existing Bonds,
- (ii) scheduled payments due under the Uptown Ground Lease and the 17th St. Garage DDA,
- (iii) scheduled debt service on the Bonds and any Parity Debt and any amount required under the Indenture or any Parity Debt Instrument to replenish the Reserve Account established under the Indenture or the reserve account established under any Parity Debt Instrument, and
- (iv) amounts due to any Insurer under an insurance or surety bond agreement, in Recognized Obligation Payment Schedules for each six-month period so as to enable the County Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective Semiannual Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above. In addition, the Successor

Agency also covenants to take all actions required under Section 34183(b) of the Dissolution Act to ensure that Pledged Tax Revenues that otherwise would be paid to the Taxing Entities under Section 34183(a) of the Dissolution Act are paid to the Successor Agency if needed to pay debt service on the Bonds and any Parity Debt.

In order to accomplish the foregoing, the Successor Agency covenants in the Indenture to take all actions required under the Redevelopment Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds and (ii) all amounts due and owing to the 2015 Insurer (i.e., the Surety Provider) under the Indenture, or to any other Insurer, so as to enable the County Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as well as all amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer. In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer on a timely basis, the Successor Agency agrees to comply with the following procedures:

Not fewer than 90 days prior to each January 2 and June 1 (or at such earlier time or date as may be required by the Dissolution Act), respectively, commencing January 2, 2016 and continuing until such time as no Bonds remain outstanding under the Indenture, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Controller that shall include all debt service due on all Outstanding Bonds on the next succeeding March and September 1, respectively.

In addition to the amounts described above, each such submission of an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Controller shall also include any amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer, and any amounts required to cure any deficiency in the Reserve Account pursuant to the Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument). Further, in the event the amounts described above are not sufficient to enable the Successor Agency to make the payments described above on a timely basis, the Successor Agency will place on the next succeeding Recognized Obligation Payment Schedule all amounts necessary to enable the Successor Agency to make all such payments in full when due and owing.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of moneys required to pay debt service in each Bond Year in the amounts and not later than the dates set forth above.

## **BOND INSURANCE**

*The information under this section has been prepared by the 2015 Insurer for inclusion in this Official Statement. Neither the Successor Agency nor the Underwriters have reviewed this information, nor do the Successor Agency or the Underwriters make any representation with respect to the accuracy or completeness thereof.*

## **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX I to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

## **Assured Guaranty Municipal Corp.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

***Current Financial Strength Ratings.*** On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). On February 18, 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

***Capitalization of AGM.*** At June 30, 2015, AGM's policyholders' surplus and contingency reserve were approximately \$3,729 million and its net unearned premium reserve was approximately

\$1,670 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

***Incorporation of Certain Documents by Reference.*** Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

***Miscellaneous Matters.*** AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

## THE SUCCESSOR AGENCY

The Former Agency was created on October 11, 1956 by the City Council with the adoption of Resolution No. 35000 C.M.S., pursuant to the Redevelopment Law. As a result of AB 1X 26 and the decision of the California Supreme Court in the California Redevelopment Association case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. See also “INTRODUCTION – The Successor Agency.”

On January 10, 2012, pursuant to Resolution No. 83679 C.M.S. and Sections 34171(j) and 34173 of the Dissolution Act, the City Council elected for the City to serve as successor agency to the Former Agency. On July 17, 2012, pursuant to provisions in the Dissolution Act amended by AB 1484, the City Council adopted Resolution No. 84017 C.M.S. creating the Oakland Redevelopment Successor Agency to serve as successor agency to the Former Agency. Also on July 17, 2012, the City Council sitting as the governing board of the Oakland Redevelopment Successor Agency adopted Agency Resolution No. 2012-0002 establishing the Successor Agency, designating its officers, and adopting administrative, governance and operating rules for the Successor Agency. The Successor Agency is a separate public entity from the City. Pursuant to Section 34176(a) of the Dissolution Act, the City Council elected for the City to retain the housing assets and functions of the Former Agency. Except for the housing assets retained by the City, the assets and liabilities of the Successor Agency are separate from the assets and liabilities of the City.

All legislative powers of the Successor Agency are vested in its eight-member governing board (the “**Board**”), which consists of the members of the City Council. The Mayor acts as the Chief Executive Officer of the Successor Agency, the City Administrator as its Administrator, the City Clerk as its Secretary, the City Treasurer as its Treasurer, and the City Attorney as its legal counsel.

Pursuant to the Dissolution Act, the Successor Agency succeeds to the organizational status of the Former Agency but generally without legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation or other work specifically authorized by the Dissolution Act. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. The Successor Agency completed the due diligence reviews required by State law, made required payments to the taxing entities, and received a Finding of Completion from the State Department of Finance on May 29, 2013. Under a Bond Expenditure Agreement between the Successor Agency and the City entered into on November 8, 2013 (approved by the Oversight Board and the State Department of Finance (the “**Bond Expenditure Agreement**”)), the Successor Agency remits all excess bond proceeds to the City to use for redevelopment purposes consistent with the bond covenants and a bond spending plan adopted by the City. The Bond Expenditure Agreement provides for the Successor Agency to transfer excess bond funds totaling \$91.4 million to the City for eligible redevelopment projects, as well as future excess bond funds as they become available.

The Successor Agency has adopted two Long Range Property Management Plans (“LRPMPs”) for the disposition and use of Former Agency properties. Both LRPMPs have been approved by the Oversight Board and the State Department of Finance.

Under the Dissolution Act, many Successor Agency actions are subject to approval by the Oversight Board, as well as review or approval by the State Department of Finance, including the issuance of bonds, such as the Bonds. Matters are approved by the Successor Agency Board prior to being considered by the Oversight Board. The Oversight Board is comprised of seven-members, who are appointees of the City, the County and local special districts.

## THE PROJECT AREAS

### General

Under the Redevelopment Law, a city or county that activated a redevelopment agency was required to adopt, by ordinance, a redevelopment plan for each redevelopment project to be undertaken by the redevelopment agency. A redevelopment agency could only undertake those activities within a redevelopment project area specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law.

As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Tax Increment Financing Generally,” the Bonds are secured by Pledged Tax Revenues comprised of certain tax revenues from the seven (7) Project Areas, specifically:

- Broadway/MacArthur/San Pablo Project Area
- Central City East Project Area
- Central District Project Area (including the 2002 Annex)
- Coliseum Area Project Area (including the 1998 Annex)
- Oak Knoll Project Area
- Oakland Army Base Project Area
- West Oakland Project Area

The Project Areas do not include the Acorn, Oak Center and Stanford Adeline redevelopment project areas. See “INTRODUCTION – The Project Areas.”

Redevelopment plan detail and limits for each of the Project Areas is set forth in the table below.

**Table 1**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Plan Limits for the Project Areas<sup>(1)</sup>**

	Plan Limit Termination Dates					Tax Increment Limit	FY 2015-16 Projected Pledged Tax Revenues <sup>(2)</sup> (000s omitted)
	Date of Adoption	Ordinance Number	Last Date to Incur Debt	Plan Expiration	Last Date to Repay Debt with Tax Increment		
Broadway/MacArthur/San Pablo Project Area	7/25/2000	12269	7/25/2020	7/25/2030	7/25/2045	No Limit	\$4,603
Central City East Project Area	7/29/2003	12559	7/29/2023	7/29/2033	7/29/2048	No Limit	\$12,078
Central District Project Area <sup>(3)</sup>	6/12/1969	10822	Eliminated	6/12/2023	6/12/2033	\$3 billion	\$33,750
Central District 2002 Annex	7/24/2001	12348	7/24/2021	7/24/2032	7/24/2047	No Limit	-(4)
Coliseum Area Project Area	7/25/1995	11824	7/25/2015	7/25/2027	7/25/2042	No Limit	\$22,488
Coliseum 1998 Annex	7/29/1997	12001	7/29/2017	7/29/2028	7/29/2043	No Limit	-(5)
Oak Knoll Project Area	7/14/1998	12065	6/30/2029	6/30/2039	6/30/2054	\$1.5 billion	\$902
Oakland Army Base Project Area	7/11/2000	12259	6/30/2021	6/30/2031	6/30/2046	\$506.4 million	\$7,165
West Oakland Project Area	11/18/2003	12259	11/18/2023	11/18/2033	11/18/2048	No Limit	\$8,001

<sup>(1)</sup> Does not include Acorn, Oak Center or Stanford/Adeline. See “INTRODUCTION – The Project Areas.”

<sup>(2)</sup> See Table 6 herein for definitions and projections of Pledged Tax Revenues in future years.

<sup>(3)</sup> This limit applies only to the 1982 amendment area and not the original portion of the Central District Project or to the 2002 Annex area. The 1982 amendment area is not separately shown in this table.

<sup>(4)</sup> Included in above amount for Central District Project Area.

<sup>(5)</sup> Included in above amount for Coliseum Area Project Area.

Source: HdL Coren & Cone.

Certain specific information regarding each of the Project Areas and their redevelopment plan follows.

### **Broadway/MacArthur/San Pablo Project Area**

*General.* The Broadway/MacArthur/San Pablo Project Area, formed in 2000, encompasses 676 acres and is comprised of two distinct areas in northern Oakland: Broadway's Auto Row district and Telegraph Avenue between 27<sup>th</sup> and 42<sup>nd</sup> Streets, and the Golden Gate neighborhood along San Pablo Avenue from 53<sup>rd</sup> to 67<sup>th</sup> Street. In 2014, the Successor Agency released \$1.7 million in Broadway/MacArthur/San Pablo bond funds to the City under the Bond Expenditure Agreement. The City will use the funds to complete various planned projects over the next several years. See APPENDIX A – "SELECTED INFORMATION REGARDING THE CITY OF OAKLAND – Economic Highlights."

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Broadway/MacArthur/San Pablo Project Area.

### **Central City East Project Area**

*General.* Formed in July 2003, the Central City East project area contains neighborhoods throughout East Oakland, including the Eastlake, Fruitvale, Central East Oakland and Elmhurst neighborhoods. The Project Area encompasses 3,339 acres or approximately 6 square miles and extends between International and Foothill Boulevards from the southern edge of Lake Merritt east towards the City of San Leandro border. The Project Area is primarily residential in nature, but contains commercial areas adjacent to downtown in the northwest portion of the Project Area and along MacArthur and Foothill Boulevards in East Oakland.

The Project Area has a number of major projects within its boundaries including the Brooklyn Basin, Foothill Square, and the Foothill/Seminary projects. The Brooklyn Basin project is located along the estuary, west of I-880 between Oak Street and 9th Avenue and has 3,100 units of proposed new housing along the estuary. The Foothill Square project, completed in 2014, transformed an outdated and underutilized shopping center into a new 200,000 square foot destination retail center featuring a 72,000 square foot national grocery store. The Foothill/Seminary project is a new proposed 27,000 square foot commercial development project which the Former Agency purchased and assembled a number of private parcels for the purpose of developing a new commercial development project featuring a new 14,000 square foot Walgreen's.

In 2014, the Successor Agency released 7 sites in Central City East to the City for future development under the Long Range Property Management Plan and also released \$37.2 million in Central City East bond funds to the City under the Bond Expenditure Agreement. The City will use the property and funds to complete various planned projects over the next several years. See APPENDIX A – "SELECTED INFORMATION REGARDING THE CITY OF OAKLAND – ECONOMIC HIGHLIGHTS."

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Central City East Project Area.

### **Central District Project Area**

*General.* The Central District Project Area consists of three geographical components, the Original Area adopted in 1969, the 1982 Amended Area added in 1982 and the 2002 Annex added in

2001. The Project Area covers approximately 250 city blocks (828 acres) in an area generally bounded by I-980, Lake Merritt, 27<sup>th</sup> Street and the Embarcadero. The Central District is a major economic and transportation hub in the San Francisco-Oakland Metropolitan Area. There are nearly 30 office buildings with approximately 10.7 million square feet of office space located in the Central District. The Project Area is also at the center of the Bay Area Rapid Transit (BART) system, with three stations (12th Street Oakland City Center, 19th Street Oakland and Lake Merritt) located within its boundaries. More than forty AC Transit bus lines connect the Central District Project Area with other parts of Oakland and nearby communities.

Within the Project Area are four major redevelopment activity areas. The City Center activity area includes office and government buildings, as well as the recently completed Domain by Alta, a 264-unit rental apartment building, and Landmark Place, a residential condominium. The Chinatown activity area is a mixed-use neighborhood serving the needs of several Asian communities, including the Courtyard by Marriott Hotel and the Franklin 88 mixed-use condominium project. The Old Oakland activity area surrounds a group of eleven rehabilitated/restored mid-to-late nineteenth century Victorian commercial structures and includes the renovated historic Swan's Market. Lastly, the Uptown activity area is the location of the Uptown Project, developed by Forest City, Inc. and Resources for Community Development. Since July 1, 2012, 74 new businesses opened in the Project Area. Continuing the trend in new local food-oriented businesses in Oakland and Downtown, most of them were food-related including, restaurants, bars, bakeries, cafes and a supermarket and the rest were retailers consisting of art galleries and clothing stores inspired by the continuing success of the Oakland Art Murrum and the influx of artist and arts-related uses.

In 2014, the Successor Agency released 10 sites in the Central District to the City for future development under the Long Range Property Management Plan; and also released \$30.5 million in Central District bond funds to the City under the Bond Expenditure Agreement. The City will use the property and funds to complete various planned projects over the next several years. See APPENDIX A – “SELECTED INFORMATION REGARDING THE CITY OF OAKLAND – ECONOMIC HIGHLIGHTS.”

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Central District Project Area.

### **Coliseum Area Project Area**

*General.* The Coliseum Project Area is the largest Project Area in the City encompassing approximately 6,764 acres, or approximately 11 square miles in size. It was adopted in July 1995 and was amended by the addition of the 1998 Annex in July 1997. The Project Area boundaries run from 23rd Avenue to the City of San Leandro border and along International Boulevard to the Estuary. The Project Area is adjacent to the Oakland International Airport and contains the O.co Coliseum and the Oracle Arena complex. It abuts the City's city limits adjacent to the City of San Leandro.

The Coliseum Project Area has served as a major regional transportation hub featuring intermodal amenities such as: the Coliseum and Fruitvale BART stations; Union Pacific rail lines with freight and spur facilities; AC Transit; Coliseum Intercity Rail Platform (AMTRAK Capitol Corridor); Oakland International Airport; Oakland Airport Connector Project; and major arterials including I-880, Hegenberger Road, International Boulevard and San Leandro Street.

In 2014, the Successor Agency released 7 sites in the Coliseum Project Area to the City for future development under the Long Range Property Management Plan; and also released \$22.0 million in Coliseum bond funds to the City under the Bond Expenditure Agreement. The City will use the property

and funds to complete various planned projects over the next several years. See APPENDIX A – “SELECTED INFORMATION REGARDING THE CITY OF OAKLAND – ECONOMIC HIGHLIGHTS.”

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Coliseum Area Project Area.

### **Oak Knoll Project Area**

*General.* The Oak Knoll Project Area was adopted in July 1998. The Project Area consists of a former military base known as the Naval Medical Hospital, Oakland that was decommissioned by the federal Base Closure Commission in 1996. The Project Area includes 183 acres of which 5.45 acres are owned by the City; 1.27 acres is under the ownership of the Sea West Coast Guard Federal Credit Union; and 7.92 acres is in use as the Seneca Residential and Day Treatment Center. Approximately 167 acres were sold in 2006 by the Federal Government to SunCal Oak Knoll LLC (“SunCal”) for private development. In 2008, SunCal filed for bankruptcy and sold these acres to Lehman Brothers as part of the bankruptcy. Recently, this property was sold back to SunCal, which is now out of bankruptcy.

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Oak Knoll Project Area.

### **Oakland Army Base Project Area**

*General.* The Oakland Army Base Project Area was adopted in July 2000. The Project Area includes the 425 acre former Oakland Army Base and adjacent areas totaling approximately 1,375 acres. Combined, the Oakland Army Base Project includes a total of 1,800 acres, including the Port of Oakland’s maritime areas that are west and south of the Army Base, which include the existing marine terminal facilities and related infrastructure along the Outer Harbor and Inner Harbor channels, as well as the former Naval Fleet and Industrial Supply Center Oakland. The Project Area also includes an area along the Army Base’s eastern boundary that is roughly between the re-aligned I-880 freeway and Wood Street.

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the Oakland Army Base Project Area.

### **West Oakland Project Area**

*General.* The West Oakland Project Area as adopted in November, 2003. The West Oakland Project is made up of three sub-areas; Prescott/South Prescott, Clawson/McClymonds/Bunche and West MacArthur/Hoover. The Project Area abuts the east edge of the Oakland Army Base Project Area and the west edges of the Central District and Broadway/MacArthur/San Pablo Project Areas. It is roughly bounded by I-980 on the east, I-880 on the west, Middle Harbor on the south and 40th Street on the north. The West Oakland Project was adopted to facilitate residential, commercial and industrial development of blighted, underutilized and contaminated sites that exist within the boundaries of the Project Area.

*Assessed Values and Other Information.* The Fiscal Consultant Report set forth in APPENDIX C includes information regarding historical and projected assessed valuation, land use, assessment appeals and information regarding the largest assessees in Fiscal Year 2014-15 for the West Oakland Project Area.

## **PLEDGED TAX REVENUES AND DEBT SERVICE**

Pursuant to the Indenture, Pledged Tax Revenues are to be deposited by the Successor Agency into the Special Fund. Thereafter, moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund, administered by the Trustee, and applied to the payment of the principal of and interest on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Fund; Deposit of Pledged Tax Revenues.” The Successor Agency has retained the Fiscal Consultant to provide projections of taxable valuation, tax increment and Pledged Tax Revenues from developments in the Project Areas.

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## Historical and Current Assessed Valuation and Pledged Tax Revenues

The following Table 2 shows the historic and current assessed valuation and Pledged Tax Revenues for the Project Areas.

**Table 2**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Historical and Current Assessed Valuations and Pledged Tax Revenues**  
**(Project Areas)**

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total Taxable Value</b> <sup>(1)</sup>	<b>\$14,472,322,287</b>	<b>\$14,557,619,071</b>	<b>\$15,039,951,688</b>	<b>\$15,168,840,806</b>	<b>\$15,897,532,223</b>
Less Base Year Value	<u>5,549,677,584</u>	<u>5,549,677,584</u>	<u>5,543,724,566</u>	<u>5,543,724,566</u>	<u>5,543,724,566</u>
<b>Total Incremental Value</b>	<b>\$ 8,922,644,703</b>	<b>\$ 9,007,941,487</b>	<b>\$ 9,496,227,122</b>	<b>\$ 9,625,116,240</b>	<b>\$10,353,807,657</b>
Gross Tax Increment Revenue	\$ 105,924,812	\$ 107,057,585	\$ 109,919,034	\$ 111,410,991	\$ 119,845,738
Unitary Tax Revenue	<u>2,712,365</u>	<u>2,826,351</u>	<u>2,733,403</u>	<u>2,981,055</u>	<u>2,981,055</u>
<b>Gross Revenues</b>	<b>\$ 108,637,177</b>	<b>\$ 109,883,936</b>	<b>\$ 112,652,437</b>	<b>\$ 114,392,046</b>	<b>\$ 122,826,793</b>
<b>LESS:</b>					
SB 2557 County Administrative Fee	\$ 844,665	\$ 844,460	\$ 858,060	\$ 815,285	\$ 875,375
Statutory Tax Sharing <sup>(2)</sup>	15,642,897	15,091,367	16,828,522	17,814,942	21,027,752
Central District DDA Payment Amounts <sup>(3)</sup>	1,102,681	1,136,730	1,263,763	1,295,500	1,337,061
<b>Existing Bonds</b>					
Broadway / MacArthur / San Pablo, Series 2006C-TE	\$ 247,250	\$ 247,250	\$ 247,250	\$ 247,250	\$ 247,250
Broadway / MacArthur / San Pablo, Series 2006C-TX	913,765	913,180	911,803	914,633	916,407
Broadway / MacArthur / San Pablo, Series 2010-TX	436,944	594,290	590,690	587,090	583,490
Central District, Series 1992	6,757,538	6,801,563	6,835,513	6,863,700	0
Central District, Series 2003	10,024,825	9,977,575	9,944,600	0	0
Central District, Series 2005	1,598,500	1,598,500	1,598,500	0	0
Central District, Series 2006-TX	3,678,092	3,694,418	3,703,129	3,709,224	1,497,441
Central District, Series 2009-TX	3,733,225	3,993,850	4,753,850	5,115,550	6,654,550
Central District, Series 2013-TE	0	0	0	9,928,769	16,793,600
Central City East, Series 2006A-TE	689,000	689,000	689,000	689,000	689,000
Central City East, Series 2006A-TX	4,466,996	4,468,051	4,465,421	4,464,108	4,468,847
Coliseum Area Project, Series 2006B-TE	1,797,525	1,802,125	1,805,725	1,803,325	1,800,125
Coliseum Area Project, Series 2006B-TX	5,091,666	5,087,720	5,080,354	5,084,567	5,089,569
Subordinated Housing, Series 2006A	109,750	109,750	109,750	109,750	109,750
Subordinated Housing, Series 2006A-TX	7,395,762	7,395,098	7,395,327	7,395,922	7,396,130
Subordinated Housing, Series 2011-TX	<u>1,852,416</u>	<u>4,704,738</u>	<u>5,067,113</u>	<u>5,425,963</u>	<u>5,411,400</u>
<b>Pledged Tax Revenues</b> <sup>(4)</sup>	<b>\$ 42,253,680</b>	<b>\$ 40,734,272</b>	<b>\$ 40,504,067</b>	<b>\$ 42,127,469</b>	<b>\$ 47,929,046</b>

<sup>(1)</sup> Total Taxable Value reflects the aggregate taxable value for the Project Areas and includes taxable secured, secured utility and unsecured values net of real estate exemptions but without deduction of homeowners exemptions.

<sup>(2)</sup> Includes non-subordinate statutory tax sharing amounts payable from the Central District Project Area, the Oakland Army Base Project Area, the Oak Knoll Project Area and the West Oakland Project Area. These payments were not subordinated to the payment of debt service on bonds secured by the tax revenues from these project areas. Also includes subordinate statutory tax sharing amounts payable from the Broadway/MacArthur/San Pablo Project Area, the Coliseum Project Area and the Central City East Project Area. These tax sharing payments have been subordinated to the payment of debt service on all bonds secured by the tax revenues from these project areas. Subordination of all of these tax sharing payments has been requested in connection with the issuance of the Bonds. All tax sharing payments are subordinate to the payment of debt service on bonds issued by the Former Agency and secured by housing set-aside revenues.

<sup>(3)</sup> Development and disposition agreements (DDAs) and a ground lease (i.e., the 17<sup>th</sup> Street Garage DDA and the Uptown Ground Lease) were entered into by the former agency with property owners in the Central District Project Area. These payments are subordinate to the payment of debt service on bonds secured by revenues from the Central District Project Area and are subordinate to the payment of debt service on bonds secured by housing set-aside revenues. These payments are not subordinate to the payment of debt service on bonds that are secured by tax revenues generated by other project areas.

<sup>(4)</sup> The amounts shown here do not reflect a subordination of the Statutory Pass-Throughs.

Source: HdL Coren & Cone.

**Assessed Valuation and Other Information Regarding the Project Areas**

The assessed valuation collectively of the Project Areas for the current Fiscal Year by land use category is set forth on the following Table 3.

**Table 3  
OAKLAND REDEVELOPMENT SUCCESSOR AGENCY  
Land Use in the Project Areas, Fiscal Year 2014-15**

Category by Value	Combined Project Areas		
	# Parcels*	Net Taxable	% of Total
Residential	31,675	\$ 7,524,933,407	43.44 %
Commercial	3,563	4,552,501,376	26.28
Industrial	1,560	2,409,756,828	13.91
Government Owned	1	634,270	0.00
Institutional	361	81,666,246	0.47
Recreational	78	38,725,511	0.22
Vacant	1,540	374,092,648	2.16
Exempt	1,693	0	0.00
<b>Total</b>	<b>40,471</b>	<b>\$14,982,310,286</b>	<b>86.48%</b>
SBE Non-Unitary		9,031,451	0.05
Unsecured		2,332,254,589	13.46
		2,341,286,040	13.52
<b>Totals:</b>	<b>40,471</b>	<b>\$17,323,596,326</b>	<b>100.00%</b>

\* Number of parcels not shown for the unsecured and SBE non-unitary utilities categories because the amounts shown are property tax billings that are associated with secured parcels already accounted for in the other categories shown.

Source: HdL Coren & Cone.

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The top ten largest taxpayers by valuation in the Project Areas in the current Fiscal Year are set forth below in Table 4. Ownership concentration for these top assesseees is 13.23% of total assessed valuation and 19.46% of incremental assessed valuation in the Project Areas.

**Table 4**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Top Ten Taxpayers By Valuation in the Project Areas, Fiscal Year 2014-15**  
**(in \$000s)**

Assessee Name	Project Area	Use	Parcel <sup>(2)</sup> Count	Fiscal Year 2014-15 Value	Percent of Total Assessed Value	Percent of Incremental Value
Digital 720 2nd LLC <sup>(1)</sup>	Central District	Computer Server Farm	2	\$ 500,388,017	2.89%	4.25%
SSA Terminals LLC	Army Base	Cargo Handling	6	346,569,663	2.00	2.94
Ports America Outer Harbor Terminal LLC	Army Base	Cargo Handling	4	274,347,131	1.58	2.33
Kaiser Foundation Health Plan Inc.	Multiple Project Areas	Foundation Administrative Offices/Parking	21	225,073,644	1.30	1.91
Broadway Franklin LLC	Central District	Commercial Office Buildings	2	205,270,765	1.18	1.74
CIM Oakland 21 LP <sup>(1)</sup>	Central District	Commercial Office Buildings	3	187,230,434	1.08	1.59
Uptown Housing Partners LP	Central District	Residential Units on Leasehold Property	1	151,129,975	0.87	1.28
CIM Oakland 1 Kaiser Plaza LP <sup>(1)</sup>	Central District	Commercial Office Buildings	2	136,088,982	0.79	1.16
555 Oakland City Center LLC	Central District	Commercial Office Buildings	1	135,810,337	0.78	1.15
1800 Harrison Foundation	Central District	Commercial Office Buildings	1	130,646,309	0.75	1.11
<b>TOTAL</b>			<b>43</b>	<b>\$2,292,555,257</b>		
				<b>Project Area Totals:</b>	<b>\$17,323,596,326</b>	<b>13.23%</b>
				<b>Project Area Incremental Value:</b>	<b>\$11,779,871,760</b>	<b>19.46%</b>

<sup>(1)</sup> Appeals pending.

<sup>(2)</sup> Secured and unsecured parcels.

Note: Numbers may not add due to rounding.

Source: HdL Coren & Cone.

## Assessment Appeals

Appeals of assessments by property owners in the Project Areas can result in future reductions in assessed valuations that affect the Successor Agency. It has been the practice of the County Controller to not deduct appeal-related tax refunds from the Successor Agency’s tax increment. Instead, these refunds are instead apportioned to other taxing entities using the normal apportionment mechanism. While this practice is expected to continue indefinitely, the County Controller may choose to alter or eliminate it.

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year’s secured assessment based on the current economic value of the property. The Alameda County Assessor (the “Assessor”) may also adjust valuations based on Proposition 8 criteria. In past years, assessment reductions under Proposition 8 have been generally temporary in nature and were usually restored to their previous levels, as adjusted for inflation, as economic conditions improve.

Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of a property and consequently affect the Successor Agency’s annual revenue. The annual filing period for all appeals extends from July 2 to September 15.

Current appeal filings in the Project Areas are shown in Table 5 for the secured roll. The tables compare the Assessor’s valuation with the applicant’s opinion of the value of a property and show the resulting valuation for resolved appeals. Appeals are considered resolved when they are withdrawn by the applicant, denied a hearing by the board of assessment appeals, granted a hearing but denied an adjustment in valuation, or granted an adjustment in valuation.

**Table 5**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Assessment Appeals in the Project Areas**

Component Project Areas	Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. of Pending Appeals	Assessed Value under Appeal	Est. No. of Appeals Allowed	Est. Loss on Pending Appeals Allowed (2016-17 Value Adjustment)
<b>Broadway</b>	101	75	50	25.31%	26	\$ 80,750,667	17	\$ 13,625,242
<b>Central City East</b>	353	277	144	14.59	76	164,761,534	40	12,498,743
<b>Central District</b>	630	379	290	16.45	251	1,410,602,580	192	227,922,880
<b>Coliseum Area</b>	419	293	151	24.46	126	891,491,415	64	113,958,674
<b>Oak Knoll</b>	0	0	0	0.00	0	0	0	0
<b>Army Base</b>	40	14	12	53.38	26	1,085,533,312	22	496,665,102
<b>West Oakland</b>	212	158	86	16.50	54	213,782,509	29	19,199,261
<b>Totals</b>	1,755	1,196	733	21.57%	<b>559</b>	<b>\$3,846,922,017</b>	<b>364</b>	<b>\$883,869,902</b>

Source: HdL Coren & Cone.

As reflected above, there are 559 pending assessment appeals within the Project Areas. The values under appeal total \$3.8 billion and the owners are seeking reductions totaling \$2.0 billion. Based on the average number of appeals allowed over the past five years and the average reduction in value achieved in those successful appeals, the Fiscal Consultant estimates that 364 of the currently pending appeals will be allowed with a reduction of \$883.9 million. The expected reduction in value has been incorporated into the projection as a reduction in assessed value for Fiscal Year 2015-16 in each of the Project Area projections attached to APPENDIX C – “REPORT OF FISCAL CONSULTANT.”

## Projected Pledged Tax Revenues and Debt Service Coverage

**Tax Rate.** The tax increment revenues used in the projections set forth herein are derived from the general levy tax rate and the qualifying override tax rate levied by the City. The Successor Agency tax rate calculated by the City is one percent (1.000%) for the secured roll and the unsecured roll. See APPENDIX C – “REPORT OF FISCAL CONSULTANT” for more information regarding tax rates. In accordance with Section 33670(e) of the Redevelopment Law, the Successor Agency tax rate excludes taxes related to bonded indebtedness of the City approved by the voters of the City on or after January 1, 1989, and issued for the acquisition or improvement of real property. The Successor Agency does not receive, on an annual basis, all allocable tax revenues, unless required to pay debt service or other enforceable obligations.

All of the tax rate areas within the Project Areas have the same tax rate. The components of the tax rate that are applied to secured and unsecured value in calculating the projected Fiscal Year 2014-15 revenue are reflected in the table below.

<b>Fiscal Year 2014-15 Secured Tax Rate</b>		Termination Date
General Levy	1.00000%	
City of Oakland	.15750	2026
<b>Total RDA Eligible Tax Rate:</b>	<b>1.15750%</b>	
<u>Non-RDA Eligible Tax Rates</u>		
East Bay Regional Park 1	.00850	
EBMUD Special District 1	.00470	
Oakland U.S.D. Bonds	.17450	
Peralta Community College Dist.	.04120	
Bay Area Rapid Transit District	.00450	
City of Oakland	.04673	
<b>Total Tax Rate:</b>	<b>1.43763%</b>	

The override tax rate approved by voters before 1989 and levied by the City is authorized for long term funding of pension funds and has been authorized through Fiscal Year 2026. The appropriate retirement dates of this override tax rate has been factored into the projection. This RDA Eligible Tax Rate will not change for Fiscal Year 2015-16 and is projected by the Fiscal Consultant to remain unchanged through the termination date of the debt service tax rate in 2026.

**Projections.** Set forth below are tables showing projected tax revenues and estimated debt service coverage for the Bonds, net available tax increment and projected Pledged Tax Revenues. The below projections reflect the existing redevelopment plan limitations for the Project Areas described above under “THE PROJECT AREAS” and assume approximately two percent (2%) annual growth in gross tax increment revenues beginning in Fiscal Year 2016-17 through the maturity of the Bonds. At such assumed growth rates, none of the three Project Areas with tax increment limits are projected to reach their cumulative tax increment limits prior to the maturity of the Bonds.

*The Successor Agency believes that the assumptions (set forth in the footnotes below and in APPENDIX C – “REPORT OF FISCAL CONSULTANT”) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. See “CERTAIN RISK FACTORS.” Therefore, the actual Pledged Tax Revenues received during the forecast period may vary from the projections and the variations may be material.*

A summary of the projected Pledged Tax Revenues for Fiscal Years 2015-16 through 2036-37 by Project Area is set forth in Table 6 and for the Project Areas combined is set forth Table 7 below. The largest contributor to Pledged Tax Revenues in each year shown is the Central District Project Area, followed by the Coliseum Area Project Area and the Central City East Project Area.

**Table 6**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Projected Pledged Tax Revenues<sup>(1)</sup> by Project Areas**  
**(000s)**

<b>Fiscal Year</b>	<b>Broadway/ MacArthur /San Pablo</b>	<b>Central City East</b>	<b>Central District</b>	<b>Coliseum</b>	<b>Oak Knoll</b>	<b>Oakland Army Base</b>	<b>West Oakland</b>	<b>Combined Project Areas Projected Pledged Tax Revenues</b>
2015-16	\$4,603	\$12,078	\$33,750	\$22,488	\$ 902	\$7,165	\$ 8,001	<b>\$ 88,987</b>
2016-17	4,900	13,349	35,515	23,050	946	1,997	8,548	<b>88,305</b>
2017-18	5,083	14,151	36,265	23,982	966	2,086	8,923	<b>91,456</b>
2018-19	5,271	14,970	37,793	24,927	986	2,177	9,305	<b>95,428</b>
2019-20	5,464	15,807	39,188	25,890	1,007	2,269	9,695	<b>99,321</b>
2020-21	5,661	16,674	47,536	26,894	1,029	2,365	10,098	<b>110,257</b>
2021-22	5,861	17,550	64,321	27,902	1,051	2,462	10,506	<b>129,652</b>
2022-23	6,174	18,786	71,130	29,464	1,089	2,599	11,086	<b>140,329</b>
2023-24	6,380	19,700	72,563	30,515	1,111	2,700	11,511	<b>144,481</b>
2024-25	6,592	20,631	74,024	31,581	1,134	2,803	11,945	<b>148,710</b>
2025-26	6,809	21,577	75,511	32,673	1,157	2,909	12,387	<b>153,023</b>
2026-27	5,916	19,036	67,924	29,269	1,022	2,691	11,178	<b>137,037</b>
2027-28	6,088	19,813	68,499	29,386	1,044	2,710	11,529	<b>139,070</b>
2028-29	6,285	20,684	69,862	30,386	1,066	2,807	11,935	<b>143,025</b>
2029-30	6,488	21,572	71,251	31,404	1,087	2,905	12,350	<b>147,058</b>
2030-31	6,693	22,484	72,668	32,441	1,109	3,006	12,773	<b>151,174</b>
2031-32	7,730	23,409	74,111	33,502	1,132	3,108	13,204	<b>156,196</b>
2032-33	8,033	24,351	75,587	34,586	1,155	3,213	13,644	<b>160,569</b>
2033-34	8,181	29,272	6,640	35,351	1,169	3,293	13,981	<b>97,888</b>
2034-35	8,410	30,532	6,774	37,327	1,193	3,402	14,440	<b>102,078</b>
2035-36	8,632	31,535	6,909	41,482	1,218	3,513	14,908	<b>108,197</b>
<b>2036-37</b>	<b>7,396</b>	<b>31,489</b>	<b>6,816</b>	<b>43,959</b>	<b>1,202</b>	<b>3,508</b>	<b>14,879</b>	<b>109,248</b>

<sup>(1)</sup> Pledged Tax Revenues are the Gross Tax Revenues less the amounts deducted by the County Auditor-Controller for its authorized administrative cost reimbursements under SB 2557 and under the dissolution legislation, less payments owed under the 17<sup>th</sup> Street Garage DDA and the Uptown Ground Lease and less the debt service amounts for all Successor Agency bonds not refunded by the Bonds. Gross Tax Revenues are defined as Tax Increment Revenue derived from the project area incremental revenue plus unitary revenues allocated to the Successor Agency by the County.

Source: HdL Coren & Cone.

**Table 7<sup>(12)</sup>**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Projected Pledged Tax Revenues**  
**(Project Areas)**  
**(000s)**

<b>Taxable Values (1)</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	
Real Property (2)	16,493,526	16,006,928	16,327,067	16,653,608	16,986,680	17,326,414	17,672,942	18,026,401	18,386,929	18,754,668	19,129,761	
Personal Property (3)	830,070	830,070	830,070	830,070	830,070	830,070	830,070	830,070	830,070	830,070	830,070	
<b>Total Projected Value</b>	<b>17,323,596</b>	<b>16,836,998</b>	<b>17,157,137</b>	<b>17,483,678</b>	<b>17,816,750</b>	<b>18,156,484</b>	<b>18,503,012</b>	<b>18,856,471</b>	<b>19,216,999</b>	<b>19,584,738</b>	<b>19,959,831</b>	
<b>Taxable Value over Base</b>	<b>5,543,725</b>	<b>11,779,872</b>	<b>11,293,274</b>	<b>11,613,412</b>	<b>11,939,953</b>	<b>12,273,026</b>	<b>12,612,759</b>	<b>12,959,288</b>	<b>13,312,746</b>	<b>13,673,274</b>	<b>14,041,013</b>	<b>14,416,106</b>
Gross Tax Increment Revenue (4)	136,352	130,720	134,425	138,205	142,060	145,993	150,004	154,095	158,268	162,525	166,866	
Unitary Tax Revenue (5)	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	
<b>Gross Revenues</b>	<b>139,333</b>	<b>133,701</b>	<b>137,406</b>	<b>141,186</b>	<b>145,041</b>	<b>148,974</b>	<b>152,985</b>	<b>157,076</b>	<b>161,249</b>	<b>165,506</b>	<b>169,847</b>	
<b>LESS:</b>												
SB 2557 Admin. Fee (6)	(993)	(953)	(979)	(1,006)	(1,034)	(1,062)	(1,090)	(1,119)	(1,149)	(1,180)	(1,211)	
Housing Set Aside Requirement (7)	0	0	0	0	0	0	0	0	0	0	0	
17 <sup>th</sup> Street Garage DDA (8)	(51)	0	0	0	0	0	0	0	0	0	0	
Uptown Ground Lease (8)	(1,332)	(1,360)	(1,389)	(1,418)	(1,448)	0	0	0	0	0	0	
<b>Existing Bonds Debt Service*</b>												
Broadway/MacArthur/San Pablo Series 2006C-TE (11)	0	0	0	0	0	0	0	0	0	0	0	
Broadway/MacArthur/San Pablo Series 2006C-T	(912)	(912)	(915)	(916)	(916)	(914)	(916)	(917)	(915)	(912)	(913)	
Broadway/MacArthur/San Pablo Series 2010-T	(585)	(586)	(582)	(577)	(573)	(574)	(569)	(569)	(569)	(569)	(563)	
Central District Series 2006-T	(1,499)	(1,498)	(1,493)	(1,496)	(4,206)	(4,206)	0	0	0	0	0	
Central District Series 2009-T	(7,765)	(6,783)	(7,290)	(7,040)	(6,770)	0	0	0	0	0	0	
Central District Series 2013-TE	(16,794)	(16,790)	(16,795)	(16,790)	(14,261)	(15,526)	(4,337)	0	0	0	0	
Central City East Series 2006A-TE (11)	0	0	0	0	0	0	0	0	0	0	0	
Central City East Series 2006A-TX	(4,464)	(4,465)	(4,467)	(4,468)	(4,468)	(4,467)	(4,464)	(4,465)	(4,464)	(4,465)	(4,469)	
Coliseum Series 2006B-TE (11)	(1,569)	(1,566)	(1,571)	(1,575)	(1,571)	(1,576)	(1,577)	(1,576)	(1,577)	(1,582)	(1,579)	
Coliseum Series 2006B-T	(5,080)	(5,087)	(5,078)	(5,075)	(5,081)	(5,076)	(5,075)	(5,077)	(5,072)	(5,070)	(5,070)	
Subordinated Housing Series 2006A (11)	0	0	0	0	0	0	0	0	0	0	0	
Subordinated Housing Series 2006A-T (11)	(3,904)	0	0	0	0	0	0	0	0	0	0	
Subordinated Housing Series 2011-T	(5,397)	(5,397)	(5,392)	(5,396)	(5,393)	(5,316)	(5,305)	(3,024)	(3,021)	(3,019)	(3,021)	
<b>Pledged Tax Revenues</b>	<b>88,987</b>	<b>88,305</b>	<b>91,456</b>	<b>95,428</b>	<b>99,321</b>	<b>110,257</b>	<b>129,652</b>	<b>140,329</b>	<b>144,481</b>	<b>148,710</b>	<b>153,023</b>	

See footnotes at end of table.

**Table 7<sup>(12)</sup> (cont'd)**

<b>Taxable Values (1)</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>	<b>2031-32</b>	<b>2032-33</b>	<b>2033-34</b>	<b>2034-35</b>	<b>2035-36</b>	<b>2036-37</b>
Real Property (2)	19,512,356	19,902,603	20,300,655	20,706,669	21,120,802	21,543,218	21,974,082	15,383,913	15,691,592	16,005,424	16,325,532
Personal Property (3)	830,070	830,070	830,070	830,070	830,070	830,070	830,070	705,814	705,814	705,814	705,814
<b>Total Projected Value</b>	<b>20,342,426</b>	<b>20,732,673</b>	<b>21,130,725</b>	<b>21,536,738</b>	<b>21,950,872</b>	<b>22,373,288</b>	<b>22,804,152</b>	<b>16,089,727</b>	<b>16,397,406</b>	<b>16,711,237</b>	<b>17,031,346</b>
<b>Taxable Value over Base</b>	<b>14,798,702</b>	<b>15,188,949</b>	<b>15,587,001</b>	<b>15,993,014</b>	<b>16,407,147</b>	<b>16,829,563</b>	<b>17,260,428</b>	<b>10,815,290</b>	<b>11,122,968</b>	<b>11,436,800</b>	<b>11,756,909</b>
Gross Tax Increment Revenue (4)	150,050	151,889	155,870	159,930	164,071	168,296	172,604	108,153	111,230	114,368	117,569
Unitary Tax Revenue (5)	2,981	2,981	2,981	2,981	2,981	2,981	2,981	81	81	81	81
<b>Gross Revenues</b>	<b>153,031</b>	<b>154,871</b>	<b>158,851</b>	<b>162,911</b>	<b>167,053</b>	<b>171,277</b>	<b>175,585</b>	<b>108,234</b>	<b>111,310</b>	<b>114,449</b>	<b>117,650</b>
<b>LESS:</b>											
SB 2557 Admin. Fee (6)	(1,091)	(1,104)	(1,132)	(1,161)	(1,191)	(1,221)	(1,251)	(772)	(794)	(816)	(839)
Housing Set Aside Requirement (7)	0	0	0	0	0	0	0	0	0	0	0
17 <sup>th</sup> Street Garage DDA (8)	0	0	0	0	0	0	0	0	0	0	0
Uptown Ground Lease (8)	0	0	0	0	0	0	0	0	0	0	0
<b>Existing Bonds Debt Service*</b>											
Broadway/MacArthur/San Pablo Series 2006C-TE (11)	0	0	0	0	0	0	0	0	0	0	0
Broadway/MacArthur/San Pablo Series 2006C-T	(916)	(912)	(917)	(913)	(913)	(90)	0	0	0	0	0
Broadway/MacArthur/San Pablo Series 2010-T	(557)	(562)	(555)	(554)	(552)	(544)	(542)	(539)	(531)	(533)	(1,689)
Central District Series 2006-T	0	0	0	0	0	0	0	0	0	0	0
Central District Series 2009-T	0	0	0	0	0	0	0	0	0	0	0
Central District Series 2013-TE	0	0	0	0	0	0	0	0	0	0	0
Central City East Series 2006A-TE (11)	0	0	0	0	0	0	0	0	0	0	0
Central City East Series 2006A-TX	(4,468)	(4,464)	(4,466)	(4,468)	(4,464)	(4,464)	(4,468)	(274)	0	0	0
Coliseum Series 2006B-TE (11)	(1,584)	(1,581)	(1,585)	(1,582)	(1,590)	(1,591)	(163)	(163)	(748)	(2,798)	0
Coliseum Series 2006B-T	(5,066)	(5,069)	(5,063)	(5,067)	(5,061)	(5,059)	(6,486)	(6,487)	(5,055)	0	0
Subordinated Housing Series 2006A (11)	0	0	0	0	0	0	0	0	0	0	0
Subordinated Housing Series 2006A-T (11)	0	0	0	0	0	0	0	0	0	0	0
Subordinated Housing Series 2011-T	(2,311)	(2,109)	(2,109)	(2,108)	(2,108)	(2,113)	(2,107)	(2,111)	(2,105)	(2,105)	(5,874)
<b>Pledged Tax Revenues</b>	<b>137,037</b>	<b>139,070</b>	<b>143,025</b>	<b>147,058</b>	<b>151,174</b>	<b>156,196</b>	<b>160,569</b>	<b>97,888</b>	<b>102,078</b>	<b>108,197</b>	<b>109,248</b>

- (1) Taxable values as reported by Alameda County.
  - (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for Fiscal Year 2016-17 are increased by \$85.1 million due to 623 transfers of ownership and decreased by \$883.9 million due to estimated losses on pending assessment appeals.
  - (3) Personal property is held constant at Fiscal Year 2015-16 level.
  - (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through Fiscal Year 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
  - (5) Unitary revenue as reported by Alameda County for Fiscal Year 2014-15.
  - (6) County Administration fee is estimated at 0.71% of Gross Revenue.
  - (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by housing set-aside funds will hereafter be secured by tax revenues allocable to the Successor Agency.
  - (8) See individual projection for Central District Project Area. Payment of amounts required by the agreements are subordinate to payment of Existing Bonds Debt Service secured by revenues from the Central District Project and to debt service secured by the former housing set-aside but are senior to payment of all other Existing Bonds Debt Service.
  - (9) See individual projections for West Oakland Project Area, Central District 2002 Annex Project Area, Oakland Army Base Project Area, and Oak Knoll Project Area.
  - (10) See individual projections for Coliseum Project Area, Coliseum 1998 Annex Project Area, Broadway-MacArthur Project Area, and Central City East Project Area.
  - (11) The bond issues indicated are being refunded through the issuance of the Bonds.
  - (12) Totals may not add due to rounding.
- Source: HdL Coren & Cone.

**Table 8**  
**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
**Estimated Debt Service Coverage (Existing Bonds and Bonds)**  
**(The Project Areas)**

<b>Bond Year</b>	<b>Tax Revenues<sup>(1)(2)</sup></b>	<b>Existing Debt Service Obligations<sup>(3)</sup></b>	<b>Series 2015 Debt Service</b>	<b>DDA Obligations<sup>(4)</sup></b>	<b>Total Senior &amp; Parity Obligations</b>	<b>Coverage</b>
9/1/2016	\$ 138,340,048	\$ 47,969,090	\$ 4,184,380	\$1,383,627	\$ 53,537,097	2.58
9/1/2017	132,747,826	43,082,696	8,088,962	1,360,383	52,532,042	2.53
9/1/2018	136,427,018	43,581,757	8,096,754	1,388,932	53,067,443	2.57
9/1/2019	140,179,794	43,333,490	8,086,262	1,418,052	52,837,804	2.65
9/1/2020	144,007,626	43,238,750	8,091,513	1,447,754	52,778,017	2.73
9/1/2021	147,912,015	37,655,016	8,094,591	-	45,749,607	3.23
9/1/2022	151,894,491	22,242,924	8,087,581	-	30,330,505	5.01
9/1/2023	155,956,617	15,627,566	4,940,134	-	20,567,700	7.58
9/1/2024	160,099,985	15,619,076	4,941,092	-	20,560,167	7.79
9/1/2025	164,326,221	15,616,676	4,939,730	-	20,556,407	7.99
9/1/2026	168,636,981	15,613,560	4,941,591	-	20,555,152	8.20
9/1/2027	151,940,011	14,903,051	4,927,101	-	19,830,152	7.66
9/1/2028	153,766,776	14,697,266	4,926,520	-	19,623,785	7.84
9/1/2029	157,718,926	14,694,393	4,928,756	-	19,623,150	8.04
9/1/2030	161,750,118	14,691,627	4,927,907	-	19,619,534	8.24
9/1/2031	165,861,935	14,687,476	4,930,912	-	19,618,388	8.45
9/1/2032	170,055,988	13,860,432	5,752,281	-	19,612,713	8.67
9/1/2033	174,333,922	13,764,998	5,846,456	-	19,611,454	8.89
9/1/2034	107,462,034	9,573,862	10,041,867	-	19,615,729	5.48
9/1/2035	110,516,881	8,438,995	11,146,219	-	19,585,214	5.64
9/1/2036	113,632,826	5,435,920	14,138,250	-	19,574,170	5.81
9/1/2037	116,811,089	7,563,328	-	-	7,563,328	15.44
9/1/2038	120,052,918	7,514,050	-	-	7,514,050	15.98
9/1/2039	123,359,583	7,474,160	-	-	7,474,160	16.50
9/1/2040	126,732,382	7,429,588	-	-	7,429,588	17.06
9/1/2041	130,172,637	5,872,188	-	-	5,872,188	22.17
<b>Total<sup>(5)</sup></b>	<b>\$3,724,696,648</b>	<b>\$504,181,932</b>	<b>\$144,058,860</b>	<b>\$6,998,748</b>	<b>\$655,239,539</b>	

(1) Gross Revenues (as shown in Table 7) net of SB 2557 Charge.

(2) Source: HdL Coren & Cone, see APPENDIX C – “REPORT OF FINANCIAL CONSULTANT.”

(3) Source: Oakland Redevelopment Successor Agency.

(4) Includes 17<sup>th</sup> Street Garage DDA and Uptown Ground Lease (DDA).

(5) Totals may not add due to rounding.

## **CERTAIN RISK FACTORS**

*In addition to the information set forth elsewhere in this Official Statement, potential investors should consider the following matters in evaluating an investment in the Bonds. The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Bonds and no assurance can be given that additional risk factors will not become evident at any future time. The order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

### **Plan Limits**

The Successor Agency's ability to collect tax increment in a Project Area is limited not only by the time limits on the repayment of debt, but also by the cap on tax increment and the redevelopment plan's time limit. See "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution." Six of the Project Areas have redevelopment plans that expire prior to the final maturity of the Bonds. See "Table 2, PLAN LIMITS FOR THE PROJECT AREAS." Bonds that mature after the time a Project Area's period to repay debt with tax increment revenue expires will not be secured by tax increment revenues derived from said Project Area. Notwithstanding the above, the Successor Agency currently estimates that it will have sufficient tax increment revenues collectively from the Project Areas to pay the principal of and interest on the Bonds. However, there can be no assurance that the actual amount of tax increment revenues received will be as set forth in the Successor Agency's projections. See "PLEDGED TAX REVENUES AND DEBT SERVICE" and APPENDIX C – "REPORT OF FISCAL CONSULTANT."

### **Recognized Obligation Payment Schedules**

As described in greater detail above under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedules," the Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Tax revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Controller to the Successor Agency's Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the applicable distribution dates, as applicable. If the Successor Agency were to fail to complete an approved Recognized Obligation Payment Schedule with respect to a six-month period, the availability of Pledged Tax Revenues to the Successor Agency to pay debt service on the Bonds could be adversely affected for such period. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Allocation of Taxes Subsequent to the Dissolution Act – *Recognized Obligation Payment Schedules.*"

### **Accuracy of Assumptions**

To estimate the tax revenues ultimately available to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Project Areas, future tax rates, growth in tax revenues over time, percentage of taxes collected, other senior obligations, the amount of funds available for investment and the interest rate at which those funds will be invested. See APPENDIX C – "REPORT OF FISCAL CONSULTANT." The Successor Agency believes these assumptions to be reasonable, but there are no assurances that these assumptions will be realized. To the extent that the assessed valuation, the tax rates, the percentages collected, the amount of the funds available for investment or the interest rate at which they are invested, are less than the Successor Agency's assumptions, the Pledged Tax Revenues may be less than those projected and may be insufficient to pay debt service on the Bonds.

## **Reduction in Tax Base and Assessed Values**

Tax revenues allocated to the Redevelopment Property Tax Trust Fund constitute the ultimate source of payment on the Bonds, the Existing Bonds and any Parity Debt. Such tax revenues are determined by the amount of the incremental taxable value of property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed and the percentage of taxes collected in the Project Areas. A reduction of the taxable values of property in the Project Areas could occur as a result of numerous factors beyond the Successor Agency's control, including but not limited to, a general economic downturn, political and economic obstacles to additional development and redevelopment activities in the Project Areas, relocation out of the Project Areas by one or more major property owners or tenants, property becoming exempt from property taxes through condemnation or acquisition by certain entities such as nonprofit corporations, or the complete or partial destruction of property caused by, among other calamities, earthquake, fire, flood or other natural disaster. In addition, taxable values may be reduced pursuant to successful appeals of assessed valuations or by widespread temporary reduction in assessed valuation under Proposition 8. These risks may be greater where, as here, some of the Project Areas have a high concentration of major taxpayers. See "PLEGGED TAX REVENUES AND DEBT SERVICE – Table 4, TOP TEN TAXPAYERS," above. There are also appeals to assessed valuation which could result in a substantial reduction thereof. See "PLEGGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals" above. Any such reductions in taxable values could cause a reduction in the Pledged Tax Revenues securing the Bonds and could have an adverse effect on the Successor Agency's ability to make timely payments with respect to such Bonds.

In general, because property on the unsecured tax roll includes personal property and leasehold interests, the values of property on the unsecured roll are more likely to fluctuate and are more susceptible to reduction due to adverse economic circumstances affecting the owner of the properties. Accordingly, unsecured assessed valuation may present special risks and may be more susceptible to fluctuation from year to year than valuation reflected on the secured roll. According to the Fiscal Consultant, the unsecured roll represents approximately 15.09 percent of the overall assessed value for Fiscal Year 2014-15.

Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such adjustments are computed on a calendar year basis. In projecting future Pledged Tax Revenues to be available to it to make payments with respect to the Bonds, the Successor Agency has assumed an 0.454 percent inflation rate for Fiscal Year 2014-15, an 1.998 percent inflation rate for Fiscal Year 2015-16 and two percent inflationary increases annually thereafter. The projected Pledged Tax Revenues are based on the latest actual amounts received by the Successor Agency. However, future deflation could cause decreases in property values, a reduction in tax revenues received by the Successor Agency and reduced Pledged Tax Revenues. See "PLEGGED TAX REVENUES AND DEBT SERVICE" and "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution" herein.

In addition to the other limitations on and required application under the Dissolution Act of tax revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing tax revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce Pledged Tax Revenues and adversely affect the source of repayment and security of the Bonds.

## **Assessment Appeals**

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the Assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the Assessor is reduced, the valuation of the property cannot increase in subsequent years more than two percent (2%) annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to California law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the City, a property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one (1) year must submit an application to the County's Assessment Appeals Board. Applications for any tax year must be submitted by September 15 of such tax year. Following a review of the application by the Assessor, the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Assessment Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Assessment Appeals Board generally is required to determine the outcome of appeals within two (2) years of each appeal's filing date unless waived by applicant. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than two percent (2%)) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted. See "LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure" and "PLEGGED TAX REVENUES AND DEBT SERVICE." Assessors also have the ability to use Proposition 8 criteria to apply blanket reductions in valuation to classes of properties affected by particular negative economic conditions.

An appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in present or future taxable values within the Project Areas, which may arise out of successful appeals by property owners, will affect the amount of present or future Pledged Tax Revenues.

Two (2) of the top ten (10) largest property taxpayers in the Project Areas have pending property tax appeals. See "PLEGGED TAX REVENUES AND DEBT SERVICE – Table 4, Top Ten Taxpayers," and "– Assessment Appeals" for a description of pending appeals and the potential impact on allocable tax revenues if the appeals are granted. See also APPENDIX C – "REPORT OF FISCAL CONSULTANT" for discussion of assessment appeals.

## **State Budget Issues; Changes in the Law**

AB X1 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its Fiscal Years 2011-12 and 2012-13, respectively, in an effort to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (at a then projected savings of \$1.5 billion). There can be no assurance that additional legislation will not be

enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Pledged Tax Revenues.

On June 20, 2014, the Governor signed into law the State budget for Fiscal Year 2014-15 (the “2014-15 Budget”). The following information is drawn from the State Department of Finance’s summary of the 2014-15 Budget. The 2014-15 Budget is based on revenue projections previously included in the Governor’s May revision to the proposed budget for Fiscal Year 2014-15. For Fiscal Year 2013-14, the 2014-15 Budget projected total State general fund revenues of \$102.2 billion, and total State general fund expenditures of \$100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 Fiscal Year with a \$2.9 billion general fund surplus. For Fiscal Year 2014-15, the 2014-15 Budget projects total State general fund revenues of \$109.4 billion and total State general fund expenditures of \$108 billion, leaving the State with a projected general fund surplus for Fiscal Year 2014-15 of approximately \$2.1 billion. This projected reserve is a combination of \$449 million in the State’s general fund traditional reserve, and an authorized deposit of \$1.6 billion into the Budget Stabilization Account established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

***Fiscal Year 2015-16 Budget Proposal.*** On January 9, 2015, the Governor announced his proposed budget for Fiscal Year 2015-16 (the “Proposed Budget”). As part of the Proposed Budget, the Governor has proposed legislation that would, among other things:

(i) Transition all successor agencies from a semi-annual Recognized Obligation Payment Schedule process to an annual Recognized Obligation Payment Schedule process beginning January 1, 2016 when the successor agencies transition to a countywide oversight board.

(ii) Establish a “Last and Final” Recognized Obligation Payment Schedule process beginning September 2015. The Last and Final Recognized Obligation Payment Schedule will be available only to successor agencies that have a Finding of Completion, are in agreement with the State Department of Finance on what items qualify for payment, and meet other specified conditions. If approved by the State Department of Finance, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties and the successor agency will no longer submit a Recognized Obligation Payment Schedule to the State Department of Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid.

(iii) Clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

On May 14, 2015, the State Governor released the May revision (the “May Revision”) to the Proposed Budget. The following information is drawn from the State Department of Finance’s summary of the May Revision. The May Revision proposes the following additional amendments to the Dissolution Act:

(1) redevelopment successor agencies that enter into a written payment agreement with the State Department of Finance to remit unencumbered cash to the county auditor controller will receive a finding of completion, which provides successor agencies with additional fiscal tools and reduced State oversight;

(2) successor agencies that receive a finding of completion may expend a portion of proceeds of bonds issued in 2011, which proceeds are currently frozen;

(3) pension or State Water Project override revenues pledged to pay debt service on redevelopment bonds must be used for that purpose; however such override revenues that are not pledged to or not needed for redevelopment bond debt service will be returned to the entity that levies the override;

(4) agreements relating to State highway improvements and money loaned to successor agencies to pay costs associated with redevelopment dissolution litigation will be considered enforceable obligations; and

(5) reentered agreements entered into after the passage of AB 1484 are unenforceable unless entered into for the purpose of providing administrative support.

The full text of each Assembly Bill cited above may be obtained from the “Official California Legislative Information” website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: <http://www.leginfo.ca.gov/bilinfo.html>. Information about the State budget and State spending is available at various State maintained websites. Text of the 2014-15 Budget, the Proposed Budget (as revised by the May Revision) and other documents related to the State budget may be found at the website of the State Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov). A nonpartisan analysis of the budget is posted by the Legislative Analyst’s Office at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

*None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Successor Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.*

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Redevelopment Law, the Dissolution Act or other laws or the Constitution of the State resulting in a reduction of Pledged Tax Revenues, or that otherwise have an adverse effect on the Successor Agency's ability to pay debt service on the Bonds.

Certain litigation is challenging some of the terms of the Dissolution Act, and it is anticipated that there will be additional future legislation in this area. The Successor Agency cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

The Dissolution Act is new and implementation of its provisions have been and will be subject to differing interpretations by different stakeholders, including the State Department of Finance, the State Controller, oversight boards, successor agencies, auditor-controllers, and others, and the Dissolution Act could be subject to further legislative or judicial review. The Successor Agency cannot predict the outcome or impact of any such interpretations or reviews, on availability of Pledged Tax Revenues to pay the Bonds.

### **Subordination of ERAF**

The Successor Agency has obtained the approval of the Taxing Entities to subordinate payment of their AB 1290 Statutory Pass-Through Amounts to the payment of debt service on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Statutory Pass-Throughs*.” As ERAF is not an entity, but a fund, there is not a mechanism to seek affirmative approval of the subordination of monies payable to ERAF. The Successor Agency believes that the Statutory Pass-Through Amounts to be deposited in ERAF have also been subordinated, given that the Taxing Entities, to whom the amounts deposited in ERAF will be distributed, have approved the subordination of the Statutory Pass-Through Amounts directly payable to them. Should a Taxing Entity or the State disagree with the Successor Agency’s position with regards to the subordination of the ERAF and determine that the Statutory Pass-Through Amounts due to ERAF cannot be subordinated, such amounts would be a Senior Obligation and payment thereof would have to be made prior to payment of debt service on the Bonds. The Statutory Pass-Through Amount for ERAF for Fiscal Year 2014-15 is approximately 18.21 million dollars. The Successor Agency does not believe that an

obligation to pay the ERAF amounts on a basis senior to the payment of debt service on the Bonds will have a materially adverse effect on its ability to pay debt service on the Bonds.

### **Development Risks**

Several of the Project Areas have significant redevelopment activities currently in process or planned, particularly within the Oak Knoll and Oakland Army Base Project Areas. These developments are subject to all the risks generally associated with real estate development. Projected development within the Project Areas may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Project Areas could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in the Project Areas is delayed or halted, the economy of the Project Areas could be affected. If such events lead to a decline in assessed values, they could cause a reduction in Pledged Tax Revenues. In addition, if there is a decline in the general economy of the Project Areas, the owners of property within the Project Areas may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of the tax revenues received by the Successor Agency from the Project Areas. In addition, the insolvency or bankruptcy of one or more large owners of property within the Project Areas could delay or impair the receipt of tax revenues by the Successor Agency.

### **Natural Hazards**

Real estate values can be adversely affected by a variety of natural events and conditions, including earthquakes, tsunamis, sea level rise and floods. The Successor Agency expects that one or more of these conditions may occur from time to time, and such conditions may result in damage to property improvements. Any damage resulting from a natural disaster may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of real estate within the Project Areas could depreciate substantially and owners of property may be less willing or able to pay property taxes.

***Earthquake.*** According to the Community Safety element of the General Plan of the City and County of San Francisco (October 2012) (the “**Community Safety Element**”), a working group of earthquake scientists formed by the National Earthquake Prediction Evaluation Council concluded in 2008 that there is a 67% likelihood of one or more major earthquakes (magnitude 6.7 or greater and capable of resulting in substantial damage) occurring in the Bay Area in the next 30 years (<http://earthquake.usgs.gov/regional/nca/ucerf/>). This means that a major quake is twice as likely to occur as it is not to occur.

The City is in a seismically active area, where damaging earthquakes have occurred and are likely to occur again along the two earthquake fault lines that affect the City, which are the San Andreas fault line and the Hayward fault line. Significant recent seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and environs, including portions of the Project Areas. The City experienced significant damage to the elevated Cypress freeway and to several buildings within the City, especially unreinforced masonry buildings constructed prior to 1970 and current building code requirements. Much of the damage resulting from the Loma Prieta earthquake was due to soil liquefaction, a phenomenon during which loose, saturated, non-cohesive soils temporarily lose shear strength during ground shaking induced by severe earthquakes.

**Sea Level Rise.** Sea level rise can lead not only to permanent inundation of land but it can also expand the 100-year floodplain. The Community Safety Element notes that best available projections for California and the Bay Area currently assume 12-18 inches of sea level rise by 2050 and 21-55 inches of sea level rise by 2100, given current carbon emissions trends, although it also notes that these projections are likely to change over time as climate science progresses.

**Tsunamis.** Tsunamis are large waves in the ocean generated by earthquakes, coastal or submarine landslides, or volcanoes. Damaging tsunamis are not common on the California coast. Most California tsunamis are associated with distant earthquakes (most likely those in Alaska or South America, and recently in Japan), not with local earthquakes. Devastating tsunamis have not occurred in historic times in the San Francisco Bay Area. The Community Safety Element states that, because of the lack of reliable information about the kind of tsunami runups that have occurred in the prehistoric past, there is considerable uncertainty over the extent of tsunami runup that could occur.

**Flood Risks.** According to the California Department of Water Resources, since 1950, flood disasters have been declared in every California county at least ten times. The Federal Emergency Management Agency (“FEMA”) defines “flood” as “a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area, or of two or more properties” caused by the rapid accumulation of tidal or surface waters, mudflow, or the collapse of land resulting in such an inundation.” The magnitude and impact of a flood is hard to predict, as it varies based on a number of factors including the cause, the geographic location, and the flood control mechanisms in place. According to FEMA, certain pockets of the City (typically those near bodies of water, such as lakes, creeks, channels and the San Francisco Bay) fall into a low-risk 100-year floodplain, specifically including Lake Merritt and the Merritt Overflow that deposits in the San Francisco Bay. These areas are considered subject to a one percent (1%) chance of flooding in any given year. A few other pockets of the City fall into the 500-year Floodplain, meaning that there is a 0.2% chance of flooding in said area in any given year. These flood zones are located in or near the Central District Project Area, Central City East Project Area and the Coliseum Area Project Area.

The City does not believe that there exists a significant risk of flooding in the City or any of the Project Areas, due in part to the City’s location on the San Francisco Bay, which provides a place for excess water to naturally flow. However, some areas in the City are subjected to minor street flooding in low lying tidal areas during annual large storm events. This includes areas of east Oakland closest to the estuary. Portions of Lake Merritt outside of the Project Areas were subjected to flooding but due to construction of flood control projects this problem has been reduced.

It should be assumed, therefore, that a natural event or man-made activity may occur and may cause damage to improvements on parcels in the Project Areas of varying seriousness, that such damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate usability or because other considerations may preclude such repair or replacement. Consequently, the occurrence of any of these conditions could result in a significant decrease in the assessed value of taxable values of property in the Project Areas and could result in a significant reduction in Pledged Tax Revenues. Such reduction of Pledged Tax Revenues could have an adverse effect on the Successor Agency’s payment of debt service on the Bonds.

### **Bond Insurance Risk Factors**

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any Owner of the Bonds shall have a claim under the 2015 Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in

such amounts and at such times as such payments would have been due had there not been any such acceleration. The 2015 Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Successor Agency which is recovered by the Successor Agency from the Owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the 2015 Insurer at such time and in such amounts as would have been due absence such prepayment by the Successor Agency unless the 2015 Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the 2015 Insurer without appropriate consent. The 2015 Insurer may direct and must consent to any remedies and the 2015 Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the 2015 Insurer is unable to make payment of principal and interest as such payments become due under the 2015 Insurance Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the 2015 Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the 2015 Insurer and its claim paying ability. The 2015 Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the 2015 Insurer and of the ratings on the Bonds insured by the 2015 Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATING" herein.

The obligations of the 2015 Insurer are general obligations of the 2015 Insurer and in an event of default by the 2015 Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the Successor Agency nor Underwriters have made independent investigation into the claims paying ability of the 2015 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the 2015 Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the Bonds and the claims paying ability of the 2015 Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the 2015 Insurer and the 2015 Insurance Policy, which includes further instructions for obtaining current financial information concerning the 2015 Insurer.

### **No Validation Proceeding Undertaken**

California Code of Civil Procedure Section 860 authorizes public agencies to institute a process, otherwise known as a "validation proceeding," for purposes of determining the validity of a resolution or any action taken pursuant thereto. Section 860 authorizes a public agency to institute validation proceedings in cases where another statute authorizes its use. Relevant to the Bonds, California Government Code Section 53511 authorizes a local agency to "bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness." Pursuant to Code of Civil Procedure Section 870, a final favorable judgment issued in a validation proceeding shall, notwithstanding any other provision of law, be forever binding and conclusive, as to all matters herein adjudicated or which could have been adjudicated, against all persons: "The judgment shall permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the judgment is binding and conclusive."

The Successor Agency has not undertaken or endeavored to undertake any validation proceeding in connection with the issuance of the Bonds. The Successor Agency and Bond Counsel have relied on the provisions of AB 1484 authorizing the issuance of the Bonds and specifying the related deadline for any challenge to the Bonds to be brought. Specifically, Section 34177.5(e) of the Dissolution Act provides that notwithstanding any other law, an action to challenge the issuance of bonds (such as the Bonds), the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement authorized under Section 34177.5, must be brought within thirty (30) days after the date on which the oversight board approves the resolution of the successor agency approving such financing. Such challenge period expired with respect to the Bonds and the Oversight Board Resolution on May 27, 2015.

It is possible that a lawsuit challenging the Dissolution Act or specific provisions thereof based on the inability of successor agencies to meet their obligations to bondholders as those obligations become due, or to pay any other of their other obligations, could be successful and that the mechanisms currently provided for under the Dissolution Act to provide for distribution of Pledged Tax Revenues to the Successor Agency for payment on the Bonds could be impeded and result in a delinquency or default in the timely payment of principal of, and interest on, the Bonds.

Any action by a court to invalidate provisions of the Dissolution Act required for the timely payment of principal of, and interest on, the Bonds could be subject to the same issues regarding an impairment of contract or unconstitutional taking without just compensation as raised in the Syncora Lawsuit (see “LITIGATION” herein). The Successor Agency believes that the aforementioned considerations would provide some protections against the adverse consequences upon the Successor Agency and the availability of Pledged Tax Revenues for the payment of debt service on the Bonds in the event of successful challenges to the Dissolution Act or portions thereof. However, the Successor Agency does not guarantee that any lawsuit challenging the Dissolution Act or portions thereof will not result in an outcome that may have a detrimental effect on the Successor Agency’s ability to timely pay debt service on the Bonds.

### **Reductions in Unitary Values**

As the result of the adoption of AB 454 (Chapter 921, Statutes of 1986), a portion of the County-wide unitary values assigned to public utilities was allocated to the Project Area. For Fiscal Year 2013-14, \$2,981,055 of the tax increment revenue allocated to the Successor Agency with respect to the Project Areas was attributable to unitary property and the Fiscal Consultant has assumed in its report that it will be in approximately the same amount for Fiscal Year 2014-15. Any substantial reduction in the values of public utility properties, either because of deregulation of a utility industry or for any other reason, will have an adverse impact on the amount of Tax Revenues. The extent of any such impact would depend on the proportion of the Project Area's unitary revenue to the total tax revenues generated in the Project Area. For further information concerning unitary values, see “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure” and “– Taxation of Unitary Property.”

### **Hazardous Substances**

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within any of the Project Areas. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Areas be

affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

### **Reduction in Inflation Rate**

As described in greater detail below, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent (2%) increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis.

Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Any resulting reduction in the full cash value base over the term of the Bonds could reduce Tax Revenues. See “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution.” Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation several times, but in Fiscal Year 2010-11 the inflationary value adjustment was negative for the first time at -0.237%. In Fiscal Year 2011-12, the inflationary value adjustment was 0.753%. For Fiscal Years 2012-13 and 2013-14, the inflationary value adjustment was 2.00%. The inflationary value adjustment for Fiscal Year 2014-15 was 0.454% and for Fiscal Year 2015-16 it is 1.998%. The Successor Agency’s current projections of tax increment revenue assume the 1.998% factor for Fiscal Year 2015-16 and 2% inflation adjustment for all subsequent years of the projection. The Successor Agency is, however, unable to predict if any adjustments to the full cash value of real property within the Project Areas, whether an increase or a reduction, will be realized in the future. See also APPENDIX C – “REPORT OF FISCAL CONSULTANT.” Any resulting reduction in the full cash value base over the term of the Bonds could reduce Pledged Tax Revenues. See “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution.”

### **Delinquencies**

The Successor Agency does not have any independent power to levy and collect property taxes. Delinquencies in the payment of property taxes could have an adverse effect on the Successor Agency’s ability to make timely debt service payments.

### **Investment Risk**

All funds held by the Trustee under the Indenture and all funds held by the Successor Agency in the Special Fund, into which all Pledged Tax Revenues are initially deposited, are required to be invested in Permitted Investments as provided in the Indenture. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture or the Special Fund could have a material adverse effect on the security for the Bonds.

### **Bankruptcy and Foreclosure**

The payment of the property tax revenue from which Pledged Tax Revenues are derived and the ability of the City to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights (such as the Soldiers’ and Sailors’ Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure.

The rights of the Owners of the Bonds and the enforceability of the obligation to make payments on the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases. See APPENDIX F – "FORM OF BOND COUNSEL FINAL OPINION."

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of property taxes, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws, payment of property taxes may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over property taxes in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

In addition, the United States Bankruptcy Code might prevent moneys on deposit in the Retirement Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner and if the court found that any of such landowner had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of property taxes or the timing of enforcement thereof. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

As discussed under "LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure – *Delinquencies*," under its current policies, the County Controller distributes one hundred percent (100%) of tax increment revenues allocated to the Successor Agency without regard to delinquencies in the payment of property taxes. However, there can be no assurance that such policies will not be changed in the future.

### **Levy and Collection of Taxes**

The Successor Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues, and accordingly, could have an adverse impact on the ability of the Successor Agency to pay debt service on the Bonds. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes could have an adverse effect on the Successor Agency's ability to make timely Bond payments. The City allocates property taxes to the Successor Agency based on one hundred percent (100%) of the tax levy, notwithstanding any delinquencies. However, the City may discontinue such practice at any time. If there is a decline in the general economy of any Project Area, the owners of property within such Project Area may be less able or less willing to make timely payments of property

taxes, causing a delay or stoppage of Pledged Tax Revenues received by the Successor Agency from the Project Area.

### **Loss of Tax Exemption**

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2015-TE Bonds, the Successor Agency has covenanted in the Indenture to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”), and the Successor Agency has covenanted in the Indenture to comply with certain provisions of the Tax Code. The interest on the Series 2015-TE Bonds could become includable in the gross income for purposes of federal income taxation retroactive to the date of issuance of the Series 2015-TE Bonds as a result of acts or omissions of the Successor Agency in violation of these or other covenants in the Indenture applicable to the Series 2015-TE Bonds. The Series 2015-TE Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See “TAX MATTERS.”

### **Risk of Tax Audit**

In December 1999, as a part of a larger reorganization of the Internal Revenue Service (the “**IRS**”), the IRS commenced operation of its Tax Exempt and Government Entities Division (the “**TE/GE Division**”), as the successor to its Employee Plans and Exempt Organizations division. The TE/GE Division has a subdivision that is specifically devoted to tax-exempt bond compliance. There is no assurance that if an IRS examination of the Series 2015-TE Bonds was undertaken it would not adversely affect the market value of the Series 2015-TE Bonds. See “TAX MATTERS.”

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including, without limitation, amendments to the Tax Code), or by any state constitutional amendments, court decisions, changes in interpretation of the Code, or actions of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any IRS audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

### **Parity Obligations**

As described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Limitations on Additional Indebtedness – *Parity Debt*,” the Successor Agency may issue or incur obligations payable from Pledged Tax Revenues on a parity with its pledge of Pledged Tax Revenues to payment of debt service on the Bonds.

### **Bonds are Limited Obligations**

The Bonds are special, limited obligations of the Successor Agency and as such are not debt of the City, the State or any of their political subdivisions other than the Successor Agency, and none of the

City, the State or any of their political subdivisions other than the Successor Agency is liable for the payment thereof. The principal of, and premium, if any, and interest on, the Bonds are payable solely from Pledged Tax Revenues allocated to the Successor Agency from the Project Areas and certain other funds pledged therefor under the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” No Owner of the Bonds may compel exercise of the taxing power of the State, the City or any of their political subdivisions to pay the principal of, or premium, if any, or interest due on, the Bonds.

### **Limited Recourse on Default**

If the Successor Agency defaults on its obligations under the Indenture, the Trustee has the right to accelerate the Bonds. However, in the event of a default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of the Bonds.

### **LIMITATIONS ON TAX REVENUES**

The Bonds are secured by a pledge of Pledged Tax Revenues attributable to the Project Areas. The Successor Agency does not have any independent power to levy and collect property taxes; accordingly, the amount of tax revenues available to the Successor Agency for payment of the principal of and interest on the Bonds is affected by several factors described below, in addition to those “CERTAIN RISK FACTORS” described above.

### **Property Tax Collection Procedure**

**Classifications.** In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against the unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property, regardless of the time of creation of the other liens.

Generally, *ad valorem* taxes are collected by a county (the “**Taxing Authority**”) for the benefit of the various entities (cities, school districts and special districts) that share in the *ad valorem* tax (each, a taxing entity) and redevelopment agencies eligible to receive tax increment revenues.

**Collections.** Secured property and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four (4) ways of collecting unsecured personal property taxes in the case of delinquency: (i) initiating a civil action against the taxpayer; (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

**Delinquencies.** The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property are due March 1. Unsecured taxes enrolled by July 31, if unpaid, are delinquent August 31 and are subject to penalty; unsecured taxes added to the roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

**Penalty.** A ten percent (10%) penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, on or about June 30 of the fiscal year, property on the secured roll on which taxes are delinquent is declared to be in default by operation of law and declaration of the tax collector. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of one and one half of a percent (1.5%) per month to the time of redemption and a \$15 redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector. A ten percent (10%) penalty also applies to the delinquent taxes on property on the unsecured roll, and further, an additional penalty of one and one half of a percent (1.5%) per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

**Supplemental Assessments.** California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next January 1 tax lien date following the change and thus delayed the realization of increased property taxes from the new assessments for up to fourteen (14) months. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments as a result of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Areas, Pledged Tax Revenues may increase.

**Property Tax Administrative Costs.** In 1990, the Legislature enacted Senate Bill 2557 (Statutes of 1990, Chapter 466) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. Subsequent legislation clarified that the provisions of SB 2557 include redevelopment agencies as a local government agency which must pay such administrative costs. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the county auditor-controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before moneys are deposited into the Redevelopment Property Tax Trust Fund.

### **Taxation of Unitary Property**

AB 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with the fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case, values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modifies Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the one percent (1%) tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to one hundred and two percent (102%) of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than one hundred and two percent (102%) of the previous year's

unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction’s annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The intent of Chapters 1457 and 921 is to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization. To administer the allocation of unitary tax revenues to redevelopment agencies, the County Controller no longer includes the taxable value of utilities as part of the reported taxable values of a project area. As a result, the base year value of Project Areas is reduced by the amount of utility value that existed originally in the base year value. The County Controller allocated unitary revenues to the Project Areas during Fiscal Year 2013-14 in the amounts shown below in the table below, which the Fiscal Consultant has assumed, for purposes of calculating tax revenues available for debt service on the Bonds, will be allocated in the same amount for Fiscal Year 2014-15 and will remain constant in future years.

**Fiscal Year 2013-14  
Unitary Revenue  
Allocated by the County**

<u>Project Area</u>	<u>Unitary Revenue</u>
Broadway	\$ 5,313
Central City East	17,630
Central District	2,900,287
Coliseum	43,069
Oak Knoll	738
Army Base	7,666
West Oakland	<u>6,352</u>
Total:	\$2,981,055

**Tax Limitations – Article XIII A of California Constitution**

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum *ad valorem* tax on real property to one percent (1%) of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State statutes. Section 1(b) of Article XIII A provides that the one percent (1%) limitation does not apply to *ad valorem* taxes levied to pay interest or redemption charges on (1) indebtedness approved by the voters prior to July 1, 1978, and (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the 1975-76 Fiscal Year tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent (2%) per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIII A, which is \$1.00 per \$100 of assessed market value. The legislation further establishes the method for allocating the taxes collected by each county among the taxing agencies in the county.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age fifty-five (55) and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in property tax revenues.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent (2%) annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

The Successor Agency cannot predict whether there will be any future challenges or changes to California’s present system of property tax assessment or the effect on the Successor Agency’s receipt of Pledged Tax Revenues as a result of such challenge or change.

### **Article XIII B of California Constitution**

On November 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution which has been subsequently amended several times. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The base year for establishing such appropriation limit is fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population, cost of living and certain increases in the cost of services provided by these public agencies.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Effective September 30, 1980, the California Legislature added Section 33678 of the Redevelopment Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely* and *Brown v. Community Redevelopment Agency*.

### **Proposition 87**

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the California Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on bonded indebtedness issued by a taxing entity (not the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies. Pledged Tax Revenues do not include any such amounts.

### **Articles XIII C and XIII D of California Constitution**

On November 5, 1996, California voters approved Proposition 218 – Voter Approval for Local Government Taxes – Limitation on Fees, Assessments, and Charges – Initiative Constitutional

Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. The Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218 and are outside of the scope of taxes that are limited by Proposition 26.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures or other legislation could be adopted, further affecting the availability of tax increment revenues or the Successor Agency’s ability to expend tax increment revenue.

## **TAX MATTERS**

### **Series 2015-TE Bonds**

*General.* In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2015-TE Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the Bonds. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2015-TE Bonds.

*California Tax Status.* In the opinion of Bond Counsel, interest on the Series 2015-TE Bonds is exempt from California personal income taxes.

*Tax Treatment of Original Issue Discount and Premium.* If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between

compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

*Form of Bond Counsel Opinion.* At the time of issuance of the Bonds, Bond Counsel expects to deliver an opinion for the Bonds in substantially the form set forth in Appendix F.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

### **Taxable Series 2015-T Bonds**

The interest on the Taxable Series 2015-T Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Bond Counsel, interest on the Taxable Series 2015-T Bonds is exempt from California personal income taxes. The proposed form of opinion of Bond Counsel with respect to the Taxable Series 2015-T Bonds to be delivered on the date of issuance of the Taxable Series 2015-T Bonds is set forth in Appendix F.

Owners of the Taxable Series 2015-T Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Taxable Series 2015-T Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Taxable Series 2015-T Bonds, or the amount, accrual or receipt of interest on the Taxable Series 2015-T Bonds.

## LITIGATION

There is no litigation now pending or, to the best knowledge of the Successor Agency, threatened to restrain or enjoin the execution or delivery of the Bonds or the Indenture or in any way questioning or affecting the validity of the foregoing or any of the proceedings for the authorization, sale, execution or delivery of the Bonds. In the opinion of counsel to the Successor Agency, there is no lawsuit or claim pending against the Successor Agency, which if decided adversely to the Successor Agency would materially affect the Successor Agency's finances so as to impair the ability of the Successor Agency to pay debt service on the Bonds as it becomes due.

### **Syncora Lawsuit – Challenge to Dissolution Act**

With respect to California successor agencies and the Dissolution Act in general, on August 1, 2012, Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “**Syncora**”) filed a lawsuit against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento) (the “**Syncora Lawsuit**”). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The Syncora Lawsuit was brought as a petition for writ of mandate, complaint for declaratory relief, inverse condemnation and injunctive relief. The injunctive relief sought included an injunction enjoining the respondents from implementing, enforcing, and/or carrying out the Redistribution Provisions, ordering respondents to immediately return all money remitted by successor agencies to local taxing agencies pursuant to the Redistribution Provisions, and ordering respondents to hold all future tax increment revenues in the Redevelopment Property Tax Trust Fund, or a similar fund, for the exclusive benefit of, and distribution to, bondowners until such a time when the bondowners are completely repaid.

In August 2013, the parties entered into a stipulated judgment dismissing all of Syncora's claims, although the dismissal was without prejudice with respect to Syncora's premature claims for impairment of contract and unconstitutional taking. The court noted that no redevelopment agency bonds were in default. The stipulated judgment was entered as final on October 3, 2013.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation. Specifically, the complaint alleges that the security mechanism created by the irrevocable pledge of tax increment revenues to repay the redevelopment agency debts was a critical feature of the redevelopment bonds' marketability. No assurance can be made that Syncora will not re-file its claim at a later date.

A number of other lawsuits have been filed that challenge the Dissolution Act or the application of certain of its provisions. The Successor Agency is unable to predict the likely outcome of these actions or the possible impact, if any, of their outcomes on the distribution of property tax revenues or other moneys to the Successor Agency under the Dissolution Act or on the Successor Agency's ability to make payments of principal of and interest on the Bonds.

## **CONTINUING DISCLOSURE**

The Successor Agency has covenanted for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than nine (9) months (i.e., March 31) after the end of the Successor Agency's Fiscal Year (presently June 30) in each year commencing with its report for the 2014-15 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Successor Agency, or the Dissemination Agent, if any, on behalf of the Successor Agency, with the MSRB. The notices of events will also be filed by the Successor Agency, or the Dissemination Agent, if any, on behalf of the Successor Agency, with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of events is summarized in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

On limited occasions during the last five years, certain event notices of ratings changes were not made in a timely manner. The Successor Agency has adopted additional practices to enhance timely filings and to review and monitor compliance in all of its continuing disclosure undertakings.

## **LEGAL MATTERS**

Certain legal matters incident to the issuance, sale and delivery of the Bonds are subject to the approving legal opinion of Jones Hall, A Professional Law Corporation, as Bond Counsel. Certain legal matters incident to the issuance of the Bonds will be passed upon for the Successor Agency by the City Attorney of the City of Oakland. Curlls Bartling P.C. is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed upon for the Underwriters by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California.

Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization, issuance and sale of the Bonds, and the exemption of interest on the Bonds from federal income taxation and California personal income taxes. See "TAX MATTERS" herein and APPENDIX F – "FORM OF BOND COUNSEL FINAL OPINION."

Fees payable to Bond Counsel and Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

## **FINANCIAL ADVISOR**

The Successor Agency has retained Fieldman, Rolapp & Associates, Inc. as financial advisor (the "Financial Advisor") in connection with the authorization, issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent registered municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

## **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of, among other things, the mathematical computations of the amounts deposited in the Escrow Subaccounts to pay, when due, the redemption price of and accrued interest on the Refunded Bonds will be verified by Grant Thornton LLP.

## RATING

Standard & Poor's Rating Service, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned a rating to the Bonds of "A-." S&P is expected to assign the Bonds an insured rating of "AA" (stable outlook) based upon the issuance of the 2015 Insurance Policy by the 2015 Insurer at the time of delivery of the Bonds. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained by contacting S&P. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. The Successor Agency undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

## FINANCIAL STATEMENTS

The audited financial statements of the Successor Agency for the Fiscal Year ended June 30, 2014, are included as part of APPENDIX B – "SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014." Such financial statements have been audited by Macias Gini & O'Connell, LLP (the "Auditor"), independent certified public accountants, whose report also appears in Appendix B. The Auditor was not requested to consent to the inclusion of its report in Appendix B, nor has the Auditor undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

## FISCAL CONSULTANT REPORT

In connection with the issuance of the Bonds, the Successor Agency has engaged HdL Coren & Cone, Diamond Bar, California, to prepare a Fiscal Consultant Report. See APPENDIX C – "REPORT OF FISCAL CONSULTANT."

## UNDERWRITING

The Bonds will be sold to RBC Capital Markets, LLC as representative ("**Representative**") of itself and Stifel, Nicolaus & Company, Inc (the "**Underwriters**"), pursuant to a bond purchase contract between the Successor Agency and the Representative. The Underwriters have agreed to purchase the Series 2015-TE Bonds for \$24,938,928.99 (which amount represents the \$22,510,000.00 aggregate principal amount of the Series 2015-TE Bonds, plus original issue premium of \$2,498,440.00, and less an underwriters' discount of \$69,511.01). The Underwriters have agreed to purchase the Taxable Series 2015-T Bonds for \$66,435,769.73 (which amount represents the \$66,675,000 aggregate principal amount of the Taxable Series 2015-T Bonds, less an underwriters' discount of \$239,230.27).

The initial public offering prices of the Bonds of each Series may be changed from time to time by the Underwriters. The Purchase Contract for the Bonds provides that the Underwriters will purchase all of Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract including, among others, the approval of certain legal matters by counsel.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and

their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Successor Agency. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Successor Agency.

### MISCELLANEOUS

All the summaries contained herein of the Bonds, the Indenture, applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith. The Successor Agency shall provide, upon request, annual audited financial statements when available.

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the Owners or Beneficial Owners.

The execution and delivery of this Official Statement have been duly authorized by the Successor Agency Board.

OAKLAND REDEVELOPMENT  
SUCCESSOR AGENCY

By: /s/ Sabrina Landreth  
Agency Administrator

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## APPENDIX A

### SELECTED INFORMATION REGARDING THE CITY OF OAKLAND

*Certain statements included or incorporated by reference in this Appendix A constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.*

#### Overview

The City of Oakland (the “**City**” or “**Oakland**”) is located in the County of Alameda (the “**County**”) on the eastern shore of the San Francisco Bay (the “**Bay**”), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles, the City is the largest and most established of the “East Bay” cities. Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east. The City is the hub of an extensive transportation network, which includes several interstate freeways, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the United States. The City is also served by an active international airport and the Bay Area Rapid Transit system (“**BART**”), which connects the City by commuter rail to most of the San Francisco Bay Area (the “**Bay Area**”). Formerly the industrial heart of the Bay Area, the City has developed into a diverse financial, commercial and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State of California (the “**State**”), with a population of approximately 410,603 as of January 1, 2015.

Oakland has a diverse mix of traditional and new economy companies. Companies are attracted to the City’s excellent quality of life, comparatively low business costs, proximity to research institutions and vast intermodal transportation network. Leading industries include business services, health care services, transportation, food processing, light manufacturing, government, arts, culture, entertainment, and tech-startups. Prominent employers or businesses headquartered in the City include Clorox Company, Kaiser Permanente, Pandora, Sungevity, Ask.com, and Dreyer’s Grand Ice Cream.

Culturally, the City is home to the regionally and nationally recognized Oakland Museum of California, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theatre and the renovated Fox Theater. The City is also the only city in California outside of Los Angeles, and the only city in the Bay Area, with three major professional sports teams. The Oakland Athletics, the Golden State Warriors, and the Oakland Raiders all play at stadiums within the City. At other times, these venues are used for other purposes, such as concerts and other events.

Oakland is buzzing with energy from a thriving restaurant scene, diverse entertainment and arts offerings and a vibrant nightlife. A wide range of dining options are available in the City, ranging from street eats like the “Art Murmur” to fine dining restaurants, like Michelin-starred avant-garde Commis and many others. Over the years, Oakland has attracted many artists and high profile chefs, who have created a wave of new restaurants with creative menus that contribute to the City’s burgeoning restaurant scene in areas like Temescal, Uptown, Downtown, Rockridge, Grand Lake, Piedmont and Jack London Square.

The City has been recognized by numerous publications and groups throughout the years. A few of the most recent accolades are listed below:

- In February 2015, *Popular Mechanics* ranked Oakland as #3 among “The 14 Best Startup Cities in America”
- On December 10, 2014, #8 on “Best in the US 2015” list of top 10 destinations to visit by *lonely planet*
- On November 19, 2014, *Business Insider* listed Oakland among “The 15 Hottest American Cities For 2015”
- On September 11, 2014, *National Real Estate Investor* rated Oakland #8 among “Top 10 Retail Markets”

## **City Government**

The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City became a charter city. The Charter of the City (the “Charter”) provides for: the election, organization, powers and duties of the legislative branch, known as the City Council (the “City Council”); the powers and duties of the executive and administrative branches; fiscal and budgetary matters, personnel administration, franchises, licenses, permits, leases and sales; employee pension funds; and the creation and organization of the Port of Oakland. An eight-member City Council, seven of whom are elected by district and one of whom is elected on a citywide basis, governs the City. The mayor of the City (the “Mayor”) is not a member of the City Council but is the City’s chief executive officer. The current Mayor, Libby Schaaf, is serving her first term, which expires in January 2019. No person can be elected Mayor for more than two consecutive terms. The Mayor and City Council members serve four-year terms, staggered at two-year intervals. The City Attorney is elected to a four-year term, two years following the election of the Mayor. The current City Attorney’s term will expire on January 31, 2017. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor’s term will expire in January 2019.

The Mayor appoints a City Administrator who is subject to confirmation by the City Council. The City Administrator is responsible for daily administration of City affairs and preparation of the annual budget for the Mayor to submit to the City Council. Subject to civil service regulations, the City Administrator appoints all City employees who are not elected officers of the City. The current City Administrator, Sabrina Landreth, was appointed on July 1, 2015. Ms. Landreth was formerly the Emeryville City Manager and City of Oakland Deputy City Manager/Budget Director.

The City provides a full range of services required by State law and the Charter, including those functions delegated to cities under State law. These services include public safety (police and fire), sanitation and environmental health enforcement, recreational and cultural activities, public improvements, planning, zoning and general administrative services.

## **Economic Highlights**

With new developments in Oakland, the City has welcomed thousands of new residents and hundreds of new businesses to be part of an exciting transformation. Easy transit options, available housing and new opportunities for shopping and dining have helped attract residents and businesses to the City. Accessibility to the Oakland International Airport, Port of Oakland and rail connections make shipping and receiving goods quick, easy and affordable. The City also has a well-trained workforce, being located near many colleges and universities. All these factors help stimulate development in Oakland, making the City a desirable center for business, development and investment regionally, nationally and internationally.

The following represent some of the major projects in the City, which were recently completed or are currently underway or in the final planning stages.

#### *Major Announcements*

- The Brooklyn Basin Project broke ground in March 2014. The projected \$1.5 billion project is the largest approved, mixed-use master plan in the City. The project consists of approximately 3,100 housing units, 200,000 square feet of offices and retail space, as well as 30 acres of parks and open space along Oakland's estuary. An estimated 10,000 jobs will be created upon completion of its build-out.
- The Oakland Global Trade and Logistics Center broke ground at the former Oakland Army Base in October 2013. Funding commitments from both the City and State of nearly \$230 million will fund backbone public infrastructure and extensive site improvements. Public funding is being used to leverage approximately \$270 million in private investment to construct approximately 1.5 million square feet of new industrial facilities emphasizing warehousing, port/trade logistics, trucking operations and recycling facilities. This state-of-the-art trade and logistics hub will bolster the Port of Oakland's ability to compete globally, allow higher volumes of cargo and create additional jobs. The project will take place in multiple phases with an expected project completion date of April 2019.
- The City Council approved a resolution in March 2015 authorizing the City Administrator to negotiate and execute a three-party Exclusive Negotiating Agreement ("ENA") for a development project at the Oakland-Alameda County Coliseum Complex and adjacent City property with the County and New City Development LLC ("**Developer**"). The ENA period would be for six months, with a six-month option to extend on the part of the City and County. The ENA will allow for the Developer to conduct further market analysis and propose a series of equity public/private finance deal structures, as well as continue on-going negotiations over possible development of the Coliseum Complex and the City-owned property adjacent to the Coliseum Complex with a new Oakland Raiders stadium and a new Oakland Athletics ballpark, related parking facilities, and other commercial and residential development. The ENA does not constitute a binding commitment on the part of the City or County to the Developer, or to any proposed project.

#### *Arts and Entertainment*

- "Art Murrur," held on the first Friday of every month, attracts approximately 25,000 visitors a month to open galleries in Downtown/Old Oakland, Uptown, and Jack London Square.
- The Fox Theater, a national historic landmark, completed one of the nation's largest historic theater renovations in 2009 becoming a 3,000-person live performance venue and home to the Oakland School for the Arts. The Fox Theater is now one of the most active theaters of its size for live music in the nation. The theater hosted 98 concerts in 2014 attracting over 245,000 visitors to Downtown Oakland. The theater has been instrumental in attracting bars, restaurants and cafes to the area and expanding the nightlife.
- The Oakland Museum of California completed a \$58 million, multi-year, multi-level renovation and expansion in 2013 with the reopening of the Gallery of California Natural Sciences. The Galleries of California Art and California History reopened to the public in 2010. The museum welcomed back visitors with a dramatically different presentation of its renowned collections,

reviving its founding vision by introducing innovative exhibitions and setting a new paradigm for the way a museum engages the public.

*Major Projects Recently Completed in 2014*

- The Coliseum–Oakland International Airport line, a \$484 million automated guideway transit system operated by Bay Area Rapid Transit (BART) between BART’s Coliseum Station and Oakland International Airport, opened for public service in November 2014. This direct service makes it possible to get to downtown San Francisco faster by flying into Oakland.
- In December 2014, construction of a new 45,000 square foot, \$35 million Safeway Store complex in the Rockridge neighborhood was completed. The store will employ 160 individuals, of which 65 are newly created jobs.

*Major Projects That Are Currently Underway or in the Final Planning Stages*

Oakland has seen many recent positive trends in economic indicators and major development projects. There are several development projects underway or in the works that will add new jobs and new economic activity. Throughout the City, significant projects ranging from senior housing to hospital rebuilds and education, transportation, residential and mixed-use developments are moving forward to redefine Oakland. The table below lists some of Oakland’s largest construction projects:

<b>Project Name</b>	<b>Project Area</b>	<b>Construction Cost (\$ In Millions)</b>	<b>Projected Completion Date</b>
Brooklyn Basin	Central City East	\$1,500	Sept 2019
Highland Hospital	Not Applicable <sup>(1)</sup>	\$439	Sept 2017
Oakland Army Base Redevelopment	Oakland Army Base	\$247	Feb 2018
Oakland International Airport, Terminal 1	Not Applicable <sup>(2)</sup>	\$110	Feb 2016
I-880 North Safety and Operational Improvements	Coliseum	\$100	2018
I-880 High Occupancy Vehicle (HOV) Lane	Coliseum	\$83	2016
The Hive	Central District	\$70	April 2016
Children’s Hospital Oakland Phase I	Not Applicable <sup>(3)</sup>	\$63	2017
MacArthur Transit Village, Phase I & II	Broadway/MacArthur/ San Pablo	\$51	Sept 2015

<sup>(1)</sup> Project is located just outside the Central City East Project Area.

<sup>(2)</sup> Project is located just outside the Coliseum Project Area.

<sup>(3)</sup> Project is located just outside and between two areas of the Broadway/MacArthur/San Pablo Project Area.

Source: City of Oakland.

Housing

- Today, approximately 11,000 housing units throughout the City are in the development pipeline. Development interest and activity in the City’s central core continues.
- 250 housing units in Oakland’s City Center on City-owned parcels are in the planning stages. Additional phases are also being planned.
- Since the adoption of the Broadway Valdez Specific Plan in July 2014, almost 1,200 housing units in the Uptown Plan Area have been either submitted for permits or approved for

construction. In addition, about 150,000 square feet of retail have been similarly submitted for permits or approved for construction.

Mixed-Use Developments

- Four transit-oriented mixed use developments are in the planning, entitlement or construction phase. The MacArthur Transit Village project is expected to include up to 675 mixed income housing units and approximately 42,500 square feet of retail. Construction of the first phase of the project, which includes the construction of a public parking garage for BART, was completed in July 2014. The next phase, 90 units of affordable housing, began construction in September 2013 and is expected to be completed in September 2015.
- The City is moving ahead with the rehabilitation and adaptive reuse of the Henry J. Kaiser Auditorium/Convention Center, a city-owned historic landmark on the southern edge of Lake Merritt, adjacent to the Oakland Museum of California.
- The City recently issued a request for proposals and received proposals for a mixed use residential, retail and hotel project on a city-owned site at 1911 Telegraph in Oakland’s thriving Uptown District.
- The historic Sears building in downtown Oakland was recently purchased and is being restored to create 400,000 square feet of creative office space and ground floor retail.

**Population**

The Demographic Research Unit of the California Department of Finance estimated the City’s population on January 1, 2015 at 410,603. This figure represents approximately 25.8% of the corresponding County figure and 1.06% of the corresponding State figure. The City’s population grew 1.2% between 2014 and 2015. The following Table 1 sets forth the estimated population of the City, the County, and the State from calendar years 2010 through 2015.

**Table 1  
City of Oakland, County of Alameda and State of California  
Population**

Calendar Year	City	County	State
2010	390,724	1,510,271	37,253,956
2011	392,333	1,517,756	37,427,946
2012	394,838	1,530,206	37,668,804
2013	399,699	1,550,119	37,984,138
2014	404,355	1,573,254	38,340,074
2015	410,603	1,594,569	38,714,725

Note: Data reflects population estimates as of January 1 of each year.  
 Source: California State Department of Finance, Demographic Research Unit (April 2010 Benchmark) as shown on May 11, 2015. Reflects population estimates as of January 1 of each year.

## Industry and Employment

The following Table 2 sets forth estimates of the labor force, civilian employment, and unemployment for City residents, State residents and United States residents from calendar years 2010 through 2014. The California Employment Development Department has reported preliminary unemployment figures for March 2015 at 6.5% for the State and 5.9% for the City (not seasonally adjusted).

**Table 2**  
**City of Oakland, State of California and United States**  
**Civilian Labor Force, Employment and Unemployment**  
**Annual Average for Years 2010 through 2014**

Year and Area	Labor Force	Civilian Employment	Unemployment	Unemployment Rate (%)
2010				
City	205,100	170,500	34,600	16.9
State	18,336,300	16,068,400	2,267,900	12.4
United States	153,889,000	139,064,000	14,825,000	9.6
2011				
City	204,800	173,000	31,800	15.5
State	18,417,900	16,249,600	2,168,300	11.8
United States	153,617,000	139,869,000	13,747,000	8.9
2012				
City	206,600	178,500	28,100	13.6
State	18,519,000	16,589,700	1,929,300	10.4
United States	154,975,000	142,469,000	12,506,000	8.1
2013				
City	206,000	182,700	23,400	11.3
State	18,596,800	16,933,300	1,663,500	8.9
United States	155,389,000	143,929,000	11,460,000	7.4
2014				
City <sup>(1)</sup>	209,800	194,600	15,200	7.3
State <sup>(2)</sup>	18,683,300	17,277,900	1,405,400	7.5
United States <sup>(3)</sup>	155,922,000	146,305,000	9,617,000	6.2

<sup>(1)</sup> Data for the City of Oakland dated March 6, 2015 (March 2014 Benchmark), as shown on the State Employment Development Department, Labor Market Information Division on May 11, 2015.

<sup>(2)</sup> Data for the State dated January 23, 2015 (March 2013 Benchmark), as shown on the State Employment Development Department, Labor Market Information Division on February 23, 2015.

<sup>(3)</sup> Data for the United States as shown on the U.S. Bureau of Labor Statistics website on February 23, 2015.

## Commercial Activity

The following Table 3 sets forth a history of taxable sales for the City for Fiscal Years 2009-10 through 2013-14.

**Table 3**  
**City of Oakland**  
**Trade Outlets and Taxable Sales**  
**for Fiscal Years 2009-10 through 2013-14**  
**(\$ In Thousands)**

Taxable Retail Sales	2009-10	2010-11	2011-12	2012-13	2013-14
Auto & Transportation	\$ 580,398	\$ 651,555	\$ 674,154	\$ 743,329	\$ 838,029
Business & Industry	490,566	512,453	642,399	655,454	653,875
General Customer Goods	480,781	496,571	548,072	559,941	574,519
Restaurants & Hotels	525,068	566,973	606,936	681,562	751,108
Building & Construction	344,171	325,085	378,922	374,421	434,677
Food & Drugs	366,461	359,148	386,236	402,383	417,291
Fuel & Service Stations	433,207	620,279	888,349	733,489	704,208
<b>TOTAL ALL OUTLETS</b>	<b>\$3,220,652</b>	<b>\$3,532,064</b>	<b>\$4,125,068</b>	<b>\$4,150,579</b>	<b>\$4,373,707</b>

Source: HdL Companies, as shown in the City of Oakland, Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2014.

The following Table 4 sets forth the largest industries in the County in terms of employment in each respective industry, as estimated by the State Employment Development Department for calendar years 2009 through 2013.

**Table 4**  
**County of Alameda**  
**Employment by Industry Group**  
**Annual Averages 2009 through 2013**

Industry Employment <sup>(1)</sup>	2009	2010	2011	2012	2013 <sup>(4)</sup>
Total Farm	700	700	700	700	500
Manufacturing	61,800	59,100	60,900	60,900	62,800
Other Goods Producing <sup>(2)</sup>	33,600	30,400	31,000	33,400	35,700
Trade, Transportation and Utilities	121,700	117,600	118,900	122,800	127,300
Information	14,900	14,000	13,600	13,600	13,000
Financial Activities	22,400	22,900	23,000	23,500	24,200
Professional and Business Services	105,200	108,300	111,400	118,100	121,000
Education and Health Services	99,700	100,400	99,700	104,400	112,200
Leisure and Hospitality	53,900	54,500	56,000	58,700	62,300
Other Services	22,900	23,200	23,300	23,900	24,900
Government	<u>121,300</u>	<u>116,100</u>	<u>116,100</u>	<u>114,900</u>	<u>115,300</u>
<b>TOTAL<sup>(3)</sup></b>	<b>658,100</b>	<b>647,200</b>	<b>654,600</b>	<b>674,900</b>	<b>699,200</b>

(1) Based on place of work.

(2) Also called Mining, Logging and Construction.

(3) Total may not be precise due to rounding.

(4) Most recent data available.

Source: State of California, Employment Development Department, Labor Market Information Division, dated October 17, 2014 (March 2013 benchmark), as shown on February 23, 2015.

The following Table 5 sets forth the top ten major employers in the City, the employees of which represent approximately 26.24% of the labor force, as of November 30, 2014.

**Table 5  
City of Oakland  
Principal Employers  
as of November 30, 2014**

<u>Rank</u>	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percent of Total Employment<sup>(1)</sup></u>
1	Kaiser Permanente Medical Group	Health Care	10,914	5.77%
2	Oakland Unified School District	School District	7,664	4.06
3	State of California	State Government	7,480	3.76
4	County of Alameda	County Government	6,218	3.29
5	City of Oakland	City Government	5,082	2.69
6	Alta Bates Summit Medical Center	Health Care	3,623	1.92
7	Children's Hospital & Research Center	Pediatric Hospital	2,600	1.38
8	Internal Revenue Service	Federal Government	2,500	1.32
9	Southwest Airlines	Transportation	2,100	1.11
10	Peralta Community College	Education	<u>1,420</u>	<u>0.75</u>
	<b>TOTAL</b>		49,601	26.24%

<sup>(1)</sup> Total employment of 189,000 from the State of California Employment Development Department (December 2014) is used to calculate the percentage of employment.

Source: City of Oakland, Economic Workforce Development.

### Construction Activity

The following Table 6 sets forth a summary of residential and commercial building permit valuations in the City for Fiscal Years 2009-10 through 2013-14.

**Table 6  
City of Oakland  
Building Permit Valuation  
2009-10 through 2013-14**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Building Permits Issued	12,951	13,648	13,696	13,513	14,680
Authorized New Dwelling Units	555	528	237	486	420
Commercial Value (in thousands)	\$ 95,851	\$108,767	\$150,613	\$ 65,152	\$100,239
Residential Value (in thousands)	\$168,872	\$179,374	\$159,723	\$253,516	\$181,087

Source: City of Oakland, Comprehensive Annual Financial Reports for Fiscal Year Ended June 30, 2010 through June 30, 2014.

**APPENDIX B**

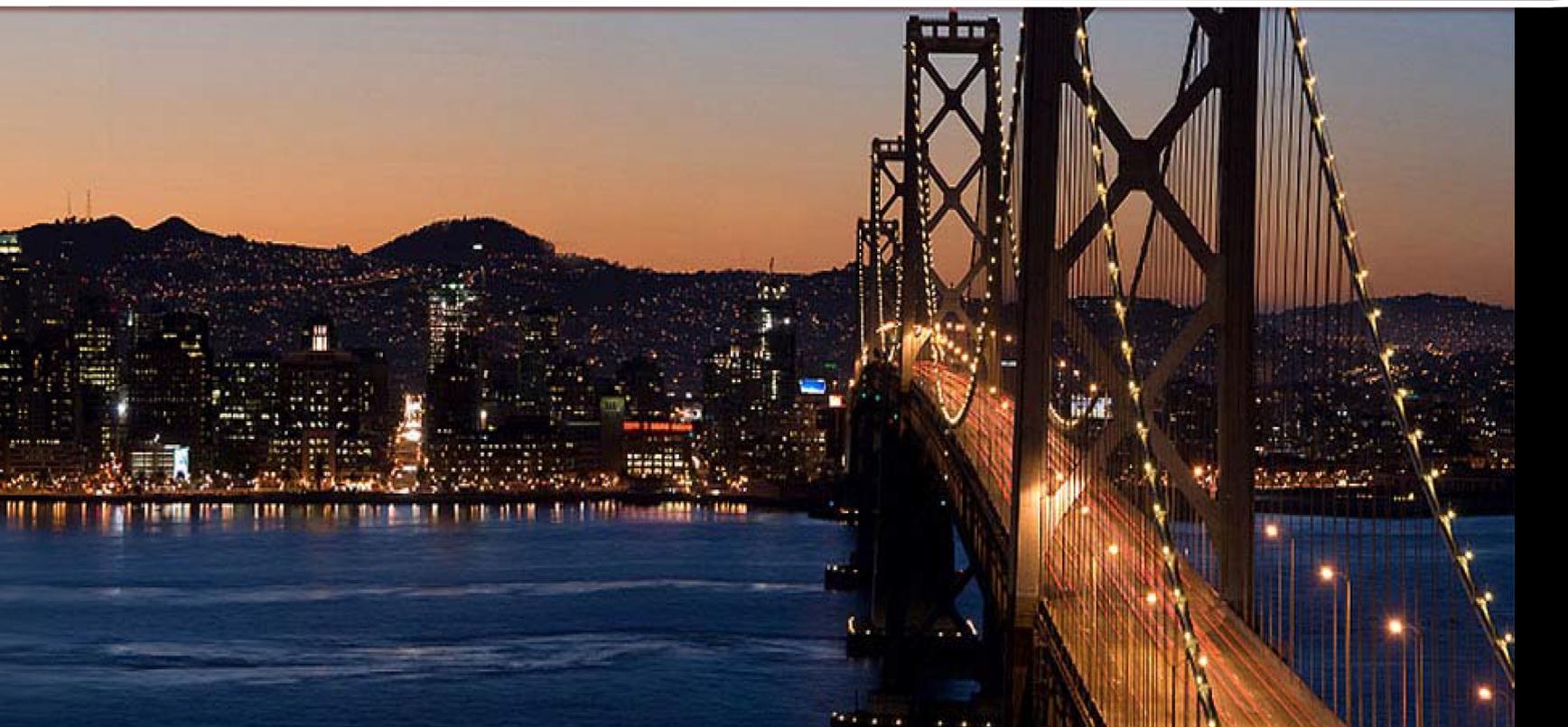
**SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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# CITY OF OAKLAND, CALIFORNIA

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY  
(A COMPONENT UNIT OF THE CITY OF OAKLAND, CALIFORNIA)  
FOR THE YEAR ENDED JUNE 30, 2014**



**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY  
FINANCIAL REPORT**

**PROJECT TEAM  
AUDIT/FINANCIAL STATEMENT COORDINATOR**

Osborn K. Solitei  
*Director of Finance/Controller*

**FINANCIAL STATEMENT PREPARATION**

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Sarah T. Schlenk

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**SPECIAL ASSISTANCE - DEPARTMENTS & OFFICES**

City Administrator's Office (CAO)

City Attorney's Office

Economic & Workforce Development Department

Finance Department – Treasury Bureau

Housing and Community Development (HCD)

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

For the Year Ended June 30, 2014

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## Independent Auditor's Report

Board of Directors  
Oakland Redevelopment Successor Agency  
Oakland, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Oakland Redevelopment Successor Agency (ORSA), a component unit of the City of Oakland (City), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the ORSA's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ORSA as of June 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014, on our consideration of the ORSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ORSA's internal control over financial reporting and compliance.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
November 26, 2014

## **OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2014

As management of the Oakland Redevelopment Successor Agency of the City of Oakland ("ORSA"), we offer readers of the ORSA's basic financial statements this narrative overview and analysis of the financial activities of ORSA for the year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the ORSA's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

On May 29, 2013, The Department of Finance (DOF) issued its finding on successor agency using excess bond proceeds from bonds issued prior to 2011 pursuant to Health and Safety (H&S) Code section 34191.4. Base on DOF's findings, the Oakland Oversight Board approved ORSA's Bond expenditure Agreement between ORSA and the City Of Oakland that would transfer current and future excess tax allocation bond proceeds to the City to fund redevelopment projects and programs on July 29, 2013. For the fiscal year ended June 30, 2104, ORSA reports a total transfer of \$88.3 million to the City.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the ORSA's basic financial statements. The ORSA's basic financial statements comprise two components: 1) basic financial statements and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements. These financial statements are prepared on the economic resources measurement focus and the accrual basis of accounting.

### **FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. At the close of June 30, 2014, ORSA has a net negative position of \$235.2 million. Under the former California Redevelopment Law, the former Agency issued bonds or incurs long-term debt to finance its redevelopment projects by pledging future tax increment revenues (See Note 6 to the basic financial statements).

In general, ORSA's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). These include public projects such as public parking, street improvements, park improvements, transportation improvements, cultural facilities, and community centers. Once redevelopment projects that were public facilities were completed by the former Agency, the responsibilities for their continued maintenance and operations were transferred to the appropriate public entity such as City of Oakland ("City") including the capitalized redevelopment project costs.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Management's Discussion and Analysis – Unaudited (Continued)  
For the Year Ended June 30, 2014

In addition, completed projects with private developers were also transferred to the developers in accordance with the Disposition and Development Agreements. Although completed public facilities and Joint Agency-Private Partnership projects were transferred to the City or private entities, the related debt remained with the former redevelopment agency and was transferred to ORSA.

Shown below is a schedule that summarizes the ORSA's net position held in trust:

Statement of Fiduciary Net Position  
(In thousands)

<b>Assets</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Current and other assets	\$ 76,844	\$ 145,875
Restricted cash and investments	58,779	87,282
Property held for resale	100,271	100,271
<b>Total Assets</b>	<b>235,894</b>	<b>333,428</b>
<b>Deferred Outflows of Resources</b>	<b>2,335</b>	<b>2,953</b>
<b>Liabilities</b>		
Other liabilities	14,847	17,839
Long-term liabilities	458,584	484,303
<b>Total Liabilities</b>	<b>473,431</b>	<b>502,142</b>
<b>Total net position held in trust</b>	<b>\$ (235,202)</b>	<b>\$ (165,761)</b>

As of June 30, 2014, ORSA has \$58.8 million in restricted cash and investments held in interest and principal reserves for repayment of debt, amounts required to be held in cash reserves per bond indenture, and temporary investments for unexpended bond proceeds. Other funds are held in escrow accounts pursuant to contracts and agreements made by the former Agency and their use is restricted for a particular purpose.

ORSA's property held for resale reflects a total net book value of \$100.3 million, of which a majority of the properties were funded by bond proceeds. On May 29, 2014, DOF approved the Long-Range Property Management Plan (LRPMP) to address the disposition and use of real property formerly owned by the former Agency, including designating property for future development.

ORSA's Long-term liabilities total \$458.6 million. Long-term liabilities are mainly represented by tax allocation bonds totaling \$332.2 million and housing set-aside bonds of \$117.6 million issued to finance redevelopment projects. The remaining balance represents the net of bond issuance premiums and discounts in the amount of \$8.8 million.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Management's Discussion and Analysis – Unaudited (Continued)  
For the Year Ended June 30, 2014

**Operating activities.** For the year ended June 30, 2014, ORSA's net position had decreased by \$69.4 million due primarily to the execution of California Department of Finance ("DOF") approved transfer of excess tax allocation bond proceeds to the City for \$88.3 million and an increase in net position before special item of \$18.9 million.

Key elements of the ORSA's additions and deductions are presented below:

Statement of Changes in Fiduciary Net Position  
(In thousands)

	<b>Year Ended June 30, 2014</b>	<b>Year Ended June 30, 2013</b>
<b>Additions</b>		
Redevelopment property tax revenues	\$ 73,684	\$ 65,174
Other revenues	16,827	12,322
Total additions	90,511	77,496
<b>Deductions</b>		
General and administrative	2,806	4,595
Project expenses	40,692	52,167
Payment to the County of Alameda	-	32,478
Interest on debt	27,240	28,574
Bond issuance costs	743	-
Other	162	-
Total deductions	71,643	117,814
<b>Special item from</b>		
<b>Transfer of excess tax allocation bond proceeds</b>	(88,309)	-
<b>Extraordinary item from</b>		
<b>Approved asset transfers</b>	-	156,902
Change in net position	(69,441)	116,584
Net position held in trust, beginning	(165,761)	(282,345)
Net position held in trust, end of year	\$ (235,202)	\$ (165,761)

For the year ended June 30, 2014, the County Auditor-Controller provided total property tax distributions of \$73.7 million. In addition, ORSA recognized \$15.5 million of federal and state grants revenue, \$0.5 million of investment income and \$1.0 million other revenue for the year ended June 30, 2014. Interest expense including accrued interest on ORSA's outstanding debt and amortization of deferred outflows for the period totaled \$27.2 million. The decrease in general and administrative expenditures is primary due to a 3% spending cap on administrative overhead. The decrease in project expenditure is mainly associated with the drop in Low and Moderate Housing funds from \$26.5 million in FY2013 to \$13.7 million in FY2014.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Management's Discussion and Analysis – Unaudited (Continued)  
For the Year Ended June 30, 2014

**Debt Administration**

At June 30, 2014, ORSA had long-term bonds outstanding aggregating to \$449.8 million, a decrease of \$31.2 million from fiscal year 2013, resulting from debt refunding and debt service payments on outstanding long-term debts (Tax Allocation Bonds and Housing Set-Aside Bonds) which are backed by redevelopment property tax revenues.

Below is a breakdown of the long-term debt is as follows (in thousands):

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
<b>Long-Term Debt</b>		
Tax allocation bonds	\$ 332,185	\$ 358,980
Housing set-aside bonds	117,605	122,015
Subtotal - Bonds outstanding	449,790	480,995
Unamortized amounts:		
Premiums and discounts	8,794	3,308
<b>Total long-term debt</b>	<b>\$ 458,584</b>	<b>\$ 484,303</b>

**Bond Ratings**

On September 5, 2013, Moody's confirmed the rating on ORSA's tax allocation bonds and subordinated housing set-aside bonds. The ratings reflect the credit strength of ORSA's value and size. The strengths that Moody's takes into account are ORSA's large geographic and total project area, sizable incremental and assessed valuation, and solid high period of debt service coverage.

The table below shows ORSA bond ratings for the outstanding bonds as of June 30, 2014:

<b>Type of Obligation</b>	<b>Ratings</b>		
	<b>Moody's</b>	<b>S &amp; P</b>	<b>Fitch</b>
<b>Tax Allocation Bonds:</b>			
<u>Central District Redevelopment Project</u>			
Subordinated Tax Allocation Bonds, Series 2006T	A3	AA-	N/A
Subordinated Tax Allocation Bond Series 2009T	N/A	A-	N/A
Subordinated Tax Allocation Refunding Bonds, Series 2013	N/A	A-	N/A
<u>Coliseum Area Redevelopment Project</u>			
Tax Allocation Bonds, Series 2006B-TE, B-T	Ba1	A	N/A
<u>Central City East Redevelopment Project</u>			
Tax Allocation Bonds, Series 2006A-TE, A-T	Ba1	A-	N/A
<u>Broadway/MacArthur/San Pablo Redevelopment Project</u>			
Tax Allocation Bonds, Series 2006C-TE, C-T	Ba1	A+	N/A
Tax Allocation Bonds, Series 2010T	N/A	A-	N/A
<b>Subordinated Housing Set-Aside Bonds:</b>			
Revenue Refunding Bonds Series 2006A, A-T	Ba1	A	A-
Revenue Bonds, Series 2011A-T	Ba1	A	N/A

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Management's Discussion and Analysis – Unaudited (Continued)  
For the Year Ended June 30, 2014

**REVENUES AND RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE**

Pursuant to AB X1 26, ORSA is required to adopt a Recognized Obligation Payments Schedule (“ROPS”). A ROPS, listing all enforceable obligations due and payable in the six month coverage period, is prepared semi-annually and is the basis for the distribution of property tax revenues from the Redevelopment Property Tax Trust Fund (“Trust Fund”). Management has determined that the ROPS will replace the ORSA’s annual budget.

The semi-annual Administrative Budget for ORSA is presented and approved by the Successor Agency governing board and ORSA’s Oversight Board, and subsequently approved as part of the ROPS by the DOF.

**OUTSTANDING AUDITS AND REPORTING REQUIREMENTS**

ORSA staff continues to work closely with the SCO, the DOF, and the Alameda County Auditor-Controller to complete the outstanding audits and reporting requirements for compliance with AB X1 26 and AB 1484.

In August 2013, the SCO issued its review report on various transfers of assets between the City and the former Redevelopment under the authority of Health and Safety Code section 34167.5, and has ordered that a number of cash and real property assets be returned by the City to ORSA. The City and ORSA are in the process of taking steps needed to comply with this order.

In November 2013, DOF approved the bond expenditure agreement between ORSA and the City. ORSA may utilize proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the original bond covenants. The agreement between ORSA and the City to transfer excess pre-2011 bonds proceeds obligates the City to expend and maintain excess bond proceeds in accordance with the bond covenants. As required by HSC section 34191.4(c) (2) (A), ORSA has listed the excess bond proceeds on the January through June 2014 Recognized Obligation Payment Schedule (“ROPS”) in the total amount of \$59.9 million which is approved by DOF.

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of ORSA’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The Finance Department, Controller’s Bureau, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 6353, Oakland, California 94612-2093. Additional financial data may also be found on the ORSA’s website ([www.oaklandnet.com](http://www.oaklandnet.com)).

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# **BASIC FINANCIAL STATEMENTS**

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**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Statement of Fiduciary Net Position

June 30, 2014

(In Thousands)

**ASSETS**

Current assets:

Cash and investments	\$	56,453
Receivables:		
Accrued interest		358
Accounts receivable (net of allowance for uncollectable of \$31)		1,327
Due from the City of Oakland		2,312
Prepaid expenses		2,375
Restricted cash and investments		58,779
Total current assets		<u>121,604</u>

Noncurrent assets:

Notes and loans receivable (net of allowance for uncollectable of \$48,120)		14,019
Property held for resale		100,271
Total noncurrent assets		<u>114,290</u>
Total assets		<u>235,894</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Unarmortized losses on refunding of debts		<u>2,335</u>
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**LIABILITIES**

Current liabilities:

Accounts payable and accrued liabilities		4,413
Accrued interest payable		8,773
Due to the City of Oakland		1,614
Deposits and other liabilities		47
Total current liabilities		<u>14,847</u>

Noncurrent liabilities:

Due within one year		20,709
Due in more than one year		437,875
Total noncurrent liabilities		<u>458,584</u>
Total liabilities		<u>473,431</u>

**NET POSITION**

Net position (deficit) restricted for redevelopment	\$	<u>(235,202)</u>
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See accompanying notes to the financial statements

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2014  
(In Thousands)

**ADDITIONS**

Redevelopment property tax revenues	\$	73,684
Investment income:		
Investment income		462
Net depreciation in fair value of investments		(129)
Federal and state grants		15,529
Other		965
Total additions		90,511

**DEDUCTIONS**

General and administrative costs:		
Salaries, wages and benefits		2,437
Materials, supplies and other services		369
Project expenses		40,692
Interest on debt		27,240
Bond issuance costs		743
Other		162
Total deductions		71,643

**SPECIAL ITEM**

Transfer of excess tax allocation bond proceeds approved by the California Department of Finance to the City of Oakland		(88,309)
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<b>Change in net position</b>		(69,441)
Net position (deficit), beginning		(165,761)
<b>Net position (deficit), ending</b>	\$	(235,202)

See accompanying notes to the financial statements

# **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 1 – REPORTING ENTITY**

The Redevelopment Agency of the City of Oakland (“Agency”) was established in 1956 by the Oakland City Council as a public entity legally separate from the City of Oakland (“City”). Until June 28, 2011, the Agency had the authority to acquire, rehabilitate, develop, administer, and sell or lease property in a “Redevelopment Area.” Redevelopment projects are developed in cooperation with private developers. Public redevelopment projects are also developed under cooperation agreements between the Agency and the City or other public entity that will own the project.

On June 28, 2011, Assembly Bill X1 26 (“AB X1 26”) was enacted. This legislation is referred to herein as the Redevelopment Dissolution Law. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB X1 26 and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and the wind down of redevelopment activity. At the City’s meeting on January 10, 2012, the City Council affirmed its decision as part of City resolution number 83679 C.M.S. to serve as the Successor to the Redevelopment Agency of the City of Oakland, effective February 1, 2012 as such a component unit of the City. Also upon dissolution, the City Council elected as part of resolution number 83680 C.M.S. to retain the housing assets, functions, and powers previously performed by the former Agency.

The Oakland Redevelopment Successor Agency (“ORSA”) was created to serve as a custodian of the assets and to wind down the affairs of the former Agency. ORSA is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies: two City representatives appointed by the Mayor; two County of Alameda (“County”) representatives; the County Superintendent of Education; the Chancellor of California Community Colleges; and one representative from the largest special district taxing entity.

In general, ORSA’s assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, ORSA will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of ORSA’s custodial role, ORSA is reported in a fiduciary fund (private-purpose trust fund) in the City’s financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

***Basis of Accounting***

The financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2014

(Amounts in Thousands)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)**

***Investments***

ORSA records investment transactions on the trade date. Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Fair value is defined as the amount that ORSA could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices. Investment income, including unrealized gains and losses, is recognized as revenue.

ORSA follows the practice of pooling cash of all operating funds for investment. Income or losses arising from the investment of pooled cash are allocated on a monthly basis to the participating funds based on their proportionate share of the average daily cash balance.

Proceeds from debt and other funds which are restricted for the payment of debt or for enforceable obligations in the Recognized Obligation Payment Schedule (“ROPS”) and held by fiscal agents by agreement are classified as restricted assets.

***Redevelopment Property Tax Revenues***

Pursuant to the Redevelopment Dissolution Law, funds that would have been distributed to the former Agency as tax increment, hereafter referred to as redevelopment property tax revenues, are deposited into ORSA’s Redevelopment Property Tax Trust Fund (“Trust Fund”) administered by the County of Alameda’s Auditor-Controller for the benefit of holders of the former Agency’s enforceable obligations and the taxing entities that receive pass-through payments. Any remaining funds in the Trust Fund, plus any unencumbered redevelopment cash and funds from asset sales are distributed by the County to the local agencies in the project area unless needed to pay enforceable obligations.

Distributions are to be made twice each year on the following cycles:

<u>Distribution Dates</u>	<u>Covers Recognized Obligation Payment Schedules to be Paid</u>
January 2	January 1 through June 30
June 1	July 1 through December 31

The amounts distributed for ROPS are forward looking to the next six month period.

***Restricted Assets***

Assets are restricted for specified uses by bond debt requirements, grant provisions or other requirements and their use is limited by applicable bond covenants or agreements.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2014

(Amounts in Thousands)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property Held for Resale***

For financial statement presentation, property held for resale is stated at the lower of estimated cost or estimated conveyance value. Estimated conveyance value is management's estimated of net realizable value of each property parcel based on its current use. The ORSA does not depreciate property held for resale, as it is the intention of the ORSA to only hold the property for a period of time until it can be resold for development. California Department of Finance ("DOF") has approved ORSA Long-Range Property Management Plan of Agency's use or disposition of properties on May 29, 2014.

***Long-term Obligations***

The former Agency issued Tax Allocation Bonds and Housing Set-Aside Bonds to finance housing and other redevelopment projects. Long-term debt and other long-term obligations are reported as liabilities.

Issuance costs are expensed in the year of debt issuance. Long-term debt is reported net of the applicable premiums and discounts. The premiums and discounts are amortized as a component of the interest expense on a straight-line basis over the remaining life of the debt instrument.

***Special Item***

Special items are significant transactions or events within the control of management that are either 1) unusual in nature (possessing a high degree of abnormality and clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity) or 2) infrequent in occurrence (not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates). The transfer of excess bond proceeds to the City as requested by ORSA and approved by DOF pursuant to Health and Safety Code section 34179 (h) qualifies as a special item since this action was under the control of ORSA's Oversight Board and met the criteria of infrequent.

Under ABx1 26, adopted on June 28, 2011, as amended by AB 1484 adopted on June 27, 2012, all new redevelopment activities were suspended, with limited exceptions, and redevelopment agencies were dissolved on February 1, 2012. Under this legislation, the DOF and the California State Controller's Office ("SCO") have varying degrees of responsibility and oversight.

Pursuant to Health and Safety Code (HSC) section 34179 (h), DOF has completed its review of the Oversight Bond action on Bond Spending Plan and on November 6, 2013, it approved the Bond Spending Plan for ORSA. The Plan allows ORSA to utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants. As required by HSC section 34191.4(c) (2) (A), ORSA has listed excess bond proceeds on the January through June 2014 ROPS in the total amount of up to \$59.9 million, which has been approved by DOF. DOF approved the bond expenditure agreement between ORSA and the City to transfer excess tax allocation bond proceeds to the City. The special item loss of \$88.3 million recorded in the financial statements represents the excess bond proceeds transfer, which includes a reversal of the State Controller's Office asset transfer review order in August 2013 of \$28.9 million.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Use of Estimates*

The preparation of basic financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE 3 – CASH AND INVESTMENTS**

The ORSA's cash and investments consist of the following at June 30, 2014

<u>Cash and Investments</u>	<u>Amount</u>
Unrestricted cash and investments	\$ 56,453
Restricted cash and investments	<u>58,779</u>
Total cash and investments	<u><u>\$ 115,232</u></u>

*Investments*

ORSA follows the investment policy of the City, which is governed by provisions of the California Government Code 53600 and the City's Municipal Code. ORSA also has investments subject to provisions of the bond indentures of the former Agency's various bond issues. According to the investment policy and bond indentures, ORSA is permitted to invest in the State of California Local Agency Investment Fund (LAIF), obligations of the U.S. Treasury or U.S. government agencies, time deposits, money market mutual funds invested in U.S. government securities, along with various other permitted investments.

As of June 30, 2014, ORSA invested a total amount of \$25.8 million with U.S. government agency securities, which is comprised of \$17.3 million from its unrestricted accounts, and \$8.5 from the Tax Allocation Bonds and the Housing Set-Aside Bonds reserve and capitalized interest. The remaining balance is invested in money market funds, negotiable CDs and deposits in the amount of \$79.8, \$5.5 and \$4.1 million respectively.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, ORSA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, ORSA will not be able to recover the value of the investment or collateral securities that are in the possession of another party.

The California Government Code requires that a financial institution secure its deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by the depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged governmental securities and/or first trust deed mortgage notes held in the collateral pool must be at least 110% and 150% of ORSA's deposits, respectively. The collateral is held by the pledging financial institution's trust department and is held in the ORSA's name.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

As of June 30, 2014, the carrying amount of the ORSA’s deposits was \$4.15 million. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of \$0.5 million, and the bank balance of \$3.65 million are collateralized with securities held by the pledging financial institutions as required by Section 53652 of the California Government Code.

ORSA invests in individual investments. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the ORSA employs the trust department of a bank or trustee as the custodian of certain ORSA investments, regardless of their form.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates. ORSA investment policy has mitigated interest rate risk by establishing policies over liquidity. As of June 30, 2014, ORSA had the following investments and original maturities:

**Pooled Cash and Investments**

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Interest Rates (%)</u>	<u>Maturities Less than 1 Year</u>
U.S. Government Agency Securities (Discount)	\$ 17,299	0.03	\$ 17,299
Money Market Mutual Funds	33,000	0.01-0.07	33,000
Negotiable CDs	2,001	0.08	2,001
Sub-total	<u>52,300</u>		<u>\$ 52,300</u>
Deposits	4,153		
Total	<u>\$ 56,453</u>		

**Restricted Cash and Investments**

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Interest Rates (%)</u>	<u>Maturities Less than 1 Year</u>
U.S. Government Agency Securities	\$ 4,004	0.14	\$ 4,004
U.S. Government Agency Securities (Discount)	4,499	0.05	4,499
Money Market Mutual Funds	46,776	0.01	46,776
Negotiable CDs	3,500	0.15	3,500
Total	<u>\$ 58,779</u>		<u>\$ 58,779</u>

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by the nationally recognized statistical rating organizations. ORSA’s investment policy has mitigated credit risk by limiting investments to the safest types of securities, by prequalifying financial institutions, by diversifying the portfolio and by establishing monitoring procedures.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following tables show the ORSA’s credit risk as rated by Standard & Poor’s and Moody’s for the pooled and restricted portfolios as of June 30, 2014:

**Pooled Cash and Investments**

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Ratings as of June 30, 2014</u>		
		<u>Aaa/AAA</u>	<u>Aaa/AA</u>	<u>A1/P1</u>
U.S. Government Agency Securities (Discount)	\$ 17,299	\$ -	\$ 17,299	\$ -
Money Market Mutual Funds	33,000	33,000	-	-
Negotiable CDs	2,001	-	-	2,001
Total	<u>\$ 52,300</u>	<u>\$ 33,000</u>	<u>\$ 17,299</u>	<u>\$ 2,001</u>

**Restricted Cash and Investments**

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Ratings as of June 30, 2014</u>		
		<u>Aaa/AAA</u>	<u>Aaa/AA</u>	<u>A1/P1</u>
U.S. Government Agency Securities	\$ 4,004	\$ -	\$ 4,004	\$ -
U.S. Government Agency Securities (Discount)	4,499	-	4,499	-
Money Market Mutual Funds	46,776	46,776	-	-
Negotiable CDs	3,500	-	-	3,500
Total	<u>\$ 58,779</u>	<u>\$ 46,776</u>	<u>\$ 8,503</u>	<u>\$ 3,500</u>

**Concentration of Credit Risk**

Concentration of credit risk is the risk that the failure of any one issuer would place an undue financial burden on ORSA. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from this requirement, as they are normally diversified themselves. The following table shows the diversification of ORSA’s portfolio as of June 30, 2014:

<u>Type of Investment</u>	<u>Pooled</u>		<u>Restricted</u>	
	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Government Agency Securities	\$ -	0.0%	\$ 4,004	6.8%
U.S. Government Agency Securities (Discount)	17,299	33.1%	4,499	7.7%
Money Market Mutual Funds	33,000	63.1%	46,776	79.6%
Negotiable CDs	2,001	3.8%	3,500	6.0%
Total	<u>\$ 52,300</u>	<u>100.0%</u>	<u>\$ 58,779</u>	<u>100.0%</u>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following table shows ORSA’s investments in one issuer that exceed 5% of ORSA’s investment portfolio at June 30, 2014:

<u>Investment Type / Issuer</u>	<u>Amount</u>	<u>Percent of ORSA's Investment Portfolio</u>
U.S. Government Agency Securities:		
Federal Home Loan Mortgage Corporation	\$ 7,004	6.3%
Federal Home Loan Bank	12,799	11.5%

***Restricted Cash and Investments with Fiscal Agents***

Under the provisions of the bond indentures, certain accounts with trustees were established for repayment of debt, amounts required to be held in reserve, and temporary investments for unexpended bond proceeds. As of June 30, 2014, the amounts held by the trustees fell by \$28.5 million to \$58.8 million. All restricted investments held by trustees as of June 30, 2014 were invested in U.S. Government Agency Securities, money market mutual funds and negotiable certificates of deposit, and were in compliance with the bond indentures.

**NOTE 4 – LOANS RECEIVABLE**

Composition of loans receivable as of June 30, 2014 is as follows:

Housing development project loans	\$ 1,462
Economic development loans	60,677
Gross notes and loans receivable	<u>62,139</u>
Allowance for uncollectible	<u>(48,120)</u>
Total notes and loans receivable, net	<u><u>\$ 14,019</u></u>

As of June 30, 2014, ORSA has a total of \$14.0 million net notes and loans receivable, which is not expected to be received in the next twelve months.

**NOTE 5 – PROPERTY HELD FOR RESALE**

As of June 30, 2014, ORSA has a total \$100.3 million for properties booked at the lower of cost or estimated conveyance value. On May 29, 2014, pursuant to Health and Safety Code (“HSC”) section 34191.4, the California Department of Finance approved ORSA Long-Range Property Management Plan (“LRPMP”) addressing the disposition and use of former Redevelopment Agency properties and authorizing the disposition of properties pursuant to the plan.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2014

(Amounts in Thousands)

**NOTE 5 – PROPERTY HELD FOR RESALE (Continued)**

The table below shows a summary of the changes in the Property Held for Resale:

	<b>Balance</b>		<b>Decreases</b>	<b>Balance</b>	
	<b>July 1, 2013</b>	<b>Increases</b>		<b>June 30, 2014</b>	
Property held for resale	\$ 100,271	\$ -	\$ -	\$ 100,271	

**NOTE 6 – DEBT**

***Long-term Debt***

The following is a summary of bonds payable of ORSA as of June 30, 2014:

Type of Obligation	Original Issued Amount	Issued Year	Final Maturity Fiscal Year	Interest Rate Range	June 30, 2014 Principal Balance
<b>Tax Allocation Bonds:</b>					
<u>Central District Redevelopment Project</u>					
Subordinated Tax Allocation Bonds, Series 2006T	\$ 33,135	2006	2022	5.25% - 5.41%	\$ 15,275
Subordinated Tax Allocation Bond Series 2009T	38,755	2009	2021	5.30% - 8.50%	34,550
Subordinated Tax Allocation Refunding Bonds, 2013	102,960	2014	2022	3% - 5%	102,960
<u>Coliseum Area Redevelopment Project</u>					
Tax Allocation Bonds, Series 2006B-TE	28,770	2006	2037	4.00% - 5.00%	25,195
Tax Allocation Bonds, Series 2006B-T	73,820	2006	2036	5.26% - 5.54%	64,615
<u>Central City East Redevelopment Project</u>					
Tax Allocation Bonds, Series 2006A-TE	13,780	2006	2037	5.00%	13,780
Tax Allocation Bonds, Series 2006A-T	62,520	2006	2035	5.26% - 5.54%	53,320
<u>Broadway/MacArthur/San Pablo Redevelopment Project</u>					
Tax Allocation Bonds, Series 2006C-TE	4,945	2006	2037	5.00%	4,945
Tax Allocation Bonds, Series 2006C-T	12,325	2006	2033	5.28% - 5.59%	10,255
Tax Allocation Bonds, Series 2010T	7,390	2010	2041	7.20% - 7.40%	7,290
Subtotal	<u>378,400</u>				<u>332,185</u>
<b>Subordinated Housing Set-Aside Bonds:</b>					
Revenue Refunding Bonds Series 2006A	2,195	2006	2019	5.00%	2,195
Revenue Bonds Series 2006A-T	82,645	2006	2037	5.03% - 5.93%	70,520
Revenue Bonds, Series 2011A-T	46,980	2011	2042	3.25% - 9.25%	44,890
Subtotal	<u>131,820</u>				<u>117,605</u>
Total Long-term Debt	<u>\$ 510,220</u>				<u>\$ 449,790</u>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 6 – DEBT (Continued)**

A summary of the changes in long-term debt for the year ended June 30, 2014 follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>	<u>One Year</u>
Bonds Payable:					
Tax allocation bonds	\$ 358,980	\$ 102,960	\$ (129,755)	\$ 332,185	\$ 14,610
Housing set-aside bonds	<u>122,015</u>	<u>-</u>	<u>(4,410)</u>	<u>117,605</u>	<u>4,990</u>
Sub-total	480,995	102,960	(134,165)	449,790	19,600
Less unamortized amounts:					
Issuance premiums	5,695	10,519	(5,169)	11,045	1,245
Issuance discount	<u>(2,387)</u>	<u>-</u>	<u>136</u>	<u>(2,251)</u>	<u>(136)</u>
Total	<u>\$ 484,303</u>	<u>\$ 113,479</u>	<u>\$ (139,198)</u>	<u>\$ 458,584</u>	<u>\$ 20,709</u>

***Tax Allocation Bonds and Housing Set-Aside Bonds***

The Tax Allocation Bonds (TAB), which are comprised of Series 2006T, Series 2009T, Series 2006A TE/T, Series 2006B TE/T, Series 2006C TE/T, Series 2010T and Refunding Bond Series 2013 are issued primarily to finance redevelopment projects and are all secured by pledge of redevelopment property tax revenues (i.e. former tax increment), consisting of a portion of taxes levied upon all taxable properties within each the tax increment generating redevelopment project areas, and are equally and ratably secured on a parity with each TAB series.

As of June 30, 2014, the total principal and interest remaining on these TABs was estimated at \$509.4 million and the property tax revenues are pledged until the year 2041, the final maturity date of the bonds. The former Agency's debt service payments are requested through the Recognized Obligation Payment Schedule (ROPS) as enforceable obligations until the debt obligations have been satisfied.

Historically, upon receipt of property tax increment, the former Agency calculated the 80 percent and 20 percent and the voluntary 5 percent amount of tax increment and would then transfer the 20 percent and 5 percent portion to the Low and Moderate Income Housing Fund, as required by the California H&S Code and the former Agency board resolution. The previous requirement to bifurcate the tax increment into 80 percent and 20 percent portions was eliminated in AB X1 26. However, in order to maintain compliance with bond indentures secured by the 80 percent and 20 percent tax increment, the ORSA plans to request the funds through the ROPS from the Trust Fund pursuant to H&S Code section 34183(a)(2)(A), and segregate the funds in the debt service funds accordingly until the debt obligations have been satisfied.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2014

(Amounts in Thousands)

**NOTE 6 – DEBT (Continued)**

***Housing Set-Aside Bonds***

The Housing set-aside bonds, which is comprised of Series 2006A, Series 2006A-T and Series 2011A-T are issued to finance affordable housing projects and are secured by a pledge and lien upon the 20% redevelopment property tax revenue (i.e. former tax increment) set-aside for the low and moderate income housing fund.

As of June 30, 2014, the total principal and interest remaining on the Housing set-aside bonds was estimated at \$227.5 million and the property tax revenues are pledged until the year 2042, the final maturity date of the bonds. The former Agency's debt service payments are requested through the Recognized Obligation Payment Schedule (ROPS) as enforceable obligations until the debt obligations have been satisfied.

In the future, in order to maintain compliance with bond indentures secured by the 20 percent tax increment, the Oakland Redevelopment Successor Agency plans to request the funds through the ROPS from the Trust Fund pursuant to H&S Code section 34183 (a)(2)(A), and segregate the funds in the debt service funds accordingly until the debt obligations have been satisfied.

***Debt Service Requirements***

The debt service requirements for all debt are based upon a fixed rate of interest. The annual requirements to amortize outstanding tax allocation bonds and housing set-aside bonds outstanding as of June 30, 2014, including mandatory sinking fund payments, are as follows:

<b>Year Ending June 30:</b>	<b>Tax Allocation Bonds</b>		<b>Housing Set-Aside Bonds</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interst</b>	<b>Principal</b>	<b>Interst</b>	<b>Principal</b>	<b>Interst</b>
2015	\$ 14,610	\$ 18,036	\$ 4,990	\$ 7,809	\$ 19,600	\$ 25,845
2016	21,045	17,121	5,240	7,535	26,285	24,656
2017	23,295	15,878	5,505	7,226	28,800	23,104
2018	23,650	14,526	5,840	6,876	29,490	21,402
2019	25,520	13,127	6,205	6,506	31,725	19,633
2020 - 2024	95,790	45,050	31,110	26,110	126,900	71,160
2025 - 2029	37,585	30,220	12,530	19,394	50,115	49,614
2030 - 2034	49,005	18,412	13,395	15,570	62,400	33,982
2035 - 2039	38,845	4,674	17,990	10,703	56,835	15,377
2040 - 2042	2,840	212	14,800	2,134	17,640	2,346
<b>TOTAL</b>	<b>\$ 332,185</b>	<b>\$ 177,256</b>	<b>\$ 117,605</b>	<b>\$ 109,863</b>	<b>\$ 449,790</b>	<b>\$ 287,119</b>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2014

(Amounts in Thousands)

**NOTE 6 – DEBT (Continued)**

***Current Year Long-Term Debt Financings***

***Central District Redevelopment Project, Subordinated Tax Allocation Refunding Bonds, Series 2013***

On October 3, 2013, the Oakland Redevelopment Successor Agency issued \$102.96 million aggregate principal amount of Oakland Redevelopment Successor Agency Central District Redevelopment Project Subordinated Tax Allocation Refunding Bonds, Series 2013 (the “Series 2013 Bonds”) to refund all of the outstanding Central District Redevelopment Project, Subordinated Tax Allocation Bonds, Series 2003 and Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2005, each previously issued by the Redevelopment Agency of the City of Oakland. The Series 2013 Bonds were issued with interest rates ranging from 3.00% to 5.00% producing yields ranging from 0.63% to 3.66%. The final maturity of the Series 2013 Bonds is September 1, 2022.

Issuance of the Series 2013 Bonds generated approximately \$9.3 million or 8.49% in net present value savings, which is approximately \$10.1 million in debt service savings through 2022.

***Conduit Debt***

The following long-term debt has been issued by the former Agency on behalf of named agents of the Agency. The bonds do not constitute an indebtedness of ORSA. The bonds are payable solely from revenue sources defined in the individual bond documents, and from other monies held for the benefit of the bond holders pursuant to the bond indentures. In the opinion of City officials, these bonds are not payable from any revenues or assets of ORSA, and neither the full faith and credit nor the taxing authority of ORSA, State, or any political subdivision thereof is obligated for the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded.

The conduit debt issued and outstanding at June 30, 2014:

	<u>Authorized and Issued</u>	<u>Maturity</u>	<u>Outstanding at June 30, 2014</u>
Redevelopment Agency of the City of Oakland, Multifamily Housing			
Revenue Bonds (Uptown Apartment Project), 2005 Series A <sup>1</sup>	\$ 160,000	10/01/50	\$ -
TOTAL	<u>\$ 160,000</u>		<u>\$ -</u>

<sup>1</sup>On December 12, 2013, a full redemption for the Multifamily Housing Revenue Bonds (Uptown Apartment Project), Series A was received.

***Outstanding Defeased Bonds***

For financial reporting purposes, the ORSA’s advance-refunded debt is considered defeased and therefore removed as a liability from ORSA’s statement of fiduciary net position. Cumulatively, the defeased bonds had an outstanding debt balance of \$43.0 million at June 30, 2014.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 7 – TRANSACTIONS WITH THE CITY OF OAKLAND**

***City Expenses***

In FY 2014, ORSA incurred a total of \$9.33 million expense in general administration and project-related overhead. Of this amount, \$2.81 million reimbursed the City for general and administrative overhead and \$6.52 million paid for project-related overhead and operational costs for support services provided by designated City employees.

***Due from the City of Oakland***

As of June 30, 2014, ORSA has a total due from the City in the amount of \$2.3 million, a decrease of \$46.6 million compared to the \$48.9 million at June 30, 2013. The decrease represents the completion of asset transfer as a result of SCO asset transfer review.

***Due to the City of Oakland***

At June 30, 2014, ORSA has a payable to the City in the amount of \$1.6 million which included the former Agency's Low and Moderate Housing Fund loan of \$1.4 million to the Central City East Project Funds where the Low and Moderate Housing Funds Assets were transferred to the Housing Successor and a payable of \$0.2 million to the City for support services.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

***Environmental Land Remediation Obligation***

As of June 30, 2014, a review of ORSA's property reveals that there is no current pollution remediation required based on their current uses (i.e. surface parking and other uses). If in the future when a land remediation obligation occurs to a property due to a change in the purpose (i.e. convert to housing or retail project), ORSA will prepare estimates and comply with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

***Ambac Bankruptcy***

On November 9, 2010, Ambac Financial Group Inc. ("Ambac") filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Ambac is a holding company whose subsidiaries, including Ambac Assurance Corporation ("Ambac Assurance"), provide financial guarantees and other financial services to its clients. On May 1, 2013, Ambac emerged from bankruptcy protection which had been filed under Chapter 11 of the Bankruptcy Code in November 2010.

Ambac Assurance has issued a financial guaranty insurance policy for payment of principal and interest when due and a reserve fund account surety bond policy to satisfy the reserve requirement for the former Agency's tax allocation bonds. Ambac Assurance continues to provide policy coverage for the Agency's bonds listed in the table below. Ambac Assurance's obligation to honor claims in accordance with the terms of the policies has not been affected by the bankruptcy of Ambac. No assurance can be made regarding the claims paying ability of Ambac Assurance on the surety bonds described above.

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)

Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2014  
(Amounts in Thousands)

**NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)**

<u>Type of Obligation</u>	<u>Original Par Amount</u>
<b>Tax Allocation Bonds:</b>	
<u>Coliseum Area Redevelopment Project</u>	
Tax Allocation Bonds, Series 2006B-TE	\$ 28,770
Tax Allocation Bonds, Series 2006B-T	73,820
<u>Central City East Redevelopment Project</u>	
Tax Allocation Bonds, Series 2006A-TE	13,780
Tax Allocation Bonds, Series 2006A-T	62,520
<u>Broadway/MacArthur/San Pablo Redevelopment Project</u>	
Tax Allocation Bonds, Series 2006C-TE	4,945
Tax Allocation Bonds, Series 2006C-T	12,325
 <b>Subordinated Housing Set-Aside Bonds:</b>	
Revenue Refunding Bonds Series 2006A, A-T	84,840

***Encumbrances***

At June 30, 2014, ORSA had encumbered \$1.16 billion for contracted obligations, per the ROPS covering the July 1, 2014 through December 31, 2014 period, which was approved by the DOF on May 29, 2014.

**NOTE 9 – LITIGATION**

***Litigation/Unpaid Claims***

ORSA is subject to various claims and from time to time is involved in lawsuits in which damages are sought. As litigation is subject to many uncertainties and as the outcome of litigated matters cannot be predicted with certainty, it is reasonably possible that some of these legal actions could be decided unfavorably against ORSA. In the opinion of the City Attorney's Office for ORSA, none of these claims are expected to have a significant impact on the financial position or changes in financial position of ORSA.

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# **OTHER SUPPLEMENTARY INFORMATION**

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**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Combining Schedule of Fiduciary Net Position  
June 30, 2014  
(In Thousands)

	<b>Redevelopment Obligation Retirement Fund</b>	<b>Planning Fund</b>	<b>Capital Project Funds</b>	<b>Federal &amp; State Grant</b>	<b>Debt Service</b>	<b>Eliminations</b>	<b>TOTAL</b>
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 30,370	\$ 1,822	\$ 20,913	\$ 2,712	\$ 636	\$ -	\$ 56,453
Accrued interest receivable	174	10	159	12	3	-	358
Accounts receivable (net of allowance for uncollectable of \$31)	-	-	-	1,327	-	-	1,327
Due from other funds	9,428	-	-	-	-	(9,428)	-
Due from the City of Oakland	-	-	2,312	-	-	-	2,312
Prepaid expenses	-	-	-	-	2,375	-	2,375
Restricted cash and investments	-	-	44,920	-	13,859	-	58,779
Total current assets	<u>39,972</u>	<u>1,832</u>	<u>68,304</u>	<u>4,051</u>	<u>16,873</u>	<u>(9,428)</u>	<u>121,604</u>
Noncurrent assets:							
Notes and loans receivable (net of allowance for uncollectable of \$48,120)	-	35	13,984	-	-	-	14,019
Property held for resale	-	-	100,271	-	-	-	100,271
Total noncurrent assets	<u>-</u>	<u>35</u>	<u>114,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,290</u>
Total assets	<u>39,972</u>	<u>1,867</u>	<u>182,559</u>	<u>4,051</u>	<u>16,873</u>	<u>(9,428)</u>	<u>235,894</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Unarmortized losses on refunding of debts	-	-	-	-	2,335	-	2,335
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable and accrued liabilities	-	862	2,625	926	-	-	4,413
Accrued interest payable	-	-	-	-	8,773	-	8,773
Due to other funds	-	-	9,428	-	-	(9,428)	-
Due to the City of Oakland	-	-	1,614	-	-	-	1,614
Deposits and other liabilities	-	6	41	-	-	-	47
Total current liabilities	<u>-</u>	<u>868</u>	<u>13,708</u>	<u>926</u>	<u>8,773</u>	<u>(9,428)</u>	<u>14,847</u>
Noncurrent liabilities:							
Due within one year	-	-	-	-	20,709	-	20,709
Due in more than one year	-	-	-	-	437,875	-	437,875
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,584</u>	<u>-</u>	<u>458,584</u>
Total liabilities	<u>-</u>	<u>868</u>	<u>13,708</u>	<u>926</u>	<u>467,357</u>	<u>(9,428)</u>	<u>473,431</u>
<b>NET POSITION</b>							
Net position (deficit) restricted for redevelopment	<u>\$ 39,972</u>	<u>\$ 999</u>	<u>\$ 168,851</u>	<u>\$ 3,125</u>	<u>\$ (448,149)</u>	<u>\$ -</u>	<u>\$ (235,202)</u>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Combining Schedule of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2014  
(In Thousands)

	<b>Redevelopment Obligation Retirement Fund</b>	<b>Planning Fund</b>	<b>Capital Project Funds</b>	<b>Federal and State Grants</b>	<b>Debt Service</b>	<b>Eliminations</b>	<b>TOTAL</b>
<b>ADDITIONS</b>							
Redevelopment property tax revenues	\$ 73,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,684
Investment income:						-	
Interest on investments	48	83	293	1	37	-	462
Net appreciation (depreciation) in fair value of investments	(61)	(1)	(68)	-	1	-	(129)
Federal grants	-	-	-	-	223	-	223
State grants	-	-	-	15,306	-	-	15,306
Other	-	-	203	-	-	762	965
Total additions	<u>73,671</u>	<u>82</u>	<u>428</u>	<u>15,307</u>	<u>261</u>	<u>762</u>	<u>90,511</u>
<b>DEDUCTIONS</b>							
General and administrative costs:							
Salaries, wages and benefits	-	2,437	-	-	-	-	2,437
Materials, supplies and other services	-	369	-	-	-	-	369
Project expenses	-	4,600	23,830	12,262	-	-	40,692
Debt service:							
Interest on long-term debt	-	-	-	-	27,162	78	27,240
Payment to refunding bond escrow agent	-	-	78	-	-	(78)	-
Bond issuance costs	-	-	-	-	743	-	743
Other	-	-	-	-	162	-	162
Total deductions	<u>-</u>	<u>7,406</u>	<u>23,908</u>	<u>12,262</u>	<u>28,067</u>	<u>-</u>	<u>71,643</u>
Change in net position before other financing sources (uses) and special items	73,671	(7,324)	(23,480)	3,045	(27,806)	762	18,868
<b>OTHER FINANCING SOURCES (USES)</b>							
Tax allocation refunding bonds issued	-	-	-	-	102,960	(102,960)	-
Premium on bonds issued	-	-	-	-	10,519	(10,519)	-
Payment to refunding bond escrow agent	-	-	-	-	(112,717)	112,717	-
Transfers in	-	7,635	12,942	-	56,711	(77,288)	-
Transfers out	(72,554)	-	(4,734)	-	-	77,288	-
Total other financing sources (uses)	<u>(72,554)</u>	<u>7,635</u>	<u>8,208</u>	<u>-</u>	<u>57,473</u>	<u>(762)</u>	<u>-</u>
<b>SPECIAL ITEM</b>							
Transfer of excess tax allocation bond proceeds approved by the California Department of Finance to the City of Oakland	-	-	(88,309)	-	-	-	(88,309)
<b>Change in net position</b>	1,117	311	(103,581)	3,045	29,667	-	(69,441)
Net position (deficit) - beginning	38,855	688	272,432	80	(477,816)	-	(165,761)
<b>Net position (deficit), ending</b>	<u>\$ 39,972</u>	<u>\$ 999</u>	<u>\$ 168,851</u>	<u>\$ 3,125</u>	<u>\$ (448,149)</u>	<u>\$ -</u>	<u>\$ (235,202)</u>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Combining Schedule of Fiduciary Net Position for Capital Project Sub-Funds  
June 30, 2014  
(In Thousands)

	<b>Capital Projects</b>						<b>Total Capital Project Funds</b>	
	<b>Central District</b>	<b>Coliseum</b>	<b>Central City East</b>	<b>Low and Moderate Housing</b>	<b>Broadway MacArthur San Pablo</b>	<b>Oakland Army Base</b>		<b>Other Projects</b>
<b>ASSETS</b>								
Current assets:								
Cash and investments	\$ -	\$ 7,133	\$ 7,791	\$ 2,373	\$ 1,749	\$ -	\$ 1,867	\$ 20,913
Accrued interest receivable	-	37	40	62	10	-	10	159
Due from the City of Oakland	1,780	532	-	-	-	-	-	2,312
Restricted cash and investments	482	67	184	38,340	5,847	-	-	44,920
Total current assets	<u>2,262</u>	<u>7,769</u>	<u>8,015</u>	<u>40,775</u>	<u>7,606</u>	<u>-</u>	<u>1,877</u>	<u>68,304</u>
Noncurrent assets:								
Notes and loans receivable (net of allowance for uncollectable of \$48,120)	11,458	1,073	-	-	820	-	633	13,984
Property held for resale	44,949	44,295	11,027	-	-	-	-	100,271
Total noncurrent assets	<u>56,407</u>	<u>45,368</u>	<u>11,027</u>	<u>-</u>	<u>820</u>	<u>-</u>	<u>633</u>	<u>114,255</u>
Total assets	<u>58,669</u>	<u>53,137</u>	<u>19,042</u>	<u>40,775</u>	<u>8,426</u>	<u>-</u>	<u>2,510</u>	<u>182,559</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	350	166	121	1,551	369	-	68	2,625
Due to other funds	7,157	-	-	-	-	2,271	-	9,428
Due to the City of Oakland	-	-	1,437	-	-	177	-	1,614
Deposits and other liabilities	3	-	-	-	25	-	13	41
Total current liabilities	<u>7,510</u>	<u>166</u>	<u>1,558</u>	<u>1,551</u>	<u>394</u>	<u>2,448</u>	<u>81</u>	<u>13,708</u>
<b>NET POSITION</b>								
Net position (deficit) restricted for redevelopment:	<u>\$ 51,159</u>	<u>\$ 52,971</u>	<u>\$ 17,484</u>	<u>\$ 39,224</u>	<u>\$ 8,032</u>	<u>\$ (2,448)</u>	<u>\$ 2,429</u>	<u>\$ 168,851</u>

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**  
(A Component Unit of the City of Oakland, California)  
Combining Schedule of Changes in Fiduciary Net Position for Capital Project Sub-Funds  
For the Year Ended June 30, 2014  
(In Thousands)

	Capital Projects							Total Capital Project Funds
	Central District	Coliseum	Central City East	Low and Moderate Housing	Broadway MacArthur San Pablo	Oakland Army Base	Other Projects	
<b>ADDITIONS</b>								
Investment income:								
Interest on investments	\$ 165	\$ 41	\$ 31	\$ 40	\$ 11	\$ -	\$ 5	\$ 293
Net depreciation in fair value of investments	(12)	(10)	(13)	(23)	(9)	-	(1)	(68)
Other	202	1	-	-	-	-	-	203
Total additions	<u>355</u>	<u>32</u>	<u>18</u>	<u>17</u>	<u>2</u>	<u>-</u>	<u>4</u>	<u>428</u>
<b>DEDUCTIONS</b>								
Project management:								
Salaries, wages and benefits	1,998	1,027	645	1,467	557	-	154	5,648
Payment to refunding bond escrow agent	78	-	-	-	-	-	-	78
Total deductions	<u>4,721</u>	<u>1,679</u>	<u>929</u>	<u>13,708</u>	<u>2,468</u>	<u>-</u>	<u>403</u>	<u>23,908</u>
Change in net position before other financing sources (uses) and special items	(4,366)	(1,647)	(911)	(13,691)	(2,466)	-	(399)	(23,480)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	6,754	1,794	1,042	2,507	453	-	392	12,942
Transfers out	(4,734)	-	-	-	-	-	-	(4,734)
Total other financing sources (uses)	<u>2,020</u>	<u>1,794</u>	<u>1,042</u>	<u>2,507</u>	<u>453</u>	<u>-</u>	<u>392</u>	<u>8,208</u>
<b>SPECIAL ITEM</b>								
Transfer of excess tax allocation bond proceeds approved by the California Department of Finance to the City of Oakland	(27,625)	(11,887)	(37,069)	(10,000)	(1,728)	-	-	(88,309)
<b>Change in net position</b>	(29,971)	(11,740)	(36,938)	(21,184)	(3,741)	-	(7)	(103,581)
Net position (deficit), beginning	81,130	64,711	54,422	60,408	11,773	(2,448)	2,436	272,432
<b>Net position (deficit), ending</b>	<u>\$ 51,159</u>	<u>\$ 52,971</u>	<u>\$ 17,484</u>	<u>\$ 39,224</u>	<u>\$ 8,032</u>	<u>\$ (2,448)</u>	<u>\$ 2,429</u>	<u>\$ 168,851</u>

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Oakland Redevelopment Successor Agency  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Oakland Redevelopment Successor Agency (ORSA), a component unit of the City of Oakland (City), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the ORSA's basic financial statements, and have issued our report thereon dated November 26, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the ORSA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ORSA's internal control. Accordingly, we do not express an opinion on the effectiveness of the ORSA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the ORSA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California  
November 26, 2014

**APPENDIX C**  
**REPORT OF FISCAL CONSULTANT**

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# **OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

**BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT;  
CENTRAL CITY EAST REDEVELOPMENT PROJECT;  
CENTRAL DISTRICT REDEVELOPMENT PROJECT;  
COLISEUM AREA REDEVELOPMENT PROJECT;  
OAK KNOLL REDEVELOPMENT PROJECT;  
OAKLAND ARMY BASE REDEVELOPMENT PROJECT;  
AND  
WEST OAKLAND REDEVELOPMENT PROJECT**

**Subordinated Tax Allocation Refunding Bonds Series 2015-TE  
and Subordinated Tax Allocation Refunding Bonds Series 2015-T (Federally Taxable)**

## **PROJECTED TAXABLE VALUES AND ANTICIPATED TAX INCREMENT REVENUES**

**August 19, 2015**

### **I. Introduction**

The Oakland Redevelopment Successor Agency (the “Successor Agency”) is proposing to issue its Subordinated Tax Allocation Refunding Bonds, Series 2015-TE and Series 2015-T (the “Bonds”) secured by the funds generated from the property tax revenues derived from all former Redevelopment Project Areas (the “Project Areas”) of the Successor Agency that still generate tax revenue. The Bonds are issued for the purpose of refunding outstanding bonds issued by the former Redevelopment Agency of the City of Oakland (the Former Agency).

The Successor Agency’s former project areas include the Broadway/MacArthur/San Pablo Redevelopment Project (the “Broadway Project”); the Central City East Redevelopment Project (the “Central City Project”); the Central District Redevelopment Project and its 2002 Annex (the “Central District Project”); the Coliseum Area Redevelopment Project and its 1998 Annex (the “Coliseum Project”); the Oak Knoll Redevelopment Project (the “Oak Knoll Project”); the Oakland Army Base Redevelopment Project (the “Army Base Project”); and, the West Oakland Redevelopment Project (the “West Oakland Project”).

The Bonds are special obligations of the Successor Agency and debt service on the Bonds is payable from tax increment revenues that are available after the payment of debt service on certain senior bonds and on certain other obligations (the “Pledged Tax Revenues”) and amounts held in the Special Fund and the Debt Service Fund (and the accounts therein), and the Successor Agency is not obligated to pay them except from the Pledged Tax Revenues and amounts held in the Special Fund and the Redemption Fund. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Pledged Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the Bonds. The Bonds are not a debt of the City of Oakland (the “City”), the State of California or any of its political subdivisions (other than the Successor Agency), and neither said City, said State nor any of its political subdivisions (other than the Successor Agency) is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Successor Agency.

**Oakland Redevelopment Successor Agency  
Fiscal Consultant's Report  
August 19, 2015, Page 2**

On June 29, 2011, the California Legislature and Governor enacted Assembly Bill x1 26 (AB 1x 26), which generally dissolved redevelopment agencies statewide as of February 1, 2012. The bill was challenged by a suit filed before the California Supreme Court, but was upheld by the Court on December 29, 2012. On June 27, 2012 Assembly Bill 1484 (AB 1484) was signed into law, modifying and supplementing ABx1 26. In accordance with Section 34177.5(g) of the California Health and Safety Code, the Successor Agency bonds shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds, indebtedness, financing agreement, or amended enforceable obligation had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the California Community Redevelopment Law (being Part 1 of Division 24 of the Health and Safety Code and is being referred to herein as the "Law") that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule (the "ROPS"), and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the "RPTTF").

The California Community Redevelopment Law (the "Law") provided for the creation of redevelopment agencies by cities and counties for the purpose of the elimination of blight. The Law, together with Article 16, Section 16 of the California Constitution, authorized redevelopment agencies to receive that portion of property tax revenue generated by project area taxable values that are in excess of the Base Year value. The Base Year value is defined as the amount of the taxable values within the project area boundaries on the last equalized tax roll prior to adoption of the project area. The amount of current year taxable value that is in excess of the Base Year value is referred to as incremental taxable value. Tax revenues generated from the incremental taxable value are generally referred to as Tax Increment Revenues. The Law provided that the Tax Increment Revenues may be pledged by the redevelopment agency to the repayment of agency indebtedness.

In this report, Tax Increment Revenues with the addition of Unitary Tax Revenue (see Section IV, Allocation of State Assessed Unitary Taxes) are referred to as Gross Tax Revenues. Pledged Tax Revenues are defined as Gross Tax Revenues less the SB 2557 County Administrative fees and collection charges (see Section IV, County Collection Charges) and less the existing debt service and certain other obligations that are not subordinate to the payment of debt service on the Bonds. Pursuant to the Law, the Successor Agency has sought and received subordination of all statutory tax sharing payment obligations and so these payments have liens on Pledged Tax Revenues that are subordinate to the lien on Pledged Tax Revenues of debt service on the Bonds (see Section VII, Tax Sharing Agreements and Other Obligations). However, there are certain outstanding bonds and other obligations of the Former Agency that have a pledge of and lien on Pledged Tax Revenues that is senior to the payment of debt service on the Bonds.

The purpose of this fiscal consultant report (the "Report") is to examine the assessed values of the current fiscal year and project for nine fiscal years the amount of tax increment revenues anticipated to be received by the Successor Agency from each of the component project areas. The Law and the limits within the component redevelopment plans determine the amount of Combined Project Area Gross Tax Revenues. The amount of the Pledged Tax Revenues available for the payment of debt service on the Bonds is also affected by prior obligations undertaken by the Successor Agency. Based on our research, we project that the Pledged Tax Revenues that will be pledged to the payment of debt service on the Bonds will be as shown in Table A below.

**Oakland Redevelopment Successor Agency  
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**Table A  
Projected Pledged Tax Revenues  
(000's Omitted)**

<b>Fiscal Year</b>	<b>Broadway/MacArthur/ San Pablo Project</b>	<b>Central City East Project</b>	<b>Central District Project</b>	<b>Coliseum Project</b>	<b>Oak Knoll Project</b>	<b>Oakland Army Base Project</b>	<b>West Oakland Project</b>	<b>Combined Project Areas</b>
2015-16	\$4,603	\$12,078	\$33,750	\$22,488	\$ 902	\$7,165	\$ 8,001	<b>\$ 88,987</b>
2016-17	4,900	13,349	35,515	23,050	946	1,997	8,548	<b>88,305</b>
2017-18	5,083	14,151	36,265	23,982	966	2,086	8,923	<b>91,456</b>
2018-19	5,271	14,970	37,793	24,927	986	2,177	9,305	<b>95,428</b>
2019-20	5,464	15,807	39,188	25,890	1,007	2,269	9,695	<b>99,321</b>
2020-21	5,661	16,674	47,536	26,894	1,029	2,365	10,098	<b>110,257</b>
2021-22	5,861	17,550	64,321	27,902	1,051	2,462	10,506	<b>129,652</b>
2022-23	6,174	18,786	71,130	29,464	1,089	2,599	11,086	<b>140,329</b>
2023-24	6,380	19,700	72,563	30,515	1,111	2,700	11,511	<b>144,481</b>
2024-25	6,592	20,631	74,024	31,581	1,134	2,803	11,945	<b>148,710</b>
2025-26	6,809	21,577	75,511	32,673	1,157	2,909	12,387	<b>153,023</b>
2026-27	5,916	19,036	67,924	29,269	1,022	2,691	11,178	<b>137,037</b>
2027-28	6,088	19,813	68,499	29,386	1,044	2,710	11,529	<b>139,070</b>
2028-29	6,285	20,684	69,862	30,386	1,066	2,807	11,935	<b>143,025</b>
2029-30	6,488	21,572	71,251	31,404	1,087	2,905	12,350	<b>147,058</b>
2030-31	6,693	22,484	72,668	32,441	1,109	3,006	12,773	<b>151,174</b>
2031-32	7,730	23,409	74,111	33,502	1,132	3,108	13,204	<b>156,196</b>
2032-33	8,033	24,351	75,587	34,586	1,155	3,213	13,644	<b>160,569</b>
2033-34	8,181	29,272	6,640	35,351	1,169	3,293	13,981	<b>97,888</b>
2034-35	8,410	30,532	6,774	37,327	1,193	3,402	14,440	<b>102,078</b>
2035-36	8,632	31,535	6,909	41,482	1,218	3,513	14,908	<b>108,197</b>
2036-37	7,396	31,489	6,816	43,959	1,202	3,508	14,879	<b>109,248</b>

The taxable values of property and the resulting Pledged Tax Revenues for each component area summarized above are reflected on Tables 1 and 2 of the projections (attached). These projections are based on assumptions determined by our review of the taxable value history of the component project areas and the property tax assessment and property tax apportionment procedures of Alameda County (the "County"). The projection illustrates the entire amount of the Pledged Tax Revenues projected as being available from each component area. It is assumed that the Successor Agency will continue to have sufficient debt and debt service, as defined in the redevelopment plans, to capture all of the available Pledged Tax Revenue. Future year assessed values and Pledged Tax Revenues are projections based upon the assumptions described in this Report, and are not guaranteed as to accuracy. This Report is not to be construed as a representation of such by HdL Coren & Cone.

## **II. The Former Project Areas**

The City Council of the City of Oakland adopted the Central District Urban Renewal Plan (the "Plan") on June 12, 1969 and amended it by Ordinance No. 10822 on December 16, 1986 to incorporate limits on receipt of tax increment revenue. Central District was subsequently amended or supplemented by the adoption of ordinances on January 21, 1971, May 29, 1973, December 16, 1975, December 12, 1978, June 12, 1979, August 3, 1982, October 2, 1984, June 11, 1985, March 27, 1990, February 18, 1997, October 27, 1998, December 20, 1994 and July 24, 2001. These time limits have been further extended by subsequent plan amendments (see below). The Amendment approved by Ordinance No. 10256 on August 3, 1982 added territory to the original boundaries of the Central District (the 1982 Added Area). The parcels within the territory that was added by this amendment were, at that time, all owned by state and federal governmental agencies. The 2002 Annex was adopted on July 24, 2001 and added an additional 14.86 acres of new territory to Central District. The 2002 Annex was eligible to receive tax increment revenue for the first time in Fiscal-Year 2002-03; however, no assessed value was reported for 2002 Annex by the Auditor-Controller for that fiscal year. The first fiscal year for which revenue was allocated was 2003-04. The Central District Project encompasses the central downtown area of Oakland. It is roughly bordered by I-980 on the west, Embarcadero on the south, Lake Merritt on the east and Grand Avenue on the north. The Project Area includes about 250 city blocks of office, retail, commercial and residential uses.

On July 25, 1995, the City Council adopted Ordinance No. 11824 approving and adopting the Coliseum Area Redevelopment Project. Coliseum was amended by the addition of the 1998 Annex through the adoption of Ordinance No. 12001 on July 29, 1997. The Coliseum Project and its 1998 Annex total 6,500 acres and are located in the southeast area of the City. The Project Area is adjacent to the Oakland International Airport and contains the O.co Coliseum and the Oracle Arena complex. It abuts the City of Oakland's city limits adjacent to the City of San Leandro.

The Oak Knoll Redevelopment Project was adopted by the City Council on July 14, 1998 by Ordinance No. 12065. The Oak Knoll Redevelopment Project consists of a former military base known as the Naval Medical Center, Oakland that was designated for closure by the federal Base Closure Commission. The Project Area includes 183 acres of which 5.45 acres will be transferred to the City of Oakland; 1.27 acres is under the ownership of the Sea West Coast Guard Federal Credit Union; and, 7.92 acres is in use as the Seneca Residential and Day Treatment Center. Approximately 167 acres was sold by the Federal Government to LV Oak Knoll LLC for private development.

The Oakland Army Base Redevelopment Project was adopted by the City Council on July 11, 2000 by Ordinance No. 12259. The Army Base Project includes the 425 acre former Oakland Army Base and adjacent areas totaling approximately 1,375 acres. Combined the Army Base Project includes a total of 1,800 acres. The Project Area includes the Port of Oakland's maritime areas that are west and south of the Army Base including the existing marine terminal facilities and related infrastructure along the Outer Harbor and Inner Harbor channels, as well as the former Naval Fleet and Industrial Supply Center Oakland. The Project Area also includes an area along the Army Base's eastern boundary that is roughly between the re-aligned I-880 freeway and Wood Street.

The Broadway/MacArthur/San Pablo Redevelopment Project was adopted on July 25, 2000 by City Council Ordinance No. 12269. The Project Area consists of two sub-areas in the northern portion of the City and totals 676 acres. The Broadway/MacArthur sub-area includes the Broadway Auto Row and Telegraph Avenue between 27<sup>th</sup> Street and 42<sup>nd</sup> Street. The San Pablo sub-area includes the Golden Gate neighborhood along San Pablo between 53<sup>rd</sup> and 67<sup>th</sup> Streets.

The Central City East Redevelopment Project was adopted by Ordinance No. 12559 on July 29, 2003. The Project Area contains neighborhoods in central and east Oakland including Eastlake, Fruitvale, Central East Oakland and Elmhurst. The Central City Project is 3,339 acres and extends from the southern edge of the downtown area east to approximately Durant Street. The Project Area is primarily residential in nature but contains commercial areas adjacent to downtown in the northwest portion of the Project Area and along MacArthur and Foothill Boulevards. Additionally a small area of industrial development is located along Embarcadero west of I-880.

The West Oakland Redevelopment Project was adopted by Ordinance No. 12559 on November 18, 2003. The Project Area is the second phase of a strategy for redeveloping the areas in the western portion of the City. The first phase of this strategy was embodied by the Oakland Army Base Redevelopment Project. The West Oakland Project is made up of three sub-areas; Prescott/South Prescott, Clawson/McClymonds/Bunche and West MacArthur/Hoover. The Project Area abuts the east edge of the Oakland Army Base Project and the west edges of the Central District and Broadway/MacArthur/San Pablo Project Areas. It is roughly bounded by I-980 on the east, I-880 on the west, Middle Harbor on the south and 40<sup>th</sup> Street on the north. The West Oakland Project was adopted to facilitate residential, commercial and industrial development of blighted, underutilized and contaminated sites that exist within the boundaries of the Project Area.

#### **A. Land Use**

The following Table B illustrates the breakdown of land uses within the aggregated project areas by taxable assessed value for Fiscal Year 2015-16. It is based on the lien date tax roll for fiscal year 2015-16. The number of parcels are not shown for Unsecured values and values connected with Non-Unitary Utilities because these are property tax billings that are associated with secured parcels already accounted for in other categories.

**Table B  
Combined Project Areas – Land Use Categories**

<b>Category</b>	<b>Parcels</b>	<b>Net Taxable Value</b>	<b>%</b>
Residential	31,675	7,524,933,407	43.44%
Commercial	3,563	4,552,501,376	26.28%
Industrial	1,560	2,409,756,828	13.91%
Government Owned	1	634,270	0.00%
Recreational	361	81,666,246	0.47%
Institutional	78	38,725,511	0.22%
Vacant	1,540	374,092,648	2.16%
Exempt	1,693	0	0.00%
SBE Non-Unitary Utilities		9,031,451	0.05%
Unsecured		2,332,254,589	13.46%
<b>Totals:</b>	<b>40,471</b>	<b>\$17,323,596,326</b>	<b>100.00%</b>

The following tables illustrate that breakdown of land uses within the component project areas by taxable assessed value for Fiscal Year 2015-16.

<b>Broadway/MacArthur</b>				<b>Central City East</b>			
<b>Category</b>	<b>Parcels</b>	<b>Net Taxable</b>		<b>Parcels</b>	<b>Net Taxable</b>		<b>%</b>
		<b>Value</b>	<b>%</b>		<b>Value</b>	<b>%</b>	
Residential	1,361	480,152,690	51.57%	14,110	2,828,850,433	80.72%	
Commercial	385	350,965,126	37.70%	797	428,008,829	12.21%	
Industrial	37	23,535,323	2.53%	130	82,069,187	2.34%	
Government Owned	0	0	0.00%	0	0	0.00%	
Recreational	23	2,929,152	0.31%	129	20,913,338	0.60%	
Institutional	4	5,029,905	0.54%	10	2,991,790	0.09%	
Vacant	50	19,706,826	2.12%	306	40,044,917	1.14%	
Exempt	43	0	0.00%	416	0	0.00%	
SBE Non-Unitary		103,953	0.01%		492,558	0.01%	
Unsecured		48,634,167	5.22%		101,333,670	2.89%	
<b>Totals:</b>	<b>1,903</b>	<b>\$931,057,142</b>	<b>100.00%</b>	<b>15,898</b>	<b>\$3,504,704,722</b>	<b>100.00%</b>	

<b>Central District &amp; Annexes</b>				<b>Coliseum and Annex</b>			
<b>Category</b>	<b>Parcels</b>	<b>Net Taxable</b>		<b>Parcels</b>	<b>Net Taxable</b>		<b>%</b>
		<b>Value</b>	<b>%</b>		<b>Value</b>	<b>%</b>	
Residential	3,806	1,862,789,669	32.44%	7,903	1,269,023,481	28.92%	
Commercial	1,235	2,639,916,255	45.97%	811	928,976,575	21.17%	
Industrial	134	615,165,920	10.71%	835	1,289,828,190	29.40%	
Government Owned	0	0	0.00%	0	0	0.00%	
Recreational	36	20,173,280	0.35%	94	27,534,813	0.63%	
Institutional	55	24,366,300	0.42%	5	3,811,640	0.09%	
Vacant	117	67,207,586	1.17%	558	105,808,337	2.41%	
Exempt	216	0	0.00%	606	0	0.00%	
SBE Non-Unitary		13,694	0.00%		2,066,756	0.05%	
Unsecured		513,126,092	8.94%		760,839,771	17.34%	
<b>Totals:</b>	<b>5,599</b>	<b>\$5,742,758,796</b>	<b>100.00%</b>	<b>10,812</b>	<b>\$4,387,889,563</b>	<b>100.00%</b>	

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Category	Oak Knoll			Army Base		
	Parcels	Value	%	Parcels	Value	%
Residential	0	0	0.00%	353	118,676,788	11.53%
Commercial	2	\$5,597,503	6.66%	3	1,279,377	0.12%
Industrial	0	0	0.00%	4	59,845,139	5.82%
Government Owned	0	0	0.00%	0	0	0.00%
Recreational	0	0	0.00%	0	0	0.00%
Institutional	0	0	0.00%	0	0	0.00%
Vacant	5	78,469,411	93.34%	8	17,306,504	1.68%
Exempt	1	0	0.00%	127	0	0.00%
SBE Non-Unitary		0	0.00%		3,235,403	0.31%
Unsecured		0	0.00%		828,761,372	80.53%
<b>Totals:</b>	<b>8</b>	<b>\$84,066,914</b>	<b>100.00%</b>	<b>495</b>	<b>\$1,029,104,583</b>	<b>100.00%</b>

Category	West Oakland		
	Parcels	Value	%
Residential	4,142	965,440,346	58.72%
Commercial	330	197,757,711	12.03%
Industrial	420	339,313,069	20.64%
Government Owned	1	634,270	0.04%
Recreational	79	10,115,663	0.62%
Institutional	4	2,525,876	0.15%
Vacant	496	45,549,067	2.77%
Exempt	284	0	0.00%
SBE Non-Unitary		3,119,087	0.19%
Unsecured		79,559,517	4.84%
<b>Totals:</b>	<b>5,756</b>	<b>\$1,644,014,606</b>	<b>100.00%</b>

**B. Redevelopment Plan Limits**

In accordance with the Law, redevelopment plans adopted after October 1, 1976 but prior to January 1, 1994 are required to include a time limit on the establishment of indebtedness to be repaid with tax increment and a limit on the amount of tax increment revenue that may be divided and allocated to the project area. In addition, if the plan authorizes the issuance of tax allocation bonds, a limit on the amount of bonded indebtedness that may be outstanding at one time must be included. For those redevelopment plans adopted prior to October 1, 1976 that did not contain these limits, the legislative body was required to amend the redevelopment plans by ordinance not later than December 31, 1986. The amendment must include provisions to limit the number of tax increment dollars that could be allocated to the agency pursuant to the plan, to establish a time limit to create debt to be repaid with tax increment, and to limit the commencement of eminent domain.

Chapter 942, Statutes of 1993, established further limits on redevelopment plans. Chapter 942 restricted the life span of redevelopment plans adopted prior to 1994. The time limit for establishing indebtedness was limited to 20 years from the adoption of the redevelopment plan or January 1, 2004, whichever is later. The life of the existing redevelopment plans was limited to 40 years from the date of adoption or January 1, 2009, whichever is later. Finally, a redevelopment agency was restricted from paying indebtedness with tax

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increment beyond 10 years after its redevelopment plan expires except to fund deferred Housing Set Aside requirements and to repay indebtedness incurred prior to January 1, 1994.

Pursuant to Chapter 942, on December 20, 1994 the former redevelopment agency adopted Ordinance No. 11762 for the Central District Project Area. These ordinances amended the project's time limits to conform to the provisions of Chapter 942. The Broadway Project, the Central City East Project, the Central District Projects 2002 Annex, the Coliseum and its 1998 Annex Project, the Oak Knoll Project, the Army Base Project and the West Oakland Project were adopted after January 1, 1994 and are conforming to the limits imposed by Chapter 942.

On April 3, 2012, the City Council adopted Ordinance No. 13109 that amended the redevelopment plan as it applies to the original Central District Project to extend the time limit on redevelopment plan effectiveness to June 12, 2022 and to extend the time limit on receipt of tax increment revenue by ten years to June 12, 2032 pursuant to Section 33333.10(a)(1) of the Law. Further, this redevelopment plan amendment increased the limit on the amount of tax increment that may be received for repayment of indebtedness to a total of \$3 billion pursuant to Sections 33451.5 and 33354.6 of the Law. Ordinance No. 13109 further extended the time limit on the former agency's eminent domain authority for both the original Central District Project and for the 2002 Amendment to June 12, 2012. Under the Law, these time limit and tax increment limit extensions were to result in increases in the Housing Set-Aside Requirement and place limitation on how the revenue that is received in excess of the original tax increment limit may be used. The dissolution of redevelopment agencies by ABx1 26 may make these consequences of the 2012 plan amendments moot. On this same day, the City Council adopted Ordinance No. 13110 that amended the redevelopment plan as it applies to both the original Central District Project Area and the 2002 Amendment Area by extending the time limits on redevelopment plan effectiveness and repayment of indebtedness by one year pursuant to Section 33331.5 of the Law.

Prior to adoption of Central District plan amendments within Ordinance No. 13109, the redevelopment plan limited the agency to the receipt of \$1,348,862,000 in tax increment revenue over the life of the Plan within the original Central District Project. While the amendments implemented by this ordinance increased the limit on receipt of tax increment to \$3 billion, these amendments were subject to challenge for a period of two years from the date of adoption, April 3, 2012, pursuant to the Law as amended by ABx1 26. The increase in the tax increment limit was not challenged during the challenge period and remains \$3 billion. It is very unlikely that this limit would be approached within the remaining time limits. This new tax increment limit amends and is inclusive of revenues from the 1982 Added Area.

The Oak Knoll and Army Base Projects include areas that were formerly military facilities and were closed by the Federal government. These project areas were adopted pursuant to Chapter 4.5 (Military Base Conversion Redevelopment Agencies) of the Law. Several provisions within this section of the Law differ from the language in the Law as it applies to project areas that do not involve base closure project areas. Most applicable to plan limits is the requirement of Section 33492.9 that the Auditor-Controller notify the agency of the last day of first fiscal year in which the new project area has been allocated a total of at least \$100,000. The time limits dictated by Chapter 942 do not begin to run until such time as the Auditor-Controller so notifies the agency. Based on tax allocation figures, it appears that the Army Base Project reached this threshold in fiscal year 2000-01, its first year to receive tax increment allocations. The Oak Knoll Project appears to have reached that threshold during fiscal year 2008-09. Unlike other redevelopment project areas adopted after January 1, 1994, Military Base Conversion Redevelopment Agencies must include a limitation on the amount of tax increment revenue that may be allocated to the project area.

The Redevelopment Plan limits described above and as they apply to the Project Areas are summarized below in Table C:

<b>Table C Applicable Redevelopment Plan Limits</b>					
<b>Project Area</b>	<b>Plan Expiration</b>	<b>Last Date to Incur New Debt</b>	<b>Last Date to Repay Debt with Tax Increment</b>	<b>Tax Increment Limit</b>	<b>Bonded Indebtedness Limit</b>
Broadway	July 25, 2030	July 25, 2020	July 25, 2045	No Limit	\$100 million
Central City East	July 29, 2033	July 29, 2023	July 29, 2048	No Limit	\$2.3 billion
Central District	June. 12, 2023	Eliminated	June 12, 2033	\$3 billion	\$100 million <sup>1</sup>
2002 Annex	July 24, 2032	July 24, 2021	July 24, 2047	No Limit	N/A
Coliseum	July 25, 2027	July 25, 2015	July 25, 2042	No Limit	N/A
1998 Annex	July 29, 2028	July 29, 2017	July 29, 2043	No Limit	N/A
Oak Knoll	June 30, 2039	June 30, 2029	June 30, 2054	\$1.5 billion	\$400 million
Army Base	June 30, 2031	June 30, 2021	June 30, 2046	\$506.4 million	None
West Oakland	Nov. 18, 2033	Nov. 18, 2023	Nov. 18, 2048	No Limit	\$640 million

Based on the tax increment revenue allocated through fiscal year 2013-14, a total of \$994.1 million in tax revenue has been allocated to the original portion of the Central District Project. A total of \$8.4 million in tax revenue has been allocated to the Oak Knoll project since it exceeded the initial \$100,000 allocation. Within the Army Base project, a total of approximately \$69.5 million in tax revenue has been allocated. Tax increment revenue data for 2014-15 is not yet available from the County Auditor-Controller. None of the three project areas with tax increment limits are projected to reach those limits within the time limits of the former redevelopment plans.

### **III. Project Area Assessed Values**

#### **A. Assessed Values**

Taxable values are prepared and reported by the County Auditor-Controller each fiscal year and represent the aggregation of all locally assessed properties, which are part of the Project Areas. The assessments are assigned to Tax Rate Areas (the "TRA") that are coterminous to the boundaries of the Project Areas. The historic reported taxable values for the Project Areas were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent ten fiscal years beginning with 2006-07 (see Table 3 for each Project Area). The following Table D outlines change in taxable assessed value for each of the Project Areas.

<sup>1</sup> This limit applies only to the 1982 amendment area and not to the original portion of the Central District Project or to the 2002 Annex area. The 1982 amendment area is not separately shown in this table nor is it separately reflected in this Report.

**Table D  
Taxable Value Change by Component Project Area**

<b>Component Project Area</b>	<b>2015-16 Net Taxable Value</b>	<b>Change in Net Taxable Value From 2014-15</b>	<b>% Change in Net Taxable Value From 2014-15</b>	<b>Change in Net Taxable Value from 2006-07</b>	<b>% Change in Net Taxable Value From 2006-07</b>
Broadway	931,057,142	37,383,816	4.18%	256,383,817	38.00%
Central City East	3,504,704,722	306,030,690	9.57%	150,458,763	4.49%
Central District	5,742,758,796	689,306,043	13.64%	2,171,513,317	60.81%
Coliseum	4,387,889,563	240,118,915	5.79%	634,024,262	16.89%
Oak Knoll	84,066,914	1,521,026	1.84%	83,255,794	10,264.30%
Army Base	1,029,104,583	(15,379,202)	-1.47%	266,881,352	35.01%
West Oakland	1,644,014,606	167,082,815	11.31%	318,754,457	24.05%
<b>Combined Projects</b>	<b>17,323,596,326</b>	<b>1,426,064,103</b>	<b>8.97%</b>	<b>3,881,271,762</b>	<b>28.87%</b>

While there has been ongoing growth in each of the component Project Areas, growth within the Central City East Project has been relatively weak through 2014-15. Almost 80% of the value in Central City East is residential and this sector was particularly hard hit during the recent recession. In FY 2010-11, Central City East was burdened with over \$590 million in Prop 8 value reductions resulting from the losses in residential value. The recovery of the housing market in the City has allowed almost half of this value reduction to be recovered but properties reduced under Prop 8 still have over \$319 million in taxable value to be recovered on 2,068 properties. The recovery of values reduced under Prop 8 continue to be recovered in Central city East and that recovery is the primary reason that values in the project area rose by \$306 million (9.57%) for 2015-16. The largest single gain in value for 2015-16 came within the Central District Project. Digital 720 2<sup>nd</sup> LLC installed a large computer server farm at 720 2<sup>nd</sup> Street that added \$398.5 million in new value making Digital 720 2<sup>nd</sup> LLC the largest taxpayer in Central District and the largest taxpayer in the Combined Projects.

Value losses within the Broadway/MacArthur Project in 2013-14 and 2014-15 are related to variations in value among the several medical facilities located in the project area. The loss in value within Broadway/MacArthur for 2014-15 is due to the fact that property owned by Sutter East Bay Hospitals valued at over \$182 million was listed as taxable for 2013-14 but is listed as almost entirely tax exempt for 2014-15. Similarly, in 2013-14 a loss of value totaling \$476.7 million was reflected in the tax roll due to the fact that the Assessor had not properly applied real estate exemptions in 2012-13 but did apply these exemptions for 2013-14. In both of these cases, the exemptions were applied prior to the issuance of the tax bills for these properties and, as a result, the large but imaginary value increases that were realized in 2013-14 and 2012-13 were not reflected in increases of revenue. Further, the reductions in value that appear when comparing the 2013-14 and 2014-15 tax roll data are not actual value losses. For 2015-16 there were additional exemptions that were not properly reflected on the tax roll data. These were corrected within our analysis and the Broadway/MacArthur Project recorded an increase in value of \$37.4 million (4.18%).

The value loss seen in the Army Base Project reflects variations in unsecured values among the large cargo handling taxpayers. The personal property values for equipment used by these taxpayers are subject to annual depreciation and this equipment is available for removal from the sites. These values tend to be somewhat volatile and can increase and decline from year to year.

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Overall the strong real estate market in the Bay Area was manifested in substantial growth in the Successor Agency's Project Areas.

**B. Top Ten Taxable Property Owners**

A review of the top ten taxable property owners in the Project Areas for fiscal year 2015-16 was conducted. Lists of the top ten property owners for each Project Area, and the number of parcels attributed to each owner, are presented on Table 4 of each tax increment projection. The table below illustrates the values and percentage of total value within each of the component project areas that is attributable to the top ten taxpayers.

<b>Table E Top Ten Taxpayer Assessed Values by Project Area</b>					
	<b>Combined Assessed Values of Top Ten Taxpayers</b>	<b>Project Area Total Assessed Value</b>	<b>% of Project Area Total Assessed Value</b>	<b>Project Area Incremental Value</b>	<b>% of Project Area Incremental Value</b>
<b>Broadway</b>	\$160,511,406	\$931,057,142	28.23%	\$568,621,493	28.23%
<b>Central City East</b>	218,726,528	3,504,704,722	6.24%	1,541,616,796	14.19%
<b>Central District</b>	1,854,781,155	5,742,758,796	32.30%	5,457,690,584	33.98%
<b>Coliseum</b>	575,546,818	4,387,889,563	13.12%	2,714,368,275	21.20%
<b>Oak Knoll</b>	84,066,914	84,066,914	100.00%	84,066,914	100.00%
<b>Army Base</b>	833,716,060	1,029,104,583	81.01%	667,689,673	124.87%
<b>West Oakland</b>	189,295,100	1,644,014,606	11.51%	745,818,025	25.38%
<b>Combined</b>	<b>\$2,292,555,257</b>	<b>\$17,323,596,326</b>	<b>13.23%</b>	<b>\$11,779,871,760</b>	<b>19.46%</b>

Despite the large amount of assessed value within most of the component project areas, the concentration of value among the top ten taxpayers is relatively large. Some of this concentration is attributable to the fact that half of the project areas are relatively young and they have not yet developed significant incremental value. Even in Central District and Coliseum, the two largest project areas, however, concentration of value is relatively high. In Central District assessed values controlled by the top ten taxpayers account for 33.98% of the Project Area's incremental value. In Coliseum assessed values controlled by the top ten taxpayers account for 21.20% percent of that Project Area's incremental value. Among the seven project areas, the top ten taxpayers control \$2.3 billion in assessed value. This amount is 13.23% of the combined project areas total value of \$17.3 billion and 19.46% of the combined project area total incremental value of \$11.8 billion.

**IV. Tax Allocation and Disbursement**

**A. Property Taxes**

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. Article XIII A of the California Constitution (Proposition 13) provides that a parcel's base year value is established when locally assessed real property undergoes a change in ownership or when new construction occurs. Following the year a parcel's base year value is first enrolled, the value is factored annually for inflation. The base year value of a parcel is the value established as the full market value upon a parcel's sale, improvement or other reassessment. The term base year value does not, in this instance, refer to the

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base year value of the Project Area. Pursuant to Article XIII A, section 2(b), and Revenue and Taxation Code Section 51, the percentage increase cannot exceed 2% of the prior year's value.

Each year the Board announces the applicable adjustment factor. Since in most years inflation has exceeded 2%, the announced factor has usually reflected the 2% cap. Through 2012-13 there have been six occasions when the inflation factor has been less than 2%. Until 2010-11, in the more than 30 years since the passage of Proposition 13, the annual adjustment never resulted in a reduction to the base year values of individual parcels, however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was -0.237% and resulted in reductions to the adjusted base year value of parcels. The California Consumer Price Index (CCPI) changes between October, 2009 and October, 2010 were used to calculate the adjustment factor for the January 1, 2011 assessment date. The data for that period led to an announcement by the Board on December 16, 2010 that the inflation adjustment for 2011-12 was 0.753%. The inflation adjustments for 2012-13 and for 2013-14 were determined by the Board to be the full 2% allowed by Article XIII A, Section 2(b), however, the inflation adjustment for 2014-15 was determined to be 0.454%. On December 5, 2014 the Board announced that the inflation adjustment factor for the 2015-16 fiscal year would be 1.998%. We have assumed a resumption of a 2% inflationary adjustment for 2016-17 and we have assumed that the annual inflation adjustment will be 2% each in each year thereafter.

Utility property assessed by the Board may be revalued annually and such assessments are not subject to the inflation limitations of Article XIII A. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual 2% limit of locally assessed real property.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year's secured property tax rate.

**B. Supplemental Assessments**

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against Real Property.

Since 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. We have not included revenues resulting from Supplemental Assessments in the projections.

**C. Tax Rates**

Tax rates will vary from area to area within the State, as well as within a community and a project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of \$1.00 per \$100 of taxable value and the over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition XIII.

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A Constitutional amendment approved in June 1983 allows the levy of over-ride tax rates to repay indebtedness for the acquisition and improvement of real property, upon approval by a two-thirds vote. A subsequent amendment of the Constitution prohibits the allocation to redevelopment agencies of tax revenues derived from over-ride tax rates levied for repayment of indebtedness approved by the voters after December 31, 1988. Tax rates that were levied to support any debt approved by voters after December 31, 1988 were not allocated to redevelopment agencies. The over-ride tax rates typically decline each year as a result of (1) increasing property values (which would reduce the over-ride rate that must be levied to meet debt service) and (2) the eventual retirement of debt over time. There are three debt service over-ride tax rate levied within the Project Area that received voter approval prior to December 31, 1988. These tax rates are levied by the City of Oakland, the East Bay Municipal Utilities District and the East Bay Regional Parks.

ABx1 26 was adopted in late June, 2011 (see Legislation, Section VI). Section 34183(a)(1) of that legislation requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. This has been interpreted by Alameda County to include all revenues resulting from the override tax rates that are being levied by East Bay Municipal Utilities District and the East Bay Regional Parks. The portion of the override tax rate levied by the City of Oakland that was approved by voters prior to 1989 is not considered by the Auditor-Controller as being levied for purposes of paying principal and interest on bonded indebtedness for the acquisition or improvement of real property. As the result of this interpretation, the revenue from this portion of the City override tax rate is still deposited in the Redevelopment Property Tax Trust Fund for allocation to the Successor Agency.

As a result, the tax increment revenues used in this projection are derived from the general levy tax rate and the qualifying override tax rate levied by the City of Oakland. All of the tax rate areas within the component project areas have the same tax rate. The components of the tax rate that is applied to secured and unsecured value in calculating the projected 2014-15 revenue is reflected in Table F below. The projections assume continuation of the tax rate levied for 2014-15. Tax rates to be levied for 2015-16 are not yet available.

<b>Table F</b>		
<b>2014-15 Secured Tax Rate</b>		
		Termination Date
General Levy	1.00000	
City of Oakland	<u>.15750</u>	<u>2026</u>
<b>Total RDA Eligible Tax Rate:</b>	<b>1.15750</b>	
<u>Non-RDA Eligible Tax Rates</u>		
East Bay Regional Park 1	.00850	
EBMUD Special District 1	.00470	
Oakland U.S.D. Bonds	.17450	
Peralta Community College Dist.	.04120	
Bay Area Rapid Transit District	.00450	
City of Oakland	<u>.04673</u>	
<b>Total Tax Rate:</b>	<b><u>1.43763</u></b>	

The override rate approved by voters before 1989 and levied by the City of Oakland is authorized for long term funding of pension funds and has been authorized through 2026. The appropriate retirement date of this

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override tax rate has been factored into the projection. This RDA eligible tax rate will not change for 2015-16 and we project it as unchanged through the termination date of the debt service tax rate in 2026.

**D. Allocation of Taxes**

Taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. Prior to February 1, 2012, the County utilized an alternative method for the distribution of tax revenue to taxing agencies known as the Teeter Plan. Under this method, the taxing entities, including redevelopment agencies in Alameda County receive 100 percent of the taxes levied on the extended tax roll subject to correction, cancellation and refunds. The tax revenues of the former Agency were not subject to revenue loss due to delinquencies or gains due to redemption of unpaid taxes. Counties utilizing the Teeter Plan are required to maintain a fund in an amount determined by the code that is to be used to cover losses that may occur as a result of property tax delinquencies.

As of February 1, 2012, the allocation of tax increment revenue was dictated by the legislation adopted as ABx1 26 (See Legislation, Section VI). Revenue to Successor Agencies is now made on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller (the "CAC") in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 1 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 1 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the CAC is to deduct its own administrative charges and is to calculate and deduct amounts owed to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law. The amount remaining after these reductions, if any, is what is available for payment by the Successor Agency of debt obligations of the former redevelopment agency.

Prior to receiving revenues on January 2 and June 1, the Successor Agency must adopt a ROPS that lists the debt obligations of the former redevelopment agency that must be paid during the upcoming six month periods of January 1 through June 30 and July 1 through December 31. There is provision in the legislation for a Successor Agency to request additional amounts in one ROPS payment to allow it to make payments that may be beyond the revenues available in the upcoming allocation cycle. The ROPS must be approved by an Oversight Board that is established in the legislation with membership consisting of representatives from various taxing entities. The ROPS must also receive approval from the State Department of Finance.

The Successor Agency is entitled to receive an amount to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by the legislation at a minimum \$250,000 per year and a maximum that is 3% of the amount allocated from the RPTTF. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Successor Agency's administrative allowance will be reduced or eliminated.

If there are RPTTF amounts remaining after reductions for county administrative charges, pass through obligations, ROPS obligations and Successor Agency administrative allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each allocation cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund (the "ERAF").

**E. Assessment Appeals**

Assessment appeals granted under Section 51 of the Revenue and Taxation Code (also known as Prop 8 Appeals) require that, for each subsequent lien date, the value of real property shall be adjusted to be the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions took place in some counties during the mid-1990's due to declining real estate values. Reductions made under this code section may be initiated by the Assessor or requested by the property owner.

After a roll reduction is granted under Section 51, the property is reviewed on an annual basis to determine the full cash value of the property and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases shall be consistent with the full cash value of the property and, as a result, may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation it, once again, is subject to the annual inflationary factor growth rate allowed under Article XIII A. (See Section X).

Assessment appeals may also be requested as adjustments to a property's base year value. If such an appeal is granted with a change in value, the base year value of the property is adjusted accordingly and that value is subsequently adjusted for new construction, demolition and any other changes requiring revaluation of the parcel's land, improvement and personal property values and by the annual inflationary factor growth rate allowed under Article XIII A.

There are 559 pending assessment appeals within the component project areas. The values under appeal total \$3.9 billion and the owners are seeking reductions totaling \$1.95 billion. Based on the average number of appeals allowed over the past five years and the average reduction in value achieved in those successful appeals, we estimate that 365 of the currently pending appeals will be allowed with a reduction of \$883.9 million. The expected reduction in value has been incorporated into the projection as a reduction in assessed value for fiscal year 2016-17 in each of the component project area projections. Table G below shows the number of appeals in each project area that are pending and the projected loss of value resulting from these pending assessment appeals.

<b>Table G Assessment Appeals Summary</b>								
<b>Component Project Areas</b>	<b>Total No. of Appeals</b>	<b>No. of Resolved Appeals</b>	<b>No. of Successful Appeals</b>	<b>Average Reduction</b>	<b>No. of Pending Appeals</b>	<b>Assessed Value under Appeal</b>	<b>Est. No. of Appeals Allowed</b>	<b>Est. Loss on Pending Appeals Allowed (2016-17 Value Adjustment)</b>
<b>Broadway</b>	101	75	50	25.31%	26	\$80,750,667	17	\$13,625,242
<b>Central City East</b>	353	277	144	14.59%	76	164,761,534	40	12,498,743
<b>Central District</b>	630	379	290	16.45%	251	1,410,602,580	192	227,922,880
<b>Coliseum</b>	419	293	151	24.46%	126	891,491,415	64	113,958,674
<b>Oak Knoll</b>	0	0	0	0.00%	0	0	0	0
<b>Army Base</b>	40	14	12	53.38%	26	1,085,533,312	22	496,665,102
<b>West Oakland</b>	212	158	86	16.50%	54	213,782,509	29	19,199,261

**F. County Property Tax Collection Reimbursement**

Chapter 466, adopted by Senate Bill 2557, allows counties to recover charges for property tax administration in an amount equal to their 1989-90 property tax administration costs, as adjusted annually. The amounts that are reimbursed are the costs connected with the collection and distribution of property taxes for the Tax Collector, the Auditor Controller and the Assessor. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents. The Collection Reimbursement charge within the combined component project areas for 2013-14 was \$815,285. This amount was approximately 0.71% of the component project area's combined Gross Revenue for 2013-14. The estimated charge for 2014-15, 2015-16 and future years has been based on this same percentage of Gross Revenue. The County Auditor-Controller has not yet made available the actual SB 2557 charges for 2014-15.

In addition to the amounts charged by the County for administration of property taxes under SB 2557, pursuant to ABx1 26, the County may charge an administrative fee for administration of the RPTTF. The amount charged for the RPTTF allocations has been less than \$15,000 for all of the Successor Agency's Project Areas. This nominal amount has not been factored into the projections.

**G. Allocation of State Assessed Unitary Taxes**

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter (921) provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization (SBE), other than railroads. Prior to the 1988-89 fiscal year, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area. Commencing in 1988-89, tax revenues derived from unitary property that is assessed by the SBE is accumulated in a single Tax Rate Area for the County. Tax revenues are then distributed to each taxing entity in the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus increases of up to two percent; (2) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro-rata county wide; and (3) any increase in revenue above two percent would be allocated in the same proportion as the taxing entity's local secured and taxable values are to the local secured taxable values of the County.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of the project area. As a result the base year value of project areas was reduced by the amount of utility value that existed originally in the base year value. The County Auditor-Controller allocated unitary revenues to the component project areas during 2013-14 in the amounts shown below in Table G. Unitary values for 2014-15 have not been provided by the Auditor-Controller. As a result, we have assumed that the 2013-14 unitary tax revenue will be allocated in the same amount for 2015-16 and will remain constant in future years.

<b>Table H</b>	
<b>2013-14 Unitary Revenue Allocated by County</b>	
<b>Project Area</b>	<b>2013-14 Unitary Revenue</b>
Broadway	\$5,313
Central City East	17,630
Central District	2,900,287
Coliseum	43,069
Oak Knoll	738
Army Base	7,666
West Oakland	6,352
Total:	\$2,981,055

## **V. Low and Moderate Income Housing Set-Aside**

Sections 33334.2 and 33334.3 of the Law required redevelopment agencies to set aside not less than 20 percent of all tax increment revenues from project areas adopted after December 31, 1976 into a low and moderate income housing fund (the Housing Set-Aside Requirement). Sections 33334.3, 33334.6 and 33334.7 of the Law extend this requirement to redevelopment projects adopted prior to January 1, 1977. With the adoption of ABx1 26, the Housing Set-Aside Requirement was eliminated. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been paid to the County and these funds have been allocated to the taxing entities within the former project areas.

## **VI. Legislation**

In order to address State Budget deficits, the Legislature enacted SB 614, SB 844 and SB 1135 that required payments from redevelopment agencies for the 1992-93, 1993-94 and 1994-95 fiscal years into a countywide ERAF. The former agency could have used any funds legally available and not legally obligated for other uses, including agency reserve funds, bond proceeds, earned income, and proceeds of land sales, but not moneys in the Low and Moderate Income Housing Fund (the "Housing Fund") to satisfy this obligation. From 1995-96 to 2001-02, state budgets were adopted with no additional shifting of tax increment revenues from redevelopment agencies, however, the 2002-03 State Budget required a shift of \$75 million of tax increment revenues statewide from redevelopment agencies to ERAF to meet the state budget shortfall. AB 1768 (Chapter 1127, Statutes of 2002) was enacted by the Legislature and signed by the Governor and based upon the methodology provided in the 2002-03 budget, the shift requirement for the former redevelopment agencies to make payments into the ERAF was limited to fiscal year 2002-03 only.

As part of the State's 2003-04 budget legislation, SB 1045 (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute \$135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years were to be deducted from the cumulative tax increment amounts applied to a project area's cumulative tax increment revenue limit. The information shown in Table C above reflects the extension of the time limits and the credit to the cumulative tax increment amounts.

After the State's budget for 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Pursuant to SB 1096, redevelopment agencies within the State were required to pay a total of \$250 million to ERAF for fiscal year 2004-05 and for 2005-06. The payments were due on May 10 of each fiscal year. As in previous years, payments were permitted to be made from any available funds other than the Housing Fund. If an agency was unable to make a payment, it was allowed to borrow up to 50% of the current year Housing Set-Aside Requirement, however, the borrowed amount was required to be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). Under SB 1096, redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, could be extended by one year for each year that an ERAF payment is made. For redevelopment plans with 10 to 20 years of effectiveness remaining after June 30, 2005, the plans may be extended by one year for each year that an ERAF payment is made if the city council could find that the former redevelopment agency was in

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compliance with specified state housing requirements. These requirements are: 1) that the agency is setting aside 20% of gross tax increment revenues; 2) that housing implementation plans are in place; 3) that replacement housing and inclusionary housing requirements are being met; and, 4) that no excess surplus exists. Table C above reflects these time limit extensions. As outlined below, the method by which ERAF loans from the Housing Fund may be repaid has been modified by the adoption of AB 1484. The requirement for repayment of these loans by certain dates has been eliminated.

In July, 2009, the Legislature adopted AB 26 4x as a means of implementing a package of 30 bills that were adopted in order to close the State's budget deficit. Under this legislation the former redevelopment agencies statewide were required to pay into their county's "Supplemental" ERAF (the "SERAF"), \$1.7 billion in fiscal year 2009-10 and were required to pay another \$350 million in fiscal year 2010-11. Based on a State Controller formula, the former redevelopment agencies were required to pay the required amounts by May, 2010 and May, 2011 respectively.

Under this legislation, the former redevelopment agencies could use any available funds to make the SERAF payments. If Housing Set-Aside Requirement or Housing Fund amounts were borrowed to make the SERAF payment, the borrowed amounts were required to be repaid to the Housing Fund by June 30, 2015 and June 30, 2016 respectively. Under the requirements of Section 34191.4 amended by AB 1484, however, redevelopment agencies that borrowed from the Housing Fund to make the required SERAF payments for 2010 and for 2011 may only repay the borrowed amounts from annual amounts that are 50% of the increase in annual Residual Revenues that are above the Residual Revenue for fiscal year 2012-13. Repayment amounts are, under current legislation, to be repaid to the Successor Housing Agency established pursuant to AB 1x 26 and AB 1484 (see below). Repayment of SERAF payment amounts borrowed from the Housing Fund may only be repaid from growth in Residual Revenue.

AB 1x 26 and AB 1x 27 were introduced in May 2011 as placeholder bills and were substantially amended on June 14, 2011. These bills proposed to dramatically modify the Law as part of the fiscal year 2011-12 State budget legislation. AB 1x 26 would dissolve redevelopment agencies statewide effective October 1, 2011 and suspend all redevelopment activities as of its effective date. AB 1x 27 would allow redevelopment agencies to avoid dissolution by opting into a voluntary program requiring them to make substantial annual contributions to local school and special districts. The bills were signed by the Governor in late June, 2011 and were challenged by a suit filed before the California Supreme Court by the CRA. On December 29, 2011, the Supreme Court ruled that AB 1x 27 was unconstitutional and that AB 1x 26 was not unconstitutional. On June 27, 2012 the legislature passed and the Governor signed Assembly Bill 1484. This legislation made certain revisions to the language of AB 1x 26 based on experience after its implementation.

Once the obligations of the former redevelopment agencies have been recognized as Enforceable Obligations, the Successor Agency is obliged to manage the repayment of those Enforceable Obligations through the semiannual adoption of ROPS by the Oversight Board that is made up of representatives of taxing entities within the former redevelopment agency. Membership of the Oversight Board is dictated by Section 34179 of the Law. After 2016, there will be a single Oversight Board in each county that will be responsible for adoption of ROPS for all successor agencies in the county. The ROPS establishes the amounts that may be paid by the Successor Agency on the former redevelopment agency's debts during the six month periods following payments to the Successor Agency from the RPTTF by the County Auditor-Controller on January 2 and June 1 of each year.

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Pursuant to Section 34187(b) of the Law, once the debts of the former redevelopment agency have been paid, the successor agency has one year to dispose of any remaining assets and terminate its existence notwithstanding the time and tax increment limits contained in redevelopment plans. The enforceability of time and tax increment limits contained in the redevelopment plans is unclear. The covenants in many bond offerings, including those of the Successor Agency, require adjustments to the deposit of tax increment revenues with the Trustee if the receipt of tax increment approaches the tax increment or time limits within the redevelopment plan. The County Auditor-Controller has indicated that it intends to abide by tax increment and time limits contained in the redevelopment plans. DOF has indicated that it believes the legislation intends for all enforceable obligations to be repaid notwithstanding redevelopment plan limits but has not indicated any inclination to try and require county auditor-controllers to comply with their interpretation of the statute. If DOF's understanding of the legislation is applied, the ongoing repayment of enforceable obligations may be allowed to continue beyond the time that a project area's cumulative tax increment limit is reached. For purposes of the projections, we have assumed that all revenue and time limits in the redevelopment plan will be applied. As a result, if either legislative changes or DOF policy changes relaxes any or all of these limits, the debts of the Successor Agency will be more secure than under the present assumptions.

As mentioned above, issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally, well over 100 lawsuits have been filed on various aspects of AB 1x 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The Successor Agency has filed no lawsuits and is not involved in any current litigation in connection with the dissolution. Our projections could be impacted as a result of future court decisions in connection with lawsuits filed by other agencies.

**VII. Tax Sharing Agreements and Other Obligations**

**A. Tax Sharing Agreements and Statutory Tax Sharing Obligations**

The former redevelopment agency did not enter into tax sharing agreements within the original portion of the Central District Project, the only one of the former agency's project areas that was adopted prior to January 1, 1994.

Eight of the Successor Agency's project areas and project area annexes were adopted after January 1, 1994 and are therefore, subject to the Law as it was amended by passage of AB 1290. The project areas and amendment areas subject to tax sharing under Section 33607.5 of the Law are shown below:

<b><u>Project/Amendment Area</u></b>	<b><u>Adoption Date</u></b>
Broadway/MacArthur/San Pablo	July 25, 2000
Central City East	July 29, 2003
Central District 2002 Annex	July 24, 2001
Coliseum	July 25, 1995
Coliseum 1998 Annex	July 29, 1997
Oak Knoll	July 14, 1998
Oakland Army Base	July 11, 2000
West Oakland	November 18, 2003

As amended, the Law requires that for project areas adopted after January 1, 1994, a prescribed portion of the Successor Agency's tax increment revenue must be shared with all taxing entities within the project area.

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This defined tax-sharing amount has three tiers. The first tier begins with the first year that the project area receives tax increment revenue and continues for the life of the project area. This first tier tax-sharing amount is 25 percent of the Successor Agency's gross tax increment revenue net of the Housing Set-Aside Revenues.

The second tier begins in the eleventh year after the Successor Agency first receives tax increment revenue. This second tier is 21 percent of the tax increment revenue, net of the Housing Set-Aside Revenues, that is derived from the growth in assessed value that is in excess of the assessed value of the project area in year ten.

The third tier begins in the 31st year after the Successor Agency first receives tax increment revenue. This third tier is 14 percent of the tax increment revenue, net of the Housing Set-Aside Revenues that is derived from the growth in assessed value that is in excess of the assessed value of the project area in the 30th year. These three tiers of tax sharing are calculated independent of one another and continue from their inception through the life of the project area.

The Law as amended by ABx1 26 and AB 1484 requires that the County calculate and pay the tax sharing obligations of the former redevelopment agencies as part of the process of allocating revenue from the RPTTF each January 2 and June 1. The legislation requires that the calculations be done in the same manner as prior to January 1, 2011. This includes calculation of statutory tax sharing amounts using a deduction of 20% for Housing Set-Aside despite the fact that this obligation is no longer in effect.

**SB 211 Payments**

The former redevelopment agency did not enter into any tax sharing agreements in connection with the original portion of the Central District Project Area. As the result of the former redevelopment agency's elimination of the time limit on incurrence of indebtedness for the original portion of the Project Area, the former redevelopment agency was obligated to make statutory tax sharing payments pursuant to Section 33607.7 of the Law. Tax sharing payments are made to all taxing entities in accordance with the three-tiered formulas for statutory tax sharing payments required of those project areas adopted after January 1, 1994. Since the former time limit on incurrence of new debt for the original portion of the Project Area was January 1, 2004, these statutory tax-sharing payments began in fiscal year 2004-05 and use the valuation for 2003-04 as the adjusted base year.

The annual tax sharing amount to be divided among the affected taxing entities is 25% of the revenue derived from the difference in assessed value between the adjusted base year value and the current year value net of a 20% share for the former Housing Set-Aside requirement. According to the Law, these statutory tax sharing payments will continue through the last fiscal year within which the original portion of the Project Area is able to repay indebtedness. The second tier of statutory tax sharing payments required by Section 33607.7 will be initiated in fiscal year 2014-15 and will use the original portion of the Project Area assessed values for 2013-14 as a second adjusted base year value. The annual tier 2 tax sharing amount to be divided among the affected taxing entities is 21% of the revenue derived from the difference in assessed value between the second adjusted base year value and the current year value net of a 20% share for the former Housing Set-Aside requirement. A third tier of statutory tax sharing will not be initiated prior to the expiration of the original portion of the Project Area's ability to repay indebtedness.

The Law as amended by ABx1 26 and AB 1484 requires that the County calculate and pay the tax sharing obligations of the former redevelopment agencies as part of the process of allocating revenue from the RPTTF each January 2 and June 1. The legislation requires that the calculations be done in the same manner

as prior to January 1, 2011. This includes calculation of statutory tax sharing amounts using a deduction of 20% for Housing Set-Aside despite the fact that this obligation is no longer in effect.

### **B. Other Obligations**

Within the original portion of the Central District Project, the former redevelopment agency entered into two Disposition and Development Agreements that require it to reimburse the developers a portion of the property taxes that result from the developments in question. The agreement with the developers of the Rotunda Garage obligates the Successor Agency to pay to the developer the tax revenues generated by the project's development after deducting prorated portions of the Successor Agency's housing set-aside, tax sharing and ERAF obligations. The payment of this obligation is subordinate to the payment of debt service on bonds secured by revenues from the Central District and to payment of debt service on bonds secured by the former Housing Set-Aside Requirement.

Also within the original portion of the Central District Project Area, the former redevelopment agency entered into an agreement with Forest City in connection with development of the Uptown Project. This agreement requires the Successor Agency to pay to the developer the tax revenues generated by the project's development after deducting prorated portions of the Successor Agency's tax sharing and ERAF obligations. Payments under the Rotunda Garage and Uptown agreements are subordinate to the payment of debt service on the Bonds and on other bonded indebtedness. These obligations are now calculated by the Successor Agency and paid from revenues allocated by the County to the Successor Agency based on the adopted Recognized Obligation Payment Schedules. The payment of this obligation is subordinate to the payment of debt service on bonds secured by revenues from the Central District and to payment of debt service on bonds secured by the former Housing Set-Aside Requirement.

## **VIII. Transfers of Ownership**

The projections of tax revenue are based on the assessed values established by the Alameda County Assessor on the January 1 lien date. These values are subsequently used, with some adjustments, by the Auditor Controller to create the equalized roll from which the tax bills are derived. Transfers of ownership that occur after the lien date are not reflected in the current year tax roll but will be reflected in the values established on the following January 1 lien date and subsequently enrolled in the following year's equalized roll. The change in value, upward or downward, that may result from such a transfer of ownership will, therefore, be reflected in the next year's revenues.

The transfers of ownership that occurred after January 1, 2015 will result in additions or reductions in value for fiscal year 2016-17. A survey of ownership transfers that occurred between these dates was conducted for all project areas. Those transfers of ownership that did not result from sales or were from some other event that would trigger a reappraisal by the Assessor were ignored. The sale prices of the property for those other transfers that will result in reappraisal by the Assessor were estimated from the recorders stamps that are placed on the recorded titles. These stamps are directly correlated with the sales price of the property whose title is being transferred. The change in value between the 2015-16 values for each parcel and the new values established by the property sale were incorporated into the projections for 2016-17. The data below is based on reported sales through June 2015. These values are listed by project area in Table I below.

**Table I  
Value Added by Transfers of Ownership**

<b>Project Area</b>	<b>No. of Transfers</b>	<b>Sale Values</b>	<b>2015-16 Values</b>	<b>Added Value for 2016-17</b>
Broadway	27	\$ 19,736,500	\$ 10,199,745	\$ 9,536,755
Central City East	242	139,088,827	123,218,201	15,870,626
Central District	104	145,408,100	114,363,947	31,044,153
Coliseum	141	54,328,100	43,564,603	10,763,497
Oak Knoll	0	0	0	0
Army Base	13	6,220,000	4,457,429	1,762,571
West Oakland	96	40,880,091	24,779,118	16,100,973
<b>Totals:</b>	<b>1,586</b>	<b>\$ 747,523,163</b>	<b>\$ 531,697,318</b>	<b>\$ 215,825,845</b>

**IX. Trended Taxable Value Growth**

In accordance with Proposition 13, growth in real property land and improvement values may reflect the year-to-year inflationary rate not to exceed 2% for any given year. A 2% growth rate is the maximum inflationary growth rate permitted by law and this rate of growth has been realized in all but nine years since 1981. The years in which less than two percent growth was realized included fiscal years 1983-84 (1.000%), 1995-96 (1.190%), 1996-97 (1.110%), 1999-00 (1.850%), 2004-05 (1.867%), 2010-11 (-0.237%), 2011-12 (0.753%), 2014-15 (0.454%) and 2015-16 (1.998%). We have assumed a resumption of 2% annual inflationary growth in 2016-17 and all subsequent fiscal years. Future values will also be impacted by changes of ownership and new construction not reflected in our projections. In addition, the values of property previously reduced in value due to assessment appeals based on reduced market values could increase more than 2% when real estate values increase more than 2% (see Section IV A above). Seismic activity and environmental conditions such as hazardous substances that are not anticipated in this Report might also impact taxable assessed values and Gross Revenues. HdL Coren & Cone makes no representation that taxable assessed values will actually grow at the rate projected.

Anticipated revenues could be adjusted as a result of unidentified assessment appeal refunds, other Assessor corrections discussed previously, or unanticipated increases or decreases in property tax values. Estimated valuations from developments included in this analysis are based upon our understanding of the general practices of the County Assessor and County Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the judgment of individual appraisers. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.

**Oakland Redevelopment Successor Agency  
Combined Redevelopment Projects  
Projection of Incremental Taxable Value & Tax Increment Revenue**



(000's Omitted)

8/19/2015

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>Taxable Values (1)</b>										
Real Property (2)	16,493,526	16,006,928	16,327,067	16,653,608	16,986,680	17,326,414	17,672,942	18,026,401	18,386,929	18,754,668
Personal Property (3)	<u>830,070</u>									
<b>Total Projected Value</b>	<b>17,323,596</b>	<b>16,836,998</b>	<b>17,157,137</b>	<b>17,483,678</b>	<b>17,816,750</b>	<b>18,156,484</b>	<b>18,503,012</b>	<b>18,856,471</b>	<b>19,216,999</b>	<b>19,584,738</b>
<b>Taxable Value over Base</b>	<b>5,543,725</b>	<b>11,779,872</b>	<b>11,293,274</b>	<b>11,613,412</b>	<b>11,939,953</b>	<b>12,273,026</b>	<b>12,612,759</b>	<b>12,959,288</b>	<b>13,312,746</b>	<b>13,673,274</b>
Gross Tax Increment Revenue (4)	136,352	130,720	134,425	138,205	142,060	145,993	150,004	154,095	158,268	162,525
Unitary Tax Revenue (5)	<u>2,981</u>									
<b>Gross Revenues</b>	<b>139,333</b>	<b>133,701</b>	<b>137,406</b>	<b>141,186</b>	<b>145,041</b>	<b>148,974</b>	<b>152,985</b>	<b>157,076</b>	<b>161,249</b>	<b>165,506</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(993)	(953)	(979)	(1,006)	(1,034)	(1,062)	(1,090)	(1,119)	(1,149)	(1,180)
Housing Set Aside Debt Service (7)	(9,301)	(5,397)	(5,392)	(5,396)	(5,393)	(5,316)	(5,305)	(3,024)	(3,021)	(3,019)
Rotunda Garage DDA (8)	(51)	0	0	0	0	0	0	0	0	0
Uptown Development DDA (8)	(1,332)	(1,360)	(1,389)	(1,418)	(1,448)	0	0	0	0	0
<b>Existing Debt Service Obligations</b>										
Broadway/MacArthur/San Pablo Series 2006C-TE	0	0	0	0	0	0	0	0	0	0
Broadway/MacArthur/San Pablo Series 2006C-T	(912)	(912)	(915)	(916)	(916)	(914)	(916)	(917)	(915)	(912)
Broadway/MacArthur/San Pablo Series 2010-T	(585)	(586)	(582)	(577)	(573)	(574)	(569)	(569)	(569)	(569)
Central District Series 2006-T	(1,499)	(1,498)	(1,493)	(1,496)	(4,206)	(4,206)	0	0	0	0
Central District Series 2009-T	(7,765)	(6,783)	(7,290)	(7,040)	(6,770)	0	0	0	0	0
Central District Series 2013-TE	(16,794)	(16,790)	(16,795)	(16,790)	(14,261)	(15,526)	(4,337)	0	0	0
Central City East Series 2006A-TE	0	0	0	0	0	0	0	0	0	0
Central City East, Series 2006A-TX	(4,464)	(4,465)	(4,467)	(4,468)	(4,468)	(4,467)	(4,464)	(4,465)	(4,464)	(4,465)
Coliseum Series 2006B-TE	(1,569)	(1,566)	(1,571)	(1,575)	(1,571)	(1,576)	(1,577)	(1,576)	(1,577)	(1,582)
Coliseum Series 2006B-T	(5,080)	(5,087)	(5,078)	(5,075)	(5,081)	(5,076)	(5,075)	(5,077)	(5,072)	(5,070)
<b>Pledged Tax Revenues</b>	<b>88,987</b>	<b>88,305</b>	<b>91,456</b>	<b>95,428</b>	<b>99,321</b>	<b>110,257</b>	<b>129,652</b>	<b>140,329</b>	<b>144,481</b>	<b>148,710</b>
<b>Subordinate Obligations</b>										
SB 211 Statutory Tax Sharing Tier 1 (8)	(5,522)	(5,427)	(5,660)	(5,897)	(6,138)	(6,385)	(6,637)	(6,893)	(7,155)	(7,422)
SB 211 Statutory Tax Sharing Tier 2 (8)	(1,327)	(1,248)	(1,443)	(1,642)	(1,845)	(2,053)	(2,264)	(2,479)	(2,699)	(2,924)
AB 1290 Statutory Tax Sharing Tier 1 (10)	(15,906)	(14,874)	(15,382)	(15,901)	(16,431)	(16,970)	(17,521)	(18,083)	(18,655)	(19,240)
AB 1290 Statutory Tax Sharing Tier 2 (10)	(4,293)	(4,370)	(4,779)	(5,199)	(5,628)	(6,065)	(6,511)	(6,966)	(7,430)	(7,903)
AB 1290 Statutory Tax Sharing Tier 3 (10)	0	0	0	0	0	0	0	0	0	0
<b>Net Tax Revenues</b>	<b>61,940</b>	<b>62,386</b>	<b>64,192</b>	<b>66,789</b>	<b>69,279</b>	<b>78,784</b>	<b>96,719</b>	<b>105,908</b>	<b>108,541</b>	<b>111,221</b>

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$85.1 million due to 623 transfers of ownership and decreased by \$883.9 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Combined Project Area debt service on existing housing set-aside secured debt. This existing debt service includes the Subordinated Housing, Series 2006A; the Subordinated Housing, Series 2006A (Taxable) and the Subordinated Housing, Series 2011 (Taxable) bonds.
- (8) See individual projection for Central District RP.
- (9) See individual projections for West Oakland RP, Central District 2002 Annex RP, Oakland Army Base RP, and Oak Knoll RP.
- (10) See individual projections for Coliseum RP, Coliseum 1998 Annex RP, Broadway-MacArthur RP, and Central City East RP.

**Oakland Redevelopment Successor Agency**

**Combined Redevelopment Projects**

**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

Table 2



08/19/15

		Total	Taxable Value	Gross Tax	SB 2557	Housing	Rotunda Garage	Uptown Project	Existing Bond	Pledged Tax	Subordinate Statutory Tax Sharing Payments			Net Tax
		<u>Taxable Value</u>	<u>Over Base</u>	<u>Revenue</u>	<u>Charge</u>	<u>Set-Aside Debt Service</u>	<u>DDA Payments</u>	<u>DDA Payments</u>	<u>Debt Service</u>	<u>Revenues</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Revenues</u>
1	2015-16	17,323,596	11,779,872	139,333	(993)	(9,301)	(51)	(1,332)	(38,668)	88,987	(21,427)	(5,620)	0	61,940
2	2016-17	16,836,998	11,293,274	133,701	(953)	(5,397)		(1,360)	(37,686)	88,305	(20,301)	(5,618)	0	62,386
3	2017-18	17,157,137	11,613,412	137,406	(979)	(5,392)		(1,389)	(38,190)	91,456	(21,042)	(6,222)	0	64,192
4	2018-19	17,483,678	11,939,953	141,186	(1,006)	(5,396)		(1,418)	(37,937)	95,428	(21,798)	(6,841)	0	66,789
5	2019-20	17,816,750	12,273,026	145,041	(1,034)	(5,393)		(1,448)	(37,845)	99,321	(22,569)	(7,473)	0	69,279
6	2020-21	18,156,484	12,612,759	148,974	(1,062)	(5,316)			(32,339)	110,257	(23,356)	(8,118)	0	78,784
7	2021-22	18,503,012	12,959,288	152,985	(1,090)	(5,305)			(16,938)	129,652	(24,158)	(8,775)	0	96,719
8	2022-23	18,856,471	13,312,746	157,076	(1,119)	(3,024)			(12,604)	140,329	(24,976)	(9,445)	0	105,908
9	2023-24	19,216,999	13,673,274	161,249	(1,149)	(3,021)			(12,598)	144,481	(25,811)	(10,129)	0	108,541
10	2024-25	19,584,738	14,041,013	165,506	(1,180)	(3,019)			(12,598)	148,710	(26,662)	(10,827)	0	111,221
11	2025-26	19,959,831	14,416,106	169,847	(1,211)	(3,021)			(12,593)	153,023	(27,530)	(11,538)	0	113,955
12	2026-27	20,342,426	14,798,702	153,031	(1,091)	(2,311)			(12,592)	137,037	(24,896)	(10,738)	(98)	101,305
13	2027-28	20,732,673	15,188,949	154,871	(1,104)	(2,109)			(12,588)	139,070	(25,332)	(11,235)	(193)	102,309
14	2028-29	21,130,725	15,587,001	158,851	(1,132)	(2,109)			(12,585)	143,025	(26,128)	(11,887)	(306)	104,703
15	2029-30	21,536,738	15,993,014	162,911	(1,161)	(2,108)			(12,583)	147,058	(26,940)	(12,553)	(421)	107,145
16	2030-31	21,950,872	16,407,147	167,053	(1,191)	(2,108)			(12,579)	151,174	(27,769)	(13,231)	(538)	109,636
17	2031-32	22,373,288	16,829,563	171,277	(1,221)	(2,113)			(11,748)	156,196	(28,613)	(13,924)	(693)	112,966
18	2032-33	22,804,152	17,260,428	175,585	(1,251)	(2,107)			(11,658)	160,569	(29,475)	(14,630)	(850)	115,614
19	2033-34	16,089,727	10,815,290	108,234	(772)	(2,111)			(7,463)	97,888	(21,647)	(10,896)	(1,026)	64,319
20	2034-35	16,397,406	11,122,968	111,310	(794)	(2,105)			(6,334)	102,078	(22,262)	(11,395)	(1,368)	67,053
21	2035-36	16,711,237	11,436,800	114,449	(816)	(2,105)			(533)	108,197	(22,890)	(11,903)	(1,717)	71,688
22	2036-37	17,031,346	11,756,909	117,650	(839)	(5,874)			(1,689)	109,248	(23,530)	(12,422)	(2,072)	71,224
23	2037-38	17,357,856	12,083,419	120,915	(862)				(1,644)	118,409	(24,183)	(12,950)	(2,435)	78,840
24	2038-39	17,690,897	12,416,460	124,245	(886)				(1,600)	121,759	(24,849)	(13,490)	(2,808)	80,612
25	2039-40	18,030,599	12,756,162	127,642	(910)				(1,557)	125,175	(25,528)	(14,040)	(3,189)	82,418
26	2040-41	18,377,095	13,102,658	131,107	(935)					130,173	(26,221)	(14,602)	(3,577)	85,773
27	2041-42	18,730,520	13,456,083	134,642	(960)					133,682	(26,928)	(15,174)	(3,973)	87,607
28	2042-43	12,818,355	9,053,048	90,570	(646)					89,925	(18,114)	(10,317)	(2,462)	59,032
29	2043-44	12,233,141	8,632,226	86,360	(616)					85,744	(17,272)	(10,130)	(2,493)	55,849
30	2044-45	12,469,998	8,869,083	88,729	(632)					88,096	(17,746)	(10,505)	(2,759)	57,087
31	2045-46	11,157,630	7,919,150	79,224	(565)					78,659	(15,845)	(9,589)	(2,626)	50,599
32	2046-47	10,515,669	7,638,604	76,411	(545)					75,866	(15,282)	(9,933)	(2,654)	47,997
33	2047-48	9,814,378	6,953,093	69,556	(496)					69,060	(13,911)	(9,054)	(2,636)	43,459
34	2048-49	161,499	161,499	1,616	(12)					1,604	(323)	(124)	(35)	1,121
35	2049-50	164,727	164,727	1,648	(12)					1,636	(330)	(130)	(39)	1,138
36	2050-51	168,019	168,019	1,681	(12)					1,669	(336)	(135)	(43)	1,155
37	2051-52	171,378	171,378	1,715	(12)					1,702	(343)	(141)	(46)	1,172
38	2052-53	174,803	174,803	1,749	(12)					1,736	(350)	(147)	(50)	1,190
39	2053-54	178,297	178,297	1,784	(13)					1,771	(357)	(153)	(54)	1,207
				<b>4,387,118</b>	<b>(31,270)</b>	<b>(80,746)</b>	<b>(51)</b>	<b>(6,948)</b>	<b>(397,149)</b>	<b>3,868,156</b>	<b>(767,030)</b>	<b>(356,033)</b>	<b>(41,163)</b>	<b>2,703,930</b>

F:\Bond Services\Oakland 2015 Refunding Bonds\Oakland 2015 Refunding Bonds - Projection v6

**Oakland Redevelopment Successor Agency  
Combined Redevelopment Projects**

Historical Values

**Table 3**



08/19/15

	<b>Base Year 1997-98</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Revised Base Year (2012-13)</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>													
Land	4,767,569,086	3,778,157,793	4,712,959,001	4,266,078,067	4,641,508,084	4,328,820,786	4,044,498,953	3,999,740,925	4,707,005,983	4,016,863,068	4,095,973,724	4,440,755,498	4,798,656,379
Improvements	0	8,625,740,378	2,572,037	9,585,447,801	10,080,971,145	9,741,772,803	9,029,341,842	9,297,356,767	2,572,037	9,655,572,937	10,405,144,724	11,299,643,466	12,368,974,368
Personal Property	0	188,036,804	0	212,231,242	211,072,362	210,369,659	229,684,444	471,456,592	0	544,355,811	765,803,482	226,755,333	260,600,650
Exemptions	0	<u>(906,633,502)</u>	0	<u>(974,445,438)</u>	<u>(1,018,009,762)</u>	<u>(1,067,672,297)</u>	<u>(1,097,248,443)</u>	<u>(1,513,286,506)</u>	0	<u>(1,615,161,741)</u>	<u>(2,513,048,457)</u>	<u>(2,468,241,486)</u>	<u>(2,436,889,660)</u>
<b>Total Secured</b>	<b>4,767,569,086</b>	<b>11,685,301,473</b>	<b>4,715,531,038</b>	<b>13,089,311,672</b>	<b>13,915,541,829</b>	<b>13,213,290,951</b>	<b>12,206,276,796</b>	<b>12,255,267,778</b>	<b>4,709,578,020</b>	<b>12,601,630,075</b>	<b>12,753,873,473</b>	<b>13,498,912,811</b>	<b>14,991,341,737</b>
<b>Unsecured</b>													
Land	0	419,077,187	0	417,401,408	439,131,047	467,217,761	720,845,492	774,018,912	0	818,612,203	725,437,197	739,333,586	726,004,257
Improvements	0	834,169,835	0	822,928,793	880,024,688	933,374,324	985,229,862	1,028,994,380	0	1,081,118,894	1,105,963,199	1,075,724,946	1,036,781,149
Personal Property	834,146,546	663,449,272	834,146,546	729,675,347	702,731,132	747,081,986	753,694,062	692,173,971	834,146,546	751,284,641	770,826,634	820,784,117	877,001,954
Exemptions	0	<u>(159,673,203)</u>	0	<u>(196,240,448)</u>	<u>(197,689,811)</u>	<u>(185,138,258)</u>	<u>(193,723,925)</u>	<u>(192,835,970)</u>	0	<u>(212,694,125)</u>	<u>(187,259,697)</u>	<u>(237,223,237)</u>	<u>(307,532,771)</u>
<b>Total Unsecured</b>	<b>834,146,546</b>	<b>1,757,023,091</b>	<b>834,146,546</b>	<b>1,773,765,100</b>	<b>1,824,197,056</b>	<b>1,962,535,813</b>	<b>2,266,045,491</b>	<b>2,302,351,293</b>	<b>834,146,546</b>	<b>2,438,321,613</b>	<b>2,414,967,333</b>	<b>2,398,619,412</b>	<b>2,332,254,589</b>
<b>GRAND TOTAL</b>	<b>5,601,715,632</b>	<b>13,442,324,564</b>	<b>5,549,677,584</b>	<b>14,863,076,772</b>	<b>15,739,738,885</b>	<b>15,175,826,764</b>	<b>14,472,322,287</b>	<b>14,557,619,071</b>	<b>5,543,724,566</b>	<b>15,039,951,688</b>	<b>15,168,840,806</b>	<b>15,897,532,223</b>	<b>17,323,596,326</b>
Incremental Value		7,840,608,932		9,313,399,188	10,190,061,301	9,626,149,180	8,922,644,703	9,007,941,487		9,496,227,122	9,625,116,240	10,353,807,657	11,779,871,760
Annual Value % Change				10.57%	5.90%	-3.58%	-4.64%	0.59%		3.31%	0.86%	4.80%	8.97%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency  
Combined Redevelopment Projects**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

Table 4



08/19/15

Taxpayers	Project Area	Secured			Unsecured			Total			Use Code
		Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	% of Inc. Value	
1. Digital 720 2nd LLC [Pending appeals on parcels]	Central District	\$500,388,017	2	3.34%	\$0	0	0.00%	\$500,388,017	2.89%	4.25%	Computer Server Farm
2. SSA Terminals LLC	Army Base	\$0	0	0.00%	\$346,569,663	6	14.86%	\$346,569,663	2.00%	2.94%	Cargo Handling
3. Ports America Outer Harbor Terminal LLC	Army Base	\$0	0	0.00%	\$274,347,131	4	11.76%	\$274,347,131	1.58%	2.33%	Cargo Handling
4. Kaiser Foundation Health Plan Inc.	Multiple Projects	\$177,595,622	14	1.18%	\$47,478,022	7	2.04%	\$225,073,644	1.30%	1.91%	Foundation Administrative Offices/Parking
5. Broadway Franklin LLC	Central District	\$205,270,765	2	1.37%	\$0	0	0.00%	\$205,270,765	1.18%	1.74%	Commercial Office Buildings
6. CIM Oakland Center 21 LP [Pending appeals on parcels]	Central District	\$187,195,980	2	1.25%	\$34,454	1	0.00%	\$187,230,434	1.08%	1.59%	Commercial Office Buildings
7. Uptown Housing Partners LP	Central District	\$0	0	0.00%	\$151,129,975	1	6.48%	\$151,129,975	0.87%	1.28%	Residential Units on Leasehold Property
8. CIM Oakland 1 Kaiser Plaza LP [Pending appeals on parcels]	Central District	\$136,078,132	1	0.91%	\$10,850	1	0.00%	\$136,088,982	0.79%	1.16%	Commercial Office Building
9. 555 Oakland City Center LLC	Central District	\$135,810,337	1	0.91%	\$0	0	0.00%	\$135,810,337	0.78%	1.15%	Commercial Office Building
10. 1800 Harrison Foundation	Central District	<u>\$130,646,309</u>	<u>1</u>	0.87%	<u>\$0</u>	<u>0</u>	0.00%	<u>\$130,646,309</u>	0.75%	1.11%	Commercial Office Buildings
<b>Top Ten Property Owner Totals:</b>		<b>\$1,472,985,162</b>	<b>23</b>		<b>\$819,570,095</b>	<b>20</b>		<b>\$2,292,555,257</b>			
Project Area Totals:		\$14,991,341,737		9.83%	\$2,332,254,589		35.14%	\$17,323,596,326	13.23%		
Project Area Incremental Value:		\$10,281,763,717		14.33%	\$1,498,108,043		54.71%	\$11,779,871,760		19.46%	

**Oakland Redevelopment Successor Agency  
Combined Redevelopment Projects**

New Development  
Table 5



08/19/15

000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2014	218	Lump Sum	\$265,585,646	\$226,941,180	\$38,644			\$0	\$38,644	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2014	405	Lump Sum	\$140,075,972	\$93,641,863	\$46,434			\$0	\$46,434	\$0	\$0	\$0
<b>Total Real Property:</b>	623		\$405,661,618	\$320,583,043	\$85,079			\$85,079		\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

**Oakland Redevelopment Successor Agency  
Broadway/MacArthur/San Pablo Redevelopment Project**



8/19/2015

**Projection of Incremental Taxable Value & Tax Increment Revenue**

(000's Omitted)

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>Taxable Values (1)</b>										
Real Property (2)	777,273	788,458	804,227	820,311	836,718	853,452	870,521	887,931	905,690	923,804
Personal Property (3)	153,784	153,784	153,784	153,784	153,784	153,784	153,784	153,784	153,784	153,784
<b>Total Projected Value</b>	<b>931,057</b>	<b>942,242</b>	<b>958,011</b>	<b>974,095</b>	<b>990,502</b>	<b>1,007,236</b>	<b>1,024,305</b>	<b>1,041,715</b>	<b>1,059,474</b>	<b>1,077,588</b>
<b>Taxable Value over Base</b>	<b>362,436</b>	<b>568,621</b>	<b>579,806</b>	<b>595,575</b>	<b>611,660</b>	<b>628,066</b>	<b>644,800</b>	<b>661,869</b>	<b>679,280</b>	<b>715,152</b>
Gross Tax Increment Revenue (4)	6,582	6,711	6,894	7,080	7,270	7,464	7,661	7,863	8,068	8,278
Unitary Tax Revenue (5)	<u>5</u>									
<b>Gross Revenues</b>	<b>6,587</b>	<b>6,717</b>	<b>6,899</b>	<b>7,085</b>	<b>7,275</b>	<b>7,469</b>	<b>7,666</b>	<b>7,868</b>	<b>8,074</b>	<b>8,283</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(47)	(48)	(49)	(51)	(52)	(53)	(55)	(56)	(58)	(59)
Housing Set Aside Debt Service (7)	(440)	(271)	(271)	(271)	(271)	(267)	(266)	(151)	(151)	(151)
Project Area Series 2006C-TE Debt Service	0	0	0	0	0	0	0	0	0	0
Project Area 2006C-T Debt Service	(912)	(912)	(915)	(916)	(916)	(914)	(916)	(917)	(915)	(912)
Project Area Series 2010-T Debt Service	(585)	(586)	(582)	(577)	(573)	(574)	(569)	(569)	(569)	(569)
<b>Pledged Tax Revenues</b>	<b>4,603</b>	<b>4,900</b>	<b>5,083</b>	<b>5,271</b>	<b>5,464</b>	<b>5,661</b>	<b>5,861</b>	<b>6,174</b>	<b>6,380</b>	<b>6,592</b>
<b>Subordinate Payments</b>										
AB 1290 Statutory Tax Sharing Tier 1 (8)	(1,317)	(1,343)	(1,380)	(1,417)	(1,455)	(1,494)	(1,533)	(1,574)	(1,615)	(1,657)
AB 1290 Statutory Tax Sharing Tier 2 (8)	(292)	(313)	(344)	(375)	(407)	(440)	(473)	(507)	(541)	(577)
AB 1290 Statutory Tax Sharing Tier 3 (8)	<u>0</u>									
<b>Net Tax Revenues</b>	<b><u>2,994</u></b>	<b><u>3,243</u></b>	<b><u>3,359</u></b>	<b><u>3,478</u></b>	<b><u>3,602</u></b>	<b><u>3,728</u></b>	<b><u>3,854</u></b>	<b><u>4,094</u></b>	<b><u>4,224</u></b>	<b><u>4,359</u></b>

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$9.5 million due to 27 transfers of ownership and decreased by \$13.6 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) Pursuant to H & S Code Section 33607.5 Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside (Tier 1). In addition, after year 10 Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside (Tier 2). After year 30 Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside (Tier 3). The City of Oakland is considered a taxing entity and has elected to receive its share of this statutory tax sharing amount. These tax sharing payments are subordinate to payment of debt service on the Bonds.

**Oakland Redevelopment Successor Agency  
Broadway/MacArthur/San Pablo Redevelopment Project**

**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

**Table 2**



08/19/15

		<b>Taxable Value Over Base</b>	<b>Gross Tax Revenue</b>	<b>SB 2557 Charge</b>	<b>Housing Set-Aside Debt Service</b>	<b>Existing Bond Debt Service</b>	<b>Pledged Tax Revenues</b>	<b>Subordinate Statutory Tax Sharing Payments</b>			<b>Net Tax Revenues</b>	
	<b>Total Taxable Value</b>	<b>362,436</b>						<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>		
1	2015-16	931,057	568,621	<b>6,587</b>	(47)	(440)	(1,497)	<b>4,603</b>	(1,317)	(292)	0	<b>2,994</b>
2	2016-17	942,242	579,806	<b>6,717</b>	(48)	(271)	(1,498)	<b>4,900</b>	(1,343)	(313)	0	<b>3,243</b>
3	2017-18	958,011	595,575	<b>6,899</b>	(49)	(271)	(1,496)	<b>5,083</b>	(1,380)	(344)	0	<b>3,359</b>
4	2018-19	974,095	611,660	<b>7,085</b>	(51)	(271)	(1,493)	<b>5,271</b>	(1,417)	(375)	0	<b>3,478</b>
5	2019-20	990,502	628,066	<b>7,275</b>	(52)	(271)	(1,489)	<b>5,464</b>	(1,455)	(407)	0	<b>3,602</b>
6	2020-21	1,007,236	644,800	<b>7,469</b>	(53)	(267)	(1,488)	<b>5,661</b>	(1,494)	(440)	0	<b>3,728</b>
7	2021-22	1,024,305	661,869	<b>7,666</b>	(55)	(266)	(1,485)	<b>5,861</b>	(1,533)	(473)	0	<b>3,854</b>
8	2022-23	1,041,715	679,280	<b>7,868</b>	(56)	(151)	(1,486)	<b>6,174</b>	(1,574)	(507)	0	<b>4,094</b>
9	2023-24	1,059,474	697,038	<b>8,074</b>	(58)	(151)	(1,485)	<b>6,380</b>	(1,615)	(541)	0	<b>4,224</b>
10	2024-25	1,077,588	715,152	<b>8,283</b>	(59)	(151)	(1,481)	<b>6,592</b>	(1,657)	(577)	0	<b>4,359</b>
11	2025-26	1,096,064	733,628	<b>8,497</b>	(61)	(151)	(1,476)	<b>6,809</b>	(1,699)	(613)	0	<b>4,498</b>
12	2026-27	1,114,909	752,474	<b>7,558</b>	(54)	(114)	(1,474)	<b>5,916</b>	(1,512)	(563)	0	<b>3,842</b>
13	2027-28	1,134,132	771,696	<b>7,722</b>	(55)	(105)	(1,474)	<b>6,088</b>	(1,544)	(593)	0	<b>3,950</b>
14	2028-29	1,153,739	791,303	<b>7,918</b>	(56)	(105)	(1,472)	<b>6,285</b>	(1,584)	(626)	0	<b>4,075</b>
15	2029-30	1,173,738	811,302	<b>8,118</b>	(58)	(105)	(1,467)	<b>6,488</b>	(1,624)	(660)	0	<b>4,205</b>
16	2030-31	1,194,137	831,701	<b>8,322</b>	(59)	(105)	(1,465)	<b>6,693</b>	(1,664)	(694)	0	<b>4,335</b>
17	2031-32	1,214,944	852,509	<b>8,530</b>	(61)	(105)	(634)	<b>7,730</b>	(1,706)	(729)	(23)	<b>5,272</b>
18	2032-33	1,236,167	873,732	<b>8,743</b>	(62)	(105)	(542)	<b>8,033</b>	(1,749)	(765)	(47)	<b>5,473</b>
19	2033-34	1,257,815	895,379	<b>8,959</b>	(64)	(175)	(539)	<b>8,181</b>	(1,792)	(801)	(71)	<b>5,517</b>
20	2034-35	1,279,896	917,460	<b>9,180</b>	(65)	(174)	(531)	<b>8,410</b>	(1,836)	(838)	(96)	<b>5,640</b>
21	2035-36	1,302,418	939,982	<b>9,405</b>	(67)	(173)	(533)	<b>8,632</b>	(1,881)	(876)	(121)	<b>5,754</b>
22	2036-37	1,325,391	962,955	<b>9,635</b>	(69)	(481)	(1,689)	<b>7,396</b>	(1,927)	(914)	(147)	<b>4,408</b>
23	2037-38	1,348,823	986,387	<b>9,869</b>	(70)		(1,644)	<b>8,155</b>	(1,974)	(954)	(173)	<b>5,054</b>
24	2038-39	1,372,723	1,010,288	<b>10,108</b>	(72)		(1,600)	<b>8,436</b>	(2,022)	(994)	(200)	<b>5,220</b>
25	2039-40	1,397,102	1,034,667	<b>10,352</b>	(74)		(1,557)	<b>8,721</b>	(2,070)	(1,035)	(227)	<b>5,388</b>
26	2040-41	1,421,969	1,059,533	<b>10,601</b>	(76)			<b>10,525</b>	(2,120)	(1,077)	(255)	<b>7,073</b>
27	2041-42	1,447,332	1,084,897	<b>10,854</b>	(77)			<b>10,777</b>	(2,171)	(1,119)	(284)	<b>7,203</b>
28	2042-43	1,473,203	1,110,768	<b>11,113</b>	(79)			<b>11,034</b>	(2,223)	(1,163)	(313)	<b>7,336</b>
29	2043-44	1,499,592	1,137,156	<b>11,377</b>	(81)			<b>11,296</b>	(2,275)	(1,207)	(342)	<b>7,471</b>
30	2044-45	1,526,508	1,164,072	<b>11,646</b>	(83)			<b>11,563</b>	(2,329)	(1,252)	(372)	<b>7,609</b>
				<b>262,431</b>	(1,871)	(4,407)	(32,995)	<b>223,158</b>	(52,486)	(21,741)	(2,674)	<b>146,258</b>

**Oakland Redevelopment Successor Agency**  
**Broadway/MacArthur/San Pablo Redevelopment Project**

Historical Values

**Table 3**



08/19/15

	<b>Base Year 1999-00</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b><u>Secured (2)</u></b>											
Land	328,497,980	282,019,419	311,490,787	346,253,429	343,568,151	335,331,114	331,386,104	328,745,263	339,700,495	358,457,805	380,867,830
Improvements	0	642,184,379	710,504,964	759,901,766	831,221,457	842,936,045	1,076,621,787	1,347,223,712	1,819,428,186	2,053,930,981	2,023,507,481
Personal Property	0	42,168,393	71,536,027	83,589,565	68,851,841	76,503,356	307,226,221	383,731,851	632,135,168	82,687,281	116,385,125
Exemptions	0	<u>(336,577,832)</u>	<u>(367,610,773)</u>	<u>(398,996,346)</u>	<u>(495,003,494)</u>	<u>(513,695,253)</u>	<u>(927,420,870)</u>	<u>(868,040,649)</u>	<u>(1,767,777,487)</u>	<u>(1,640,126,501)</u>	<u>(1,638,337,461)</u>
<b>Total Secured</b>	<b>328,497,980</b>	<b>629,794,359</b>	<b>725,921,005</b>	<b>790,748,414</b>	<b>748,637,955</b>	<b>741,075,262</b>	<b>787,813,242</b>	<b>1,191,660,177</b>	<b>1,023,486,362</b>	<b>854,949,566</b>	<b>882,422,975</b>
<b><u>Unsecured</u></b>											
Land	0	528,988	507,108	483,861	457,436	455,475	924,882	282,463	480,821	1,958,541	2,225,687
Improvements	0	10,221,010	9,696,529	11,354,103	10,226,328	10,667,128	9,726,453	8,466,236	5,746,789	8,506,304	9,009,645
Personal Property	33,937,669	36,487,879	36,871,587	38,575,013	40,056,663	38,974,784	35,335,756	38,426,652	33,527,789	36,319,160	44,658,899
Exemptions	0	<u>(2,358,911)</u>	<u>(2,898,313)</u>	<u>(10,358,725)</u>	<u>(10,449,443)</u>	<u>(10,088,455)</u>	<u>(8,727,248)</u>	<u>(9,562,292)</u>	<u>(3,061,440)</u>	<u>(8,060,245)</u>	<u>(7,260,064)</u>
<b>Total Unsecured</b>	<b>33,937,669</b>	<b>44,878,966</b>	<b>44,176,911</b>	<b>40,054,252</b>	<b>40,290,984</b>	<b>40,008,932</b>	<b>37,259,843</b>	<b>37,613,059</b>	<b>36,693,959</b>	<b>38,723,760</b>	<b>48,634,167</b>
<b>GRAND TOTAL</b>	<b>362,435,649</b>	<b>674,673,325</b>	<b>770,097,916</b>	<b>830,802,666</b>	<b>788,928,939</b>	<b>781,084,194</b>	<b>825,073,085</b>	<b>1,229,273,236</b>	<b>1,060,180,321</b>	<b>893,673,326</b>	<b>931,057,142</b>
Incremental Value		312,237,676	407,662,267	468,367,017	426,493,290	418,648,545	462,637,436	866,837,587	697,744,672	531,237,677	568,621,493
Annual Value % Change			14.14%	7.88%	-5.04%	-0.99%	5.63%	48.99%	-13.76%	-15.71%	4.18%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency**  
**Broadway/MacArthur/San Pablo Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	Assessed Value Percentage	Inc. Value Percentage	
1. BWMOB LLC (Pending Appeals On Parcels)	\$31,713,500	1	3.59%	\$0	0	0.00%	\$31,713,500	3.41%	5.58%	Commercial Offices
2. Sutter East Bay Hospitals	\$28,871,698	7	3.27%	\$898,957	1	1.85%	\$29,770,655	3.20%	5.24%	Medical Center and Medical Offices
3. Kaiser Foundation Hospitals (Pending Appeals On Parcels)	\$16,100,702	9	1.82%	\$11,731,664	2	24.12%	\$27,832,366	2.99%	4.89%	Medical Center and Medical Offices
4. Alta Bates Summit Medical Center	\$15,852,477	16	1.80%	\$0	2	0.00%	\$15,852,477	1.70%	2.79%	Medical Center and Medical Offices
5. Westpark II (Pending Appeals On Parcels)	\$11,422,156	1	1.29%	\$0	0	0.00%	\$11,422,156	1.23%	2.01%	Multi-Family Residential Apartments
6. GAB Associates LLC	\$11,006,806	13	1.25%	\$0	0	0.00%	\$11,006,806	1.18%	1.94%	Auto Dealership, Repair and Parking
7. Arthur Chan and Amphorn Trust (Pending Appeals On Parcels)	\$9,796,707	3	1.11%	\$0	0	0.00%	\$9,796,707	1.05%	1.72%	Medical Offices, Industrial Warehouses
8. KMF Oakland LLC	\$9,171,851	34	1.04%	\$0	0	0.00%	\$9,171,851	0.99%	1.61%	Condominium Rental Development
9. Cotter and Coyle	\$7,489,843	3	0.85%	\$0	0	0.00%	\$7,489,843	0.80%	1.32%	Multi-Family Residential Building
10. 30th and Broadway LLC	<u>\$6,455,045</u>	<u>1</u>	0.73%	<u>\$0</u>	<u>0</u>	0.00%	<u>\$6,455,045</u>	0.69%	1.14%	Vacant Land
Totals:	\$147,880,785	88		\$12,630,621	5		\$160,511,406			
Total Assessed Values:	\$882,422,975		16.76%	\$48,634,167		25.97%	\$931,057,142	17.24%		
Incremental Assessed Value:	\$553,924,995		26.70%	\$14,696,498		85.94%	\$568,621,493		28.23%	

**Oakland Redevelopment Successor Agency  
Broadway/MacArthur/San Pablo Redevelopment Project**

New Development  
Table 5



08/19/15

|000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2015	11	Lump Sum	\$10,370,000	\$5,404,023	\$4,966			\$0	\$4,966	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2015	16	Lump Sum	\$9,366,500	\$4,795,722	\$4,571			\$0	\$4,571	\$0	\$0	\$0
<b>Total Real Property:</b>	27		\$19,736,500	\$10,199,745	\$9,537				\$9,537	\$0	\$0	\$0
					Adj. Annually for Inflation @	2%				\$0	\$0	\$0

**Oakland Redevelopment Successor Agency**  
**Central City East Redevelopment Project**  
**Projection of Incremental Taxable Value & Tax Increment Revenue**



(000's Omitted)

8/19/2015

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>Taxable Values (1)</b>										
Real Property (2)	3,473,992	3,546,594	3,617,526	3,689,876	3,763,674	3,838,947	3,915,726	3,994,041	4,073,921	4,155,400
Personal Property (3)	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>
<b>Total Projected Value</b>	<b>3,504,705</b>	<b>3,577,306</b>	<b>3,648,238</b>	<b>3,720,589</b>	<b>3,794,386</b>	<b>3,869,660</b>	<b>3,946,439</b>	<b>4,024,753</b>	<b>4,104,634</b>	<b>4,186,113</b>
<b>Taxable Value over Base</b>	<b>1,963,088</b>	<b>1,541,617</b>	<b>1,614,219</b>	<b>1,685,150</b>	<b>1,757,501</b>	<b>1,831,298</b>	<b>1,906,572</b>	<b>1,983,351</b>	<b>2,061,665</b>	<b>2,141,546</b>
Gross Tax Increment Revenue (4)	17,844	18,685	19,506	20,343	21,197	22,069	22,957	23,864	24,788	25,732
Unitary Tax Revenue (5)	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>
<b>Gross Revenues</b>	<b>17,862</b>	<b>18,702</b>	<b>19,523</b>	<b>20,361</b>	<b>21,215</b>	<b>22,086</b>	<b>22,975</b>	<b>23,881</b>	<b>24,806</b>	<b>25,749</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(127)	(133)	(139)	(145)	(151)	(157)	(164)	(170)	(177)	(184)
Housing Set Aside Debt Service (7)	(1,192)	(755)	(766)	(778)	(789)	(788)	(797)	(460)	(465)	(470)
Project Area Series 2006A-TE Debt Service	0	0	0	0	0	0	0	0	0	0
Project Area Series 2006A-TX Debt Service	<u>(4,464)</u>	<u>(4,465)</u>	<u>(4,467)</u>	<u>(4,468)</u>	<u>(4,468)</u>	<u>(4,467)</u>	<u>(4,464)</u>	<u>(4,465)</u>	<u>(4,464)</u>	<u>(4,465)</u>
<b>Tax Revenues</b>	<b>12,078</b>	<b>13,349</b>	<b>14,151</b>	<b>14,970</b>	<b>15,807</b>	<b>16,674</b>	<b>17,550</b>	<b>18,786</b>	<b>19,700</b>	<b>20,631</b>
<b>Subordinate Payments</b>										
AB 1290 Statutory Tax Sharing Tier 1 (8)	(3,572)	(3,740)	(3,905)	(4,072)	(4,243)	(4,417)	(4,595)	(4,776)	(4,961)	(5,150)
AB 1290 Statutory Tax Sharing Tier 2 (8)	(1,075)	(1,217)	(1,354)	(1,495)	(1,639)	(1,785)	(1,934)	(2,087)	(2,242)	(2,400)
AB 1290 Statutory Tax Sharing Tier 3 (8)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Tax Revenues</b>	<b><u>7,430</u></b>	<b><u>8,392</u></b>	<b><u>8,892</u></b>	<b><u>9,403</u></b>	<b><u>9,926</u></b>	<b><u>10,472</u></b>	<b><u>11,021</u></b>	<b><u>11,923</u></b>	<b><u>12,497</u></b>	<b><u>13,080</u></b>

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$15.9 million due to 242 transfers of ownership and decreased by \$12.5 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) Pursuant to H & S Code Section 33607.5, Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside (Tier 1). In addition, after year 10 Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside (Tier 2). After year 30 Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside (Tier 3). The City of Oakland is considered a taxing entity and has elected to receive its share of this statutory tax sharing amount. These tax sharing payments are subordinate to payment of debt service on the Bonds.

**Oakland Redevelopment Successor Agency**  
**Central City East Redevelopment Project**  
**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**  
(000s Omitted)



08/19/15

Table 2

		<b>Taxable Value</b>	<b>Gross Tax</b>	<b>SB 2557</b>	<b>Housing</b>	<b>Existing Bond</b>	<b>Pledged Tax</b>	<b>Subordinate Statutory Tax Sharing Payments</b>			<b>Net Tax</b>	
	<b>Total</b>	<b>Over Base</b>	<b>Revenue</b>	<b>Charge</b>	<b>Set-Aside</b>	<b>Debt Service</b>	<b>Revenues</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Revenues</b>	
	<b>Taxable Value</b>	<b>1,963,088</b>										
1	2015-16	3,504,705	1,541,617	17,862	(127)	(1,192)	(4,464)	12,078	(3,572)	(1,075)	0	7,430
2	2016-17	3,577,306	1,614,219	18,702	(133)	(755)	(4,465)	13,349	(3,740)	(1,217)	0	8,392
3	2017-18	3,648,238	1,685,150	19,523	(139)	(766)	(4,467)	14,151	(3,905)	(1,354)	0	8,892
4	2018-19	3,720,589	1,757,501	20,361	(145)	(778)	(4,468)	14,970	(4,072)	(1,495)	0	9,403
5	2019-20	3,794,386	1,831,298	21,215	(151)	(789)	(4,468)	15,807	(4,243)	(1,639)	0	9,926
6	2020-21	3,869,660	1,906,572	22,086	(157)	(788)	(4,467)	16,674	(4,417)	(1,785)	0	10,472
7	2021-22	3,946,439	1,983,351	22,975	(164)	(797)	(4,464)	17,550	(4,595)	(1,934)	0	11,021
8	2022-23	4,024,753	2,061,665	23,881	(170)	(460)	(4,465)	18,786	(4,776)	(2,087)	0	11,923
9	2023-24	4,104,634	2,141,546	24,806	(177)	(465)	(4,464)	19,700	(4,961)	(2,242)	0	12,497
10	2024-25	4,186,113	2,223,025	25,749	(184)	(470)	(4,465)	20,631	(5,150)	(2,400)	0	13,080
11	2025-26	4,269,221	2,306,133	26,711	(190)	(475)	(4,469)	21,577	(5,342)	(2,562)	0	13,673
12	2026-27	4,353,991	2,390,903	27,699	(197)	(363)	(4,468)	22,484	(5,535)	(2,727)	0	14,266
13	2027-28	4,440,456	2,477,368	28,719	(204)	(338)	(4,464)	23,409	(5,730)	(2,902)	0	14,860
14	2028-29	4,528,651	2,565,563	29,773	(211)	(341)	(4,466)	24,351	(5,925)	(3,077)	0	15,455
15	2029-30	4,618,610	2,655,522	30,861	(218)	(344)	(4,468)	25,322	(6,120)	(3,262)	0	16,050
16	2030-31	4,710,368	2,747,280	31,983	(225)	(347)	(4,464)	26,324	(6,315)	(3,457)	0	16,645
17	2031-32	4,803,961	2,840,873	33,140	(232)	(351)	(4,464)	27,357	(6,510)	(3,652)	0	17,240
18	2032-33	4,899,426	2,936,338	34,333	(239)	(353)	(4,468)	28,422	(6,705)	(3,847)	0	17,835
19	2033-34	4,996,800	3,033,712	35,562	(246)	(592)	(274)	29,536	(6,900)	(4,042)	0	18,430
20	2034-35	5,096,122	3,133,034	36,827	(253)	(593)		30,679	(7,095)	(4,237)	(111)	19,025
21	2035-36	5,197,430	3,234,342	38,128	(260)	(595)		31,854	(7,290)	(4,432)	(225)	19,620
22	2036-37	5,300,764	3,337,677	39,465	(267)	(1,667)		33,062	(7,485)	(4,627)	(340)	20,215
23	2037-38	5,406,166	3,443,078	40,838	(274)			34,304	(7,680)	(4,822)	(458)	20,810
24	2038-39	5,513,675	3,550,587	42,248	(281)			35,581	(7,875)	(5,017)	(579)	21,405
25	2039-40	5,623,334	3,660,246	43,695	(288)			36,894	(8,070)	(5,212)	(702)	22,000
26	2040-41	5,735,186	3,772,098	45,179	(295)			38,244	(8,265)	(5,407)	(827)	22,595
27	2041-42	5,849,276	3,886,188	46,700	(302)			39,631	(8,460)	(5,602)	(955)	23,190
28	2042-43	5,965,647	4,002,559	48,259	(309)			41,055	(8,655)	(5,797)	(1,085)	23,785
29	2043-44	6,084,346	4,121,258	49,857	(316)			42,514	(8,850)	(5,992)	(1,218)	24,380
30	2044-45	6,205,418	4,242,330	51,494	(323)			44,008	(9,045)	(6,187)	(1,354)	24,975
31	2045-46	6,328,912	4,365,824	53,170	(330)			45,537	(9,240)	(6,382)	(1,492)	25,570
32	2046-47	6,454,876	4,491,788	54,885	(337)			47,101	(9,435)	(6,577)	(1,633)	26,165
33	2047-48	6,583,360	4,620,272	56,639	(344)			48,700	(9,630)	(6,772)	(1,777)	26,760
			<b>999,460</b>	<b>(7,123)</b>	<b>(13,618)</b>	<b>(80,662)</b>	<b>898,058</b>	<b>(199,892)</b>	<b>(110,116)</b>	<b>(12,756)</b>	<b>575,294</b>	

**Oakland Redevelopment Successor Agency  
Central City East Redevelopment Project**

Historical Values

**Table 3**

	<b>Base Year 2002-03</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>												
Land	1,922,505,974	1,046,878,550	1,912,055,130	1,163,429,580	1,212,326,509	1,016,598,575	925,102,551	913,082,777	919,060,654	947,710,692	1,035,214,125	1,120,033,671
Improvements	0	2,248,200,743	0	2,493,738,253	2,584,839,546	2,135,192,171	1,935,723,864	1,916,980,224	1,935,623,922	2,022,321,492	2,193,775,229	2,404,703,062
Personal Property	0	9,765,524	0	10,386,726	9,806,240	9,926,057	11,172,195	10,877,509	12,137,676	12,182,497	11,613,396	15,565,053
Exemptions	0	(87,933,124)	0	(89,368,923)	(103,426,991)	(120,443,150)	(107,632,854)	(114,394,013)	(117,193,554)	(126,389,851)	(142,581,976)	(136,930,734)
<b>Total Secured</b>	<b>1,922,505,974</b>	<b>3,216,911,693</b>	<b>1,912,055,130</b>	<b>3,578,185,636</b>	<b>3,703,545,304</b>	<b>3,041,273,653</b>	<b>2,764,365,756</b>	<b>2,726,546,497</b>	<b>2,749,628,698</b>	<b>2,855,824,830</b>	<b>3,098,020,774</b>	<b>3,403,371,052</b>
<b>Unsecured</b>												
Land	0	8,482,678	0	11,412,386	11,713,693	12,294,442	12,907,279	14,519,401	14,140,578	14,220,885	17,355,481	16,253,226
Improvements	0	94,849,610	0	100,085,474	54,080,877	55,811,438	51,769,206	56,771,560	60,396,692	63,626,865	59,934,050	69,932,782
Personal Property	51,032,796	34,989,247	51,032,796	36,566,218	32,761,250	32,185,324	30,624,855	33,913,160	35,811,162	30,476,291	37,238,139	38,447,841
Exemptions	0	(987,269)	0	(11,851,044)	(12,003,191)	(12,635,113)	(12,912,230)	(6,166,684)	(6,683,570)	(12,428,492)	(13,874,412)	(23,300,179)
<b>Total Unsecured</b>	<b>51,032,796</b>	<b>137,334,266</b>	<b>51,032,796</b>	<b>136,213,034</b>	<b>86,552,629</b>	<b>87,656,091</b>	<b>82,389,110</b>	<b>99,037,437</b>	<b>103,664,862</b>	<b>95,895,549</b>	<b>100,653,258</b>	<b>101,333,670</b>
<b>GRAND TOTAL</b>	<b>1,973,538,770</b>	<b>3,354,245,959</b>	<b>1,963,087,926</b>	<b>3,714,398,670</b>	<b>3,790,097,933</b>	<b>3,128,929,744</b>	<b>2,846,754,866</b>	<b>2,825,583,934</b>	<b>2,853,293,560</b>	<b>2,951,720,379</b>	<b>3,198,674,032</b>	<b>3,504,704,722</b>
Incremental Value		1,380,707,189		1,751,310,744	1,827,010,007	1,165,841,818	883,666,940	862,496,008	890,205,634	988,632,453	1,235,586,106	1,541,616,796
Annual Value % Change				10.74%	93.07%	-15.76%	-24.89%	-9.69%	0.23%	4.46%	12.10%	18.73%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency  
Central City East Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	Assessed Value Percentage	Inc. Value Percentage	
1. Eastmont Office Owner LLC (Pending Appeals On Parcels)	\$68,728,564	3	2.02%	\$0	0	0.00%	\$68,728,564	1.96%	4.46%	Commercial Shopping Center
2. KW Lake Merritt LLC	\$31,993,332	1	0.94%	\$0	0	0.00%	\$31,993,332	0.91%	2.08%	Multi-Family Residential Building
3. Eastmont Oakland Associates LLC (Pending Appeals On Parcels)	\$18,261,128	4	0.54%	\$8,580	1	0.01%	\$18,269,708	0.52%	1.19%	Commercial Shopping Center
4. East Bay Hotel LP	\$0	0	0.00%	\$16,808,299	3	16.59%	\$16,808,299	0.48%	1.09%	Executive Inn and Suites Hotel
5. Oakland Hospitality LLC	\$0	0	0.00%	\$15,050,446	3	14.85%	\$15,050,446	0.43%	0.98%	Homewood Suites Hotel
6. Zarsion OHP I LLC	\$14,688,993	26	0.43%	\$226,951	1	0.22%	\$14,915,944	0.43%	0.97%	Vacant Residential Lots
7. Community Fund LLC (Pending Appeals On Parcels)	\$14,877,434	116	0.44%	\$0	0	0.00%	\$14,877,434	0.42%	0.97%	Single and Multi-family Residential
8. MacArthur Boulevard Associates (Pending Appeals On Parcels)	\$13,387,655	2	0.39%	\$0	0	0.00%	\$13,387,655	0.38%	0.87%	Misc. Commercial & Residential
9. Lake 1925 LP	\$12,787,366	6	0.38%	\$0	0	0.00%	\$12,787,366	0.36%	0.83%	Multi-Family Residential Properties
10. Ralphps Grocery Company (Pending Appeals On Parcels)	<u>\$11,907,780</u>	<u>1</u>	0.35%	<u>\$0</u>	<u>0</u>	0.00%	<u>\$11,907,780</u>	0.34%	0.77%	Retail Grocery Store
Totals:	\$186,632,252	159		\$32,094,276	8		\$218,726,528			
Total Assessed Values:	\$3,403,371,052		5.48%	\$101,333,670		31.67%	\$3,504,704,722		6.24%	
Incremental Assessed Value:	\$1,491,315,922		12.51%	\$50,300,874		63.80%	\$1,541,616,796		14.19%	

**Oakland Redevelopment Successor Agency  
Central City East Redevelopment Project**

New Development

Table 5



08/19/15

000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2015	92	Lump Sum	\$99,278,000	\$99,170,742	\$107			\$0	\$107	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2015	150	Lump Sum	\$39,810,827	\$24,047,459	\$15,763			\$0	\$15,763	\$0	\$0	\$0
<b>Total Real Property:</b>	242		\$139,088,827	\$123,218,201	\$15,871				\$15,871	\$0	\$0	\$0
					Adj. Annually for Inflation @	2%				\$0	\$0	\$0

# Oakland Redevelopment Successor Agency

## Central District & 2002 Annex Combined

### Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)



8/19/2015

**Table 1**

<b>Taxable Values (1)</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Real Property (2)	5,583,696	5,493,932	5,603,811	5,715,887	5,830,205	5,946,809	6,065,745	6,187,060	6,310,801	6,437,017
Personal Property (3)	<u>159,063</u>									
<b>Total Projected Value</b>	<b>5,742,759</b>	<b>5,652,996</b>	<b>5,762,874</b>	<b>5,874,950</b>	<b>5,989,268</b>	<b>6,105,872</b>	<b>6,224,808</b>	<b>6,346,123</b>	<b>6,469,865</b>	<b>6,596,081</b>
<b>Taxable Value over Base</b>	<b>285,068</b>	<b>5,457,691</b>	<b>5,367,927</b>	<b>5,477,806</b>	<b>5,589,882</b>	<b>5,704,200</b>	<b>5,820,804</b>	<b>5,939,740</b>	<b>6,061,055</b>	<b>6,184,796</b>
Gross Tax Increment Revenue (4)	63,173	62,134	63,406	64,703	66,026	67,376	68,752	70,157	71,589	73,050
Unitary Tax Revenue (5)	<u>2,900</u>									
<b>Gross Revenues</b>	<b>66,073</b>	<b>65,034</b>	<b>66,306</b>	<b>67,603</b>	<b>68,926</b>	<b>70,276</b>	<b>71,653</b>	<b>73,057</b>	<b>74,489</b>	<b>75,950</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(471)	(463)	(472)	(482)	(491)	(501)	(510)	(520)	(531)	(541)
Housing Set Aside Debt Service (7)	(4,411)	(2,625)	(2,602)	(2,584)	(2,563)	(2,508)	(2,485)	(1,406)	(1,396)	(1,385)
Rotunda Garage DDA (10)	(51)	0	0	0	0	0	0	0	0	0
Uptown Development DDA (10)	(1,332)	(1,360)	(1,389)	(1,418)	(1,448)	0	0	0	0	0
Project Area Series 2006-T Debt Service	(1,499)	(1,498)	(1,493)	(1,496)	(4,206)	(4,206)	0	0	0	0
Project Area Series 2009-T Debt Service	(7,765)	(6,783)	(7,290)	(7,040)	(6,770)	0	0	0	0	0
Project Area Series 2013-TE Debt Service	<u>(16,794)</u>	<u>(16,790)</u>	<u>(16,795)</u>	<u>(16,790)</u>	<u>(14,261)</u>	<u>(15,526)</u>	<u>(4,337)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Pledged Tax Revenues</b>	<b>33,750</b>	<b>35,515</b>	<b>36,265</b>	<b>37,793</b>	<b>39,188</b>	<b>47,536</b>	<b>64,321</b>	<b>71,130</b>	<b>72,563</b>	<b>74,024</b>
<b>Subordinate Obligations:</b>										
SB 211 Statutory Tax Sharing Tier 1 (8)	(5,522)	(5,427)	(5,660)	(5,897)	(6,138)	(6,385)	(6,637)	(6,893)	(7,155)	(7,422)
SB 211 Statutory Tax Sharing Tier 2 (8)	(1,327)	(1,248)	(1,443)	(1,642)	(1,845)	(2,053)	(2,264)	(2,479)	(2,699)	(2,924)
AB 1290 Statutory Tax Sharing Tier 1 (9)	(1,254)	(1,140)	(1,162)	(1,185)	(1,208)	(1,231)	(1,255)	(1,279)	(1,303)	(1,329)
AB 1290 Statutory Tax Sharing Tier 2 (9)	(738)	(642)	(661)	(680)	(699)	(718)	(738)	(759)	(779)	(800)
AB 1290 Statutory Tax Sharing Tier 3 (9)	0	0	0	0	0	0	0	0	0	0
<b>Net Tax Revenue</b>	<b><u>24,910</u></b>	<b><u>27,057</u></b>	<b><u>27,339</u></b>	<b><u>28,390</u></b>	<b><u>29,298</u></b>	<b><u>37,149</u></b>	<b><u>53,428</u></b>	<b><u>59,720</u></b>	<b><u>60,626</u></b>	<b><u>61,549</u></b>

# Oakland Redevelopment Successor Agency Central District & 2002 Annex Combined

## Footnotes

8/19/2015

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$31 million due to 104 transfers of ownership and decreased by \$227.9 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) Within Central District, the last date to incur new debt was established as January 1, 2004 by Ordinance No. 11762 CMS pursuant to the Law. This limit was eliminated pursuant to Ordinance No. 12570 CMS. The elimination of this limit triggers the initiation of statutory tax sharing payments. Beginning in fiscal year 2004-05 and using the 2003-04 Project Area value as the base level of value, Taxing Entities began to receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. The City is a taxing entity and may opt to receive its share of the first tier of this pass through amount. In addition, beginning in the 11th year after the initiation of statutory tax sharing payments, Taxing Entities receive 21% of tax revenue on incremental value above the 10th year value net of Housing Set-Aside.  
Statutory payments are projected to continue through the last date to pay indebtedness.
- (9) Within the Central District 2002 Annex, all Taxing Entities receive their shares of 25% of total tax increment revenue net of housing set aside. In addition, after year 10 the Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside. The City of Oakland is a taxing entity and may elect to receive its share of the Tier 1 tax sharing amount.
- (10) Within Central District, the Agency has entered into two agreements that require it to make payments from tax increment revenue generated by the developments that are the subject of the agreements. The Rotunda Garage agreements requires payment of development revenues net of Housing Set-Aside, tax sharing amounts and a prorated portion of the Agency's ERAF obligation. The Rotunda payments terminate after fiscal year 2015-16. The Uptown Development agreement requires payment of development revenues net of tax sharing amounts and a prorated portion of the Agency's ERAF obligation. The Uptown payments continue through 2019-20 and are subordinate to the payment of debt service on the Bonds. These payment obligations are subordinate to the payment of debt service on bonds secured by Central District Project revenues and to bonds secured by Housing Set-Aside.

**Oakland Redevelopment Successor Agency**  
**Central District & 2002 Annex Combined**  
**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

Table 2



08/19/15

		Total		Gross Tax	SB 2557	Housing	Rotunda Garage	Uptown Project	Existing Bond	Pledged Tax	Subordinate Statutory Tax Sharing Payments			Net Tax
		<u>Taxable Value</u>	<u>Over Base</u>								<u>Revenue</u>	<u>Charge</u>	<u>Set-Aside Debt Service</u>	
1	2015-16	5,742,759	5,457,691	66,073	(471)	(4,411)				33,750	(6,775)	(2,065)	0	24,910
2	2016-17	5,652,996	5,367,927	65,034	(463)	(2,625)	(51)	(1,332)	(26,058)	35,515	(6,568)	(1,890)	0	27,057
3	2017-18	5,762,874	5,477,806	66,306	(472)	(2,602)		(1,360)	(25,071)	36,265	(6,822)	(2,104)	0	27,339
4	2018-19	5,874,950	5,589,882	67,603	(482)	(2,584)		(1,389)	(25,578)	37,793	(7,081)	(2,322)	0	28,390
5	2019-20	5,989,268	5,704,200	68,926	(491)	(2,563)		(1,418)	(25,327)	39,188	(7,346)	(2,544)	0	29,298
6	2020-21	6,105,872	5,820,804	70,276	(501)	(2,508)		(1,448)	(25,237)	47,536	(7,616)	(2,771)	0	37,149
7	2021-22	6,224,808	5,939,740	71,653	(510)	(2,485)			(19,732)	64,321	(7,891)	(3,002)	0	53,428
8	2022-23	6,346,123	6,061,055	73,057	(520)	(1,406)			(4,337)	71,130	(8,172)	(3,238)	0	59,720
9	2023-24	6,469,865	6,184,796	74,489	(531)	(1,396)				72,563	(8,459)	(3,479)	0	60,626
10	2024-25	6,596,081	6,311,012	75,950	(541)	(1,385)				74,024	(8,751)	(3,724)	0	61,549
11	2025-26	6,724,821	6,439,753	77,440	(552)	(1,377)				75,511	(9,049)	(3,974)	0	62,488
12	2026-27	6,856,136	6,571,068	69,469	(495)	(1,049)				67,924	(8,184)	(3,700)	0	56,041
13	2027-28	6,990,078	6,705,009	69,950	(498)	(953)				68,499	(8,348)	(3,879)	0	56,272
14	2028-29	7,126,698	6,841,630	71,317	(508)	(947)				69,862	(8,621)	(4,109)	0	57,132
15	2029-30	7,266,050	6,980,982	72,710	(518)	(941)				71,251	(8,900)	(4,343)	0	58,008
16	2030-31	7,408,190	7,123,122	74,132	(528)	(935)				72,668	(9,184)	(4,582)	0	58,902
17	2031-32	7,553,173	7,268,105	75,581	(538)	(932)				74,111	(9,474)	(4,825)	0	59,811
18	2032-33	7,701,055	7,415,987	77,060	(549)	(925)				75,587	(9,770)	(5,074)	0	60,743
19	2033-34	697,988	682,208	6,822	(49)	(133)				6,640	(1,364)	(873)	(15)	4,388
20	2034-35	711,252	695,471	6,955	(50)	(132)				6,774	(1,391)	(896)	(29)	4,458
21	2035-36	724,781	709,000	7,090	(51)	(130)				6,909	(1,418)	(918)	(45)	4,528
22	2036-37	738,580	722,800	7,228	(52)	(361)				6,816	(1,446)	(942)	(60)	4,368
23	2037-38	752,656	736,875	7,369	(53)					7,316	(1,474)	(965)	(76)	4,801
24	2038-39	767,013	751,232	7,512	(54)					7,459	(1,502)	(989)	(92)	4,875
25	2039-40	781,657	765,876	7,659	(55)					7,604	(1,532)	(1,014)	(108)	4,950
26	2040-41	796,594	780,813	7,808	(56)					7,752	(1,562)	(1,039)	(125)	5,027
27	2041-42	811,830	796,049	7,960	(57)					7,904	(1,592)	(1,065)	(142)	5,105
28	2042-43	827,370	811,589	8,116	(58)					8,058	(1,623)	(1,091)	(159)	5,185
29	2043-44	843,221	827,441	8,274	(59)					8,215	(1,655)	(1,117)	(177)	5,266
30	2044-45	859,389	843,609	8,436	(60)					8,376	(1,687)	(1,145)	(195)	5,349
31	2045-46	875,881	860,100	8,601	(61)					8,540	(1,720)	(1,172)	(214)	5,433
32	2046-47	892,703	876,922	8,769	(63)					8,707	(1,754)	(1,201)	(233)	5,520
				1,395,627	(9,943)	(32,780)	(51)	(6,948)	(151,338)	1,194,568	(168,732)	(76,052)	(1,670)	948,114

**Oakland Redevelopment Successor Agency  
Central District & 2002 Annex Combined**

Historical Assesed Values

**Table 3**



08/19/15

	<b>Adjusted for 2002 Anx. (2003-04)</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Revised Base Year (2012-13)</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>												
Land	228,537,163	887,077,356	1,001,817,884	1,075,791,543	1,104,227,823	1,008,440,231	985,787,411	222,584,145	988,650,156	1,022,918,545	1,157,819,363	1,268,822,856
Improvements	0	2,626,819,254	2,960,305,611	3,201,364,132	3,517,961,093	3,206,966,764	3,320,572,300	0	3,350,273,604	3,412,218,014	3,647,221,598	4,294,535,912
Personal Property	0	32,697,514	41,939,628	29,737,050	33,943,712	36,927,536	39,644,485	0	41,483,837	30,565,550	36,571,023	31,904,260
Exemptions	0	<u>(313,144,912)</u>	<u>(357,124,398)</u>	<u>(307,752,849)</u>	<u>(217,224,787)</u>	<u>(222,932,340)</u>	<u>(203,611,538)</u>	0	<u>(358,372,253)</u>	<u>(331,778,034)</u>	<u>(368,136,020)</u>	<u>(365,630,324)</u>
<b>Total Secured</b>	<b><u>228,537,163</u></b>	<b><u>3,233,449,212</u></b>	<b><u>3,646,938,725</u></b>	<b><u>3,999,139,876</u></b>	<b><u>4,438,907,841</u></b>	<b><u>4,029,402,191</u></b>	<b><u>4,142,392,658</u></b>	<b><u>222,584,145</u></b>	<b><u>4,022,035,344</u></b>	<b><u>4,133,924,075</u></b>	<b><u>4,473,475,964</u></b>	<b><u>5,229,632,704</u></b>
<b>Unsecured</b>												
Land	0	52,028,589	36,866,215	32,529,564	49,929,608	53,274,500	58,950,294	0	79,869,532	80,378,949	99,978,186	77,761,915
Improvements	0	135,485,256	135,635,846	146,101,059	167,004,832	238,061,406	226,988,681	0	272,712,003	275,868,875	296,108,921	308,205,297
Personal Property	62,484,067	154,281,170	160,566,753	164,012,034	170,193,788	176,884,530	177,601,872	62,484,067	199,917,276	213,845,758	218,256,169	210,202,256
Exemptions	0	<u>(3,998,748)</u>	<u>(9,335,981)</u>	<u>(11,266,674)</u>	<u>(10,048,101)</u>	<u>(12,659,097)</u>	<u>(26,136,572)</u>	0	<u>(26,309,376)</u>	<u>(24,283,075)</u>	<u>(34,366,487)</u>	<u>(83,043,376)</u>
<b>Total Unsecured</b>	<b><u>62,484,067</u></b>	<b><u>337,796,267</u></b>	<b><u>323,732,833</u></b>	<b><u>331,375,983</u></b>	<b><u>377,080,127</u></b>	<b><u>455,561,339</u></b>	<b><u>437,404,275</u></b>	<b><u>62,484,067</u></b>	<b><u>526,189,435</u></b>	<b><u>545,810,507</u></b>	<b><u>579,976,789</u></b>	<b><u>513,126,092</u></b>
<b>GRAND TOTAL</b>	<b><u>291,021,230</u></b>	<b><u>3,571,245,479</u></b>	<b><u>3,970,671,558</u></b>	<b><u>4,330,515,859</u></b>	<b><u>4,815,987,968</u></b>	<b><u>4,484,963,530</u></b>	<b><u>4,579,796,933</u></b>	<b><u>285,068,212</u></b>	<b><u>4,548,224,779</u></b>	<b><u>4,679,734,582</u></b>	<b><u>5,053,452,753</u></b>	<b><u>5,742,758,796</u></b>
Incremental Value		3,280,224,249	3,679,650,328	4,039,494,629	4,524,966,738	4,193,942,300	4,288,775,703		4,263,156,567	4,394,666,370	4,768,384,541	5,457,690,584
Annual Value Change:			11.18%	9.06%	11.21%	-6.87%	2.11%		-0.69%	2.89%	7.99%	13.64%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency  
Central District & 2002 Annex Combined**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

<u>Taxpayers (1)</u>	<b>Secured</b>			<b>Unsecured</b>			<b>Total</b>			<u>Use Code</u>
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	% of Inc. Value	
1. Digital 720 2nd LLC [Pending appeals on parcels]	\$500,388,017	2	9.57%	\$0	0	0.00%	\$500,388,017	8.71%	9.17%	Computer Server Farm
2. Broadway Franklin LLC	\$205,270,765	2	3.93%	\$0	0	0.00%	\$205,270,765	3.57%	3.76%	Commercial Office Buildings
3. Kaiser Foundation Health Plan Inc.	\$161,494,920	5	3.09%	\$28,762,205	4	5.61%	\$190,257,125	3.31%	3.49%	Foundation Administrative Offices/Parking
4. CIM Oakland Center 21 LP [Pending appeals on parcels]	\$187,195,980	2	3.58%	\$34,454	1	0.01%	\$187,230,434	3.26%	3.43%	Commercial Office Buildings
5. Uptown Housing Partners LP	\$0	0	0.00%	\$151,129,975	1	29.45%	\$151,129,975	2.63%	2.77%	Residential
6. CIM Oakland 1 Kaiser Plaza LP [Pending appeals on parcels]	\$136,078,132	1	2.60%	\$10,850	1	0.00%	\$136,088,982	2.37%	2.49%	Commercial Office Building
7. 555 Oakland City Center LLC	\$135,810,337	1	2.60%	\$0	0	0.00%	\$135,810,337	2.36%	2.49%	Commercial Office Building
8. 1800 Harrison Foundation	\$130,646,309	1	2.50%	\$0	0	0.00%	\$130,646,309	2.27%	2.39%	Commercial Office Buildings
9. Westcore City Center LLC	\$112,707,099	3	2.16%	\$0	0	0.00%	\$112,707,099	1.96%	2.07%	Commercial Office Buildings
10. Domain Residence LLC	\$105,252,112	1	2.01%	\$0	0	0.00%	\$105,252,112	1.83%	1.93%	Multifamily Residential
<b>Top Ten Property Owner Totals:</b>	<b>\$1,674,843,671</b>	<b>18</b>		<b>\$179,937,484</b>	<b>7</b>		<b>\$1,854,781,155</b>			
Project Area Totals:	\$5,229,632,704		32.03%	\$513,126,092		35.07%	\$5,742,758,796	32.30%		
Project Area Incremental Value:	\$5,007,048,559		33.45%	\$450,642,025		39.93%	\$5,457,690,584		33.98%	

(1) All taxpayers except taxpayer #8 are located within the original Central District Project Area. Taxpayer #8 is located within the Central District 2002 Annex

**Oakland Redevelopment Successor Agency**  
**Central District & 2002 Annex Combined**  
 New Development



8/19/2015

Table 5

000's omitted												
<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2014	31	Lump Sum	\$109,357,555	\$86,042,482	\$23,315			\$0	\$23,315	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2014	73	Lump Sum	\$36,050,545	\$28,321,465	\$7,729			\$0	\$7,729	\$0	\$0	\$0
<b>Total Real Property:</b>	104		\$145,408,100	\$114,363,947	\$31,044				\$31,044	\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

# Oakland Redevelopment Successor Agency Coliseum and 1998 Annex Combined



## Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)

8/19/2015

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	
<b>Taxable Values (1)</b>											
Real Property (2)	4,072,364	4,048,337	4,129,304	4,211,890	4,296,127	4,382,050	4,469,691	4,559,085	4,650,267	4,743,272	
Personal Property (3)	315,526	315,526	315,526	315,526	315,526	315,526	315,526	315,526	315,526	315,526	
<b>Total Projected Value</b>	<b>4,387,890</b>	<b>4,363,862</b>	<b>4,444,829</b>	<b>4,527,415</b>	<b>4,611,653</b>	<b>4,697,576</b>	<b>4,785,217</b>	<b>4,874,610</b>	<b>4,965,792</b>	<b>5,058,797</b>	
<b>Taxable Value over Base</b>	<b>1,673,521</b>	<b>2,714,368</b>	<b>2,690,341</b>	<b>2,771,308</b>	<b>2,853,894</b>	<b>2,938,132</b>	<b>3,024,054</b>	<b>3,111,695</b>	<b>3,201,089</b>	<b>3,292,271</b>	<b>3,385,276</b>
Gross Tax Increment Revenue (4)	31,419	31,141	32,078	33,034	34,009	35,003	36,018	37,053	38,108	39,185	
Unitary Tax Revenue (5)	43	43	43	43	43	43	43	43	43	43	
<b>Gross Revenues</b>	<b>31,462</b>	<b>31,184</b>	<b>32,121</b>	<b>33,077</b>	<b>34,052</b>	<b>35,046</b>	<b>36,061</b>	<b>37,096</b>	<b>38,151</b>	<b>39,228</b>	
<b>LESS:</b>											
SB 2557 Admin. Fee (6)	(224)	(222)	(229)	(236)	(243)	(250)	(257)	(265)	(272)	(280)	
Housing Set Aside Debt Service (7)	(2,100)	(1,259)	(1,260)	(1,264)	(1,266)	(1,251)	(1,251)	(714)	(715)	(715)	
Project Area Series 2006B-TE Debt Service	(1,569)	(1,566)	(1,571)	(1,575)	(1,571)	(1,576)	(1,577)	(1,576)	(1,577)	(1,582)	
Project Area Series 2006B-T Debt Service	(5,080)	(5,087)	(5,078)	(5,075)	(5,081)	(5,076)	(5,075)	(5,077)	(5,072)	(5,070)	
<b>Pledged Tax Revenues</b>	<b>22,488</b>	<b>23,050</b>	<b>23,982</b>	<b>24,927</b>	<b>25,890</b>	<b>26,894</b>	<b>27,902</b>	<b>29,464</b>	<b>30,515</b>	<b>31,581</b>	
<b>Subordinate Payments</b>											
AB 1290 Statutory Tax Sharing Tier 1 (8)	(6,292)	(6,237)	(6,424)	(6,615)	(6,810)	(7,009)	(7,212)	(7,419)	(7,630)	(7,846)	
AB 1290 Statutory Tax Sharing Tier 2 (8)	(1,686)	(1,640)	(1,797)	(1,958)	(2,121)	(2,289)	(2,459)	(2,633)	(2,810)	(2,991)	
AB 1290 Statutory Tax Sharing Tier 3 (8)	0	0	0	0	0	0	0	0	0	0	
<b>Net Tax Revenues</b>	<b>14,510</b>	<b>15,174</b>	<b>15,761</b>	<b>16,354</b>	<b>16,959</b>	<b>17,596</b>	<b>18,230</b>	<b>19,412</b>	<b>20,075</b>	<b>20,744</b>	

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$10.8 million due to 141 transfers of ownership and decreased by \$114 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) Pursuant to H & S Code Section 33607.5 Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside (Tier 1). In addition, after year 10 Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside (Tier 2). After year 30 Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside (Tier 3). The City of Oakland is considered a taxing entity and has elected to receive its share of this statutory tax sharing amount. These tax sharing payments are subordinate to payment of debt service on the Bonds.

**Oakland Redevelopment Successor Agency**  
**Coliseum Redevelopment Project**  
**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**  
(000s Omitted)



8/19/2015

Table 2

	Total <u>Taxable Value</u>	Taxable Value	Gross Tax <u>Revenue</u>	SB 2557 <u>Charge</u>	Housing	Existing Bond <u>Debt Service</u>	Pledged Tax <u>Revenues</u>	Subordinate Statutory Tax Sharing Payments			Net Tax <u>Revenues</u>
		Over Base <u>1,673,521</u>			Set-Aside <u>Debt Service</u>			Tier 1	Tier 2	Tier 3	
1 2015-16	4,387,890	2,714,368	31,462	(224)	(2,100)	(6,649)	22,488	(6,292)	(1,686)	0	14,510
2 2016-17	4,363,862	2,690,341	31,184	(222)	(1,259)	(6,652)	23,050	(6,237)	(1,640)	0	15,174
3 2017-18	4,444,829	2,771,308	32,121	(229)	(1,260)	(6,649)	23,982	(6,424)	(1,797)	0	15,761
4 2018-19	4,527,415	2,853,894	33,077	(236)	(1,264)	(6,650)	24,927	(6,615)	(1,958)	0	16,354
5 2019-20	4,611,653	2,938,132	34,052	(243)	(1,266)	(6,652)	25,890	(6,810)	(2,121)	0	16,959
6 2020-21	4,697,576	3,024,054	35,046	(250)	(1,251)	(6,652)	26,894	(7,009)	(2,289)	0	17,596
7 2021-22	4,785,217	3,111,695	36,061	(257)	(1,251)	(6,652)	27,902	(7,212)	(2,459)	0	18,230
8 2022-23	4,874,610	3,201,089	37,096	(265)	(714)	(6,652)	29,464	(7,419)	(2,633)	0	19,412
9 2023-24	4,965,792	3,292,271	38,151	(272)	(715)	(6,649)	30,515	(7,630)	(2,810)	0	20,075
10 2024-25	5,058,797	3,385,276	39,228	(280)	(715)	(6,651)	31,581	(7,846)	(2,991)	0	20,744
11 2025-26	5,153,663	3,480,142	40,326	(288)	(717)	(6,648)	32,673	(8,065)	(3,175)	0	21,432
12 2026-27	5,250,426	3,576,904	36,735	(262)	(555)	(6,650)	29,269	(7,347)	(2,983)	(98)	18,840
13 2027-28	5,349,124	3,675,602	36,799	(262)	(501)	(6,650)	29,386	(7,360)	(3,072)	(193)	18,761
14 2028-29	5,449,796	3,776,274	37,806	(270)	(502)	(6,648)	30,386	(7,561)	(3,241)	(306)	19,278
15 2029-30	5,552,481	3,878,960	38,833	(277)	(503)	(6,649)	31,404	(7,767)	(3,413)	(421)	19,804
16 2030-31	5,657,220	3,983,699	39,880	(284)	(503)	(6,651)	32,441	(7,976)	(3,589)	(538)	20,338
17 2031-32	5,764,054	4,090,533	40,948	(292)	(505)	(6,650)	33,502	(8,190)	(3,769)	(658)	20,885
18 2032-33	5,873,025	4,199,503	42,038	(300)	(504)	(6,648)	34,586	(8,408)	(3,952)	(780)	21,446
19 2033-34	5,984,175	4,310,653	43,150	(308)	(842)	(6,649)	35,351	(8,630)	(4,139)	(904)	21,678
20 2034-35	6,097,548	4,424,026	44,283	(316)	(838)	(5,803)	37,327	(8,857)	(4,329)	(1,031)	23,110
21 2035-36	6,213,188	4,539,667	45,440	(324)	(836)		41,482	(9,088)	(4,523)	(1,161)	26,709
22 2036-37	6,331,141	4,657,620	46,619	(333)	(2,328)		43,959	(9,324)	(4,722)	(1,293)	28,621
23 2037-38	6,451,454	4,777,932	47,822	(341)			47,481	(9,564)	(4,924)	(1,428)	31,565
24 2038-39	6,574,172	4,900,651	49,050	(350)			48,700	(9,810)	(5,130)	(1,565)	32,195
25 2039-40	6,699,345	5,025,824	50,301	(359)			49,943	(10,060)	(5,340)	(1,705)	32,837
26 2040-41	6,827,021	5,153,500	51,578	(368)			51,210	(10,316)	(5,555)	(1,848)	33,491
27 2041-42	6,957,251	5,283,730	52,880	(377)			52,503	(10,576)	(5,773)	(1,994)	34,159
28 2042-43	817,426	653,035	<u>6,533</u>	<u>(47)</u>			<u>6,486</u>	<u>(1,307)</u>	<u>(555)</u>	<u>(229)</u>	<u>4,395</u>
			<b>1,098,499</b>	<b>(7,835)</b>	<b>(20,928)</b>	<b>(132,155)</b>	<b>934,782</b>	<b>(219,700)</b>	<b>(94,569)</b>	<b>(16,155)</b>	<b>604,359</b>

**Oakland Redevelopment Successor Agency  
Coliseum and 1998 Annex Combined**

Historical Assessed Values

Table 3



	<b>Base Year 1994-95</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>												
Land	1,377,321,734	1,067,336,184	1,372,344,533	1,219,795,507	1,291,591,299	1,184,678,202	1,140,474,014	1,133,919,402	1,136,027,606	1,159,224,604	1,221,070,317	1,297,980,253
Improvements	0	2,213,036,036	0	2,405,084,536	2,480,960,654	2,278,567,511	2,111,580,362	2,055,161,147	2,103,507,937	2,190,311,222	2,340,301,845	2,467,336,409
Personal Property	0	82,712,041	0	71,419,511	71,478,727	83,646,821	89,243,827	82,261,230	79,041,123	67,524,892	78,592,562	74,583,685
Exemptions	0	<u>(114,452,675)</u>	0	<u>(109,553,895)</u>	<u>(151,904,937)</u>	<u>(176,207,682)</u>	<u>(191,532,595)</u>	<u>(194,656,059)</u>	<u>(207,723,160)</u>	<u>(222,999,099)</u>	<u>(235,089,292)</u>	<u>(212,850,555)</u>
<b>Total Secured</b>	<b>1,377,321,734</b>	<b>3,248,631,586</b>	<b>1,372,344,533</b>	<b>3,586,745,659</b>	<b>3,692,125,743</b>	<b>3,370,684,852</b>	<b>3,149,765,608</b>	<b>3,076,685,720</b>	<b>3,110,853,506</b>	<b>3,194,061,619</b>	<b>3,404,875,432</b>	<b>3,627,049,792</b>
<b>Unsecured</b>												
Land	0	44,852,252	0	46,889,630	62,895,006	67,150,800	59,195,271	72,760,038	81,732,785	84,313,859	94,685,940	101,752,705
Improvements	0	291,578,226	0	295,234,655	389,452,964	406,859,989	387,046,282	420,663,136	408,471,815	394,982,806	440,901,268	418,145,122
Personal Property	301,176,755	261,056,671	301,176,755	297,923,649	281,976,470	283,781,106	281,153,923	252,228,083	290,965,109	320,589,331	320,649,533	400,549,467
Exemptions	0	<u>(92,253,434)</u>	0	<u>(111,106,015)</u>	<u>(96,180,473)</u>	<u>(87,237,311)</u>	<u>(94,797,268)</u>	<u>(86,142,342)</u>	<u>(94,587,841)</u>	<u>(105,655,271)</u>	<u>(113,341,525)</u>	<u>(159,607,523)</u>
<b>Total Unsecured</b>	<b>301,176,755</b>	<b>505,233,715</b>	<b>301,176,755</b>	<b>528,941,919</b>	<b>638,143,967</b>	<b>670,554,584</b>	<b>632,598,208</b>	<b>659,508,915</b>	<b>686,581,868</b>	<b>694,230,725</b>	<b>742,895,216</b>	<b>760,839,771</b>
<b>GRAND TOTAL</b>	<b>1,678,498,489</b>	<b>3,753,865,301</b>	<b>1,673,521,288</b>	<b>4,115,687,578</b>	<b>4,330,269,710</b>	<b>4,041,239,436</b>	<b>3,782,363,816</b>	<b>3,736,194,635</b>	<b>3,797,435,374</b>	<b>3,888,292,344</b>	<b>4,147,770,648</b>	<b>4,387,889,563</b>
Incremental Value		2,075,366,812		2,442,166,290	2,656,748,422	2,367,718,148	2,108,842,528	2,062,673,347	2,123,914,086	2,214,771,056	2,474,249,360	2,714,368,275
Annual Value % Change				9.64%	5.21%	-6.67%	-6.41%	-1.22%	1.64%	2.39%	6.67%	5.79%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency**

**Coliseum and 1998 Annex Combined**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	% of Inc. Value	
1. Federal Express Corporation	\$0	0	0.00%	\$112,184,766	10	14.74%	\$112,184,766	2.56%	4.13%	Package Sorting/Shipping Facility
2. Oakland Alameda Co. Coliseum Auth.	\$0	0	0.00%	\$83,158,031	2	10.93%	\$83,158,031	1.90%	3.06%	Oakland Coliseum Operations Lease
3. Owens Brockway Glass Container Inc. [Pending appeals on parcels]	\$73,586,957	22	2.03%	\$37,903	1	0.00%	\$73,624,860	1.68%	2.71%	Glass Container Manufacturing
4. Tarpon SPE I LP [Pending appeals on parcels]	\$60,312,888	1	1.66%	\$0	0	0.00%	\$60,312,888	1.37%	2.22%	Distribution/Storage Facility
5. Comcast	\$12,205,405	1	0.34%	\$35,988,389	3	4.73%	\$48,193,794	1.10%	1.78%	Cable Communications
6. Fruitvale Station LLC [Pending appeals on parcels]	\$45,840,000	1	1.26%	\$33,000	1	0.00%	\$45,873,000	1.05%	1.69%	Commercial Shopping Center
7. Miller Milling Company LLC	\$40,690,084	1	1.12%	\$16,825	1	0.00%	\$40,706,909	0.93%	1.50%	Heavy Industrial Use Buildings
8. Oakland Fuel Facilities Corp	\$0	0	0.00%	\$39,214,344	1	5.15%	\$39,214,344	0.89%	1.44%	Contract Fuel Facilities
9. Swenson Development II LLC	\$36,288,942	1	1.00%	\$0	0	0.00%	\$36,288,942	0.83%	1.34%	Industrial Building Leased to FEDEX
10. Piedmont Hawthorne Aviation Landmark	\$0	0	0.00%	\$35,989,284	8	4.73%	\$35,989,284	0.82%	1.33%	Commercial Shopping Center
<b>Top Ten Property Owner Totals:</b>	<b>\$268,924,276</b>	<b>27</b>		<b>\$306,622,542</b>	<b>27</b>		<b>\$575,546,818</b>			
Project Area Totals:	\$3,627,049,792		7.41%	\$760,839,771		40.30%	\$4,387,889,563	13.12%		
Project Area Incremental Value:	\$2,254,705,259		11.93%	\$459,663,016		66.71%	\$2,714,368,275	21.20%		

**Oakland Redevelopment Successor Agency  
Coliseum and 1998 Annex Combined  
New Development  
Table 5**



08/19/15

|000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2014	45	Lump Sum	\$29,647,000	\$25,994,475	\$3,653			\$0	\$3,653	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2014	96	Lump Sum	\$24,681,100	\$17,570,128	\$7,111			\$0	\$7,111	\$0	\$0	\$0
<b>Total Real Property:</b>	141		\$54,328,100	\$43,564,603	\$10,763				\$10,763	\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

# Oakland Redevelopment Successor Agency

## Oak Knoll Redevelopment Project

### Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)

8/19/2015

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>Taxable Values (1)</b>										
Real Property (2)	83,962	85,641	87,354	89,101	90,883	92,700	94,554	96,446	98,374	100,342
Personal Property (3)	<u>105</u>									
<b>Total Projected Value</b>	<b>84,067</b>	<b>85,746</b>	<b>87,459</b>	<b>89,206</b>	<b>90,988</b>	<b>92,806</b>	<b>94,660</b>	<b>96,551</b>	<b>98,480</b>	<b>100,447</b>
<b>Taxable Value over Base</b>	<b>0</b>	<b>84,067</b>	<b>85,746</b>	<b>87,459</b>	<b>89,206</b>	<b>90,988</b>	<b>92,806</b>	<b>94,660</b>	<b>96,551</b>	<b>100,447</b>
Gross Tax Increment Revenue (4)	973	993	1,012	1,033	1,053	1,074	1,096	1,118	1,140	1,163
Unitary Tax Revenue (5)	<u>1</u>									
<b>Gross Revenues</b>	<b>974</b>	<b>993</b>	<b>1,013</b>	<b>1,033</b>	<b>1,054</b>	<b>1,075</b>	<b>1,096</b>	<b>1,118</b>	<b>1,141</b>	<b>1,163</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)	(8)
Housing Set Aside Debt Service (7)	<u>(65)</u>	<u>(40)</u>	<u>(40)</u>	<u>(39)</u>	<u>(39)</u>	<u>(38)</u>	<u>(38)</u>	<u>(22)</u>	<u>(21)</u>	<u>(21)</u>
<b>Pledged Tax Revenues</b>	<b>902</b>	<b>946</b>	<b>966</b>	<b>986</b>	<b>1,007</b>	<b>1,029</b>	<b>1,051</b>	<b>1,089</b>	<b>1,111</b>	<b>1,134</b>
<b>Subordinate Payments</b>										
AB 1290 Statutory Tax Sharing Tier 1 (8)	(195)	(199)	(203)	(207)	(211)	(215)	(219)	(224)	(228)	(233)
AB 1290 Statutory Tax Sharing Tier 2 (8)	0	0	0	(3)	(7)	(10)	(14)	(18)	(21)	(25)
AB 1290 Statutory Tax Sharing Tier 3 (8)	<u>0</u>									
<b>Net Tax Revenues</b>	<b><u>707</u></b>	<b><u>747</u></b>	<b><u>763</u></b>	<b><u>776</u></b>	<b><u>790</u></b>	<b><u>804</u></b>	<b><u>817</u></b>	<b><u>847</u></b>	<b><u>862</u></b>	<b><u>876</u></b>

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are not increased due to transfers of ownership and are not decreased due to estimated losses on pending appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10 Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside. The City of Oakland is considered a taxing entity and may opt to receive its share of this statutory tax sharing amount.



**Oakland Redevelopment Successor Agency  
Oak Knoll Redevelopment Project**



**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

08/19/15

Table 2

		Total Taxable Value	Taxable Value	Gross Tax Revenue	SB 2557 Charge	Housing Set-Aside Debt Service	Pledged Tax Revenues	Subordinate Statutory Tax Sharing Payments			Net Tax Revenues
			Over Base 0					Tier 1	Tier 2	Tier 3	
1	2015-16	84,067	84,067	974	(7)	(65)	902	(195)	0	0	707
2	2016-17	85,746	85,746	993	(7)	(40)	946	(199)	0	0	747
3	2017-18	87,459	87,459	1,013	(7)	(40)	966	(203)	0	0	763
4	2018-19	89,206	89,206	1,033	(7)	(39)	986	(207)	(3)	0	776
5	2019-20	90,988	90,988	1,054	(8)	(39)	1,007	(211)	(7)	0	790
6	2020-21	92,806	92,806	1,075	(8)	(38)	1,029	(215)	(10)	0	804
7	2021-22	94,660	94,660	1,096	(8)	(38)	1,051	(219)	(14)	0	817
8	2022-23	96,551	96,551	1,118	(8)	(22)	1,089	(224)	(18)	0	847
9	2023-24	98,480	98,480	1,141	(8)	(21)	1,111	(228)	(21)	0	862
10	2024-25	100,447	100,447	1,163	(8)	(21)	1,134	(233)	(25)	0	876
11	2025-26	102,454	102,454	1,187	(8)	(21)	1,157	(237)	(29)	0	891
12	2026-27	104,501	104,501	1,046	(7)	(16)	1,022	(209)	(29)	0	785
13	2027-28	106,589	106,589	1,067	(8)	(15)	1,044	(213)	(32)	0	799
14	2028-29	108,719	108,719	1,088	(8)	(14)	1,066	(218)	(36)	0	812
15	2029-30	110,891	110,891	1,110	(8)	(14)	1,087	(222)	(39)	0	826
16	2030-31	113,107	113,107	1,132	(8)	(14)	1,109	(226)	(43)	0	840
17	2031-32	115,367	115,367	1,154	(8)	(14)	1,132	(231)	(47)	0	854
18	2032-33	117,672	117,672	1,177	(8)	(14)	1,155	(235)	(51)	0	869
19	2033-34	120,023	120,023	1,201	(9)	(23)	1,169	(240)	(55)	0	874
20	2034-35	122,422	122,422	1,225	(9)	(23)	1,193	(245)	(59)	0	889
21	2035-36	124,868	124,868	1,249	(9)	(23)	1,218	(250)	(63)	0	905
22	2036-37	127,363	127,363	1,274	(9)	(64)	1,202	(255)	(67)	0	880
23	2037-38	129,908	129,908	1,300	(9)	0	1,291	(260)	(71)	0	959
24	2038-39	132,504	132,504	1,326	(9)	0	1,316	(265)	(76)	(3)	973
25	2039-40	135,152	135,152	1,352	(10)	0	1,343	(270)	(80)	(6)	986
26	2040-41	137,853	137,853	1,379	(10)	0	1,369	(276)	(85)	(9)	1,000
27	2041-42	140,608	140,608	1,407	(10)	0	1,397	(281)	(89)	(12)	1,014
28	2042-43	143,418	143,418	1,435	(10)	0	1,425	(287)	(94)	(15)	1,029
29	2043-44	146,285	146,285	1,464	(10)	0	1,453	(293)	(99)	(18)	1,043
30	2044-45	149,208	149,208	1,493	(11)	0	1,482	(299)	(104)	(22)	1,058
31	2045-46	152,190	152,190	1,523	(11)	0	1,512	(305)	(109)	(25)	1,074
32	2046-47	155,232	155,232	1,553	(11)	0	1,542	(311)	(114)	(28)	1,089
33	2047-48	158,334	158,334	1,584	(11)	0	1,573	(317)	(119)	(32)	1,105
34	2048-49	161,499	161,499	1,616	(12)	0	1,604	(323)	(124)	(35)	1,121
35	2049-50	164,727	164,727	1,648	(12)	0	1,636	(330)	(130)	(39)	1,138
36	2050-51	168,019	168,019	1,681	(12)	0	1,669	(336)	(135)	(43)	1,155
37	2051-52	171,378	171,378	1,715	(12)	0	1,702	(343)	(141)	(46)	1,172
38	2052-53	174,803	174,803	1,749	(12)	0	1,736	(350)	(147)	(50)	1,190
39	2053-54	178,297	178,297	1,784	(13)	0	1,771	(357)	(153)	(54)	1,207
40	2054-55	181,861	181,861	1,819	(13)	0	1,806	(364)	(159)	(58)	1,226
				<b>52,397</b>	<b>(374)</b>	<b>(620)</b>	<b>51,403</b>	<b>(10,479)</b>	<b>(2,676)</b>	<b>(496)</b>	<b>37,752</b>

**Oakland Redevelopment Successor Agency  
Oak Knoll Redevelopment Project**

Historical Values

**Table 3**



8/19/2015

	<b>Base Year 1997-98</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b><u>Secured (2)</u></b>											
Land	0	495,643	505,555	107,214,264	114,733,575	114,189,356	115,043,125	117,328,067	80,013,002	82,158,510	87,966,332
Improvements	0	80,168	80,510	81,159	81,385	15,904	14,440	13,159	11,695	291,840	365,113
Personal Property	0	235,309	196,669	173,997	156,436	178,337	154,159	143,857	118,368	95,538	105,265
Exemptions	0	0	0	0	0	0	0	0	0	0	(4,369,796)
<b>Total Secured</b>	<b>0</b>	<b>811,120</b>	<b>782,734</b>	<b>107,469,420</b>	<b>114,971,396</b>	<b>114,383,597</b>	<b>115,211,724</b>	<b>117,485,083</b>	<b>80,143,065</b>	<b>82,545,888</b>	<b>84,066,914</b>
<b><u>Unsecured</u></b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Improvements	0	0	0	0	0	0	0	0	0	0	0
Personal Property	0	0	0	0	0	0	0	0	0	0	0
Exemptions	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unsecured</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>0</b>	<b>811,120</b>	<b>782,734</b>	<b>107,469,420</b>	<b>114,971,396</b>	<b>114,383,597</b>	<b>115,211,724</b>	<b>117,485,083</b>	<b>80,143,065</b>	<b>82,545,888</b>	<b>84,066,914</b>
Incremental Value		811,120	782,734	107,469,420	114,971,396	114,383,597	115,211,724	117,485,083	80,143,065	82,545,888	84,066,914
Annual Value % Change			-3.50%	13630.01%	6.98%	-0.51%	0.72%	1.97%	-31.78%	3.00%	1.84%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency**

**Oak Knoll Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	Assessed Value Percentage	Inc. Value Percentage	
1. Oak Knoll Venture Acquisition LLC (Pending Appeals On Parcels)	\$77,722,474	3	92.45%	\$0	0	0.00%	\$77,722,474	92.45%	92.45%	Vacant Commercial & Residential
2. Seneca Residential and Day Treatment Center	\$5,597,503	2	6.66%	\$0	0	0.00%	\$5,597,503	6.66%	6.66%	Childrens Services
3. Sea West Coast Guard FCU	\$746,937	2	0.89%	\$0	0	0.00%	\$746,937	0.89%	0.89%	Commercial Offices - Credit Union
4.	\$0	0	0.00%	\$0	2	0.00%	\$0	0.00%	0.00%	
5.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
6.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
7.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
8.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
9.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
10.	\$0	0	0.00%	\$0	0	0.00%	\$0	0.00%	0.00%	
Totals:	\$84,066,914	7		\$0	2		\$84,066,914			
Total Assessed Values:	\$84,066,914		100.00%	\$0		0.00%	\$84,066,914	100.00%		
Incremental Assessed Value:	\$84,066,914		100.00%	\$0		0.00%	\$84,066,914	100.00%		

**Oakland Redevelopment Successor Agency**  
**Oak Knoll Redevelopment Project**  
 New Development  
 Table 5



08/19/15

000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2015	0	Lump Sum	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2015	0	Lump Sum	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
<b>Total Real Property:</b>	0		\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

**Oakland Redevelopment Successor Agency**  
**Oakland Army Base Redevelopment Project**  
**Projection of Incremental Taxable Value & Tax Increment Revenue**  
(000's Omitted)



8/19/2015

**Table 1**

<b>Taxable Values (1)</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	
Real Property (2)	879,812	392,573	400,424	408,433	416,601	424,933	433,432	442,101	450,943	459,962	
Personal Property (3)	149,292	149,292	149,292	149,292	149,292	149,292	149,292	149,292	149,292	149,292	
<b>Total Projected Value</b>	<b>1,029,105</b>	<b>541,865</b>	<b>549,716</b>	<b>557,725</b>	<b>565,894</b>	<b>574,226</b>	<b>582,724</b>	<b>591,393</b>	<b>600,235</b>	<b>609,254</b>	
<b>Taxable Value over Base</b>	<b>361,415</b>	<b>667,690</b>	<b>180,450</b>	<b>188,302</b>	<b>196,310</b>	<b>204,479</b>	<b>212,811</b>	<b>221,309</b>	<b>229,978</b>	<b>238,820</b>	<b>247,839</b>
Gross Tax Increment Revenue (4)	7,729	2,089	2,180	2,272	2,367	2,463	2,562	2,662	2,764	2,869	
Unitary Tax Revenue (5)	8	8	8	8	8	8	8	8	8	8	
<b>Gross Revenues</b>	<b>7,736</b>	<b>2,096</b>	<b>2,187</b>	<b>2,280</b>	<b>2,375</b>	<b>2,471</b>	<b>2,569</b>	<b>2,670</b>	<b>2,772</b>	<b>2,876</b>	
<b>LESS:</b>											
SB 2557 Admin. Fee (6)	(55)	(15)	(16)	(16)	(17)	(18)	(18)	(19)	(20)	(21)	
Housing Set Aside Debt Service (7)	(516)	(85)	(86)	(87)	(88)	(88)	(89)	(51)	(52)	(52)	
<b>Pledged Tax Revenues</b>	<b>7,165</b>	<b>1,997</b>	<b>2,086</b>	<b>2,177</b>	<b>2,269</b>	<b>2,365</b>	<b>2,462</b>	<b>2,599</b>	<b>2,700</b>	<b>2,803</b>	
<b>Subordinate Payments</b>											
AB 1290 Statutory Tax Sharing Tier 1 (8)	(1,547)	(419)	(437)	(456)	(475)	(494)	(514)	(534)	(554)	(575)	
AB 1290 Statutory Tax Sharing Tier 2 (8)	0	0	0	0	0	0	0	0	0	0	
AB 1290 Statutory Tax Sharing Tier 3 (8)	0	0	0	0	0	0	0	0	0	0	
<b>Net Tax Revenues</b>	<b>5,617</b>	<b>1,578</b>	<b>1,648</b>	<b>1,721</b>	<b>1,794</b>	<b>1,871</b>	<b>1,948</b>	<b>2,065</b>	<b>2,146</b>	<b>2,228</b>	

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$1.8 million due to 13 transfers of ownership and decreased by \$496.7 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside. The City of Oakland is considered a taxing entity and may opt to receive its share of this statutory tax sharing amount.

**Oakland Redevelopment Successor Agency**  
**Oakland Army Base Redevelopment Project**  
**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**



08/19/15

(000s Omitted)

Table 2

		Total	Taxable Value	Gross Tax	SB 2557	Housing	Pledged Tax	Subordinate Statutory Tax Sharing Payments			Net Tax
		Over Base	Revenue					Charge	Debt Service	Revenues	
		<u>Taxable Value</u>	<u>361,415</u>								
1	2015-16	1,029,105	667,690	7,736	(55)	(516)	7,165	(1,547)	0	0	5,617
2	2016-17	541,865	180,450	2,096	(15)	(85)	1,997	(419)	0	0	1,578
3	2017-18	549,716	188,302	2,187	(16)	(86)	2,086	(437)	0	0	1,648
4	2018-19	557,725	196,310	2,280	(16)	(87)	2,177	(456)	0	0	1,721
5	2019-20	565,894	204,479	2,375	(17)	(88)	2,269	(475)	0	0	1,794
6	2020-21	574,226	212,811	2,471	(18)	(88)	2,365	(494)	0	0	1,871
7	2021-22	582,724	221,309	2,569	(18)	(89)	2,462	(514)	0	0	1,948
8	2022-23	591,393	229,978	2,670	(19)	(51)	2,599	(534)	0	0	2,065
9	2023-24	600,235	238,820	2,772	(20)	(52)	2,700	(554)	0	0	2,146
10	2024-25	609,254	247,839	2,876	(21)	(52)	2,803	(575)	0	0	2,228
11	2025-26	618,453	257,038	2,983	(21)	(53)	2,909	(597)	0	0	2,312
12	2026-27	627,836	266,421	2,752	(20)	(42)	2,691	(550)	0	0	2,141
13	2027-28	637,407	275,992	2,768	(20)	(38)	2,710	(554)	0	0	2,157
14	2028-29	647,169	285,755	2,865	(20)	(38)	2,807	(573)	0	0	2,234
15	2029-30	657,127	295,712	2,965	(21)	(38)	2,905	(593)	0	0	2,312
16	2030-31	667,284	305,869	3,066	(22)	(39)	3,006	(613)	0	0	2,393
17	2031-32	677,644	316,229	3,170	(23)	(39)	3,108	(634)	0	(12)	2,463
18	2032-33	688,211	326,796	3,276	(23)	(39)	3,213	(655)	0	(23)	2,534
19	2033-34	698,989	337,574	3,383	(24)	(66)	3,293	(677)	0	(36)	2,581
20	2034-35	709,983	348,568	3,493	(25)	(66)	3,402	(699)	0	(48)	2,656
21	2035-36	721,197	359,782	3,605	(26)	(66)	3,513	(721)	0	(60)	2,732
22	2036-37	732,635	371,220	3,720	(27)	(186)	3,508	(744)	0	(73)	2,690
23	2037-38	744,302	382,887	3,837	(27)		3,809	(767)	0	(86)	2,956
24	2038-39	756,202	394,787	3,956	(28)		3,927	(791)	0	(100)	3,037
25	2039-40	768,340	406,925	4,077	(29)		4,048	(815)	0	(113)	3,119
26	2040-41	780,721	419,306	4,201	(30)		4,171	(840)	0	(127)	3,204
27	2041-42	793,349	431,935	4,327	(31)		4,296	(865)	0	(141)	3,290
28	2042-43	806,231	444,816	4,456	(32)		4,424	(891)	0	(156)	3,377
29	2043-44	819,369	457,954	4,587	(33)		4,555	(917)	0	(170)	3,467
30	2044-45	832,771	471,356	4,721	(34)		4,688	(944)	0	(185)	3,558
31	2045-46	846,441	485,026	4,858	(35)		4,823	(972)	0	(201)	3,651
				<b>107,098</b>	<b>(763)</b>	<b>(1,905)</b>	<b>104,429</b>	<b>(21,420)</b>	<b>0</b>	<b>(1,531)</b>	<b>81,479</b>

**Oakland Redevelopment Successor Agency  
Oakland Army Base Redevelopment Project**

Historical Assessed Values

Table 3



08/19/15

	<b>Base Year 1999-00</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>												
Land	43,864,146	39,566,943	31,452,310	42,820,486	46,088,683	41,721,252	42,001,125	47,634,415	52,411,557	54,724,350	57,650,112	61,297,641
Improvements	0	28,301,726	0	39,158,749	62,076,351	76,410,619	107,439,757	107,948,870	116,153,056	114,713,028	129,750,220	130,445,838
Personal Property	0	16,029,519	0	12,793,041	12,598,992	10,153,338	11,347,262	25,213,093	20,241,891	19,707,343	11,928,474	18,039,147
Exemptions	0	0	0	0	0	(3,088,516)	(8,626,182)	(8,691,131)	(9,148,829)	(6,877,555)	(9,360,152)	(9,439,415)
<b>Total Secured</b>	<b>43,864,146</b>	<b>83,898,188</b>	<b>31,452,310</b>	<b>94,772,276</b>	<b>120,764,026</b>	<b>125,196,693</b>	<b>152,161,962</b>	<b>172,105,247</b>	<b>179,657,675</b>	<b>182,267,166</b>	<b>189,968,654</b>	<b>200,343,211</b>
<b>Unsecured</b>												
Land	0	303,369,056	0	311,703,464	321,304,107	326,778,429	584,492,111	616,404,823	631,904,611	535,169,597	514,421,070	520,039,338
Improvements	0	229,423,793	0	208,499,064	204,166,209	216,318,748	219,446,320	241,080,819	251,392,128	283,181,729	185,899,742	177,468,994
Personal Property	329,962,600	145,776,742	329,962,600	163,864,277	148,257,661	178,728,958	186,124,757	150,489,973	136,840,622	122,334,005	154,290,553	131,351,196
Exemptions	0	(244,548)	0	(213,997)	(309,076)	(292,540)	(52,000)	(113,567)	(21,100)	(95,800)	(96,234)	(98,156)
<b>Total Unsecured</b>	<b>329,962,600</b>	<b>678,325,043</b>	<b>329,962,600</b>	<b>683,852,808</b>	<b>673,418,901</b>	<b>721,533,595</b>	<b>990,011,188</b>	<b>1,007,862,048</b>	<b>1,020,116,261</b>	<b>940,589,531</b>	<b>854,515,131</b>	<b>828,761,372</b>
<b>GRAND TOTAL</b>	<b>373,826,746</b>	<b>762,223,231</b>	<b>361,414,910</b>	<b>778,625,084</b>	<b>794,182,927</b>	<b>846,730,288</b>	<b>1,142,173,150</b>	<b>1,179,967,295</b>	<b>1,199,773,936</b>	<b>1,122,856,697</b>	<b>1,044,483,785</b>	<b>1,029,104,583</b>
Incremental Value		388,396,485		417,210,174	432,768,017	485,315,378	780,758,240	818,552,385	838,359,026	761,441,787	683,068,875	667,689,673
Annual Value % Change				2.15%	2.00%	6.62%	34.89%	3.31%	1.68%	-6.41%	-6.98%	-1.47%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency  
Oakland Army Base Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	% of Inc. Value	
1. SSA Terminals LLC [Pending appeals on parcels]	\$0	0	0.00%	\$346,569,663	6	41.82%	\$346,569,663	33.68%	51.91%	Cargo Handling
2. Ports America Outer Harbor Terminal LLC [Pending appeals on parcels]	\$0	0	0.00%	\$274,347,131	4	33.10%	\$274,347,131	26.66%	41.09%	Cargo Handling
3. Schnitzer Steel Products of CA Inc. [Pending appeals on parcels]	\$53,943,229	1	26.93%	\$479,644	4	0.06%	\$54,422,873	5.29%	8.15%	Metal Recycling
4. Transpacific Container Service Corp	\$0	0	0.00%	\$48,342,500	2	5.83%	\$48,342,500	4.70%	7.24%	Cargo Handling
5. Evergreen America Corporation	\$0	0	0.00%	\$39,932,900	2	4.82%	\$39,932,900	3.88%	5.98%	Cargo Handling
6. Matson Navigation Company Inc.	\$0	0	0.00%	\$17,070,753	2	2.06%	\$17,070,753	1.66%	2.56%	Cargo Handling
7. Shippers Transport Express Inc.	\$0	0	0.00%	\$16,253,311	5	1.96%	\$16,253,311	1.58%	2.43%	Cargo Handling
8. TRAPAC Inc.	\$0	0	0.00%	\$15,484,763	2	1.87%	\$15,484,763	1.50%	2.32%	Cargo Handling
9. Build West Oakland LLC	\$15,077,251	3	7.53%	\$0	0	0.00%	\$15,077,251	1.47%	2.26%	Vacant Industrial Property
10. Ports America Outer Harbor	\$0	0	0.00%	\$6,214,915	1	0.75%	\$6,214,915	0.60%	0.93%	Cargo Handling
<b>Top Ten Property Owner Totals:</b>	<b>\$69,020,480</b>	<b>4</b>		<b>\$764,695,580</b>	<b>28</b>		<b>\$833,716,060</b>			
Project Area Totals:	\$200,343,211		34.45%	\$828,761,372		92.27%	\$1,029,104,583	81.01%		
Project Area Incremental Value:	\$168,890,901		40.87%	\$498,798,772		153.31%	\$667,689,673		124.87%	

**Oakland Redevelopment Successor Agency**  
**Oakland Army Base Redevelopment Project**  
 New Development  
 Table 5



08/19/15

|000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2015	0	Lump Sum	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2015	13	Lump Sum	\$6,220,000	\$4,457,429	\$1,763			\$0	\$1,763	\$0	\$0	\$0
<b>Total Real Property:</b>	13		\$6,220,000	\$4,457,429	\$1,763				\$1,763	\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

# Oakland Redevelopment Successor Agency

## West Oakland Redevelopment Project

### Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)



8/19/2015

**Table 1**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	
<b>Taxable Values (1)</b>											
Real Property (2)	1,622,428	1,651,394	1,684,422	1,718,110	1,752,472	1,787,522	1,823,272	1,859,738	1,896,933	1,934,871	
Personal Property (3)	<u>21,587</u>										
<b>Total Projected Value</b>	<b>1,644,015</b>	<b>1,672,981</b>	<b>1,706,009</b>	<b>1,739,697</b>	<b>1,774,059</b>	<b>1,809,109</b>	<b>1,844,859</b>	<b>1,881,325</b>	<b>1,918,519</b>	<b>1,956,458</b>	
<b>Taxable Value over Base</b>	<b>898,197</b>	<b>745,818</b>	<b>774,784</b>	<b>807,812</b>	<b>841,501</b>	<b>875,863</b>	<b>910,912</b>	<b>946,663</b>	<b>983,128</b>	<b>1,020,323</b>	<b>1,058,262</b>
Gross Tax Increment Revenue (4)	8,633	8,968	9,350	9,740	10,138	10,544	10,958	11,380	11,810	12,249	
Unitary Tax Revenue (5)	<u>6</u>										
<b>Gross Revenues</b>	<b>8,639</b>	<b>8,974</b>	<b>9,357</b>	<b>9,747</b>	<b>10,144</b>	<b>10,550</b>	<b>10,964</b>	<b>11,386</b>	<b>11,817</b>	<b>12,256</b>	
<b>LESS:</b>											
SB 2557 Admin. Fee (6)	(62)	(64)	(67)	(69)	(72)	(75)	(78)	(81)	(84)	(87)	
Housing Set Aside Debt Service (7)	(577)	(362)	(367)	(373)	(377)	(377)	(380)	(219)	(221)	(224)	
<b>Pledged Tax Revenues</b>	<b>8,001</b>	<b>8,548</b>	<b>8,923</b>	<b>9,305</b>	<b>9,695</b>	<b>10,098</b>	<b>10,506</b>	<b>11,086</b>	<b>11,511</b>	<b>11,945</b>	
<b>Tax Sharing:</b>											
AB 1290 Statutory Tax Sharing Tier 1 (8)	(1,728)	(1,795)	(1,871)	(1,949)	(2,029)	(2,110)	(2,193)	(2,277)	(2,363)	(2,451)	
AB 1290 Statutory Tax Sharing Tier 2 (8)	(502)	(558)	(622)	(688)	(755)	(823)	(892)	(963)	(1,036)	(1,109)	
AB 1290 Statutory Tax Sharing Tier 3 (8)	<u>0</u>										
<b>Net Tax Revenues</b>	<b>5,771</b>	<b>6,195</b>	<b>6,429</b>	<b>6,667</b>	<b>6,911</b>	<b>7,165</b>	<b>7,420</b>	<b>7,845</b>	<b>8,112</b>	<b>8,384</b>	

- (1) Taxable values as reported by Alameda County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% in 2016-17 and at 2% annually thereafter. Values for 2016-17 are increased by \$16.1 million due to 96 transfers of ownership and decreased by \$19.2 million due to estimated losses on pending assessment appeals.
- (3) Personal property is held constant at 2015-16 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.1575 per \$100 of taxable value through 2025-26, where the tax rate is held to \$1.00 per \$100 of taxable value thereafter. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities except for pension fund levies such as in the City of Oakland. Tax increment revenue derived from the City's 0.1575% override tax rate will continue to be deposited in the Redevelopment Property Tax Trust Fund.
- (5) Unitary revenue as reported by Alameda County for 2014-15.
- (6) County Administration fee is estimated at 0.71% of Gross Revenue.
- (7) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debt Service amounts shown are the Project Area's proportionate share of debt service on existing housing set-aside secured debt.
- (8) All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside. The City of Oakland is considered a taxing entity and may opt to receive its share of this statutory tax sharing amount.

**Oakland Redevelopment Successor Agency  
West Oakland Redevelopment Project**



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**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

**Table 2**

		Total Taxable Value	Taxable Value Over Base	Gross Tax Revenue	SB 2557 Charge	Housing Set-Aside Debt Service	Pledged Tax Revenues	Subordinate Statutory Tax Sharing Payments			Net Tax Revenues
			898,197					Tier 1	Tier 2	Tier 3	
1	2015-16	1,644,015	745,818	8,639	(62)	(577)	8,001	(1,728)	(502)	0	5,771
2	2016-17	1,672,981	774,784	8,974	(64)	(362)	8,548	(1,795)	(558)	0	6,195
3	2017-18	1,706,009	807,812	9,357	(67)	(367)	8,923	(1,871)	(622)	0	6,429
4	2018-19	1,739,697	841,501	9,747	(69)	(373)	9,305	(1,949)	(688)	0	6,667
5	2019-20	1,774,059	875,863	10,144	(72)	(377)	9,695	(2,029)	(755)	0	6,911
6	2020-21	1,809,109	910,912	10,550	(75)	(377)	10,098	(2,110)	(823)	0	7,165
7	2021-22	1,844,859	946,663	10,964	(78)	(380)	10,506	(2,193)	(892)	0	7,420
8	2022-23	1,881,325	983,128	11,386	(81)	(219)	11,086	(2,277)	(963)	0	7,845
9	2023-24	1,918,519	1,020,323	11,817	(84)	(221)	11,511	(2,363)	(1,036)	0	8,112
10	2024-25	1,956,458	1,058,262	12,256	(87)	(224)	11,945	(2,451)	(1,109)	0	8,384
11	2025-26	1,995,156	1,096,959	12,704	(91)	(226)	12,387	(2,541)	(1,185)	0	8,662
12	2026-27	2,034,627	1,136,430	11,432	(81)	(173)	11,178	(2,286)	(1,096)	0	7,796
13	2027-28	2,074,888	1,176,691	11,773	(84)	(160)	11,529	(2,355)	(1,157)	0	8,017
14	2028-29	2,115,954	1,217,757	12,184	(87)	(162)	11,935	(2,437)	(1,226)	0	8,272
15	2029-30	2,157,841	1,259,645	12,603	(90)	(163)	12,350	(2,521)	(1,297)	0	8,532
16	2030-31	2,200,566	1,302,370	13,030	(93)	(164)	12,773	(2,606)	(1,369)	0	8,798
17	2031-32	2,244,146	1,345,949	13,466	(96)	(166)	13,204	(2,693)	(1,442)	0	9,069
18	2032-33	2,288,597	1,390,400	13,910	(99)	(167)	13,644	(2,782)	(1,517)	0	9,346
19	2033-34	2,333,937	1,435,741	14,364	(102)	(280)	13,981	(2,873)	(1,593)	0	9,516
20	2034-35	2,380,184	1,481,988	14,826	(106)	(280)	14,440	(2,965)	(1,670)	(52)	9,753
21	2035-36	2,427,356	1,529,160	15,298	(109)	(281)	14,908	(3,060)	(1,750)	(105)	9,994
22	2036-37	2,475,471	1,577,275	15,779	(112)	(788)	14,879	(3,156)	(1,830)	(159)	9,734
23	2037-38	2,524,549	1,626,353	16,270	(116)	0	16,154	(3,254)	(1,913)	(213)	10,774
24	2038-39	2,574,608	1,676,412	16,770	(120)		16,651	(3,354)	(1,997)	(270)	11,030
25	2039-40	2,625,669	1,727,472	17,281	(123)		17,158	(3,456)	(2,083)	(327)	11,292
26	2040-41	2,677,750	1,779,554	17,802	(127)		17,675	(3,560)	(2,170)	(385)	11,559
27	2041-42	2,730,874	1,832,677	18,333	(131)		18,202	(3,667)	(2,260)	(445)	11,832
28	2042-43	2,785,059	1,886,863	18,875	(135)		18,740	(3,775)	(2,351)	(505)	12,110
29	2043-44	2,840,329	1,942,132	19,428	(138)		19,289	(3,886)	(2,443)	(567)	12,393
30	2044-45	2,896,704	1,998,507	19,991	(142)		19,849	(3,998)	(2,538)	(630)	12,682
31	2045-46	2,954,206	2,056,010	20,566	(147)		20,420	(4,113)	(2,635)	(695)	12,977
32	2046-47	3,012,858	2,114,662	21,153	(151)		21,002	(4,231)	(2,733)	(760)	13,278
33	2047-48	3,072,684	2,174,487	21,751	(155)		21,596	(4,350)	(2,834)	(827)	13,585
				<b>473,424</b>	<b>(3,374)</b>	<b>(6,488)</b>	<b>463,562</b>	<b>(94,685)</b>	<b>(51,037)</b>	<b>(5,940)</b>	<b>311,901</b>

**Oakland Redevelopment Successor Agency  
West Oakland Redevelopment Project**

Historical Values



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**Table 3**

	<b>Base Year 2003-04</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Secured (2)</b>												
Land	866,842,089	454,783,698	840,071,885	526,218,268	562,242,357	523,293,208	478,960,562	472,887,691	474,639,765	491,682,036	528,385,266	581,687,796
Improvements	0	867,118,072	2,572,037	976,575,178	991,747,537	902,338,567	824,679,146	820,057,999	802,777,547	846,141,087	934,371,753	1,048,080,553
Personal Property	0	4,428,504	0	3,959,640	3,687,791	3,691,454	4,311,931	6,079,895	7,575,576	3,569,664	5,267,059	4,018,115
Exemptions	0	(54,524,959)	0	(50,787,449)	(55,928,639)	(55,704,668)	(52,829,219)	(64,512,895)	(54,683,296)	(57,226,431)	(72,947,545)	(69,331,375)
<b>Total Secured</b>	<b>866,842,089</b>	<b>1,271,805,315</b>	<b>842,643,922</b>	<b>1,455,965,637</b>	<b>1,501,749,046</b>	<b>1,373,618,561</b>	<b>1,255,122,420</b>	<b>1,234,512,690</b>	<b>1,230,309,592</b>	<b>1,284,166,356</b>	<b>1,395,076,533</b>	<b>1,564,455,089</b>
<b>Unsecured</b>												
Land	0	9,815,624	0	10,022,605	10,204,816	10,607,046	10,520,856	10,459,474	10,682,234	10,873,086	10,934,368	7,971,386
Improvements	0	72,611,940	0	73,777,225	74,869,476	77,152,989	78,239,520	73,763,731	79,680,020	82,556,135	84,374,661	54,019,309
Personal Property	55,552,659	30,857,563	55,552,659	33,882,863	37,148,704	42,136,147	39,931,213	42,605,127	49,323,820	50,053,460	54,030,563	51,792,295
Exemptions	0	(59,830,293)	0	(60,835,098)	(67,571,672)	(64,475,750)	(63,214,875)	(65,549,557)	(75,529,946)	(41,735,619)	(67,484,334)	(34,223,473)
<b>Total Unsecured</b>	<b>55,552,659</b>	<b>53,454,834</b>	<b>55,552,659</b>	<b>56,847,595</b>	<b>54,651,324</b>	<b>65,420,432</b>	<b>65,476,714</b>	<b>61,278,775</b>	<b>64,156,128</b>	<b>101,747,062</b>	<b>81,855,258</b>	<b>79,559,517</b>
<b>GRAND TOTAL</b>	<b>922,394,748</b>	<b>1,325,260,149</b>	<b>898,196,581</b>	<b>1,512,813,232</b>	<b>1,556,400,370</b>	<b>1,439,038,993</b>	<b>1,320,599,134</b>	<b>1,295,791,465</b>	<b>1,294,465,720</b>	<b>1,385,913,418</b>	<b>1,476,931,791</b>	<b>1,644,014,606</b>
Incremental Value:		402,865,401		614,616,651	658,203,789	540,842,412	422,402,553	397,594,884	396,269,139	487,716,837	578,735,210	745,818,025
Annual Value Change:				14.15%	2.88%	-7.54%	-8.23%	-1.88%	-0.10%	7.06%	6.57%	11.31%

(1) Source: County of Alameda.

(2) Secured values include state assessed non-unitary utility property.

**Oakland Redevelopment Successor Agency  
West Oakland Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

For Fiscal Year 2015-16

**Table 4**



08/19/15

	Secured			Unsecured			Total			Use Code
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	% of Inc. Value	
1. Ikea Property Inc. [Owner has pending appeals on parcels]	\$30,218,412	6	1.93%	\$0	0	0.00%	\$30,218,412	1.84%	4.05%	Furniture Retailer
2. East Bay Bridge Retail LLC	\$27,618,139	2	1.77%	\$0	0	0.00%	\$27,618,139	1.68%	3.70%	Retail Shopping Center
3. REO Homes LLC	\$27,427,769	161	1.75%	\$0	0	0.00%	\$27,427,769	1.67%	3.68%	Non-contiguous Single Family Homes
4. Jack London Equity 3 LLC	\$17,636,582	1	1.13%	\$0	0	0.00%	\$17,636,582	1.07%	2.36%	
5. Lenawee LLC & Horowitz LLC [Owner has pending appeals on parcels]	\$17,300,000	1	1.11%	\$0	0	0.00%	\$17,300,000	1.05%	2.32%	Retail Shopping Center
6. KS Properties One LLC	\$16,125,026	11	1.03%	\$0	1	0.00%	\$16,125,026	0.98%	2.16%	Industrial and Vacant Properties
7. PSAI Old Oakland Associates LLC	\$14,654,367	3	0.94%	\$0	0	0.00%	\$14,654,367	0.89%	1.96%	Non-contiguous Industrial Properties
8. BRE ESA Properties LLC	\$13,858,000	1	0.89%	\$589,028	1	0.74%	\$14,447,028	0.88%	1.94%	Extended Stay America Hotel
9. Extra Space of Hollis Street LLC	\$11,902,091	1	0.76%	\$62,591	0	0.08%	\$11,964,682	0.73%	1.60%	Self Storage Facility
10. Iron Mountain Records Management Inc. [Owner has pending appeals on parcels]	<u>\$11,837,520</u>	<u>1</u>	0.76%	<u>\$65,575</u>	<u>2</u>	0.08%	<u>\$11,903,095</u>	0.72%	1.60%	Industrial - Records Management
<b>Top Ten Property Owner Totals:</b>	<b>\$188,577,906</b>	<b>188</b>		<b>\$717,194</b>	<b>4</b>		<b>\$189,295,100</b>			
Project Area Totals:	\$1,564,455,089		12.05%	\$79,559,517		0.90%	\$1,644,014,606	11.51%		
Project Area Incremental Value:	\$721,811,167		26.13%	\$24,006,858		2.99%	\$745,818,025		25.38%	

**Oakland Redevelopment Successor Agency  
West Oakland Redevelopment Project**

New Development

Table 5



08/19/15

000's omitted

<u>Real Property</u>	<u>Sq. Ft./ # Units</u>	<u>Unit Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Value Added</u>	<u>Start</u>	<u>Complete</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
	0	\$0.00	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
Transfers of Non-Single Family Parcels after 1/1/2015	39	Lump Sum	\$16,933,091	\$10,329,458	\$6,604			\$0	\$6,604	\$0	\$0	\$0
Transfers of Single Family Parcels after 1/1/2015	57	Lump Sum	\$23,947,000	\$14,449,660	\$9,497			\$0	\$9,497	\$0	\$0	\$0
<b>Total Real Property:</b>	96		\$40,880,091	\$24,779,118	\$16,101				\$16,101	\$0	\$0	\$0
						Adj. Annually for Inflation @	2%			\$0	\$0	\$0

F:\Bond Services\Oakland 2015 Refunding Bonds\Oakland 2015 Refunding Bonds - Projection v6

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## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture of Trust (the “Indenture”) authorizing the Series 2015-TE Bonds and the Taxable Series 2015-T Bonds (referred to collectively in this Appendix D as, the “2015 Bonds”) that are not otherwise described in the text of this Official Statement. Such summary is not intended to be definitive, and reference is made to the actual Indenture (copies of which may be obtained from the Trustee) for the complete terms thereof.

#### Definitions

Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respective meanings previously given in the Indenture. In addition, the following terms have the following meanings when used in this summary:

“**Bonds**” means the 2015 Bonds and any Parity Debt issued as bonds pursuant to a Supplemental Indenture.

“**Bond Counsel**” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“**Bond Year**” means each 12 month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on September 1, 2015.

“**Business Day**” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

“**Broadway/MacArthur/San Pablo Redevelopment Project Indenture**” means the Indenture of Trust dated as of October 1, 2006, between the Former Agency and Wells Fargo Bank, National Association, as trustee, pursuant to which the Series 2006C-TE Bonds and \$12,325,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-T (Federally Taxable) were issued.

“**Broadway/MacArthur/San Pablo Redevelopment Project Subordinate Indenture**” means the Indenture of Trust, dated as of November 1, 2010, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which \$7,390,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds - Direct Payment) were issued.

“**Central City East Redevelopment Project Indenture**” means the Indenture of Trust dated as of October 1, 2006, between the Former Agency and Wells Fargo Bank, National Association, as trustee, pursuant to which the Series 2006A-TE Bonds and \$62,520,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T (Federally Taxable) were issued.

**“Central District Redevelopment Project Indenture”** means the Indenture of Trust dated as of January 1, 2003, between the Former Agency and BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, as heretofore supplemented and amended by the First Supplemental Indenture of Trust, dated as of February 1, 2005, between the Former Agency and The Bank of New York Trust Company, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, the Second Supplemental Indenture of Trust dated as of November 1, 2006, between the Former Agency and The Bank of New York Trust Company, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, the Third Supplemental Indenture of Trust dated as of May 1, 2009, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, and the Fourth Supplemental Indenture of Trust dated as of September 1, 2013 between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which \$33,135,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2006T (Federally Taxable), \$38,755,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable) and \$102,960,000 initial aggregate principal amount of Oakland Redevelopment Successor Agency Central District Redevelopment Project Subordinated Tax Allocation Refunding Bonds, Series 2013, were issued.

**“City”** means the City of Oakland.

**“Closing Date”** means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2015 Bonds is September 2, 2015.

**“Code”** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2015-TE Bonds or (except as otherwise referenced in the Indenture) as it may be amended to apply to obligations issued on the date of issuance of the Series 2015-TE Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

**“Coliseum Redevelopment Project Indenture”** means the Indenture of Trust dated as of October 1, 2006 between the Former Agency and Wells Fargo Bank, National Association, as trustee, pursuant to which the Series 2006B-TE Bonds and \$73,820,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T (Federally Taxable) were issued.

**“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate with respect to the 2015 Bonds, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, the fees and expenses of counsel to the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

**“Costs of Issuance Fund”** means the fund by that name established and held by the Trustee pursuant to the Indenture and as described in this summary under the heading “ESTABLISHMENT OF FUNDS AND ACCOUNTS; FLOW OF FUNDS.”

**“County”** means the County of Alameda.

**“Debt Service Fund”** means the fund by that name established and held by the Trustee pursuant to the Indenture and as described in this summary under the heading “ESTABLISHMENT OF FUNDS AND ACCOUNTS; FLOW OF FUNDS.”

**“Defeasance Obligations”** means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies, if any, then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies, if any, then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

**“Department of Finance”** means the Department of Finance of the State of California.

**“Dissolution Act”** means California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

**“Escrow Trustee”** shall mean the trustee for the Refunded Bonds identified in each of the Refunding Instructions.

**“Event of Default”** means any of the events described in this summary under the heading “EVENTS OF DEFAULT AND REMEDIES OF OWNERS.”

**“Existing Bonds”** means the bonds listed on Exhibit C of the Indenture.

**“Existing Indentures”** means, collectively, the Broadway/MacArthur/San Pablo Redevelopment Project Indenture, the Broadway/MacArthur/San Pablo Redevelopment Project Subordinate Indenture, the Central City Redevelopment Project Indenture, the Central District Redevelopment Project Indenture, the Coliseum Redevelopment Project Indenture and the Housing Indenture.

**“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

**“Federal Securities”** means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

**“Fiscal Year”** means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

**“Former Agency”** means the now dissolved Redevelopment Agency of the City of Oakland.

**“Housing Indenture”** means the Indenture dated as of May 1, 2000 between the Former Agency and BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, as heretofore supplemented and amended by the First Supplemental Indenture dated as of April 1, 2006 between the Former Agency and The Bank of New York Trust Company, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the Second Supplemental Indenture dated as of March 1, 2011 between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the Series 2006A Housing Bonds, the Series 2006A-T Housing Bonds and the \$46,980,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable) were issued.

**“Indenture”** means the Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

**“Independent Accountant”** means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

- (a) is in fact independent and not under domination of the Successor Agency or the City;
- (b) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and
- (c) is not connected with the Successor Agency or the City as an officer or employee of the Successor Agency or the City, but who may be regularly retained to make reports to the Successor Agency or the City.

**“Independent Redevelopment Consultant”** means any consultant or firm of such consultants appointed by the Successor Agency (who may be an underwriter of bonds of the Successor Agency or the City), and who, or each of whom:

- (a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of Redevelopment Projects;
- (b) is in fact independent and not under domination of the Successor Agency or the City;
- (c) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and
- (d) is not connected with the Successor Agency or the City as an officer or employee of the Successor Agency or the City, but who may be regularly retained to make reports to the Successor Agency or the City.

**“Insurer”** means the 2015 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to Parity Debt.

**“Interest Account”** means the account by that name established and held by the Trustee pursuant to the Indenture.

**“Interest Payment Date”** means each March 1 and September 1, commencing March 1, 2016, for so long as any of the Bonds remain Outstanding under the Indenture.

**“Law”** means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

**“Maximum Annual Debt Service”** means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the 2015 Bonds or any Parity Debt in such Bond Year. For purposes of such calculation, the amount of interest on any Bonds or other Parity Debt that is payable from the proceeds of such Bonds or Parity Debt that is set aside solely for such purpose shall not be included in the calculation of Maximum Annual Debt Service, and there also shall be excluded payments with respect to the 2015 Bonds or any Parity Debt to the extent that amounts due with respect to the 2015

Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with the Indenture or the relevant Parity Debt Instrument.

**“Moody’s”** means Moody’s Investors Service and its successors.

**“Outstanding”** when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds paid or deemed to have been paid pursuant to the Indenture; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant to the Indenture.

**“Oversight Board”** means the Oversight Board of the Successor Agency established pursuant to the Section 34179 of the Dissolution Act.

**“Owner”** or **“Bondowner”** means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

**“Parity Debt”** means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2015 Bonds pursuant to the Indenture.

**“Parity Debt Instrument”** means resolution, indenture of trust, supplemental indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt.

**“Participating Underwriter”** has the meaning ascribed thereto in the Continuing Disclosure Certificate.

**“Permitted Investments”** means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies, if any, then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies, if any, then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Federal Securities;
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes,

local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAM or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services);

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amounts being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "Aa" or better by Moodys' and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moodys' and "AA" or better by S&P;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1" by S&P; and

(k) The Local Agency Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

**"Pledged Tax Revenues"** means all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Article 6 of

Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the RPTTF, excluding (i) Tax Revenues required to pay debt service on the Existing Bonds, but only to the extent that such Tax Revenues were pledged to the payment of debt service on the Existing Bonds, (ii) amounts required to be paid under the Uptown Redevelopment Project Ground Lease and the 17th St. Garage DDA, but only to the extent that the amounts that would otherwise constitute Pledged Tax Revenues were pledged to the payment thereof (thereby not including in such exclusion Pledged Tax Revenues that were not pledged to the payment of amounts owed pursuant to the Uptown Redevelopment Project Ground Lease and the 17th St. Garage DDA), and (iii) all amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law and Section 34183(a)(1) of the Dissolution Act unless such payments are subordinated to payments on the 2015 Bonds or any additional Bonds issued pursuant to a Supplemental Indenture or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

**“Principal Account”** means the account by that name established and held by the Trustee pursuant to the Indenture.

**“Principal Corporate Trust Office”** means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted, initially in Salt Lake City, Utah.

**“Project Areas”** means the redevelopment project areas described in the Redevelopment Plans.

**“Qualified Reserve Account Credit Instrument”** means (i) the 2015 Reserve Policy and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company of “A” (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to the Indenture.

**“Recognized Obligation Payment Schedule”** means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code.

**“Record Date”** means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

**“Redemption Account”** means the account by that name established and held by the Trustee pursuant to the Indenture.

**“Redevelopment Obligation Retirement Fund”** means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(b) and administered by the Successor Agency.

**“Redevelopment Plan - Broadway/MacArthur/San Pablo Redevelopment Project Area”** means the redevelopment plan for the Broadway/MacArthur/San Pablo Redevelopment Project of the Former Agency in Oakland, California, entitled “Broadway/MacArthur/San Pablo Redevelopment Project,” adopted and approved by Ordinance No. 12269 adopted by the Council of the City of Oakland, California on July 25, 2000, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - Central City East Redevelopment Project Area”** means the redevelopment plan for the Central City East Redevelopment Project of the Former Agency in Oakland, California, entitled “Central City East Redevelopment Project,” adopted and approved by Ordinance 12559 adopted by the Council of the City of Oakland, California on November 18, 2003, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - Central District Redevelopment Project Area”** means the redevelopment plan for the Central District Redevelopment Project of the Former Agency in Oakland, California, entitled “Central District Urban Renewal Plan,” adopted and approved by Ordinance No. 7987 adopted by the Council of the City of Oakland, California on June 12, 1969, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - Coliseum Area Redevelopment Project Area”** means the redevelopment plan for the Coliseum Area Redevelopment Project of the Former Agency in Oakland, California, entitled “The Redevelopment Plan for the Coliseum Area Redevelopment Project,” adopted and approved by Ordinance No. 11824 C.M.S. adopted by the Council of the City of Oakland, California on July 25, 1995, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - Oak Knoll Redevelopment Project Area”** means the Redevelopment Plan for the Oak Knoll Redevelopment Project of the Former Agency in Oakland, California, entitled “Redevelopment Plan for the Oak Knoll Redevelopment Project,” adopted and approved by Ordinance No. 12065 C.M.S. adopted by the Council of the City of Oakland, California on July 14, 1998, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - Oakland Army Base Redevelopment Project Area”** means the redevelopment plan for the Oakland Army Base Redevelopment Project of the Former Agency in Oakland, California, entitled “Oakland Army Base Redevelopment Plan,” adopted and approved by Ordinance No. 12259 adopted by the Council of the City of Oakland, California on July 11, 2000, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plan - West Oakland Redevelopment Project Area”** means the redevelopment plan for the West Oakland Redevelopment Project of the Former Agency in Oakland, California, entitled “West Oakland Redevelopment Plan,” adopted and approved by Ordinance No. 12559 adopted by the Council of the City of Oakland, California on November 18, 2003, as heretofore amended and as may hereafter be amended in accordance with the law.

**“Redevelopment Plans”** means, collectively, the Redevelopment Plan - Broadway/MacArthur/San Pablo Redevelopment Project Area, the Redevelopment Plan - Central City East Redevelopment Project Area, the Redevelopment Plan - Central District Redevelopment Project Area, the Redevelopment Plan - Coliseum Area Redevelopment Project Area,, the Redevelopment Plan -

Oak Knoll Redevelopment Project Area, the Redevelopment Plan - Oakland Army Base Redevelopment Project Area, and the Redevelopment Plan - West Oakland Redevelopment Project Area.

**“Redevelopment Projects”** means the undertaking of the Successor Agency pursuant to the Redevelopment Plans and the Law for the redevelopment of the Project Areas.

**“Redevelopment Property Tax Trust Fund”** or **“RPTTF”** means the fund by that name established pursuant to California Health & Safety Code Sections 34170.5(a) and 34172(c) and administered by the Auditor-Controller of the County of Alameda.

**“Refunded Bonds”** means, collectively, the Series 2006A Housing Bonds, the Series 2006A-T Housing Bonds, the Series 2006A-TE Bonds, the Series 2006B-TE Bonds and the Series 2006C-TE Bonds.

**“Refunding Instructions - 2006 Housing Bonds”** means the Irrevocable Refunding Instructions relating to the Series 2006A Housing Bonds and the Series 2006A-T Housing Bonds dated the Closing Date with respect to the 2015 Bonds and given by the Successor Agency to the trustee for the Series 2006A Housing Bonds and the Series 2006A-T Housing Bonds.

**“Refunding Instructions - Series 2006A-TE Bonds, Series 2006B-TE Bonds and Series 2006C-TE Bonds”** means the Irrevocable Refunding Instructions relating to the Series 2006A-TE Bonds, the Series 2006B-Te Bonds and the Series 2006C-TE Bonds dated the Closing Date with respect to the 2015 Bonds and given by the Successor Agency to the trustees for the Series 2006A-TE Bonds, the Series 2006B-TE Bonds and the Series 2006C-TE Bonds.

**“Refunding Instructions”** means, collectively, the Refunding Instructions - 2006 Housing Bonds and the Refunding Instructions - Series 2006A-T Bonds, Series 2006B-TE Bonds and Series 2006C-TE Bonds.

**“Refunding Law”** means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

**“Registration Books”** means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

**“Report”** means a document in writing signed by an Independent Redevelopment Consultant and including:

- (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and
- (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

**“Reserve Account”** means the account by that name established and held by the Trustee pursuant to the Indenture.

**“Reserve Requirement”** means, subject to the Indenture, with respect to the 2015 Bonds, and each series of Parity Debt issued in the form of Bonds, the lesser of

(i) 125% of the average Annual Debt Service with respect to that series of the Bonds,

(ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

(iii) with respect to an individual series of Bonds, 10% of the original principal amount of a series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium (as determined in accordance with the Code), 10% of the issue price of such series of Bonds);

provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of the Indenture.

Notwithstanding the foregoing, the calculation of Reserve Requirement may, with respect to two or more series of Bonds, be determined on a combined basis.

**“S&P”** means Standard & Poor’s Financial Services LLC, a division of McGraw Hill Financial, and its successors.

**“Semiannual Period”** means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

**“Serial Bonds”** means all Bonds other than Term Bonds.

**“Series 2006A Housing Bonds”** means the \$2,195,000 initial aggregate principal amount Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A.

**“Series 2006A-T Housing Bonds”** means the \$82,645,000 initial aggregate principal amount Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable).

**“Series 2006A-TE Bonds”** means the \$13,780,000 initial aggregate principal amount Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE.

**“Series 2006B-TE Bonds”** means the \$28,770,000 initial aggregate principal amount Redevelopment Agency of the City of Oakland Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE.

**“Series 2006C-TE Bonds”** means the \$4,945,000 initial aggregate principal amount Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE.

**“Series 2015-TE Bonds”** means the \$22,510,000 initial aggregate principal amount the Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE.

**“Special Fund”** means the fund held by the Successor Agency established pursuant to the Indenture.

**“State”** means the State of California.

**“Subordinate Debt”** means any loans, advances or indebtedness issued or incurred by the Successor Agency pursuant to the Indenture, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues which is expressly subordinate to the pledge of and lien upon the Pledged Tax Revenues under the Indenture for the security of the 2015 Bonds, the Existing Loans and any Parity Debt.

**“Subordinate Debt Instrument”** means any instrument providing for the issuance of Subordinate Debt.

**“Supplemental Indenture”** means any resolution, agreement or other instrument which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

**“Tax Revenues”** shall have the meanings assigned to such terms in the Existing Indentures.

**“Taxable Series 2015-T Bonds”** means the \$66,675,000 initial aggregate principal amount of Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally Taxable).

**“Term Bonds”** means (i) the Taxable Series 2015-T Bonds maturing on September 1, 2035, and (ii) that portion of any other Bonds payable from mandatory sinking account payments.

**“Trustee”** means Zions First National Bank, as trustee under the Indenture, or any successor thereto appointed as trustee under the Indenture in accordance with the provisions thereof.

**“Uptown Redevelopment Project Ground Lease”** means the Uptown Redevelopment Project Ground Lease dated as of October 24, 2005, between the Former Agency, the City and Uptown Housing Partners, LP.

**“Written Request of the Successor Agency”** or **“Written Certificate of the Successor Agency”** means a request or certificate, in writing signed by the Administrator or Treasurer of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose.

**“17th Street Garage DDA”** means the 17th St. Garage Disposition and Development Agreement dated August 24, 2004, by and between the Former Agency and Rotunda Garage, LP.

**“2015 Bonds”** means, collectively, the Series 2015-TE Bonds and the Taxable Series 2015-T Bonds.

**“2015 Insurance Policy”** means the municipal bond insurance policy issued by the 2015 Insurer guaranteeing the scheduled payment of the principal of and interest on the 2015 Bonds when due as provided in the Indenture.

**“2015 Insurer”** means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof, as the issuer of the 2015 Insurance Policy and the 2015 Reserve Policy.

**“2015 Reserve Policy”** means the municipal bond debt service reserve insurance policy in the initial maximum amount of \$8,576,066.51.

## **SECURITY OF BONDS; EQUAL SECURITY**

Except as may otherwise be provided in the Indenture, the 2015 Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and the moneys in the Special Fund, and the 2015 Bonds and any additional Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (including any subaccounts therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues, which constitute the amounts deposited in the Redevelopment Property Tax Trust Fund that are not pledged to other obligations of the Former Agency or the Successor Agency, and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements therein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein.

## **ESTABLISHMENT OF FUNDS AND ACCOUNTS; FLOW OF FUNDS**

**Costs of Issuance Fund.** A separate fund shall be established and be known as the “Costs of Issuance Fund,” which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2015 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is 6 months following the Closing Date with respect to the 2015 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund, with 25.24% of such amount used to pay debt service on the Series 2015-TE Bonds, and 74.76% of such amount used to pay debt service on the Taxable Series 2015-T Bonds, and the Costs of Issuance Fund shall be closed.

**Special Fund; Deposit of Pledged Tax Revenues.** A special fund shall be established and be known as the “Subordinate Bonds Special Fund” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund and which shall be known as the “Special Fund”. The Subordinate Bonds Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency. The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any Semiannual Period in accordance with the Indenture into the Special Fund promptly upon receipt thereof by the Successor Agency. All Pledged Tax Revenues received by the Successor Agency in excess of the amount required to make the deposits required in the Indenture in order to pay debt service on the Bonds and any Parity Debt and to make any other payments due thereunder, and except as may be provided to the contrary in the Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien thereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in the Indenture and in any Supplemental Indenture or other Parity Debt Instrument.

**Debt Service Fund; Deposit of Amounts by Trustee.** A separate trust fund shall be established and be known as the Debt Service Fund, which shall be held by the Trustee under the Indenture in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the 5th Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Parity Debt other than Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of March 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture).

(b) Principal Account. On or before the 5th Business Day preceding September 1 in each year beginning September 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. Within the Debt Service Fund a separate account shall be established and be known as the “Reserve Account” solely as security for payments payable by the Successor Agency pursuant to the Indenture any Supplemental Indenture or other Parity Debt Instrument, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and any Parity Debt. The Reserve Requirement for the Series 2015-TE Bonds and the Taxable Series 2015-T Bonds will be calculated on a combined basis and will be satisfied by the delivery of the 2015 Reserve Policy by the 2015 Insurer on the Closing Date with respect to the 2015 Bonds. The Successor Agency will have no obligation to replace the 2015 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2015 Bonds are Outstanding, amounts are not available under the 2015 Reserve Policy other than in connection with a draw on the 2015 Reserve Policy. Additionally, the Successor Agency will have no obligation to replace the 2015 Reserve Policy, to deposit any cash in the Reserve Account or to take any other action with respect to the 2015 Reserve Policy in the event that any rating assigned to the 2015 Insurer by S&P or Moody’s is lowered or withdrawn.

Except as provided in the preceding paragraph and as may be provided in a Supplemental Indenture or Parity Debt Instrument, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

The amounts available under the 2015 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2015 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds and any Parity Debt in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and under the Indenture to the Interest Account, the Principal Account and the Sinking Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default under the Indenture or any Parity Debt Instrument, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before 2 Business Days preceding each March 1 and September 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Indenture or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor

the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture. Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to the Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to the Indenture shall be pro-rata with respect to each such instrument. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand alone basis.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt not issued as Bonds in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

(d) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to the Indenture, the Trustee shall withdraw from the Debt Service Fund any amount transferred by the Successor Agency pursuant to the Indenture for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Series 2015-TE Bonds, the Taxable Series 2015-T Bonds and on other Bonds to be redeemed on such date pursuant to the Indenture or pursuant to a Supplemental Indenture. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2015-TE Bonds, the Taxable Series 2015-T Bonds and on such other Bonds to be redeemed pursuant to the Indenture or pursuant to a Supplemental Indenture on the date set for such redemption. Interest due on the Series 2015-TE Bonds, the Taxable Series 2015-T Bonds or such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such Series 2015-TE Bonds, the Taxable Series 2015-T Bonds or such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2015-TE Bonds, the Taxable Series 2015-T Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Series 2015-TE

Bonds, the Taxable Series 2015-T Bonds or such other Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

**Provisions Relating to 2015 Insurance Policy.** As long as the 2015 Insurance Policy shall be in full force and effect or any amounts are owed to the 2015 Insurer in connection therewith, and notwithstanding anything to the contrary set forth elsewhere in the Indenture, the Successor Agency and the Trustee shall comply with the following provisions:

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date of the 2015 Bonds (the “2015 Bonds Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the 2015 Bonds due on such Payment Date, the Trustee shall give notice to the 2015 Insurer and to its designated agent (if any) (the “2015 Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related 2015 Bonds Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2015 Bonds due on such 2015 Bonds Payment Date, the Trustee shall make a claim under the 2015 Insurance Policy and give notice to the 2015 Insurer and the 2015 Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2015 Bonds and the amount required to pay principal of the 2015 Bonds, confirmed in writing to the 2015 Insurer and the 2015 Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2015 Insurance Policy.

(b) The Trustee shall designate any portion of payment of principal on 2015 Bonds paid by the 2015 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2015 Bonds registered to the then current Owner of such 2015 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement 2015 Bond of like tenor and series to the 2015 Insurer, registered in the name of the 2015 Insurer in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement 2015 Bond shall have no effect on the amount of principal or interest payable by the Successor Agency on any 2015 Bond or the subrogation rights of the 2015 Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the 2015 Insurer into the 2015 Bonds Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any 2015 Bond. The 2015 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the 2015 Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of the Owners of the 2015 Bonds referred to in the Indenture as the “2015 Bonds Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2015 Insurance Policy in trust on behalf of the Owners of the 2015 Bonds and shall deposit any such amount in the 2015 Bonds Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Owners of the 2015 Bonds in the same manner as principal and interest payments are to be made with respect to the 2015 Bonds under the sections of the Indenture regarding payment of 2015 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Successor Agency agrees to pay to the 2015 Insurer (i) a sum equal to the total of all amounts paid by the 2015 Insurer under the 2015 Insurance Policy (the “2015 Bond Insurer

Advances”); and (ii) interest on such 2015 Bond Insurer Advances from the date paid by the 2015 Insurer until payment thereof in full, payable to the 2015 Insurer at the Late Payment Rate per annum (collectively, the “2015 Bond Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the 2015 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Successor Agency hereby covenants and agrees that the 2015 Bond Insurer Reimbursement Amounts shall be secured by a valid lien on all revenues and other collateral pledged as security for the 2015 Bonds (subject only to the priority of payment provisions set forth under the Indenture).

(e) Funds held in the 2015 Bonds Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the 2015 Bonds Policy Payments Account following a 2015 Bonds Payment Date shall promptly be remitted to the 2015 Insurer.

**Provisions Relating to 2015 Reserve Policy.** So long as the 2015 Reserve Policy remains in force and effect or any amounts are owed in connection therewith, the following provisions shall govern, notwithstanding anything to the contrary contained in the Indenture:

(a) The Successor Agency shall repay any draws under the 2015 Reserve Policy and pay all related reasonable expenses incurred by the 2015 Insurer and shall pay interest thereon from the date of payment by the 2015 Insurer at the Late Payment Rate. If the interest provisions of this subparagraph (a) result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the 2015 Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and the 2015 Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created in the Indenture exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws under the 2015 Reserve Policy and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “2015 Reserve Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2015 Reserve Policy Costs related to such draw. The Successor Agency shall take all actions required by the Dissolution Act to ensure that 2015 Reserve Policy Costs are paid to the 2015 Insurer when due, including the submission of Recognized Obligation Payment Schedules providing for 2015 Reserve Policy Costs that are payable to the 2015 Insurer.

Amounts in respect of 2015 Reserve Policy Costs paid to the 2015 Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the 2015 Insurer on account of principal due, the coverage under the 2015 Reserve Policy will be increased by a like amount, subject to the terms of the 2015 Reserve Policy. The obligation to pay 2015 Reserve Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as

security for the 2015 Bonds (subject only to the priority of payment provisions set forth under the Indenture).

All cash and investments in the Reserve Account relating to the 2015 Bonds shall be transferred to the Principal Account and the Interest Account for payment of debt service on the 2015 Bonds before any drawing may be made on the 2015 Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a "Credit Facility"). Payment of any 2015A Surety Bond Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the 2015 Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of 2015 Reserve Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Successor Agency fails to pay any 2015 Reserve Policy Costs in accordance with the requirements of the provisions in the Indenture relating to the 2015 Reserve Policy, the 2015 Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the 2015 Bonds or (ii) remedies which would adversely affect owners of the 2015 Bonds.

(c) The Indenture shall not be discharged until all 2015 Reserve Policy Costs owing to the 2015 Insurer have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Series 2014 Bonds. The Successor Agency shall include any 2015 Reserve Policy Costs then due and owing the 2015 Insurer in determining whether Parity Debt may be issued pursuant to Section 3.05 of the Indenture.

(d) The Trustee shall ascertain the necessity for a claim upon the 2015 Reserve Policy in accordance with the provisions of the foregoing subparagraph (a) and to provide notice to the 2015 Insurer in accordance with the terms of the 2015 Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal is due on the 2015 Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Debt Service Fund more often than semiannually, the Trustee shall be instructed to give notice to the 2015 Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(e) The Successor Agency will pay or reimburse the 2015 Insurer any and all charges, fees, costs, losses, liabilities and expenses which the 2015 Insurer may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the 2015 Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the 2015 Reserve Policy, the Indenture or any other document executed in connection with the 2015 Bonds (the "2015 Bonds Related Documents"), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to the Indenture or any other 2015 Bonds Related Document, or the transactions contemplated by the 2015 Bonds Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Indenture or any other 2015 Bonds Related Document, if any, or the pursuit of any remedies under the Indenture or any other 2015 Bonds Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Indenture, the 2015 Reserve Policy or any other

2015 Bonds Related Document whether or not executed or completed, or (v) any action taken by the 2015 Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under the Indenture or any other 2015 Bonds Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the 2015 Insurer spent in connection with the actions described in clauses (ii)-(v) above. The 2015 Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other 2015 Bonds Related Document. Amounts payable by the Successor Agency hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the 2015 Insurer until the date the 2015 Insurer is paid in full.

(f) The obligation of the Successor Agency to pay all amounts due to the 2015 Insurer shall be an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of the Indenture, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the 2015 Bonds, the Indenture or any other 2015 Bonds Related Document, (ii) any amendment or other modification of, or waiver with respect to the 2015 Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the 2015 Bonds, the Indenture or any other 2015 Bonds Related Documents; (iv) whether or not such 2015 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the 2015 Reserve Policy, the Indenture or all or any of the other 2015 Bonds Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than the 2015 Insurer, whether in connection with the transactions contemplated herein, in the Indenture or in any other 2015 Bonds Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the 2015 Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the 2015 Insurer under the 2015 Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the 2015 Reserve Policy.

(g) The prior written consent of the 2015 Insurer shall be a condition precedent to the deposit of any Credit Facility credited to the Reserve Account for the benefit of the 2015 Bonds in lieu of the 2015 Reserve Policy or a cash deposit into the Reserve Account. Amounts drawn under the 2015 Reserve Policy shall be available only for the payment of scheduled principal and interest on the 2015 Bonds when due.

(h) Notwithstanding the satisfaction of the other conditions relating to the issuance of Parity Debt set forth in Section 3.05 of the Indenture, no such issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured by the issuance of such Parity Debt.

**Rights of the 2015 Insurer.** For so long as either the 2015 Insurance Policy or the 2015 Reserve Policy is outstanding or any amounts are owed by the Successor Agency to the 2015 Insurer in connection therewith, notwithstanding anything to the contrary set forth in the Indenture, the following provisions shall govern:

(a) The 2015 Insurer shall be deemed to be the sole holder of the 2015 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2015 Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each 2015 Bond, the Trustee and each Owner of the 2015 Bonds appoint the 2015 Insurer

as their agent and attorney-in-fact and agree that the 2015 Insurer may at any time during the continuation of any Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Owner of the 2015 Bonds delegate and assign to the 2015 Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner of the 2015 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(b) In the event the maturity of the 2015 Bonds is accelerated, the 2015 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Successor Agency) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2015 Insurer’s obligations under the 2015 Insurance Policy with respect to such 2015 Bonds shall be fully discharged.

(c) The 2015 Insurer is a third party beneficiary under the Indenture.

(d) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of the 2015 Bonds to be redeemed shall be subject to the approval of the 2015 Insurer.

(e) The rights granted to the 2015 Insurer under the Indenture to request, consent to or direct any action are rights granted to the 2015 Insurer in consideration of its issuance of the 2015 Insurance Policy. Any exercise by the 2015 Insurer of such rights is merely an exercise of the 2015 Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the 2015 Bonds and such action does not evidence any position of the 2015 Insurer, affirmative or negative, as to whether the consent of the Owners of the 2015 Bonds or any other person is required in addition to the consent of the 2015 Insurer.

(f) To accomplish defeasance of the 2015 Bonds pursuant to Section 9.03 of the Indenture, the Successor Agency shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the 2015 Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the 2015 Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the 2015 Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the 2015 Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the 2015 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency, Trustee and the 2015 Insurer. The 2015 Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. 2015 Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the foregoing criteria with respect to Section 9.03 of the Indenture are met.

(g) Amounts paid by the 2015 Insurer under the 2015 Insurance Policy shall not be deemed paid for purposes of the Indenture and the 2015 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Successor Agency in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the 2015 Insurer have been paid in full or duly provided for.

(h) Each of the Successor Agency and Trustee covenant and agree to take such action as is necessary from time to time under applicable law to preserve the priority of the pledge of the Pledged Tax Revenues and all other amounts pledged to the payment of the 2015 Bonds pursuant to the Indenture.

(i) The 2015 Insurer shall, to the extent it makes any payment of principal of or interest on the 2015 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2015 Insurance Policy. Each obligation of the Successor Agency to the 2015 Insurer under the Indenture shall survive discharge or termination thereof.

(j) The Successor Agency shall pay or reimburse the 2015 Insurer any and all charges, fees, costs and expenses that the 2015 Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture; (ii) the pursuit of any remedies under the Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or the transactions contemplated thereby, other than costs resulting from the failure of the 2015 Insurer to honor its obligations under the 2015 Insurance Policy. The 2015 Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture.

(k) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Successor Agency or rebate only after the payment of past due and current debt service on the 2015 Bonds and amounts required to restore the Reserve Account to the Reserve Requirement (as such term is defined in the Successor Agency Bonds Indenture).

(l) The 2015 Insurer shall be entitled to pay principal or interest on 2015 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the 2015 Insurance Policy) and any amounts due on the 2015 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the 2015 Insurer has received a Notice of Nonpayment (as such terms are defined in the 2015 Insurance Policy) or a claim upon the 2015 Insurance Policy.

(m) The Successor Agency covenants to provide to the 2015 Insurer, promptly upon request, any information regarding the 2015 Bonds or the financial condition and operations of the Successor Agency as reasonably requested by the 2015 Insurer. The Successor Agency will permit the 2015 Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the 2015 Insurer may reasonably request regarding the security for the 2015 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the 2015 Insurer to have access to the facilities, books and records of the Successor Agency on any business day upon reasonable prior notice.

(n) The 2015 Insurer shall be provided with the following information by the Successor Agency or Trustee, as the case may be:

(i) Notice of any draw upon the Reserve Account for the benefit of the 2015 Bonds within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of 2015 Bonds;

(ii) Notice of any default known to the Trustee or the Successor Agency within five (5) Business Days after knowledge thereof;

(iii) Prior notice of the advance refunding or redemption of any of the 2015 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(v) Notice of the commencement of any Insolvency Proceeding;

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the 2015 Bonds;

(vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Indenture;

(viii) All reports, notices and correspondence to be delivered to Owners of the 2015 Bonds under the terms of the Indenture;

(ix) All information furnished pursuant to the Successor Agency's undertaking pursuant to the Continuing Disclosure Certificate shall also be provided to the 2015 Insurer, simultaneously with the furnishing of such information; and

(x) All other information as it may reasonably request.

(o) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the 2015 Bonds or the rights of the Owners of the 2015 Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2015 Insurance Policy.

(p) No contract shall be entered into or any action taken by which the rights of the 2015 Insurer or security for or sources of payment of the 2015 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2015 Insurer.

(q) Any amendment, supplement, modification to, or waiver of, any 2015 Bonds Related Document, that requires the consent of Owners of the 2015 Bonds or adversely affects the rights and interests of the 2015 Insurer shall be subject to the prior written consent of the 2015 Insurer.

## **COVENANTS OF THE SUCCESSOR AGENCY**

**Punctual Payment.** The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of the Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of the Indenture, all Supplemental Indentures and the Bonds. Nothing contained in the Indenture shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to therein.

**Limitation on Additional Indebtedness; Against Encumbrances.** The Successor Agency covenants in the Indenture that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness,

which is in any case payable from all or any part of the Pledged Tax Revenues except for obligations issued to refund any of the Existing Bonds or the 2015 Bonds or any Parity Debt, but only if the requirements of the Indenture are met, and Subordinate Debt. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien therein created for the benefit of the Bonds.

**Extension of Payment.** The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default under the Indenture, to the benefits thereof, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

**Payment of Claims.** The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing contained in the Indenture shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

**Books and Accounts; Financial Statements.** The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Projects, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2015 Insurer, any other Insurer and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, within 180 days after the close of each Fiscal Year so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Projects, including the balances in all funds and accounts relating to the Redevelopment Projects, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2015 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. In addition, the Successor Agency shall deliver to the Trustee, the 2015 Insurer and any other Insurer, on or about February 1 of each year, a Written Certificate of the Successor Agency stating that the Successor Agency is in compliance with its obligations under the Indenture. The Trustee shall have no obligation to review any financial statements provided to it by the Successor Agency. The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2015 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2015 Insurer may reasonably request.

**Protection of Security and Rights of Owners.** The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the 2015 Bonds, the 2015 Bonds shall be incontestable by the Successor Agency.

**Payments of Taxes and Other Charges.** Except as otherwise provided in the Indenture, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Redevelopment Projects, or upon the revenues therefrom when the same shall become due. Nothing contained in the Indenture shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Projects or any part thereof.

**Taxation of Leased Property.** All amounts derived by the Successor Agency pursuant to Section 33673 of the Law with respect to the lease of property for redevelopment shall be treated as Tax Revenues for all purposes of the Indenture.

**Disposition of Property.** The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by a Redevelopment Plan in effect on the date of issuance of the 2015 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than 10% of the land area in the applicable Project Area unless such disposition is permitted as provided in the Indenture. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee under the Indenture will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition.

**Maintenance of Pledged Tax Revenues.** The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues. The Successor Agency shall not undertake proceedings for amendment of any of the Redevelopment Plans if such amendment shall result in payments to one or more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency's ability to pay debt service on the Bonds.

**Continuing Disclosure.** The Successor Agency covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Compliance with the Dissolution Act.** The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings

required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture.

Further, it will take all actions required under the Dissolution Act to include:

- (i) scheduled debt service on the Existing Bonds and any amounts required to replenish any of the reserve accounts established with respect to Existing Bonds,
- (ii) scheduled payments due under the Uptown Redevelopment Project Ground Lease and the 17th St. Garage DDA, (ii) scheduled debt service on the 2015 Bonds and any Parity Debt and any amount required under the Indenture or any Parity Debt Instrument to replenish the Reserve Account established under the Indenture or the reserve account established under any Parity Debt Instrument, and
- (iii) amounts due to any Insurer under an insurance or surety bond agreement,

in Recognized Obligation Payment Schedules for each six-month period so as to enable the Auditor-Controller of the County of Alameda to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective Semiannual Period and to pay amounts owed to any Insurer, as well as the other amounts set forth in the Indenture. In addition, the Successor Agency also covenants to take all actions required under Section 34183(b) of the Dissolution Act to ensure that Pledged Tax Revenues that otherwise would be paid to the taxing entities under Section 34183(a) of the Dissolution Act are paid to the Successor Agency if needed to pay debt service on the 2015 Bonds and any Parity Debt.

In order to accomplish the foregoing, the Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds and (ii) all amounts due and owing to the 2015 Insurer under the Indenture, or to any other Insurer, so as to enable the Alameda County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as well as all amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer. In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer on a timely basis, the Successor Agency agrees to comply with the following procedures:

Not fewer than 90 days prior to each January 2 and June 1 (or at such earlier time or date as may be required by the Dissolution Act), respectively, commencing January 2, 2016 and continuing until such time as no Bonds remain outstanding under the Indenture and no obligation remains owing to the 2015 Insurer, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Alameda County Auditor-Controller that shall include all debt service due on all Outstanding Bonds on the next succeeding March 1 and September 1, respectively.

In addition to the amounts described above, each such submission of an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Alameda County Auditor-Controller shall also include any amounts due and owing to the 2015 Insurer under the Indenture or to any other Insurer, and any amounts required to cure any deficiency in the Reserve Account pursuant to the Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument). Further, in the event the amounts described above are not

sufficient to enable the Successor Agency to make the payments described above on a timely basis, the Successor Agency will place on the next succeeding Recognized Obligation Payment Schedule all amounts necessary to enable the Successor Agency to make all such payments in full when due and owing.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2015 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of moneys required to pay debt service in each Bond Year in the amounts and not later than the dates set forth above.

**TAX COVENANTS**

The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2015-TE Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2015-TE Bonds would have caused the Series 2015-TE Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code. The Successor Agency shall assure that the proceeds of the Series 2015-TE Bonds are not so used as to cause the Series 2015-TE Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2015-TE Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2015-TE Bonds. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2015-TE Bonds from the gross income of the Owners of the Series 2015-TE Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2015-TE Bonds.

**MODIFICATION OR AMENDMENT OF THE INDENTURE**

The Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the written consent of any Owners, to the extent permitted by law, but only for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the Successor Agency contained in the Indenture, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers reserved in the Indenture to or conferred upon the Successor Agency; or
- (b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

- (c) to provide for the issuance of Parity Debt in accordance with the Indenture; or
- (d) to amend any provision of the Indenture relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or
- (e) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, the Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of any Insurer (but only with respect to any Bonds insured by such Insurer) and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

## **EVENTS OF DEFAULT AND REMEDIES OF OWNERS**

**Events of Default Defined; Acceleration of Maturities.** The following events shall constitute Events of Default under the Indenture:

- (a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 30 days following receipt by the Successor Agency of written notice from the Trustee or any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 30 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency (with the prior written consent of any Insurer) within such 30 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time as approved by any Insurer; or
- (c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Successor Agency seeking

reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Successor Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default has occurred under the Indenture and is continuing, the Trustee (subject to the rights granted the 2015 Insurer), may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (z) subject to the provisions of the Indenture, exercise any other remedies available to the Trustee and the Bondowners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to any Insurer and to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to any Insurer and the Owners of all Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds then Outstanding, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

**Application of Funds Upon Acceleration.** All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee under the Indenture upon the date of the declaration of acceleration as provided in the Indenture, and all sums thereafter received by the Trustee under the Indenture, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in the Indenture, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

**Power of Trustee to Control Proceedings.** In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Indenture, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds under the Indenture opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

**Limitation on Owner's Right to Sue.** No Owner of any Bond issued under the Indenture shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Owner shall have previously given to the Successor Agency, the Trustee and any Insurer written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner therein provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and

maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as provided in the Indenture, shall not be impaired or affected without the written consent of such Owner, notwithstanding any provision of the Indenture.

**Remedies Not Exclusive.** No remedy in the Indenture or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given in the Indenture or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law. The exercise of remedies under the Indenture shall be subject to the rights of the 2015 Insurer under the Indenture.

## **DEFEASANCE OF BONDS**

**Discharge of Indenture.** (a) If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(iii) by irrevocably depositing with the Trustee or an escrow agent, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in the Indenture and all other obligations of the Trustee and the Successor Agency under the Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency under the Indenture with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds under the Indenture, (C) the obligations of the Successor Agency under the Indenture, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such

actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to the Indenture shall be paid over to the Successor Agency.

(b) Notwithstanding anything in the Indenture to the contrary, in the event that the principal and/or interest due of the Bonds is paid by any Insurer pursuant to its municipal bond or financial guaranty insurance policy, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, and the assignment and pledge of the Pledged Tax Revenues and other assets under the Indenture and all covenants, agreements and other obligations of the Successor Agency to the Bondowners so paid shall continue to exist and shall run to the benefit of such Insurer, and such Insurer shall be subrogated to the rights of such Bondowners, as applicable.

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “**Disclosure Certificate**”) is executed and delivered by, as of September 2, 2015, the OAKLAND REDEVELOPMENT SUCCESSOR AGENCY (the “**Agency**”), in connection with the issuance of its \$22,510,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE and its \$66,675,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally Taxable) (the “**Bonds**”). The Bonds are being issued pursuant to that certain Indenture of Trust, dated as of September 1, 2015, between the Oakland Redevelopment Successor Agency and Zions First National Bank, as trustee (the “**Trustee**”) (collectively, the “**Indenture**”).

The Agency covenants and agrees as follows:

**Section 1.** Purpose of This Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Agency, under the Rule (as hereinafter defined) in connection with the Series for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the Rule but shall not be deemed to create any monetary liability on the part of the Agency to any other persons, including Owners or Beneficial Owners of the Bonds based on the Rule. The sole remedy in the event of any failure of the Agency to comply with this Disclosure Certificate shall be an action to compel performance of any act required hereunder.

**Section 2.** Definitions. The definitions set forth in the Indenture shall apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Agency pursuant to, and as described in, Section 3 and 4 of this Disclosure Certificate.

“Annual Report Date” shall mean the date that is nine months after the end of the Agency’s fiscal year (currently March 31 based on the Agency’s fiscal year end of June 30).

“Beneficial Owner” or “beneficial owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bond holders” or “Owners” shall mean, while the Bonds are registered in the name of The Depository Trust Company, any applicable participant in its depository system, or the owner of any Bond for federal income tax purposes.

“Dissemination Agent” shall mean the Agency, or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Agency a written acceptance of such designation.

“Dissolution Act” shall mean the primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484, enacted as Chapter 26, Statutes of 2012 (as amended from time to time).

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the official statement relating to the Bonds, dated August 11, 2015.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of California.

**Section 3. Provision of Annual Reports.**

(a) The Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing nine months (i.e., March 31, 2016) after the end of the Agency’s 2014-2015 fiscal year, with the report for the 2014-2015 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Agency shall provide the Annual Report to the Dissemination Agent (if other than the Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with the requirement set forth herein the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Agency for the fiscal year may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) If the Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Agency, file a report with the Agency, certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

**Section 4. Content of Annual Reports.** The Agency’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Agency for the prior fiscal year to be made by an independent certified public account appointed by the Agency, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Agency's audited financial statements is not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements of the Agency in the format required by Section 34771(n) of the Dissolution Act and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Annual Report Date, financial information and operating data with respect to the Agency for the then current Fiscal Year in which the Annual Report is being filed (e.g., for the Fiscal Year 2014-15 Annual Report, the information for Fiscal Year 2015-16), substantially similar to that provided in the corresponding tables and charts in the Official Statement for the Bonds:

1. Table 2 – Historical and Current Assessed Valuations and Pledged Tax Revenues;
2. Table 4 – Top Ten Taxpayers By Valuation in the Project Areas; and
3. Table 5 – Assessment Appeals in the Project Areas, but only the totals for all Project Areas combined and not individual per Project Area data.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Agency shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which are available to the public on the EMMA web site of the MSRB or filed with the Securities and Exchange Commission. The Agency shall clearly identify each such other document so included by reference.

**Section 5. Reporting of Significant Events.**

(a) The Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Agency shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the Agency obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Agency shall determine if such event would be material under applicable federal securities laws.

(e) If the Agency learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Agency shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format accompanied by such identifying information, all as prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Indenture.

**Section 6.** Termination of Reporting Obligation. The obligations of the Agency under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all

of the Bonds or if less than all the Bonds are defeased, with respect to those Bonds. If such termination occurs prior to the final maturity date of the Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

**Section 7.** Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out the obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Agency pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Agency shall be the Dissemination Agent. The initial Dissemination Agent shall be the Agency.

**Section 8.** Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a), (b), (d) or (f), or 8(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of a majority in aggregate principal amount of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of the nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds. The Agency also may amend this Disclosure Certificate without approval by the Owners to the extent permitted by rule, order or other official pronouncement of the SEC.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Agency shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9.** Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any Annual Report or future notice of occurrence of a Listed Event.

**Section 10.** Default. In the event of a failure of the Agency to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner or any Participating Underwriter of the Bonds

may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 11.** Prior Undertakings. The Agency hereby certifies that during the previous five years, it has complied in all material respects with all prior undertakings made by it pursuant to Rule 15c2-12(b)(5).

**Section 12.** Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Participating Underwriters and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity (except the right of the Dissemination Agent or any Owner or Beneficial Owner to enforce the provisions of the Disclosure Certificate on behalf of the Owners). This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

**Section 13.** Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Agency shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Owners of the Bonds shall retain all the benefits afforded to them hereunder. The Agency hereby declares that it would have executed and delivered this Disclosure Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 14.** Governing Law. The laws of the State shall govern this Disclosure Certificate, the interpretation thereof and any right or liability arising hereunder. Any action or proceeding to enforce or interpret any provision of this Disclosure Certificate shall be brought, commenced or prosecuted in any court of the State located in Alameda County, California.

**Section 15.** Effective Date. This Disclosure Certificate shall be effective on and as of the date hereof.

**Section 16.** Notices. Any notice or communication to the Agency relating to this Disclosure Certificate may be given as follows:

Oakland Redevelopment Successor Agency  
c/o Finance Department/ Treasury Bureau  
150 Frank H. Ogawa Plaza, Suite 5330  
Oakland, California 94612  
Telephone: (510) 238-3201  
Fax: (510) 238-2137

The Agency may, by written notice to the other parties acting hereunder, designate a different address and/or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, this Disclosure Certificate is given by the Agency as of the date set forth above.

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

By: \_\_\_\_\_

Agency Administrator

**EXHIBIT A**

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF  
FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: Oakland Redevelopment Successor Agency  
Name of Bond Issue: Oakland Redevelopment Successor Agency  
Subordinated Tax Allocation Refunding Bonds, Series 2015-TE  
Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally  
Taxable)  
Date of Delivery: September 2, 2015

NOTICE IS HEREBY GIVEN that the City of Oakland, California (the "City"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of September 2, 2015, relating to the Bonds. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**

By: \_\_\_\_\_  
Agency Administrator

## APPENDIX F

### FORM OF BOND COUNSEL FINAL OPINION

September 2, 2015

Oakland Redevelopment Successor Agency  
One Frank Ogawa Plaza  
Oakland, California 94612

*OPINION:* \$22,510,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE; and  
\$66,675,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally Taxable)

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Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Oakland Redevelopment Successor Agency (the "Successor Agency"), of \$22,510,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE (the "Series 2015-TE Bonds") and of \$66,675,000 Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Federally Taxable) (the "Taxable Series 2015-T Bonds" and, together with the Series 2015-TE Bonds, the "2015 Bonds"), pursuant to the Community Redevelopment Law, constituting Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code of the State of California (the "Law"), Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (the "Dissolution Act"), and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law"). The 2015 Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2015 (the "Indenture"), by and between the Successor Agency and Zions First National Bank, as trustee (the "Trustee"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture, and in certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Successor Agency is validly existing as a public entity, with the power to enter into the Indenture, perform the agreements on its part contained therein, and issue the 2015 Bonds.
2. The Indenture has been duly approved by the Successor Agency, and constitutes a valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its terms.

3. Pursuant to the Law, the Dissolution Act and the Refunding Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the 2015 Bonds, subject to no prior lien granted under the Law, the Dissolution Act and the Refunding Law, except to the extent described in the Indenture.

4. The 2015 Bonds have been duly authorized, executed and delivered by the Successor Agency, and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. The interest on the Series 2015-TE Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; although for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Series 2015-TE Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2015-TE Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2015-TE Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Series 2015-TE Bonds, or the amount, accrual or receipt of interest on the Series 2015-TE Bonds.

6. The interest on the Taxable Series 2015-T Bonds is not intended to be excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Taxable Series 2015-T Bonds, or the amount, accrual or receipt of interest on the Taxable Series 2015-T Bonds.

7. The interest on the 2015 Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the 2015 Bonds, and the enforceability of the 2015 Bonds and the Indenture, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and may also be subject to the exercise of judicial discretion in appropriate cases. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

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## APPENDIX G

### DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix G concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. Accordingly, the DTC Participants, the Indirect Participants and the Beneficial Owners should not rely on the information in this Appendix G with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds of each Series will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each Series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the

responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

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**APPENDIX H**

**STATE DEPARTMENT OF FINANCE  
DETERMINATION LETTER APPROVING THE BONDS**

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May 29, 2015

Ms. Sarah T. Schlenk, Agency Administrative Manager  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3315  
Oakland, CA 94612

Dear Ms. Schlenk:

Subject: Approval of Oversight Board Action

The City of Oakland Successor Agency (Agency) notified the California Department of Finance (Finance) of its April 27, 2015 Oversight Board (OB) resolution on April 28, 2015. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 2015-02, authorizing the issuance of subordinated tax allocation refunding bonds, is approved.

The Agency desires to refund the series 2006A, 2006A-T, 2006A-TE, 2006B-TE, and 2006C-TE bonds issued by the former redevelopment agency and anticipates achieving approximately \$10,337,000 in savings over the remaining life of the bonds. Finance's approval is based on our understanding that no refunding bonds will be issued unless such bonds meet the requirements outlined in HSC section 34177.5 (a). Following the issuance, the payments for the refunding bonds should be placed on future Recognized Obligation Payment Schedule (ROPS) for Finance's review.

In addition, this resolution states the Agency is authorized to recover its costs related to the issuance of the refunding bonds from the proceeds. While Finance does not object to this action, any associated costs must be placed on a subsequent ROPS for Finance's review and approval before they can be considered enforceable.

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Patrick Lane, Development Manager, City of Oakland  
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County  
California State Controller's Office

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**APPENDIX I**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
31 West 52nd Street, New York, N.Y. 10019  
(212) 974-0100





FOR ADDITIONAL BOOKS: [ELABRA.COM](http://ELABRA.COM) OR (888) 935-2272