NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:
(Ambac Insured) (Underlying)
Moody's: *Aaa* *Moody's:* *A2*
S&P: *AAA* *S&P:* *A*
Fitch: *AAA* *Fitch:* *A*
(See "RATINGS" herein)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2006A Bonds is excluded from gross income for federal income tax purposes, except during any period while a Series 2006A Bond is held by a "substantial user" of the facilities financed by the Series 2006A Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Series 2006 Bonds is exempt from California personal income taxes. Interest on the Series 2006A-T Bonds is subject to all appropriate federal income taxation. See "TAX MATTERS."

$2,195,000
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006A

$82,645,000
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T
(Federally Taxable)

Dated: Date of Delivery **Due: September 1, as shown on inside cover page**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2006A Bonds are issued for the purpose of providing funds, together with other lawfully available moneys to establish an irrevocable escrow to refund and defease certain of the Redevelopment Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "Prior Bonds"). The Series 2006A-T Bonds are issued for the primary purpose of providing funds, together with other lawfully available moneys to: (i) establish an irrevocable escrow to refund and defease certain of the Prior Bonds, (ii) finance low and moderate income housing activities in the Redevelopment Agency's Project Areas, and (iii) pay the costs of issuance of the Series 2006 Bonds, including bond insurance and reserve account surety bond premiums. The Series 2006A Bonds and the Series 2006A-T Bonds (collectively, the "Series 2006 Bonds") are issued pursuant to an Indenture of Trust dated as of May 1, 2000, by and between the Agency and The Bank of New York Trust Company, N.A. (the "Trustee"), as successor to BNY Western Trust Company, as supplemented by the First Supplemental Indenture dated as of April 1, 2006 (collectively, the "Indenture"), by and between the Agency and the Trustee.

The Series 2006 Bonds will be issued in book-entry form, initially registered in the name of Cede & Co. as nominee of the Depository Trust Company, New York, New York ("DTC"), who will act as securities depository for the Series 2006 Bonds. Individual purchases of the Series 2006 Bonds will be in book-entry form only, and in principal amounts of $5,000 or any integral multiple thereof. Purchasers will not receive physical certificates representing their interests in the Series 2006 Bonds. Principal of, interest on and redemption premium, if any, on the Series 2006 Bonds will be paid by the Trustee directly to DTC, which in turn is obligated to remit such principal, interest and redemption premium, if any, to DTC Participants for subsequent disbursement to the Beneficial Owners of the Series 2006 Bonds. See APPENDIX G–"DTC AND THE BOOK–ENTRY ONLY SYSTEM." Interest on the Series 2006 Bonds will be payable on each March 1 and September 1 of each year, commencing September 1, 2006 at the respective rates set forth below. Principal of the Series 2006 Bonds is payable on the dates and in the respective principal amounts set forth below.

The Series 2006 Bonds are subject to optional and mandatory sinking account redemption as described herein. See "THE SERIES 2006 BONDS–REDEMPTION PROVISIONS."

For a discussion of some of the risks associated with the purchase of the Series 2006 Bonds, see "CERTAIN RISKS TO BONDHOLDERS." The Series 2006A Bonds are not subject to acceleration or redemption, and the rate of interest on the Bonds is not subject to adjustment, by reason of the interest on the Series 2006A Bonds being included in gross income for purposes of federal income taxation.

The Series 2006 Bonds are payable from and secured by Subordinated Housing Set Aside Revenues (as defined herein), consisting primarily of the portion of tax increment required to be set aside for low and moderate income housing purposes, which tax increment is derived from property in the Agency's Project Areas and allocated to the Agency pursuant to the Redevelopment Law and following application thereof to payment of certain outstanding bonds of the Agency. No funds or properties of the Agency, other than the Subordinated Housing Set Aside Revenues, are pledged to secure the Series 2006 Bonds. **The pledge of Subordinated Housing Set Aside Revenues to secure the Series 2006 Bonds is subordinate to a pledge of Tax Revenues (as defined herein) to secure the Agency's Central District Redevelopment Project, Senior Tax Allocation Bonds, Series 1992 and the Agency's Acorn Redevelopment Project 1988, Tax Allocation Refunding Bonds, and such pledge is on a parity with a pledge thereof to secure the Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable).** See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2006 BONDS."

The scheduled payment of principal and interest on the Series 2006 Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2006 Bonds by Ambac Assurance Corporation.

Ambac

THE SERIES 2006 BONDS ARE NOT A DEBT OF THE CITY OF OAKLAND, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY IS LIABLE THEREFOR. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2006 BONDS ARE PAYABLE SOLELY FROM SUBORDINATED HOUSING SET ASIDE REVENUES ALLOCATED TO THE AGENCY AND CERTAIN OTHER FUNDS PLEDGED THEREFOR UNDER THE INDENTURE. THE SERIES 2006 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NONE OF THE MEMBERS OF THE AGENCY, THE CITY COUNCIL, OR ANY PERSONS EXECUTING THE SERIES 2006 BONDS, ARE LIABLE PERSONALLY ON THE SERIES 2006 BONDS BY REASON OF THEIR ISSUANCE. THE AGENCY HAS NO TAXING POWER.

The Series 2006 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. Certain legal matters will be passed upon for the Agency by the City Attorney of the City of Oakland in his capacity as Agency Counsel, Oakland, California and for the Agency and the Underwriters by Lofton & Jennings, San Francisco, California. It is anticipated that the Series 2006 Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about April 4, 2006.

E. J. DE LA ROSA & CO., INC. **STONE & YOUNGBERG LLC**

Dated: March 22, 2006

MATURITY SCHEDULE

$2,195,000 Series 2006A Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Price	CUSIP No.†
2018	$2,195,000	5.000%	105.648%††	67232PAF0

$82,645,000 Series 2006A-T Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Price	CUSIP No.†
2006	$1,120,000	5.030%	100%	67232PAG8
2007	460,000	5.153	100	67232PAH6
2008	475,000	5.182	100	67232PAJ2
2009	500,000	5.219	100	67232PAK9
2010	530,000	5.248	100	67232PAL7
2011	2,860,000	5.268	100	67232PAM5
2012	3,010,000	5.308	100	67232PAN3
2013	3,170,000	5.344	100	67232PAP8

$10,565,000 5.383% Term Bonds due September 1, 2016 –Price: 100% – 67232PAQ6
$19,635,000 5.653% Term Bonds due September 1, 2021 –Price: 100% – 67232PAR4
$12,525,000 5.827% Term Bonds due September 1, 2026 –Price: 100% – 67232PAS2
$27,795,000 5.927% Term Bonds due September 1, 2036 –Price: 100% – 67232PAT0

† Copyright 2006, American Bankers Association. CUSIP numbers herein are provided by Standard & Poor's CUSIP Service Bureau, a Division of the McGraw-Hill Companies, Inc., and are set forth herein for the convenience of reference only. The Agency, Bond Counsel, Disclosure Counsel and the Underwriters do not assume responsibility for the accuracy of such numbers.

†† Priced to call at 100% on September 1, 2016.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations in connection with the offer or sale of the Series 2006 Bonds by the Agency or the Underwriters, other than those 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 the Agency or the Underwriters. 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 Series 2006 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information set forth herein has been furnished by the Agency and includes information which has been obtained from other sources which are believed to be reliable and the Agency and the underwriters have a reasonable basis for believing that the information set forth herein is accurate, but such information is not guaranteed by the Agency or the Underwriters as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Agency since the date hereof.

Any statement made in this Official Statement involving any forecast or matter of estimates or opinion, whether or not expressly so stated, is intended solely as such and not as a representation of fact. 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 terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the captions "DEBT SERVICE COVERAGE PROJECTIONS," "THE PROJECT AREAS" and in APPENDIX C–"REPORT OF THE FISCAL CONSULTANT."

The achievement of certain results or other expectations contained in such forward-looking statements involves 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 Agency does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based occur.

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, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters does not guarantee the accuracy or completeness of such information.

The Series 2006 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption from the registration requirements contained in such Act. The Series 2006 Bonds have not been registered or qualified under the securities laws of any state.

In connection with the offering of the Series 2006 Bonds, the Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Series 2006 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2006 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
and
CITY OF OAKLAND
County of Alameda, California

AGENCY BOARD AND CITY COUNCIL

Ignacio De La Fuente (District 5)
Agency Chair and President of the City Council
Jane Brunner (District 1)
Agency Member and Councilmember
Patricia Kernighan (District 2)
Agency Member and Councilmember
Nancy Nadel (District 3)
Agency Member and Councilmember
Jean Quan (District 4)
Agency Member and Vice Mayor
Desley Brooks (District 6)
Agency Member and Councilmember
Larry Reid, Jr. (District 7)
Agency Member and Councilmember
Henry Chang, Jr. (At-Large)
Agency Member and Councilmember

AGENCY AND CITY STAFF

Edmund G. Brown, Jr., *Agency Chief Executive Officer and Mayor*
Deborah A. Edgerly, *Agency Administrator and City Administrator*
Cheryl A.P. Thompson, *Assistant City Administrator*
LaTonda Simmons, *Agency Secretary and City Clerk*
Roland E. Smith, *City Auditor*
John Russo, *Agency Counsel and City Attorney*
William E. Noland, *Agency Treasurer and Director, Finance and Management Agency*
Dan Vanderpriem, *Executive Director, Community and Economic Development Agency*
Katano Kasaine, *Treasury Manager*

SPECIAL SERVICES

The Bank of New York Trust Company, N.A.
San Francisco, California
Trustee

Kelling, Northcross & Nobriga
(A Division of Zions First National Bank)
Oakland, California
Financial Advisor

Causey Demgen & Moore Inc.
Denver, Colorado
Verification Agent

HdL Coren & Cone
Diamond Bar, California
Fiscal Consultant

Jones Hall, A Professional Law Corporation
San Francisco, California
Bond Counsel

Lofton & Jennings
San Francisco, California
Disclosure Counsel

TABLE OF CONTENTS

REGIONAL MAP

[THIS PAGE INTENTIONALLY LEFT BLANK]

$2,195,000
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006A

$82,645,000
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T (Federally Taxable)

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Series 2006 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 Series 2006 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.

General

The purpose of this Official Statement, including the cover page and the appendices hereto, is to furnish information in connection with the sale and delivery of the $2,195,000 Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds") and $82,645,000 Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "Series 2006A-T Bonds" and together with the Series 2006A Bonds, the "Series 2006 Bonds") to be issued by the Redevelopment Agency of the City of Oakland (the "Agency").

The Series 2006 Bonds are issued pursuant to the authority granted under the Community Redevelopment Law (constituting Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Redevelopment Law") and Resolution No. 2006-0016 of the Agency adopted on March 7, 2006 (the "Resolution") which authorized the issuance, sale and delivery of the Series 2006 Bonds. The Series 2006 Bonds are being issued pursuant to an Indenture of Trust dated as of May 1, 2000, by and between the Agency and The Bank of New York Trust Company, N.A. (the "Trustee"), as successor to BNY Western Trust Company, as supplemented by the First Supplemental Indenture dated as of April 1, 2006 (collectively, the "Indenture"), by and between the Agency and the Trustee.

Purpose

The Series 2006A Bonds are issued for the purpose of providing funds, together with other lawfully available moneys to establish an irrevocable escrow to refund and defease certain of the Redevelopment Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "Prior Bonds"). The Series 2006A-T Bonds are issued for the primary purpose of providing funds, together with other lawfully available moneys to: (i) establish an irrevocable escrow to refund and defease certain of the Prior Bonds, (ii) finance low and moderate income housing activities in the Redevelopment Agency's Project Areas and (iii) pay the costs of issuance of the Series 2006 Bonds, including bond insurance and reserve account surety bond premiums. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS." The Series 2006 Bonds will mature in the years and amounts and bear interest at the rates set forth on the inside cover page.

The Agency

The Agency was created by the City of Oakland (the "City") in 1956 to exercise the powers granted by the California Community Redevelopment Law (Section 33000 *et seq.* of the Health and Safety Code) and, effective December 31, 1975, the City Council of the City (the "City Council") declared itself to be the Agency. Although the Agency is an entity distinct from the City, certain City personnel provide staff support for the Agency. See "THE AGENCY." The Agency currently administers ten redevelopment project areas in the City. See "THE PROJECT AREAS."

The City

The City, located immediately east of the City 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 both Interstate 80 and Interstate 880, and boasts a world-class seaport.

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 Council but is the City's chief elective officer. The Mayor and Council members serve four-year terms staggered at two-year intervals. For additional information regarding the City, see APPENDIX A–"ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE CITY OF OAKLAND."

Security for the Series 2006 Bonds

General. The Series 2006 Bonds are limited obligations of the Agency payable solely from and secured solely by a pledge of Subordinated Housing Set Aside Revenues (defined herein) and certain other funds held by the Trustee pursuant to the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS."

The Redevelopment Law provides a means for financing redevelopment projects based upon an allocation of taxes collected within a project area. The taxable valuation of a project area last equalized prior to adoption of the redevelopment plan, or base roll, is established and, except for any period during which the taxable valuation drops below the base year level, the taxing agencies thereafter receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in taxable valuation over the base roll are allocated to a redevelopment agency ("Tax Revenues") and may be pledged by a redevelopment agency to the repayment of indebtedness incurred in financing or refinancing a redevelopment project. Redevelopment agencies themselves have no authority to levy property taxes and only receive tax revenues from the allocation of taxes under the redevelopment plan.

Housing Set-Aside. The Redevelopment Law requires redevelopment agencies to set aside 20% of its Tax Revenues received in each year in a low and moderate income housing fund to be applied to low and moderate income housing purposes ("Housing Set Aside Revenues"). These Housing Set Aside Revenues are pledged to repayment of the Series 2006 Bonds on a basis subordinate to the pledge of Tax Revenues to secure certain outstanding indebtedness of the Agency.

Outstanding Senior Debt. The pledge of Housing Set Aside Revenues to secure the Series 2006 Bonds is subordinate to a pledge of such amounts to secure certain of the Agency's previously-issued bonds. The Agency's Central District Redevelopment Project, Senior Tax Allocation Refunding Bonds, Series 1992 (the "Central District Senior Bonds") are outstanding in the aggregate principal amount of $47,215,000 (as of March 1, 2006) and the Agency's Acorn Redevelopment Project, 1988 Tax Allocation Bonds (the "Acorn Senior Bonds" and, collectively with the Central District Senior Bonds, the "Senior Bonds") are outstanding in the aggregate principal amount of $715,000 as of March 1, 2006. Both the Central District Redevelopment Senior Bonds and the Acorn Senior Bonds are secured by a first lien upon Tax Revenues derived from the respective Project Area, which Tax Revenues includes the related Housing Set Aside Revenues. Historically, for both the Central District Project Area and the Acorn Project Area, annual Tax Revenues have substantially exceeded annual debt service on the respective Senior Bonds.

For the Central District Project Area, for the Fiscal Year ending June 30, 2005, Tax Revenues were $34,972,000, which was 4.28 times Central District Senior Bond maximum annual debt service of $8,165,000. Tax Revenues, excluding Housing Set Aside Revenues of $6,994,000, provided 3.45 times coverage doing so in the future. The Central District Senior Bonds mature on May 1, 2014.

For the Acorn Project Area, for the Fiscal Year ending June 30, 2005, Tax Revenues were $1,158,000, which was 2.88 times Acorn Senior Bond maximum annual debt service of $402,750. Tax Revenues, excluding Housing Set Aside Revenues of $232,000, provided 2.37 times coverage. See "DEBT SERVICE COVERAGE PROJECTIONS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS–Outstanding Senior Debt." The Acorn Senior Bonds mature on February 1, 2007.

The Agency has historically paid debt service on the Senior Bonds solely from the Tax Revenues derived from the respective Project Areas (exclusive of Housing Set Aside Revenues) and anticipates doing so in the future. The Agency has heretofore covenanted not to incur any additional indebtedness on a parity with the Senior Bonds (other than refunding bonds).

Outstanding Parity Debt. The pledge of Housing Set Aside Revenue securing the Series 2006 Bonds is on a parity with the pledge thereof securing the Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "2000 Parity Bonds"). Following issuance of the Series 2006 Bonds, the 2000 Parity Bonds will be outstanding in the principal amount of $9,630,000; with maximum annual debt service of approximately $2,400,000. See "DEBT SERVICE COVERAGE PROJECTIONS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS–Outstanding Parity Debt."

Reserve Account. A Reserve Account is established for the Series 2006 Bonds pursuant to the Indenture in an amount equal to aggregate of the Reserve Requirement (as defined herein) for each Series of Series 2006 Bonds. On the date of delivery of the Series 2006 Bonds, a surety bond in the amount of $6,924,965.18 issued by Ambac Assurance Corporation ("Ambac Assurance" or the "Series 2006 Insurer") will be deposited in the Reserve Account, with $219,500 principal amount allocable to the Reserve Requirement for the Series 2006A Bonds and $6,705,465.18 principal amount allocable to the Reserve Requirement for the Series 2006A-T Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS–Reserve Account Surety Bond" and APPENDIX I–"SPECIMEN RESERVE ACCOUNT SURETY BOND." Amounts on deposit in the Reserve Account will be used for the payment of debt service on the Series 2006 Bonds in the event that amounts on deposit in the Interest Account or the Principal Account are insufficient therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS–Reserve Account."

THE SERIES 2006 BONDS ARE NOT A DEBT OF THE CITY OF OAKLAND, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE, AND NEITHER THE CITY, NOR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY IS LIABLE THEREFOR. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2006 BONDS ARE PAYABLE SOLELY FROM SUBORDINATED HOUSING SET ASIDE REVENUES ALLOCATED TO THE AGENCY AND CERTAIN OTHER FUNDS PLEDGED THEREFOR UNDER THE INDENTURE. THE SERIES 2006 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NONE OF THE MEMBERS OF THE AGENCY, THE CITY COUNCIL, OR ANY PERSONS EXECUTING THE SERIES 2006 BONDS, ARE LIABLE PERSONALLY ON THE

SERIES 2006 BONDS BY REASON OF THEIR ISSUANCE. THE AGENCY HAS NO TAXING POWER.

Bond Insurance

The payment of principal of and interest on the Series 2006 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance simultaneously with the delivery of the Series 2006 Bonds. See "BOND INSURANCE" and APPENDIX H–"SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY."

Continuing Disclosure

The Agency has agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository or the Municipal Securities Rulemaking Board and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission certain annual financial information and operating data (each, an "Annual Report") and, in a timely manner, notice of certain material events. In lieu of filing the Annual Reports and any Material Event Notices with each National Repository and each State Repository, the Agency may file any Annual Report or Material Event Notice with the Internet-based filing system currently located at www.DisclosureUSA.org, or such other similar filing system approved by the SEC. These covenants have been made in order to assist the Underwriters in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE" for a description of the specific nature of the annual report and notices of material events and a summary description of the terms of the disclosure agreement pursuant to which such reports are to be made.

The Agency has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events. The Agency has historically prepared its Annual Reports for its various bond issues as part of an Annual Financial Information Statement prepared jointly with the City of Oakland and expects to continue that practice with respect to the Series 2006 Bonds.

Additional Information

This Official Statement contains brief descriptions of the Series 2006 Bonds, the security for the Series 2006 Bonds, the Indenture, the Agency, the Project Areas and certain other information relevant to the issuance of the Series 2006 Bonds. All references herein to the Indentures are qualified in their entirety by reference to the complete text thereof and all references to the Series 2006 Bonds are further qualified by reference to the form thereof contained in the Indenture. The Agency's audited financial statements for the Fiscal Year ended June 30, 2005 are included in APPENDIX B. The proposed forms of legal opinions of Bond Counsel for the Series 2006 Bonds are set forth in APPENDIX E. See APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for definitions of certain words and terms used herein. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Indentures. The information set forth herein and in the Appendices hereto has been furnished by the 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 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 Series 2006 Bonds are available upon written request from the Treasury Manager, Finance and Management Agency, 150 Frank Ogawa Plaza, Suite 5330, Oakland, California 94612. The Agency may impose a charge for copying, mailing and handling.

PLAN OF FINANCE

Series 2006A Bonds

Upon the issuance and delivery of the Series 2006A Bonds, the proceeds thereof, together with certain other lawfully available funds, will be used to establish an irrevocable escrow to refund and defease a portion of the Prior Bonds identified below (the "Refunded Bonds"). The Agency and The Bank of New York Trust Company, N.A., as escrow agent (the "Escrow Agent") will enter into a tax exempt refunding escrow agreement, dated as of April 1, 2006 (the "Tax Exempt Refunding Escrow Agreement") with respect to the Refunded Bonds. The amounts deposited with the Escrow Agent, will be held by the Escrow Agent and applied to purchase Eligible Securities (as defined in the Tax Exempt Refunding Escrow Agreement), the principal and interest on which will be sufficient to pay the principal of, interest on, and redemption premium, if any, of a portion of the Refunded Bonds as set forth below. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Series 2006A-T Bonds

Upon the issuance and delivery of the Series 2006A-T Bonds, the proceeds thereof, together with certain other lawfully available funds, will be applied as follows: (i) a portion thereof will be used to establish an irrevocable escrow to refund and defease a portion of the Prior Bonds; (ii) a portion thereof will be deposited in the Series 2006A-T Project Account held by the Trustee to be applied to finance or refinance various redevelopment activities, including development of low and moderate income housing, within the Agency's Project Areas. A portion thereof will be applied to pay costs of issuance of the Series 2006 Bonds.

A portion of the proceeds of the Series 2006A-T Bonds, together with certain other lawfully available funds will be deposited into an irrevocable escrow account established pursuant to a taxable refunding escrow agreement, dated as of April 1, 2006 (the "Taxable Refunding Escrow Agreement") between the Agency and the Escrow Agent with respect to a portion of the Refunded Bonds. The amounts deposited with the Escrow Agent, will be held by the Escrow Agent and applied to purchase Eligible Securities (as defined in the Taxable Refunding Escrow Agreement), the principal and interest on which will be sufficient to pay the principal of, interest on, and redemption premium, if any, a portion of the Refunded Bonds as set forth below. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

REFUNDED BONDS
$25,485,000
Redevelopment Agency of the City of Oakland
Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable)

Maturity Date (September 1)	Amount	Interest	CUSIP No. (67232P)†	Redemption Date	Redemption Price
2015	$14,065,000	7.93%	AD5	September 1, 2008	101%
2018	11,420,000	8.03	AE3	September 1, 2008	101

† CUSIP numbers are provided for convenience only. Neither the Agency nor the Underwriters assumes any responsibility for the accuracy of such numbers.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the Series 2006 Bonds are as follows:

Series 2006A Bonds

Sources:	
Principal Amount of the Series 2006A Bonds	$2,195,000.00
Original Issue Premium	123,973.60
TOTAL SOURCES	$2,318,973.60
Uses:	
Refunding of Refunded Bonds(1)	$2,317,047.31
Costs of Issuance(2)	1,926.29
TOTAL USES	$2,318,973.60

Series 2006A-T Bonds

Sources:	
Principal Amount of the Series 2006A-T Bonds	$82,645,000.00
TOTAL SOURCES	$82,645,000.00
Uses:	
Series 2006A-T Project Account(3)	$55,000,000.00
Refunding of Refunded Bonds(4)	25,535,753.03
Costs of Issuance(2)	2,109,246.97
TOTAL USES	$82,645,000.00

(1) See "PLAN OF FINANCE–Series 2006A Bonds."
(2) Costs of issuance includes Financial Guaranty Insurance Policy and Reserve Account Surety premium, Underwriters' compensation, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee, the Escrow Agent, the Financial Advisor, the Fiscal Consultant and the Verification Agent, printing costs, rating agency fees and other costs related to the issuance of the Series 2006 Bonds.
(3) To be used to finance additional low and moderate income housing activities in, or of benefit to, the Project Areas.
(4) See "PLAN OF FINANCE–Series 2006A-T Bonds."

THE SERIES 2006 BONDS

Description

The Series 2006 Bonds will be dated their date of issuance and delivery, will bear interest at the rates per annum set forth on the inside cover page hereof payable semiannually on March 1 and September 1 (each, an "Interest Payment Date"), commencing September 1, 2006, and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Series 2006 Bonds will be issued in denominations of $5,000 or any integral multiple thereof, so long as no Series 2006 Bond shall have more than one maturity date. The Series 2006 Bonds will be issued only as one fully registered Series 2006 Bond for each series and maturity, in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Bonds. See APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM." Ownership may be changed only upon the registration books maintained by the Trustee as provided in the Indenture.

Each Series 2006 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after the 15th day of the month preceding an Interest Payment Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before August 15, 2006, in which event it shall bear interest from their date of issuance; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The Series 2006 Bonds shall mature and shall bear interest calculated on the basis of a 360-day year of twelve 30-day months.

Interest on the Series 2006 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

While the Series 2006 Bonds are held in the book-entry only system of DTC, all such payments will be made to Cede & Co., as the registered Owner of the Series 2006 Bonds. The principal of the Series 2006 Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Trustee. See APPENDIX G–"DTC AND THE BOOK ENTRY ONLY SYSTEM."

Redemption Provisions

The Series 2006A Bonds and the Series 2006A-T Bonds maturing on or after September 1, 2017 shall be subject to redemption prior to their respective maturities at the option of the Agency on or after September 1, 2016, as a whole or in part (in such maturities as are designated to the Trustee by the Agency not later than 45 days prior to the redemption date or, if the Agency fails to designate such maturities, on a proportional basis among maturities) on any date, from funds derived by the Agency from any source and deposited with the Trustee not later than forty-five (45) days prior to the date of redemption, at the following redemption prices equal to the principal amount of Bonds called for redemption, without premium, together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Account Redemption. The Series 2006A-T Term Bonds maturing on September 1, 2016 are subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, on any September 1 on or after September 1, 2014 at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Series 2006A-T Term Bonds Maturing September 1, 2016

Redemption Date (September 1)	Principal Amount
2014	$3,340,000
2015	3,520,000
2016†	3,705,000

† Maturity.

The Series 2006A-T Term Bonds maturing on September 1, 2021 are subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, on any September 1 on or after September 1, 2017 at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Series 2006A-T Term Bonds Maturing September 1, 2021

Redemption Date (September 1)	Principal Amount
2017	$3,905,000
2018	1,935,000
2019	4,345,000
2020	4,595,000
2021†	4,855,000

† Maturity.

The Series 2006A-T Term Bonds maturing on September 1, 2026 are subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, on any September 1 on or after September 1, 2022 at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Series 2006A-T Term Bonds Maturing September 1, 2026

Redemption Date (September 1)	Principal Amount
2022	$5,125,000
2023	1,695,000
2024	1,795,000
2025	1,900,000
2026†	2,010,000

† Maturity.

The Series 2006A-T Term Bonds maturing on September 1, 2036 are subject to redemption prior to their stated maturity, in part by lot, from Sinking Account Installments deposited in the Sinking Account, on any September 1 on or after September 1, 2027 at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Series 2006A-T Term Bonds Maturing September 1, 2036

Redemption Date (September 1)	Principal Amount
2027	$2,115,000
2028	2,240,000
2029	2,375,000
2030	2,515,000
2031	2,665,000
2032	2,820,000
2033	2,990,000
2034	3,165,000
2035	3,355,000
2036†	3,555,000

† Final Maturity.

In lieu of redemption of any Series 2006 Term Bond, amounts on deposit in the Housing Special Fund or in the Sinking Account therein may also be used and withdrawn by the Trustee at any time, upon the Written Request of the Agency, for the purchase of such Series 2006 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 Fund) as the Agency may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date; provided, however, that no Series 2006 Term Bonds will be purchased by the Trustee with a settlement date more than 90 days prior to the redemption date. The principal amount of any Series 2006 Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Principal Payment Date in any year will be credited towards and will reduce the principal amount of such Series 2006 Term Bonds required to be redeemed on such Principal Payment Date in such year.

Notice of Redemption. Notice of redemption will be mailed by first class mail by the Trustee, on behalf and at the expense of the Agency, not less than 30 nor more than 60 days prior to the redemption date to (i) the respective Owners of Series 2006 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, (ii) one or more Information Services designated in writing to the Trustee by the Agency and (iii) the Securities Depositories. Each notice of redemption will state the date of such notice, the Series 2006 Bonds to be redeemed, the date of issue of such Series 2006 Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Series 2006 Bonds of such maturity to be redeemed and, in the case of Series 2006 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of such Series 2006 Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Series 2006 Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2006 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

Notwithstanding anything in the Indenture to the contrary, the Agency shall have the right to rescind any notice of an optional redemption of any Series 2006 Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of an optional redemption shall be rescinded if for any reason moneys are not (or will not be) available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such rescission shall not constitute an Event of Default under the Indenture. The Trustee shall send notice of rescission of redemption in the same manner notice of redemption was originally provided.

Selection of Series 2006 Bonds for Redemption. Whenever less than all the Outstanding Series 2006 Bonds of a Series maturing on any one date are called for redemption at any one time, the Trustee will select the Series 2006 Bonds to be redeemed, from the Outstanding Series 2006 Bonds of such Series maturing on such date not previously selected for redemption, by lot; provided, however, that if less than all the Outstanding Series 2006 Term Bonds of a Series of any maturity are called for redemption at any one time, upon the written direction from the Agency, the Trustee will specify a reduction in any Sinking Account Installment payments required to be made with respect to such Series 2006 Bonds (in an amount equal to the amount of Outstanding Series 2006 Term Bonds to be redeemed) which, to the extent practicable, results in approximately equal Annual Debt Service on the Series 2006 Bonds Outstanding following such redemption.

Partial Redemption. Upon surrender of any Series 2006 Bond redeemed in part only, the Agency will execute (manually or by facsimile) and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Agency, a new Series 2006 Bond or Series 2006 Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Series 2006 Bond surrendered and of the same Series and interest rate and the same maturity.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of such redemption price of the Series 2006 Bonds so called for redemption shall have been duly provided, no interest shall accrue on such Series 2006 Bonds from and after the redemption date specified in such notice.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

DEBT SERVICE SCHEDULE

Set forth below is the debt service schedule for the Series 2006 Bonds.

Date	Principal	Interest	Total Series 2006 Bonds Debt Service	Annual Series 2006 Bonds Debt Service
September 1, 2006	$1,120,000	$1,961,664.36	$3,081,664.36	$3,081,664.36
March 1, 2007	–	2,373,870.00	2,373,870.00	–
September 1, 2007	460,000	2,373,870.00	2,833,870.00	5,207,740.00
March 1, 2008	–	2,362,018.10	2,362,018.10	–
September 1, 2008	475,000	2,362,018.10	2,837,018.10	5,199,036.20
March 1, 2009	–	2,349,710.85	2,349,710.85	–
September 1, 2009	500,000	2,349,710.85	2,849,710.85	5,199,421.70
March 1, 2010	–	2,336,663.35	2,336,663.35	–
September 1, 2010	530,000	2,336,663.35	2,866,663.35	5,203,326.70
March 1, 2011	–	2,322,756.15	2,322,756.15	–
September 1, 2011	2,860,000	2,322,756.15	5,182,756.15	7,505,512.30
March 1, 2012	–	2,247,423.75	2,247,423.75	–
September 1, 2012	3,010,000	2,247,423.75	5,257,423.75	7,504,847.50
March 1, 2013	–	2,167,538.35	2,167,538.35	–
September 1, 2013	3,170,000	2,167,538.35	5,337,538.35	7,505,076.70
March 1, 2014	–	2,082,835.95	2,082,835.95	–
September 1, 2014	3,340,000	2,082,835.95	5,422,835.95	7,505,671.90
March 1, 2015	–	1,992,939.85	1,992,939.85	–
September 1, 2015	3,520,000	1,992,939.85	5,512,939.85	7,505,879.70
March 1, 2016	–	1,898,199.05	1,898,199.05	–
September 1, 2016	3,705,000	1,898,199.05	5,603,199.05	7,501,398.10
March 1, 2017	–	1,798,478.98	1,798,478.98	–
September 1, 2017	3,905,000	1,798,478.98	5,703,478.98	7,501,957.96
March 1, 2018	–	1,688,104.15	1,688,104.15	–
September 1, 2018	4,130,000	1,688,104.15	5,818,104.15	7,506,208.30
March 1, 2019	–	1,578,536.38	1,578,536.38	–
September 1, 2019	4,345,000	1,578,536.38	5,923,536.38	7,502,072.76
March 1, 2020	–	1,455,724.95	1,455,724.95	–
September 1, 2020	4,595,000	1,455,724.95	6,050,724.95	7,506,449.90
March 1, 2021	–	1,325,847.28	1,325,847.28	–
September 1, 2021	4,855,000	1,325,847.28	6,180,847.28	7,506,694.56
March 1, 2022	–	1,188,620.70	1,188,620.70	–
September 1, 2022	5,125,000	1,188,620.70	6,313,620.70	7,502,241.40
March 1, 2023	–	1,039,303.83	1,039,303.83	–
September 1, 2023	1,695,000	1,039,303.83	2,734,303.83	3,773,607.66
March 1, 2024	–	989,920.00	989,920.00	–
September 1, 2024	1,795,000	989,920.00	2,784,920.00	3,774,840.00
March 1, 2025	–	937,622.68	937,622.68	–
September 1, 2025	1,900,000	937,622.68	2,837,622.68	3,775,245.36
March 1, 2026	–	882,266.18	882,266.18	–
September 1, 2026	2,010,000	882,266.18	2,892,266.18	3,774,532.36
March 1, 2027	–	823,704.83	823,704.83	–
September 1, 2027	2,115,000	823,704.83	2,938,704.83	3,762,409.66
March 1, 2028	–	761,026.80	761,026.80	–
September 1, 2028	2,240,000	761,026.80	3,001,026.80	3,762,053.60
March 1, 2029	–	694,644.40	694,644.40	–
September 1, 2029	2,375,000	694,644.40	3,069,644.40	3,764,288.80
March 1, 2030	–	624,261.28	624,261.28	–
September 1, 2030	2,515,000	624,261.28	3,139,261.28	3,763,522.56
March 1, 2031	–	549,729.25	549,729.25	–
September 1, 2031	2,665,000	549,729.25	3,214,729.25	3,764,458.50
March 1, 2032	–	470,751.98	470,751.98	–
September 1, 2032	2,820,000	470,751.98	3,290,751.98	3,761,503.96
March 1, 2033	–	387,181.28	387,181.28	–
September 1, 2033	2,990,000	387,181.28	3,377,181.28	3,764,362.56
March 1, 2034	–	298,572.63	298,572.63	–
September 1, 2034	3,165,000	298,572.63	3,463,572.63	3,762,145.26
March 1, 2035	–	204,777.85	204,777.85	–
September 1, 2035	3,355,000	204,777.85	3,559,777.85	3,764,555.70
March 1, 2036	–	105,352.43	105,352.43	–
September 1, 2036	3,555,000	105,352.43	3,660,352.43	3,765,704.86
TOTAL	$84,840,000	$81,838,430.88	$166,678,430.88	$166,678,430.88

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS

Tax Allocation Financing

The Redevelopment Law provides a means for financing redevelopment projects based upon an allocation of taxes collected by a redevelopment agency within a redevelopment project area. The taxable valuation of a project area last equalized prior to adoption of the redevelopment plan, or base roll, is established and, except for any period during which the taxable valuation drops below the base year level, the taxing agencies thereafter receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in taxable valuation over the base roll are allocated to a redevelopment agency and may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing or refinancing a redevelopment project. Redevelopment agencies themselves have no authority to levy property taxes and must look specifically to the allocation of taxes produced as above indicated.

Allocation of Taxes

As provided in the Redevelopment Plan, and pursuant to Article 6 of Chapter 6 of the Redevelopment Law (commencing with Section 33670 of the California Health and Safety Code) and Section 16 of Article XVI of the Constitution of the State of California, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State of California and any city, county, city and county, district or other public corporation (herein collectively referred to as "taxing agencies") for each Fiscal Year beginning after the effective dates of the ordinance approving the redevelopment plan are divided as follows:

1. ***To other taxing agencies***: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior the effective dates of the ordinances referred to above (the "Base Year Amount") shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies in the same manner as taxes by or for the taxing agencies on all other property are paid; and

2. ***To the Agency***: Except for taxes which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989, which shall be allocated to and when collected shall be paid to the respective taxing agency, and except for non-subordinated statutory pass-through payments, that portion of the levied taxes each year in excess of the Base Year Amount shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Agency's Project Areas.

When all bonds, loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in a Project Area shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

Subordinated Housing Set Aside Revenues

General. Pursuant to the Redevelopment Law, redevelopment agencies are required to set aside 20% of Tax Revenues received in each year ("Housing Set Aside Revenues") in a low and moderate income housing fund to be applied to low and moderate income housing purposes. Subject to the prior and senior pledge of and interest in and lien on the Tax Revenues in favor of the Senior Bonds, the Series 2006 Bonds, the 2000 Parity Bonds and any additional Parity Debt are and will be equally secured by a first pledge of, security interest in and lien on all of the Housing Set Aside Revenues. Amounts remaining in each year following payment of the Senior Bonds are referred to as "Subordinated Housing Set Aside Revenues."

In addition to the pledge of Subordinated Housing Set Aside Revenues and the moneys in the Special Fund, and the Series 2006 Bonds, the 2000 Parity Bonds and any additional Parity 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, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Subordinated Housing Set Aside Revenues and such moneys, no funds or properties of the Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Series 2006 Bonds. Under the Indenture, the Agency may incur additional loans, advances or indebtedness issued or incurred by the Agency on a parity with the Series 2006 Bonds ("Parity Debt") pursuant to the Indenture, which Parity Debt shall be equally secured, on a parity with the Series 2006 Bonds, by a pledge of, security interest in and lien on all of the Subordinated Housing Set Aside Revenues and the moneys in the Special Fund without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery, and, if applicable under any Supplemental Indenture, any Parity Debt issued as 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 (including the Reserve Account). See "Parity Debt and Subordinate Debt" below. See also APPENDIX D– "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The Agency's receipt of Tax Revenues, and therefore, Subordinated Housing Set Aside Revenues, is subject to certain limitations (the "Plan Limit") contained in the Redevelopment Plan for each Project Area on the number of dollars of taxes which may be divided and allocated to the Agency pursuant to such Redevelopment Plan, as such limitation is prescribed by Section 33333.4 of the Redevelopment Law. As described under the caption "LIMITATIONS ON TAX REVENUES," the Agency's collection of Tax Revenues in a Project Area is subject to limitations of the total tax increment collected by the Agency over the life of the applicable Redevelopment Plan.

The Agency has no power to levy and collect property taxes, and any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies having the effect of reducing the property tax rate, could reduce the amount of Subordinated Housing Set Aside Revenues that would otherwise be available to pay debt service on the Series 2006 Bonds and, consequently, the principal of, and interest on, the Series 2006 Bonds. Likewise, broadened property tax exemptions could have a similar effect. See "CERTAIN RISKS TO BONDHOLDERS" and "LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS."

THE SERIES 2006 BONDS ARE NOT A DEBT OF THE CITY OF OAKLAND, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE, AND NEITHER THE CITY, NOR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY IS LIABLE THEREFOR. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2006 BONDS ARE PAYABLE SOLELY FROM SUBORDINATED HOUSING SET ASIDE REVENUES ALLOCATED TO THE AGENCY AND CERTAIN OTHER FUNDS PLEDGED THEREFOR UNDER THE INDENTURE. THE SERIES 2006 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NONE OF THE MEMBERS OF THE AGENCY, THE CITY COUNCIL, OR ANY PERSONS EXECUTING THE SERIES 2006 BONDS, ARE LIABLE PERSONALLY ON THE SERIES 2006 BONDS BY REASON OF THEIR ISSUANCE. THE AGENCY HAS NO TAXING POWER.

In consideration of the acceptance of the Series 2006 Bonds by those who shall hold the same from time to time, the Indenture constitutes a contract between the Agency and the Owners from time to time of the Series 2006 Bonds, and the covenants and agreements set forth therein to be performed on behalf of the Agency are for the equal and proportionate benefit, security and protection of all owners of the Series 2006 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2006 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 Series 2006 Bonds or in the Indenture.

Outstanding Senior Debt

The Agency previously has issued its Central District Redevelopment Project, Senior Tax Allocation Refunding Bonds, Series 1992 (the "Central District Senior Bonds"), which are outstanding in the aggregate principal amount of $47,215,000 (as of March 1, 2006) and its Acorn Redevelopment Project 1988 Tax Allocation Refunding Bonds (the "Acorn Senior Bonds" and, collectively with the Central District Senior Bonds, the "Senior Bonds"), which are currently outstanding in the aggregate principal amount of $715,000 (as of March 1, 2006). The Central District Senior Bonds are secured by a pledge of tax increment revenues derived from the Agency's Central District Redevelopment Project and the Acorn Senior Bond are secured by a pledge of tax increment revenues derived from the Agency Acorn Redevelopment Project Area. The pledges of tax increment revenues derived from these Project Areas to secure the respective series of Senior Bonds include the Housing Set Aside Revenues from those Projects Areas. The pledge of Housing Set Aside Revenues to secure the Series 2006 Bonds is subordinate to the pledge thereof to secure the Senior Bonds. Housing Set Aside Revenues, following application thereof in each year to payment of amounts due with respect to the Senior Bonds, are referred to as "Subordinate Housing Set Aside Revenues" and such amounts are pledged to repayment of the Series 2006 Bonds. Historically, Tax Revenues derived from the Central District Project Area and the Acorn Project Area have been sufficient to pay debt service on the respective Series of Senior Bonds without application of Subordinate Housing Set Aside Revenues.

The Agency has heretofore covenanted not to incur any additional indebtedness on a parity with the Senior Bonds (other than refunding bonds).

2000 Parity Bonds

In May, 2000 the Agency issued $39,395,000 aggregate principal amount of its Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "2000 Parity Bonds") which, prior to this issuance of the Series 2006 Bonds, are outstanding in the aggregate principal amount of $35,115,000 and are secured by a pledge of Subordinated Housing Set Aside Revenues. The Agency anticipates applying proceeds of the Series 2006 Bonds, and other moneys, to refund and defease $25,485,000 aggregate principal amount of the 2000 Parity Bonds, leaving $9,630,000 outstanding.

The Agency may issue debt, payable on a parity with or subordinate to the payment of debt service on the Series 2006 Bonds subject to the conditions set forth in the Indenture. See "–Parity Debt and Subordinate Debt."

Flow of Funds

Under the Indenture, the Agency covenants to transfer, on or before the Business Day preceding such Interest Payment Date, all Subordinated Housing Set-Aside Revenues held by the Agency to the Trustee for deposit in the Housing Special Fund. All moneys in the Housing Special Fund shall be set aside by the Trustee in each Bond Year when and as received in the following respective special accounts within the Housing Special Fund (each of which is hereby created and each of which the Agency hereby covenants and agrees to cause to be maintained), in the following order of priority (except as otherwise provided in subsection (2) below):

(1) Interest Account;

(2) Principal Account;

(3) Sinking Account; and

(4) Reserve Account.

(1) ***Interest Account***. The Trustee will set aside from the Housing Special Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. 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 purchased or redeemed prior to maturity).

(2) ***Principal Account***. The Trustee will set aside from the Housing Special Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in such Bond Year. In the event that there shall be insufficient money in the Housing Special Fund to make in full all such principal payments and Sinking Account Installments in such Bond Year, then the money available in the Housing Special Fund shall be applied pro rata to the making of such principal payments and such Sinking Account Installments in the proportion which all such principal payments and Sinking Account Installments bear to each other.

No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year.

(3) ***Sinking Account***. The Trustee shall set aside from the Housing Special Fund and deposit in the Sinking Account an amount of money equal to the Sinking Account Installment payable on the Sinking Account Payment Date in such Bond Year. All moneys in the Sinking Account shall be used by the Trustee to redeem Term Bonds.

(4) ***Reserve Account***. The Trustee shall set aside from the Housing Special Fund and deposit in the Reserve Account an amount of money (or other authorized deposit of security, as contemplated by the following paragraph) equal to the Reserve Account Requirement for each Series of Bonds then Outstanding. No deposit need be made in the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement of each Series of Bonds then Outstanding. The Reserve Account shall be divided into subaccounts with respect to each Series of Bonds and each subaccount shall be available only for payment of the Series of Bonds to which it relates. All money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Sinking Account in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Series of Bonds to which such Reserve Account relates in the event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding. In the event that there shall be insufficient money in the Housing Special Fund to make in full all required deposits to the subaccounts in the Reserve Account, then the money

available in the Housing Special Fund shall be applied pro rata to such subaccounts in the proportion which all the Reserve Requirements for each Series bear to each other. Any amount in the Reserve Account in excess of the Reserve Account Requirement shall, upon Written Request of the Agency, be transferred by the Trustee to the Interest Account or the Principal Account, as directed by the Agency in such Written Request.

(b) In lieu of making the Reserve Account Requirement deposit or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the Agency upon delivery of a letter of credit satisfying the requirements stated below), the Agency, with prior written notification to the Rating Agencies, may deliver to the Trustee an irrevocable letter of credit issued by a financial institution having, at the time of such delivery, unsecured debt obligations rated in at least the second highest rating category (without respect to any modifier) of the Rating Agencies, in an amount, together with moneys, Authorized Investments or insurance policies) on deposit in the Reserve Fund, equal to the Reserve Account Requirement. Draws on such letter of credit must be payable no later than two Business Days after presentation of a sight draft thereunder. Such letter of credit shall have a term of no less than three (3) years. The issuer of such letter of credit shall be required to notify the Trustee and the Agency whether or not the letter of credit will be extended no later than 13 months prior to the stated expiration date thereof. At least one year prior to the stated expiration of such letter of credit, the Agency shall either (i) deliver a replacement letter of credit, (ii) deliver an extension of the letter of credit for at least an additional year, or (iii) deliver to the Trustee an insurance policy satisfying the requirements described in clause (c) below. Upon delivery of such replacement letter of credit, extended letter of credit, or insurance policy, the Trustee shall deliver the then-effective letter of credit to or upon the order of the Agency. If the Agency shall fail to deposit a replacement letter of credit, extended letter of credit or insurance policy with the Trustee, the Agency shall immediately commence to make monthly deposits with the Trustee so that an amount equal to the Reserve Account Requirement is on deposit in the Reserve Account no later than the stated expiration date of the letter of credit. If the Agency shall fail to make such deposits, the Trustee shall draw on such letter of credit on or before 10 days prior to its expiration in an amount necessary to replenish the Reserve Account to the Reserve Account Requirement. If a drawing is made on the letter of credit, the Agency shall make such payments as may be required by the terms of the letter of credit or any obligations related thereto (but no less than quarterly pro rata payments) so that the letter of credit shall, absent the delivery to the Trustee of an insurance policy or the deposit in the Reserve Account of an amount sufficient to increase the balance in the Reserve Account to the Reserve Account Requirement, be reinstated in the amount of such drawing within one year of the date of such drawing.

(c) In lieu of making the Reserve Account Requirement deposit described in clause (a) above, or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the Agency upon delivery of an insurance policy satisfying the requirements stated below), the Agency, with prior written notification to the Rating Agencies, may also deliver to the Trustee an insurance policy or surety bond securing an amount, together with moneys, Authorized Investments or letters of credit (as described in clause (c) above) on deposit in the Reserve Account, no less than the Reserve Account Requirement issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of debt service on the Bonds and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies), at the time of such delivery, are rated in at least the second highest rating category (without respect to any modifier) of the Rating Agencies.

Repayment of any draw under any such insurance policy or surety bond, and any expenses and accrued interest related to such draw, including costs incurred pursuant to the Indenture (collectively, the "Policy Costs") shall commence in the first month following each such draw, and shall be paid at the time specified in the Indenture in an amount not less than one-twelfth (1/12th) of the aggregate of the Policy Costs related to such draw. If and to the extent that cash has also been deposited in the subaccount of the Reserve Account to which such policy relates, all such cash shall be used (including any investments purchased with such cash, which shall be liquidated and the proceeds thereof applied as required hereunder) prior to any drawing under the insurance policy or surety bond, and repayment of any Policy Costs shall be made prior to any replenishment of any such cash amounts. If the Agency shall fail to repay any Policy Costs in accordance herewith, the insurance company issuing such insurance policy shall be entitled to exercise any and all remedies available at law or under the Indenture, other than (i) an acceleration of the interest on or principal of the Bonds; or (ii) any other remedy which would adversely affect the Owners. In the event that such insurance policy or surety bond for any reason lapses or expires, the Agency shall immediately implement the actions required by the Indenture or make the required deposits to the Reserve Account. The Trustee shall ascertain the necessity for a claim upon any insurance policy or surety bond provided hereby and provide notice to the insurance company issuing such policy or surety bond in accordance with the terms and conditions of such insurance policy or surety bond not less than three (3) Business Days prior to any Interest Payment Date upon which such a claim may be made.

The Trustee shall maintain records, verified with the Bond Insurer, as to the amount available to be drawn at any given time under an insurance policy or surety bond and as to the amounts paid and owing to the Bond Insurer under the terms of any agreement pursuant to which a policy or surety bond was issued.

(5) ***Surplus***. After making the deposits required in paragraphs (1) through (4) above, in any Bond Year, the Trustee shall transfer any amount remaining on deposit in the Housing Special Fund to the Agency to be used for any lawful purpose of the Agency.

Reserve Account

Under the Indenture, a separate subaccount within the Reserve Account is established and held by the Trustee and pledged to payment of each of the Series 2006A Bonds and the Series 2006A-T Bonds. On the date of delivery of the Series 2006 Bonds a portion of the Series 2000A-T Bond proceeds will be used to purchase the Reserve Account Surety Bond, in the amount of the sum of the applicable Reserve Account Requirements, for deposit into the respective Reserve Account relating to Series 2006A Bonds and the Series 2006A-T Bonds. The initial Reserve Account Requirement for the Series 2006A Bonds is $219,500. The initial Reserve Account Requirement for the Series 2006A-T Bonds is $6,705,465.18.

"Reserve Account Requirement" is defined in the Indenture to mean, as of any calculation date, with respect to a Series of Bonds an amount equal to the least of (i) ten percent (10%) of the proceeds (within the meaning of the Code) of that portion of such Series of Bonds Outstanding with respect to which Annual Debt Service is calculated, (ii) 125% of Average Annual Debt Service of such Series, or (iii) Maximum Annual Debt Service of such Series.

All money in (or available to) each subaccount of the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Sinking Account in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Series of Bonds to which such subaccount of the Reserve Account relates in the event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds of the applicable Series then Outstanding. In the event that there shall be insufficient money in the Housing Special Fund to make in full all required deposits to the subaccounts in the Reserve Account, then the money available in the Housing Special Fund shall be applied pro rata to such subaccounts in the proportion which all the Reserve Requirements for each Series bear to each other. Any amount in the Reserve Account in excess of the Reserve Account Requirement shall, upon Written Request of the Agency, be transferred by the Trustee to the Interest Account or the Principal Account, as directed by the Agency in such Written Request.

Reserve Account Surety Bond

The following information has been provided by Ambac Assurance Corporation ("Ambac Assurance") for use in this Official Statement. Reference is made to APPENDIX I for a specimen of the Reserve Account Surety Bond to be issued Ambac Assurance upon issuance of the Series 2006 Bonds. Neither the Agency nor the Underwriters make any representation as to the accuracy or completeness of this information or as to the absence of material adverse changes in this information subsequent to the date hereof.

The Indenture requires the establishment of a Reserve Account for each of the Series 2006A Bonds and the Series 2006A-T Bonds. The Indenture authorizes the Agency to obtain a Surety Bond in place of fully funding a Reserve Account. Accordingly, application has been made to Ambac Assurance for the issuance of a Surety Bond for the purpose of funding both Reserve Accounts (see "–Reserve Account" above). The Series 2006 Bonds will only be delivered upon the issuance of such Surety Bond. The premium on the Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2006 Bonds. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance of a demand for payment executed by the Trustee certifying that provision for the payment of principal of or interest on the Series 2006 Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2006 Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the Obligor is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the Obligor is subordinate to the Obligor's obligations with respect to the Series 2006 Bonds.

In the event the amount on deposit, or credited to the Reserve Account, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Reserve Account have been expended. In the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, Surety Bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Indenture provides that the Reserve Account shall be replenished in the following priority: (i) principal and interest on the Surety Bond shall be paid from first available Subordinated Housing Set Aside Revenues; (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Account to the required level, after taking into account the amounts available under the Surety Bond and the Additional Funding Instrument shall be deposited from next available Subordinated Housing Set Aside Revenues.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Trustee.

In the event that Ambac Assurance were to become insolvent, any claims arising under the Surety Bond would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

Parity Debt and Subordinate Debt

Issuance of Parity Debt. The Agency covenants in the Indenture that it shall not issue Additional Bonds payable from the Subordinated Housing Set Aside Revenues and secured by a lien and charge upon the Subordinated Housing Set Aside Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under this Indenture, unless the following specific conditions have been satisfied:

(a) The Agency shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indentures, and a Certificate of the Agency to that effect shall have been filed with the Trustee.

(b) The issuance of such Additional Bonds shall have been duly authorized pursuant to the Law and all applicable laws, provided for by a Supplemental Indenture duly executed and delivered by the Agency which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Additional Bonds to be applied solely for (i) the purpose of aiding in financing the Project, including payment of all costs incidental to or connected with such financing, and/or (ii) the purpose of refunding any Bonds or other indebtedness related to the Project, including payment of all costs incidental to or connected with such refunding;

(ii) The authorized principal amount of such Additional Bonds;

(iii) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal and Sinking Account Payment Dates may occur only on Interest Payment Dates, (ii) all such Additional Bonds of like maturity and Series shall be identical in all respects, except as to number, and (iii) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iv) The Interest Payment Dates, which shall be on the same semiannual dates as the Interest Payment Dates for the Series 2000T Bonds (March 1 and September 1); provided, that Capital Appreciation Bonds may provide for compounding of interest in lieu of payment of interest on such dates;

(v) The denomination and method of numbering of such Additional Bonds;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vii) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

(viii) The amount, if any, to be deposited from the proceeds of such Additional Bonds in the Interest Account;

(ix) The amount, if any, to be deposited from the proceeds of such Additional Bonds into the Reserve Account; provided that the amount on deposit in the Reserve Account shall be increased at or prior to the time such Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then Outstanding Bonds and such Additional Bonds, which amount shall be maintained in the Reserve Account;

(x) The form of such Additional Bonds; and

(c) The Subordinated Housing Set Aside Revenues (based upon the assessed valuation of taxable property in the Project Areas as shown on the most recently equalized assessment roll and the most recently established tax rates preceding the date of the Agency's execution and delivery of the Supplemental Indenture providing for the issuance of such Additional Bonds plus supplemental assessments for projects which have been completed and will be reflected on the tax roll for the next succeeding Fiscal Year, and projects the ownership of which has changed, all as confirmed by the appropriate officer of the County of Alameda), plus an assumed increase in Subordinated Housing Set Aside Revenues of two percent (2%) (based on the current assessed values, but also taking into account, with respect to each Project Area, (i) the lapsing of the previously approved tax override levied by the City in connection with the long-term funding of the City's pension obligations, (ii) the last date to receive tax increment as set forth in the applicable Redevelopment Plan, and (iii) a reasonable estimate of the date that the tax increment cap, if any, for such Project Area will be met), shall be at least equal to one hundred twenty-five percent (125%) of Annual Debt Service on all then Outstanding Bonds and such Additional Bonds and any unsubordinated loans, advances or indebtedness payable from Subordinated Housing Set Aside Revenues pursuant to the Law for each year that such Outstanding and Additional Bonds and any such unsubordinated loans, advances or indebtedness remain outstanding.

(d) Refunding Bonds may be authorized and issued by the Agency without compliance with the requirements in clause above in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all of the following:

(i) The principal or redemption price of all Outstanding Bonds to be refunded;

(ii) All expenses incident to the calling, retiring or paying of such Outstanding Bonds and the costs of issuance of such refunding Bonds; and

(iii) Interest on all Outstanding Bonds to be refunded to the date such Bonds will be called for redemption or paid at maturity.

The proceeds of the sale of the refunding Bonds shall be applied by the Trustee according to the direction of the Agency to the retirement of the Outstanding Bonds for the refunding of which said refunding Bonds are to be issued. All Bonds purchased, redeemed or retired by use of funds received from the sale of refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of refunding Bonds, shall be forthwith cancelled and shall not be reissued.

(e) Nothing contained in the Indenture shall limit the issuance of any bonds of the Agency payable from the Subordinated Housing Set Aside Revenues and secured by a lien and charge on the Subordinated Housing Set Aside Revenues if, after the issuance and delivery of such bonds, none of the Bonds theretofore issued hereunder will be Outstanding nor shall anything contained in this Indenture prohibit the issuance of any bonds or other indebtedness by the Agency secured by a pledge of revenues (including Subordinated Housing Set Aside Revenues) subordinate to the pledge of Subordinated Housing Set Aside Revenues securing the Bonds. The Series 2000T Bonds shall not be considered Additional Bonds hereunder and the issuance of the Series 2000T Bonds are not subject to the provisions of this Article.

BOND INSURANCE

The following information has been provided by Ambac Assurance (for use in this Official Statement. Reference is made to APPENDIX H for a specimen of the financial guaranty insurance policy to be issued by Ambac Assurance upon issuance of the Series 2006 Bonds. Neither the Agency nor the Underwriters make any representation as to the accuracy or completeness of this information or as to the absence of material adverse changes in this information subsequent to the date hereof.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Series 2006 Bonds effective as of the date of issuance of the Series 2006 Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2006 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Trustee/Paying Agent/Bond Registrar. The insurance will extend for the term of the Series 2006 Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2006 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2006 Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Series 2006 Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2006 Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on an Series 2006 Bond which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.

3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee , Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Series 2006 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2006 Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Series 2006 Bonds, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2006 Bonds and will be fully subrogated to the surrendering Holder's rights to payment.

In the event that Ambac Assurance were to become insolvent, any claims arising under this Policy would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

Ambac Assurance Corporation

Ambac Assurance Corporation ("Ambac Assurance") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately $8,994,000,000 (unaudited) and statutory capital of approximately $5,649,000,000 (unaudited) as of December 31, 2005. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of a Series 2006 Bond by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such Series 2006 Bonds and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Series 2006 Bonds.

Ambac Assurance makes no representation regarding the Series 2006 Bonds or the advisability of investing in the Series 2006 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "BOND INSURANCE."

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following document filed by the Company with the SEC (File No. 1-10777) is incorporated by reference in this Official Statement:

> The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and filed on March 13, 2006.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "–Available Information."

TAX ALLOCATION FINANCING

Introduction

The Redevelopment Law and the California Constitution provide a method for financing and refinancing redevelopment projects based upon an allocation of taxes collected within a redevelopment project area. First, the assessed valuation of the taxable property in a project area last equalized prior to adoption of the redevelopment plan is established and becomes the base roll. Thereafter, except for any period during which the assessed valuation drops below the Base Year Value, the taxing agencies on behalf of which taxes are levied on property within the project area will receive the taxes produced by the levy of the then current tax rate upon the base roll. Except as discussed in the following paragraph, taxes collected upon any increase in the assessed valuation of the taxable property in a project area over the levy upon the base roll may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing the redevelopment project. Redevelopment agencies themselves have no authority to levy taxes on property and must look specifically to the allocation of taxes produced as above indicated.

The California Legislature placed on the ballot for the November 1988, general election Proposition No. 87 (Assembly Constitutional Amendment No. 56) pertaining to allocation of tax increment revenues. This measure, which was approved by the electorate, authorized the Legislature to cause tax increment revenues attributable to certain increases in tax rates occurring after January 1, 1989, to be allocated to the entities on whose behalf such increased tax rates are levied rather than to redevelopment agencies, as would have been the case under prior law. The measure applies to tax rates levied to pay principal of and interest on general obligation bonds approved by the voters on or after January 1, 1989. Assembly Bill 89 (Statutes of 1989, Chapter 250), which implements this Constitutional Amendment, became effective on January 1, 1990.

Property Tax Rate and Appropriation Limitations

Article XIIIA of State Constitution. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in various other minor or technical ways.

The Agency has no power to levy and collect taxes. Any further reduction in the tax rate or the implementation of any constitutional or legislative property tax de-emphasis will reduce Tax Revenues, and, accordingly, would have an adverse impact on the ability of the Agency to pay debt service on the Series 2006 Bonds.

Court Challenges to Article XIIIA. There have been many challenges to Article XIIIA of the State Constitution. In *Nordlinger v. Hahn*, a challenge relating to residential property, the United States Supreme Court held that the method of property tax assessment under Article XIIIA did not violate the federal Constitution. The Agency cannot predict whether there will be any future challenges to California's present system of property tax assessment and cannot evaluate the ultimate effect on the Agency's receipt of tax increment revenues should a future decision hold unconstitutional the method of assessing property.

Article XIIIB of State Constitution. An initiative to amend the State constitution was approved on September 6, 1979 thereby adding Article XIIIB to the California Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters.

The California State Legislature, by Statutes of 1980, Chapter 1342 enacted a provision of the Redevelopment Law (Health and Safety Code Section 33678) providing that the allocation and payment of taxes to a redevelopment agency for the purpose of paying principal of or interest on loans, advances or indebtedness incurred for redevelopment activity as defined in the statute shall not be deemed the receipt by the Agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning or for the purpose of Article XIIIB of the State Constitution, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purposes of Article XIIIB of the State Constitution or any statutory provision enacted in implementation of Article XIIIB.

Unitary Property

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 Fiscal Year, will be allocated as follows: (1) each jurisdiction, including the Project Area, will receive up to 102% of its prior year State-assessed revenue; (2) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or excess revenues by a specified formula; 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. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas. See also "LIMITATIONS ON TAX REVENUES–Taxation of Unitary Property."

Property Tax Collection Procedures

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

Collections. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured property taxes in the absence of timely payment by the taxpayer: (1) a civil action against the taxpayer; (2) 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; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of 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 property securing the taxes to the State for the amount of taxes which are delinquent.

The County allocates supplemental revenues to redevelopment agencies in two installments. The first is allocated in March and includes such supplemental roll collections as have been received through January 31 of the fiscal year. The second allocation is made in June and includes supplemental roll collections as have been received through May 31 of the fiscal year. Unitary utility revenues may be allocated with any of the four normal remittances but is primarily allocated in December and May with roughly half being allocated in each remittance.

Based on the tax increment allocation methodology used in the County, redevelopment agencies receive 100 percent of the taxes levied on the extended tax roll without regard to roll corrections, delinquency and refunds. The tax revenues of the Agency are not subject to revenue loss due to delinquencies or gains due to redemption of unpaid taxes. The interpretation of the law under which the County Auditor-Controller allocates tax increment revenue is consistent with the interpretations of a number of other counties in the State.

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 at 5:00 p.m. and are subject to penalty; unsecured taxes added to roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

Penalties. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is sold to the State on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 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 deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to the delinquent taxes on property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

Supplemental Assessments. A bill enacted in 1983, SB 813 (Statutes of 1983, Chapter 498), 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 14 months. As enacted, Chapter 498 provides increased revenue to redevelopment agencies 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, Tax Revenues may increase.

Certification of Agency Indebtedness

The Redevelopment Law provides for the filing not later than the first day of October of each year with the county auditor of a statement of indebtedness certified by the chief fiscal officer of the Agency for each redevelopment project which receives tax increment. The statement of indebtedness is required to contain the date on which any bonds were delivered, the principal amount, term, purpose and interest rate of such bonds and the outstanding balance and amount due on such bonds. Similar information must be given for each loan, advance or indebtedness that the Agency has incurred or entered into to be payable from tax increment.

The Redevelopment Law provides that the county auditor is limited in payment of tax increment to a redevelopment agency to the amounts shown on the Agency's statement of indebtedness. The section further provides that the statement of indebtedness is prima facie evidence of the indebtedness of the Agency, but that the county auditor may dispute the amount of indebtedness shown on the statement in certain cases. Provision is made for time limits under which the dispute can be made by the county auditor as well as provisions for determination by the Superior Court in a declaratory relief action of the proper disposition of the matter. The issue in any such action shall involve only the amount of the indebtedness and not the validity of any contract or debt instrument, or any expenditures pursuant thereto. An exception is made for payments to a public agency in connection with payments by such public agency pursuant to a bond issue which shall not be disputed in any action under the section. The Series 2006 Bonds should be entitled to the protection of that portion of the statute so that they cannot be disputed by the county auditor.

Limitations on Indebtedness, Receipt of Tax Increments and Power of Eminent Domain

In 1976 the Legislature enacted AB 3674 (Statutes of 1976, Chapter 1337) which added Sections 33333.2 (later renumbered as Section 33333.4), 33334.1 and 33354.6 to the Redevelopment Law. While the effective date of AB 3674 was January 1, 1977, the new limitations contained in these sections, which are discussed below, are applicable to redevelopment plans adopted on or after October 1, 1976.

In accordance with Section 33333.4, 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.

Section 33334.1 requires a redevelopment plan adopted on or after October 1, 1976 to contain a limit on the amount of bonds or indebtedness which can be outstanding at one time.

Section 33354.6 provides that with respect to any amendment of a redevelopment plan (which provides for the allocation of taxes) to add new territory to a project area, a redevelopment agency must follow the procedures and be subject to the same restrictions as provided in the adoption of a new redevelopment plan.

See "THE PROJECT AREAS–Project Areas Summary Information" for a summary of the plan limits applicable to the Project Areas.

Low and Moderate Income Housing Fund

Under Section 33334.2 of the Redevelopment Law, redevelopment agencies in California are generally required, unless certain annual findings are made, to annually set aside 20% of all property tax increment revenues allocated to the Agency pursuant to the Redevelopment Law and to deposit said revenues in a Low and Moderate Income Housing Fund (the "Housing Set-Aside") to be used within the jurisdiction of the Agency to increase, improve, and preserve the community's supply of low and moderate income housing. On December 11, 2001, the Agency adopted Resolution No. 01-85 C.M.S., which increased the Housing Set-Aside from 20% to 25% for those Project Areas in which the debt coverage ratio of the Project Area equals or exceeds 120%. The Resolution provides that the increase in the Housing Set-Aside is subordinate to all existing and future tax allocation bonded indebtedness the Agency may issue or incur for such project area, and that all Agency debt service shall be paid on a superior basis to the additional 5% housing set aside.

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. The enactment of AB 1290 created several significant changes in the Redevelopment Law, including the following:

(i) time limitations for redevelopment agencies to incur and repay loans, advances and indebtedness that are repayable from tax increment revenues. See "THE PROJECT AREAS–Redevelopment Area" for a discussion of the time limitations.

(ii) limitations on the use of the proceeds of loans, advances and indebtedness for auto malls and other sales tax generating redevelopment activities, as well as for city and county administrative buildings. However, AB 1290 confirmed the authority of a redevelopment agency to make loans to rehabilitate commercial structures and to assist in the financing of facilities or capital equipment for industrial and manufacturing purposes.

(iii) provisions affecting the housing set-aside requirements of an agency, including severe limitations on the amount of money that is permitted to accumulate in the Agency's housing set-aside fund. However, these limitations are such that an agency will be able (with reasonable diligence) to avoid the severe penalties for having "excess surplus" in its housing set-aside fund.

(iv) provisions relating primarily to the formation of new redevelopment project areas, including (i) changes in the method of allocation of tax increment revenues to other taxing entities affected by the formation of redevelopment project areas, (ii) restrictions on the finding of "blight" for purposes of formation of a redevelopment project area and (iii) new limitations with respect to incurring and repaying debt and the duration of the new redevelopment plan.

AB 1290 also established a statutory formula for sharing tax increment for project areas established, or amended in certain respects, on or after January 1, 1994, which applies to tax increment revenues net of the housing set-aside. The first 25% of net tax increment generated by the increase in assessed value after the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the eleventh year of collecting tax increment, an additional 21% of the increment generated by increases in assessed value after the tenth year must be so paid. Finally, beginning in the thirty-first of collecting tax increment, an additional 14% of the increment generated by increases in assessed value after the thirtieth year must be so paid.

Certain provisions of AB 1290 have been revised or modified since its adoption. The Agency is of the opinion that the provisions of AB 1290, as revised and modified including the time limitations provided in AB 1290, will not have an adverse impact on the payment of debt service on the Series 2006 Bonds. For a summary of the time limitations provided in AB 1290, see Table 8 under the caption "THE PROJECT AREAS" below. For additional information regarding the revisions and modifications to AB 1290, see APPENDIX C–"REPORT OF THE FISCAL CONSULTANT."

Senate Bill 211

Senate Bill 211 (being Chapter 741, Statutes of 2001) ("SB 211") was adopted by the California Legislature and became law on January 1, 2002. Among other things SB 211 authorizes a redevelopment agency that adopted a redevelopment plan on or before December 31, 1993, to amend that plan in accordance with specified procedures to extend its effectiveness and receive tax increment revenues with respect to the plan for not more than 10 years if specified requirements are met. If a plan is so amended, the requirement for allocating tax increment revenues to low and moderate income housing is increased from 20% to 30%. SB 211 also allows redevelopment agencies to amend redevelopment plans to eliminate the time limit for the establishment of loans, advances and indebtedness. However, such elimination will trigger statutory tax sharing with those taxing entities that do not have tax sharing agreements. Tax sharing will be calculated based on the increase in assessed valuation after the year in which the time limit would have otherwise become effective. The Agency has covenanted in the Indenture not to amend the Redevelopment Plan in a manner that would impair the Agency's ability to pay debt service on the Bonds.

CERTAIN RISKS TO BONDHOLDERS

The following information should be considered by prospective investors in evaluating the Series 2006 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to making an investment decisions with respect to the Series 2006 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Accuracy of Assumptions

To estimate the revenues available to pay debt service on the Series 2006 Bonds, the Agency has made certain assumptions with regard to the assessed valuation of taxable property in the Project Area, future tax rates, percentage of taxes collected, the amount of funds available for investment and the interest rate at which those funds will be invested. See APPENDIX C–"FISCAL CONSULTANT REPORT." The Agency believes these assumptions to be reasonable, but 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 Agency's assumptions, the Tax Revenues available to pay debt service on the Series 2006 Bonds will, in all likelihood, be less than those projected herein. See "DEBT SERVICE SCHEDULE AND COVERAGE PROJECTIONS."

Reduction of Tax Revenues

Tax Revenues allocated to the Agency are determined by the incremental assessed value of taxable 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. Several types of events which are beyond the control of the Agency could occur and cause a reduction in available Tax Revenues, and therefore, Subordinated Housing Set Aside Revenues. A reduction of taxable values of property in the Project Areas or a reduction of the rate of increase in taxable values of property in the Project Areas caused by economic or other factors beyond the Agency's control (such as a successful appeal by a property owner for a reduction in a property's assessed value, a reduction of the general inflationary rate, a reduction in value, or the destruction of property caused by natural or other disasters) could occur, thereby causing a reduction in the Tax Revenues.

Moreover, in addition to the other limitations on Tax Revenues described under "LIMITATIONS ON TAX REVENUES," the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Tax Revenues payable to the Agency. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce Tax Revenues and Subordinated Housing Set Aside Revenues and adversely affect the security of the Series 2006 Bonds.

Additionally, the Agency has no power to levy and collect property taxes.

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 Areas. Approximately $3,308,319 of the Tax Revenues in the Project Areas are attributable to such unitary values. 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. However, any such impact with respect to utility properties within the Project Areas will be lessened because the impact will be spread on a County-wide basis. For further information concerning unitary values, see "LIMITATIONS ON TAX REVENUES–Property Tax Collection Procedures" and "–Taxation of Unitary Property."

Appeals to Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for that owner's property. In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year generally must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either changes the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any change in the assessment ultimately granted normally applies only to the year for which application is made. A changed assessment for one year normally will not affect assessments for other years. However, if the taxpayer establishes to the Assessor that the property also was overvalued in subsequent years, the Assessor in most cases has the power to grant a reduction not only for the year for which application was originally made, but also for subsequent years, as well. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter (subject to the annual inflation factor increase), except for any years for which the statute of limitations has run. See "LIMITATIONS ON TAX REVENUES–Property Tax Collection Procedures" and "THE PROJECT AREAS–Outstanding Appeals for Reduction of Assessed Valuation."

An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the Project Areas and the refund of taxes which may arise out of successful appeals by these owners will affect the amount of Tax Revenues and therefore Subordinated Housing Set Aside Revenues.

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 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 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. Any resulting reduction in the full cash value base over the term of the Series 2006 Bonds could reduce Tax Revenues and therefore Subordinated Housing Set Aside Revenues. See "LIMITATIONS ON TAX REVENUES–Property Tax Rate Limitations–Article XIII A."

Delinquencies

The Agency does not have any 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 Tax Revenues and therefore Subordinated Housing Set Aside Revenues, and accordingly, could have an adverse impact on the ability of the Agency to repay the Series 2006 Bonds. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the Agency's ability to make timely debt service payments. The County currently allocates property taxes to the Agency based on 100% of the tax levy, notwithstanding any delinquencies. However, the County may discontinue such practice at any time.

Bankruptcy and Foreclosure

The rights of the Owners of the Series 2006 Bonds and the enforceability of the obligation to make payments on the Series 2006 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 opinions of Bond Counsel as to the enforceability of the obligation to make payments on the Series 2006 Bonds will be qualified as to bankruptcy and such other legal events. See APPENDIX E–"PROPOSED FORM OF BOND COUNSEL OPINION."

Further, the payment of the tax increment revenues and the ability of the County to timely foreclose the line of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Any delay in prosecuting superior court foreclosure proceedings would increase the likelihood of a delay or default in payment of the principal of and interest on the Series 2006 Bonds and the possibility of delinquent tax installments not being paid in full.

Impact of State Budgets

In connection with its approval of the budget for the Fiscal Years 1992-93, 1993-94 and 1994-95, 2002-03, 2003-04, 2004-05 and 2005-06, the State Legislature enacted legislation which, among other things, reallocated funds from redevelopment agencies to school districts by shifting a portion of each agency's tax increment, net of amounts due to other taxing agencies, to school districts for such fiscal years for deposit in the Education Revenue Augmentation Fund ("ERAF"). The amount required to be paid by a redevelopment agency under such legislation was apportioned among all of its redevelopment project areas on a collective basis, and was not allocated separately to individual project areas.

In 2003, the State Legislature adopted and the Governor of the State signed legislation, SB 1045 requiring redevelopment agencies to pay into ERAF in Fiscal Year 2003-04 an aggregate amount of $135 million. SB 1045, signed by the Governor in September 2003 required the payment into ERAF in Fiscal Year 2003-04 only. SB 1045 provides that one-half of the ERAF obligation of the Agency is calculated based on the gross tax increment received by the Agency and the other one-half of the ERAF obligation of the Agency is calculated based on net tax increment revenues (after any pass-through payments to other taxing entities), as such tax increment revenues are shown in Table 1 of the Fiscal Year 2001-02 Annual Report of the California State Controller. The Governor's budget for Fiscal Year 2004-05 as implemented by SB 1096 and the Governor's Budget for Fiscal Year 2005-06 as implemented by SB 77 again included a transfer by redevelopment agencies to the applicable ERAFs. The aggregate ERAF transfers by all redevelopment agencies increased from $135 million in Fiscal Year 2003-04 to $250 million in Fiscal Year 2004-05 and Fiscal Year 2005-06. SB 1096 provides that required transfers to ERAF are subordinate to payment on bonds secured by tax increment revenues. Based on the tax increment revenues shown in the State Controller's Annual Report as being retained by the Agency, the Agency paid $4,706,820 into ERAF by May 10, 2005. The Agency must make a payment of $4,669,367 by May 10, 2006; no other payments beyond Fiscal Year 2005-06 are currently mandated. In the opinion of the Agency, the required ERAF payments have not and will not impair its ability to pay debt service on its outstanding indebtedness.

The Agency cannot predict whether the State Legislature will, in future fiscal years, adopt legislation requiring other shifts of redevelopment tax increment revenues to the State and/or to schools. Should such legislation be enacted, Tax Increment Revenues available for payment of the Bonds may, in the future, be reduced and the Agency's ability to pay debt service may be impaired.

Information about the State budget and State spending is regularly available from various State offices, including the Department of Finance, the Office of the Legislative Analyst and the State Treasurer.

Seismic Factors

The assessed valuation of properties in the Project Areas could be substantially reduced as a result of a major earthquake proximate to the Project Areas. There are several geological faults in the greater San Francisco Bay Area that have the potential to cause serious earthquakes which could result in damage to buildings, roads, bridges, and property within the Project Area. The Loma Prieta earthquake, which occurred in October 1989 along the San Andreas Fault, resulted in substantial damage to the infrastructure and property in certain Project Areas. In addition to the San Andreas Fault, faults that could affect the Agency include the Hayward Fault and the Calaveras Fault in the central and eastern portions of Alameda County. If there were to be an occurrence of severe seismic activity in the Project Areas, there could be a negative impact on assessed values of taxable values of property in the Project Areas and could result in a reduction in Tax Revenues and therefore Subordinated Housing Set Aside Revenues. Such a reduction could have an adverse effect on the Agency's ability to make timely payments of debt service on the Series 2006 Bonds.

ADDITIONAL RISKS TO HOLDERS OF SERIES 2006A BONDS

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2006A Bonds, the Agency and the owners of the facilities being refinanced with the proceeds of the Series 2006A Bonds must comply with the applicable requirements of the Internal Revenue Code of 1986, as amended. The interest on any Series of Series 2006A Bonds could become includable gross income for purposes of federal income taxation retroactive to the date of issuance of such Series 2006A Bonds as a result of acts or omissions of the Agency or such owners in violation of these requirements. The Series 2006A 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."

The owners of the facilities refinanced with the proceeds of the Series 2006A Bonds will each, in connection with the issuance of the Series 2006A Bonds, enter into a regulatory agreement with the Agency (each, a "regulatory agreement") that imposes limitations on the operation of the facilities being refinanced to ensure compliance with the relevant provisions of the Internal Revenue Code of 1986, as amended. Noncompliance with the requirements of a regulatory agreement, whether voluntary or involuntary (*e.g.*, due to fire, foreclosure or transfer of title by deed in lieu of foreclosure or the facilities) could result in the interest on the Series 2006A Bonds becoming includible in gross for federal income tax purposes. In the event of a voluntary noncompliance, the Agency will have certain rights and remedies it may exercise to preserve that the exclusion from gross income for federal income tax purposes of the interest on the Series 2006A Bonds. However, the Agency will unlikely have any such rights or remedies in the case of involuntary noncompliance

Risk of Tax Audit

In December 1999, as a part of a larger reorganization of 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 new TE/GE Division has a subdivision that is specifically devoted to tax-exempt bond compliance. Public statements by IRS officials indicate that the number of tax-exempt bond examinations is expected to increase significantly under the new TE/GE Division. There is no assurance that if an IRS examination of the Series 2006A Bonds was undertaken it would not adversely affect the market value of the Series 2006A Bonds. See "TAX MATTERS." The Agency is not currently the subject of any ongoing audit nor has it been notified by the IRS regarding the possibility of any such audit.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Series 2006A Bonds.

The Series 2006A Bonds are not subject to acceleration or redemption, and the rate of interest on the Series 2006A Bonds is not subject to adjustment, by reason of the interest on the Series 2006A Bonds being included in gross income for purposes of federal income taxation. Such event could occur if the owner of a project being refinanced with the proceeds of the Series 2006A Bonds (or any subsequent owners of such project) does not comply with the provisions of the regulatory agreement between the

Agency and such owner which are designed, if complied with, to satisfy the continuing compliance requirements of the Internal Revenue Code of 1986, as amended (the “Code”) in order for the interest on the Series 2006A Bonds to be excludable from gross income for purposes of federal income tax.

LIMITATIONS ON TAX REVENUES

The Series 2006 Bonds are secured by a pledge of Subordinated Housing Set Aside Revenues. The Agency does not have any independent power to levy and collect property taxes; accordingly, the amount of Subordinated Housing Set Aside Revenues available to the Agency for payment of the principal of and interest on the Series 2006 Bonds is affected by several factors, including but not limited to those discussed below. See also “CERTAIN RISKS TO BONDHOLDERS.”

Introduction

The Redevelopment Law and the California Constitution provide a method for financing and refinancing redevelopment projects based upon an allocation of taxes collected within a project area. First, the assessed valuation of the taxable property in a project area last equalized prior to adoption of the redevelopment plan is established and becomes the base roll. Thereafter, except for any period during which the assessed valuation drops below the base year level, the taxing agencies on behalf of which taxes are levied on property within the project area will receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in the assessed valuation of the taxable property in a project area over the levy upon the base roll may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing the redevelopment project. Redevelopment agencies themselves have no authority to levy taxes on property and must look specifically to the allocation of taxes produced as described above.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment (see “–Property Tax Rate Limitations–Article XIII A”) are allocated among the various jurisdictions in the “tax area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Property Tax Rate Limitations–Article XIII A

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 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 1% limitation does not apply to *ad valorem* taxes levied to pay interest or redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, and (ii) 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 Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 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 previously described. 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.

Section 51 of the California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2% of the previous year's assessment, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Article XIII A and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. In March 2004, the Court of Appeal in a published opinion held that the trial court erred in ruling that assessed value determinations are always limited to no more than 2% of the previous year's assessed value and reversed the judgment of the trial court. The ruling of the Court of Appeal was appealed to the State Supreme Court which denied the appeal for review in August 2004.

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 new construction 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 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.

Property Tax Collection Procedures

The County assesses real and personal property values and collects and distributes secured and unsecured property taxes among the County, and the cities, school districts and other special districts located within the County area.

For each fiscal year, taxes are levied on taxable real and personal property situated in the County as of the preceding January 1. For assessments and collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payments. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default on or about June 30 of such fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and one half percent per month up to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is declared to be subject to the Treasurer-Tax Collector's power of sale and may be subsequently sold by the Treasurer-Tax Collector.

The "supplemental roll," which was established by legislation in 1984, directs the County Assessor to reassess real property at market value upon completion of construction or a change of ownership. A property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the assessee. The resultant charge (or refund) is one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered. Billings of supplemental assessments are made on a monthly basis and due on the date mailed. If mailed between the months of July and October, the first installment becomes delinquent on December 10th and the second on April 10th. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing and the second installment becomes delinquent on the last day of the fourth month following the date the first installment was delinquent.

State law exempts from assessed valuation $7,000 of the full cash value of an owner-occupied residence, but this exemption does not result in any loss of revenue to local agencies, since an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State. As of Fiscal Year 1984-85, the State reimbursement with respect to the business inventory exemption, which formerly had been in the amount of 50%, then 100%, was repealed. This subdivision for counties has been replaced by increased motor vehicles license fees.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue beginning November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) by filing a civil action against the taxpayer; (2) by 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; (3) by filing a certificate of delinquency for recordation in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) by the seizure and sale of personal property, improvements or possessory interest, belonging to the taxpayer. These collection methods can be used separately or jointly.

Appropriation Limitation—Article XIII B

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. 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, consumer prices 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 to 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 Redevelopment 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. Woosley and Brown v. Community Redevelopment Agency of the City of Santa Ana*. The plaintiff in *Brown v. Community Redevelopment Agency of the City of Santa Ana* has petitioned the California Supreme Court for a hearing of this case.

Effective in Fiscal Year 1990/91, Proposition 111 and SB 88 (Chapter 60/90) modified the manner in which the appropriations limit is to be calculated and requires annual election of an inflation adjustment factor and a population factor. The annual inflation adjustment factor selected by the City for the 2001-02 year is growth in California Per Capital Income. The population factor chosen is growth within the City.

SB 2557

SB 2557, enacted in 1990 (Chapter 466, Statutes of 1990) authorized county auditors to determine property tax administration costs proportionately attributable to local jurisdictions and to submit invoices to the jurisdictions for such costs. Subsequent legislation specifically includes redevelopment agencies among the entities that are subject to a property tax administration charge. The County collects property tax administration costs from the Agency by deducting such costs from tax revenues prior to delivering such amounts to the Agency; for Fiscal Year 2004-05 the County's administrative fee was $691,836 or approximately 1.08% of Fiscal Year 2004-05 gross tax increment revenues.

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 cash 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 tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 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.

For Fiscal Year 2004-05, approximately $3,308,319 of tax increment revenue allocable to the Agency with respect to the Project Area was attributable to unitary property.

Future Initiatives

Article XIIIA, Article XIIIB 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 could be adopted, further affecting Agency revenues or the Agency's ability to expend revenues.

THE PROJECT AREAS

General

The Agency has ten Project Areas which consist of the following: the Acorn Redevelopment Project (the "Acorn Project"), the Broadway/MacArthur/San Pablo Redevelopment Project (the "Broadway/MacArthur/San Pablo Project"); the Central City East Redevelopment Project (the "Central City East Project"); the Central District Redevelopment Project (the "Central District Project"); the Coliseum Redevelopment Project (the "Coliseum Project"); the Oak Center Redevelopment Project (the "Oak Center Project"); the Oak Knoll Redevelopment Project (the "Oak Knoll Project"); the Oakland Army Base Redevelopment Project (the "Oakland Army Base Project"); the Stanford/Adeline Redevelopment Project (the "Stanford/Adeline Project"); and the West Oakland Redevelopment Project (the "West Oakland Project"). Set forth on page 38 is a map of the City showing the Project Areas.

In Fiscal Year 2005-06, the Agency's ten Project Areas have benefited from numerous improvements due to the Agency's and the City's programs for streetscape, facade, tenant and home ownership improvement. The Agency's general objectives in these Project Areas include increasing the number of residential, industrial, commercial and public use facilities. In the 2005-06 Fiscal Year over 427,000 square feet of new construction has been added and 466,000 square feet of rehabilitation has been completed.

Set forth below are general descriptions of the Agency's Project Areas. Additional information is included for the Central District Project Area, which is expected to generate approximately 48% of Subordinated Housing Set Aside Revenues in the 2005-06 Fiscal Year.

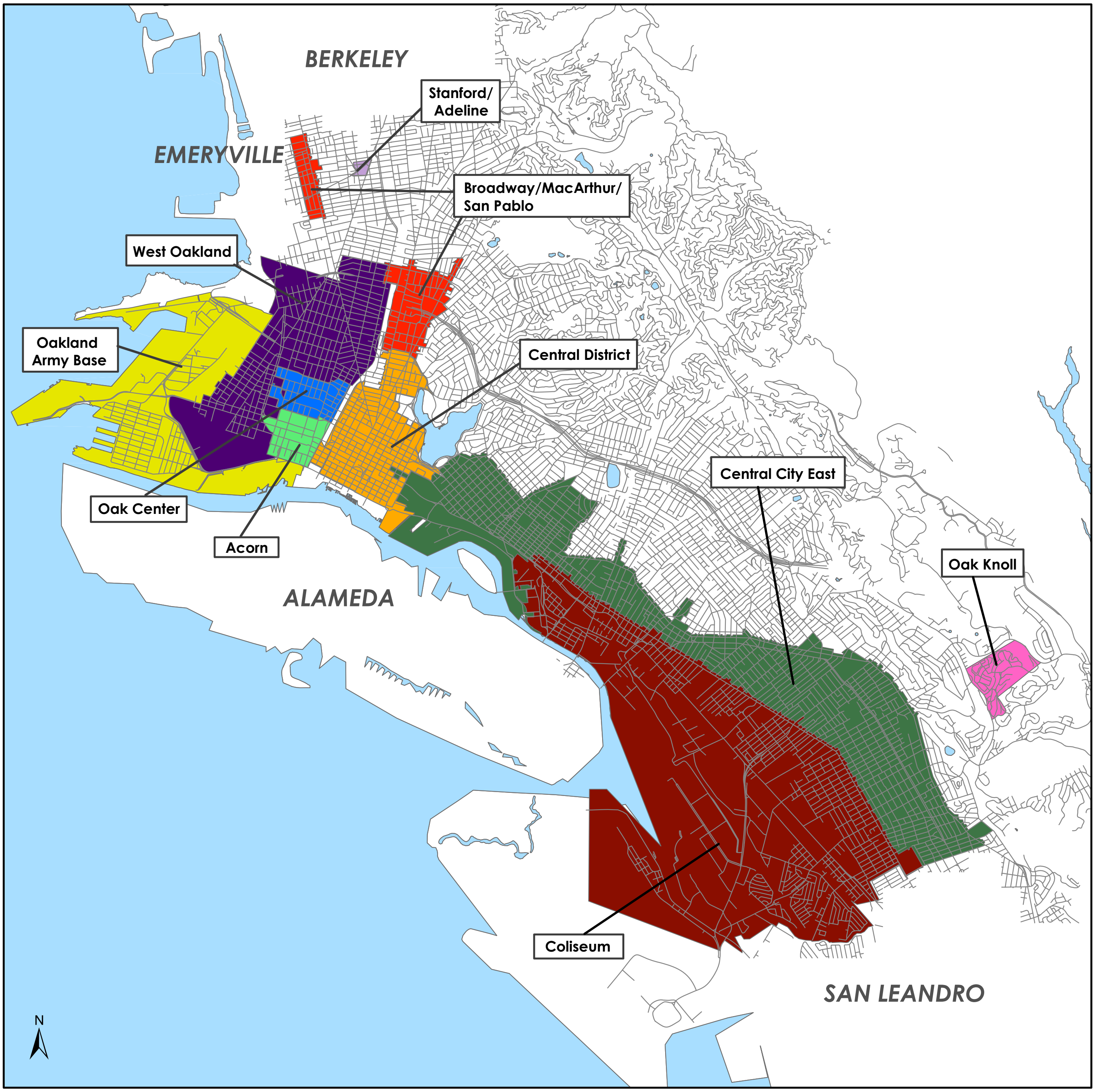
Table 1 below outlines the total taxable values of properties within the Project Areas over the last five fiscal years including the current fiscal year.

Table 1
Redevelopment Agency of the City of Oakland
(All Project Areas Combined)
Taxable Value History
($ in thousands)

	2001-02	2002-03	2003-04	2004-05	2005-06
Total Secured	$4,584,801	$5,091,599	$5,542,335	$9,315,203	$10,427,202
Total Unsecured	1,191,984	1,218,239	1,312,486	1,570,121	1,720,856
Total taxable values	5,776,784	6,309,838	6,854,821	10,885,323	12,148,058
(Less Base Year Values)	(2,740,834)	(2,740,834)	(2,740,834)	(5,636,768)	(5,636,768)
Incremental Value	3,035,950	3,569,004	4,113,987	5,248,555	6,511,290
Percentage Change	23.89%	17.56%	15.27%	27.58%	24.06%

Source: Alameda County Auditor-Controller.

City of Oakland
- Redevelopment Areas -



The Table 2 below shows total Subordinate Housing Set Aside Revenues by Project Area in Fiscal Years ending June 30, 2002 through 2006.

Table 2
Redevelopment Agency of the City of Oakland
Subordinated Housing Set Aside Revenues History by Redevelopment Project Area
($ in thousands)

Project Area	2001-02	2002-03	2003-04	2004-05	2005-06	2005-06 Percentage
Central District	$5,762	$6,870	$6,724	$7,181	$7,528	47.81%
Coliseum	1,836	2,291	3,023	3,450	3,947	25.07
Central City East	–	–	–	1,705	2,158	13.70
Oakland Army Base	–	–	358	626	786	4.99
Broadway/MacArthur/San Pablo	62	214	241	399	474	3.01
West Oakland	–	–	–	252	409	2.60
Oak Center	149	169	185	208	224	1.42
Acorn	187	195	205	234	194	1.23
Stanford/Adeline	5	–	19	25	25	0.16
Oak Knoll	–	–	–	1	2	0.01
TOTAL	$8,001	$9,738	$10,756	$14,082	$15,747	100.00%†

† Numbers may not sum due to independent rounding.
Source: Alameda County Auditor-Controller.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

The Table 3 below shows the property owners with the highest taxable values in all project areas combined as of June 30, 2005.

Table 3
Redevelopment Agency of the City of Oakland
(All Project Areas Combined)
Top Ten Taxpayers
Fiscal Year 2005-06
($ in thousands)

Property Owner	Secured Taxable Value†	Unsecured Taxable Value	Total Taxable Value	% of Total Taxable Value	% of Total Incremental Value	Type of Business
OCC Venture LLC	$202,490	–	$202,490	1.66%	3.10%	Non-Contiguous Commercial Office Buildings
SSA Terminals LLC	–	$177,399	177,399	1.46	2.72	Cargo Handling
Kaiser Foundation Health Plan Inc.	133,636	32,700	166,336	1.37	2.55	Foundation Administrative Offices/Parking
1800 Harrison Foundation	112,648	–	112,648	0.93	1.73	Non-Contiguous Commercial Office Buildings
Total Terminals International LLC	–	109,484	109,484	0.90	1.68	Cargo Handling
555 Twelfth Street Venture LLC	108,697	–	108,697	0.89	1.67	Commercial Office Building
Prentiss Properties Acquisition Partnership	93,798	–	93,798	0.77	1.44	Commercial Office Building
Clorox Company	91,935	–	91,935	0.75	1.41	Commercial Office Building
Federal Express Corporation	–	80,881	80,881	0.66	1.24	Package Delivery
Oakland Alameda County Coliseum Authority	–	71,702	71,702	0.59	1.10	Stadium/Arena Operations
TOTALS	$743,203	$472,166	$1,215,369	9.98%	18.63%	

† Includes taxable personal property (secured and unsecured assessed value).
Source: Alameda County Auditor-Controller.

Set forth in Table 4 below sets forth a description of land uses in the Agency's Project Areas.

Table 4
Redevelopment Agency of the City of Oakland
(All Project Areas Combined)
Land Use Categories

Category	Parcels	Assessed Value	%
Residential	28,719	$5,098,920,335	41.97%
Commercial	3,696	3,251,660,513	26.77
Industrial	2,173	1,668,615,440	13.74
Recreational	39	5,535,489	0.05
Institutional	404	69,896,702	0.58
Vacant	1,676	312,504,240	2.57
Exempt	1,726	0	0.00
SBE Non-Unitary Utilities		20,069,167	0.17
Unsecured		1,720,855,894	14.17
TOTALS:	**38,433**	**$12,148,057,780**	**100.00%**†

† Total does not add due to independent rounding.
Source: HdL Coren & Cone.

Central District Project Area

The Central District Project Area encompasses Oakland's downtown area and consists of 120 acres. This Project Area was formed in 1969 and has been amended several times, including an annexation in 2001 which added 14.86 acres of land to this Project Area. For Fiscal Year 2005-06, it is projected to produce approximately 48% of the Agency's Subordinated Housing Set Aside Revenues. The project area encompasses approximately 250 city blocks of office, retail, commercial and residential uses. It contains nearly 40 major office buildings of over 30,000 square feet each, with approximately 7,400,000 total square feet of rented and rentable space. The project area is also the focus of the City of Oakland's effort to construct high-density residential units. The downtown area is served by Bay Area Rapid Transit system, having three stations located within its boundaries, a regional bus system and three major freeways. As of March 1, 2006 $47,215,000 aggregate principal amount of the Senior Bonds secured by Central District Project Area tax increment revenues were outstanding.

Set forth below is certain information about the Central District Project Area.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Historical Assessed Values. Table 5 below sets forth historical assessed values of taxable property with the Central District Project Area for the Fiscal Years ending June 30, 2002 through June 30, 2006.

Table 5
Redevelopment Agency of the City of Oakland
Central District Redevelopment Project
Taxable Values
(By Fiscal Year)

Secured†	**2001-02**	**2002-03**	**2003-04**	**2004-05**	**2005-06**
Land	518,629,695	561,384,436	588,214,278	648,765,149	789,255,669
Improvements	1,642,873,915	1,980,249,319	2,162,387,697	2,266,594,204	2,407,310,147
Personal Property	54,788,060	37,169,214	30,146,703	28,048,236	31,599,936
Exemptions	(113,643,485)	(146,743,950)	(242,052,728)	(239,926,626)	(262,466,469)
Total Secured	**2,102,648,185**	**2,432,059,019**	**2,538,695,950**	**2,703,480,963**	**2,965,699,283**
Unsecured					
Land	13,008,000	17,678,883	18,537,551	18,223,522	52,491,047
Improvements	86,470,008	124,108,292	119,085,976	122,910,694	131,491,787
Personal Property	179,800,975	171,176,952	171,441,856	169,555,084	170,797,208
Exemptions	(5,457,994)	(7,714,909)	(8,048,496)	(11,769,795)	(13,448,722)
Total Unsecured	**273,820,989**	**305,249,218**	**301,016,887**	**298,919,505**	**341,331,320**
GRAND TOTAL	**2,376,469,174**	**2,737,308,237**	**2,839,712,837**	**3,002,400,468**	**3,307,030,603**

† Secured values include state assessed non-unitary utility property.
Source: County of Alameda, HdL Coren & Cone.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Historical and Current Subordinated Housing Set Aside Revenues. The Table 6 below reflects historical Subordinated Housing Set Aside Revenues received from the Central District Project Area for the Fiscal Years ending June 30, 2002 through June 30, 2005 and the estimated amount for the Fiscal Year ending June 30, 2006. To date, the County has paid to the Agency the full amount of Tax Revenues requested by the Agency, without regard to delinquencies in tax collection, however, such arrangement may not continue in the future.

Table 6
Redevelopment Agency of the City of Oakland
Central District Redevelopment Project
Subordinated Housing Set Aside Revenues
(By Fiscal Year)

	2001-02	2002-03	2003-04	2004-05	2005-06[1]
Tax Revenues[2]	$28,810,899	$34,349,468	$33,620,109	$35,904,823	$37,637,630
20% Housing Set-Aside[3]	5,762,180	6,869,894	6,724,022	7,180,965	7,527,526

(1) Estimated.
(2) Equal to 1% of the total Assessed Values over Base Year Values.
(3) See "SECURITY AND SOURCE S OF PAYMENT FOR THE BONDS–General" and "–Low and Moderate Income Housing Fund."
Source: *County of Alameda Auditor-Controller, HdL Coren & Cone.*

Largest Taxpayers. The Table 7 below presents a summary of the ten largest taxpayers by assessed valuation in the Central District Project Area, and the percentage of each to the total assessed valuation of the Central District Project Area for the 2005-06 Fiscal Year of $3,278,180,857.

Table 7
Redevelopment Agency of the City of Oakland
Central District Redevelopment Project
Ten Largest Taxpayers
(Fiscal Year 2005-06)

Taxpayer	Number of Parcels Owned	Type of Business	Total Assessed Value†	Percent of Redevelopment Project Area Assessed Valuation
OCC Venture LLC	9	Commercial Office Property Management	$202,490,342	6.12%
Kaiser Foundation and Health Plan	5	Health Services	166,335,826	5.03
1800 Harrison Foundation	1	Commercial Office Property Management	112,647,611	3.41
555 Twelfth Street Venture LLC	1	Commercial Office Property Management	108,696,836	3.29
Prentiss Properties Acquisition Partnership	7	Commercial Office Property Management	93,797,571	2.84
Clorox Company	3	Household Products	91,935,112	2.78
Sodalite Limited Partnership	3	Commercial Office Property Management	64,750,000	1.96
SSR Western Multifamily LLC	3	Multi-family Residential	63,408,707	1.92
Lennar Emerald Merritt Partners LLC	151	Multifamily Residential	46,851,303	1.42
Prentiss Properties Lake Merritt LLC	4	Commercial Office Property Management	36,520,164	1.10
Top Ten Total	**187**		**$987,433,472**	**29.86%**
Project Area Total			**$3,307,030,603**	

† Column totals do not sum due to independent rounding. Source: *County of Alameda.*

Coliseum

Created in 1995, this Project Area, in terms of acreage, is the largest Project Area, encompassing approximately 11 square miles, 6,500 acres, in size. It will produce roughly 10% of the Agency's tax increment revenue for Fiscal Year 2005-06. The Agency looks to redevelop, for commercial use, the areas in close proximity to the Oakland International Airport and MacAfee Coliseum and Arena. With the Coliseum within it's boundaries as well as one of the fastest growing International Airports in the State directly adjacent, the Agency envisions the Project Area as an ideal location for retail, business parks, entertainment and recreational development opportunities.

Major features for the Project Area in the adjacent Oakland International Airport; the McAfee Coliseum and Arena; and major commercial, industrial, manufacturing and warehouse and distribution centers. The Project Area also is a transportation hub, including the Coliseum and Fruitvale BART stations; a Union Pacific station and freight facilities; AC Transit; the proposed Oakland Airport Connector and the Oakland Coliseum Intercity Rail Platform (AMTRAK Capitol Corridor); and major arterials, including Interstate 880, Hegenberger Road, International Blvd., and San Leandro Street.

Development projects recently underway within the Project Area include the Coliseum Transit Village, a mixed use, transit oriented development project in the area of the Coliseum BART Station area; Lion Creek Crossings (formerly Coliseum Gardens), a 382-unit mixed income housing development under construction by the Oakland Housing Authority; a new 23,000 square-foot library, which will be Oakland's largest branch library; and a 160,000 shopping center. Other activities in the Project Area include a facade improvement program along International Boulevard between 23rd Avenue to the San Leandro City border and a streetscape improvement program along several major roads within the Project Area.

Central City East

This Project Area was formed in 2003 and encompasses portions of the Eastlake, Fruitvale, Central East Oakland, and Elmhurst neighborhoods that make up central and eastern Oakland. This Project Area begins at the southern border of downtown Oakland and extends east to approximately Durant Street, covering 3,339 acres. The Project Area is primarily made up of single-family residential neighborhoods, with retail areas adjacent to the downtown in the northwest portion of the Project Area and along MacArthur and Foothill Boulevards. In addition, a small peninsula of industrial uses lies along Embarcadero just west of the Nimitz (I-880) Freeway.

Activities in this Project Area include a homeownership rehabilitation program offering loan funds for cosmetic exterior work of homes owned and occupied by low to moderate income households; a facade improvement program offering property owners in target areas matching grants of up to $20,000 for approved exterior renovations to commercial and mixed-use properties, as well as free architectural assistance; a tenant improvement program offering up to $45,000 per vacant storefront, and up to $5,000 per property for design services for tenant improvements to commercial properties and a variety of streetscape projects, of which eight are currently underway.

Oakland Army Base

Formed in 2000, this Project Area is a key element of the Agency's strategy for revitalizing the western portion of the City of Oakland. The Project Area comprises the 425-acre former Oakland Army Base, plus adjacent areas, totaling an approximately 1800-acre Project Area.

Along with the former Army Base property, the Project Area includes two non-Base areas: (1) the Port of Oakland maritime area west and south of the 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 ("FISCO") land located between and adjacent to the Port's Outer Harbor and Middle Harbor terminal facilities; and (2) an area along the Oakland Army Base's eastern boundary roughly between the realigned I-880 freeway and Wood Street, including the former Oakland Amtrak 16th Street Station. The Project Area is generally bounded by Wood Street, and the Oakland Inner, Middle and Outer Harbors of the Port of Oakland.

In August 2003, ownership of the Base was transferred from the U.S. Government to the Oakland Base Reuse Authority ("OBRA"). Currently, OBRA is engaged in numerous activities, including conducting of environmental studies and regulatory activities necessary for development to occur. In August 2006, the Oakland Redevelopment Agency and the Port of Oakland then will assume lead roles in shepherding development of the Base to realize the benefits anticipated for the Project. Certain portions of the Base site are occupied by a variety of tenants while pre-development activity occurs.

Proposed objectives of the Agency in this Project Area, include job generation through expanded business opportunities and services; increased public access to and along the Oakland waterfront; and improved efficiency of Port operations. Currently, the Agency is pursuing an exclusive negotiating agreement of a 70-acre film production studio with associated retail and entertainment uses; an exclusive negotiating agreement for a 50-acre retail and light industrial project; and analyzing feasibility of a freeway Auto Mall with other adjacent retail developments.

Broadway/MacArthur/San Pablo

The Broadway/MacArthur/San Pablo Redevelopment Area, formed in 2000, consists of two distinct areas in North Oakland and is comprised of 676 acres. The Broadway/MacArthur sub-area incorporates Broadway's Auto Row district and Telegraph Avenue between 27th and 42nd Streets. The San Pablo sub-area incorporates the Golden Gate neighborhood along San Pablo Avenue from 53rd to 67th Street.

Key elements of the Redevelopment Plan include encouraging in-fill development and supporting catalyst projects, including the MacArthur Transit Village Project. Guidance for redevelopment activities in this Project Area is provided by a Project Area Committee, which has prioritized several key projects and activities in their five-year implementation plan, including development of the MacArthur Transit Village, which is currently being developed jointly with BART and incorporates a mix of high-density residential units, retail establishments and community space, all adjacent to a BART station. Additional objectives include a facade improvement plan, which offers matching grants for property owners to remodel and improve the appearance of the exterior of their properties and design services and streetscape and pedestrian improvements on Telegraph Avenue, 40th Street, West MacArthur Boulevard, and San Pablo Avenue.

West Oakland

Created in 2003, this Project Area is comprised of 1,565 acres and is located the western part of the City roughly paralleling I-880 freeway corridor. Current activities include the development of a "Main Street" along a major commercial corridor, with the planned result being a transformation of the area into an economically viable and sustainable commercial center; the development of the West Oakland Transit Village, consisting of the development of residential structures, mixed use developments and commercial structures with ground floor retail space in the neighborhood surrounding the West Oakland BART Station and a commercial facade improvement program. The transit village is being developed in cooperation with the City, the Oakland Housing Authority and BART.

Oak Center

Formed in 1965, Oak Center Project Area is a 56-block, 30-acre residential community in West Oakland, adjacent to downtown and the Acorn Project, mainly composed of Victorian structures. These turn-of-the-century buildings were preserved through multiple efforts and a variety of financing techniques. In order to enhance development, the City council voted to make Oak Center a Historical District in July 2003. The redevelopment plan for this Project Area has been amended twice since 1965 to incorporate financial limitations, including those imposed by AB 1290. The projected tax increments from this area amount to 2% of the Agency total. With the exception of a few parcels that remain to be developed this Project Area is complete.

Acorn

Formed in 1961, the Acorn Redevelopment Project Area in West Oakland covers 25 acres of land on 14 city blocks. It lies 10 blocks from Oakland's downtown area, close to major employment centers in Oakland and San Francisco, with good public transportation access to BART and AC Transit. The area is 50 percent industrial and 50 percent residential and has been redeveloped fully in accordance with the original redevelopment plan. The Acorn Project Area is projected to account for approximately 3% of the Agency's tax increment revenues.

Several projects have been completed since the creation of the Acorn Redevelopment Project Area including the refurbishment and redesign of 293 rental units and 83 single-family houses; redevelopment and releasing of the Jack London Gateway Shopping Center (formerly the Acorn Shopping Center); and completion of two infrastructure projects along 8th Street in the Acorn-Prescott Neighborhood Transportation Plan.

As of March 1, 2006, $715,000 of senior obligation bonds secured by tax increment revenues generated in the Acorn Project Area were outstanding.

Stanford/Adeline

Formed in 1973, this Project Area includes an area of four blocks in North Oakland where three major streets come together. During the late 1970's, the incompatible industrial and commercial areas were removed and replaced with open space. In addition, the confusing interchange of Stanford and Adeline Streets was realigned to make the neighborhood quieter and safer. The Stanford/Adeline Project was completed in 1987.

Oak Knoll

Adopted in 1998 the Oak Knoll Project Area, a 183-acre site, is located in the Oakland hills and is the site of the former Naval Medical Center-Oakland, which served as the Navy's East Bay medical center from 1942 until decommissioning in 1996. The principal purpose of this redevelopment project is to improve residential developments and retail establishments. The City is pursuing a reuse plan to develop the site upon transfer from the federal government into private ownership, which is slated for February of 2006. Currently, this Project Area generates no tax increment.

In August 2005, the Agency authorized the preparation of Amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Project Area to merge these two Project Areas Central City East and Oak Knoll Project Areas. It is anticipated that the Agency Commission and the Oakland City Council will consider adoption of this merger in April 2006.

Project Areas Summary Information

Table 8 provides plan limitation and other summary information regarding each Project Area.

Table 8
Redevelopment Agency of the City of Oakland
Applicable Redevelopment Plan Limits

Project Area	Plan Expiration	Last Date to Incur New Debt	Last Date to Repay Debt with Tax Increment	Tax Increment Limit	Tax Increment Collected Through 2004-05
Central District	June 12, 2012	Eliminated	June 12, 2022	$1,348,862,000	$433,773,537
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
Central City East	July 29, 2033	July 29, 2023	July 29, 2048	No Limit	N/A
Oakland Army Base	June 30, 2033	June 30, 2022	June 30, 2048	506,400,000	4,920,083
Broadway/MacArthur/San Pablo	July 25, 2030	July 25, 2020	July 25, 2045	No Limit	N/A
West Oakland	November 18, 2033	November 18, 2023	November 18, 2048	No Limit	N/A
Oak Center	January 1, 2012	January 1, 2004(1)	January 1, 2022	12,572,000	5,774,000
Acorn	January 1, 2012	January 1, 2004(1)	January 1, 2022	30,000,000	20,348,000
Stanford/Adeline	April 10, 2016	January 1, 2004(1)	April 10, 2026	1,625,000	Unavailable
Oak Knoll	Undetermined(2)	Undetermined(2)	Undetermined(2)	87,000,000	6,259

(1) Acorn, Oak Center and Stanford/Adeline Projects have been amended to provide for issuance of new indebtedness after January 1, 2004 for low and moderate income housing purposes only.
(2) As military base closure projects, Oak Knoll and Oakland Army Base are subject to the time limits of Chapter 942 only after a fiscal year within which a total of $100,000 in tax revenue is allocated. Oakland Army Base reached this threshold in 2001-02 and Oak Knoll is not projected to reach this threshold during the projection.

Outstanding Appeals for Reduction of Assessed Valuation

Property taxable values determined by the County Assessor may be subject to an appeal by property owners. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. The reduction in future Project taxable values affects all taxing entities, including the Agency. It has generally been the County's policy to hold redevelopment agencies harmless from tax refunds due to assessment appeals. Therefore, the only risk to the Agency from appeals is the reduction in assessed value and future tax increment. There is no assurance the County will continue this practice in the event of major appeals.

The Agency and HdL Coren & Cone, the Fiscal Consultant, researched the status of assessment appeals filed by all property owners in the Project Areas based upon the latest information available from the County assessment appeals database. See APPENDIX D–"FISCAL CONSULTANT'S REPORT–THE PROJECT AREAS–Assessment Appeals" for a detailed discussion of assessment appeals.

A total of 361 appeals are pending in the Project Areas seeking an aggregate reduction of $1,753,998,475. Since fiscal year 1998-99, 1,184 appeals have been filed, with 815 resolved which resulted in a total reduction of $231,273,380 or 17.64% of assessed value that was under appeal. In the Central District Project Area, which accounts for 46.12% of the incremental assessed value of all Project Areas, since Fiscal Year 1998-99, 538 appeals were filed with 208 being successful with an average reduction in assessed value of approximately 13.84%. In that Project Area, 162 appeals are currently pending on an aggregate value sought of $1,255,274,015, or approximately 37.96% of Fiscal Year 2005-06 assessed value. The potential loss of value if all assessment appeals were allowed at the owner's opinion of value is unable to be determined because almost one half of the assessment appeals pending list no owners opinion of value.

The Fiscal Consultant's Report uses, where available, the historical average number of appeals allowed and the historical average reduction in value per successful appeal to estimate the amount of assessed value that may be lost as the result of the currently pending appeals. The Fiscal Consultant estimates that the assessment appeals currently pending will result in a reduction in the projected 2006-07 assessed value of $139,593,575 or 1.08%. The County's method of allocating tax increment revenues will result in no reduction in revenues to the Agency from taxpayer refunds connected with any successful assessment appeals.

The Fiscal Consultant's Report does not include the impact of assessment appeals in calculating future tax increment receipts.

The actual reductions in tax increment and Project Area taxable values for future appeals could be significant. Resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment.

Tax Rates

The tax rates that are applied to incremental taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed one percent ($1.00 of $100 taxable value) in accordance with Article XIIIA of the California Constitution.

The Override Tax Rates can decline each year as increasing property values reduce the Override Rate needed to be levied by the taxing entities to meet voter approved obligations and as voter approved debt is eventually retired over time. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates for debt approved after December 31, 1988.

	%
General Levy	1.0000
Oakland U.S.D. EC 16090	.0001
East Bay Regional Park 1	.0057
EBMUD Special District 1	.0072
City of Oakland	.1575
Total RDA Eligible Tax Rate:	1.1705
Non-RDA Eligible Tax Rates	
Oakland U.S.D. Bonds	.0779
Peralta Community College Dist.	.0238
Bay Area Rapid Transit	.0048
City of Oakland	.0459
Total Tax Rate:	1.3229

Tax Rate for TRA 17-034 Only	%
General Levy	1.0000
East Bay Regional Park 1	.0057
City of Oakland	.1575
Total RDA Eligible Tax Rate:	1.1632
Non-RDA Eligible Tax Rates	
San Leandro U.S.D. Bonds	.0358
Chabot-Las Positas College Bonds	.0158
Bay Area Rapid Transit	.0048
City of Oakland	.0459
Total Tax Rate:	1.2655

Source: County of Alameda; HdL Coren & Cone.

Estimated Subordinate Housing Set Aside Revenues and Debt Service Coverage

Table 9 on the following page sets forth future Subordinated Housing Set Aside Revenues for each Project Area as 20% of total Tax Revenues for Fiscal Year 2005-06 assuming a growth rate of 0% per year. Appendix C contains the Report of the Fiscal Consultant, which contains projections of Subordinated Housing Set Aside Revenues, assuming a growth of rate 2% per year. The Subordinated Housing Set Aside Revenues for the Acorn and Oak Center Project Areas reflect the termination of such revenues due to those Project Areas reaching their respective tax increment limits assuming 2% annual growth in accordance with the Fiscal Consultant's projections. The Central District and Stanford/Adeline Project Areas reach their last date to repay debt in the respective years shown, which are prior to maturity of the Series 2006 Bonds. See "–Table 8" above.

Table 10 on the next following page shows annual debt service on the 2000 Parity Bonds and the Series 2006 Bonds, without regard to any optional redemption or special mandatory redemption and estimated coverage.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Table 9
Redevelopment Agency of the City of Oakland
Combined Redevelopment Project Areas
Housing Set-Aside Revenue Based on 2005-06 Values - 30 Years

	Central District[(1)]	Coliseum	Central City East	Oakland Army Base	Broadway/ McArthur/ San Pablo	West Oakland	Oak Center[(2)]	Acorn[(2)]	Stanford/ Adeline[(1)]	Oak Knoll	Totals for All Project Areas
2005-06	$7,705,659	$3,947,044	$2,157,823	$785,888	$474,199	$409,127	$224,687	$196,064	$24,608	$2,132	**$15,927,231**
2006-07	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	224,687	196,064	24,608	2,132	**15,927,231**
2007-08	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	196,064	24,608	2,132	**15,702,544**
2008-09	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	196,064	24,608	2,132	**15,702,544**
2009-10	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	196,064	24,608	2,132	**15,702,544**
2010-11	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2011-12	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2012-13	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2013-14	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2014-15	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2015-16	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2016-17	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2017-18	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2018-19	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2019-20	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2020-21	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2021-22	7,705,659	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**15,506,480**
2022-23	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**7,800,851**
2023-24	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**7,800,851**
2024-25	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**7,800,851**
2025-26	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	24,608	2,132	**7,800,851**
2026-27	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2027-28	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2028-29	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2029-30	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2030-31	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2031-32	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2032-33	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2033-34	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2034-35	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
2035-36	31	3,947,044	2,157,823	785,888	474,199	409,127	–	–	–	2,132	**7,776,243**
Totals	**$130,996,636**	**$122,358,369**	**$66,892,508**	**$24,362,530**	**$14,700,168**	**$12,682,925**	**$449,374**	**$980,320**	**$516,771**	**$66,090**	**$374,005,691**

(1) The Central District and Stanford/Adeline Project Areas reach their last date to repay debt in the respective years shown, which are prior to maturity of the Series 2006 Bonds.
(2) The Subordinated Housing Set Aside Revenues for the Acorn and Oak Center Project Areas reflect the termination of such revenues due to those Project Areas reaching their respective tax increment limits assuming 2% annual growth in accordance with the Fiscal Consultant's projections.
Source: HdL Coren and Cone.

Table 10
DEBT SERVICE COVERAGE PROJECTIONS

Bond Year Ending September 1	Subordinated Housing Set Aside Revenues	2000 Parity Bonds Debt Service	Series 2006 Bonds Debt Service	Total Parity Debt Service	Estimated Coverage†
2006	$15,927,231	$3,419,256	$3,081,664	$6,500,921	2.45x
2007	15,927,231	2,399,036	5,207,740	7,606,776	2.09
2008	15,702,544	2,400,231	5,199,036	7,599,267	2.07
2009	15,702,544	2,400,478	5,199,422	7,599,900	2.07
2010	15,702,544	2,398,995	5,203,327	7,602,322	2.07
2011	15,506,480	–	7,505,512	7,505,512	2.07
2012	15,506,480	–	7,504,848	7,504,848	2.07
2013	15,506,480	–	7,505,077	7,505,077	2.07
2014	15,506,480	–	7,505,672	7,505,672	2.07
2015	15,506,480	–	7,505,880	7,505,880	2.07
2016	15,506,480	–	7,501,398	7,501,398	2.07
2017	15,506,480	–	7,501,958	7,501,958	2.07
2018	15,506,480	–	7,506,208	7,506,208	2.07
2019	15,506,480	–	7,502,073	7,502,073	2.07
2020	15,506,480	–	7,506,450	7,506,450	2.07
2021	15,506,480	–	7,506,695	7,506,695	2.07
2022	15,506,480	–	7,502,241	7,502,241	2.07
2023	7,800,851	–	3,773,608	3,773,608	2.07
2024	7,800,851	–	3,774,840	3,774,840	2.07
2025	7,800,851	–	3,775,245	3,775,245	2.07
2026	7,800,851	–	3,774,532	3,774,532	2.07
2027	7,776,243	–	3,762,410	3,762,410	2.07
2028	7,776,243	–	3,762,054	3,762,054	2.07
2029	7,776,243	–	3,764,289	3,764,289	2.07
2030	7,776,243	–	3,763,523	3,763,523	2.07
2031	7,776,243	–	3,764,459	3,764,459	2.07
2032	7,776,243	–	3,761,504	3,761,504	2.07
2033	7,776,243	–	3,764,363	3,764,363	2.07
2034	7,776,243	–	3,762,145	3,762,145	2.07
2035	7,776,243	–	3,764,556	3,764,556	2.07
2036	7,776,243	–	3,765,705	3,765,705	2.07
TOTAL	$374,005,691	$13,017,996	$166,678,431	$179,696,427	

† Subordinated Housing Set Aside Revenues divided by the sum of Total Parity Debt Service.

THE AGENCY

Members, Authority and Personnel

The Redevelopment Agency of the City of Oakland (the "Agency") was activated on October 11, 1956, by action of the Oakland City Council pursuant to the California Community Law. Effective December 31, 1975, the City Council declared itself to be the Agency. The members of the Agency include the President of the City Council, Ignacio De La Fuente as Chairperson of the Agency, and the other members of the City Council of the City of Oakland: Desley Brooks, Jane Brunner, Henry Chang, Jr., Patricia Kernighan, Nancy Nadel, Jean Quan and Larry Reid, Jr.

Agency staff services are provided by City staff under an agreement between the Agency and the City first entered into in December 1975. Such support includes project management, real estate acquisition and disposition, relocation, engineering and planning, legal, financing and fiscal services.

Edmund G. Brown, Jr. serves as Mayor and Chief Executive Officer of the Agency. He was elected to this position in November 1998.

Deborah A. Edgerly serves as City Administrator and Agency Administrator. She was appointed to this position in 2004. Ms. Edgerly oversees the day-to-day operations and service delivery of the City, and manages certain city-wide programs. As the City Administrator, she implements City Council policy and ensures fiscal soundness in both City and Agency operations.

William E. Noland serves as Director, Finance and Management Agency of the City and Treasurer of the Agency. He was appointed to this position in 2004. Mr. Noland oversees all aspects related to the financial operations of the City and the Agency. His financial management responsibilities include portfolio and debt management, tax collections, parking enforcement and collections, human resource management and risk management.

John Russo serves as City Attorney and Agency Counsel. He was elected as City Attorney in March 2000, and was appointed as Agency Counsel in September 2000 and sworn-in, in January 2001.

Dan Vanderpriem serves as Executive Director, Community and Economic Development Agency of the City. He was appointed to this position in 2004. In this role, he strives to improve the physical landscape and economic environment of the Oakland Community through the implementation of projects, programs, and the provision of services to residents, workers, businesses, and property owners to foster compatible and sustainable growth.

Katano Kasaine serves as Treasury Manager. She was appointed to this position in October 2004. Ms. Kasaine manages all aspects of the City's treasury functions, including the issuance and administration of debt financings, management of the City and Agency's cash and investments, and oversight of city-wide payroll operations.

Administration of the Agency's projects is a staff function within the City organization framework and has been the responsibility of the Community and Economic Development Agency.

Powers

All powers of the Agency are vested in its eight members. They are charged with the responsibility of eliminating blight through the process of redevelopment. Generally, this process is culminated when the Agency disposes of land for development by the private sector. In order to eliminate blight, the Agency has broad authority to acquire, develop, administer, sell or lease property, including the right of eminent domain and the authority to issue bonds and expend their proceeds.

Prior to disposing of land for redevelopment, the Agency must complete the process of acquiring and assembling the necessary sites, relocating residents and businesses, demolishing the deteriorated improvements, undertake environmental mitigation, grade and prepare the site for purchase, and in connection with any development can cause streets, highways and sidewalks to be constructed or reconstructed and public utilities to be installed.

Redevelopment in the State of California is carried out pursuant to the Community Redevelopment Law (Section 33000 *et seq.* of the Health and Safety Code). Section 33020 of the Law defines redevelopment as the planning, development, replanning, redesign, clearance, reconstruction or rehabilitation, or any combination of these, of all or part of a survey area and the provision of such residential, commercial, industrial, public or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them.

The Agency may, out of the funds available to it for such purposes, pay for all or part of the value of the land and the cost of buildings, facilities, structures or other improvements to be publicly owned and operated to the extent that such improvements are of benefit to a Project Area and no other reasonable means of financing is available.

The Agency must sell or lease remaining property within a Project Area for redevelopment by others in strict conformity with applicable the redevelopment plan, and may specify a period within which such redevelopment must begin and be completed.

In accordance with these criteria the Agency has adopted Redevelopment Plans in designated Project Areas that authorize the use of the redevelopment process and procedures.

Audited Financial Statements

The Agency's audited financial statements for the fiscal year ending June 30, 2005, are found in APPENDIX B.

TAX MATTERS

Series 2006A Bonds

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 2006A Bonds is excluded from gross income for federal income tax purposes, except during any period while a Series 2006A Bond is held by a "substantial user" of the facilities financed by the Series 2006A Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Series 2006A Bonds is exempt from California personal income taxes.

The opinions set forth in the preceding paragraph are subject to the condition that the Agency and the users of the facilities financed or refinanced from the proceeds of the Series 2006A Bonds comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Series 2006A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The 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 2006A Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Series 2006A 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 each Series 2006A 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.

Under the 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 Series 2006A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2006A Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2006A Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2006A Bonds who purchase the Series 2006A Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2006A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2006A 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 Series 2006A Bonds under federal individual and corporate alternative minimum taxes.

Under the Code, original issue premium is amortized on an annual basis over the term of the Series 2006A Bonds (said term being the shorter of the applicable maturity date of the Series 2006A Bonds or the call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Series 2006A Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series 2006A Bond is amortized each year over the term to maturity of the Series 2006A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). Amortized Series 2006A Bond premium is not deductible for federal income tax purposes. Owners of Premium Series 2006A 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 Series 2006A Bonds.

In the further opinion of Bond Counsel, interest on the Series 2006A Bonds is exempt from California personal income taxes.

The form of Bond Counsel's opinion to be delivered on the date of issuance of the Series 2006A Bonds is set forth in APPENDIX E hereto.

Owners of the Series 2006A Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2006A Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Series 2006A Bonds other than as expressly described above.

Series 2006A-T Bonds

Interest on the Series 2006A-T Bonds is subject to all applicable federal income taxation. Such interest is exempt from California personal income taxes.

The form of Bond Counsel's opinion to be delivered on the date of issuance of the Series 2006A-T Bonds is set forth in APPENDIX E hereto.

Circular 230 Disclaimer. To ensure compliance with requirements imposed by the Internal Revenue Service ("IRS"), Bond Counsel informs Owners of the Series 2006A-T Bonds that any U.S. federal tax advice contained in this Official Statement (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

CERTAIN LEGAL MATTERS

The validity of the Series 2006 Bonds and certain other legal matters are subject to the approving legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. A copy of the proposed form of Bond Counsel's opinion is contained in APPENDIX E to this Official Statement, and the final opinion will be made available to the owners of the Series 2006 Bonds at the time of delivery of the Series 2006 Bonds. Certain legal matters will be passed upon for the Agency by the City Attorney of the City, as Agency General Counsel, and for the Agency and the Underwriters by Lofton & Jennings, San Francisco, California, Disclosure Counsel. Bond Counsel and Underwriters' Counsel will receive compensation that is contingent upon the sale and delivery of the Series 2006 Bonds.

ABSENCE OF MATERIAL LITIGATION

No material litigation is pending, with service of process having been accomplished or, to the knowledge of the Agency, threatened, concerning the validity of the Series 2006 Bonds, the corporate existence of the Agency, or the title of the officers of the agency who will execute the Series 2006 Bonds as to their respective offices. The Agency will furnish to Underwriters of the Series 2006 Bonds a certificate of the Agency as to the foregoing as of the time of the original delivery of the Series 2006 Bonds.

FINANCIAL ADVISOR

Kelling, Northcross & Nobriga, A Division of the Zions First National Bank, Oakland, California, has served as Financial Advisor to the Agency with respect to the sale of the Series 2006 Bonds. The Financial Advisor has assisted the Agency in the review of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Series 2006 Bonds. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Agency to determine the accuracy or completeness of this Official Statement. Due to their limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Financial Advisor will receive compensation from the Agency contingent upon the sale and delivery of the Series 2006 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2006 Bonds, Causey Demgen & Moore Inc., Denver, Colorado, independent certified public accountants (the "Verification Agent"), will deliver reports stating that it has reviewed and confirmed the mathematical accuracy of certain computations relating to the adequacy of the Eligible Securities (as defined in the respective Escrow Agreement) and the interest thereon to pay, when due, the redemption price and interest on each Series of the Refunded Bonds on and prior to the specified redemption dates thereof, the yield on the Series 2006 Bonds and the yields of the Eligible Securities.

CONTINUING DISCLOSURE

The Agency has agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository or the Municipal Securities Rulemaking Board and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission certain annual financial information and operating data (each, an "Annual Report") and, in a timely manner, notice of certain material events. In lieu of filing the Annual Reports and any Material Event Notices with each National Repository and each State Repository, the Agency may file any Annual Report or Material Event Notice with the Internet-based filing system currently located at www.DisclosureUSA.org, or such other similar filing system approved by the SEC. These covenants have been made in order to assist the Underwriters in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE" for a description of the specific nature of the annual report and notices of material events and a summary description of the terms of the disclosure agreement pursuant to which such reports are to be made.

The Agency has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events. The Agency has historically prepared its Annual Reports for its various bond issues as part of an Annual Financial Information Statement prepared jointly with the City of Oakland and expects to continue that practice with respect to the Series 2006 Bonds.

UNDERWRITING

The Series 2006 Bonds are being purchased through negotiation by E. J. De La Rosa & Co., Inc. and Stone & Youngberg LLC (collectively, the "Underwriters") a purchase price for the Series 2006A Bonds is $2,318,973.60, representing the $2,195,000 principal amount of Series 2006A Bonds plus an original issue premium of $123,973.60. The purchase price of the Series 2006A-T Bonds is the principal amount thereof. The Underwriters shall receive total compensation in the amount of $471,710.40, which will be paid from proceeds of the Series 2006A-T Bonds. The Bond Purchase Contract for the Series 2006 Bonds between the Agency and the Underwriters provides that the Underwriters will purchase all the Series 2006 Bonds from the Agency if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Series 2006 Bond Purchase Contract including, among others, the approval of certain legal matters by counsel.

RATINGS

Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Group, a division of The McGraw–Hill Companies, Inc. ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of "Aaa," "AAA" and "AAA," respectively, to the Series 2006 Bonds with the understanding that upon delivery of the Series 2006 Bonds a policy insuring the payment when due of principal of and interest on the Series 2006 Bonds will be issued by Ambac Assurance. See "BOND INSURANCE" and APPENDIX H–"SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY." Moody's, S&P and Fitch have assigned underlying ratings to the Series 2006 Bonds of "A2," "A" and "A," respectively. A rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Series 2006 Bonds. An explanation of the significance of the rating may be obtained from the rating agencies as follows: Moody's Investors Service, 99 Church Street, New York, New York 10007; Standard & Poor's Ratings Group, 55 Water Street, 38th Floor, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004, respectively. There is no assurance that such ratings will continue for any given period of time or that they will not be reduced or withdrawn entirely by the rating agencies, or either of them, if in their, or its, judgment circumstances so warrant. The Agency has not undertaken any responsibility to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating may have an adverse effect on the marketability or market price of the Series 2006 Bonds.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

MISCELLANEOUS

All of the preceding summaries of the Series 2006 Bonds, the Indenture, other applicable legislation, agreements and other documents are made subject to the provisions of the Series 2006 Bonds and 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 Agency for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the Treasurer of the Agency has been duly authorized by the Agency.

REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND

By: /s/ William E. Noland
Treasurer

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE CITY OF OAKLAND

(As of June 30, 2005)

General Information

Overview. The City of Oakland (the "City") is located in the County of Alameda (the "County") on the east side of the San Francisco Bay, approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. The City ranges from industrialized lands bordering the Bay on the west to suburban foothills in the east. Formerly the industrial heart of the San Francisco Bay Area, the City has developed into a diversified financial, commercial and governmental center. The City is also the hub of an extensive transportation network, which includes a freeway system and the western terminals of major railroads and trucking operations, as well as one of the largest container-ship ports in the United States. The City supports an expanding international airport and rapid-transit lines that connect it with most of the Bay Area. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "State").

City Government. The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City of Oakland became a charter city. The Charter provides for the election, organization, powers and duties of the legislative branch, known as 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; employees' pension funds; and the creation and organization of the Port of Oakland (the "Port"). 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 elective officer. The current Mayor, Jerry Brown, is serving his second consecutive term, which expires in January 2007. No person can be elected Mayor for more than two consecutive terms. The Mayor and Council members serve four-year terms staggered at two-year intervals. The City Auditor, currently Roland E. Smith, is elected for a four-year term at the same time as the Mayor. The City Attorney is elected to a four-year term, two years following the election of the Mayor. The term of the current City Attorney, John Russo, expires in January 2009.

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 City provides a full range of services contemplated by statute or 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.

Additional Information. Additional information on the City, including financial information, can be found on the City's website at http://www.ci.oakland.ca.us; such information is not incorporated herein by reference.

Economic Highlights

The City, located immediately east 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 both Interstate 80 and Interstate 880, and boasts a world-class seaport and an international airport. Oakland is a strategic location for companies seeking to move goods and ideas through air, water, land or cyberspace. In 2002, the City was rated by Forbes as the 8th best city for business in the nation.[1]

As the 19th largest metropolitan economy in the United States[2], the Oakland metropolitan area has a diverse mix of traditional and new economy companies. Companies are attracted to the City's quality of life, comparatively low business costs, extensive fiber-optic infrastructure, vast inter-modal network, and a highly skilled labor pool, ranked the 8th most educated in the nation.[3]

Housing Development

A cornerstone of the City's economic development program since the inauguration of Mayor Jerry Brown in 1999 is the "10K Initiative," a multi-phase program to develop housing for 10,000 new residents in downtown Oakland by 2006. This goal translates to a target of developing 6,000 new residential units. On December 7, 2005, the 10K goal was met when the Planning Commission approved two new projects. Since the initiation of this program, 17 projects with 1,663 units have been completed, 15 projects with 2,144 units are under construction, 20 additional projects with 2,196 units have planning approval and 10 projects with 1,366 units are in the planning process. With 7,369 units completed or underway, the City has exceeded the 10K goal by 25%.

Commercial and Industrial Development

The City has facilitated a number of major commercial developments throughout the City. Several recent surveys have ranked Oakland as among the top ten office markets in the nation. Since 2001, Oakland has experienced a 22% increase in new businesses reporting Oakland as a primary location.

The Fruitvale BART Transit Village, a mixed-use development, opened in May 2004. The project offers 38,000 square feet of retail, 47 residential units including 10 affordable units, a child development facility, the new Cesar Chavez Public Library, a new medical clinic, a multipurpose senior center, and 114,500 square feet of office lease space. The Fruitvale Village project is nationally recognized as a leading smart-growth initiative and as one of the leading neighborhoods in the National Main Street Program. The project has won several awards, including the 2003 San Francisco Business Times Award and the 2004 Best in American Living Award in the Best Urban Smart Growth Neighborhood/Community category.

Hegenberger Gateway, which opened in 2005, offers 250,000 square feet of retail space. This $45 million development is anchored by Wal-Mart and also complemented by Starbucks, Panda Express and In-N-Out Burger. This key retail development is strategically located along the busy stretch of road that connects I-880 with the Oakland International Airport.

---

[1] Forbes/Milken Institute List of Best Places for Business and Careers, Forbes, May 27, 2002.

[2] U.S. Metro Economies: The Engines of America's Growth, DRI-WEFA, June 2002.

[3] 2000 U.S. Census.

The Oakland Coliseum Intercity Amtrak Station Project consists of a passenger platform constructed along the existing Amtrak/Capitol Corridor passenger rail route located between the Coliseum Stadium and the Coliseum BART station. The new pedestrian ramp will connect the passenger platform to the existing Coliseum-BART pedestrian bridge. The total project cost is approximately $6.6 million. Construction began in June 2004, with the facility opening in May 2005.

The Infiniti of Oakland Dealership was completed in May 2005 and this 4.35-acre parcel is part of the Coliseum Auto Mile. The $7.5 million dollar facility employs about 50 people. By locating the Infiniti of Oakland adjacent to the Coliseum Lexus dealership, which opened in November 2002, the City is creating a cluster of Oakland's luxury automotive dealers.

Transportation

During the 2004-2005 fiscal year, Oakland International Airport (the "Airport") marked its seventh consecutive year of passenger growth, making it one of the few airports in the country and the only one in the Bay Area whose utilization has grown in the post-9/11 environment. The Airport is served by 16 airlines with more than 200 daily nonstop flights to 38 domestic and international destinations, including Atlanta, New York, Washington D.C., Hawaii and Mexico. It is ranked third among U.S. airports for serving the highest proportion of domestic passengers using "low-cost" service (at 74%). Originally designed for approximately eight million passengers annually, the Airport served 14.1 million passengers last year.

The Airport will spend approximately $150 million over the next 2-3 years on its Terminal Improvement Program. This project includes a five-gate extension to Terminal 2 with a new concourse and waiting areas, expanded ticketing, security and baggage claim facilities. It also includes renovations to the existing facility and new utilities. The Airport will also improve the terminal roadways and curbside areas to ease congestion in front of the terminals. The program is expected to be complete by fall 2007.

The Port completed construction of the 37-acre Middle Harbor Shoreline Park and a 180-acre shallow-water habitat restoration. These projects, which opened to the public in September 2004, expand waterfront access for residents of Oakland and the Bay Area. In April 2005, Oakland became the first port in the nation where radiation portal monitors are completely installed and operable. The twenty-five portals will screen all international container traffic passing through the Port of Oakland for sources of radiation.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Population

The Demographic Research Unit of the California Department of Finance estimated the City's population on January 1, 2005, at 412,300. This figure represents 27.48% of the corresponding County figure and 1.14% of the corresponding State figure. The City's population has grown over 20% in the twenty-four years since 1980. The following table illustrates the City's population relative to the population of Alameda County and the State of California.

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

Year	City of Oakland	County of Alameda	State of California
1980	339,337	1,109,500	23,782,000
1990	372,242	1,276,702	29,758,213
2000	399,566	1,443,939	33,873,086
2001	402,700	1,465,000	34,431,000
2002	406,800	1,481,900	35,049,000
2003	408,500	1,487,700	35,612,000
2004	411,600	1,498,000	36,144,000
2005	412,300	1,507,500	36,810,358

Source: The 1980, 1990 and 2000 totals are U.S. Census figures. The figures for the years 2001 through 2005 are based upon adjusted January 1 estimates provided by the California State Department of Finance.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Employment

The following table shows the labor patterns in the City, the State of California, and the United States for the past five years.

Table A-2
City of Oakland, State of California and United States
Civilian Labor Force, Employment, and Unemployment
June 2001 through June 2005

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate
2001				
City	196,870	182,340	14,530	7.4
State	17,181,800	16,275,700	906,100	5.3
United States	141,354,000	134,932,000	6,422,000	4.5
2002				
City	202,340	179,780	22,560	11.2
State	17,397,200	16,216,700	1,180,600	6.8
United States	142,476,000	134,053,000	8,423,000	5.9
2003				
City	200,650	177,930	22,720	11.3
State	17,486,500	16,288,300	1,198,000	6.9
United States	148,117,000	138,468,000	9,649,000	6.5
2004				
City	199,070	180,220	18,850	9.5
State	17,683,000	16,555,400	1,127,900	6.4
United States	148,478,000	139,861,000	8,616,000	5.8
2005				
City	200,100	184,300	15,800	7.9
State	17,811,200	16,845,200	965,900	5.4
United States	149,123,000	141,638,000	7,486,000	5.0

Civilian labor force data are by place of residence, and include self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: California State Employment Development Department and U.S. Department of Labor, Bureau of Labor Statistics. United States figures as of December of each year.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Commercial Activity

A five-year history of total taxable transactions for the City is shown in the following table.

Table A-3
City of Oakland
Taxable Transactions, 1999-2003
(Taxable Transactions in $000s)

Year	Outlets	Taxable Transactions
1999	10,581	$3,085,079
2000	10,443	3,453,695
2001	10,532	3,287,050
2002	10,635	3,226,210
2003	11,103	3,402,977

Source: State Board of Equalization.

Construction Activity

A five-year history of building permits and valuation (including electrical, plumbing, and mechanical permits) appears in the following table.

Table A-4
City of Oakland
Building Permits and Valuations, Fiscal Years 2000-2005

Fiscal Year	Number Issued	Authorized New Dwelling Units	Residential Valuation (in $000s)	Nonresidential Valuation (in $000s)
1999/00	16,725	542	$272,170	$195,270
2000/01	16,879	954	138,570	481,635
2001/02	15,805	757	317,792	165,731
2002/03	15,910	930	170,527	260,000
2003/04	16,424	857	268,600	156,699
2004/05	15,942	1,350	356,256	173,292

Source: Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2005.

Median Household Income

Effective Buying Income ("EBI") is defined as personal income less personal income tax and non-tax payments, such as fines, fees, or penalties. Median household EBI for the City is shown in the table below.

Table A-5
City of Oakland, Alameda County,
State of California and United States of America
Median Household Effective Buying Income

Year[(a)]	City of Oakland	Alameda County	State of California	United States of America
1999[(b)]	$32,751	$44,730	$39,492	$37,233
2000	38,602	50,631	44,464	39,129
2001	39,567	54,076	43,532	38,365
2002	37,095	49,574	42,484	38,035
2003	37,558	50,431	42,924	38,201
2004	38,517	51,415	43,915	39,324

(a) As of January 1.
(b) Changes in market rankings, retail sales, total retail sales, merchandise line sales and metro markets make it impossible to trend the 1999 and 2000 Survey of Buying Power numbers. The changes are so significant that any attempt at trending will produce misleading results.

Source: "Survey of Buying Power", Sales and Marketing Management Magazine.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Litigation

The City is involved in certain litigation and disputes relating to its various operations. Upon the basis of information presently available, the City Attorney believes that there are substantial defenses to such litigation.

Table A-6
City of Oakland
Labor Relations
As of March 2006

Employee Organization/Bargaining Unit *	Number of Employees	Contract Termination
International Association of Firefighters (Local 55)	466	6/30/07
International Brotherhood of Electrical Workers (Local 1245)	24	6/30/08
International Federation of Professional and Technical Engineers (Local 21)/Units A, W, and F	495	6/30/08
IFPTE, Local 21 Units H (Supervisors) & M (Managers)	385	6/30/08
IFPTE, Local 21 (Deputy City Attorneys)	27	6/30/08
Oakland Police Officers Association	718	6/30/06
Service Employees International Union (Local 790)/full-time	1,414	6/30/08
Service Employees International Union (Local 790)/part-time	1,254	6/30/08
Oakland Park Rangers Association	10	6/30/06
Deputy City Attorney V & Special Counsel Association	7	6/30/06
	4,799	

* The City has negotiated the following cost of living adjustments with employee organizations:
- Local 55, based on CPI;
- Locals 1245, 21 & 790, increases of 4% each year until contract termination;
- Oakland Police Officers Association, increase of 5% on 1/1/06; and,
- Oakland Park Rangers Association, increase of 4% on 7/2/05.

Source: City of Oakland Office of Personnel and Resource Management

Retirement Programs

The City has three defined benefit retirement plans: Police and Fire Retirement System (PRFS), Oakland Municipal Retirement System (OMERS), and California Public Employees' Retirement System (PERS). The following summarizes the three systems, which are described further in the City's Comprehensive Annual Financial Report.

PFRS is a closed plan covering uniformed employees hired prior to July 1976. As of June 30, 2005, PRFS covered three current employees and 1,351 retired employees. The City issued pension obligation bonds in February 1997 to fund PFRS through 2011. As a result, no employer contributions are required through fiscal year 2011.

OMERS is a closed plan administered by the City and covers 89 retired employees. On June 20, 2004, the last active OMES member transferred to PERS. For the first year ended June 30, 2005, the city, in accordance with actuarially determined contribution requirements, did not make contributions to OMERS as the plan is fully funded.

The OMES and PFRS plans are considered part of the City's reporting entity and are included in the City's General Purpose Financial Statements as pension trust funds. The City's unfunded liability with PERS as of July 1, 2004 was $193.6 million, resulting in a 84.65% funded status. The City has issued several obligations to fund a portion of the City's then estimated unfunded actuarial accrued liability to the two closed systems.

City employees hired subsequent to the above plans' closure dates are covered by PERS, which is administered by the State of California. All City employees who work on a half-time basis or more are eligible to participate in PERS. For 2004-05, the City's contribution to PERS was $87.4 million. The City's unfunded liability with PERS, as of July 1, 2004, was $200.6 million for the public safety (police and fire) retirement plan, resulting in a 72.5% funded status, $193.6 million for the miscellaneous retirement plan, resulting in a 84.65% funded status.

Post-Retirement Health Benefits

The City has been paying part of the health insurance premiums for all retirees from City employment who receive a pension annuity earned through City service and who participate in a City-sponsored PERS health benefit plan. These benefits are funded on a pay-as-you-go basis. Approximately $2.6 million was paid on behalf of 767 retirees under this program for the year ended June 30, 2005.

Currently, there is no accounting rule that requires governmental agencies that are on a pay-as-you-go basis, such as the City, to accrue for post-employment health care benefits in the same manner as they accrue for pension benefits. The Governmental Accounting Standards Board recently published Statement No. 45, requiring that beginning with the fiscal year ending June 30, 2008, governmental agencies that are on a pay-as-you-go basis, such as the City, account for and report the outstanding obligations and commitments related to such post-employment benefits in essentially the same manner as they currently do for pensions.

Natural Hazard Risks

The City is in a seismically active area, located near or on three major active earthquake faults (the Hayward, Calaveras and San Andreas faults). During the past 150 years, the San Francisco Bay Area has experienced several major and numerous minor earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas Fault, which passes though the San Francisco Peninsula west of Oakland, with an estimated magnitude of 8.3 on the Richter scale. The most recent major earthquake was the October 17, 1989 Loma Prieta Earthquake, also on the San Andreas Fault, with a magnitude of 7.1 on the Richter scale and an epicenter near Santa Cruz, approximately 60 miles south of Oakland. Both the San Francisco and Oakland areas sustained significant damage. 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 prior to 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.

A substantial portion of the City is built in partly-wooded hillside areas, which are naturally prone to wildfire. In October, 1991 a fire in the Oakland/Berkeley Hills damaged 1,990 acres of forest and residential property, destroying 2,354 homes and 456 apartment units, most of which were in Oakland. The City has established a wildfire prevention assessment district covering portions of the City, which was approved by voters in January 2004, and which finances fire hazard inspections, brush and debris removal, wood chipping and public education.

Labor Relations

City employees are represented by seven labor unions and associations, identified in the table below, the largest one being the Service Employees International Union (Local 790), which represents approximately 57% of all City employees. Approximately 95% of all City employees are covered by negotiated agreements, as detailed below. Memoranda of Understanding effective July 1, 2002, were entered into with all non-sworn employee organizations. The City has never experienced an employee work stoppage. Pursuant to the Meyers-Milias-Brown Act (California Government Code Section 3500 et seq.), the City continues to meet and confer with the exclusive bargaining representatives of the City employees.

Estimated Direct and Overlapping Debt

Located within the City are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue, certificates of participation, and special assessment bonds. The direct and overlapping debt of the City as of January 1, 2005, according to California Municipal Statistics, Inc., is shown below. The City makes no representations as to the accuracy of the following table; inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from this debt statement.

Table A-7
City of Oakland
Statement of Direct and Overlapping Debt, as of June 30, 2005

Issuer and Type of Debt as of June 30, 2005	Percent Applicable[(2)]	City Share
Direct[(1)]		
City of Oakland	100%	$ 227,316,041
City of Oakland and Coliseum Authority General Fund Obligations	100	571,593,025
City of Oakland 1915 Act Bonds[(3)]	100	7,295,000
City of Oakland Pension Obligations	100	366,494,842
Total Direct Bonded Debt		**$1,172,698,908**
Gross Overlapping Debt		
Alameda-Contra Costa Transit District Certificates of Participation	21.804%	$ 4,521,059
Alameda County Board of Education Public Facilities Corporation	18.285	373,014
Alameda County and Coliseum Authority General Fund Obligations	18.285	116,534,511
Alameda County Pension Obligations	18.285	56,109,934
Bay Area Rapid Transit District	7.281	7,281,000
East Bay Municipal Utility District	20.656	630,008
East Bay Municipal Utility District, Special District #1	52.479	20,191,295
East Bay Regional Park District	10.755	15,642,072
Chabot-Los Positas Community College District and General Fund	1.415 & 1.415	1,533,789
Peralta Community College District	55.081	84,502,516
Oakland Unified School District	99.996	310,956,540
Oakland Unified School District Certificates of Participation	99.996	27,033,919
San Leandro Unified School District Certificates of Participation	13.414	259,561
San Leandro Unified School District	13.414	6,426,818
Castro Valley Unified School District Certificates of Participation	0.1470	2,249
Berkeley and Castro Valley Unified School Districts	0.005 & 0.1470	71,583
City of Emeryville 1915 Act Bond	4.183	501,542
Total Overlapping Bonded Debt		**$652,571,410**
Total Direct and Gross Overlapping Debt		1,825,270,318
Less: East Bay M.U.D. (100% self-supporting)	20.656	630,008
Less: East Bay M.U.D., Special District #1 (100% self-supporting)	52.479	20,191,295
Total Direct and Net Overlapping Debt		**$1,804,449,015**

Debt Ratios[(3]	**Total ($000's)**	**Per Capita**	**Ratio to Assessed Value**
General Obligation Bonds	$227,316	$ .55	0.0076%
Lease Revenue Bonds, COPs and Pension Obligation Bonds	938,088	2.28	0.0316%
Net Direct Debt	1,165,404	2.83	0.0393%
Other Direct Debt	7,295	.018	0.0002%
Gross Direct Debt	1,172,699	2.84	0.0395%
Total Gross Debt	1,825,975	4.43	0.0615%
Total Net Debt	**$1,804,449**	**$4.38**	**0.0608%**

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
(2) These percentages are based on Assessed Valuation.
(3) Based on 2005-06 assessed value of $29,648,879,226 (net of exemptions other than homeowner exemptions) and 2004-05 population of 412,300.

Source: California Municipal Statistics, Inc.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

REDEVELOPMENT AGENCY AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

[THIS PAGE INTENTIONALLY LEFT BLANK]

REDEVELOPMENT AGENCY

of the

CITY OF OAKLAND

CALIFORNIA

(A BLENDED COMPONENT UNIT OF THE CITY OF OAKLAND)

Basic Financial Statements
and
Supplemental Information

Fiscal Year Ended June 30, 2005

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
FINANCIAL REPORT

PROJECT TEAM

William E. Noland
Director
Finance and Management Agency

LaRae Brown
Controller

AUDIT/FINANCIAL STATEMENT COORDINATOR

Ace A.Tago, *Assistant Controller*

FINANCIAL STATEMENT PREPARATION

Financial Statement Leaders

Frank Catalya *Accountant III (ORA)*	Myrna Bangloy *Budget & Operations Analyst III*	Eric Parras *Accountant III (OBRA)*

Accounting Team (GL, ORA, GRANTS, & OBRA)

Bernadette Bangloy	Bruce Levitch	Marilyn Tran
Connie L. Chu	Lani Pallotta	David Warner
Edward Chun	Osborn Solitei	Theresa Woo
Felipe Kiocho	Sandra Tong	Andy Yang
	Norma Torres	

CLERICAL SUPPORT

Novette G. Flores, *Administrative Assistant*

SPECIAL ASSISTANCE

Katano Kasaine	Kathleen Larson	Donna Treglown
David Jones	Janet An	Sharon Holman

SPECIAL ASSISTANCE – DEPARTMENTS & OFFICES

City Manager's Office   City Attorney's Office   FMA-Treasury Division
Community & Economic Development Agency

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
TABLE OF CONTENTS
June 30, 2005

[THIS PAGE INTENTIONALLY LEFT BLANK]

MACIAS GINI & COMPANY LLP

Mt. Diablo Plaza
2175 N. California Boulevard, Ste. 645
Walnut Creek, California 94596

925.274.0190 PHONE
925.274.3819 FAX

WILLIAMS, ADLEY & COMPANY, LLP
Certified Public Accountants
Management Consultants

INDEPENDENT AUDITORS' REPORT

To the Members of the Redevelopment Agency
of the City of Oakland, California:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Oakland (Agency), a component unit of the City of Oakland, California, as of and for the year ended June 30, 2005, which collectively comprise the Agency's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oakland Base Reuse Authority (OBRA), which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for OBRA, is based on the report of the other auditors.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Agency as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3.*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2005, on our consideration of the Agency'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, as listed in the accompanying table of contents, is not a required part of the basic financial statements of the Agency, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Agency. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macias, Gini & Company LLP
Certified Public Accountants

Walnut Creek, California
December 2, 2005

Williams, Adley & Company, LLP
Certified Public Accountants

Oakland, California
December 2, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

This section of the Redevelopment Agency of the City of Oakland ("Agency") Annual Financial Report presents a narrative overview and analysis of the financial activities of the Agency for the year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the additional information contained in the Agency's financial statements and related footnotes.

FINANCIAL HIGHLIGHTS

- The Agency's total assets exceeded its total liabilities by $33,018,806 compared to net assets of $16,448,558 for the previous fiscal year. Assets increased by 19% while liabilities grew by 15% for a net growth in net assets of 101%. The increase was mainly caused by growth in property tax revenues. Note that the beginning net assets for the year ended June 30, 2005 have been restated to reflect an increase of $12.0 million. See Note (13) in the basic financial statements for more details.

- For the year ended June 30, 2005, the Agency's revenues for governmental activities were $85,150,695 compared to $73,046,146 for the prior fiscal year, an increase of $12,104,549 or 17%. The increase is primarily attributable to the increase in property taxes of $16.7 million or 31% in the ORA project areas driven by double digit increases in assessed property valuation and investment income of $3.1 million, offset by a reduction in other revenues of $6.5 million.

- The Agency's total expenses for the year ended June 30, 2005 were $68,580,447 compared to $44,723,496 for the prior year. The increase of $23,856,951 or 53% is attributed to the increase of $22.6 million in urban redevelopment and housing project activities in the various ORA project areas, and an increase of $1.2 million in long term debt interest expense.

- Reported for the first time by the Agency is the Central City East Project Area approved by City Council through Ordinance No. 12528 C.M.S. It is reported as a major fund under the Capital Projects category in the fund financial statements. See Note (1) in the basic financial statements for more details.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to introduce the Agency's basic financial statements. The Agency's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, using the accrual basis of accounting, in a manner similar to the financial statements for a private-sector business.

The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported on the accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes.

The government-wide financial statements distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Agency include urban redevelopment and housing. The Agency does not engage in any business-type activities.

The government-wide financial statements include the operations of the various redevelopment areas and low and moderate housing program.

Fund financial statements. The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are governmental funds.

Governmental funds. *Governmental* funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Agency's basic operations are reported in governmental funds. However, unlike the government-wide financial statements, governmental fund financial statements follow the modified accrual basis of accounting and focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Central District Fund, Coliseum Fund, Low and Moderate Housing Fund, Tax Allocation Debt Fund, and the recently created

Central City East Fund, all of which are considered to be major funds. Data from the remaining funds are combined in a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements immediately following the notes to the basic financial statements in this report.

Discretely Presented Component Unit – Oakland Base Reuse Authority

The Oakland Redevelopment Agency basic financial statements incorporate the Oakland Base Reuse Authority as a discretely presented component unit. As such, its activities for the fiscal year are reported in a separate column in the Agency's government-wide financial statements. See Note (1) in the basic financial statements for more details.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19-45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with other nonmajor governmental funds are presented immediately following the footnotes.

Government-wide Financial Analysis

The Agency's financial statements are presented under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) – for State and Local Governments*. All of the Agency's activities are governmental; therefore, business-type activities are not reported.

Net Assets
Governmental Activities

	June 30	
	2005	**2004***
Current and other assets	$ 312,189,470	$ 238,997,956
Property held for resale	57,737,856	71,500,558
Total assets	369,927,326	310,498,514
Long-term liabilities	319,308,146	279,546,593
Other liabilities	17,600,374	14,503,363
Total liabilities	336,908,520	294,049,956
Net assets/(deficit)		
Restricted for:		
Low and Moderate Housing	38,122,381	-
Urban redevelopment and housing	233,916,862	224,453,079
Unrestricted (deficit)	(239,020,437)	(208,004,521)
Total net assets/(deficit)	$ 33,018,806	$ 16,448,558

* Restated

Analysis of Net Assets

Net assets may serve over time as a useful indicator of the Agency's financial position. The Agency's assets exceeded liabilities by $33,018,806 at the close of the fiscal year ended June 30, 2005.

As of the end of the fiscal year, the Agency had restricted net assets of $272,039,243. These restricted net assets include an investment of $57,737,856 in Community Development (Property held for resale). The Agency uses Property Held for Resale to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of the Agency's restricted net assets of $214,301,387 represents resources that are subject to external restrictions on how they may be used. The Agency's deficit in unrestricted net assets of ($239,020,437) is attributed to the issuance of bonds and other indebtedness to fund urban development and housing projects that are not capitalized.

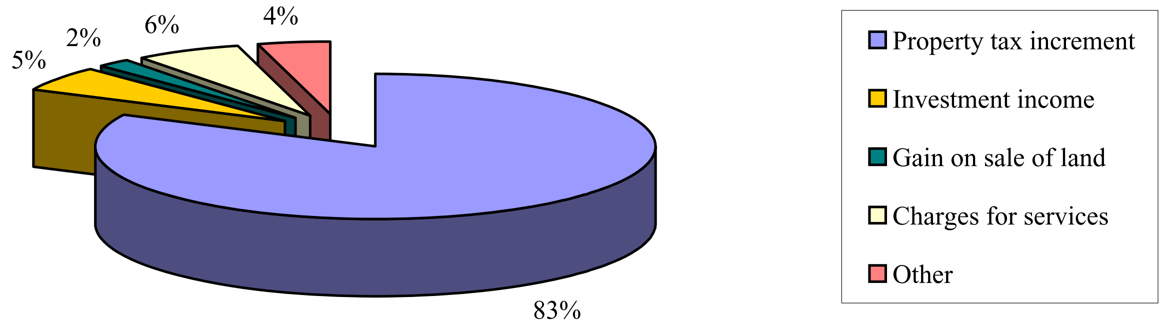
Governmental activities. Governmental activities increased the Agency's net assets by 101% ($16,570,248). Key elements of this increase are as follows:

Changes in Net Assets
Governmental Activities

	June 30	
	2005	**2004***
Revenues:		
Program revenues:		
Charges for services	$ 5,172,980	$ 5,749,532
General revenues:		
Property tax increment	70,076,503	53,415,706
Investment income	4,580,555	1,469,536
Gain on sale of land	1,664,076	2,284,417
Other	3,656,581	10,126,955
Total revenues	85,150,695	73,046,146
Expenses:		
Urban redevelopment and housing	52,811,520	30,178,725
Interest on long-term debt	15,768,927	14,544,771
Total expenses	68,580,447	44,723,496
Increase in net assets	16,570,248	28,322,650
Net assets/(deficit) beginning of year	16,448,558	(11,874,092)
Net assets end of year	$33,018,806	$ 16,448,558

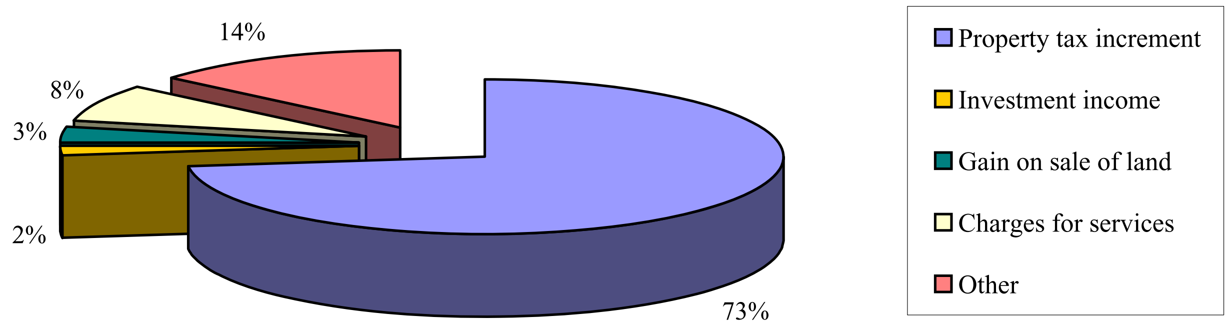
* Restated

Redevelopment Agency of Oakland
Sources of Revenue
For FY 2004-05

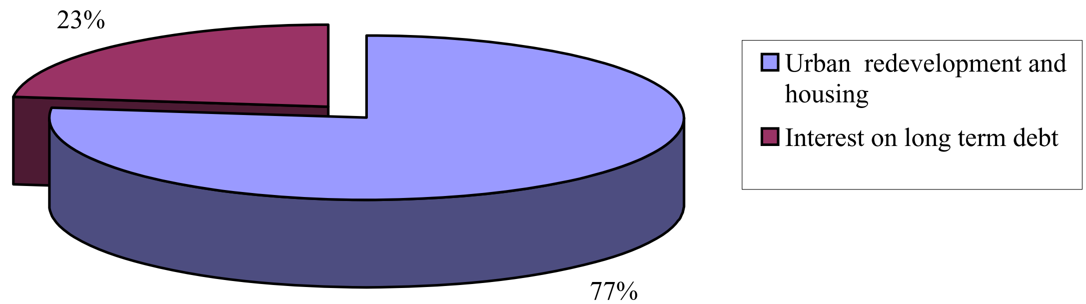


Total Revenues $85,150,695

Redevelopment Agency of Oakland
Sources of Revenue
For FY 2003-04

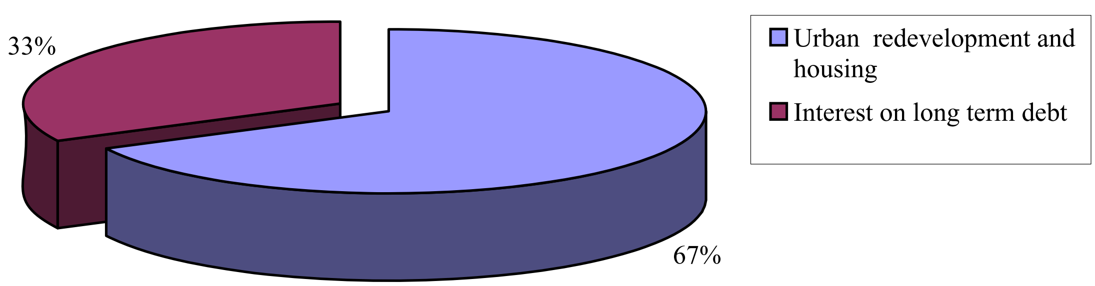


Redevelopment Agency of Oakland
Functional Expenses
For FY 2004-05



Total Expenditures $68,580,447

Redevelopment Agency of Oakland
Functional Expenses
For FY 2003-04



Analysis of Changes in Net Assets. The revenues in governmental activities for the Agency exceeded expenses by $16,570,248 for the year ended June 30, 2005. This represents a decrease in net assets of 41% compared to the prior year's increase in net assets of $28,322,650.

The charts in the preceding pages illustrate the proportional distribution of revenues by source and expenses by function compared to the previous year. Revenues totaled $85,150,695 while expenses totaled $68,580,447 for the year ended June 30, 2005 compared to $73,046,146 and $44,723,496, respectively, for the year ended June 30, 2004.

Revenues increased compared to the previous fiscal year by $12,104,549 or 17%. The growth is attributable to property tax increment revenues which increased by $16,660,797 (31%) due to a strong real estate market driven by double digit enhancement in property values. Increased investment income of $3,111,019 (212%) is attributed to higher balances in pooled cash and investments and restricted cash with fiscal agents. Significant decreases in revenues are comprised of: (a) $576,552 (10%) reduction in charges for services due to the sale of the Preservation Park; (b) $620,341 (27%) reduction in the gain from sale of property held for resale due to a one-time sale of Oakport parcels and a portion of the Preservation Park property offset by the sale of the T-10 site for the year ended June 30, 2004; and (c) the $6,470,374 (64%) is due to a reduction in other revenues as a result of the inclusion in the prior year of proceeds from the restructuring of 2003 Central District Tax Allocation Refunding Bonds.

Government wide expenses increased by $23,856,951 or 53% is primarily attributable to the increase of $22,632,795 in urban redevelopment and housing activities in the various ORA redevelopment project areas and $1,224,156 in long-term debt interest expenses.

Financial Analysis of the Agency's Funds

The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus on the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Agency include Capital Projects and Debt Service.

As of June 30, 2005, the Agency's governmental funds reported combined ending fund balances of $271,314,406, a net increase of 27% or ($57,396,371) compared to the prior year's restated ending fund balance. The net increase is represented by: (1) a 31% ($16,466,141) increase in property tax increment collections attributed to improved property valuations in the redevelopment project areas; (2) unspent proceeds from the issuance of the Central District Redevelopment Project Subordinated Tax Allocation Bonds Series 2005 in the amount of $44,360,000 for development projects; and (3) increase in investment income of 212% or ($3,111,019) due to the maintenance of higher cash balances in pooled cash and investments and restricted cash with fiscal agents for future redevelopment and housing activities. The combined fund balances of $271,314,406 are distributed as follows: 63% for the Central District Project area; 14% for the Low Moderate Housing Project area; 12% for the Coliseum Project area; 2% for the Central City East Project area; and 10% for other Redevelopment Project areas.

Budgetary Data

Meaningful Agency budgetary data are not presented in the financial statements for capital projects and debt service funds because budgetary allocations are fiscal year specific while Agency project implementation may involve several fiscal years to complete.

Capital Assets and Debt Administration

Capital assets. The Agency does not have any Capital Assets. However, OBRA, its discretely presented component unit shows depreciable capital assets of $490,211 as of June 30, 2005.

Long-term debt. At June 30, 2005, the Agency had total long-term debt outstanding of $319,308,146, an increase of 14% over the previous fiscal year. The increase was primarily due to the issuance of Tax Allocation Series 2005 Bonds to finance redevelopment and housing activities in the Central District Project area through fiscal year 2007.

Bond Ratings

The Agency's bond ratings at June 30, 2005 are as follows:

	Insured By	Rating	Balance Outstanding
Tax allocation	FGIC/MBIA/AMBAC	AAA/Aaa/A-*	$ 233,090,000
Housing set-aside revenue bonds	MBIA	AAA/AAA/Aaa	36,645,000
General obligation bonds	N/A	Not rated	350,000
Total			$ 270,085,000

*Coliseum Area Redevelopment Tax Allocation Bonds Series 2003 totaling $22,700,000 are not insured and have an A rating. All ratings were done by Fitch, Standard & Poor's and Moody's Investors Service.

Long-term liabilities at June 30, 2005, are comprised of the following:

	FY 2005	FY 2004
Tax allocation bonds payable	$ 233,090,000	$ 197,095,000
Housing set-aside revenue bonds	36,645,000	38,070,000
General obligation bonds	350,000	390,000

SUBTOTAL	270,085,000	235,555,000
Deferred amounts, net	10,506,607	7,975,006
Uptown remediation costs	4,085,600	
Advances from City of Oakland	34,630,939	36,016,587
TOTAL	$319,308,146	$279,546,593

Requests for Information

This financial report is designed to provide a general overview of the Redevelopment Agency of the City of Oakland's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Management Agency, Accounting Division, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 6353, Oakland, California 94612-2093.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Statement of Net Assets

June 30, 2005

	Oakland Redevelopment Agency	Component Unit Oakland Base Reuse Authority
ASSETS		
Cash	$ 19,000	$ -
Pooled cash and investments	129,123,448	6,059,996
Tax increment receivable	1,186,540	-
Accrued interest receivable	411,089	-
Receivables, (net of allowance for uncollectibles of $579,025 for the component unit)		
Accounts receivable	373,234	713,949
Grants receivable	-	168,165
Due from City	31,125,433	-
Due from other government	4,898,268	-
Notes receivable, (net of allowance for uncollectible accounts of $1,077,492)	51,350,979	-
Property held for resale	57,737,856	89,408,216
Restricted cash and investments with fiscal agent	89,528,181	-
Restricted cash in bank and investments	272,813	8,931,685
Capital assets		
Facilities and equipment, net of depreciation	-	490,211
Deferred charge - bond issuance costs	3,900,485	-
TOTAL ASSETS	$ 369,927,326	$ 105,772,222

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Statement of Net Assets

June 30, 2005

	Oakland Redevelopment Agency	Component Unit Oakland Base Reuse Authority
(Continued)		
LIABILITIES		
Accounts payable	$ -	$ 853,278
Accrued interest payable	5,350,473	-
Accrued liabilities	8,182,861	157,341
Due to City	3,473,115	2,934,540
Due to other government	213,280	76,713
Deferred revenue and credits	-	89,635
Deposits	348,364	713,548
Other liabilities	32,281	-
Workforce Development Collaborative	-	3,600,000
Noncurrent liabilities (net of unamortized refunding losses and premiums):		
Due within one year	16,329,005	-
Due in more than one year	302,979,141	7,495,235
TOTAL LIABILITIES	336,908,520	15,920,290
NET ASSETS (DEFICIT)		
Invested in capital assets, net of related debt	-	490,211
Restricted for:		
Low and Moderate Housing	38,122,381	-
Urban redevelopment projects and housing	233,916,862	83,301,725
Unrestricted (deficit)	(239,020,437)	6,059,996
TOTAL NET ASSETS	$ 33,018,806	$ 89,851,932

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Statement of Activities
For the year ended June 30, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	Component Unit Oakland Base Reuse Authority
Governmental Activities:					
Urban redevelopment and housing	$ 52,811,520	$ 5,172,980	$ -	$ (47,638,540)	$ -
Interest on long-term debt	15,768,927	-	-	(15,768,927)	-
Total governmental activities	$ 68,580,447	$ 5,172,980	$ -	(63,407,467)	-
Component Unit					
Oakland Base Reuse Authority	$ 7,880,740	$ 7,956,838	$ 1,061,687		1,137,785
General Revenues:					
Property tax increment				70,076,503	-
Investment income				4,580,555	248,697
Gain on the sale of land				1,664,076	-
Other				3,656,581	202,606
Total general revenues				79,977,715	451,303
Change in net assets				16,570,248	1,589,088
Net assets at beginning of year (as restated)				16,448,558	88,262,844
Net assets at end of year				$ 33,018,806	$ 89,851,932

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Balance Sheet
Governmental Funds
June 30, 2005

	Capital Projects					Debt Service	
	Central District	Coliseum	Central City East	Low and Moderate Housing	Nonmajor Governmental Funds	Tax Allocation Debt	Total Governmental Funds
ASSETS							
Cash	$ -	$ 18,900	$ -	$ -	$ 100	$ -	$ 19,000
Equity in pooled cash and investments	51,772,591	23,689,145	5,987,484	27,612,533	19,352,780	708,915	129,123,448
Tax increment receivable	604,807	290,801	143,797	-	147,135	-	1,186,540
Accrued interest receivable	35,590	-	-	233	375,266	-	411,089
Accounts receivable	328,886	-	-	-	44,348	-	373,234
Due from City	29,082,587	-	-	1,688,542	354,304	-	31,125,433
Due from other government	4,892,095	6,173	-	-	-	-	4,898,268
Notes receivable, net	8,033,935	-	-	40,481,885	2,835,159	-	51,350,979
Property held for resale	49,700,879	-	-	-	8,036,977	-	57,737,856
Restricted cash and investments with fiscal agent	64,748,219	13,127,716	-	11,108,078	-	544,168	89,528,181
Restricted cash in bank	39,390	-	-	-	233,423	-	272,813
TOTAL ASSETS	$209,238,979	$37,132,735	$6,131,281	$80,891,271	$ 31,379,492	$ 1,253,083	$366,026,841

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Balance Sheet
Governmental Funds
June 30, 2005

	Capital Projects					Debt Service	
(Continued)	Central District	Coliseum	Central City East	Low and Moderate Housing	Nonmajor Governmental Funds	Tax Allocation Debt	Total Governmental Funds
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accrued interest payable	$ -	$ -	$ -	$ -	$ -	$ 1,272,829	$ 1,272,829
Accrued liabilities	398,686	4,436,374	1,692,821	133,146	1,521,834	-	8,182,861
Due to City	1,658,305	823,064	58,471	461,034	404,619	67,622	3,473,115
Due to other government	213,280	-	-	-	-	-	213,280
Deposits	306,300	-	-	4,284	37,780	-	348,364
Deferred revenue	36,819,876	290,801	143,797	42,170,426	1,764,805	-	81,189,705
Other liabilities	1,000	-	-	-	31,281	-	32,281
TOTAL LIABILITIES	39,397,447	5,550,239	1,895,089	42,768,890	3,760,319	1,340,451	94,712,435
FUND BALANCES							
Reserved for property held for resale	49,700,879	-	-	-	8,036,977	-	57,737,856
Reserved for approved capital projects/activitie	120,140,653	31,582,496	4,236,192	38,122,381	18,030,553	-	212,112,275
Unreserved	-	-	-	-	1,551,643	(87,368)	1,464,275
TOTAL FUND BALANCES	169,841,532	31,582,496	4,236,192	38,122,381	27,619,173	(87,368)	271,314,406
TOTAL LIABILITIES AND FUND BALANCI	$209,238,979	$37,132,735	$6,131,281	$80,891,271	$ 31,379,492	$ 1,253,083	

Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,900,485
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	81,189,705
Long-term liabilities, including bonds payable, accrued interest and unamortized bond premiums, are not due and payable in the current period and, therefore, are not reported in the funds	(323,385,790)
Net assets of governmental activities	$ 33,018,806

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2005

	Capital Projects					Debt Service	
	Central District	Coliseum	Central City East	Low and Moderate Housing	Nonmajor Governmental Funds	Tax Allocation Debt	Total Governmental Funds
REVENUES							
Tax increment	$ 35,576,875	$ 17,105,953	$8,458,667	$ -	$ 8,655,084	$ -	$ 69,796,579
Interest on restricted cash and investments	610,816	290,275	-	220,831	-	12,466	1,134,388
Interest on pooled cash and investments	1,231,940	547,493	47,851	630,750	481,031	29,292	2,968,357
Interest on notes receivable	101,304	-	-	369,478	7,028	-	477,810
Rents and reimbursements	3,196,944	-	-	-	1,976,036	-	5,172,980
Gain from sale of property held for resale	1,664,076	-	-	-	-	-	1,664,076
Other	273,416	-	-	2,146,437	123,680	-	2,543,533
TOTAL REVENUES	42,655,371	17,943,721	8,506,518	3,367,496	11,242,859	41,758	83,757,723
EXPENDITURES							
Current:							
Urban redevelopment and housing	14,642,244	10,210,921	2,155,659	12,078,086	6,709,814	-	45,796,724
Debt Service:							
Payment on advances	-	-	-	-	-	2,554,132	2,554,132
Retirement of long-term debt	-	-	-	-	-	9,830,000	9,830,000
Interest	-	-	-	-	-	14,885,996	14,885,996
Bond issuance costs	1,241,071	-	-	-	-	-	1,241,071
TOTAL EXPENDITURES	15,883,315	10,210,921	2,155,659	12,078,086	6,709,814	27,270,128	74,307,923
Excess (deficiency) of revenues over expenditures	26,772,056	7,732,800	6,350,859	(8,710,590)	4,533,045	(27,228,370)	9,449,800
OTHER FINANCING SOURCES (USES)							
Tax allocation bonds issued	44,360,000	-	-	-	-	-	44,360,000
Proceeds from advances	-	-	-	-	200,000	-	200,000
Premium on bonds issued	3,386,571	-	-	-	-	-	3,386,571
Transfers in	350,000	-	-	17,449,145	943,539	26,899,582	45,642,266
Transfers out	(27,374,172)	(7,534,198)	(2,114,667)	(4,732,746)	(3,886,483)	-	(45,642,266)
TOTAL OTHER FINANCING SOURCES (USES)	20,722,399	(7,534,198)	(2,114,667)	12,716,399	(2,742,944)	26,899,582	47,946,571
Change in fund balances	47,494,455	198,602	4,236,192	4,005,809	1,790,101	(328,788)	57,396,371
Fund balances at beginning of year	122,347,077	31,383,894	-	34,116,572	25,829,072	241,420	213,918,035
FUND BALANCES AT END OF YEAR	$ 169,841,532	$ 31,582,496	$ 4,236,192	$ 38,122,381	$ 27,619,173	$ (87,368)	$ 271,314,406

See accompanying notes to the basic financial statements.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Governmental Funds
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ 57,396,371
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	279,925
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets. The governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.	(38,822,217)
Changes in accrued interest on bonds payable	(667,682)
Some expenditures reported in the governmental funds pertain to the establishment of deferred revenue to offset long-term pass through loans when the loan funds are disbursed, thereby reducing fund balance. In the government-wide statements, however, the issuance of long-term pass through loans does not affect the statement of activities.	(1,616,149)
Change in net assets of governmental activities	$ 16,570,248

See accompanying notes to the basic financial statements.

(1) ACTIVITIES OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

The Redevelopment Agency (Agency), a blended component unit of the City of Oakland (City), was activated on October 11, 1956, for the purpose of redeveloping certain areas of the City designated as project areas. The Agency is included as a blended component unit in the City's basic financial statements because the Agency's governing body is the same as the City Council. Its principal activities are the acquisition of real property for the purpose of removing or preventing blight, providing for the construction of improvements thereon and the rehabilitation and restoration of existing properties.

In addition, the Agency finances numerous low and moderate-income housing projects throughout the City.

The principal sources of funding for the Agency's activities have been:

- Bond issues, notes and other financing sources;
- Advances, loans and grants-in-aid from the City;
- Property tax revenue attributable to increases in the assessed valuations in the associated project areas;
- Rental income derived from parking and rental of Agency owned properties.

Generally, funding from bond issues, notes, loans and City advances are eventually repayable from incremental property tax revenue. The Agency has entered into repayment agreements with the City or is obligated to do so under the terms of these other funding agreements. The amount of incremental property tax revenue received is dependent upon the local property tax assessments and rates, which are outside the control of the Agency. Accordingly, the length of time that will be necessary to repay the City is not readily determinable.

The Agency currently has the following projects: Central District (which is segmented into several action areas including Chinatown, City Center, Uptown and City Hall Plaza); Coliseum; Central City East; Acorn; Broadway/MacArthur/San Pablo; Oakland Army Base; West Oakland; and Other Projects (Oak Center; Stanford/Adeline; and Oak Knoll). Oak Center completed planning for infrastructure improvements that will be completed in FY2005-06. Stanford/Adeline purchased a duplex to improve a blighted site and encourage homeownership. On December 21, 2004, the Agency board adopted Ordinance numbers 12642 C.M.S. and 12645 C.M.S., which extended the time limit on the effectiveness of the Redevelopment Plans for Oak Center and Stanford/Adeline to 2012 and 2016; respectively.

The Central District Redevelopment Project, which generates the greatest tax revenue for the Agency, provides for the development and rehabilitation of commercial and residential structures for approximately 200 blocks of Oakland's downtown area. At 6,764 acres, the Coliseum Redevelopment Project is physically the largest adopted project area and provides for the development and rehabilitation of significant industrial, commercial, and residential areas in Oakland.

Central City East Project Area

The Oakland City Council adopted Ordinance No. 12528 C.M.S. on July 29, 2003, adopting the Redevelopment Plan for the Central City East Redevelopment Project which conforms to the General Plan of the City of Oakland and in accordance with the California Community Redevelopment Law. The purpose and intent of the Council with respect to the Central City East Redevelopment Project is to accomplish the following:

- Stimulate in-fill development and land assembly opportunities on obsolete, underutilized and vacant properties in the Project area.
- Stimulate opportunities for adaptive re-use and preservation of existing building stock in the Project Area.
- Attract new businesses and retain existing businesses in the Project Area, providing job training and employment opportunities for Project Area residents.
- Improve transportation, open space, parking, and other public facilities and infrastructure throughout the Project Area.
- Stimulate home ownership opportunities in the Project Area.
- Improve the quality of the residential environment by assisting in new construction, rehabilitation and conservation of living units in the Project Area, including units affordable to low and moderate income households.
- Revitalize neighborhood commercial areas and strengthen retail in the Project Area.

Except as specifically exempted herein, the Agency may acquire, but is not required to acquire, any real property located in the Project Area by any means authorized by law, including eminent domain. The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee. In addition, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust or otherwise dispose of any interest in real property as permitted by law.

The Agency is authorized to finance this Project with financial assistance from the City, State of California, federal government, tax increment funds, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property or any other available source, public or private.

The amount of the total bonded indebtedness for the Project supported in whole or in part with tax increment revenues that may be outstanding at any one time shall not exceed $2,300,000,000.

While City Council approved the establishment of the Central City East Project Area in July 29, 2003, there were no financial activities to be reported prior to the fiscal year that ended June 30, 2005.

Discretely Presented Component Unit

The Oakland Base Reuse Authority (OBRA) was established in 1995 as a Joint Powers Authority (JPA) by the City; Agency, and the County of Alameda (County). OBRA was established to assure the effective transition of military facilities in Oakland that have been or may be selected for closure. OBRA currently is assuming the effective transition of the Oakland Army Base (OARB) to the Agency and the Port of Oakland (Port), a discretely presented component unit of the City.

OBRA was governed until June 30, 2003 by a nine-member Governing Body, which consisted of the Mayor of Oakland, four other members of the Oakland City Council, the Mayor of the City of Alameda, the member of the County Board of Supervisors representing the Third District, the member of the United States House of Representatives representing California's Ninth Congressional District, and the Executive Director of the Association of Bay Area Governments. Effective July 1, 2003, the governing body amended the JPA agreement, which among other things, reduced the members to the Mayor of Oakland/Board Chairman and four other members of the Oakland City Council/Board of Directors. In the event the JPA agreement is terminated for any reason, any and all remaining rights, powers and authority together with any property funds or assets of OBRA under the agreement shall be assigned by OBRA to the Agency.

The votes of a majority of the governing body are required to take action on most matters. In addition, prior to July 1, 2003, the majority vote of the governing body required three votes from the members from the City to take action on certain specific issues, including the adoption of a Reuse Plan; adoption of any recommended plan or land use proposal in contradiction to Oakland's land use plan, redevelopment or zoning plan; delegation of any authority to another body by OBRA; adoption of any amendments to OBRA's Bylaws; termination of the JPA Agreement; and selection of the governing body's Chairperson. The revised Joint Powers Agreement requires OBRA to deposit its revenues in the City treasury. The City is responsible for investing and managing such funds. The OBRA is presented in a separate column in the government-wide financial statements as a discretely-presented component unit of the Agency. Copies of OBRA's complete financial statements may be obtained from the Accounting Division, Finance & Management Agency, City of Oakland, 150 Frank Ogawa Plaza, Suite 6353, Oakland, CA 94612.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets and the statement of activities) report all the activities of the Agency and its discretely presented component unit. The effect of interfund activity has been removed from these statements. The activities of the Agency are governmental in nature, which normally are supported by taxes and intergovernmental transfers.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include rents, grants, contributions and charges for use of property owned. Taxes and other items not properly included as program revenues are reported instead as general revenues.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized as revenue when all eligibility requirements have been met.

The Agency's governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as claims related to claims and judgments, are recorded only when the payment is due.

Property taxes and interest associated with the current fiscal period, using the modified accrual basis of accounting as described above, are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. The Agency considers property tax revenues to be available for the year levied if they are collected within 60 days of the end of the current fiscal period. Interest and grant revenues are considered available if they are collected within 60 days of year-end. All other revenues are considered to be measurable and available only when the Agency receives the cash.

OBRA, the Agency's discretely presented component unit, is accounted for using proprietary fund accounting, and its financial statements are prepared on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred. Grants are recognized as revenue when all eligibility requirements have been met.

The Agency reports the following major governmental funds:

Central District Fund – The Central District Fund accounts for the financial resources and the costs of acquisition, construction, improvement and management of commercial and residential facilities in the Central District Project area.

Coliseum Fund – The Coliseum Fund accounts for the financial resources and the costs of acquisition, construction and improvement of commercial, industrial, residential and airport related facilities in the Coliseum Project area.

Central City East Fund – The Central City East Fund accounts for the financial resources and the costs of acquisition, construction, improvement and management of commercial and residential facilities in the Central City East Project area.

Low and Moderate Housing Fund – The Low and Moderate Housing Fund accounts for 20% and 5% set aside from all tax increments received, as mandated by State law and the Agency board respectively. The fund also accounts for the proceeds from the Subordinated Housing Set Aside Revenue Bonds. These funds are used to increase, improve and preserve the supply of housing within the City of Oakland available at affordable housing cost to persons or families of low and moderate income.

Tax Allocation Debt Service Fund – The Tax Allocation Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues for Discretely Presented Component Unit

Rental revenue, in general, is recognized when due from tenants. Direct costs of negotiating and consummating a lease are deferred and amortized over the initial term of the related lease. Rental revenue is not accrued when a tenant vacates the premises and ceases to make rent payments or files for bankruptcy.

Utilities revenues are recorded when the services are provided to leases.

Investments

Adoption of GASB Statement No. 40, Deposit and Investment Risk Disclosures

The Agency and OBRA have adopted Governmental Accounting Standards Board (GASB) Statement No. 40*, Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3,* effective July 1, 2004. GASB 40 is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. There are risks inherent in all deposits and investments, and GASB believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions. Deposit and investment resources often represent significant assets of the governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. Some key changes with GASB 40 include disclosure of:

- Common deposit and investment risks related to credit risk;
- Concentration of credit risk;
- Interest rate risk;
- Investments that have fair values that are highly sensitive to changes in interest rates; and
- Deposit and investment policies related to those risks.

The Agency's and OBRA's investments are stated at fair value. Fair value has been obtained by using market quotes as of June 30, 2005, and reflects the values as if the entities were to liquidate the securities on that date.

Money market investments with maturities of one year or less have been stated at amortized cost.

Pooled Cash and Investments

Income on pooled assets is allocated to the individual fund based on the fund's average daily balance in relation to total pooled assets.

Restricted Cash and Investments with Fiscal Agents

Proceeds from debt and other funds, which are restricted for the payment of debt or for use in approved projects and held by fiscal agents by agreement, are classified as restricted assets.

Restricted Cash in Bank and Investments

Rental revenues received from the University of California Office of the President (UCOP), Ice Rink, Preservation Park facilities, Rotunda parking lot and City Center Garage West, which are restricted for the operation of each of the facilities, are classified as restricted.

Property Held for Resale

Property held for resale is acquired as part of the Agency's and OBRA's redevelopment program. These properties are both residential and commercial. Costs of administering Agency projects are charged to capital outlay expenditures as incurred.

A primary function of the redevelopment process is to prepare land for specific private development.

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 estimate of net realizable value of each property parcel based on its current intended use.

Property held for resale may, during the period it is held by the Agency and OBRA, generate rental or operating income. This income is recognized as it is earned in the Agency's and OBRA's statement of activities and generally is recognized in the Agency's governmental funds in the same period depending on when the income becomes available on a modified accrual basis of accounting.

The Agency and OBRA do not depreciate property held for resale, as it is the intention of the Agency and OBRA to only hold the property for a short period of time until it can be resold for development.

Capital Assets

Capital assets are stated at historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of transfer. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Facilities and structures	3 to 40 years
Furniture and fixtures	3 to 10 years
Infrastructure	3 to 5 years

Environmental Remediation Costs

Expenditures for environmental remediation of real properties acquired by purchase or donation are added to the recorded amounts when incurred. All estimated environmental remediation costs that would result in the recorded amount of property held for resale exceeding estimated net realizable values are accrued as expenses when such amounts become known.

Fund Equity

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Agency in its fund financial statements has reserved fund balance as follows:

> **Reserved for property held for resale** – To account for assets acquired from various funding sources to the Agency and are not available for appropriation.
>
> **Reserved for approved capital projects/activities** – To account for assets set aside that have been committed to a specific use by contractual agreement or Agency resolution.

Restricted Net Assets and Revenues

Under various agreements with the United States Department of the Army (Army), the use of substantially all assets of approximately 366 acres of the former Oakland Army Base and related lease income is restricted for the operation, maintenance and economic development of real properties, facilities and improvements from June 16, 1999 to August 7, 2010.

Tax Increment Revenue

Incremental property tax revenues represent taxes collected on the redevelopment areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the year of project inception) property tax assessment.

Budgetary Data

The Agency operates on a project basis and each of the capital project funds is for individual redevelopment areas consisting of several individual projects. All of the Agency's budgets are approved by the Agency's governing board. Unexpended budget appropriations are carried forward to the next year.

Deferred Revenue

Deferred revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met in fund statements. The Agency typically records deferred revenue in the governmental fund financial statements related to notes receivable arising from developers' financing arrangement and long-term receivables.

Long-term Obligations

In the government-wide statement of net assets, long-term debt and other long-term obligations are reported as liabilities. Bond premium, discount and deferred refunding losses, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium, discount and deferred refunding losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt service issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(3) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of the ($323,385,790) reconciling item are as follows:

Long-term debt	$ (319,308,146)
Accrued interest payable	(4,077,644)
Net adjustment to decrease fund balances – total governmental funds to arrive at net assets of governmental activities	$ (323,385,790)

Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that the issuance of long-term debt (e.g., bonds, advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of the ($38,822,217) reconciling item are as follows:

Debt issued or incurred:	
Principal issuance	$(44,360,000)
Proceeds from advances	(200,000)
Other payments due to City	(200,000)
Premium on bonds issuance	(3,386,571)
Bond issuance costs	1,241,070
Uptown Remediation Costs	(4,085,600)
Accrued interest on advances	(768,484)
Payments:	
Retirement of long-term debt	9,830,000
Payment on advances	2,554,132
Amortization of premium on bond issuance	1,063,478
Amortization of bond issuance costs	(301,734)
Amortization of deferred amount of refunding loss	(208,508)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$(38,822,217)

Another element of that reconciliation states that Governmental funds report expenditures pertaining to the establishment of certain deferred credits related to long-term loans made. These deferred credits are not reported on the statement of net assets and, therefore, the corresponding expense is not reported on the statement of activities. The details of this ($1,616,149) reconciling item is as follows:

Net decrease in notes receivable	$ (6,500,117)
Net increase in long-term pass through loans	4,883,968
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$ (1,616,149)

(4) CASH AND INVESTMENTS

The Agency maintains a common cash and investment pool for use by all funds. Each fund's portion of this pool is classified in the governmental funds balance sheet as equity in pooled cash and investments.

The Agency's cash and investments consist of the following at June 30, 2005:

	Fair Value
Cash and investments (unrestricted)	$129,142,448
Restricted cash and investments	89,800,994
Total cash and investments	$218,943,442

The Agency has adopted the investment policy of the City, which is governed by provisions of the California Government Code and the City's Municipal Code. The Agency also has investments subject to provisions of the bond indentures of its various bond issues. According to the investment policy and bond indentures, the Agency is permitted to invest in the City's cash and investment pool, 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.

The Agency maintains all of its unrestricted investments in a cash and investment pool. Information regarding the characteristics of the entire investment pool can be found in the City's June 30, 2005 basic financial statements. A copy of that report may be obtained by contacting the City's Finance & Management Agency, 150 Frank H. Ogawa Plaza, 6th Floor, Oakland, CA 94612 or can be found at the City's Finance & Management Agency Web Site at http://www.oaklandnet.com/. As of June 30, 2005, the Agency's cash and investment pool totaled $129,142,448.

Income earned or losses arising from investments in the Agency's cash and investment pool are allocated on a monthly basis to the appropriate funds based on the average daily cash balance of such funds.

As of June 30, 2005 the Agency's investment in LAIF is $42,084,633 ($17.8 million in pooled cash and investments and $24.3 million in restricted investments). The total amount invested by all public agencies in LAIF at that date is approximately $18.6 billion. Of that amount, over 97.6% is invested in non-derivative financial products and 2.4% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the City's position in the pool.

The City adopted the Government Accounting Standards Board (GASB) Statement No. 40 effective June 30, 2005 for its annual financial statements. The objective of this Statement is to update custodial credit risk disclosure requirements and to establish more comprehensive disclosure requirements addressing other common risks that GASB 40 requires to be disclosed, including custodial credit risk, concentration of credit risk, financial credit risk, and interest rate risk. Listed below is a brief description of each risk and how to mitigate each type of risk.

Custodial Credit Risk:
The Agency's investment policy states that uninsured deposits shall be collateralized in the manner prescribed by State law. The amounts placed on deposit with banks were covered by federal depository insurance or were collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institutions' trust department or agent in the Agency's name.

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 nationally recognized statistical rating organizations. The Agency's investment policy has mitigated credit risk by limiting investments to the safest types of securities. Additionally, the Agency prequalify financial institutions, diversify its portfolio and by establishing monitoring procedures.

The following tables show the Agency's credit risk as rated by Moody's for the Pool and Restricted portfolios as of June 30, 2005.

Pooled Cash and Investments

		Ratings as of Fiscal Year Ended June 30, 2005			
	Fair Value	AAA	A / A-1+ / A-	F-1	Not Rated
U.S. Govt. Agency Securities	$ 71,060,446	$ 71,060,446	$ -	$ -	$ -
U.S. Govt. Agency Securities Disc.	9,947,999	-	9,947,999	-	-
Money Market Funds	20,583,620	20,583,620	-	-	-
LAIF	17,801,537	-	-	-	17,801,537
Commercial Paper	8,976,109	-	-	8,976,109	-
City Pooled Cash	753,737	-	-	-	753,737
Total	$ **129,123,448**	$ **91,644,066**	**$ 9,947,999**	**$ 8,976,109**	**$18,555,274**

Restricted Investments

		Ratings as of Fiscal Year Ended June 30, 2005		
	Fair Value	AAA	Aa/AA-	Not Rated
Investment Agreement	$ 11,611,286	$ -	$11,611,286	$ -
Investment Agreement	46,076,912	46,076,912	-	-
Money Market Funds	7,556,887	7,556,887	-	-
LAIF	24,283,096	-	-	24,283,096
Total	**$ 89,528,181**	**$53,633,799**	**$11,611,286**	**$ 24,283,096**

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 the Agency. The Agency's investment policy mitigates the concentration of credit risk by diversifying the portfolio and limiting investments in any one issuer to no more than five percent of the total portfolio. However, the same policy stipulates that 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. At June 30, 2005, the Agency has investment agreements with AIG Funding Co. and FSA Capital Management in the amounts of $11,611,286 (5.3% of portfolio) and $46,076,912 (21.1% of portfolio) respectively.

The following table shows the diversification of the Agency's portfolio:

Pooled Cash and Investments

	Fair Value	% of Portfolio
U.S. Govt. Agency Securities	$71,060,446	55.04%
U.S. Govt. Ag. Security Disc.	9,947,999	7.70%
Money Market Funds	20,583,620	15.94%
LAIF	17,801,537	13.79%
Commercial Paper	8,976,109	6.95%
City Pooled Cash	753,737	0.58%
TOTAL	**$129,123,448**	**100.00%**

Restricted Investments

	Fair Value	% of Portfolio
Investment Agreement	$11,611,286	12.97%
Investment Agreement	46,076,912	51.48%
Money Market Funds	7,556,887	8.44%
LAIF	24,283,096	27.11%
TOTAL	**$ 89,528,181**	**100.00%**

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair market 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. The average days to maturity of the Agency's pooled portfolio is 478 days. The Agency's investment policy has mitigated interest rate risk by establishing policies over liquidity, including maturity limits by investment classification.

The Agency has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2005, the Agency had the following investments and original maturities:

Pooled Cash and Investments

			Maturity		
	Fair Value	Interest Rates (%)	12 Months or Less	1-3 Years	3-5 Years
U.S. Govt. Agency Securities	$71,060,446	3.52 – 4.39	$ 13,008,578	$37,031,631	$21,020,237
U.S. Govt. Ag. Security Disc.	9,947,999	3.26 – 3.28	9,947,999	-	-
Money Market Funds	20,583,620	2.97	20,583,620	-	-
LAIF	17,801,537	2.85	17,801,537	-	-
Commercial Paper	8,976,109	3.31 – 5.78	8,976,109	-	-
City Pooled Cash	753,737	N/A	753,737	-	-
TOTAL	**$129,123,448**		**$71,071,580**	**$37,031,631**	**$21,020,237**

Restricted Investments

			Maturity		
	Fair Value	Interest Rates (%)	12 Months or Less	1-3 Years	3-5 Years
Investment Agreement	$11,611,286	3.62	$ -	$11,611,286	$ -
Investment Agreement	46,076,912	3.91	-	-	46,076,912
Money Market Funds	7,556,887	2.89	7,556,887	-	-
LAIF	24,283,096	2.97	24,283,096	-	-
TOTAL	**$89,528,181**		**$31,839,983**	**$11,611,286**	**$46,076,912**

Restricted Investments in the Capital Projects and Debt Service Funds

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 amounts to be held for the withdrawal of qualified reimbursements. These accounts are reported in capital projects and debt service funds. As of June 30, 2005, the amounts held by the trustees aggregated $89,528,181 of which $87,679,141 is available to be used for restricted projects and $1,849,040 is held in reserve accounts. All restricted investments held by trustees as of June 30, 2005 were invested in investment agreements, money market mutual funds and LAIF, and were in compliance with the bond indentures.

Total Agency cash and investments as of June 30, 2005, are as follows:

	Equity in Pooled Cash and Investments	Restricted Cash and Investments With Fiscal Agent	Restricted Cash in Bank	Total Governmental Funds
Central District	$ 51,772,591	$ 64,748,219	$ 39,390	$ 116,560,200
Coliseum	23,708,045	13,127,716	—	36,835,761
Central City East	5,987,484	—	—	5,987,484
Low and moderate housing	27,612,533	11,108,078	—	38,720,611
Tax allocation debt	708,915	544,168	—	1,253,083
Nonmajor governmental funds	19,352,880	—	233,423	19,586,303
TOTAL	$129,142,448	$ 89,528,181	$ 272,813	$ 218,943,442

Discretely Presented Component Unit

Oakland Base Reuse Authority

Cash and investments at June 30, 2005 consisted of the following:

	Fair Value
Unrestricted investments	$ 6,059,996
Restricted:	
Cash on hand	200
Deposits	7,361,179
Investments	1,570,486
	$ 8,931,865
Total	$14,991,861

Deposits

At June 30, 2005, the carrying amount of the Authority's deposits was $7,361,179 and the bank balance was $5,111,199. Deposits include checking accounts, interest earning savings accounts, money market accounts, and nonnegotiable certificates of deposit. Of the bank balance, $100,000 was FDIC insured and $5,011,199 was collateralized with securities held by the pledging financial institution in the Authority's name, in accordance with Section 53652 of the California Government Code.

The California Government Code requires that governmental securities or first trust deed mortgage notes be used as collateral for demand deposits and certificates of deposit at 110 percent and 150 percent, respectively, of all deposits not covered by federal deposit insurance. The collateral must be held by the pledging financial institution's trust department and is considered held in OBRA's name.

Investments

OBRA's Governing Body has adopted the same investment policy as adopted by the Oakland City Council. Accordingly, all cash and investments are invested in accordance with this policy.

Investments consisted of the following fair value at June 30, 2005:

	Fair Value	Credit Risk	Effective Duration
Money Market funds	$ 6,059,996	Unrated	0
Escrow deposit	2,250,000	Unrated	0
Deposits with banks	5,111,379	Unrated	0
State Local Agency Investment Fund	1,570,486	Unrated	0
Total cash and investment	$14,991,861		

At June 30, 2005, the OBRA's investment in LAIF is $1,570,486. The total amount invested by all public agencies in LAIF at that date is approximately $18.6 billion. Of that amount, over 97.6% is invested in non-derivative financial products and 2.4% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the OBRA's position in the pool.

(5) NOTES RECEIVABLE

Notes receivable consisted of advances to developers of various Agency housing and redevelopment projects. These advances are evidenced by promissory notes. A summary of notes receivable at June 30, 2005, follows:

	Central District	Low and Moderate Housing	Nonmajor Governmental Funds	Total Governmental Funds
Housing development projects	$ —	$ 40,677,264	$ 577,000	$41,254,264
Development loans	8,000,000	—	1,947,060	9,947,060
Small business loans	916,048	—	311,099	1,227,147
Gross notes receivables	8,916,048	40,677,264	2,835,159	52,428,471
Less: Allowance for uncollectible accounts	(882,113)	(195,379)	—	(1,077,492)
Net notes receivable	$ 8,033,935	$ 40,481,885	$ 2,835,159	$51,350,979

(6) PROPERTY HELD FOR RESALE

A summary of changes in property held for resale follows:

	July 1, 2004	Purchases	Sales	June 30, 2005
Property held for resale	$71,500,558	$2,818,000	$ (16,580,702)	$57,737,856

The increase in the Property held for resale represents the 135 public parking spaces repurchased by the Agency from the developer of the SNK 9th and Franklin Garage. These parking spaces were required to replace the surface parking that was on the site prior to the Agency's sale of the property to the developer in Fiscal Year 2004.

The decrease of $16,580,702 corresponds to the properties that the Agency sold in Fiscal Year 2005 including four properties sold at a loss of $1.4 million. These include properties that will be renovated for commercial retail and office spaces, developed into residential condominium units and to continue to be operated as a non-profit office park.

Discretely Presented Component Unit

Oakland Base Reuse Authority

Following is a summary of changes in property held for resale:

	July 1, 2004	Increases	Decreases	June 30, 2005
Property held for resale	$79,778,363	$11,761,818	$ (2,131,965)	$89,408,216

In September 1, 2004, OBRA purchased certain parcels of land with an aggregate area of 19.32 acres adjacent to the former OARB (Oakland Army Base) for a total of $10.6 million. Immediately after purchasing this property, OBRA transferred 2.51 acres to the Port for total consideration of $1.427 million. Additionally, approximately $1.2 million in environmental remediation costs incurred during the fiscal year ended June 30, 2005 have been added to property held for resale.

(7) INTERFUND TRANSFERS

	Transfers In				
	Central District	Low and Moderate Housing	Tax Allocation Debt	Nonmajor Governmental Funds	Total Governmental Funds
Transfers out:					
Central District	$ —	$ 8,894,218	$ 18,479,954	$ —	$ 27,374,172
Coliseum	—	4,276,488	2,434,171	823,539	7,534,198
Central City East		2,114,667			2,114,667
Low and Moderate Housing	350,000	—	4,382,746	—	4,732,746
Nonmajor Governmental Funds	—	2,163,772	1,602,711	120,000	3,886,483
TOTAL	$ 350,000	$ 17,449,145	$ 26,899,582	$ 943,539	$ 45,642,266

The Central District, Coliseum, Low & Moderate Housing, and Nonmajor Governmental funds transferred funds to the Tax Allocation Debt Service fund for payment of City advances and principal and interest on the tax allocation debt. The transfers to the Low and Moderate Housing fund, as reflected above, represent the 20% tax increment allocation in accordance with sections 33334.2 and 33334.3 of the California Community Redevelopment Law plus an additional 5% as mandated by City Council Resolution. The transfer of $823,539 to Nonmajor Governmental funds from the Coliseum fund represents the 10% school set aside based from tax increments received in the Coliseum project area, net of the housing set aside and the AB1290 mandatory pass through. The transfer from the Low and Moderate Housing Fund to Central District Fund is for repayment of Henry Robinson Multi Service Center as provided in the adopted budget for fiscal year 2005. The transfer of $120,000 between the Nonmajor Governmental funds is for professional contracts and other services for the proposed merger of the Central City East and Oak Knoll Redevelopment Project Areas.

(8) CAPITAL ASSETS

Discretely Presented Component

Oakland Base Reuse Authority

Oakland Base Reuse Authority's capital assets as of June 30, 2005 and capital asset activity for the year then ended consisted only of capital assets being depreciated. Capital asset activity during the year ended June 30, 2005 consisted of the following:

	July 1, 2004	Increases	June 30, 2005
Capital assets, being depreciated:			
Facilities and structures	$1,000,000	$ —	$1,000,000
Furniture and equipment	456,011	1,600	457,611
Total capital assets, being depreciated	1,456,011	1,600	1,457,611
Less accumulated depreciation for:			
Facilities and structures	(314,286)	(342,857)	(657,143)
Furniture and equipment	(164,502)	(145,755)	(310,257)
Total accumulated depreciation	(478,788)	(488,612)	(967,400)
Total capital assets, being depreciated, net	$ 977,223	$(487,012)	$490,211

(9) LONG-TERM DEBT

General Long-Term Obligations

On January 1, 2003, the Agency defeased various bond issues namely, the Central District Redevelopment Project Area Tax Allocation Bonds, Series 1989A, the Subordinated Tax Allocation Refunding Bonds, Series 1992A, the Subordinated Tax Allocation Bonds, Series 1993A, and the Subordinated Tax Allocation Bonds, Series 1995A. These defeased bonds were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the Agency's government-wide financial statements. Cumulatively, the defeased bonds had an outstanding debt balance of $42.3 million at June 30, 2005.

On February 5, 2005, the Agency issued its $44.3M Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2005 Bonds. The original issue premium on the financing was $3.3M and the proceeds were used to finance various redevelopment activities within the Central District Project Area including the following: property acquisition to facilitate residential and commercial development downtown, environmental remediation, parking garage expansion, renovation, and maintenance of public facilities such as the Fox Theater, and public infrastructure such as streetscape and traffic improvements. Proceeds of the Series 2005 Bonds will also be used to fund façade improvements, tenant improvements, and support for all Agency-sponsored public capital projects for Fiscal Years 2005 through 2007.

Long-term liability activity for the year ended June 30, 2005, was as follows:

	July 1, 2004	Additions	Deductions	June 30, 2005	Due within One Year
Tax Allocation Bonds	$ 197,095,000	$ 44,360,000	$ (8,365,000)	$ 233,090,000	$ 8,755,000
Housing Set-Aside Revenue Bonds	38,070,000	—	(1,425,000)	36,645,000	1,530,000
General Obligation Bond	390,000	—	(40,000)	350,000	40,000
Total Bonds Payable	235,555,000	44,360,000	(9,830,000)	270,085,000	10,325,000
Deferred amounts**:**					
Issuance premiums	10,132,984	3,386,571	(1,063,478)	12,456,077	1,063,478
Refunding loss	(2,157,978)	—	208,508	(1,949,470)	(208,508)
Subtotal	243,530,006	47,746,571	(10,684,970)	280,591,607	11,179,970
Uptown remediation costs		4,085,600		4,085,600	3,999,404
Advances from City of Oakland	36,016,587	1,168,484	(2,554,132)	34,630,939	1,149,631
TOTAL	$ 279,546,593	$ 53,000,655	$ (13,239,102)	$ 319,308,146	$ 16,329,005

General Long-Term Obligations consist of the following:

	Year Ending June 30, 2005 Balance at Maturity	Interest Rates	June 30, 2005
TAX ALLOCATION BONDS			
Acorn Refunding Series1988			
Term bonds	2006-2007	7.40%	$ 715,000
Central District Senior Tax Allocation Refunding Series 1992:			
Serial bonds	2006-2008	6.00%	16,455,000
Term bonds	2009-2014	5.50%	35,910,000
			52,365,000
Central District Subordinated Tax Allocation Bonds Series 2003:			
Serial bonds	2006	3.00%	2,870,000
Serial bonds	2007-2009	4.00%	9,245,000
Serial bonds	2010-2012	5.00%	12,970,000
Serial bonds	2013-2020	5.50%	87,865,000
			112,950,000
Central District Subordinated Tax Allocation Bonds Series 2005:			
Serial bonds	2006-2022	5.00%	44,360,000
Coliseum Area Tax Allocation Bonds Series 2003:			
Term bonds	2006-2009	2.50%-4.00%	1,660,000
Term bonds	2010-2014	3.40%-4.30%	2,440,000
Term bonds	2015-2019	4.50%-4.90%	3,035,000
Term bonds	2020-2023	5.00%-5.125%	3,045,000
Term bonds	2028-2034	5.25%	12,520,000
			22,700,000
TOTAL TAX ALLOCATION BONDS			233,090,000
GENERAL OBLIGATION BOND-Tribune Tower	2006-2012	5.643%	350,000
SUBORDINATED HOUSING SET-ASIDE REVENUE BONDS			
Series 2000T:			
Term bonds	2006-2011	7.82%	11,160,000
Term bonds	2012-2016	7.93%	14,065,000
Term bonds	2017-2019	8.03%	11,420,000
TOTAL SUBORDINATED HOUSING SET-ASIDE REVENUE BONDS			36,645,000
TOTAL BONDS PAYABLE			$270,085,000

Advances from City to the Redevelopment Agency

The City has made various advances to the Agency for redevelopment projects. As of June 30, 2005 the total outstanding balance was $34,630,939, comprised of the following:

	July 1, 2004	Additions	Deductions	June 30, 2005	Due within One Year
Acorn	$ 2,970,000	$ —	$ (328,648)	$ 2,641,352	$ 97,574
Central District	18,585,935	200,000	(437,051)	18,348,884	505,907
Coliseum	928,554	—	(928,554)	—	—
Oak Center	13,117,098	768,484	(800,000)	13,085,582	478,897
Stanford/Adeline	415,000	—	(59,879)	355,121	59,810
West Oakland	—	200,000	—	200,000	7,443
TOTAL	$ 36,016,587	$ 1,168,484	$ (2,554,132)	$ 34,630,939	$ 1,149,631

Payments to the City are contingent upon the availability of funds from the Projects.

Bond Indentures

There are a number of limitations and restrictions contained in the various bond indentures. The Agency believes it is in compliance with all significant limitations and restrictions.

Annual Future Payments

The following table presents the Agency's aggregate annual amount of principal and interest payments required to amortize the outstanding debt as of June 30, 2005.

Year ending	Governmental Activities	
June 30,	Principal	Interest
2006	$ 10,325,000	13,859,860
2007	10,920,000	14,518,854
2008	11,165,000	13,892,298
2009	11,775,000	13,255,405
2010	11,130,000	13,154,497
2011-2015	66,020,000	50,913,970
2016-2020	89,530,000	28,129,758
2021-2025	48,475,000	6,777,346
2026-2030	5,340,000	2,149,088
2031-2034	5,405,000	586,293
TOTAL	$ 270,085,000	$ 157,237,369

The Agency issued Certificates of Participation to fund the acquisition of the Oakland Museum. The debt is secured by the Museum's building and the annual lease payments made by the City of Oakland to fund the debt service. As of June 30, 2005, there were two series of certificates outstanding with an aggregate principal amount payable of $21,426,798. The Agency is not obligated to make the debt payments. The Agency has, therefore, not recorded either the Museum as an asset or the related debt. The City has recorded both the Museum and the debt on its government-wide statement of net assets.

OAKLAND BASE REUSE AUTHORITY

Note Payable

OBRA has a non-interest bearing note payable for $8,200,000, which has been discounted at the rate of 3.37% to a principal amount of $7,495,235. The discounting resulted in the reduction of $704,765 against Property Held for Resale. In addition, OBRA accrued interest expense of $156,553 for the year ended June 30, 2005 related to above liability.

Principal and interest payments are due on the following dates:

Date	Principal	Interest	Total
November 17, 2006	$ 1,481,909	$ 518,091	$ 2,000,000
May 17, 2007	2,898,675	101,325	3,000,000
November 17, 2007	2,147,518	52,482	2,200,000
November 17, 2008	967,133	32,867	1,000,000
	$ 7,495,235	$ 704,765	$ 8,200,000

The note payable is collateralized by 19.32 acres of property described in Note 6. Payments are applied first to any expenses in connection with the Note before the principal is reduced. There are no prepayment penalties and the Note is not assumable.

Notes payable activity for the year ended June 30, 2005 consisted of the following:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Note Payable	$ -	$ 7,495,235	$ -	$ 7,495,235

(10) TRANSACTIONS WITH THE CITY OF OAKLAND

The Agency and the City are closely related but are separate legal entities. The City Council members serve as the governing board for the Agency. The Agency does not have employees nor does it have administrative facilities separate from the City. A substantial portion of the Agency's expenditures represents reimbursement to the City for both the services of employees and the use of City facilities. For the year ended June 30, 2005, the Agency reimbursed the City $13,045,474 for these expenditures.

In addition, the City provides advances and loans for the Agency debt service payments and other redevelopment projects. The Agency has entered into repayment agreements to reimburse the City for all amounts advanced and loaned to the Agency. In accordance with these agreements, the Agency reimbursed the City $4,021,793 for the fiscal year ended June 30, 2005; $2,554,132 in principal and $1,467,661 in interest.

(11) COMMITMENTS AND CONTINGENCIES

Oakland Redevelopment Agency

As of June 30, 2005, the Agency has entered into contractual commitments of approximately $3,630,167 for materials and services relating to various projects. These commitments and future costs will be funded by future tax increment revenue and other sources.

At June 30, 2005, the Agency was committed to fund $19,879,936 in loans and had issued $1,648,600 in letters of credit in connection with several low and moderate income housing projects. These commitments were made to facilitate the construction of low and moderate income housing within the City of Oakland.

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Liabilities of the Agency are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The State of California adopted legislation mandating that local government shifts a portion of their property tax revenue share to the Educational Revenue Augmentation Fund (ERAF) to support public schools. For fiscal years 2005-06 and 2006-07, the Agency included in its Adopted Budgets an ERAF shift a total of $9,560,838. In May 2005 the Agency paid $4,706,825 to Alameda County for the fiscal year 2004-05 ERAF shift.

Oakland Rennaissance NMTC, Inc.

On July 19, 2004, the Oakland Redevelopment Agency approved resolution #2005-0046 C.M.S. authorizing the Agency Administrator to execute a Disposition and Development Agreement (DDA) and related documents with Oakland Renaissance NMTC, Inc., a California non-profit corporation, for the development of the Fox Theater as a mixed-use entertainment, office and school development. The Agency also approved and appropriated the following financial assistance to Renaissance for development of the project: (1) a Redevelopment Agency loan of $13,000,000, of which $3,000,000 is currently authorized for predevelopment and $10,000,000 will not be available until the Agency Board reviews the construction contracts, theater operating agreement and school lease (these requirements will probably not be met until March 2006); (2) transfer of $4,985,000 of State of California Proposition 55 School Facilities Grant funds; (3) transfer of $2,885,500 of State of California Proposition 40 California Historic Endowment Grant funds; (4) transfer of $1,300,000 insurance proceeds the Agency expected to receive from fire damage to the Fox theater pending final resolution with the insurance company, and (5) transfer of a $375,000 California Heritage Fund Grant from the State of California Office of Historic Preservation.

Oakland Base Reuse Authority

Environmental Remediation

Land conveyed to OBRA from the Army may be subject to environmental remediation as required by the Comprehensive Environmental Response, Compensation and Liability Act. If and when such environmental remediation is required, OBRA is responsible for the first $13.0 million of environmental remediation costs, including environmental remediation insurance. OBRA has received a federal grant of $13.0 million to pay for the above-mentioned environmental remediation costs. Of this grant amount, $5.0 million has been received.

The next $11.5 million of environmental remediation costs are to be shared equally by OBRA and the Port. The next $9.0 million will be paid from insurance proceeds from the environmental remediation policy. If subsequent environmental remediation is required after the initially-required remediation is complete, then the environmental site liability policy will cover up to $30 million in additional environmental remediation-related costs. OBRA and the Port have agreed to share equally in any environmental remediation-related costs above $21.0 million that are not covered by insurance. OBRA management believes that none of the estimated environmental remediation costs will cause the recorded amounts of any properties held for resale to exceed their estimated net realizable values. Accordingly, no provisions have been made in the financial statements for any related environmental remediation liabilities.

Oakland Army Base Workforce Development Collaborative

Under a separate agreement between the Authority and the Port dated July 31, 2003, the two parties each agreed to pay fifty percent (50%) of certain EDC property-related acquisition and remediation costs. Accordingly, the Authority has recorded a $5,400,000 payable to reflect its share of the total $10,800,000 payable.

As of June 30, 2005, the Authority's share of the remaining liability to the Workforce Collaborative is $3,600,000. The Authority has set aside in escrow $2,250,000 on behalf of the Workforce Collaborative.

Lease Revenues

OBRA entered into a Master Lease with the Army on June 16, 1999 to lease approximately 366 acres plus related facilities and improvements at the OARB (the "Leased Premises") for the period that commenced on June 19, 1999 and ended on August 7, 2003. OBRA had no minimum lease payments for the use of the Leased Premises, but was responsible for its operation and maintenance for the benefit of the United States and the general public. OBRA sub-leased certain of the Leased Premises to various tenants for terms ranging from one month to four years. All of these subleases expired on August 7, 2003, when the OARB was conveyed to OBRA.

Tenants with subleases immediately prior to the conveyance entered into new leases with OBRA on August 7, 2003. The longest term of these leases is from August 7, 2003 to 90 days prior to the reconveyance of the property, with the reconveyance date currently set at August 6, 2006. All of OBRA's lease revenues for the year ended June 30, 2005 are from the lease/sub-lease of these properties, facilities and improvements.

OBRA entered into operating leases with members of the Oakland Army Base Workforce Development Collaborative ("Workforce Collaborative") on December 14, 2004 in which the members occupy certain buildings on the former OARB property and pay OBRA no minimum payments throughout the lease terms, which are retroactive to January 1, 2003 and expire on various dates through August 2005. Accordingly, OBRA has not recognized any minimum lease payment revenues from these leases since December 31, 2002.

The following are the estimated minimum future rental revenues for the years after June 30, 2005 under non-cancelable operating leases having an initial term in excess of one year.

Year Ending	
June 30, 2006	$ 2,378,787

(12) SUBSEQUENT EVENT

Multifamily Housing Revenue Bonds (Uptown Apartments Project), 2005 Series A

On October 28, 2005, the Redevelopment Agency of the City of Oakland (the "Agency) issued $160,000,000 of Multifamily Housing Revenue Bonds (Uptown Apartments Project), 2005 Series A ("2005 Bonds"). The Agency acted as a conduit issuer to provide funds to make a loan to Uptown Housing Partners, L.P., a California limited partnership, in order to finance, along with certain other amounts, the construction, and equipping of the multifamily rental housing development located in Oakland, California (the "Project"). A portion of the units in the Project will be reserved for low-income tenants. The 2005 Bonds, set to mature on October 1, 2050, were issued as a private placement with an effective interest rate of 6.20%. The 2005 Bonds do not constitute an indebtedness of the Agency as they were issued as a conduit financing; neither the full

faith and credit nor taxing authority of the Agency, State of California, or any political subdivision is obligated for the payment of the principal or interest on the 2005 Bonds. The 2005 Bonds are payable solely from revenue sources and receipts defined in the individual bond documents, and from other monies held for the benefit of the bond holders pursuant to the bond indenture.

(13) RESTATEMENT OF NET ASSETS

The Agency's net assets at the beginning of the year ended June 30, 2005 have been restated to record a note receivable (the Note) due from a developer. On October 20, 1999, the Agency sold property to a developer in exchange for a Note, to be repaid in the future. The Note is related to a downtown redevelopment project and the collection is contingent upon its economic success. The Note is deemed to be collectible and there has been no provision made for uncollectability. The restatement is considered a correction of an error and only affects the government-wide financial statements, as deferred revenue has been used to offset the Note in the governmental funds. Net assets of the Governmental Activities were restated as follows:

Total net assets at June 30, 2004, as previously reported	$ 4,448,558
Adjustment for reclassified note receivable	12,000,000
Total net assets at July 1, 2004, as restated	$16,448,558

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Acorn	Broadway/ MacArthur	Oakland Army Base	West Oakland	Other Projects	Redevelopment Planning Fund/ West Oakland	Total Nonmajor Governmental Funds
ASSETS							
Cash	$ -	$ -	$ -	$ -	$ -	$ 100	$ 100
Equity in pooled cash and investments	982,050	2,146,671	3,156,856	1,109,914	10,397,281	1,560,008	19,352,780
Tax increment receivable	19,726	33,637	52,714	21,298	19,760	-	147,135
Accrued interest receivable	-	-	-	-	375,266	-	375,266
Accounts receivable, net	30,000	-	-	-	14,348	-	44,348
Due from primary government	-	-	-	-	-	354,304	354,304
Notes receivable, net	60,000	-	-	-	2,700,159	75,000	2,835,159
Property held for resale	2,970,000	-	-	-	5,066,977	-	8,036,977
Restricted cash in bank	-	-	-	-	233,423	-	233,423
TOTAL ASSETS	$ 4,061,776	$ 2,180,308	$ 3,209,570	$ 1,131,212	$ 18,807,214	$ 1,989,412	$ 31,379,492

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

(Continued)	Acorn	Broadway/ MacArthur	Oakland Army Base	West Oakland	Other Projects	Redevelopment Planning Fund/ West Oakland	Total Nonmajor Governmental Funds
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accrued liabilities	$ -	$ 451,731	$ 620,165	$ 250,566	$ 197,188	$ 2,184	$ 1,521,834
Due to primary government	30,273	$ 93,529	-	219,299	61,518	-	404,619
Deposits	12,250	25,000	-	-	530	-	37,780
Deferred revenue	79,726	33,637	52,714	21,298	1,148,126	429,304	1,764,805
Other liabilities	-	-	-	-	25,000	6,281	31,281
TOTAL LIABILITIES	122,249	603,897	672,879	491,163	1,432,362	437,769	3,760,319
FUND BALANCES							
Reserved for property held for resale	2,970,000	-	-	-	5,066,977	-	8,036,977
Reserved for approved capital projects/activities	969,527	1,576,411	2,536,691	640,049	12,307,875	-	18,030,553
Unreserved	-	-	-	-	-	1,551,643	1,551,643
TOTAL FUND BALANCES	3,939,527	1,576,411	2,536,691	640,049	17,374,852	1,551,643	27,619,173
TOTAL LIABILITIES AND FUND BALANCES	$ 4,061,776	$ 2,180,308	$ 3,209,570	$ 1,131,212	$ 18,807,214	$ 1,989,412	$ 31,379,492

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2005

	Acorn	Broadway/ MacArthur	Oakland Army Base	West Oakland	Other Projects	Redevelopment Planning Fund	Total Nonmajor Governmental Funds
REVENUES							
Tax increment	$ 1,160,368	$ 1,978,675	$ 3,100,823	$ 1,252,830	$ 1,162,388	$ -	$ 8,655,084
Interest on pooled cash and investments	48,543	41,162	49,387	7,393	290,290	44,256	481,031
Interest on notes receivable	-	-	-	-	7,028	-	7,028
Rents and reimbursements	-	-	-	-	1,976,036	-	1,976,036
Other	59,651	-	-	-	64,029	-	123,680
TOTAL REVENUES	1,268,562	2,019,837	3,150,210	1,260,223	3,499,771	44,256	11,242,859
EXPENDITURES							
Current:							
Urban redevelopment and housing	370,717	964,140	780,624	506,966	4,009,798	77,569	6,709,814
TOTAL EXPENDITURES	370,717	964,140	780,624	506,966	4,009,798	77,569	6,709,814
Excess (deficiency) of revenues over expenditures	897,845	1,055,697	2,369,586	753,257	(510,027)	(33,313)	4,533,045
OTHER FINANCING SOURCES (USES)							
Proceeds from advances	-	-	-	200,000	-	-	200,000
Transfers in	-	-	-	-	823,539	120,000	943,539
Transfers out	(1,530,137)	(494,669)	(775,206)	(313,208)	(773,263)	-	(3,886,483)
TOTAL OTHER FINANCING SOURCES (USES)	(1,530,137)	(494,669)	(775,206)	(113,208)	50,276	120,000	(2,742,944)
Change in fund balance	(632,292)	561,028	1,594,380	640,049	(459,751)	86,687	1,790,101
Fund balances at beginning of year	4,571,819	1,015,383	942,311	-	17,834,603	1,464,956	25,829,072
FUND BALANCES AT END OF YEAR	$ 3,939,527	$ 1,576,411	$ 2,536,691	$ 640,049	$ 17,374,852	$ 1,551,643	$ 27,619,173

MACIAS GINI & COMPANY LLP

Mt. Diablo Plaza
2175 N. California Boulevard, Ste. 645
Walnut Creek, California 94596

925.274.0190 PHONE
925.274.3819 FAX

WILLIAMS, ADLEY & COMPANY, LLP
Certified Public Accountants
Management Consultants

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*

To the Members of the Redevelopment Agency
of the City of Oakland, California:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Oakland (Agency) as of and for the year ended June 30, 2005, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 2, 2005. Our report on the basic financial statements was modified to indicate that the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. 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. We did not audit the financial statements of the Oakland Base Reuse Authority, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for OBRA, is based on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error of fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by Agency staff in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. 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 that are required to be reported under *Government Auditing Standards*. However, the results of our tests did disclose an instance of noncompliance that is required to be reported under the *Guidelines for Compliance Audits of California Redevelopment Agencies*, which is described in the accompanying schedule of findings as finding no. 05-1.

This report is intended solely for the information and use of the finance and management committee, Agency management, and the State Controller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Macias, Gini & Company LLP
Certified Public Accountants

Walnut Creek, California
December 2, 2005

Williams, Adley & Company, LLP
Certified Public Accountants

Oakland, California
December 2, 2005

Redevelopment Agency of the City of Oakland
Schedule of Findings
June 30, 2005

Finding No. 05-1: State Redevelopment Agency Compliance Requirements - Financial Disclosure and Reporting (Submission of Reports to State Controller)

Pursuant to California Health & Safety Code, Section 33080.1, the Agency is required to submit the following reports to its legislative body and the State Controller no later than six months following the end of its previous fiscal year:

- Independent Auditors' Report on Financial Statements
- Independent Auditors' Report on Legal Compliance

The identified reports were not filed in a timely manner.

Recommendation

We recommend that the Agency establish policies and procedures to ensure that all required reports are prepared and submitted in a timely manner.

Management's Response

The delay in submitting the Agency's fiscal year 2003-04 reports listed above in a timely manner was due to the incorporation of the Oakland Base Reuse Authority (OBRA) into the Agency's basic financial statements for the first time as a discretely presented component unit. OBRA's year-end audit did not conclude in a timely manner last year.

APPENDIX C

REPORT OF THE FISCAL CONSULTANT

THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

ACORN REDEVELOPMENT PROJECT;
BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT
CENTRAL CITY EAST REDEVELOPMENT PROJECT
CENTRAL DISTRICT REDEVELOPMENT PROJECT;
COLISEUM REDEVELOPMENT PROJECT;
OAK CENTER REDEVELOPMENT PROJECT;
OAK KNOLL REDEVELOPMENT PROJECT;
OAKLAND ARMY BASE REDEVELOPMENT PROJECT;
STANFORD/ADELINE REDEVELOPMENT PROJECT
AND
WEST OAKLAND REDEVELOPMENT PROJECT

Subordinated Housing Set Aside Revenue Refunding Bonds
Series 2006A and Series 2006A-T

PROJECTED TAXABLE VALUES AND ANTICIPATED TAX INCREMENT REVENUES

March 6, 2006

I. Introduction

The Redevelopment Agency of the City of Oakland (the Agency) is proposing to issue its Subordinated Housing Set Aside Revenue Bonds, Series 2006A and Series 2006A-T (the Bonds) secured by the funds generated from the Housing Set-Aside Revenues derived from all Agency Redevelopment Project Areas (the "Project Areas"). The Series 2006A Bonds are issued for the purpose of providing funds, together with other lawfully available moneys to establish an irrevocable escrow to refund and defease certain of the Redevelopment Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "Prior Bonds"). The Series 2006A-T Bonds are issued for the primary purpose of providing funds, together with other lawfully available moneys to: (i) establish an irrevocable escrow to refund and defease certain of the Prior Bonds, (ii) finance low and moderate income housing activities in the Redevelopment Agency's Project Areas, and (iii) pay a portion of the costs of issuance of the Series 2006 Bonds, including underwriters fees, bond insurance premiums and debt service reserve fund surety premiums.. The Series 2006A Bonds and the Series 2006A-T Bonds (collectively, the "Bonds") are issued pursuant to an Indenture of Trust dated as of May 1, 2000, by and between the Agency and The Bank of New York Trust Company, N.A. (the "Trustee"), as successor to BNY Western Trust Company, as supplemented by the First Supplemental Indenture dated as of March 1, 2006 (collectively, the "Indenture"), by and between the Agency and the Trustee.

The Agency's Project Areas include the Acorn Redevelopment Project (the "Acorn Project"), 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 Redevelopment Project and its 1998 Annex (the "Coliseum Project"); the Oak Center Redevelopment Project (the "Oak Center Project"); the Oak Knoll Redevelopment Project (the "Oak Knoll Project"); the Oakland Army Base Redevelopment Project (the "Army Base Project"); the Stanford/Adeline Redevelopment Project (the "Stanford Project"); and, the West Oakland Redevelopment Project (the "West Oakland Project ").

The California Community Redevelopment Law (the Law) provides 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, authorizes the Agency to receive that portion of property tax revenue produced by such taxable value that is in excess of the taxable value within the project area at the time of the project area's adoption. The tax revenues so derived are generally referred to as Tax Increment Revenues. The Law provides that the Tax Increment Revenues may be pledged by the redevelopment agency to the repayment of agency indebtedness. Section 33334.2 of the Law requires all redevelopment agencies to deposit at least 20 percent of all Tax Increment Revenues (the Housing Set-Aside Revenues) allocated to them in a Low and Moderate Income Housing Fund. According to the Law, moneys deposited into this Fund shall be used only for the purposes of increasing, improving and preserving the community's supply of housing that is affordable to persons of very low, low and moderate income. Further, the Law defines housing affordability and qualifying amounts of income for persons considered within the low- and very low-income categories. In general, Housing Set-Aside Revenues must be used to benefit low and moderate-income housing supplies within the Project Area from which the funds are derived. By making certain prescribed findings, however, the Agency may pool the Housing Set-Aside Revenues from several Project Areas in order increase more effectively the appropriate types of housing opportunities.

The purpose of this Fiscal Consultant's Report is to examine the current fiscal year and project for the subsequent ten fiscal years the amount of Tax Increment Revenue to be received by the Agency from the Project Areas. From this projection the amount of Tax Increment Revenue that must be set-aside in the Low and Moderate Housing Fund will be estimated. Provisions of the Law and the Redevelopment Plans of the Project Areas determine the amount of Tax Increment Revenues that the Agency may utilize for payment of debt service. The pledge of Housing Set Aside Tax Revenues from the Central District Project to secure the Series 2006 Bonds is subordinate to the payment of debt service on the Agency's Central District Redevelopment Project, Senior Tax Allocation Bonds, Series 1992 and the pledge of Housing Set-Aside Revenues from the Acorn Project is subordinate to the payment of debt service on the Agency's Acorn Redevelopment Project 1988 Tax Allocation Refunding Bonds. The pledge of Housing Set-Aside Revenues to secure the Bonds is on a parity with a pledge thereof to secure the Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable). The Bonds propose to use only the Housing Set-Aside Revenues from the Project Areas to make debt service payments. As a result of our research, we project the Housing Set-Aside Revenues for the Project Areas to be as shown in Table A below (000's omitted):

Table A
Projected Housing Set-Aside Revenues

Fiscal Year	Acorn	Broadway	Central City	Central District	Coliseum	Oak Center
2005-06	$ 196	$ 474	$ 2,158	$ 7,706	$ 3,947	$ 225
2006-07	200	536	2,746	7,774	4,365	239
2007-08	203	559	2,890	7,917	4,517	0
2008-09	207	582	3,036	8,062	4,671	0
2009-10	211	606	3,185	8,211	4,828	0
2010-11	0	630	3,337	8,362	4,988	0
2011-12	0	655	3,492	8,516	5,152	0
2012-13	0	680	3,650	8,673	5,318	0
2013-14	0	706	3,811	8,833	5,488	0
2014-15	0	732	3,974	8,997	5,661	0
2015-16	0	759	4,141	9,163	5,837	0

Fiscal Year	Oak Knoll	Army Base	Stanford	West Oakland	Combined Project Areas
2005-06	$ 2	$ 786	$ 25	$ 409	**$15,927**
2006-07	2	702	29	650	**17,242**
2007-08	2	727	30	703	**17,547**
2008-09	2	753	30	757	**18,101**
2009-10	2	779	31	812	**18,665**
2010-11	2	806	31	868	**19,025**
2011-12	2	834	32	928	**19,611**
2012-13	2	862	33	990	**20,208**
2013-14	2	890	33	1,054	**20,817**
2014-15	2	919	34	1,119	**21,438**
2015-16	2	949	35	1,185	**22,071**

The taxable values of property and the resulting Gross Tax Revenues that produce the Housing Set-Aside Revenues summarized above are reflected on Table 1 of each set of projections. Tax Revenues reflect the Agency's revenues after provision for fees, Housing Set-Aside Revenues and obligations that are superior to debt service. These projections are based on assumptions determined by our review of the taxable value history of the Project Areas and the property tax assessment and property tax apportionment procedures of Alameda County (the County). Future year assessed values, Gross Tax Revenues and Housing Set-Aside Revenues are projections based upon the assumptions described in this Report, and are not guaranteed as to accuracy and this Report is not to be construed as a representation of such by HdL Coren & Cone.

II. The Project Areas

The Oakland City Council adopted the Plan establishing the Acorn Redevelopment Project Area on November 30, 1961 and amended it by Ordinance No. 10823 on December 16, 1986 to incorporate limits on receipt of tax increment revenue. Acorn was further amended by Ordinance No. 11760 on December 20, 1994 to incorporate financial limitations required by the adoption of AB 1290. These time limits have been further extended by subsequent plan amendments (see below).The Acorn Project is 24.55 acres in size and is located near the interchange of I-880 and I-980, about 10 blocks from central Oakland.

The City Council adopted the Plan establishing the Oak Center Redevelopment Project Area on November 30, 1965 and amended it by Ordinance No. 10824 on December 16, 1986 to incorporate limits on receipt of tax increment revenue. Oak Center was further amended by Ordinance No. 11761 on December 20, 1994 to incorporate financial limitations required by the adoption of AB 1290. These time limits have been further extended by subsequent plan amendments (see below).The Oak Center Project is comprised of about 56 blocks and is located on the west side of I-980 between 10th Street and 18th Street. The Project Area includes a large number of older Victorian style homes and was recently designated as a Historical District.

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.

The City Council adopted the Plan establishing the Stanford/Adeline Redevelopment Project Area on April 10, 1973 and amended it by Ordinance No. 10820 on December 16, 1986 to incorporate limits on receipt of tax increment revenue. Stanford was further amended by Ordinance No. 11763 on December 20, 1994 to incorporate financial limitations required by the adoption of AB 1290. These time limits have been further extended by subsequent plan amendment (see below). The Stanford/Adeline Project encompasses about four city blocks in the northern area of the City where Stanford Avenue, Adeline Street and Market Street come together.

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 Network Associates Coliseum and 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 Federal Credit Union; and, 7.92 acres is designated for a development called the Seneca Center. Approximately 167 acres is being auctioned by the Federal Government 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 27th Street and 42nd Street. The San Pablo sub-area includes the Golden Gate neighborhood along San Pablo between 53rd and 67th 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 an Agency 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 Acorn, Oak Center, 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.

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 2005-06. It is based on the lien date tax roll for fiscal year 2005-06. Numbers 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

Category	Parcels	Assessed Value	%
Residential	28,719	$5,098,920,335	41.97%
Commercial	3,696	$3,251,660,513	26.77%
Industrial	2,173	$1,668,615,440	13.74%
Recreational	39	$5,535,489	0.05%
Institutional	404	$69,896,702	0.58%
Vacant	1,676	$312,504,240	2.57%
Exempt	1,726	$0	0.00%
SBE Non-Unitary Utilities		$20,069,167	0.17%
Unsecured		$1,720,855,894	14.17%
Totals:	**38,433**	**$12,148,057,780**	**100.00%**

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 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 Agency adopted Ordinance No. 11760 for the Acorn Project Area, Ordinance No. 11761 for the Oak Center Project Area, Ordinance No. 11762 for the Central District Project Area and Ordinance No. 11763 for the Stanford/Adeline Project Area. These ordinances amended each Project's time limits to conform to the provisions of Chapter 942. The Broadway Project, the Central City East Project, the 2002 Annex, the Coliseum and 1998 Annex Projects, 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.

Pursuant to Senate Bill 1045 (see Section VI) the Agency has extend the terms of redevelopment plan effectiveness of all Project Areas except Central City East Project, Broadway Project, and West Oakland Project by one year. We have assumed in the projections that the remaining Project Areas, Central City East, Broadway and West Oakland will also be extended by one year pursuant to SB 1045. While it is likely that this one year extension will ultimately be adopted for Central City East, West Oakland and Broadway, such action cannot be guaranteed. If this action is not taken by the City Council, each of these two project areas will have one less year within which to repay indebtedness than is shown in the projections. The Project Areas that have been extended under the auspices of SB 1045 and the adoptive ordinance number and date are shown below.

	Adoption Date	Ordinance No.
Acorn	July 20, 2004	Ordinance No. 12616
Army Base	December 21, 2004	Ordinance No. 12644
Central District	July 20, 2004	Ordinance No. 12617
2002 Annex	December 21, 2004	Ordinance No. 12641
Coliseum	December 21, 2004	Ordinance No. 12639
1998 Annex	December 21, 2004	Ordinance No. 12639
Oak Center	July 20, 2004	Ordinance No. 12618
Oak Knoll	December 21, 2004	Ordinance On. 12643
Stanford/Adeline	July 20, 2004	Ordinance No. 12619

These extensions are to the redevelopment plan's effectiveness and the period within which the redevelopment projects may repay indebtedness by one year. These one year extensions have been incorporated into the projections of Tax Revenue.

Pursuant to Senate Bill 1096 (see Section VI) the Agency may, as described below, extend the term of the redevelopment plans effectiveness and the periods within which the Agency may repay indebtedness by up to two additional years. This two year extension of the time limits is predicated upon the payment by the Agency of its ERAF obligations for 2005 and 2006. The ERAF obligation for 2005 has been paid and the obligation for 2006 will, according to the Agency, be paid in a timely manner. The payment of these obligations is required by law and it is, therefore, assumed within the projections that these payments will be made. For Project Areas that have less than 10 years of plan effectiveness remaining after June 30, 2005 a two year extension is authorized. For Project Areas that have more than 10 years and less than 20 years of plan effectiveness remaining after June 30, 2005 a two year extension is authorized if the City Council can make certain findings. For those Project Areas with more than 20 years of plan effectiveness remaining after June 30, 2005 no extension of time is authorized. The ordinances amending the eligible redevelopment plans pursuant to SB 1096 have been adopted by the City Council and have been reflected in the projection. The eligible redevelopment plans include the Acorn Project (Ordinance No. 12640), the Oak Center Project (Ordinance No. 12642), the Central District Project (Ordinance No. 12641) and the Stanford/Adeline Project (Ordinance No. 12645) that were extended by two years. The Coliseum Project (Ordinance No. 12638) was extended for one year pursuant to SB 1096. All extensions were approved by the City Council on December 21, 2004.

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 at the end of the 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 not to have reached that threshold and, for purposes of the projection, it is assumed that the Project will not reach it during the term of the Bonds. At such time as property within the Oak Knoll Project is sold to private owners it will likely reach the threshold immediately. A sale to a private owner by the federal government for approximately \$100 million is now pending but has not been considered in the projection. 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:

Table C
Applicable Redevelopment Plan Limits

Project Area	Plan Expiration	Last Date to Incur New Debt	Last Date to Repay Debt with Tax Increment	Tax Increment Limit	Tax Increment Collected Through 2004-05
Acorn	Jan. 1, 2012	Jan. 1, 2004[1]	Jan. 1, 2022	$30,000,000	$25,814,313
Broadway	July 25, 2030	July 25, 2020	July 25, 2045	No Limit	N/A
Central City East	July 29, 2033	July 29, 2023	July 29, 2048	No Limit	N/A
Central District	June. 12, 2012	Eliminated	June 12, 2022	$1,348,862,000	$433,773,537
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 Center	Jan. 1, 2012	Jan. 1, 2004	Jan. 1, 2022	$12,572,000	$10,622,488
Oak Knoll	Undetermined	Undetermined	Undetermined	$87,000,000	$6,259
Army Base	June 30, 2033	June 30, 2022	June 30, 2048	$506,400,000	$4,920,083
Stanford/Adeline	Apr. 10, 2016	Jan. 1, 2004	Apr. 10, 2026	$1,625,000	Unavailable
West Oakland	Nov. 18, 2033	Nov. 18, 2023	Nov. 18, 2048	No Limit	N/A

Based on the tax increment revenue allocated through fiscal year 2004-05 and the projected revenues, it has been determined that the Acorn Project will likely exceed its tax increment limit in fiscal year 2009-10 and will not be eligible to receive any additional revenues beyond that year. The Oak Center Project is also projected to reach its tax increment limit during fiscal year 2006-07 and will thereafter be unable to receive tax increment revenue. The total amount of tax increment revenue allocated to the Stanford/Adeline Project is currently unknown but given the fact that its limit is $1,625,000; the Project Area has been in existence and receiving tax increment since 1974-75; and, its revenue over the past four years alone was $268,096, it is likely that Stanford/Adeline will soon reach its limit on tax increment revenue. The Agency and the County will continue to try and determine how much tax increment has been allocated to Stanford/Adeline to date. The original portion of the Central District Project is not anticipated to reach its tax increment limit but it will reach its last date to repay indebtedness prior to the amortization of the Bonds. After the termination of the original area's ability to repay indebtedness expires, revenue will continue to be received by the Agency from the 2002 Annex to the Central District Project.

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 (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 1996-97 (see Table 3 for each Project Area). Because six of the twelve project areas have been adopted within the past five years, these newer

[1] Acorn, Oak Center and Stanford/Adeline Projects have been amended to provide for issuance of new indebtedness after January 1, 2004 for low and moderate income housing purposes only.

Project Areas do not have a full ten years of assessed value history. The following Table D outlines primary points of interest in assessed value history for each of the Project Areas.

Table D
Historical Assessed Values

Project Area	No. of Fiscal Year Values Available and Reviewed	2005-06 Incremental Value	Change in Value From 2004-05	Change in Value from First Year Reviewed	% Change From First Year Reviewed
Acorn	10	$80,553,434	($15,052,670)	$14,767,625	18.30%
Broadway	5	$202,537,533	$53,038,426	$139,645,137	32.83%
Central City East	2	$921,730,748	$356,894,517	$356,894,517	14.06%
Central District	10	$3,016,009,373	$304,630,135	$1,574,443,000	90.87%
Coliseum	10	$1,683,904,945	$375,940,645	$1,782,097,968	112.77%
Oak Center	10	$94,004,158	$11,662,824	$46,484,848	70.12%
Oak Knoll	3	$886,746	$352,160	$361,956	68.97%
Army Base	5	$335,627,689	$71,059,480	$313,280,316	79.08%
Stanford/Adeline	10	$10,241,580	$489,723	$5,887,141	103.06%
West Oakland	2	$165,793,718	$103,679,373	$103,679,373	166.92%

While there has been substantial growth in each Project Area that has more than three years of assessed value history the Acorn Project Area experienced a 13.7 percent decline from 2004-05. This is the result of a major increase in secured exemptions for 2005-06. Unsecured values for 2005-06 showed a modest increase over 2004-05 levels. The large increase in exemptions was the result of two properties owned by KDF City Towers becoming totally exempt for 2005-06. These two properties received exemptions of $6.4 million and $12.9 million. In addition, East Bay Habitat for Humanity received exemptions on $480,000 worth of residential property on eleven parcels.

Despite the fact that for 2005-06 the West Oakland Project was almost $103.7 million higher in total taxable value than for 2004-05, the Project Area's unsecured values declined by $8,475,908. Within West Oakland for 2005-06, the Unsecured Land, Improvement and Personal Property values went up by $50,371,500 over 2004-05 values and exemptions went up by $58,847,408. The new value was mostly attributable to new possessory interest value from Mandela Gateway Associates on a parcel owned by the Housing Authority of the City of Oakland. This possessory interest value of $44,829,002 was new for 2005-06 and was completely exempt. The change in West Oakland unsecured net value came from another possessory interest property owned by Bridge Housing. This property is also owned by the Housing Authority. This possessory interest was valued at $13.5 million for 2004-05 and was not exempt. The value for 2005-06 is $13,770,000 and is fully exempt. It is most likely that the 2005-06 value was also exempt but that the exemption was applied late and was not, therefore, reflected on the County's lien date tax roll, the data we use to compile our data. This exemption being added for 2005-06 resulted in the unsecured value loss of $8,475,908 in comparison to 2004-05.

Overall the strong real estate market in the Bay Area was manifested in substantial growth in the 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 2005-06 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 Project Area that is attributable to the top ten taxpayers.

Table E
Top Ten Taxpayer Assessed Values by Project Area

	Top 10 Taxpayers Combined Assessed Value	Project Area Assessed Value	Top 10 Taxpayers % of Assessed Value	Project Area Incremental Value	Top 10 Taxpayers % of Incremental Value
Acorn	$47,465,638	$95,475,393	49.72%	$80,553,434	58.92%
Broadway	$122,859,007	$564,973,182	21.75%	$202,537,533	60.66%
Central City East	$181,562,860	$2,895,269,518	6.27%	$921,730,748	19.70%
Central District	$987,433,472	$3,307,030,603	29.86%	$3,016,009,373	32.74%
Coliseum	$466,397,955	$3,362,403,434	13.87%	$1,683,904,945	27.70%
Oak Center	$14,946,253	$112,776,643	13.25%	$94,004,158	15.90%
Oak Knoll	$886,746	$886,746	100.00%	$886,746	100.00%
Army Base	$580,849,842	$709,454,435	81.87%	$335,627,689	173.06%
Stanford/Adeline	$4,244,809	$11,599,360	36.60%	$10,241,580	41.45%
West Oakland	$143,267,357	$1,088,188,466	13.17%	$165,793,718	86.41%
Combined	**$2,549,913,939**	**$12,148,057,780**	**20.99%**	**$6,511,289,924**	**39.16%**

Despite the large amount of assessed value within most of the Project Areas, the concentration of value among the top ten taxpayers is relatively great. Some of this concentration is attributable to the fact that half of the Project Areas are less than five years old and they have not had sufficient time to develop significant incremental value. Even in Central District and Coliseum, the two largest Project Areas, however, concentration of value is high. In Central District assessed values controlled by the top ten taxpayers account for 32.74 percent of the Project Area's incremental value. In Coliseum assessed values controlled by the top ten taxpayers account for 27.70 percent of that Project Area's incremental value. Among the twelve Project Areas, the top ten taxpayers control $2,549,913,939 in assessed value. This amount is 20.99 percent of the combined project areas total value of $12,148,057,780 and 39.16% of the combined project area total incremental value of $6,511,289,924.

IV. Tax Allocation and Disbursement

A. Property Taxes

The taxable values of property are established each year on the property tax lien date. Prior to 1997 the lien date was March 1 for locally assessed property and January 1 for State assessed utility property. Beginning with 1997, the lien date is also January 1 for locally assessed property.

Real Property reflects the reported assessed values for secured and unsecured land and improvements. Pursuant to Article XIIIA of the State Constitution the value of locally assessed Real Property may only be increased up to two percent annually to reflect inflation. Real Property values are also permitted to increase as a result of a change of ownership or new construction. Utility property assessed by the State Board of Equalization may be revalued annually and such assessments are not subject to the inflation limitations of Article XIIIA. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual two percent 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 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. It is determined by applying the current year's tax rate to the amount of increase 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 Tax Revenues by taxing entities typically follows the change of ownership by a year or more. Supplemental Revenue received by the Agency during the 2004-05 fiscal year totaled $5,636,147 for all Project Areas. All Project Areas except the Oak Knoll Project received some supplemental revenues. The recipients of supplemental revenues were Central City East, Coliseum and Central District which received $1,909,213, $1,909,418 and $928,902 respectively. We have **not** included revenues resulting from Supplemental Assessments in our 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 values and the Override Tax Rate. The Override Tax Rate is that portion of the tax rate that exceeds the General Levy Tax Rate in order to pay voter-approved indebtedness or contractual obligations that existed prior the enactment of Proposition XIII. The tax rate for secured property is annually adjusted to reflect the Override Tax Rate levied for the current year. The tax rate for unsecured property is set as the previous year's tax rate on secured property.

A Constitutional amendment approved in June 1983 allows the levy of Override 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 of Override taxes to redevelopment agencies for repayment of indebtedness approved by the voters after December 31, 1988. The Override Tax Rates typically decline each year as a result of (1) increasing property values (which would reduce the Override Rate needed to be levied to meet debt service) and (2) the eventual retirement of debt over time. Within the Project Areas, three Override Tax Rates have been approved after December 31, 1988. These tax rates are for the Oakland Unified School District, the Peralta Community College District and the City of Oakland. These portions of the Override Tax Rate have been omitted from the calculation of projected revenue.

A Tax Rate Area consists of a geographic area where the taxes on all property are levied by the same taxing entities at the same rate. The projections are based on the 2005-06 tax rates. All of the tax rate areas within the Project Areas have same tax rate with the exception of tax rate area 17-034 that is within the Coliseum Project Area. The components of the two tax rates that are applied to secured value in the Project Areas for 2005-06 are as follows:

	%
General Levy	1.0000
Oakland U.S.D. EC 16090	.0001
East Bay Regional Park 1	.0057
EBMUD Special District 1	.0072
City of Oakland	.1575
Total RDA Eligible Tax Rate:	1.1705
Non-RDA Eligible Tax Rates	
Oakland U.S.D. Bonds	.0779
Peralta Community College Dist.	.0238
Bay Area Rapid Transit	.0048
City of Oakland	.0459
Total Tax Rate:	1.3229

Tax Rate for TRA 17-034 Only	%
General Levy	1.0000
East Bay Regional Park 1	.0057
City of Oakland	.1575
Total RDA Eligible Tax Rate:	1.1632
Non-RDA Eligible Tax Rates	
San Leandro U.S.D. Bonds	.0358
Chabot-Las Positas College Bonds	.0158
Bay Area Rapid Transit	.0048
City of Oakland	.0459
Total Tax Rate:	1.2655

The Override Rate levied by the City of Oakland is authorized for long term funding of pension funds and has been authorized through 2026. The Override Rate levied by the East Bay Regional Parks District will not be retired until 2027 and the EBMUD Special District override rate will be retired in 2015. Override rates levied by the Oakland Unified School District prior to December 31, 1988 will be retired in 2001. We have incorporated the appropriate retirement dates of these Override Tax Rates in the projection and have assumed the combined RDA eligible portion of the override tax rates for the City of Oakland and the East Bay Regional Parks and general levy tax rate constant at $1.1632 for the balance of our projections.

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. The County disburses Tax Increment Revenue to all redevelopment agencies in two equal installments that are typically made in December and May of each fiscal year. The County allocates supplemental revenues to redevelopment agencies in two installments. The first is allocated in March and includes such supplemental roll collections as have been received through January 31 of the fiscal year. The second allocation is made in June and includes supplemental roll collections as have been received through May 31 of the fiscal year. Unitary utility revenues may be allocated with any of the four normal remittances but is primarily allocated in December and May with roughly half being allocated in each remittance.

Based on the tax increment allocation methodology used in Alameda County redevelopment agencies receive 100 percent of the taxes levied on the extended tax roll without regard to roll corrections, delinquency and refunds. The tax revenues of the Agency are not subject to revenue loss due to delinquencies or gains due to redemption of unpaid taxes. The interpretation of the Law under which the Auditor-Controller allocates tax increment revenue is consistent with the interpretations of a number of other counties in the State.

E. Assessment Appeals

A review of assessment appeals data provided by the County has been made. Assessment appeals for 1999 through July, 2005 were included in the data. There was a large drop-off of appeal activity after the mid-1990's and the Agency was subjected to little in the way of value losses due to appeals since then. The number and size of assessment appeals is, however, once again increasing. Based on the assessment appeal activity since 1999 we have determined the number of appeals filed, the number allowed and denied and the average amounts of value that these appeals are successful in removing from the tax rolls. The averages are then used to make estimations of the number of appeals that may be approved and the amount of value loss that will be experienced. Table F below summarizes our estimates:

Table F
Assessment Appeals Summary

Improvement Projects	Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. & Value of Appeals Pending	Est. No. of Appeals Allowed	Est. Reduction on Pending Appeals Allowed (2006-07 Value Adjustment)
Acorn	34	28	0	0.00%	6 ($8,030,567)	0	$0
Broadway	65	39	6	32.62%	26 ($39,394,968)	4	$1,977,199
Central City East	31	6	2	19.3%	25 ($153,343,960)	8	$9,864,231
Central District	538	376	208	13.84%	162 ($1,255,274,105)	89	$82,340,045
Coliseum	461	329	54	14.71%	132 ($628,506,666)	22	$16,088,877
Oak Center	12	8	0	0.00%	4 ($73,411)	0	$0
Oak Knoll	0	0	0	0.00%	0 ($0)	0	$0
Army Base	55	28	12	31.45%	27 ($361,900,089)	12	$48,779,252
Stanford/Adeline	3	2	0	0.00%	1 ($34,071)	0	$0
West Oakland	43	21	2	29.93%	22 ($73,318,719)	2	$2,089,635

The estimated reductions in value were removed from the projected 2006-07 assessed values. Within the Acorn Project the lack of any successful appeals has made estimation of the possible losses from pending appeals impossible. The six pending appeals in Acorn involve a total value of $8,030,567 and the property owners have offered opinions of value on only four of the eight pending appeals. These opinions of value total $608,289 so the maximum loss of value, while unlikely, could be as much as $7,422,278. Similarly in the Oak Center and Stanford/Adeline Projects the lack of successful appeals makes estimation of potential losses due to pending appeals impossible but in these cases the amount of assessed value under appeal, $73,411 and $34,071 respectively, is not significant to the projection.

F. 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 revenue to the Project Areas for 2004-05 in the amounts shown below in Table G. Unitary revenues throughout Northern California have been reduced over the past two years as the result of several very large and successful assessment appeals by Pacific Gas and Electric. We have assumed that the utility tax revenue will remain constant in future years.

Table G
2004-05 Unitary Revenue Allocated by County

Project Area		2004-05 Unitary Revenue
Acorn		$37,388
Broadway		$281
Central City East		$0
Central District		$3,225,070
Coliseum		$24,516
Oak Center		$18,078
Oak Knoll		$0
Army Base		$0
Stanford/Adeline		$2,985
West Oakland		$0
	Total:	$3,308,319

V. Low and Moderate Income Housing Set-Aside

All redevelopment agencies are required to set aside 20 percent of all project area tax increment revenues into a low and moderate income housing fund (the Housing Set-Aside Revenues). An agency can reduce the Housing Set-Aside Revenues if it annually makes certain prescribed determinations that are consistent with the housing element of the general plan. These findings are: (1) that no need exists in the community to improve or increase the supply of low and moderate income housing; or, (2) some stated percentage less than

20 percent of the tax increment is sufficient to meet the housing need. In order to make findings (1) or (2), the Agency's finding must be consistent with the housing element of the community's general plan, including its share of the regional housing needs of very low income households and persons and families of low or moderate income. While such findings were made by the Agency in prior years, no such findings have in recent years been made by the Agency. As a result, 20 percent of gross revenue has been projected as being set aside from each Project Area. The Bonds are to be secured by a subordinate pledge of the tax increment revenue from the Project Areas that is derived pursuant to the Housing Set-Aside Revenues. This pledge is subordinate to debt service on bonded debt that is superior to the Bonds. This projection of revenue assumes that the Housing Set-Aside Revenues will continue to be fulfilled at 20 percent of the gross tax increment revenue from the combined Project Areas.

The Agency has voluntarily determined to set-aside an additional five percent of Project Area revenues for furtherance of affordable housing. This additional five percent of Project Area revenues is to be set-aside only in those years when debt service coverage is in excess of 1.2 times debt service. Because this additional set-aside is voluntary and could be rescinded at any time by the City Council, it is not considered in the projection for purposes of making debt service payments on the Bonds.

VI. Legislation

SB 211 was signed into law as Chapter 741, Statutes of 2001. This legislation has two main impacts on the limits contained in an agency's redevelopment plan. First, the City Council may eliminate the time limit to establish indebtedness in Project Areas adopted prior to January 1, 1994 by ordinance. If the Plan is so amended, any existing tax sharing agreements will continue and certain statutory tax sharing for entities without tax sharing agreements will commence in the year the eliminated limit would have taken effect. Second, the City Council may extend the time limit for plan effectiveness and repayment of debt for up to ten years if it can make certain specified findings. The Agency has amended only the Central District redevelopment plan in accordance with the statute and eliminated the last date to incur indebtedness. The appropriate adjustments have been made to the projection for inclusion of statutory tax sharing payments to begin as required by the statute. In addition, Health and Safety Code section 33333.6(e)(4) authorizes the City Council by ordinance to amend a redevelopment plan to eliminate the time limit on establishment of debt paid from the Low and Moderate Income Housing Fund or debt to fulfill the agency's affordable housing obligations. The Agency recently amended the plans for the Acorn, Oak Center, and Stanford/Adeline Projects to eliminate the time limit on establishment of debt paid from the Low and Moderate Income Housing Fund for these project areas.

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 Education Revenue Augmentation Fund (the ERAF). The Agency could have used any funds legally available and not legally obligated for other uses, including 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. An agency could have reduced its payment due to existing indebtedness, contractual obligations and 90 percent of 1991-93 administrative costs (collectively, Existing Obligations). If an agency could not make the required payment due to Existing Obligations, it could have borrowed up to 50 percent of its 1992-93 contribution to the Housing Fund (which must be repaid within ten years), or the agency was required to obtain a loan from the city/county in order to pay the difference between what the agency pays and the total amount due. For agencies that did not borrow to meet any shortfall of the required payment, the county auditor-controller was required to deduct any amount due from the city/county's allocation of property taxes. This obligation applied to the agency and not to specific Project Areas. According to the Agency, it has no outstanding ERAF obligations. In addition to the payments from redevelopment agencies periodic State budget solutions have involved the shifting of property tax revenues from cities, counties and special districts to the ERAF.

From 1994-95 to 2001-02 state budgets were adopted with no additional shifting of tax increment from redevelopment agencies, however, the 2002-03 State Budget required a shift of $75 million of tax increment 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 Agency was $1,267,072 for fiscal year 2002-03 only. The Agency made the required payment without impacting its payment of debt service and other obligations.

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 Education Revenue Augmentation Funds (ERAF) which reduces the amount of State funding for schools. This transfer of funds was limited to Fiscal Year 2003-04 only. The amount of revenue that was transferred by the Agency to Alameda County for 2003-04 was $2,380,469. The Agency made this payment to the County by the May 10, 2004 deadline.

Under the Law as amended by SB 1045, the Agency was 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 Agency may repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years may be deducted from the amount of the Project Areas cumulative tax increment revenues. The City Council has adopted such an extension amendment for each of the Project Areas except the Central City East, the Broadway and the West Oakland Projects. By approving such an amendment of the eligible redevelopment plans, the City Council may extend by one year the effective life of each of the eligible component Project Areas and the period within which the Agency may repay indebtedness from tax increment revenues. These extensions of time are reflected in the projections and in the Project Area limits shown in Section II B, Table C.

After the State's budget for 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Based on SB 1096, redevelopment agencies within the State will lose $250 million to ERAF in each of fiscal years 2004-05 and 2005-06 using the same formula as was used for 2003-04. Annual payments will continue to be due on May 10 of each fiscal year. As in previous years, payments may be made from any available funds other than the Housing Fund. If an agency is unable to make a payment, it may borrow up to 50 percent of the current year Housing Set-Aside Revenues, however, the borrowed amount must be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). The Agency's portion of the statewide ERAF requirement for 2004-05 was $4,706,826. The 2005-06 payment has been set at $4,669,367. Because the ERAF amounts paid are an obligation of the Agency and are not charged to individual Project Areas, we have not reflected the amounts in the projection of tax revenues. The ERAF requirement is subordinate to the payment of debt service on the Bonds.

For redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, the plans may 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 finds that the Agency is in compliance with specified state housing requirements. These requirements are: 1) that the Agency is setting aside 20 percent of gross tax increment revenue; 2) housing implementation plans are in place; 3) replacement housing and inclusionary housing requirements are being met; and, 4) no excess surplus exists.

If a redevelopment plan has more than 20 years of effectiveness remaining after June 30, 2005, it may not be extended. Both of the Improvement Projects have less than 20 years remaining before the limits of their redevelopment plans expire. A two year extension of the time limits on the Acorn, Oak Center, Central District and Stanford/Adeline Projects was adopted on December 21, 2004 in accordance with SB 1096. The time limits shown on Table C of Section II B have these extensions incorporated in them and they have been used in the projections. A one year extension of the time limits on the Coliseum Project was also adopted on December 21, 2004. This extended time limit is shown on Table C of Section II B and has been used in the projections.

In addition to the ERAF provisions described above, the Agency cannot predict whether the State Legislature will enact any other legislation requiring additional or increased future shifts of tax increment revenues to the State and/or to schools, whether through an arrangement similar to ERAF or by other arrangements, and, if so, the effect on future Tax Revenues.

VII. Tax Sharing Agreements and Other Obligations

A. Tax Sharing Agreements and Statutory Tax Sharing Obligations

The Agency has not entered into tax sharing agreements within any of its four Project Areas that were adopted prior to January 1, 1994.

Eight of the 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. As amended, the Law requires that for project areas adopted after January 1, 1994, a prescribed portion of the Agency's tax increment revenue must be shared with all taxing entities within the project area. 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 Agency's gross tax increment revenue net of the Housing Set-Aside Revenues.

The second tier begins in the eleventh year after the 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 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. Because the tax sharing amounts are net of the Housing Set-Aside Revenues, making these tax sharing payments should have no impact on the amount of tax increment revenue available to pay debt service on the Bonds.

In addition to the tax sharing payments outlined above, the Agency has voluntarily committed to set aside ten percent of the net tax increment revenue from the Coliseum and its 1998 Annex for the development of school facilities. It is assumed in this projection that per Agency policy the payments are calculated as ten percent of the tax increment revenue net of the Housing Set-Aside Revenues and the statutorily mandated tax sharing payments. In addition, it is assumed that this voluntary payment is subordinate to debt service for the Bonds and for debt service on superior bonds.

SB 211 Payments

The original portion of the Central District Plan was amended to eliminate the limitation on the issuance of new indebtedness to be repaid with tax increment revenue. As a result, this portion of the Central District Project Area is subject to the initiation of tax sharing payments in fiscal year 2005-06 to those taxing entities with which they do not already have tax sharing agreements. Since the Agency entered into no negotiated tax sharing agreements, the statutory payments will be distributed to all taxing entities within the Project Area.

The payments to those taxing entities will be made in accordance with the three-tiered formula for statutory tax sharing payments required of those Project Areas adopted after January 1, 1994 and outlined in Section 33607.7 of the Law. These statutory tax-sharing payments began in fiscal year 2004-05 and will use the assessed values for 2003-04 as an adjusted base year value. These taxing entities will receive their prorated shares of a tax sharing amount that is defined as being 25% of the revenue derived from the difference in assessed value in the current year and the assessed value in the adjusted base year and net of the 20% housing set-aside requirement. These statutory payments will continue through the end of the fiscal year within which the redevelopment plan's effectiveness expires (2011-12)

B. Court Decisions

Santa Ana Decision

The State Court of Appeals recently upheld a Superior Court decision which held the Santa Ana School District had the right to receive payments from the Orange County Redevelopment Agency pursuant to a resolution adopted by the School District in 1999 under former Section 33676(a) of the Law (Santa Ana Unified School District v. Orange County Redevelopment Agency; App. 4 Dist. 2001 108 Cal. Rptr.2d 770, 90 Cal. App 4th 404, review denied). Former Section 33676(a)(2) provided that, unless a negotiated tax sharing agreement had been entered into, upon passage of a resolution prior to adoption of a redevelopment plan, affected taxing agencies and every school and community college district could elect to be allocated increases in the assessed value of taxable property in the project area based on inflation growth (the 2% Property Tax Increase). Former Section 33676(a)(2) was repealed as part of major revisions made to the Law pursuant to the Reform Act of 1993 (AB 1290).

The changes to the Law contained in AB1290 were effective as of January 1, 1994. The Court of Appeals affirmed the lower court ruling that due to an amendment to former Section 33676(a) that was adopted in 1984 and became effective on January 1, 1985, school and community college districts were to automatically receive the 2% Property Tax Increase even without adopting the appropriate resolution prior to the adoption of a redevelopment plan.

Because all of the Agency's Project Areas were adopted prior to the effectiveness of Section 33676(a)(2) or after it was amended out of the Law, none of the Project Areas are subject to the effects of this decision.

Seal Beach Decision

In a Minute Order issued on November 2, 2001 in County of Orange v. Orange County Assessment Appeals Board No. 3, case no. 00CC03385, the Orange County Superior Court held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the two percent inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in all California counties, including Alameda County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values.

The Superior Court ruling was appealed by the Orange County Assessor and oral arguments before Division 3 of the 4th District Court of Appeals in Santa Ana were heard on January 7, 2004. On March 26, 2004, the Fourth Appellate District of the of the Court of Appeal of the State of California ruled that under Proposition 13 the base year of real property on which the inflation factor is figured remains the original purchase price or assessment at the time of new construction even though the taxable value may be reduced by general deflation or natural disaster. On May 5, 2004, the respondent filed a petition to the California Supreme Court for review of the decision published by the Court of Appeal. On July 21, 2004, the California Supreme Court denied the petition to review the decision by the Court of Appeal. This action concluded the legal review of this case

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 between January 1, 2005 and December 31, 2005 will result in additions or reductions in value for fiscal year 2006-07. 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 2005-06 values for each parcel and the new values established by the property sale were incorporated into the projections for 2006-07. These sales resulted in additions to the projected values for 2006-07 in a number of project areas. These values are listed by project area in Table H below.

Table H
Value Added by Transfers of Ownership

Project Area	No. of Transfers	Sale Values	2005-06 Values	Added Value for 2006-07
Acorn	0	$ 0	$ 0	$ 0
Broadway	75	48,019,909	29,065,947	18,953,962
Central City East	888	390,994,158	186,142,052	204,852,106
Central District	148	104,993,781	52,440,862	52,552,919
Coliseum	551	249,534,225	115,618,055	133,916,170
Oak Center	19	8,800,700	4,825,828	3,974,872
Oak Knoll	0	0	0	0
Army Base	8	4,639,000	2,604,661	2,034,339
Stanford/Adeline	6	2,589,000	951,348	1,637,652
West Oakland	364	162,304,142	77,769,899	84,534,243
Totals:	**2,059**	**$971,874,915**	**$469,418,652**	**$502,456,263**

IX. Trended Taxable Value Growth

Growth in real property land and improvement values have been limited to an assumed rate of growth of real property taxable values of two percent annually as allowed under Article XIIIA of the State Constitution. A two percent growth rate has been assumed because it is the maximum inflationary growth rate permitted by law and this rate of growth has been achieved in all but four years since 1981. The years in which less than two percent growth was realized were 1983-84 (1.0%), 1995-96 (1.19%), 1996-97 (1.11%) and 1999-00 (1.85%) and 2004-05 (1.867%). If in future years the growth of taxable value in the project area is less than two percent, the resultant Tax Increment Revenues would be reduced.

HdL Coren & Cone make no representation that taxable values will actually grow at two percent. Future values will also be affected 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 two percent when real estate values increase more than two percent (see Section IV A above). Seismic activity and environmental conditions such as hazardous substances that are not anticipated in this report might also impact property taxes and Tax Increment Revenue.

HdL Coren & Cone makes no representation that taxable 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 Alameda County Assessor and Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the individual appraiser's judgment. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.

Oakland/2006 Housing Refunding Bonds/2006 FCR 7

Oakland Redevelopment Agency
Combined Redevelopment Project Areas

3/6/06

PROJECTION OF HOUSING SET-ASIDE REVENUE
(000s Omitted)

		Acorn	Oak Center	Stanford/Adeline	Central District	Coliseum	Army Base	Broadway/McArthur San Pablo	Central City East	West Oakland	Oak Knoll	Totals for All Project Areas
1	2005-06	196	225	25	7,706	3,947	786	474	2,158	409	2	**15,927**
2	2006-07	200	239	29	7,774	4,365	702	536	2,746	650	2	**17,242**
3	2007-08	203	0	30	7,917	4,517	727	559	2,890	703	2	**17,547**
4	2008-09	207	0	30	8,062	4,671	753	582	3,036	757	2	**18,101**
5	2009-10	211	0	31	8,211	4,828	779	606	3,185	812	2	**18,665**
6	2010-11	0	0	31	8,362	4,988	806	630	3,337	868	2	**19,025**
7	2011-12	0	0	32	8,516	5,152	834	655	3,492	928	2	**19,611**
8	2012-13	0	0	33	8,673	5,318	862	680	3,650	990	2	**20,208**
9	2013-14	0	0	33	8,833	5,488	890	706	3,811	1,054	2	**20,817**
10	2014-15	0	0	34	8,997	5,661	919	732	3,974	1,119	2	**21,438**
11	2015-16	0	0	35	9,163	5,837	949	759	4,141	1,185	2	**22,071**
12	2016-17	0	0	36	9,338	6,020	979	787	4,314	1,253	2	**22,728**
13	2017-18	0	0	36	9,516	6,207	1,010	815	4,490	1,322	2	**23,400**
14	2018-19	0	0	37	9,699	6,397	1,042	844	4,670	1,393	2	**24,085**
15	2019-20	0	0	38	9,884	6,592	1,075	873	4,854	1,465	3	**24,783**
16	2020-21	0	0	39	10,074	6,790	1,108	903	5,041	1,538	3	**25,496**
17	2021-22	0	0	40	10,267	6,992	1,142	934	5,232	1,613	3	**26,223**
18	2022-23			40	35	7,199	1,177	965	5,426	1,690	3	**16,535**
19	2023-24			41	36	7,409	1,212	997	5,625	1,768	3	**17,092**
20	2024-25			42	38	7,624	1,248	1,030	5,828	1,848	3	**17,660**
21	2025-26			22	39	7,843	1,285	1,063	6,034	1,929	3	**18,217**
22	2026-27				41	8,066	1,323	1,097	6,245	2,012	3	**18,786**
23	2027-28				37	7,292	1,340	981	5,630	1,824	2	**17,106**
24	2028-29				38	7,335	1,210	1,003	5,744	1,877	2	**17,208**
25	2029-30				39	7,535	1,238	1,033	5,934	1,952	2	**17,734**
26	2030-31				40	7,743	1,273	1,065	6,130	2,029	3	**18,282**
27	2031-32				42	7,955	1,308	1,097	6,330	2,108	3	**18,842**
28	2032-33				43	8,171	1,344	1,130	6,534	2,188	3	**19,413**
29	2033-34				45	8,391	1,381	1,163	6,742	2,270	3	**19,996**
30	2034-35				46	8,616	1,419	1,197	6,955	2,354	3	**20,590**
31	2035-36				48	8,846	1,458	1,232	7,171	2,439	3	**21,196**
32	2036-37				49	9,080	1,497	1,267	7,392	2,526	3	**21,814**
33	2037-38				51	9,319	1,537	1,304	7,617	2,614	3	**22,444**
34	2038-39				52	9,562	1,578	1,340	7,847	2,705	3	**23,088**
35	2039-40				54	9,811	1,620	1,378	8,081	2,797	3	**23,743**
36	2040-41				56	10,064	1,662	1,416	8,320	2,891	3	**24,412**
37	2041-42				57	10,323	1,706	1,455	8,564	2,987	3	**25,095**
38	2042-43				59	986	1,750	1,495	8,813	3,085	3	**16,191**
39	2043-44				61		1,795	1,536	9,066	3,184	3	**15,646**
40	2044-45				63		1,841	1,578	9,325	3,286	3	**16,096**
41	2045-46				65		1,888		9,589	3,390	3	**14,935**
42	2046-47				66		1,936		9,858	3,496	3	**15,360**
43	2047-48								10,133	3,604	3	**13,740**
	Totals	**1,018**	**464**	**714**	**152,190**	**262,939**	**52,390**	**39,898**	**255,954**	**82,912**	**113**	**848,591**

Oakland Redevelopment Agency
Acorn Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted) 03/06/06
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		80,792	82,408	84,056	85,737	87,452	89,201	90,985	92,805	94,661	96,554
Personal Property (3)		14,683	14,683	14,683	14,683	14,683	14,683	14,683	14,683	14,683	14,683
Total Projected Value		**95,475**	**97,091**	**98,739**	**100,421**	**102,135**	**103,884**	**105,668**	**107,488**	**109,344**	**111,237**
Taxable Value over Base	**14,922**	**80,553**	**82,169**	**83,817**	**85,499**	**87,213**	**88,962**	**90,746**	**92,566**	**94,422**	**96,315**
Gross Tax Increment Revenue (4)		943	961	980	999	1,018	1,038	1,058	1,079	1,100	1,121
Unitary Tax Revenue (5)		37	37	37	37	37	37	37	37	37	37
Gross Revenues		**980**	**999**	**1,017**	**1,036**	**1,056**	**0**	**0**	**0**	**0**	**0**
LESS											
SB 2557 Admin. Fee (6)		(11)	(11)	(11)	(11)	(11)	0	0	0	0	0
Housing Set Aside Requirement (7)		(196)	(200)	(203)	(207)	(211)	0	0	0	0	0
Tax Revenues		**774**	**788**	**803**	**818**	**833**	**0**	**0**	**0**	**0**	**0**
Added Housing Set-Aside (7)		(49)	(50)	(51)	(52)	(53)	0	0	0	0	0
Net Tax Revenue		**725**	**738**	**752**	**766**	**780**	**0**	**0**	**0**	**0**	**0**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 of taxable value over 10 years and remain at that amount until all over ride tax rates are eliminated in 2027. The Project Area has a cumulative tax increment limit of $30 million. Based on the revenues allocated through 2004-05and the projected revenues, the Project Area will exceed this limit during fiscal year 2009-10 and will receive no tax revenue thereafter.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.

Oakland Redevelopment Agency
Acorn Redevelopment Project

03/06/06

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2

		Total Taxable Value	Taxable Value Over Base 14,922	Gross Tax Revenue (1)	Housing Set-Aside	SB 2557 Charge	Tax Revenues	Added Housing Set-Aside	Net Tax Revenues
1	2005-06	95,475	80,553	**980**	(196)	(11)	**774**	(49)	**725**
2	2006-07	97,091	82,169	**999**	(200)	(11)	**788**	(50)	**738**
3	2007-08	98,739	83,817	**1,017**	(203)	(11)	**803**	(51)	**752**
4	2008-09	100,421	85,499	**1,036**	(207)	(11)	**818**	(52)	**766**
5	2009-10	102,135	87,213	**1,056**	(211)	(11)	**833**	(53)	**780**
6	2010-11	103,884	88,962	**0**	0	0	**0**	0	**0**
7	2011-12	105,668	90,746	**0**	0	0	**0**	0	**0**
8	2012-13	107,488	92,566	**0**	0	0	**0**	0	**0**
9	2013-14	109,344	94,422	**0**	0	0	**0**	0	**0**
10	2014-15	111,237	96,315	**0**	0	0	**0**	0	**0**
11	2015-16	113,168	98,246	**0**	0	0	**0**	0	**0**
12	2016-17	115,138	100,216	**0**	0	0	**0**	0	**0**
13	2017-18	117,147	102,225	**0**	0	0	**0**	0	**0**
14	2018-19	119,197	104,275	**0**	0	0	**0**	0	**0**
15	2019-20	121,287	106,365	**0**	0	0	**0**	0	**0**
16	2020-21	123,419	108,497	**0**	0	0	**0**	0	**0**
17	2021-22	125,594	110,672	**0**	0	0	**0**	0	**0**
				5,089	(1,018)	(55)	**4,016**	**(254)**	**3,762**

(1) The Acorn Project Area has a cumulative tax increment limit of $30 million that is projected to be eclipsed during fiscal year 2009-10.

Oakland Redevelopment Agency
Acorn Redevelopment Project
Historical Assessed Values
Table 3

03/06/06

Secured (2)	Base Year 1961-92	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Land	12,926,747	17,632,877	17,345,376	18,651,681	23,639,623	24,957,608	24,410,353	25,129,318	25,667,261	30,012,410	31,295,518
Impts	0	47,721,828	52,667,539	53,291,895	59,155,396	75,131,312	70,865,070	72,632,400	74,003,219	88,410,909	94,113,349
Pers Prop	0	9,542,674	9,547,323	9,818,662	8,283,526	6,844,202	8,251,405	8,059,065	8,241,120	7,203,317	7,757,014
Exemptions	0	(8,172,176)	(8,372,254)	(8,645,655)	(14,970,926)	(30,978,321)	(29,724,472)	(28,832,149)	(28,776,281)	(34,930,819)	(57,864,826)
Total Secured	**12,926,747**	**66,725,203**	**71,187,984**	**73,116,583**	**76,107,619**	**75,954,801**	**73,802,356**	**76,988,634**	**79,135,319**	**90,695,817**	**75,301,055**
Unsecured											
Land	0	48,000	1,128,000	1,160,292	1,098,296	1,408,812	1,441,703	1,650,389	1,731,097	1,763,405	1,830,456
Impts	0	8,045,017	8,452,752	8,331,426	8,195,398	8,808,618	8,447,348	8,968,865	9,904,695	10,668,318	11,417,770
Pers Prop	1,995,212	6,096,637	5,262,641	5,610,143	5,398,642	6,058,440	6,798,435	5,631,284	7,913,860	7,421,508	6,947,097
Exemptions	0	(207,089)	(236,829)	(258,234)	(250,016)	(323,114)	(251,928)	(201,813)	0	(20,985)	(20,985)
Total Unsecured	**1,995,212**	**13,982,565**	**14,606,564**	**14,843,627**	**14,442,320**	**15,952,756**	**16,435,558**	**16,048,725**	**19,549,652**	**19,832,246**	**20,174,338**
GRAND TOTAL	**14,921,959**	**80,707,768**	**85,794,548**	**87,960,210**	**90,549,939**	**91,907,557**	**90,237,914**	**93,037,359**	**98,684,971**	**110,528,063**	**95,475,393**
Secured Growth %		0.87%	6.69%	2.71%	4.09%	-0.20%	-2.83%	4.32%	2.79%	14.61%	-16.97%
Unsecured Growth %		0.85%	4.46%	1.62%	-2.70%	10.46%	3.03%	-2.35%	21.81%	1.45%	1.72%
Overall Growth %		0.87%	6.30%	2.52%	2.94%	1.50%	-1.82%	3.10%	6.07%	12.00%	-13.62%

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
Acorn Redevelopment Project

03/06/06

TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

	Secured			Unsecured			Total		
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	Use Code
1. Svenhards Swedish Bakery Inc.	$3,440,180	9	4.57%	$7,895,247	2	39.14%	$11,335,427	11.87%	Unsecured / Retail Food
2. Red Start Industrial Service	$6,634,472	1	8.81%	$0	0	0.00%	$6,634,472	6.95%	Industrial
3. Extra Space of Oakland LLC	$5,585,800	1	7.42%	$0	0	0.00%	$5,585,800	5.85%	Industrial
4. Nor California Metal Fabricators	$5,464,261	2	7.26%	$0	0	0.00%	$5,464,261	5.72%	Industrial
5. Linden Associates	$4,312,269	2	5.73%	$0	0	0.00%	$4,312,269	4.52%	Industrial
6. Snow Properties MA LLC	$3,837,525	1	5.10%	$0	0	0.00%	$3,837,525	4.02%	Industrial
7. Sutta Company Inc.	$3,207,777	1	4.26%	$22,734	1	0.11%	$3,230,511	3.38%	Industrial
8. ATI Systems International [Owner has pending appeals on parcels]	$2,398,595	1	3.19%	$0	0	0.00%	$2,398,595	2.51%	Industrial
9. National Ice & Cold Storage Company	$2,387,454	2	3.17%	$0	0	0.00%	$2,387,454	2.50%	Industrial
10. Duwo Partners LLC	$2,279,324	1	3.03%	$0	0	0.00%	$2,279,324	2.39%	Industrial
Top Ten Property Owner Totals:	**$39,547,657**	**21**		**$7,917,981**	**3**		**$47,465,638**		
Project Area Total Assessed Values:	$75,301,055		52.52%	$20,174,338		39.25%	$95,475,393	49.72%	
Project Area Total Incremental Values:	$62,374,308		63.40%	$18,179,126		43.56%	$80,553,434	58.92%	

Oakland Redevelopment Agency
Acorn Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	0	Lump Sum	$0	$0	$0			$0	$0	$0	$0	$0
Total Real Property:			$0	$0	$0				$0	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Oakland Army Base Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
03/06/06
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		589,128	553,190	564,254	575,539	587,050	598,791	610,767	622,982	635,442	648,151
Personal Property (3)		120,326	120,326	120,326	120,326	120,326	120,326	120,326	120,326	120,326	120,326
Total Projected Value		**709,454**	**673,517**	**684,580**	**695,865**	**707,376**	**719,117**	**731,093**	**743,308**	**755,768**	**768,477**
Taxable Value over Base	**373,827**	**335,628**	**299,690**	**310,754**	**322,039**	**333,549**	**345,290**	**357,266**	**369,482**	**381,941**	**394,650**
Gross Tax Increment Revenue (4)		3,929	3,508	3,635	3,764	3,897	4,031	4,168	4,308	4,451	4,596
Unitary Tax Revenue (5)		0	0	0	0	0	0	0	0	0	0
Gross Revenues		**3,929**	**3,508**	**3,635**	**3,764**	**3,897**	**4,031**	**4,168**	**4,308**	**4,451**	**4,596**
LESS:											
SB 2557 Admin. Fee (6)		(42)	(38)	(39)	(41)	(42)	(44)	(45)	(47)	(48)	(50)
Housing Set Aside Requirement (7)		(786)	(702)	(727)	(753)	(779)	(806)	(834)	(862)	(890)	(919)
Tier 1 Passthrough to All Taxing Entities (8)		(786)	(702)	(727)	(753)	(779)	(806)	(834)	(862)	(890)	(919)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	(23)	(47)	(72)	(97)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**2,315**	**2,067**	**2,142**	**2,218**	**2,296**	**2,375**	**2,433**	**2,491**	**2,551**	**2,611**
Added Housing Set-Aside (7)		(196)	(175)	(182)	(188)	(195)	(202)	(208)	(215)	(223)	(230)
Net Tax Revenues		**2,119**	**1,891**	**1,960**	**2,030**	**2,101**	**2,174**	**2,224**	**2,276**	**2,328**	**2,382**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $48,779,257 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 pass through amount.

Oakland Redevelopment Agency
Oakland Army Base Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE 03/06/06
(000s Omitted)
Table 2

		Total Taxable Value	Taxable Value Over Base 373,827	Gross Tax Revenue	SB 2557 Charge	Housing Set-Aside	Statutory Tax Sharing Payments Tier 1	Tier 2	Tier 3	Tax Revenues	Added Housing Set-Aside	Net Tax Revenues
1	2005-06	709,454	335,628	**3,929**	(42)	(786)	(786)	0	0	**2,315**	(196)	**2,119**
2	2006-07	673,517	299,690	**3,508**	(38)	(702)	(702)	0	0	**2,067**	(175)	**1,891**
3	2007-08	684,580	310,754	**3,635**	(39)	(727)	(727)	0	0	**2,142**	(182)	**1,960**
4	2008-09	695,865	322,039	**3,764**	(41)	(753)	(753)	0	0	**2,218**	(188)	**2,030**
5	2009-10	707,376	333,549	**3,897**	(42)	(779)	(779)	0	0	**2,296**	(195)	**2,101**
6	2010-11	719,117	345,290	**4,031**	(44)	(806)	(806)	0	0	**2,375**	(202)	**2,174**
7	2011-12	731,093	357,266	**4,168**	(45)	(834)	(834)	(23)	0	**2,433**	(208)	**2,224**
8	2012-13	743,308	369,482	**4,308**	(47)	(862)	(862)	(47)	0	**2,491**	(215)	**2,276**
9	2013-14	755,768	381,941	**4,451**	(48)	(890)	(890)	(72)	0	**2,551**	(223)	**2,328**
10	2014-15	768,477	394,650	**4,596**	(50)	(919)	(919)	(97)	0	**2,611**	(230)	**2,382**
11	2015-16	781,440	407,613	**4,744**	(51)	(949)	(949)	(122)	0	**2,673**	(237)	**2,436**
12	2016-17	794,662	420,835	**4,895**	(53)	(979)	(979)	(148)	0	**2,737**	(245)	**2,492**
13	2017-18	808,149	434,322	**5,052**	(55)	(1,010)	(1,010)	(174)	0	**2,803**	(253)	**2,550**
14	2018-19	821,905	448,079	**5,212**	(56)	(1,042)	(1,042)	(201)	0	**2,870**	(261)	**2,609**
15	2019-20	835,937	462,110	**5,375**	(58)	(1,075)	(1,075)	(228)	0	**2,939**	(269)	**2,670**
16	2020-21	850,249	476,422	**5,542**	(60)	(1,108)	(1,108)	(256)	0	**3,009**	(277)	**2,732**
17	2021-22	864,847	491,021	**5,712**	(62)	(1,142)	(1,142)	(285)	0	**3,080**	(286)	**2,795**
18	2022-23	879,738	505,911	**5,885**	(64)	(1,177)	(1,177)	(314)	0	**3,153**	(294)	**2,859**
19	2023-24	894,926	521,099	**6,061**	(65)	(1,212)	(1,212)	(344)	0	**3,228**	(303)	**2,925**
20	2024-25	910,418	536,591	**6,242**	(67)	(1,248)	(1,248)	(374)	0	**3,304**	(312)	**2,992**
21	2025-26	926,220	552,393	**6,425**	(69)	(1,285)	(1,285)	(405)	0	**3,381**	(321)	**3,060**
22	2026-27	942,338	568,511	**6,613**	(71)	(1,323)	(1,323)	(436)	0	**3,460**	(331)	**3,129**
23	2027-28	958,778	584,951	**6,700**	(72)	(1,340)	(1,340)	(461)	0	**3,487**	(335)	**3,152**
24	2028-29	975,547	601,720	**6,048**	(65)	(1,210)	(1,210)	(433)	0	**3,130**	(302)	**2,828**
25	2029-30	992,652	618,825	**6,188**	(67)	(1,238)	(1,238)	(460)	0	**3,187**	(309)	**2,877**
26	2030-31	1,010,098	636,271	**6,363**	(69)	(1,273)	(1,273)	(489)	0	**3,260**	(318)	**2,942**
27	2031-32	1,027,894	654,067	**6,541**	(71)	(1,308)	(1,308)	(519)	(20)	**3,315**	(327)	**2,988**
28	2032-33	1,046,045	672,218	**6,722**	(73)	(1,344)	(1,344)	(549)	(40)	**3,371**	(336)	**3,035**
29	2033-34	1,064,559	690,732	**6,907**	(75)	(1,381)	(1,381)	(580)	(61)	**3,428**	(345)	**3,083**
30	2034-35	1,083,444	709,617	**7,096**	(77)	(1,419)	(1,419)	(612)	(82)	**3,487**	(355)	**3,132**
31	2035-36	1,102,706	728,879	**7,289**	(79)	(1,458)	(1,458)	(644)	(104)	**3,546**	(364)	**3,182**
32	2036-37	1,122,354	748,527	**7,485**	(81)	(1,497)	(1,497)	(677)	(126)	**3,607**	(374)	**3,233**
33	2037-38	1,142,394	768,568	**7,686**	(83)	(1,537)	(1,537)	(711)	(148)	**3,669**	(384)	**3,285**
34	2038-39	1,162,836	789,009	**7,890**	(85)	(1,578)	(1,578)	(745)	(171)	**3,732**	(395)	**3,338**
35	2039-40	1,183,686	809,859	**8,099**	(87)	(1,620)	(1,620)	(780)	(194)	**3,797**	(405)	**3,392**
36	2040-41	1,204,953	831,126	**8,311**	(90)	(1,662)	(1,662)	(816)	(218)	**3,863**	(416)	**3,447**
37	2041-42	1,226,646	852,819	**8,528**	(92)	(1,706)	(1,706)	(853)	(243)	**3,930**	(426)	**3,503**
38	2042-43	1,248,772	874,945	**8,749**	(94)	(1,750)	(1,750)	(890)	(267)	**3,998**	(437)	**3,561**
39	2043-44	1,271,341	897,514	**8,975**	(97)	(1,795)	(1,795)	(928)	(293)	**4,068**	(449)	**3,619**
40	2044-45	1,294,361	920,535	**9,205**	(99)	(1,841)	(1,841)	(966)	(318)	**4,139**	(460)	**3,679**
41	2045-46	1,317,842	944,015	**9,440**	(102)	(1,888)	(1,888)	(1,006)	(345)	**4,212**	(472)	**3,740**
42	2046-47	1,341,792	967,966	**9,680**	(105)	(1,936)	(1,936)	(1,046)	(371)	**4,286**	(484)	**3,802**
				261,948	(2,829)	(52,390)	(52,390)	(17,692)	(3,002)	**133,647**	(13,097)	**120,549**

Oakland Redevelopment Agency
Oakland Army Base Redevelopment Project
Historical Assessed Values

03/06/06

Table 3

Secured (2)	Base Year 1999-00	2001-02	2002-03	2003-04	2004-05	2005-06
Land	22,495,132	15,645,804	17,191,305	33,661,718	37,443,069	37,892,320
Impts	21,369,014	19,029,766	20,366,519	20,916,644	22,239,989	23,177,155
Pers Prop	0	4,091,452	4,195,361	7,146,074	11,932,960	12,347,315
Exemptions	0	0	0	0	0	0
Total Secured	**43,864,146**	**38,767,022**	**41,753,185**	**61,724,436**	**71,616,018**	**73,416,790**
Unsecured						
Land	0	86,592,174	114,168,706	182,703,979	247,153,453	268,599,932
Impts	0	189,277,857	193,561,243	204,683,291	238,101,936	259,458,795
Pers Prop	329,962,600	81,912,897	77,254,992	71,690,791	81,965,892	108,214,496
Exemptions	0	(375,831)	(177,632)	(287,828)	(442,344)	(235,578)
Total Unsecured	**329,962,600**	**357,407,097**	**384,807,309**	**458,790,233**	**566,778,937**	**636,037,645**
GRAND TOTAL	**373,826,746**	**396,174,119**	**426,560,494**	**520,514,669**	**638,394,955**	**709,454,435**
Secured Increment		(5,097,124)	(2,110,961)	17,860,290	27,751,872	29,552,644
Unsecured Increment		27,444,497	54,844,709	128,827,633	236,816,337	306,075,045
Total Increment		22,347,373	52,733,748	146,687,923	264,568,209	335,627,689
Secured Growth %			-58.59%	-946.07%	55.38%	6.49%
Unsecured Growth %			99.84%	134.90%	83.82%	29.25%
Overall Growth %			135.97%	178.17%	80.36%	26.86%

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
Army Base Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06 03/06/06
Table 4

	Secured			Unsecured			Total		
	Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1. SSA Terminals LLC	$0	0	0.00%	$177,398,688	4	27.89%	$177,398,688	25.00%	Cargo Handling
2. Total Terminals International LLC	$0	0	0.00%	$109,484,000	2	17.21%	$109,484,000	15.43%	Cargo Handling
3. American President Lines Limited	$0	0	0.00%	$69,369,533	4	10.91%	$69,369,533	9.78%	Residential
4. Evergreen America Corporation	$0	0	0.00%	$55,018,491	4	8.65%	$55,018,491	7.76%	Cargo Handling
5. Trans Pacific Container Service	$0	0	0.00%	$49,167,902	2	7.73%	$49,167,902	6.93%	Cargo Handling
6. Maersk Lines	$0	0	0.00%	$29,906,056	2	4.70%	$29,906,056	4.22%	Cargo Handling
7. ITS	$0	0	0.00%	$26,429,980	2	4.16%	$26,429,980	3.73%	Cargo Handling
8. Kiewit FCI Manson Joint Venture	$0	0	0.00%	$24,899,347	1	3.91%	$24,899,347	3.51%	Unsecrued
9. Schmitzer Steel	$19,871,429	1	27.07%	$177,933	1	0.03%	$20,049,362	2.83%	Manufacturing
10. Maersk Pacific Limited	$0	0	0.00%	$19,126,483	5	3.01%	$19,126,483	2.70%	Cargo Handling
Top Ten Property Owner Totals:	**$19,871,429**	**1**		**$560,978,413**	**27**		**$580,849,842**		
Project Area Totals:	$73,416,790		27.07%	$636,037,645		88.20%	$709,454,435	81.87%	
Project Area Incremental Value:	$29,552,644		67.24%	$306,075,045		183.28%	$335,627,689	173.06%	

Oakland Redevelopment Agency
Army Base Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	8	Lump Sum	$4,639,000	$2,604,661	$2,034			$0	$2,034	$0	$0	$0
Total Real Property:			$4,639,000	$2,604,661	$2,034				$2,034	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Broadway/MacArthur/San Pablo Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

03/06/06

Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		472,460	498,847	508,824	519,000	529,380	539,968	550,767	561,782	573,018	584,478
Personal Property (3)		92,513	92,513	92,513	92,513	92,513	92,513	92,513	92,513	92,513	92,513
Total Projected Value		**564,973**	**591,360**	**601,337**	**611,513**	**621,893**	**632,481**	**643,280**	**654,295**	**665,531**	**676,991**
Taxable Value over Base	**362,436**	**202,538**	**228,924**	**238,901**	**249,077**	**259,457**	**270,045**	**280,844**	**291,860**	**303,095**	**314,556**
Gross Tax Increment Revenue (4)		2,371	2,678	2,793	2,910	3,029	3,151	3,275	3,401	3,530	3,661
Unitary Tax Revenue (5)		0	0	0	0	0	0	0	0	0	0
Gross Revenues		**2,371**	**2,678**	**2,793**	**2,910**	**3,030**	**3,151**	**3,275**	**3,402**	**3,530**	**3,661**
LESS:											
SB 2557 Admin. Fee (6)		(26)	(29)	(30)	(31)	(33)	(34)	(35)	(37)	(38)	(40)
Housing Set Aside Requirement (7)		(474)	(536)	(559)	(582)	(606)	(630)	(655)	(680)	(706)	(732)
Tier 1 Passthrough to All Taxing Entities (8)		(474)	(536)	(559)	(582)	(606)	(630)	(655)	(680)	(706)	(732)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	(21)	(43)	(65)	(87)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**1,397**	**1,578**	**1,646**	**1,715**	**1,785**	**1,857**	**1,909**	**1,961**	**2,015**	**2,070**
Added Housing Set-Aside (7)		(119)	(134)	(140)	(146)	(151)	(158)	(164)	(170)	(177)	(183)
Net Tax Revenues		**1,278**	**1,444**	**1,506**	**1,569**	**1,634**	**1,699**	**1,745**	**1,791**	**1,839**	**1,887**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $1,977,199 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 pass through amount.

Oakland Redevelopment Agency
Broadway/MacArthur/San Pablo Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE 03/06/06

(000s Omitted)

Table 2

		Total	Taxable Value Over Base	Gross Tax	SB 2557	Housing	Statutory Tax Sharing Payments			Tax	Added Housing	Net Tax
		Taxable Value	362,436	Revenue	Charge	Set-Aside	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Revenues
1	2005-06	564,973	202,538	**2,371**	(26)	(474)	(474)	0	0	**1,397**	(119)	**1,278**
2	2006-07	591,360	228,924	**2,678**	(29)	(536)	(536)	0	0	**1,578**	(134)	**1,444**
3	2007-08	601,337	238,901	**2,793**	(30)	(559)	(559)	0	0	**1,646**	(140)	**1,506**
4	2008-09	611,513	249,077	**2,910**	(31)	(582)	(582)	0	0	**1,715**	(146)	**1,569**
5	2009-10	621,893	259,457	**3,030**	(33)	(606)	(606)	0	0	**1,785**	(151)	**1,634**
6	2010-11	632,481	270,045	**3,151**	(34)	(630)	(630)	0	0	**1,857**	(158)	**1,699**
7	2011-12	643,280	280,844	**3,275**	(35)	(655)	(655)	(21)	0	**1,909**	(164)	**1,745**
8	2012-13	654,295	291,860	**3,402**	(37)	(680)	(680)	(43)	0	**1,961**	(170)	**1,791**
9	2013-14	665,531	303,095	**3,530**	(38)	(706)	(706)	(65)	0	**2,015**	(177)	**1,839**
10	2014-15	676,991	314,556	**3,661**	(40)	(732)	(732)	(87)	0	**2,070**	(183)	**1,887**
11	2015-16	688,681	326,245	**3,795**	(41)	(759)	(759)	(110)	0	**2,126**	(190)	**1,937**
12	2016-17	700,604	338,169	**3,934**	(42)	(787)	(787)	(133)	0	**2,185**	(197)	**1,988**
13	2017-18	712,766	350,330	**4,075**	(44)	(815)	(815)	(157)	0	**2,244**	(204)	**2,041**
14	2018-19	725,171	362,735	**4,220**	(46)	(844)	(844)	(181)	0	**2,305**	(211)	**2,094**
15	2019-20	737,824	375,389	**4,367**	(47)	(873)	(873)	(206)	0	**2,367**	(218)	**2,149**
16	2020-21	750,731	388,295	**4,517**	(49)	(903)	(903)	(231)	0	**2,430**	(226)	**2,204**
17	2021-22	763,895	401,459	**4,670**	(50)	(934)	(934)	(257)	0	**2,495**	(234)	**2,261**
18	2022-23	777,322	414,887	**4,826**	(52)	(965)	(965)	(283)	0	**2,561**	(241)	**2,319**
19	2023-24	791,019	428,583	**4,986**	(54)	(997)	(997)	(310)	0	**2,628**	(249)	**2,378**
20	2024-25	804,989	442,553	**5,148**	(56)	(1,030)	(1,030)	(337)	0	**2,696**	(257)	**2,439**
21	2025-26	819,238	456,803	**5,314**	(57)	(1,063)	(1,063)	(365)	0	**2,766**	(266)	**2,500**
22	2026-27	833,773	471,337	**5,483**	(59)	(1,097)	(1,097)	(393)	0	**2,837**	(274)	**2,563**
23	2027-28	848,598	486,162	**4,903**	(53)	(981)	(981)	(366)	0	**2,523**	(245)	**2,277**
24	2028-29	863,720	501,284	**5,014**	(54)	(1,003)	(1,003)	(389)	0	**2,565**	(251)	**2,315**
25	2029-30	879,144	516,708	**5,167**	(56)	(1,033)	(1,033)	(414)	0	**2,630**	(258)	**2,372**
26	2030-31	894,876	532,441	**5,325**	(58)	(1,065)	(1,065)	(441)	0	**2,696**	(266)	**2,430**
27	2031-32	910,924	548,488	**5,485**	(59)	(1,097)	(1,097)	(468)	(18)	**2,746**	(274)	**2,472**
28	2032-33	927,292	564,856	**5,649**	(61)	(1,130)	(1,130)	(495)	(36)	**2,797**	(282)	**2,514**
29	2033-34	943,988	581,552	**5,816**	(63)	(1,163)	(1,163)	(523)	(55)	**2,848**	(291)	**2,558**
30	2034-35	961,017	598,581	**5,986**	(65)	(1,197)	(1,197)	(552)	(74)	**2,901**	(299)	**2,602**
31	2035-36	978,387	615,951	**6,160**	(67)	(1,232)	(1,232)	(581)	(94)	**2,955**	(308)	**2,647**
32	2036-37	996,105	633,669	**6,337**	(68)	(1,267)	(1,267)	(611)	(113)	**3,009**	(317)	**2,693**
33	2037-38	1,014,176	651,741	**6,518**	(70)	(1,304)	(1,304)	(641)	(134)	**3,065**	(326)	**2,739**
34	2038-39	1,032,610	670,174	**6,702**	(72)	(1,340)	(1,340)	(672)	(154)	**3,122**	(335)	**2,787**
35	2039-40	1,051,412	688,976	**6,890**	(74)	(1,378)	(1,378)	(704)	(175)	**3,180**	(345)	**2,836**
36	2040-41	1,070,590	708,154	**7,082**	(76)	(1,416)	(1,416)	(736)	(197)	**3,240**	(354)	**2,886**
37	2041-42	1,090,151	727,715	**7,277**	(79)	(1,455)	(1,455)	(769)	(219)	**3,300**	(364)	**2,936**
38	2042-43	1,110,104	747,668	**7,477**	(81)	(1,495)	(1,495)	(802)	(241)	**3,362**	(374)	**2,988**
39	2043-44	1,130,456	768,020	**7,680**	(83)	(1,536)	(1,536)	(837)	(264)	**3,425**	(384)	**3,041**
40	2044-45	1,151,215	788,779	**7,888**	(85)	(1,578)	(1,578)	(872)	(287)	**3,489**	(394)	**3,095**
				199,492	(2,155)	(39,898)	(39,898)	(14,052)	(2,061)	**101,427**	(9,975)	**91,453**

Oakland Redevelopment Agency
Broadway/MacArthur/San Pablo Redevelopment Project

03/06/06

Historical Values

Table 3

Secured (2)	Base Year 1999-00	2001-02	2002-03	2003-04	2004-05	2005-06
Land	328,497,980	171,577,197	180,196,274	195,494,913	210,930,151	244,375,517
Impts	0	459,656,378	482,940,111	511,977,049	548,827,843	573,158,277
Pers Prop	0	62,289,194	59,522,073	60,955,372	64,938,352	62,371,864
Exemptions	0	(311,602,421)	(321,967,507)	(311,817,396)	(350,298,923)	(352,893,751)
Total Secured	**328,497,980**	**381,920,348**	**400,690,951**	**456,609,938**	**474,397,423**	**527,011,907**
Unsecured						
Land	0	997,175	739,861	670,713	767,738	522,317
Impts	0	7,947,392	6,777,345	6,491,175	7,220,386	7,297,827
Pers Prop	33,937,669	35,108,849	34,898,927	35,831,419	46,675,223	30,994,447
Exemptions	0	(645,719)	(5,604,011)	(7,215,822)	(17,126,014)	(853,316)
Total Unsecured	**33,937,669**	**43,407,697**	**36,812,122**	**35,777,485**	**37,537,333**	**37,961,275**
GRAND TOTAL	**362,435,649**	**425,328,045**	**437,503,073**	**492,387,423**	**511,934,756**	**564,973,182**
Secured Increment		53,422,368	72,192,971	128,111,958	145,899,443	198,513,927
Unsecured Increment		9,470,028	2,874,453	1,839,816	3,599,664	4,023,606
Total Increment		62,892,396	75,067,424	129,951,774	149,499,107	202,537,533

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
Broadway/McArthur/San Pablo Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

	Secured			Unsecured			Total		
	Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1. Alta Bates Summit Medical Center	$33,168,159	34	6.29%	$0	0	0.00%	$33,168,159	5.87%	Institutional
2. Kaiser Foundation Hospitals [Owner has pending appeals on parcels]	$24,357,581	16	4.62%	$0	0	0.00%	$24,357,581	4.31%	Institutional
3. Compass Grand Associates LLC	$18,891,436	2	3.58%	$0	0	0.00%	$18,891,436	3.34%	Commercial
4. Pulte Home Corporation	$11,089,647	62	2.10%	$0	0	0.00%	$11,089,647	1.96%	Residential
5. Dy Lani & Lani Trust	$7,040,368	4	1.34%	$0	0	0.00%	$7,040,368	1.25%	Commercial
6. 3640 Associates & BW30 Associates LP	$6,300,000	4	1.20%	$0	0	0.00%	$6,300,000	1.12%	Commercial
7. Olson 737 Emeryvills	$5,825,000	3	1.11%	$0	0	0.00%	$5,825,000	1.03%	Vacant Land
8. Robert E. Faussner Trust	$5,902,556	1	1.12%	$0	0	0.00%	$5,902,556	1.04%	Residential
9. Jules M. & Geraldine A. Barsotti Trust	$5,752,517	13	1.09%	$0	0	0.00%	$5,752,517	1.02%	Commercial
10. Walgreen Company	$4,531,743	1	0.86%	$0	0	0.00%	$4,531,743	0.80%	Commercial
Top Ten Property Owner Totals:	**$122,859,007**	**140**		**$0**	**0**		**$122,859,007**		
Project Area Totals:	$527,011,907		23.31%	$37,961,275		0.00%	$564,973,182	21.75%	
Project Area Incremental Value:	$198,513,927		61.89%	$4,023,606		0.00%	$202,537,533	60.66%	

Oakland Redevelopment Agency
Broadway/McArthur/San Pablo Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	75	Lump Sum	$48,019,909	$29,065,947	$18,954			$0	$18,954	$0	$0	$0
Total Real Property:			$48,019,909	$29,065,947	$18,954				$18,954	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Housing Refunding 2005/Housing Refund TAB - Projection 6

Oakland Redevelopment Agency
Central City East Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
03/06/06
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		2,856,768	3,108,694	3,170,868	3,234,286	3,298,971	3,364,951	3,432,250	3,500,895	3,570,913	3,642,331
Personal Property (3)		38,501	38,501	38,501	38,501	38,501	38,501	38,501	38,501	38,501	38,501
Total Projected Value		**2,895,270**	**3,147,195**	**3,209,369**	**3,272,787**	**3,337,472**	**3,403,452**	**3,470,751**	**3,539,396**	**3,609,414**	**3,680,832**
Taxable Value over Base	**1,973,539**	**921,731**	**1,173,657**	**1,235,831**	**1,299,248**	**1,363,934**	**1,429,913**	**1,497,212**	**1,565,857**	**1,635,875**	**1,707,293**
Gross Tax Increment Revenue (4)		10,789	13,730	14,448	15,180	15,925	16,685	17,460	18,249	19,053	19,872
Unitary Tax Revenue (5)		0	0	0	0	0	0	0	0	0	0
Gross Revenues		**10,789**	**13,730**	**14,448**	**15,180**	**15,925**	**16,685**	**17,460**	**18,249**	**19,053**	**19,872**
LESS:											
SB 2557 Admin. Fee (6)		(117)	(148)	(156)	(164)	(172)	(180)	(189)	(197)	(206)	(215)
Housing Set Aside Requirement (7)		(2,158)	(2,746)	(2,890)	(3,036)	(3,185)	(3,337)	(3,492)	(3,650)	(3,811)	(3,974)
Tier 1 Passthrough to All Taxing Entities (8)		(2,158)	(2,746)	(2,890)	(3,036)	(3,185)	(3,337)	(3,492)	(3,650)	(3,811)	(3,974)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	(140)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**6,357**	**8,090**	**8,513**	**8,944**	**9,383**	**9,831**	**10,287**	**10,752**	**11,226**	**11,569**
Added Housing Set-Aside (7)		(539)	(686)	(722)	(759)	(796)	(834)	(873)	(912)	(953)	(994)
Net Tax Revenues		**5,817**	**7,403**	**7,790**	**8,185**	**8,587**	**8,997**	**9,414**	**9,840**	**10,273**	**10,575**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $9,864,231 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 pass through amount.

Oakland Redevelopment Agency
Central City East Redevelopment Project
PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE 03/06/06
(000s Omitted)
Table 2

		Total	Taxable Value Over Base	Gross Tax	SB 2557	Housing	Statutory Tax Sharing Payments			Tax	Added Housing	Net Tax
		Taxable Value	1,973,539	Revenue	Charge	Set-Aside	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Revenues
1	2005-06	2,895,270	921,731	**10,789**	(117)	(2,158)	(2,158)	0	0	**6,357**	(539)	**5,817**
2	2006-07	3,147,195	1,173,657	**13,730**	(148)	(2,746)	(2,746)	0	0	**8,090**	(686)	**7,403**
3	2007-08	3,209,369	1,235,831	**14,448**	(156)	(2,890)	(2,890)	0	0	**8,513**	(722)	**7,790**
4	2008-09	3,272,787	1,299,248	**15,180**	(164)	(3,036)	(3,036)	0	0	**8,944**	(759)	**8,185**
5	2009-10	3,337,472	1,363,934	**15,925**	(172)	(3,185)	(3,185)	0	0	**9,383**	(796)	**8,587**
6	2010-11	3,403,452	1,429,913	**16,685**	(180)	(3,337)	(3,337)	0	0	**9,831**	(834)	**8,997**
7	2011-12	3,470,751	1,497,212	**17,460**	(189)	(3,492)	(3,492)	0	0	**10,287**	(873)	**9,414**
8	2012-13	3,539,396	1,565,857	**18,249**	(197)	(3,650)	(3,650)	0	0	**10,752**	(912)	**9,840**
9	2013-14	3,609,414	1,635,875	**19,053**	(206)	(3,811)	(3,811)	0	0	**11,226**	(953)	**10,273**
10	2014-15	3,680,832	1,707,293	**19,872**	(215)	(3,974)	(3,974)	(140)	0	**11,569**	(994)	**10,575**
11	2015-16	3,753,679	1,780,140	**20,707**	(224)	(4,141)	(4,141)	(282)	0	**11,919**	(1,035)	**10,883**
12	2016-17	3,827,982	1,854,443	**21,571**	(233)	(4,314)	(4,314)	(427)	0	**12,282**	(1,079)	**11,204**
13	2017-18	3,903,772	1,930,233	**22,452**	(242)	(4,490)	(4,490)	(575)	0	**12,654**	(1,123)	**11,531**
14	2018-19	3,981,077	2,007,538	**23,352**	(252)	(4,670)	(4,670)	(726)	0	**13,033**	(1,168)	**11,865**
15	2019-20	4,059,929	2,086,390	**24,269**	(262)	(4,854)	(4,854)	(880)	0	**13,419**	(1,213)	**12,205**
16	2020-21	4,140,357	2,166,819	**25,204**	(272)	(5,041)	(5,041)	(1,038)	0	**13,813**	(1,260)	**12,553**
17	2021-22	4,222,394	2,248,856	**26,159**	(283)	(5,232)	(5,232)	(1,198)	0	**14,215**	(1,308)	**12,907**
18	2022-23	4,306,072	2,332,534	**27,132**	(293)	(5,426)	(5,426)	(1,361)	0	**14,625**	(1,357)	**13,268**
19	2023-24	4,391,424	2,417,885	**28,125**	(304)	(5,625)	(5,625)	(1,528)	0	**15,043**	(1,406)	**13,637**
20	2024-25	4,478,482	2,504,943	**29,138**	(315)	(5,828)	(5,828)	(1,698)	0	**15,470**	(1,457)	**14,013**
21	2025-26	4,567,282	2,593,743	**30,170**	(326)	(6,034)	(6,034)	(1,872)	0	**15,905**	(1,509)	**14,396**
22	2026-27	4,657,857	2,684,319	**31,224**	(337)	(6,245)	(6,245)	(2,049)	0	**16,348**	(1,561)	**14,787**
23	2027-28	4,750,245	2,776,706	**28,151**	(304)	(5,630)	(5,630)	(1,943)	0	**14,644**	(1,408)	**13,236**
24	2028-29	4,844,479	2,870,941	**28,718**	(310)	(5,744)	(5,744)	(2,076)	0	**14,845**	(1,436)	**13,409**
25	2029-30	4,940,599	2,967,060	**29,671**	(320)	(5,934)	(5,934)	(2,236)	0	**15,246**	(1,484)	**13,762**
26	2030-31	5,038,641	3,065,102	**30,651**	(331)	(6,130)	(6,130)	(2,401)	0	**15,658**	(1,533)	**14,126**
27	2031-32	5,138,644	3,165,105	**31,651**	(342)	(6,330)	(6,330)	(2,569)	0	**16,080**	(1,583)	**14,497**
28	2032-33	5,240,647	3,267,108	**32,671**	(353)	(6,534)	(6,534)	(2,740)	0	**16,509**	(1,634)	**14,876**
29	2033-34	5,344,690	3,371,151	**33,712**	(364)	(6,742)	(6,742)	(2,915)	0	**16,948**	(1,686)	**15,262**
30	2034-35	5,450,813	3,477,275	**34,773**	(376)	(6,955)	(6,955)	(3,094)	(119)	**17,276**	(1,739)	**15,537**
31	2035-36	5,559,060	3,585,521	**35,855**	(387)	(7,171)	(7,171)	(3,275)	(240)	**17,610**	(1,793)	**15,818**
32	2036-37	5,669,471	3,695,932	**36,959**	(399)	(7,392)	(7,392)	(3,461)	(364)	**17,952**	(1,848)	**16,104**
33	2037-38	5,782,090	3,808,551	**38,086**	(411)	(7,617)	(7,617)	(3,650)	(490)	**18,300**	(1,904)	**16,396**
34	2038-39	5,896,962	3,923,423	**39,234**	(424)	(7,847)	(7,847)	(3,843)	(619)	**18,655**	(1,962)	**16,693**
35	2039-40	6,014,131	4,040,592	**40,406**	(436)	(8,081)	(8,081)	(4,040)	(750)	**19,017**	(2,020)	**16,997**
36	2040-41	6,133,644	4,160,105	**41,601**	(449)	(8,320)	(8,320)	(4,241)	(884)	**19,387**	(2,080)	**17,307**
37	2041-42	6,255,547	4,282,008	**42,820**	(462)	(8,564)	(8,564)	(4,446)	(1,020)	**19,764**	(2,141)	**17,623**
38	2042-43	6,379,887	4,406,349	**44,063**	(476)	(8,813)	(8,813)	(4,654)	(1,159)	**20,148**	(2,203)	**17,945**
39	2043-44	6,506,715	4,533,176	**45,332**	(490)	(9,066)	(9,066)	(4,867)	(1,301)	**20,541**	(2,267)	**18,274**
40	2044-45	6,636,080	4,662,541	**46,625**	(504)	(9,325)	(9,325)	(5,085)	(1,446)	**20,941**	(2,331)	**18,609**
41	2045-46	6,768,031	4,794,492	**47,945**	(518)	(9,589)	(9,589)	(5,306)	(1,594)	**21,349**	(2,397)	**18,951**
42	2046-47	6,902,622	4,929,083	**49,291**	(532)	(9,858)	(9,858)	(5,533)	(1,745)	**21,765**	(2,465)	**19,300**
43	2047-48	7,039,904	5,066,365	**50,664**	(547)	(10,133)	(10,133)	(5,763)	(1,899)	**22,189**	(2,533)	**19,656**
				1,279,772	(13,822)	(255,954)	(255,954)	(91,914)	(13,630)	**648,498**	(63,989)	**584,510**

Oakland Redevelopment Agency
Central City East Redevelopment Project

03/06/06

Historical Values

Table 3

Secured (2)	Base Year 2002-03	2001-02	2002-03	2003-04	2004-05	2005-06
Land	1,922,505,974	0	0	0	790,970,378	900,709,563
Impts	0	0	0	0	1,679,416,058	1,939,091,245
Pers Prop	0	0	0	0	8,851,022	8,794,228
Exemptions	0	0	0	0	(78,621,408)	(89,595,234)
Total Secured	**1,922,505,974**	**0**	**0**	**0**	**2,400,616,050**	**2,758,999,802**
Unsecured						
Land	0	0	0	0	9,300,020	8,325,433
Impts	0	0	0	0	99,220,666	98,237,481
Pers Prop	51,032,796	0	0	0	29,730,586	30,458,605
Exemptions	0	0	0	0	(492,321)	(751,803)
Total Unsecured	**51,032,796**	**0**	**0**	**0**	**137,758,951**	**136,269,716**
GRAND TOTAL	**1,973,538,770**	**0**	**0**	**0**	**2,538,375,001**	**2,895,269,518**
Secured Increment					478,110,076	836,493,828
Unsecured Increment					86,726,155	85,236,920
Total Increment					564,836,231	921,730,748

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
Central City East Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

		Secured			Unsecured			Total		
		Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1.	Comcast of California	$0	0	0.00%	$62,595,819	3	45.94%	$62,595,819	2.16%	Telecommunications
2.	Eastmont Town Center Company LLC	$30,704,716	7	1.11%	$0	0	0.00%	$30,704,716	1.06%	Commercial
3.	Regency Tower Limited Partnership	$15,347,654	1	0.56%	$0	0	0.00%	$15,347,654	0.53%	Residential
4.	East Bay Hotel Limited Partnership	$0	0	0.00%	$15,029,004	2	11.03%	$15,029,004	0.52%	Hospitality
5.	Oakland Hospitality LLC	$0	0	0.00%	$13,115,254	2	9.62%	$13,115,254	0.45%	Hospitality
6.	Jerald Udinsky	$9,194,657	7	0.33%	$0	0	0.00%	$9,194,657	0.32%	Residential
7.	Pineview Partners LLC	$9,179,436	2	0.33%	$0	0	0.00%	$9,179,436	0.32%	Residential
8.	MacArthur Boulevard Associates	$9,027,202	4	0.33%	$0	0	0.00%	$9,027,202	0.31%	Commercial
9.	Foothill Family Apartments Limited Partnership	$8,777,461	3	0.32%	$0	0	0.00%	$8,777,461	0.30%	Residential
10.	J. W. & Barbara O. Silveira Trust	$8,591,657	58	0.31%	$0	0	0.00%	$8,591,657	0.30%	Commercial
	Top Ten Property Owner Totals:	**$90,822,783**	**82**		**$90,740,077**	**7**		**$181,562,860**		
	Project Area Totals:	$2,758,999,802		3.29%	$136,269,716		66.59%	$2,895,269,518	6.27%	
	Project Area Incremental Value:	$836,493,828		10.86%	$85,236,920		106.46%	$921,730,748	19.70%	

Oakland Redevelopment Agency
Central City East Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	888	Lump Sum	$390,994,158	$186,142,052	$204,852			$0	$204,852	$0	$0	$0
Total Real Property:			$390,994,158	$186,142,052	$204,852				$204,852	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Central District Redevelopment Project

03/06/06

Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		3,118,082	3,149,010	3,211,990	3,276,230	3,341,754	3,408,590	3,476,761	3,546,297	3,617,223	3,689,567
Personal Property (3)		188,948	188,948	188,948	188,948	188,948	188,948	188,948	188,948	188,948	188,948
Total Projected Value		**3,307,031**	**3,337,958**	**3,400,939**	**3,465,178**	**3,530,703**	**3,597,538**	**3,665,710**	**3,735,245**	**3,806,171**	**3,878,515**
Taxable Value over Base	**291,021**	**3,016,009**	**3,046,937**	**3,109,917**	**3,174,157**	**3,239,682**	**3,306,517**	**3,374,689**	**3,444,224**	**3,515,150**	**3,587,494**
Gross Tax Increment Revenue (4)		35,303	35,644	36,358	37,086	37,827	38,584	39,354	40,140	40,941	41,758
Unitary Tax Revenue (5)		3,225	3,225	3,225	3,225	3,225	3,225	3,225	3,225	3,225	3,225
Gross Revenues		**38,528**	**38,869**	**39,583**	**40,311**	**41,053**	**41,809**	**42,579**	**43,365**	**44,166**	**44,983**
LESS:											
SB 2557 Admin. Fee (6)		(416)	(420)	(427)	(435)	(443)	(452)	(460)	(468)	(477)	(486)
Housing Set Aside Requirement (7)		(7,706)	(7,774)	(7,917)	(8,062)	(8,211)	(8,362)	(8,516)	(8,673)	(8,833)	(8,997)
Tier 1 Passthrough to All Taxing Entities (8)		(1,252)	(1,330)	(1,488)	(1,648)	(1,810)	(1,975)	(2,143)	(23)	(24)	(25)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	(1)	(2)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Net Tax Revenues		**29,154**	**29,345**	**29,751**	**30,166**	**30,589**	**31,020**	**31,461**	**34,201**	**34,831**	**35,474**
Added Housing Set-Aside (7)		(1,926)	(1,943)	(1,979)	(2,016)	(2,053)	(2,090)	(2,129)	(2,168)	(2,208)	(2,249)
Net Tax Revenue		**27,228**	**27,402**	**27,772**	**28,150**	**28,536**	**28,930**	**29,332**	**32,033**	**32,623**	**33,225**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $82,340,045 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service on the Bonds.
(8) For the Original Project 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. On January 1, 2004 the original Project Area time limit to incur new debt was exceeded. Beginning in fiscal year 2004-05 and using the 2003-04 Project Area value as the base level of value, Taxing Entities will begin to receive their shares of 25% of the revenue derived from the incremental difference in value net of housing set aside. Additional tiers of statutory tax sharing will not be initiated prior to the expiration of the original Project Area's effectiveness. These payments are subordinate to debt service payments incurred prior to the original limit being exceeded. The statutory tax sharing payments described above must only be paid by the Agency until the termination date of the redevelopment plan effectiveness. The final ten years that the Agency may repay indebtedness from the original Project Area from tax increment revenue are not impacted. Within the 2002 Annex, 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. Beginning in year 31, Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value net of housing set-aside. Within both the original and the Annex, the City of Oakland is considered a taxing entity and may opt to receive its share of the Tier 1 pass through amount. The City may not receive any portion of the tax sharing amounts from the Tiers 2 and 3 payments.

Oakland Redevelopment Agency
Central District Redevelopment Project
PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE 3/6/06
(000s Omitted)
Table 2

		Total	Taxable Value Over Base	Gross Tax	Housing	SB 2557	Statutory Tax Sharing Payments			Tax	Added Housing	Net Tax
		Taxable Value	291,021	Revenue	Set-Aside	County Admin.	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Revenues
1	2005-06	3,307,031	3,016,009	**38,528**	(7,706)	(416)	(1,252)	0	0	**29,154**	(1,926)	**27,228**
2	2006-07	3,337,958	3,046,937	**38,869**	(7,774)	(420)	(1,330)	0	0	**29,345**	(1,943)	**27,402**
3	2007-08	3,400,939	3,109,917	**39,583**	(7,917)	(427)	(1,488)	0	0	**29,751**	(1,979)	**27,772**
4	2008-09	3,465,178	3,174,157	**40,311**	(8,062)	(435)	(1,648)	0	0	**30,166**	(2,016)	**28,150**
5	2009-10	3,530,703	3,239,682	**41,053**	(8,211)	(443)	(1,810)	0	0	**30,589**	(2,053)	**28,536**
6	2010-11	3,597,538	3,306,517	**41,809**	(8,362)	(452)	(1,975)	0	0	**31,020**	(2,090)	**28,930**
7	2011-12	3,665,710	3,374,689	**42,579**	(8,516)	(460)	(2,143)	0	0	**31,461**	(2,129)	**29,332**
8	2012-13	3,735,245	3,444,224	**43,365**	(8,673)	(468)	(23)	0	0	**34,201**	(2,168)	**32,033**
9	2013-14	3,806,171	3,515,150	**44,166**	(8,833)	(477)	(24)	(1)	0	**34,831**	(2,208)	**32,623**
10	2014-15	3,878,515	3,587,494	**44,983**	(8,997)	(486)	(25)	(2)	0	**35,474**	(2,249)	**33,225**
11	2015-16	3,952,307	3,661,286	**45,815**	(9,163)	(495)	(26)	(3)	0	**36,129**	(2,291)	**33,838**
12	2016-17	4,027,574	3,736,553	**46,689**	(9,338)	(504)	(27)	(4)	0	**36,816**	(2,334)	**34,481**
13	2017-18	4,104,346	3,813,325	**47,582**	(9,516)	(514)	(28)	(5)	0	**37,518**	(2,379)	**35,139**
14	2018-19	4,182,654	3,891,633	**48,493**	(9,699)	(524)	(30)	(6)	0	**38,235**	(2,425)	**35,810**
15	2019-20	4,262,529	3,971,507	**49,422**	(9,884)	(534)	(31)	(7)	0	**38,965**	(2,471)	**36,494**
16	2020-21	4,344,000	4,052,979	**50,369**	(10,074)	(544)	(32)	(8)	0	**39,711**	(2,518)	**37,192**
17	2021-22	30,233	4,136,080	**51,336**	(10,267)	(554)	(34)	(9)	0	**40,471**	(2,567)	**37,905**
18	2022-23	30,819	15,039	**175**	(35)	(2)	(35)	(10)	0	**93**	(9)	**84**
19	2023-24	31,417	15,637	**182**	(36)	(2)	(36)	(12)	0	**96**	(9)	**86**
20	2024-25	32,027	16,247	**189**	(38)	(2)	(38)	(13)	0	**98**	(9)	**89**
21	2025-26	32,650	16,869	**196**	(39)	(2)	(39)	(14)	0	**102**	(10)	**92**
22	2026-27	33,284	17,504	**204**	(41)	(2)	(41)	(15)	0	**105**	(10)	**94**
23	2027-28	33,932	18,151	**184**	(37)	(2)	(37)	(14)	0	**94**	(9)	**85**
24	2028-29	34,592	18,811	**188**	(38)	(2)	(38)	(15)	0	**95**	(9)	**86**
25	2029-30	35,265	19,485	**195**	(39)	(2)	(39)	(16)	0	**98**	(10)	**89**
26	2030-31	35,952	20,172	**202**	(40)	(2)	(40)	(18)	0	**101**	(10)	**91**
27	2031-32	36,653	20,872	**209**	(42)	(2)	(42)	(19)	0	**104**	(10)	**94**
28	2032-33	37,368	21,587	**216**	(43)	(2)	(43)	(20)	0	**107**	(11)	**96**
29	2033-34	38,097	22,316	**223**	(45)	(2)	(45)	(21)	(1)	**109**	(11)	**98**
30	2034-35	38,840	23,060	**231**	(46)	(2)	(46)	(23)	(2)	**112**	(12)	**100**
31	2035-36	39,599	23,818	**238**	(48)	(3)	(48)	(24)	(2)	**114**	(12)	**102**
32	2036-37	40,373	24,592	**246**	(49)	(3)	(49)	(25)	(3)	**116**	(12)	**104**
33	2037-38	41,162	25,381	**254**	(51)	(3)	(51)	(26)	(4)	**119**	(13)	**106**
34	2038-39	41,967	26,186	**262**	(52)	(3)	(52)	(28)	(5)	**121**	(13)	**108**
35	2039-40	42,788	27,007	**270**	(54)	(3)	(54)	(29)	(6)	**124**	(14)	**110**
36	2040-41	43,625	27,844	**278**	(56)	(3)	(56)	(31)	(7)	**127**	(14)	**113**
37	2041-42	44,479	28,698	**287**	(57)	(3)	(57)	(32)	(8)	**129**	(14)	**115**
38	2042-43	45,350	29,570	**296**	(59)	(3)	(59)	(33)	(9)	**132**	(15)	**117**
39	2043-44	46,239	30,458	**305**	(61)	(3)	(61)	(35)	(10)	**135**	(15)	**119**
40	2044-45	47,145	31,365	**314**	(63)	(3)	(63)	(36)	(11)	**137**	(16)	**122**
41	2045-46	48,070	32,289	**323**	(65)	(3)	(65)	(38)	(12)	**140**	(16)	**124**
42	2046-47	49,013	33,232	**332**	(66)	(4)	(66)	(40)	(13)	**143**	(17)	**127**
				760,948	(152,190)	(8,218)	(13,124)	(634)	(94)	**586,689**	(38,047)	**548,641**

Oakland Redevelopment Agency
Central District Redevelopment Project
Historical Assesed Values (1)
Table 3

03/06/06

Secured (2)	Base Year 1968-69	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	Base Year Adjusted (3)	2003-04	2004-05	2005-06
Land	213,472,420	430,053,378	436,393,138	427,918,827	442,449,591	479,129,299	518,629,695	561,384,436	227,898,880	588,214,278	648,765,149	789,255,669
Impts	638,283	1,219,132,020	1,227,909,359	1,231,002,337	1,355,976,801	1,562,377,101	1,642,873,915	1,980,249,319	638,283	2,162,387,697	2,266,594,204	2,407,310,147
Pers Prop	0	60,437,274	64,848,844	79,160,975	69,600,755	63,987,297	54,788,060	37,169,214	0	30,146,703	28,048,236	31,599,936
Exemptions	0	(249,826,116)	(263,511,941)	(270,203,345)	(270,023,156)	(271,188,283)	(113,643,485)	(146,743,950)	0	(242,052,728)	(239,926,626)	(262,466,469)
Total Secured	**214,110,703**	**1,459,796,556**	**1,465,639,400**	**1,467,878,794**	**1,598,003,991**	**1,834,305,414**	**2,102,648,185**	**2,432,059,019**	**228,537,163**	**2,538,695,950**	**2,703,480,963**	**2,965,699,283**
Unsecured												
Land	0	25,599,647	32,564,358	34,524,552	35,264,212	12,991,470	13,008,000	17,678,883	0	18,537,551	18,223,522	52,491,047
Impts	0	139,561,141	143,518,281	152,562,248	155,740,568	86,060,521	86,470,008	124,108,292	0	119,085,976	122,910,694	131,491,787
Pers Prop	61,129,825	114,643,304	145,308,822	149,361,308	146,664,981	167,474,625	179,800,975	171,176,952	62,484,067	171,441,856	169,555,084	170,797,208
Exemptions	0	(7,013,045)	(9,676,787)	(4,208,235)	(7,604,137)	(7,520,171)	(5,457,994)	(7,714,909)	0	(8,048,496)	(11,769,795)	(13,448,722)
Total Unsecured	**61,129,825**	**272,791,047**	**311,714,674**	**332,239,873**	**330,065,624**	**259,006,445**	**273,820,989**	**305,249,218**	**62,484,067**	**301,016,887**	**298,919,505**	**341,331,320**
GRAND TOTAL	**275,240,528**	**1,732,587,603**	**1,777,354,074**	**1,800,118,667**	**1,928,069,615**	**2,093,311,859**	**2,376,469,174**	**2,737,308,237**	**291,021,230**	**2,839,712,837**	**3,002,400,468**	**3,307,030,603**
Secured Growth %			0.40%	0.15%	8.86%	14.79%	14.63%	15.67%		4.38%	6.49%	9.70%
Unsecured Growth %			14.27%	6.58%	-0.65%	-21.53%	5.72%	11.48%		-1.39%	-0.70%	14.19%
Overall Growth %			2.58%	1.28%	7.11%	8.57%	13.53%	15.18%		3.74%	5.73%	10.15%

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.
(3) Base year value is adjusted for the adoption of the 2002 Annex to the Central District Project Area

Oakland Redevelopment Agency

Central District Redevelopment Project

03/06/06

TOP TEN TAXABLE PROPERTY OWNERS

For Fiscal Year 2005-06

Table 4

	Secured			Unsecured			Total		
	Taxable Value	Parcels	% of Sec. AV	Taxable Value	Parcels	% of Unsec. AV	Taxable Value	% of Total Value	Use Code
1. OCC Venture LLC [Owner has pending appeals on parcels]	$202,490,342	9	6.83%	$0	0	0.00%	$202,490,342	6.12%	Non-contiguous Commercial Office Buildings
2. Kaiser Foundation Health Plan Inc. [Owner has pending appeals on parcels]	$133,635,543	5	4.51%	$32,700,283	9	9.58%	$166,335,826	5.03%	Foundation Administrative Offices/Parking
3. 1800 Harrison Foundation [Owner has pending appeals on parcels]	$112,647,611	1	3.80%	$0	0	0.00%	$112,647,611	3.41%	Non-contiguous Commercial Office Buildings
4. 555 Twelfth Street Venture LLC [Owner has pending appeals on parcels]	$108,696,836	1	3.67%	$0	0	0.00%	$108,696,836	3.29%	Commercial Office Building
5. Prentiss Properties Acquisition Partnership [Owner has pending appeals on parcels]	$93,797,571	7	3.16%	$0	0	0.00%	$93,797,571	2.84%	Commercial Office Building
6. Clorox Company [Owner has pending appeals on parcels]	$91,935,112	3	3.10%	$0	0	0.00%	$91,935,112	2.78%	Commercial Office Buildings
7. Sodalite Limited Partnership	$64,750,000	3	2.18%	$0	0	0.00%	$64,750,000	1.96%	Commercial Office Buildings
8. SSR Western Multifamily LLC [Owner has pending appeals on parcels]	$63,408,707	3	2.14%	$0	0	0.00%	$63,408,707	1.92%	Non-contiguous, High Rise Multifamily Residential
9. Lennar Emerald Merritt Partners LLC	$46,851,303	151	1.58%	$0	0	0.00%	$46,851,303	1.42%	High Rise Multifamily Residential
10. Prentiss Properties Lake Merritt LLC [Owner has pending appeals on parcels]	$36,520,164	4	1.23%	$0	0	0.00%	$36,520,164	1.10%	Commercial Office Buildings
Top Ten Property Owner Totals:	**$954,733,189**	**187**		**$32,700,283**	**9**		**$987,433,472**		
Project Area Totals:	$2,965,699,283		32.19%	$341,331,320		9.58%	$3,307,030,603	29.86%	
Project Area Incremental Value:	$2,737,162,120		34.88%	$278,847,253		11.73%	$3,016,009,373	32.74%	

Oakland Redevelopment Agency
Central District Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	**Sq. Ft./ # Units**	**Unit Value**	**Total Value**	**Less Existing**	**Value Added**	**Start**	**Complete**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
	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
	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
	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 Ownership After 1/1/2005	148	Lump Sum	$104,993,781	$52,440,862	$52,553			$0	$52,553	$0	$0	$0
Total Real Property:			$104,993,781	$52,440,862	$52,553				$52,553	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Coliseum Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
03/06/06
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		3,115,661	3,295,479	3,361,389	3,428,617	3,497,189	3,567,133	3,638,476	3,711,245	3,785,470	3,861,179
Personal Property (3)		246,743	246,743	246,743	246,743	246,743	246,743	246,743	246,743	246,743	246,743
Total Projected Value		**3,362,403**	**3,542,222**	**3,608,132**	**3,675,360**	**3,743,932**	**3,813,876**	**3,885,218**	**3,957,988**	**4,032,213**	**4,107,922**
Taxable Value over Base	**1,678,498**	**1,683,905**	**1,863,724**	**1,929,633**	**1,996,861**	**2,065,433**	**2,135,377**	**2,206,720**	**2,279,489**	**2,353,714**	**2,429,424**
Gross Tax Increment Revenue (4)		19,711	21,803	22,560	23,331	24,117	24,918	25,734	26,566	27,414	28,278
Unitary Tax Revenue (5)		25	25	25	25	25	25	25	25	25	25
Gross Revenues		**19,735**	**21,827**	**22,584**	**23,355**	**24,141**	**24,942**	**25,759**	**26,591**	**27,439**	**28,303**
LESS:											
SB 2557 Admin. Fee (6)		(202)	(236)	(244)	(252)	(261)	(269)	(278)	(287)	(296)	(306)
Housing Set Aside Requirement (7)		(3,947)	(4,365)	(4,517)	(4,671)	(4,828)	(4,988)	(5,152)	(5,318)	(5,488)	(5,661)
Tier 1 Passthrough to All Taxing Entities (8)		(3,947)	(4,365)	(4,517)	(4,671)	(4,828)	(4,988)	(5,152)	(5,318)	(5,488)	(5,661)
Tier 2 Passthrough to All Taxing Entities (8)		0	(342)	(459)	(591)	(725)	(862)	(1,001)	(1,143)	(1,288)	(1,435)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**11,639**	**12,519**	**12,848**	**13,170**	**13,499**	**13,834**	**14,176**	**14,524**	**14,879**	**15,241**
Added Housing Set-Aside (7)		(987)	(1,091)	(1,129)	(1,168)	(1,207)	(1,247)	(1,288)	(1,330)	(1,372)	(1,415)
Voluntary Schools Payment (9)		(1,065)	(1,143)	(1,172)	(1,200)	(1,229)	(1,259)	(1,289)	(1,319)	(1,351)	(1,383)
Net Tax Revenues		**9,587**	**10,285**	**10,547**	**10,802**	**11,063**	**11,329**	**11,599**	**11,875**	**12,157**	**12,443**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $16,088,877 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 the Tier 1 pass through amount only.
(9) The Agency has authorized a voluntary payment for funding school facilities of 10% of Tax Revenues less Added Housing Set-Aside.

Oakland Redevelopment Agency

Coliseum Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted) 03/06/06

Table 2

		Total	Taxable Value Over Base	Gross Tax	SB 2557	Housing	Statutory Tax Sharing Payments			Net Tax	Added Housing	School Facilities	Net Tax
		Taxable Value	1,678,498	Revenue	Charge	Set-Aside	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Payment	Revenues
1	2005-06	3,362,403	1,683,905	**19,735**	(202)	(3,947)	(3,947)	0	0	**11,639**	(987)	(1,065)	**9,587**
2	2006-07	3,542,222	1,863,724	**21,827**	(236)	(4,365)	(4,365)	(342)	0	**12,519**	(1,091)	(1,143)	**10,285**
3	2007-08	3,608,132	1,929,633	**22,584**	(244)	(4,517)	(4,517)	(459)	0	**12,848**	(1,129)	(1,172)	**10,547**
4	2008-09	3,675,360	1,996,861	**23,355**	(252)	(4,671)	(4,671)	(591)	0	**13,170**	(1,168)	(1,200)	**10,802**
5	2009-10	3,743,932	2,065,433	**24,141**	(261)	(4,828)	(4,828)	(725)	0	**13,499**	(1,207)	(1,229)	**11,063**
6	2010-11	3,813,876	2,135,377	**24,942**	(269)	(4,988)	(4,988)	(862)	0	**13,834**	(1,247)	(1,259)	**11,329**
7	2011-12	3,885,218	2,206,720	**25,759**	(278)	(5,152)	(5,152)	(1,001)	0	**14,176**	(1,288)	(1,289)	**11,599**
8	2012-13	3,957,988	2,279,489	**26,591**	(287)	(5,318)	(5,318)	(1,143)	0	**14,524**	(1,330)	(1,319)	**11,875**
9	2013-14	4,032,213	2,353,714	**27,439**	(296)	(5,488)	(5,488)	(1,288)	0	**14,879**	(1,372)	(1,351)	**12,157**
10	2014-15	4,107,922	2,429,424	**28,303**	(306)	(5,661)	(5,661)	(1,435)	0	**15,241**	(1,415)	(1,383)	**12,443**
11	2015-16	4,185,146	2,506,647	**29,184**	(315)	(5,837)	(5,837)	(1,585)	0	**15,610**	(1,459)	(1,415)	**12,736**
12	2016-17	4,263,914	2,585,415	**30,098**	(325)	(6,020)	(6,020)	(1,739)	0	**15,995**	(1,505)	(1,449)	**13,041**
13	2017-18	4,344,257	2,665,759	**31,033**	(335)	(6,207)	(6,207)	(1,896)	0	**16,388**	(1,552)	(1,484)	**13,353**
14	2018-19	4,426,207	2,747,709	**31,986**	(345)	(6,397)	(6,397)	(2,056)	0	**16,790**	(1,599)	(1,519)	**13,672**
15	2019-20	4,509,797	2,831,298	**32,958**	(356)	(6,592)	(6,592)	(2,220)	0	**17,199**	(1,648)	(1,555)	**13,996**
16	2020-21	4,595,058	2,916,559	**33,950**	(367)	(6,790)	(6,790)	(2,386)	0	**17,617**	(1,697)	(1,592)	**14,328**
17	2021-22	4,682,024	3,003,526	**34,962**	(378)	(6,992)	(6,992)	(2,556)	0	**18,043**	(1,748)	(1,629)	**14,665**
18	2022-23	4,770,730	3,092,231	**35,993**	(389)	(7,199)	(7,199)	(2,730)	0	**18,478**	(1,800)	(1,668)	**15,010**
19	2023-24	4,861,210	3,182,711	**37,046**	(400)	(7,409)	(7,409)	(2,907)	0	**18,921**	(1,852)	(1,707)	**15,362**
20	2024-25	4,953,499	3,275,000	**38,119**	(412)	(7,624)	(7,624)	(3,087)	0	**19,373**	(1,906)	(1,747)	**15,720**
21	2025-26	5,047,634	3,369,135	**39,214**	(424)	(7,843)	(7,843)	(3,271)	0	**19,834**	(1,961)	(1,787)	**16,086**
22	2026-27	5,143,652	3,465,153	**40,331**	(436)	(8,066)	(8,066)	(3,459)	(113)	**20,191**	(2,017)	(1,817)	**16,357**
23	2027-28	5,241,590	3,563,091	**36,462**	(394)	(7,292)	(7,292)	(3,209)	(201)	**18,073**	(1,823)	(1,625)	**14,625**
24	2028-29	5,341,487	3,662,988	**36,677**	(396)	(7,335)	(7,335)	(3,308)	(309)	**17,993**	(1,834)	(1,616)	**14,543**
25	2029-30	5,443,382	3,764,883	**37,673**	(407)	(7,535)	(7,535)	(3,477)	(423)	**18,297**	(1,884)	(1,641)	**14,772**
26	2030-31	5,547,315	3,868,816	**38,713**	(418)	(7,743)	(7,743)	(3,652)	(539)	**18,618**	(1,936)	(1,668)	**15,014**
27	2031-32	5,653,326	3,974,828	**39,773**	(430)	(7,955)	(7,955)	(3,830)	(658)	**18,946**	(1,989)	(1,696)	**15,261**
28	2032-33	5,761,458	4,082,959	**40,854**	(441)	(8,171)	(8,171)	(4,012)	(779)	**19,280**	(2,043)	(1,724)	**15,513**
29	2033-34	5,871,752	4,193,253	**41,957**	(453)	(8,391)	(8,391)	(4,197)	(903)	**19,621**	(2,098)	(1,752)	**15,771**
30	2034-35	5,984,252	4,305,754	**43,082**	(465)	(8,616)	(8,616)	(4,386)	(1,029)	**19,968**	(2,154)	(1,781)	**16,033**
31	2035-36	6,099,002	4,420,504	**44,230**	(478)	(8,846)	(8,846)	(4,579)	(1,158)	**20,323**	(2,211)	(1,811)	**16,301**
32	2036-37	6,216,048	4,537,549	**45,400**	(490)	(9,080)	(9,080)	(4,776)	(1,289)	**20,685**	(2,270)	(1,841)	**16,573**
33	2037-38	6,335,434	4,656,935	**46,594**	(503)	(9,319)	(9,319)	(4,976)	(1,423)	**21,054**	(2,330)	(1,872)	**16,852**
34	2038-39	6,457,207	4,778,709	**47,812**	(516)	(9,562)	(9,562)	(5,181)	(1,559)	**21,430**	(2,391)	(1,904)	**17,136**
35	2039-40	6,581,417	4,902,918	**49,054**	(530)	(9,811)	(9,811)	(5,390)	(1,698)	**21,814**	(2,453)	(1,936)	**17,426**
36	2040-41	6,708,110	5,029,612	**50,321**	(543)	(10,064)	(10,064)	(5,603)	(1,840)	**22,206**	(2,516)	(1,969)	**17,721**
37	2041-42	6,837,338	5,158,839	**51,613**	(557)	(10,323)	(10,323)	(5,820)	(1,985)	**22,606**	(2,581)	(2,002)	**18,022**
38	2042-43	658,297	492,982	**4,931**	(53)	(986)	(986)	(533)	(183)	**2,190**	(247)	(194)	**1,749**
				1,314,694	(14,188)	(262,939)	(262,939)	(104,667)	(16,090)	**653,872**	(65,735)	(58,814)	**529,324**

Oakland Redevelopment Agency
Coliseum Redevelopment Project
Historical Assessed Values (1)
Table 3

03/06/06

Secured (2)	Base Year 1995-96	1996-97	1997-98	Base Year Revised (3)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Land	1,222,554,644	434,225,773	433,257,296	1,365,825,517	494,813,282	536,501,390	559,202,187	620,071,080	660,022,700	724,338,115	828,474,663	945,860,507
Impts	10,115,810	835,803,035	826,937,137	11,496,217	980,533,615	1,069,554,910	1,143,139,170	1,289,182,554	1,404,019,802	1,570,482,059	1,735,923,638	1,952,714,008
Pers Prop	0	60,017,906	63,624,491	0	70,360,380	70,064,118	65,133,759	69,854,877	67,188,309	88,603,279	73,409,889	83,277,949
Exemptions	0	(35,662,772)	(38,623,463)	0	(66,114,892)	(71,444,171)	(68,833,134)	(75,772,252)	(82,118,333)	(77,927,854)	(103,607,230)	(119,773,767)
Total Secured	**1,232,670,454**	**1,294,383,942**	**1,285,195,461**	**1,377,321,734**	**1,479,592,385**	**1,604,676,247**	**1,698,641,982**	**1,903,336,259**	**2,049,112,478**	**2,305,495,599**	**2,534,200,960**	**2,862,078,697**
Unsecured												
Land	0	27,217,503	29,826,785	0	32,779,263	36,794,369	37,971,531	37,854,627	38,683,706	40,417,841	42,197,686	43,616,748
Impts	0	124,828,700	173,792,582	0	196,884,630	260,130,041	257,152,855	244,752,215	230,227,094	260,951,674	290,971,852	293,243,170
Pers Prop	280,513,051	137,354,012	148,589,065	301,176,755	172,571,014	176,323,843	180,786,344	219,258,909	207,259,315	197,504,655	204,746,214	279,005,849
Exemptions	0	(3,478,691)	(2,898,719)	0	(3,077,500)	(3,702,035)	(3,041,486)	(3,223,873)	(3,231,400)	(3,267,490)	(85,653,923)	(115,541,030)
Total Unsecured	**280,513,051**	**285,921,524**	**349,309,713**	**301,176,755**	**399,157,407**	**469,546,218**	**472,869,244**	**498,641,878**	**472,938,715**	**495,606,680**	**452,261,829**	**500,324,737**
GRAND TOTAL	**1,513,183,505**	**1,580,305,466**	**1,634,505,174**	**1,678,498,489**	**1,878,749,792**	**2,074,222,465**	**2,171,511,226**	**2,401,978,137**	**2,522,051,193**	**2,801,102,279**	**2,986,462,789**	**3,362,403,434**
Incremental Value		67,121,961	121,321,669		200,251,303	395,723,976	493,012,737	723,479,648	843,552,704	1,122,603,790	1,307,964,300	1,683,904,945
Annual Value % Change		4.44%	3.43%		14.94%	10.40%	4.69%	10.61%	5.00%	11.06%	6.62%	12.59%

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.
(3) Base year value revised for adoption of the 1998 Annex to the Coliseum Project Area.

Oakland Redevelopment Agency
Coliseum Redevelopment Project

03/06/06

TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

	Secured Value	Secured Parcels	% of Sec. AV	Unsecured Value	Unsecured Parcels	% of Unsec. AV	Total Value	% of Total Value	
1. Federal Express Corporation	$0	0	0.00%	$80,880,636	9	16.17%	$80,880,636	2.41%	Unsecured
2. Oakland Alameda County Coliseum Authority	$0	0	0.00%	$71,702,255	2	14.33%	$71,702,255	2.13%	Unsecured
3. Owens Brockway Glass Container Inc. [Owner has pending appeals on parcels]	$63,091,564	22	2.20%	$0	0	0.00%	$63,091,564	1.88%	Industrial
4. Fruitvale Station LLC [Owner has pending appeals on parcels]	$37,813,520	1	1.32%	$147,345	1	0.03%	$37,960,865	1.13%	Commercial
5. Zhone Technologies Campus LLC [Owner has pending appeals on parcels]	$59,381,023	1	2.07%	$0	0	0.00%	$59,381,023	1.77%	Commercial
6. Mother's Cakes and Cookie Company [Owner has pending appeals on parcels]	$37,914,863	2	1.32%	$0	0	0.00%	$37,914,863	1.13%	Industrial
7. SVC Manufacturing Inc.	$32,676,997	9	1.14%	$0	1	0.00%	$32,676,997	0.97%	Industrial
8. Swenson Development II LLC	$31,290,045	1	1.09%	$0	0	0.00%	$31,290,045	0.93%	Industrial
9. Catellus Development Corporation [Owner has pending appeals on parcels]	$27,601,787	2	0.96%	$0	0	0.00%	$27,601,787	0.82%	Industrial
10. 24 Hour Fitness USA Inc. [Owner has pending appeals on parcels]	$23,897,920	1	0.83%	$0	0	0.00%	$23,897,920	0.71%	Commercial
Top Ten Property Owner Totals:	**$313,667,719**	**39**		**$152,730,236**	**13**		**$466,397,955**		
Project Area Totals:	$2,862,078,697		10.96%	$500,324,737		30.53%	$3,362,403,434	13.87%	
Project Area Incremental Value:	$1,484,756,963		21.13%	$199,147,982		76.69%	$1,683,904,945	27.70%	

Oakland Redevelopment Agency
Coliseum Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	551	Lump Sum	$249,534,225	$115,618,055	$133,916			$0	$133,916	$0	$0	$0
Total Real Property:			$249,534,225	$115,618,055	$133,916				$133,916	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Oak Center Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

03/06/06

Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		111,327	117,528	119,879	122,276	124,722	127,216	129,761	132,356	135,003	137,703
Personal Property (3)		1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Total Projected Value		**112,777**	**118,978**	**121,329**	**123,726**	**126,172**	**128,666**	**131,210**	**133,806**	**136,453**	**139,153**
Taxable Value over Base	**18,772**	**94,004**	**100,206**	**102,556**	**104,954**	**107,399**	**109,894**	**112,438**	**115,033**	**117,680**	**120,380**
Gross Tax Increment Revenue (4)		1,105	1,177	1,203	1,230	1,258	1,286	1,315	1,344	1,374	1,404
Unitary Tax Revenue (5)		18	18	18	18	18	18	18	18	18	18
Gross Revenues		**1,123**	**1,195**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LESS											
SB 2557 Admin. Fee (6)		(12)	(13)	0	0	0	0	0	0	0	0
Housing Set Aside Requirement (7)		(225)	(239)	0	0	0	0	0	0	0	0
Tax Revenues		**887**	**943**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Added Housing Set-Aside (7)		(56)	(60)	0	0	0	0	0	0	0	0
Net Tax Revenue		**830**	**883**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5).
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 of taxable value over 10 years and remain at that amount until all over ride tax rates are eliminated in 2027. The Project Area has a cumulative tax increment limit of $12.572 million. Based on the revenues allocated through 2004-05 and the projected revenues, the Project Area will exceed this limit during fiscal year 2006-07 and will receive no tax revenue thereafter.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.

Oakland Redevelopment Agency
Oak Center Redevelopment Project

03/06/06

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE
(000s Omitted)
Table 2

		Total Taxable Value	Taxable Value Over Base 18,772	Gross Tax Revenue (1)	Housing Set-Aside	SB 2557 Charge	Tax Revenues	Added Housing Set-Aside	Net Tax Revenues
1	2005-06	112,777	94,004	**1,123**	(225)	(12)	**887**	(56)	**830**
2	2006-07	118,978	100,206	**1,195**	(239)	(13)	**943**	(60)	**883**
3	2007-08	121,329	102,556	**0**	0	0	**0**	0	**0**
4	2008-09	123,726	104,954	**0**	0	0	**0**	0	**0**
5	2009-10	126,172	107,399	**0**	0	0	**0**	0	**0**
6	2010-11	128,666	109,894	**0**	0	0	**0**	0	**0**
7	2011-12	131,210	112,438	**0**	0	0	**0**	0	**0**
8	2012-13	133,806	115,033	**0**	0	0	**0**	0	**0**
9	2013-14	136,453	117,680	**0**	0	0	**0**	0	**0**
10	2014-15	139,153	120,380	**0**	0	0	**0**	0	**0**
11	2015-16	141,907	123,134	**0**	0	0	**0**	0	**0**
12	2016-17	144,716	125,944	**0**	0	0	**0**	0	**0**
13	2017-18	147,581	128,809	**0**	0	0	**0**	0	**0**
14	2018-19	150,504	131,732	**0**	0	0	**0**	0	**0**
15	2019-20	153,485	134,713	**0**	0	0	**0**	0	**0**
16	2020-21	156,526	137,753	**0**	0	0	**0**	0	**0**
17	2021-22	159,627	140,855	**0**	0	0	**0**	0	**0**
				2,318	(464)	(25)	**1,830**	(116)	**1,714**

(1) The Acorn Project Area has a cumulative tax increment limit of $30 million that is projected to be eclipsed during fiscal year 2006-07.

Oakland Redevelopment Agency

Oak Center Redevelopment Project 03/06/06

Historical Assessed Values

Table 3

Secured (2)	**Base Year 1965-66**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**	**2004-05**	**2005-06**
Land	16,229,045	20,798,791	21,406,943	22,029,712	22,949,079	24,275,800	25,995,725	27,740,203	29,832,301	33,226,943	39,138,190
Impts	0	49,526,281	50,965,635	52,216,581	54,605,912	57,680,110	61,669,818	66,621,723	71,928,486	79,231,809	88,835,988
Pers Prop	0	539,672	387,739	396,656	517,903	547,069	191,679	308,748	401,120	431,219	357,173
Exemptions	0	(10,120,317)	(9,289,822)	(9,969,232)	(10,469,107)	(10,552,076)	(11,213,625)	(13,102,551)	(11,983,116)	(13,705,601)	(17,667,743)
Total Secured	**16,229,045**	**60,744,427**	**63,470,495**	**64,673,717**	**67,603,787**	**71,950,903**	**76,643,597**	**81,568,123**	**90,178,791**	**99,184,370**	**110,663,608**
Unsecured											
Land	0	11,900	11,700	76,500	79,425	12,862	14,357	14,644	14,937	15,216	21,795
Impts	0	561,683	540,393	620,337	656,059	658,645	595,026	572,511	627,753	701,227	998,574
Pers Prop	2,543,440	4,973,785	3,803,520	2,395,274	1,831,915	3,141,856	1,621,428	1,747,817	1,056,136	1,213,006	1,092,666
Exemptions	0	0	0	(1,578)	(1,014)	(1,226)	0	0	0	0	0
Total Unsecured	**2,543,440**	**5,547,368**	**4,355,613**	**3,090,533**	**2,566,385**	**3,812,137**	**2,230,811**	**2,334,972**	**1,698,826**	**1,929,449**	**2,113,035**
GRAND TOTAL	**18,772,485**	**66,291,795**	**67,826,108**	**67,764,250**	**70,170,172**	**75,763,040**	**78,874,408**	**83,903,095**	**91,877,617**	**101,113,819**	**112,776,643**
Secured Growth %		2.70%	4.49%	1.90%	4.53%	6.43%	6.52%	6.43%	10.56%	9.99%	11.57%
Unsecured Growth %		83.60%	-21.48%	-29.04%	-16.96%	48.54%	-41.48%	4.67%	-27.24%	13.58%	9.51%
Overall Growth %		6.63%	2.31%	-0.09%	3.55%	7.97%	4.11%	6.38%	9.50%	10.05%	11.53%

(1) Source: County of Alameda.

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

Oakland Redevelopment Agency
Oak Center Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

		Secured			Unsecured			Total		
		Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1.	Oak Center Homes	$4,111,245	25	3.72%	$0	0	0.00%	$4,111,245	3.65%	Residential
2.	Meilin Lau Trust	$2,238,750	2	2.02%	$0	0	0.00%	$2,238,750	1.99%	Industrial
3.	Lucille A. & J. Tulloch Trust	$1,411,553	2	1.28%	$0	0	0.00%	$1,411,553	1.25%	Industrial
4.	Richard L. & Rose H. Wang Trust	$1,393,211	1	1.26%	$0	0	0.00%	$1,393,211	1.24%	Industrial
5.	Dorothy A. Blake Trust	$1,082,898	6	0.98%	$0	0	0.00%	$1,082,898	0.96%	Industrial
6.	Thanh K. & Lucy D. Bui	$1,080,554	1	0.98%	$0	0	0.00%	$1,080,554	0.96%	Residential
7.	K & J Properties LLC	$1,067,506	3	0.96%	$0	0	0.00%	$1,067,506	0.95%	Industrial
8.	Bhupindarpal & Gurbir K. Singh	$990,751	1	0.90%	$0	0	0.00%	$990,751	0.88%	Residential
9.	Nasir S. Mohamed	$820,677	3	0.74%	$0	0	0.00%	$820,677	0.73%	Commercial
10.	Estele G. Cerruti	$749,108	1	0.68%	$0	0	0.00%	$749,108	0.66%	Residential
	Top Ten Property Owner Totals:	**$14,946,253**	**45**		**$0**	**0**		**$14,946,253**		
	Project Area Totals:	$110,663,608		13.51%	$2,113,035		0.00%	$112,776,643	13.25%	
	Project Area Incremental Value:	$94,434,563		15.83%	($430,405)		0.00%	$94,004,158	15.90%	

Oakland Redevelopment Agency
Oak Center Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	19	Lump Sum	$8,800,700	$4,825,828	$3,975			$0	$3,975	$0	$0	$0
Total Real Property:			$8,800,700	$4,825,828	$3,975				$3,975	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Housing Refunding 2005/Housing Refund TAB - Projection 6

Oakland Redevelopment Agency
Oak Knoll Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

03/06/06

Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		548	559	570	582	593	605	617	629	642	655
Personal Property (3)		339	339	339	339	339	339	339	339	339	339
Total Projected Value		**887**	**898**	**909**	**920**	**932**	**944**	**956**	**968**	**981**	**994**
Taxable Value over Base	**0**	**887**	**898**	**909**	**920**	**932**	**944**	**956**	**968**	**981**	**994**
Gross Tax Increment Revenue (4)		10	11	11	11	11	11	11	11	11	12
Unitary Tax Revenue (5)		0	0	0	0	0	0	0	0	0	0
Gross Revenues		**11**	**11**	**11**	**11**	**11**	**11**	**11**	**12**	**12**	**12**
LESS:											
SB 2557 Admin. Fee (6)		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Housing Set Aside Requirement (7)		(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Tier 1 Passthrough to All Taxing Entities (8)		(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	(0)	(0)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**6**	**6**	**6**	**7**	**7**	**7**	**7**	**7**	**7**	**7**
Added Housing Set-Aside (7)		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Net Tax Revenues		**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 pass through amount.

Oakland Redevelopment Agency
Oak Knoll Redevelopment Project

03/06/06

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE
(000s Omitted)
Table 2

		Total	Taxable Value Over Base	Gross Tax	SB 2557	Housing	Statutory Tax Sharing Payments			Tax	Added Housing	Net Tax
		Taxable Value	0	Revenue (1)	Charge	Set-Aside	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Revenues
1	2005-06	887	887	**11**	(0)	(2)	(2)	0	0	**6**	(1)	**6**
2	2006-07	898	898	**11**	(0)	(2)	(2)	0	0	**6**	(1)	**6**
3	2007-08	909	909	**11**	(0)	(2)	(2)	0	0	**6**	(1)	**6**
4	2008-09	920	920	**11**	(0)	(2)	(2)	0	0	**7**	(1)	**6**
5	2009-10	932	932	**11**	(0)	(2)	(2)	0	0	**7**	(1)	**6**
6	2010-11	944	944	**11**	(0)	(2)	(2)	0	0	**7**	(1)	**6**
7	2011-12	956	956	**11**	(0)	(2)	(2)	0	0	**7**	(1)	**6**
8	2012-13	968	968	**12**	(0)	(2)	(2)	0	0	**7**	(1)	**6**
9	2013-14	981	981	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
10	2014-15	994	994	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
11	2015-16	1,007	1,007	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
12	2016-17	1,020	1,020	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
13	2017-18	1,034	1,034	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**7**
14	2018-19	1,048	1,048	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**7**
15	2019-20	1,062	1,062	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**7**
16	2020-21	1,076	1,076	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**7**
17	2021-22	1,091	1,091	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**7**
18	2022-23	1,106	1,106	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**7**
19	2023-24	1,121	1,121	**13**	(0)	(3)	(3)	(0)	0	**8**	(1)	**7**
20	2024-25	1,137	1,137	**14**	(0)	(3)	(3)	(0)	0	**8**	(1)	**7**
21	2025-26	1,153	1,153	**14**	(0)	(3)	(3)	(0)	0	**8**	(1)	**7**
22	2026-27	1,169	1,169	**14**	(0)	(3)	(3)	(0)	0	**8**	(1)	**7**
23	2027-28	1,186	1,186	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
24	2028-29	1,203	1,203	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
25	2029-30	1,220	1,220	**12**	(0)	(2)	(2)	(0)	0	**7**	(1)	**6**
26	2030-31	1,238	1,238	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**6**
27	2031-32	1,256	1,256	**13**	(0)	(3)	(3)	(0)	0	**7**	(1)	**6**
28	2032-33	1,274	1,274	**13**	(0)	(3)	(3)	(1)	0	**7**	(1)	**6**
29	2033-34	1,293	1,293	**13**	(0)	(3)	(3)	(1)	(0)	**7**	(1)	**7**
30	2034-35	1,312	1,312	**13**	(0)	(3)	(3)	(1)	(0)	**7**	(1)	**7**
31	2035-36	1,331	1,331	**14**	(0)	(3)	(3)	(1)	(0)	**7**	(1)	**7**
32	2036-37	1,351	1,351	**14**	(0)	(3)	(3)	(1)	(0)	**7**	(1)	**7**
33	2037-38	1,371	1,371	**14**	(0)	(3)	(3)	(1)	(0)	**7**	(1)	**7**
34	2038-39	1,392	1,392	**14**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
35	2039-40	1,413	1,413	**14**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
36	2040-41	1,435	1,435	**15**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
37	2041-42	1,457	1,457	**15**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
38	2042-43	1,479	1,479	**15**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
39	2043-44	1,502	1,502	**15**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
40	2044-45	1,525	1,525	**16**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
41	2045-46	1,549	1,549	**16**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
42	2046-47	1,573	1,573	**16**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
43	2047-48	1,598	1,598	**16**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
44	2048-49	1,623	1,623	**17**	(0)	(3)	(3)	(1)	(0)	**8**	(1)	**7**
45	2049-50	1,648	1,648	**19**	(0)	(4)	(4)	(1)	(0)	**10**	(1)	**9**
46	2050-51	1,675	1,675	**20**	(0)	(4)	(4)	(1)	(1)	**10**	(1)	**9**
47	2051-52	1,701	1,701	**20**	(0)	(4)	(4)	(1)	(1)	**10**	(1)	**9**
48	2052-53	1,729	1,729	**20**	(0)	(4)	(4)	(2)	(1)	**10**	(1)	**9**
				659	(7)	(132)	(132)	(24)	(5)	**358**	(33)	**325**

(1) Pursuant to Section 33492.13 time limits as perscribed by the Law for Military Base Closure projects approved after January 1, 1994 begin only after the Auditor-Controller certifies at the end of a fiscal year that the Project Area has been allocated at least $100,000. This has not occurred for this Project Area but is anticipated at the end of fiscal year 2007-08. The time limits reflected above assume that such notice is given by June 30, 2008. The increases in value that should result from the GSA's sale of the hospital property to private owners cannot be accurately projected at this time and so values have been projected from existing 2005-06 roll values.

Oakland Redevelopment Agency
Oak Knoll Redevelopment Project

03/03/06

Historical Values

Table 3

Secured (2)	Base Year 1997-98	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Land	0	0	0	0	467,670	476,400	485,927
Impts	0	0	0	0	57,120	58,186	62,061
Pers Prop	0	0	0	0	0	0	338,758
Exemptions	0	0	0	0	0	0	0
Total Secured	**0**	**0**	**0**	**0**	**524,790**	**534,586**	**886,746**
Unsecured							
Land	0	0	0	0	0	0	0
Impts	0	0	0	0	0	0	0
Pers Prop	0	0	0	0	0	0	0
Exemptions	0	0	0	0	0	0	0
Total Unsecured	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL	**0**	**0**	**0**	**0**	**524,790**	**534,586**	**886,746**
Secured Increment		0	0	0	524,790	534,586	886,746
Unsecured Increment		0	0	0	0	0	0
Total Increment		0	0	0	524,790	534,586	886,746

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
Oak Knoll Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

	Secured Value	Secured Parcels	Secured % of Sec. AV	Unsecured Value	Unsecured Parcels	Unsecured % of Unsec. AV	Total Value	Total % of Total Value	Use Code
1. Sea West Coast Guard Federal Credit Union	$886,746	2	100.00%	$0	0	0.00%	$886,746	100.00%	Commercial
2.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
3.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
4.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
5.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
6.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
7.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
8.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
9.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
10.	$0	0	0.00%	$0	0	0.00%	$0	0.00%	
Top Ten Property Owner Totals:	**$886,746**	**2**		**$0**	**0**		**$886,746**		
Project Area Totals:	$886,746		100.00%	$0		0.00%	$886,746	100.00%	
Project Area Incremental Value:	$886,746		100.00%	$0		0.00%	$886,746	100.00%	

Oakland Redevelopment Agency
Oak Knoll Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	0	Lump Sum	$0	$0	$0			$0	$0	$0	$0	$0
Total Real Property:			$0	$0	$0				$0	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
Stanford/Adeline Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted) 38,782
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		11,585	13,454	13,723	13,998	14,278	14,563	14,855	15,152	15,455	15,764
Personal Property (3)		14	14	14	14	14	14	14	14	14	14
Total Projected Value		**11,599**	**13,469**	**13,738**	**14,012**	**14,292**	**14,578**	**14,869**	**15,166**	**15,469**	**15,778**
Taxable Value over Base	**1,358**	**10,242**	**12,111**	**12,380**	**12,654**	**12,934**	**13,220**	**13,511**	**13,808**	**14,111**	**14,421**
Gross Tax Increment Revenue (4)		120	142	145	148	151	154	158	161	164	168
Unitary Tax Revenue (5)		3	3	3	3	3	3	3	3	3	3
Gross Revenues		**123**	**145**	**148**	**151**	**154**	**157**	**161**	**164**	**167**	**171**
LESS											
SB 2557 Admin. Fee (6)		(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Housing Set Aside Requirement (7)		(25)	(29)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)
Tax Revenues		**97**	**114**	**117**	**119**	**122**	**124**	**127**	**129**	**132**	**135**
Added Housing Set-Aside (7)		(6)	(7)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(9)
Net Tax Revenue		**91**	**107**	**109**	**112**	**114**	**116**	**119**	**121**	**124**	**126**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5).
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.

Oakland Redevelopment Agency
Stanford/Adeline Redevelopment Project

03/06/06

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE
(000s Omitted)
Table 2

		Total Taxable Value	Taxable Value Over Base 1,358	Gross Tax Revenue	Housing Set-Aside	SB 2557 Charge	Tax Revenues	Added Housing Set-Aside	Net Tax Revenues
1	2005-06	11,599	10,242	**123**	(25)	(1)	**97**	(6)	**91**
2	2006-07	13,469	12,111	**145**	(29)	(2)	**114**	(7)	**107**
3	2007-08	13,738	12,380	**148**	(30)	(2)	**117**	(7)	**109**
4	2008-09	14,012	12,654	**151**	(30)	(2)	**119**	(8)	**112**
5	2009-10	14,292	12,934	**154**	(31)	(2)	**122**	(8)	**114**
6	2010-11	14,578	13,220	**157**	(31)	(2)	**124**	(8)	**116**
7	2011-12	14,869	13,511	**161**	(32)	(2)	**127**	(8)	**119**
8	2012-13	15,166	13,808	**164**	(33)	(2)	**129**	(8)	**121**
9	2013-14	15,469	14,111	**167**	(33)	(2)	**132**	(8)	**124**
10	2014-15	15,778	14,421	**171**	(34)	(2)	**135**	(9)	**126**
11	2015-16	16,094	14,736	**174**	(35)	(2)	**138**	(9)	**129**
12	2016-17	16,415	15,057	**178**	(36)	(2)	**141**	(9)	**132**
13	2017-18	16,743	15,385	**182**	(36)	(2)	**144**	(9)	**135**
14	2018-19	17,078	15,720	**186**	(37)	(2)	**147**	(9)	**137**
15	2019-20	17,419	16,061	**190**	(38)	(2)	**150**	(9)	**140**
16	2020-21	17,767	16,409	**194**	(39)	(2)	**153**	(10)	**143**
17	2021-22	18,122	16,764	**198**	(40)	(2)	**156**	(10)	**146**
18	2022-23	18,484	17,127	**202**	(40)	(2)	**160**	(10)	**149**
19	2023-24	18,854	17,496	**206**	(41)	(2)	**163**	(10)	**153**
20	2024-25	19,230	17,873	**211**	(42)	(2)	**166**	(11)	**156**
21	2025-26	19,615	18,257	**108**	(22)	(1)	**85**	(5)	**80**
				3,570	(714)	(39)	**2,818**	(179)	**2,639**

Oakland Redevelopment Agency
Stanford/Adeline Redevelopment Project

Historical Assessed Values

03/06/06

Table 3

Secured (2)	Base Year 1972-73	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Land	1,279,380	1,908,132	1,936,611	2,043,191	2,178,873	2,252,398	2,473,935	2,853,462	3,029,496	3,407,972	3,539,250
Impts	0	3,757,741	3,829,569	3,991,504	4,231,385	4,547,119	5,208,468	6,572,843	6,940,081	7,643,579	7,996,514
Pers Prop	0	5,862	5,862	5,862	400	400	400	400	400	400	400
Exemptions	0	0	(245,000)	0	0	0	0	0	0	(28,077)	0
Total Secured	**1,279,380**	**5,671,735**	**5,527,042**	**6,040,557**	**6,410,658**	**6,799,917**	**7,682,803**	**9,426,705**	**9,969,977**	**11,023,874**	**11,536,164**
Unsecured											
Land	0	26,900	26,400	24,500	28,505	29,075	32,148	32,791	33,447	34,071	49,249
Impts	0	0	0	0	0	0	0	0	0	0	0
Pers Prop	78,400	13,584	17,259	16,560	14,059	7,494	7,494	14,988	13,035	11,692	13,947
Exemptions	0	0	0	0	0	0	0	0	0	0	0
Total Unsecured	**78,400**	**40,484**	**43,659**	**41,060**	**42,564**	**36,569**	**39,642**	**47,779**	**46,482**	**45,763**	**63,196**
GRAND TOTAL	**1,357,780**	**5,712,219**	**5,570,701**	**6,081,617**	**6,453,222**	**6,836,486**	**7,722,445**	**9,474,484**	**10,016,459**	**11,069,637**	**11,599,360**
Secured Growth %		2.75%	-2.55%	9.29%	6.13%	6.07%	12.98%	22.70%	5.76%	10.57%	4.65%
Unsecured Growth %		167.61%	7.84%	-5.95%	3.66%	-14.08%	8.40%	20.53%	-2.71%	-1.55%	38.09%
Overall Growth %		3.20%	-2.48%	9.17%	6.11%	5.94%	12.96%	22.69%	5.72%	10.51%	4.79%

(1) Source: County of Alameda.

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

Oakland Redevelopment Agency
Stanford/Adeline Project Area
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

		Secured			Unsecured			Total		
		Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1.	Katherine B. Sommers	$522,240	1	4.53%	$0	0	0.00%	$522,240	4.50%	Residential
2.	Veronique L. Thompson	$503,944	1	4.37%	$0	0	0.00%	$503,944	4.34%	Residential
3.	Rajinder K. Singh	$476,918	1	4.13%	$0	0	0.00%	$476,918	4.11%	Residential
4.	Khia Payne	$459,000	1	3.98%	$0	0	0.00%	$459,000	3.96%	Residential
5.	Mohammad S. Malek	$418,732	1	3.63%	$0	0	0.00%	$418,732	3.61%	Residential
6.	Eunah Limstangi	$408,030	1	3.54%	$0	0	0.00%	$408,030	3.52%	Residential
7.	Harry & Lily N. Lu	$405,959	2	3.52%	$0	0	0.00%	$405,959	3.50%	Residential
8.	Thuy N. Ho	$387,600	1	3.36%	$0	0	0.00%	$387,600	3.34%	Residential
9.	Lydia Adkins	$370,936	1	3.22%	$0	0	0.00%	$370,936	3.20%	Residential
10.	Steven D. Sanchez	$291,450	1	2.53%	$0	0	0.00%	$291,450	2.51%	Residential
	Top Ten Property Owner Totals:	**$4,244,809**	**11**		**$0**	**0**		**$4,244,809**		
	Project Area Totals:	$11,536,164		36.80%	$63,196		0.00%	$11,599,360	36.60%	
	Project Area Incremental Value:	$10,256,784		41.39%	($15,204)		0.00%	$10,241,580	41.45%	

Oakland Redevelopment Agency
Stanford/Adeline Project Area
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	6	Lump Sum	$2,589,000	$951,348	$1,638			$0	$1,638	$0	$0	$0
Total Real Property:			$2,589,000	$951,348	$1,638				$1,638	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

Oakland Redevelopment Agency
West Oakland Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted) 38,782
Table 1

Taxable Values (1)		**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Real Property (2)		1,118,230	1,222,998	1,247,458	1,272,407	1,297,855	1,323,812	1,350,288	1,377,294	1,404,840	1,432,937
Personal Property (3)		(30,042)	(30,042)	(30,042)	(30,042)	(30,042)	(30,042)	(30,042)	(30,042)	(30,042)	(30,042)
Total Projected Value		**1,088,188**	**1,192,956**	**1,217,416**	**1,242,365**	**1,267,813**	**1,293,770**	**1,320,246**	**1,347,252**	**1,374,798**	**1,402,895**
Taxable Value over Base	**922,395**	**165,794**	**270,561**	**295,021**	**319,970**	**345,418**	**371,375**	**397,852**	**424,857**	**452,403**	**480,500**
Gross Tax Increment Revenue (4)		2,046	3,251	3,516	3,785	4,060	4,340	4,639	4,951	5,269	5,593
Unitary Tax Revenue (5)		0	0	0	0	0	0	0	0	0	0
Gross Revenues		**2,046**	**3,251**	**3,516**	**3,785**	**4,060**	**4,340**	**4,639**	**4,951**	**5,269**	**5,593**
LESS:											
SB 2557 Admin. Fee (6)		(22)	(35)	(38)	(41)	(44)	(47)	(50)	(53)	(57)	(60)
Housing Set Aside Requirement (7)		(409)	(650)	(703)	(757)	(812)	(868)	(928)	(990)	(1,054)	(1,119)
Tier 1 Passthrough to All Taxing Entities (8)		(409)	(650)	(703)	(757)	(812)	(868)	(928)	(990)	(1,054)	(1,119)
Tier 2 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	(55)
Tier 3 Passthrough to All Taxing Entities (8)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**1,205**	**1,915**	**2,071**	**2,230**	**2,392**	**2,557**	**2,733**	**2,917**	**3,104**	**3,240**
Added Housing Set-Aside (7)		(102)	(163)	(176)	(189)	(203)	(217)	(232)	(248)	(263)	(280)
Net Tax Revenues		**1,103**	**1,753**	**1,896**	**2,041**	**2,189**	**2,340**	**2,502**	**2,670**	**2,841**	**2,961**

(1) Taxable values as reported by Alameda County.
(2) Real property consists of land and improvements. Increased for inflation at 2% annually and for transfers of ownership that have occurred after the January 1, 2005 lien date for the current fiscal year (See Table 5). Values for 2006-07 are reduced by $2,089,635 for projected losses due to currently pending assessment appeals.
(3) Personal property is held constant at 2005-06 level.
(4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. The assumed future tax rates decline to $1.1632 per $100 10 years and remain at that amount until all over ride tax rates are eliminated in 2027.
(5) Unitary Revenue is held constant at 2004-05 level.
(6) County Administration fee is estimated at 1.08% of Gross Revenue.
(7) Housing Set Aside Requirement is calculated at 20% of Gross Revenue. The Agency has at it's own election chosen to set aside an additional 5% of Gross Revenue into the Housing Fund. This additional amount of Housing Set-Aside is not considered for purposes of debt service payments on the Bonds.
(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 pass through amount.

Oakland Redevelopment Agency
West Oakland Redevelopment Project
PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE 03/06/06
(000s Omitted)
Table 2

		Total	Taxable Value Over Base	Gross Tax	SB 2557	Housing	Statutory Tax Sharing Payments			Tax	Added Housing	Net Tax
		Taxable Value	922,395	Revenue	Charge	Set-Aside	Tier 1	Tier 2	Tier 3	Revenues	Set-Aside	Revenues
1	2005-06	1,088,188	165,794	**2,046**	(22)	(409)	(409)	0	0	**1,205**	(102)	**1,103**
2	2006-07	1,192,956	270,561	**3,251**	(35)	(650)	(650)	0	0	**1,915**	(163)	**1,753**
3	2007-08	1,217,416	295,021	**3,516**	(38)	(703)	(703)	0	0	**2,071**	(176)	**1,896**
4	2008-09	1,242,365	319,970	**3,785**	(41)	(757)	(757)	0	0	**2,230**	(189)	**2,041**
5	2009-10	1,267,813	345,418	**4,060**	(44)	(812)	(812)	0	0	**2,392**	(203)	**2,189**
6	2010-11	1,293,770	371,375	**4,340**	(47)	(868)	(868)	0	0	**2,557**	(217)	**2,340**
7	2011-12	1,320,246	397,852	**4,639**	(50)	(928)	(928)	0	0	**2,733**	(232)	**2,502**
8	2012-13	1,347,252	424,857	**4,951**	(53)	(990)	(990)	0	0	**2,917**	(248)	**2,670**
9	2013-14	1,374,798	452,403	**5,269**	(57)	(1,054)	(1,054)	0	0	**3,104**	(263)	**2,841**
10	2014-15	1,402,895	480,500	**5,593**	(60)	(1,119)	(1,119)	(55)	0	**3,240**	(280)	**2,961**
11	2015-16	1,431,554	509,159	**5,923**	(64)	(1,185)	(1,185)	(111)	0	**3,379**	(296)	**3,083**
12	2016-17	1,460,786	538,391	**6,263**	(68)	(1,253)	(1,253)	(168)	0	**3,522**	(313)	**3,209**
13	2017-18	1,490,602	568,207	**6,609**	(71)	(1,322)	(1,322)	(226)	0	**3,668**	(330)	**3,337**
14	2018-19	1,521,015	598,620	**6,963**	(75)	(1,393)	(1,393)	(286)	0	**3,817**	(348)	**3,469**
15	2019-20	1,552,036	629,641	**7,324**	(79)	(1,465)	(1,465)	(346)	0	**3,969**	(366)	**3,603**
16	2020-21	1,583,678	661,283	**7,692**	(83)	(1,538)	(1,538)	(408)	0	**4,124**	(385)	**3,739**
17	2021-22	1,615,952	693,557	**8,067**	(87)	(1,613)	(1,613)	(471)	0	**4,282**	(403)	**3,879**
18	2022-23	1,648,872	726,477	**8,450**	(91)	(1,690)	(1,690)	(536)	0	**4,443**	(423)	**4,021**
19	2023-24	1,682,450	760,055	**8,841**	(95)	(1,768)	(1,768)	(601)	0	**4,608**	(442)	**4,166**
20	2024-25	1,716,700	794,305	**9,239**	(100)	(1,848)	(1,848)	(668)	0	**4,776**	(462)	**4,314**
21	2025-26	1,751,635	829,240	**9,646**	(104)	(1,929)	(1,929)	(736)	0	**4,947**	(482)	**4,465**
22	2026-27	1,787,268	864,874	**10,060**	(109)	(2,012)	(2,012)	(806)	0	**5,121**	(503)	**4,618**
23	2027-28	1,823,615	901,220	**9,119**	(98)	(1,824)	(1,824)	(763)	0	**4,610**	(456)	**4,154**
24	2028-29	1,860,688	938,293	**9,385**	(101)	(1,877)	(1,877)	(816)	0	**4,713**	(469)	**4,244**
25	2029-30	1,898,502	976,108	**9,761**	(105)	(1,952)	(1,952)	(880)	0	**4,871**	(488)	**4,383**
26	2030-31	1,937,073	1,014,678	**10,147**	(110)	(2,029)	(2,029)	(945)	0	**5,034**	(507)	**4,527**
27	2031-32	1,976,415	1,054,021	**10,540**	(114)	(2,108)	(2,108)	(1,011)	0	**5,200**	(527)	**4,673**
28	2032-33	2,016,545	1,094,150	**10,941**	(118)	(2,188)	(2,188)	(1,078)	0	**5,369**	(547)	**4,822**
29	2033-34	2,057,476	1,135,082	**11,351**	(123)	(2,270)	(2,270)	(1,147)	0	**5,541**	(568)	**4,973**
30	2034-35	2,099,227	1,176,832	**11,768**	(127)	(2,354)	(2,354)	(1,217)	(47)	**5,670**	(588)	**5,082**
31	2035-36	2,141,812	1,219,417	**12,194**	(132)	(2,439)	(2,439)	(1,289)	(94)	**5,802**	(610)	**5,192**
32	2036-37	2,185,249	1,262,854	**12,629**	(136)	(2,526)	(2,526)	(1,362)	(143)	**5,936**	(631)	**5,305**
33	2037-38	2,229,555	1,307,160	**13,072**	(141)	(2,614)	(2,614)	(1,436)	(193)	**6,073**	(654)	**5,419**
34	2038-39	2,274,747	1,352,352	**13,524**	(146)	(2,705)	(2,705)	(1,512)	(243)	**6,213**	(676)	**5,537**
35	2039-40	2,320,843	1,398,448	**13,984**	(151)	(2,797)	(2,797)	(1,589)	(295)	**6,355**	(699)	**5,656**
36	2040-41	2,367,860	1,445,466	**14,455**	(156)	(2,891)	(2,891)	(1,668)	(348)	**6,501**	(723)	**5,778**
37	2041-42	2,415,818	1,493,424	**14,934**	(161)	(2,987)	(2,987)	(1,749)	(401)	**6,649**	(747)	**5,902**
38	2042-43	2,464,736	1,542,341	**15,423**	(167)	(3,085)	(3,085)	(1,831)	(456)	**6,800**	(771)	**6,029**
39	2043-44	2,514,631	1,592,236	**15,922**	(172)	(3,184)	(3,184)	(1,915)	(512)	**6,955**	(796)	**6,158**
40	2044-45	2,565,525	1,643,130	**16,431**	(177)	(3,286)	(3,286)	(2,000)	(569)	**7,112**	(822)	**6,290**
41	2045-46	2,617,436	1,695,041	**16,950**	(183)	(3,390)	(3,390)	(2,088)	(627)	**7,272**	(848)	**6,425**
42	2046-47	2,670,386	1,747,991	**17,480**	(189)	(3,496)	(3,496)	(2,177)	(686)	**7,436**	(874)	**6,562**
43	2047-48	2,724,394	1,801,999	**18,020**	(195)	(3,604)	(3,604)	(2,267)	(747)	**7,603**	(901)	**6,702**
				414,558	(4,477)	(82,912)	(82,912)	(36,158)	(5,362)	**202,737**	(20,728)	**182,009**

Oakland Redevelopment Agency
West Oakland Redevelopment Project

Historical Values 03/06/06

Table 3

Secured (2)	Base Year 2003-04	2001-02	2002-03	2003-04	2004-05	2005-06
Land	866,842,089	0	0	0	326,332,591	372,191,427
Impts	0	0	0	0	637,434,608	721,331,808
Pers Prop	0	0	0	0	4,314,434	4,370,038
Exemptions	0	0	0	0	(38,629,080)	(56,285,439)
Total Secured	**866,842,089**	**0**	**0**	**0**	**929,452,553**	**1,041,607,834**
Unsecured						
Land	0	0	0	0	2,578,549	9,646,020
Impts	0	0	0	0	32,806,790	71,346,373
Pers Prop	55,552,659	0	0	0	24,666,135	29,430,581
Exemptions	0	0	0	0	(4,994,934)	(63,842,342)
Total Unsecured	**55,552,659**	**0**	**0**	**0**	**55,056,540**	**46,580,632**
GRAND TOTAL	**922,394,748**	**0**	**0**	**0**	**984,509,093**	**1,088,188,466**
Secured Increment					62,610,464	174,765,745
Unsecured Increment					(496,119)	(8,972,027)
Total Increment					62,114,345	165,793,718

(1) Source: County of Alameda.
(2) Secured values include state assessed non-unitary utility property.

Oakland Redevelopment Agency
West Oakland Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
For Fiscal Year 2005-06
Table 4

03/06/06

	Secured			Unsecured			Total		
	Value	Parcels	% of Sec. AV	Value	Parcels	% of Unsec. AV	Value	% of Total Value	Use Code
1. Ikea Property Inc.	$26,055,461	7	2.50%	$0	0	0.00%	$26,055,461	2.39%	Commercial
[Owner has pending appeals on parcels]									
2. S.S. Silberblatt Inc.	$23,000,000	1	2.21%	$0	0	0.00%	$23,000,000	2.11%	Industrial
3. Lenawee LLC & Horowitz LLC	$16,034,984	1	1.54%	$0	0	0.00%	$16,034,984	1.47%	Commercial
4. Catellus Finance LLC	$15,776,969	1	1.51%	$0	0	0.00%	$15,776,969	1.45%	Commercial
5. BRE ESA Properties LLC	$13,362,000	1	1.28%	$565,741	1	1.21%	$13,927,741	1.28%	Commercial
[Owner has pending appeals on parcels]									
6. KS Properties One LLC	$13,822,342	10	1.33%	$0	1	0.00%	$13,822,342	1.27%	Industrial
7. Iron Mountain Records Management Inc.	$9,418,574	1	0.90%	$0	0	0.00%	$9,418,574	0.87%	Industrial
[Owner has pending appeals on parcels]									
8. 2227 San Pablo Storage Associates LLC	$8,810,283	1	0.85%	$12,804	1	0.03%	$8,823,087	0.81%	Industrial
9. BBIC Investor LLC	$8,380,063	1	0.80%	$0	0	0.00%	$8,380,063	0.77%	Industrial
10. West Oakland Associates LLC	$8,028,136	1	0.77%	$0	0	0.00%	$8,028,136	0.74%	Commercial
Top Ten Property Owner Totals:	**$142,688,812**	**25**		**$578,545**	**3**		**$143,267,357**		
Project Area Totals:	$1,041,607,834		13.70%	$46,580,632		1.24%	$1,088,188,466	13.17%	
Project Area Incremental Value:	$174,765,745		81.65%	($8,972,027)		-6.45%	$165,793,718	86.41%	

Oakland Redevelopment Agency
West Oakland Redevelopment Project
New Development

03/06/06

Table 5

000's omitted

Real Property	Sq. Ft./ # Units	Unit Value	Total Value	Less Existing	Value Added	Start	Complete	2005-06	2006-07	2007-08	2008-09	2009-10
	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
	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
	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 Ownership After 1/1/2005	364	Lump Sum	$162,304,142	$77,769,899	$84,534			$0	$84,534	$0	$0	$0
Total Real Property:			$162,304,142	$77,769,899	$84,534				$84,534	$0	$0	$0
					Adj. Annually for Inflation @		2%			$0	$0	$0

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

Certain provisions of the Original Indenture, dated as of May 1, 2000 (as supplemented, modified and amended by the herein defined First Supplemental Indenture, the "Indenture"), are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the respective documents listed above. Capitalized terms not otherwise defined herein have the meaning given in the Indenture or such other document as may be specified herein. Certain provisions of the Indenture setting forth the terms of the Bonds, the redemption provisions thereof and the use of the proceeds of the Bonds are set forth elsewhere in the Official Statement. See "THE BONDS." Copies of the Indenture may be obtained from the Trustee or from the Agency.

The Indenture is an agreement between the Agency and the Trustee, for the benefit of the Bondholders, which establishes the terms and conditions upon which the Series 2000T Bonds and the Series 2006 Bonds, and any subsequent Series of Bonds are to be issued, and secures the payment of the Bonds and the performance and observance of all covenants set forth in the document.

CERTAIN DEFINED TERMS

"**Accreted Value**" means, with respect to any Capital Appreciation Bonds, as of the date of calculation, the initial amount thereof plus the interest accrued thereon to such date of calculation, from the date of initial delivery at the approximate interest rate thereof compounded semiannually, as determined in accordance with the table of accreted values for any Capital Appreciation Bonds prepared by the Agency at the time of sale thereof, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of three hundred sixty (360) days composed of twelve (12) months of thirty (30) days each.

"**Acorn Redevelopment Plan**" means the redevelopment plan for the Acorn Redevelopment Project of the Agency in Oakland, California, entitled "The Acorn Project Redevelopment Plan," adopted and approved by Ordinance No. 6483 C.M.S. adopted by the Council of the City of Oakland, California on November 30, 1961, as amended by the following ordinances of said Council on the dates indicated: Ordinance No. 6976 C.M.S. (April 21, 1964), Ordinance No. 7858 C.M.S. (August 1, 1968), and Ordinance No. 11760 C.M.S. (December 20, 1994), together with all further amendments thereto hereafter made in accordance with the Law.

"**Additional Bonds**" means all bonds of the Agency authorized and executed pursuant to and issued and delivered in accordance with Article IV of the Indenture. The Series 2006 Bonds are being issued as Additional Bonds.

"**Agency**" means the Redevelopment Agency of the City of Oakland, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

"**Annual Debt Service**" means, for each Bond Year, the sum of (1) the interest falling due on all Outstanding Bonds in such Bond Year, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds, if any, are redeemed from the Sinking Account, as may be scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), (2) the principal amount of the Outstanding Serial Bonds, if any, maturing by their terms in such Bond Year, and (3) the minimum amount of such Outstanding Term Bonds required to be paid or called and redeemed in such Bond Year. Annual Debt Service will not include (a) interest on Bonds which is to be paid from amounts constituting capitalized interest or (b) principal and interest allocable to that portion of the proceeds of any Bonds required to remain unexpended and to be held in escrow pursuant to the terms of a Supplemental Indenture, provided that (i) projected interest earnings on such proceeds, portion of the Bonds so long as it is required to be held in escrow and (ii) the conditions for the release of such proceeds plus such amounts, if any, deposited by the Agency in the Interest Account, are sufficient to pay the interest due on such portion of the Bonds so long as it is required to be held in escrow and (ii) the conditions for the release of such proceeds from escrow, insofar as they relate to Housing Set Aside Revenue coverage and satisfaction of the Reserve Account Requirement, are substantially similar to those for the issuance of Additional Bonds.

The foregoing shall be subject to adjustment and recalculation as follows:

(a) with respect to Capital Appreciation Bonds, the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond;

(b) with respect to Variable Rate Bonds, the interest rate on such Variable Rate Bonds for periods when the actual interest rate cannot yet be determined, shall be assumed to be equal to the greater of (1) the current interest rate calculated pursuant to the provisions of the terms of such Variable Rate Bonds, or, (2) if available, the daily average interest rate on such Variable Rate Bonds during the thirty-six (36) months preceding the date of calculation or, (3) if such Variable Rate Bonds have not been Outstanding for such thirty-six month period, such daily average interest rate on comparable debt of a state or political subdivision of a state which debt is then rated by a rating agency then maintaining a rating on the Variable Rate Bonds in a rating category equivalent to such rating agency's rating on the Variable Rate Bonds, all as specified in a Certificate of the Agency;

(c) if such Bonds are secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least one hundred million dollars ($100,000,000), the principal payments or deposits with respect to such Bonds nominally due in the last Fiscal Year in which such Bonds mature may, at the option of the Agency, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit, and interest on such Bonds after such Fiscal Year shall be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions; and

(d) if such Bonds are not secured by a letter of credit as described in paragraph (c) of this definition and 20% or more of the original principal of such Bonds is not due until the final stated maturity of such Bonds, such principal may, at the option of the Agency, be treated as if it were due based upon a level amortization of such principal over the term of such Bonds or twenty-five (25) years, whichever is greater assuming an interest rate equal to the rate at which the Agency could borrow for such period, as certified by a financial advisor or investment banker in a certificate delivered to the Trustee within thirty (30) days of the date of calculation.

"**Authorized Investments**" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee will be entitled to rely upon any investment directions from the Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California):

(1) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"),

(B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America,

(C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

(D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(A) Federal Home Loan Mortgage Corporation (FHLMC) (i) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) and (ii) Senior debt obligations.

(B) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes.

(C) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations.

(D) Federal National Mortgage Association (FNMA) (i) senior debt obligations and (ii) Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(E) Student Loan Marketing Association (SLMA) senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(F) Financing Corporation (FICO) debt obligations.

(G) Resolution Funding Corporation (REFCORP) debt obligations.

(4) Negotiable certificates of deposit of any bank the obligations of which are rated at least “A” by S&P or “A2” by Moody’s.

(5) Bankers’ acceptances of any bank the short-term obligations of which are rated at least “A-1” by S&P or “P-1” by Moody’s.

(6) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

(7) Commercial paper rated “A-1” by S&P or “P-1” by Moody’s.

(8) Money market funds rated in the top ranking or highest letter and numerical rating provided by at least two nationally recognized statistical rating organizations.

(9) "State Obligations," which means:

(A) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's or "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(B) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1" by S&P or "P-1" by Moody's.

(C) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P or "Aa" or better by Moody's.

(10) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated "A" or better by S&P and Moody's or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Agency.

(11) Investment agreements with a domestic or foreign bank, corporation, or financial institution the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of an insurance company, claims paying ability, of the guarantor is rated at least "A" by S&P and "A" by Moody's.

(12) Forward purchase agreements with a domestic or foreign bank, corporation, or financial institution the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of an insurance company, claims paying ability, of the guarantor is rated at least "A" by S&P and "A" by Moody's. The securities purchased pursuant to such agreement shall be limited to securities which qualify as an Authorized Investment.

(13) State of California Local Agency Investment Fund to the extent any funds to be invested therein by the Trustee are subject to withdrawal by the Trustee directly.

(14) Any other investment approved in writing by the Agency which does not adversely affect the then-current rating on the Bonds.

"**Average Annual Debt Service**" means the average Bond Year Annual Debt Service over all Bond Years.

"**Bond Insurance Policy**" means the municipal bond insurance policy or financial guaranty policy, if any, issued by the applicable Bond Insurer and guaranteeing, in whole or in part, the payment of principal of and interest on a Series of Bonds. The term "Series 2006 Bond Insurance Policy" means the insurance policy issued by the Series 2006 Insurer and guaranteeing the scheduled payment of principal of and interest on the Series 2006 Bonds when due.

"**Bond Insurer**" means the issuer or issuers of a policy or policies of municipal bond insurance obtained by the Agency to insure the payment of principal of and interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. The term "Series 2006 Insurer" means Ambac Assurance Corporation or any successor thereto or assignee thereof. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer will be unanimous action of all Bond Insurers if there is more than a single Bond Insurer.

"**Bond Year**" means, (i) with respect to the initial Bond Year for the Series 2006 Bonds, the period extending from the date the Series 2006 Bonds are originally delivered to and including September 1, 2006, and (ii) thereafter, each successive twelve month period. Notwithstanding the foregoing, the term Bond Year as used in the Tax Certificate for any Series of Bonds is defined in the manner set forth in such Tax Certificate.

"**Bonds**" means the Series 2000T Bonds, the Series 2006 Bonds and any Additional Bonds.

"**Book-Entry Bonds**" means Bonds of any Series registered in the name of the Nominee of a Depository as the Owner thereof pursuant to the terms and provisions of the Indenture.

"**Broadway/MacArthur/San Pablo Redevelopment Plan**" means the redevelopment plan for the Broadway/MacArthur/San Pablo Redevelopment Project of the 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.

"**Business Day**" means any day other than a day which is not a Saturday, a Sunday, or a day on which banks located in the city where the corporate trust office of the Trustee is located are required or authorized to remain closed.

"**Capital Appreciation Bonds**" means any Bonds described as such when issued.

"**Central City East Redevelopment Project**" means the redevelopment plan for the Central City East Redevelopment Project of the 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.

"**Central District Redevelopment Plan**" means the redevelopment plan for the Central District Redevelopment Project of the 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 amended by the following ordinances of said Council on the dates indicated: Ordinance No. 8025 (August 26, 1969), Ordinance No. 8288 (January 21, 1971), Ordinance No. 8816 (June 5, 1973), Ordinance No. 9252 (December 23, 1975), Ordinance No. 9695 (December 12, 1978), Ordinance No. 9780 (June 12, 1979), Ordinance No. 10256 (August 3, 1982), Ordinance No. 10510 (October 2, 1984), Ordinance No. 10594 (June 11, 1985), Ordinance No. 11198 (March 27, 1990), Ordinance No. 11762 (December 20, 1994) and Ordinance No. 12090 (October 27, 1998), together with all further amendments thereto hereafter made in accordance with the Law.

"**Closing Date**" means, with respect to a Series of Bonds, the date on which such Series of Bonds are delivered to the original purchasers thereof.

"**Code**" means the Internal Revenue Code of 1986, and any regulations promulgated thereunder.

"**Coliseum Area Redevelopment Plan**" means the redevelopment plan for the Coliseum Area Redevelopment Project of the 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 amended the "First Amendment to the Redevelopment Plan for the Coliseum Area Redevelopment Project" adopted and approved by Ordinance No. 12001 adopted by the Council of the City of Oakland, California on July 29, 1997, together with all further amendments thereto hereafter made in accordance with the Law.

"**Consultant's Report**" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

- 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;
- a brief statement as to the nature and scope of the examination or investigation upon which the report is based;
- a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"**Continuing Disclosure Certificate**" means, with respect to the Series 2006 Bonds, the Continuing Disclosure Certificate executed by the Agency and dated the date of issuance and delivery of the Series 2006 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"**Federal Securities**" means United States Treasury notes, bonds, bills or certificates of indebtedness, or other evidences of indebtedness secured by the full faith and credit of the United States of America; and also any securities now or hereafter authorized both the interest on and principal of which are guaranteed directly by the full faith and credit of the United States of America, as and to the extent that such securities are eligible for the legal investment of Agency funds.

"**First Supplement**" means the First Supplemental Indenture, dated as of April 1, 2006, by and between the Agency and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"**Fiscal Year**" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year in accordance with the Law and identified in writing to the Trustee.

"**Fitch**" means Fitch Ratings Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized rating agency selected by the Agency.

"**Indenture**" means the Original Indenture, as supplemented and amended by the First Supplement, as it may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"**Independent Certified Public Accountant**" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Agency, and who, or each of whom:

- is in fact independent and not under the domination of the Agency;
- does not have any substantial interest, direct or indirect, with the Agency; and
- is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

"**Independent Financial Consultant**" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

- is in fact independent and not under the domination of the Agency;
- does not have any substantial interest, direct or indirect, with the Agency; and
- is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"**Independent Redevelopment Consultant**" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies, appointed and paid by the Agency, and who, or each of whom:

- is in fact independent and not under the domination of the Agency;
- does not have any substantial interest, direct or indirect, with the Agency; and
- is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"**Information Services**" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor, Kenny Information Services' "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard and Poor's "Called Bond Record," 55 Water Street, New York, New York 10041; or to such other addresses and/or such other services providing information with respect to called bonds as the Agency may designate to the Trustee in writing.

"**Interest Payment Date**" means each March 1 or September 1 on which interest on any Bonds is scheduled to be paid. The first Interest Payment Date with respect to the Series 2006 Bonds will be September 1, 2006.

"**Law**" means the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the California Health and Safety Code, as amended), and all laws amendatory thereof or supplemental thereto.

"**Maximum Annual Debt Service**" means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

"**Moody's**" means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, then the term "Moody's" will be deemed to refer to any other nationally recognized securities rating agency selected by the Agency.

"**1988 Senior Resolution**" means Agency Resolution No. 88-83, adopted November 1, 1988, which amended and restated Agency Resolution No. 88-71, adopted July 26, 1988.

"**1992 Senior Resolution**" means Agency Resolution No. 86-30, adopted June 3, 1986, as amended and supplemented by Agency Resolution No. 92-48, adopted July 28, 1992.

"**Oak Center Redevelopment Plan**" means the redevelopment plan for the Oak Center Redevelopment Project of the Agency in Oakland, California, entitled "Oak Center Urban Renewal Plan," adopted and approved by Ordinance No. 7304 C.M.S. adopted by the Council of the City of Oakland, California on November 30, 1965, as amended by the following ordinance of said Council on the date indicated: Ordinance No. 11761 C.M.S. (December 20, 1994), together with all further amendments thereto hereafter made in accordance with the Law.

"**Oak Knoll Redevelopment Plan**" means the redevelopment plan for the Oak Knoll Redevelopment Project of the Agency in Oakland, California, entitled "Redevelopment Plan for the

"**Oakland Army Base Redevelopment Plan**" means the redevelopment plan for the Oakland Army Base Redevelopment Project of the 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.

"**Original Indenture**" means the Indenture dated as of May 1, 2000, by and between the Agency and BNY Western Trust Company, as succeeded by The Bank of New York Trust Company, N.A., as trustee.

"**Project**" means the undertaking of the Agency pursuant to the Law to increase, improve and/or preserve the supply of low and moderate income housing in the City.

"**Project Areas**" means, collectively, the territory comprising the Agency's Acorn Redevelopment Project, Broadway/MacArthur/San Pablo Redevelopment Project, Central City East Redevelopment Project, Central District Redevelopment Project, Coliseum Area Redevelopment Project, Oak Center Redevelopment Project, Oak Knoll Redevelopment Project, Oakland Army Base Redevelopment Project, Stanford/Adeline Redevelopment Project and West Oakland Redevelopment Project.

"**Project Costs**" means the costs of the construction and development of the Project and costs related thereto.

“**Redevelopment Plans**” means, collectively, the Acorn Redevelopment Plan, Broadway/ MacArthur/San Pablo Redevelopment Plan, Central City East Redevelopment Plan, Central District Redevelopment Plan, Coliseum Area Redevelopment Plan, Oak Center Redevelopment Plan, Oak Knoll Redevelopment Plan, Oakland Army Base Redevelopment Plan, Stanford/Adeline Redevelopment Plan and West Oakland Redevelopment Plan.

“**Resolution**” means the resolution authorizing the issuance of the Bonds adopted by the Agency on March 7, 2006.

“**Securities Depositories**” will mean: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 277-4039 or 4190; or to such other addresses and/or such other securities depositories as the Agency may designate to the Trustee in writing.

“**Senior Annual Debt Service**” means, for each Bond Year, the sum of (1) the interest falling due on all Outstanding Senior Bonds in such Bond Year, assuming that all Outstanding Senior Serial Bonds are retired as scheduled and that all Outstanding Senior Term Bonds, if any, are redeemed from the related sinking account, as may be scheduled, (2) the principal amount of the Outstanding Senior Serial Bonds, if any, maturing by their terms in such Bond Year, (3) the minimum amount of such Outstanding Senior Term Bonds required to be paid or called and redeemed in such Bond Year, and (4) amounts, if any, required to be deposited in the reserve accounts established under the Senior Resolutions.

“**Senior Bonds**” means, collectively, the Redevelopment Agency of the City of Oakland Central District Redevelopment Project Senior Tax Allocation Refunding Bonds, Series 1992, issued in the original aggregate principal amount of $97,655,000, and the Redevelopment Agency of the City of Oakland Acorn Redevelopment Project 1988 Tax Allocation Refunding Bonds issued in the original aggregate principal amount of $3,375,000.

“**Senior Resolutions**” means, collectively, the 1992 Senior Resolution and the 1988 Senior Resolution.

“**Serial Bonds**” means Bonds for which no mandatory sinking account payments are provided.

“**Series**,” when used with reference to the Bonds, means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Indenture or a Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

“**Series 2000T Bonds**” means the Agency’s Subordinated Housing Set Aside Revenue bonds, Series 2000T (Federally Taxable), initially issued in the aggregate principal amount of $39,395,000 pursuant to the provisions of the Original Indenture.

“**Series 2000T Escrow Agent**” means The Bank of New York Trust Company, N.A., as escrow agent under the Series 2000T Escrow Agreement (Tax Exempt) and the Series 2000T Escrow Agreement (Taxable).

“**Series 2000T Escrow Agreement (Tax Exempt)**” means the Tax Exempt Refunding Escrow Agreement dated as of April 1, 2006 between the Agency and the Series 2000T Escrow Agent and relating to the refunding of a portion of the Series 2000T Bonds with the proceeds of the Series 2006A Bonds.

"**Series 2000T Escrow Agreement (Taxable)**" means the Taxable Refunding Escrow Agreement dated as of April 1, 2006 between the Agency and the Series 2000T Escrow Agent and relating to the refunding of a portion of the Series 2000T Bonds with the proceeds of the Series 2006A-T Bonds.

"**Series 2006 Bonds**" means, collectively, the Series 2006A Bonds and the Series 2006A-T Bonds.

"**Series 2006 Bond Insurance Policy**" means the financial guaranty insurance policy issued by the Series 2006 Insurer insuring the payment when due of the principal of and interest on the Series 2006 Bonds as provided therein.

"**Series 2006A Bonds**" means the Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A, issued in the initial aggregate principal amount of $2,195,000.

"**Series 2006A-T Bonds**" means the Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable"), issued in the initial aggregate principal amount of $82,645,000.

"**Series 2006A-T Project Account**" means the Account by that name established and held by the Trustee within the Project Fund pursuant to the First Supplement.

"**Series 2006A Rebate Fund**" means that fund established pursuant to the First Supplement in accordance with the Original Indenture.

"**Series 2006A Refunding Account**" means the account by that name established and held by the Trustee within the Series 2006 Refunding Fund pursuant to the First Supplement.

"**Series 2006A-T Refunding Account**" means the account by that name established and held by the Trustee within the Series 2006 Refunding Fund pursuant to the First Supplement.

"**Series 2006 Insurer**" means Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company.

"**Series 2006 Refunding Fund**" means the fund by that name established pursuant to the First Supplement.

"**Series 2006 Reserve Policy**" means the surety bond issued by the Series 2006 Reserve Provider in lieu of the Agency funding the Reserve Account Requirement or any portion thereof.

"**Series 2006 Reserve Provider**" means Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company.

"**Sinking Account Installment** " means the amount of money required by or pursuant to the Indenture to be paid by the Agency on any single date toward the retirement of any particular Term Bonds of any particular Series on or prior to their respective stated maturities.

"**Sinking Account Payment Date**" means any date on which Sinking Account Installments on any Series of Bonds are scheduled to be paid.

"**Stanford/Adeline Redevelopment Plan**" means the redevelopment plan for the Stanford/Adeline Redevelopment Project of the Agency in Oakland, California, entitled "Stan-ford/Adeline Redevelopment Plan," adopted and approved by Ordinance No. 8791 C.M.S. adopted by the Council of the City of Oakland, California on April 10, 1973, as amended by the following ordinances of said Council on the dates indicated: Ordinance No. 8960 C.M.S. (March 14, 1974) and Ordinance No. 11763 C.M.S. (December 20, 1994), together with all further amendments thereto hereafter made in accordance with the Law.

"**Subordinated Housing Set Aside Revenues**" means, for each Bond Year, Housing Set Aside Revenues, excluding the amount, if any, of Senior Annual Debt Service paid from Housing Set Aside Revenues in accordance with the Law and the Indenture.

"**Supplemental Indenture**" means any indenture then in full force and effect which has been entered into by the Agency and the Trustee, amendatory of or supplemental to the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"**Tax Certificate**" means the Tax Certificate dated the date of the original delivery of each Series of Bonds (except any Series of Bonds which the Agency will certify to the Trustee is not intended to meet the requirements for tax exemption under the Code) relating to the requirements of certain provisions of the Code, as each such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

"**Term Bonds**" means Bonds that are payable on or before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

"**Trustee**" means such trustee as may be appointed by the Agency and acting as an independent trustee with the duties and powers provided in the Indenture, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in the Indenture.

"**Variable Rate Bonds**" means Bonds which bear interest at a variable rate of interest.

"**West Oakland Redevelopment Project**" means the redevelopment plan for the West Oakland Redevelopment Project of the 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.

"**Written Request of the Agency**" means an instrument in writing signed by the Administrator of the Agency or such officer's deputy or other designee or by any other officer of the Agency duly authorized by the Agency for that purpose.

ISSUANCE OF ADDITIONAL BONDS

By Supplemental Indenture, the Agency may issue Additional Bonds, payable from Subordinated Housing Set Aside Revenues and secured by the pledge made under the Indenture equally and ratably with Bonds previously issued. The Series 2006 Bonds are Additional Bonds. In order to issue Additional Bonds, the Agency must comply with the provisions set forth in the Indenture and any additional requirements set forth in a Supplemental Indenture, and is subject to the following specific conditions precedent to the issuance of any additional Series of Bonds:

(a) The Agency is in compliance with all covenants set forth in the Indenture and any Supplemental Indentures, and a Certificate of the Agency to that effect is filed with the Trustee.

(b) The issuance of such Additional Bonds has been duly authorized pursuant to the Law and all applicable laws, provided for by a Supplemental Indenture duly executed and delivered by the Agency which specifies the following:

(i) The purpose for which such Additional Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Additional Bonds to be applied solely for (i) the purpose of aiding in financing the Project, including payment of all costs incidental to or connected with such financing, and/or (ii) the purpose of refunding any Bonds or other indebtedness related to the Project, including payment of all costs incidental to or connected with such refunding;

(ii) The authorized principal amount of such Additional Bonds;

(iii) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal and Sinking Account Payment Dates may occur only on interest Payment Dates, (ii) all such Additional Bonds of like maturity and Series shall be identical in all respects, except as to number, and (iii) fixed serial maturities or mandatory Sinking Account installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iv) The Interest Payment Dates, which are to be on the same semiannual dates as the Interest Payment Dates for the Series 2000T Bonds and the Series 2006 Bonds; provided, that Capital Appreciation Bonds may provide for compounding of interest in lieu of payment of interest on such dates;

(v) The denomination and method of numbering of such Additional Bonds;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vii) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

(viii) The amount, if any, to be deposited from the proceeds of such Additional Bonds in the Interest Account;

(ix) The amount, if any, to be deposited from the proceeds of such Additional Bonds into the Reserve Account; provided that the amount on deposit in the Reserve Account shall be increased at or prior to the time such Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then Outstanding Bonds and such Additional Bonds, which amount shall be maintained in the Reserve Account;

(x) The form of such Additional Bonds; and

(c) The Subordinated Housing Set Aside Revenues (based upon the assessed valuation of taxable property in the Project Areas as shown on the most recently equalized assessment roll and the most recently established tax rates preceding the date of the Agency's execution and delivery of the Supplemental Indenture providing for the issuance of such Additional Bonds plus supplemental assessments for projects which have been completed and will be reflected on the tax roll for the next succeeding Fiscal Year, and projects the ownership of which has changed, all as confirmed by the appropriate officer of the County of Alameda), plus an assumed increase in Subordinated Housing Set Aside Revenues of two percent (2%) (based on the current assessed values, but also taking into account, with respect to each Project Area, (i) the lapsing of the previously approved tax override levied by the City in connection with the long-term funding of the City's pension obligations, (ii) the last date to receive tax increment as set forth in the applicable Redevelopment Plan, and (iii) a reasonable estimate of the date that the tax increment cap, if any, for such Project Area will be met), shall be at least equal to one hundred twenty-five percent (125%) of Annual Debt Service on all then Outstanding Bonds and such Additional Bonds and any unsubordinated loans, advances or indebtedness payable from Subordinated Housing Set Aside Revenues pursuant to the Law for each year that such Outstanding and Additional Bonds and any such unsubordinated loans, advances or indebtedness remain outstanding.

(d) Refunding Bonds may be authorized and issued by the Agency without compliance with paragraph (c) above in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all of the following:

(i) The principal or redemption price of all Outstanding Bonds to be refunded;

(ii) All expenses incident to the calling, retiring or paying of such Outstanding Bonds and the costs of issuance of such refunding Bonds; and

(iii) Interest on all Outstanding Bonds to be refunded to the date such Bonds will be called for redemption or paid at maturity.

The proceeds of the sale of the refunding Bonds will be applied by the Trustee according to the direction of the Agency to the retirement of the Outstanding Bonds for the refunding of which said refunding Bonds are to be issued. All Bonds purchased, redeemed or retired by use of funds received from the sale of refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of refunding Bonds, shall be forthwith cancelled and shall not be reissued.

(e) Nothing contained in the Indenture shall limit the issuance of any bonds of the Agency payable from the Subordinated Housing Set Aside Revenues and secured by a lien and charge on the Subordinated Housing Set Aside Revenues if, after the issuance and delivery of such bonds, none of the Bonds theretofore issued under the Indenture will be Outstanding nor will anything contained in the Indenture prohibit the issuance of any bonds or other indebtedness by the Agency secured by a pledge of revenues (including Subordinated Housing Set Aside Revenues) subordinate to the pledge of Subordinated Housing Set Aside Revenues securing the Bonds.

Limitation on Issuance of Senior Bonds. The Agency has covenanted that so long as any Bonds are Outstanding under the Indenture, the Agency will not issue any additional bonds (other than refunding bonds) under the Senior Resolutions or other debt which is payable on a parity with the Senior Bonds and on a priority basis to the Bonds.

PLEDGE OF SUBORDINATED HOUSING SET ASIDE REVENUES

All the Subordinated Housing Set Aside Revenues and all money in the Housing Special Fund and in the funds or accounts so specified and provided for in the Indenture, whether held by the Agency or the Trustee (except the Rebate Fund), are irrevocably pledged to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Bonds, and the Subordinated Housing Set Aside Revenues and such other money will not be used for any other purpose while any of the Bonds remain Outstanding; subject to the provisions of the Indenture permitting application thereof for the purposes and on the terms and conditions set forth in the Indenture. This pledge will constitute a first lien on the Subordinated Housing Set Aside Revenues and such other money for the payment of the Bonds in accordance with the terms thereof.

ESTABLISHMENT OF FUNDS AND ACCOUNTS

The funds and accounts described immediately below are created as special trust funds under the terms of the Indenture. So long as any of the Bonds remain Outstanding, the moneys in these funds will be used for no purposes other than those required or permitted by the Indenture and the Law.

Housing Special Fund

The Indenture establishes a special fund to be known as the "Redevelopment Agency of the City of Oakland Housing Set Aside Special Fund" (the "Housing Special Fund"), which will be held in trust by the Trustee. On or before the Business Day preceding each Interest Payment Date, the Agency will transfer all Subordinated Housing Set Aside Revenues held or received by the Agency to the Trustee for deposit in the Housing Special Fund; provided that the Agency will not be obligated to deposit in the Housing Special Fund in any Bond Year an amount of Subordinated Housing Set Aside Revenues which, together with other available amounts then in the Housing Special Fund, exceeds the amounts required to be transferred to the Trustee for deposit in the Interest Account, the Principal Account, the Sinking Account and the Reserve Account in such Bond Year pursuant to the Indenture. Any Subordinated Housing Set Aside Revenues received during any Bond Year following deposit in the Housing Special Fund of an amount equal to the aggregate amount required to be transferred to the Interest Account, the Principal Account, the Sinking Account and the Reserve Account in such Bond Year pursuant to the Indenture, will be released from the pledge and lien under the Indenture and may be used for any lawful purposes of the Agency. There will not be deposited with the Trustee any taxes eligible for allocation to the Agency for deposit in the Housing Special Fund pursuant to the Law in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Housing Special Fund and the accounts therein, will be sufficient to discharge all Outstanding Bonds as provided in the Indenture.

The Agency covenants and agrees that all Subordinated Housing Set Aside Revenues deposited in the Housing Special Fund will be accounted for through, and held in trust in the Housing Special Fund, and the Agency will have no beneficial right or interest in any of such money, except only as provided in the Indenture. All such Subordinated Housing Set Aside Revenues will nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth in the Indenture, and will be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

All moneys in the Housing Special Fund shall be set aside by the Trustee in each Bond Year when and as received in the following respective special accounts within the Housing Special Fund:

(1) Interest Account;

(2) Principal Account;

(3) Sinking Account; and

(4) Reserve Account.

Interest Account. The Trustee shall set aside from the Housing Special Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest be-coming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. 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 purchased or redeemed prior to maturity).

Principal Account. The Trustee shall set aside from the Housing Special Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in such Bond Year. In the event that there shall be insufficient money in the Housing Special Fund to make in full all such principal payments and Sinking Account Installments required to be made pursuant to the Indenture in such Bond Year, then the money available in the Housing Special Fund shall be applied pro rata to the making of such principal payments and such Sinking Account Installments in the proportion which all such principal payments and Sinking Account Installments bear to each other.

No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds as they shall become due and payable.

Sinking Account. The Trustee shall set aside from the Housing Special Fund and deposit in the Sinking Account an amount of money equal to the Sinking Account Installment payable on the Sinking Account Payment Date in such Bond Year. All moneys in the Sinking Account shall be used by the Trustee to redeem the Term Bonds in accordance with the Indenture.

Reserve Account. The Trustee shall set aside from the Housing Special Fund and deposit in the Reserve Account an amount of money (or other authorized deposit of security, as described by the following paragraph) equal to the Reserve Account Requirement for each Series of Bonds then Outstanding. No deposit need be made in the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement of each Series of Bonds then Outstanding. The Reserve Account shall be divided into subaccounts with respect to each Series of Bonds and each subaccount shall be available only for payment of the Series of Bonds to which it relates. All money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Sinking Account in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Series of Bonds to which such Reserve Account relates in the event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding. In the event that there shall be insufficient money in the Housing Special Fund to make in full all required deposits to the subaccounts in the Reserve Account, then the money available in the Housing Special Fund shall be applied pro rata to such subaccounts in the proportion which all the Reserve Requirements for each Series bear to each other. Any amount in the Reserve Account in excess of the Reserve Account Requirement shall, upon Written Request of the Agency, be transferred by the Trustee to the Interest Account or the Principal Account, as directed by the Agency in such Written Request.

In lieu of depositing moneys in the Reserve Account, or in replacement of moneys then on deposit in the Reserve Account, the Agency, with prior written notification to S&P and Moody's, may deliver to the Trustee an irrevocable letter of credit issued by a financial institution having, at the time of such delivery, unsecured debt obligations rated in at least the second highest rating category (without respect to any modifier) of S&P and Moody's, in an amount, together with moneys, Authorized Investments or insurance policies or surety bonds on deposit in the Reserve Fund, equal to the Reserve Account Requirement.

In lieu of depositing moneys in the Reserve Account, or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the Agency upon delivery of an insurance policy or surety bond satisfying the requirements stated below), the Agency, with prior written notification to S&P and Moody's, may also deliver to the Trustee an insurance policy or surety bond securing an amount, together with moneys, Authorized Investments or letters of credit on deposit in the Reserve Account, no less than the Reserve Account Requirement issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of debt service on the Bonds and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies), at the time of such delivery, are rated in at least the second highest rating category (without respect to any modifier) of S&P and Moody's.

Repayment of any draw under any such insurance policy or surety bond, and any expenses and accrued interest related to such draw, including costs incurred pursuant to the Indenture (collectively the "Policy Costs") shall commence in the first month following each such draw, and shall be paid at the time specified in the Indenture in an amount not less than one-twelfth (1/12th) of the aggregate of the Policy Costs related to such draw. If and to the extent that cash has also been deposited in the subaccount of the Reserve Account to which such policy relates, all such cash shall be used (including any investments purchased with such cash, which shall be liquidated and the proceeds thereof applied as required hereunder) prior to any drawing under the insurance policy or surety bond, and repayment of any Policy Costs shall be made prior to any replenishment of any such cash amounts.

Series 2006 Reserve Policy. On the Closing Date, the Agency will deliver to the Trustee the Series 2006 Reserve Policy issued by the Series 2006 Reserve Provider, in an aggregate amount equal to the Reserve Requirement with respect to the Series 2006A Bonds and the Reserve Requirement with respect to the Series 2006A-T Bonds.

Expense Fund

All moneys in the Expense Fund, which will be held by the Trustee, will be applied to the payment of costs and expenses incurred by the Agency in connection with the authorization, issuance and sale of Bonds and will be disbursed by the Trustee upon delivery to the Trustee of a requisition executed by an officer or other duly authorized representative of the Agency.

Series 2006 Expense Account of the Expense Fund. All moneys in the Series 2006 Expense Account of the Expense Fund, which will be held by the Trustee, will be applied to the payment of costs and expenses incurred by the Agency in connection with the authorization, issuance and sale of the Series 2006 Bonds and will be disbursed by the Trustee upon delivery to the Trustee of a requisition executed by an officer or other duly authorized representative of the Agency. On the earlier of 180 days from the Closing Date, or the date of receipt by the Trustee of a Certificate of the Agency signed by the Agency Administrator, the Agency Treasurer or the designee of either, stating that no amounts are required to remain on deposit in the Series 2006 Expense Account, all amounts (if any) remaining in the Series 2006 Expense Account shall be withdrawn therefrom by the Trustee and be transferred to the Series 2006A-T Project Account of the Project Fund

Project Fund

All moneys in the Project Fund (other than moneys in a Capitalized Interest Account) will be applied to the payment of Project Costs and will be disbursed by the Trustee. All moneys in the Capitalized Interest Account will be applied to the payment of interest on the applicable Series of Bonds. On each Interest Payment Date, the Trustee will transfer to the Interest Account moneys from each Capitalized Interest Account in an amount sufficient to pay the interest due or, such date with respect to the applicable Series of Bonds.

Series 2006A-T Project Account of the Project Fund. Pursuant to the First Supplement, the Trustee will establish a separate account within the Project Fund to be known as the "Series 2006A-T Project Account", which will be held by the Trustee in trust for the benefit of the Agency. The moneys in the Series 2006A-T Project Account will be maintained separate and apart from other moneys of the Agency. The moneys on deposit in the Series 2006A-T Project Account will be used in the manner provided by the Law solely to finance and refinance loans or programs implemented to increase, improve and/or preserve the supply of low and moderate income housing in the City and to the payment of any unpaid costs of issuance with respect to the Series 2006 Bonds. The Agency has covenanted that no funds on deposit in the Series 2006A-T Project Account will be applied for any purpose not authorized by the Law. Prior to their disbursement, amounts on deposit in the Series 2006A-T Project Account of the Project Fund may be invested in any investments in which the Agency is legally able to invest its funds, including Authorized Investments.

Rebate Fund

The Trustee will establish and maintain with respect to each Series of Bonds issued under the Indenture (other than any Series of Bonds which the Agency will certify to the Trustee is exempt from the requirements of Section 148 of the Code related to rebate of arbitrage earnings) a fund separate from any other fund or account established and maintained under the Indenture designated as the "Rebate Fund." Upon the written direction of the Agency, there will be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of the Indenture relating to the pledge of Subordinated Housing Set Aside Revenues, the allocation of money in the Housing Special Fund, the investments of money in any fund or account and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund will be governed exclusively by the Indenture and the Tax Certificate (which is incorporated into the Indenture by reference).

Series 2006A Rebate Fund. Pursuant to the First Supplement, the Trustee will establish and maintain with respect to the Series 2006A Bonds a fund separate from any other fund or account established and maintained under the Indenture designated as the "Series 2006A Rebate Fund." Amounts will be deposited in and disbursed from the Series 2006A Rebate Fund as provided in the Indenture.

Series 2006 Refunding Fund

Under the First Supplement, the Trustee will establish a fund called the "Series 2006 Refunding Fund" with two separate accounts therein to be known as the "Series 2006A Refunding Account" and the "Series 2006A-T Refunding Account". The moneys in the Series 2006 Refunding Fund and the Accounts therein will be maintained separate and apart from other moneys of the Agency.

There will be deposited in the Series 2006A Refunding Account the amount required pursuant to the First Supplement. On the Closing Date, immediately upon the issuance and delivery of the Series 2006A Bonds, the Trustee will transfer all amounts on deposit in the Series 2006A Refunding Account to the Series 2000T Escrow Agent for deposit pursuant to and in accordance with the Series 2000T Escrow Agreement (Tax Exempt).

There will be deposited in the Series 2006A-T Refunding Account the amount required pursuant to the First Supplement. On the Closing Date, immediately upon the issuance and delivery of the Series 2006A-T Bonds, the Trustee will transfer all amounts on deposit in the Series 2006A-T Refunding Account to the Series 2000T Escrow Agent for deposit pursuant to and in accordance with the Series 2000T Escrow Agreement (Taxable).

INVESTMENT OF MONEYS IN FUNDS AND ACCOUNTS

Upon the Written Request of the Agency received by the Trustee at least two Business Days prior to the date of such investment, moneys in the Housing Special Fund (and each Account therein), the Expense Fund, the Project Fund and the Rebate Fund will be invested by the Trusted in Authorized Investments. In the absence of such instructions the Trustee will invest in the investments described in clause (8) of the definition of Authorized Investments. The obligations in which moneys in the Housing Special Fund, the Interest Account, the Principal Account or any Sinking Account are so invested will mature prior to the date on which such moneys are estimated to be required to be paid out under the Indenture. The obligations in which moneys in the Reserve Account are so invested will be in obligations maturing no more than five years from the date of purchase by the Trustee or on the final maturity date of the Bonds, whichever date is earlier, provided, however, that if an obligation may be redeemed at par on the Business Day prior to each Interest Payment date during which such obligation is outstanding, such obligation may have any maturity. Any interest, income or profits from the deposits or investments of all funds (except the Expense Fund and Rebate Fund) and accounts will be deposited in the Housing Special Fund. For purposes of determining the amount on deposit in any fund or account held under the Indenture, all Authorized Investments credited to such fund or account will be valued annually at the lower of cost or market (excluding accrued interest and brokerage commissions, if any). Except as otherwise provided in the Indenture, Authorized Investments representing an investment of moneys attributable to any fund or account and all investment profits or losses thereon will be deemed at all times to be a part of said fund or account. Absent negligence or willful misconduct by the Trustee, the Trustee will not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the Indenture.

CERTAIN COVENANTS

Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Subordinated Housing Set Aside Revenues, except as provided in the Indenture, and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Subordinated Housing Set Aside Revenues (other than Additional Bonds).

Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest is extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded will not be entitled, in case of default under the Indenture, to the benefits of the Indenture, 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 have not been so extended or funded.

Management and Operation of Project. The Agency will manage and operate any part of the Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Books and Accounts; Financial and Project Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries will be made of all transactions relating to the Project Areas. Such books of record and accounts will at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the aggregate principal amount of the Bonds then Outstanding or their representatives authorized in writing.

The Agency will prepare and file with the Trustee annually as soon as practicable, but in any event not later than the earlier of 240 days after the close of each Fiscal Year, so long as any Bonds are Outstanding, an audited financial statement relating to the Subordinated Housing Set Aside Revenues and all other funds or accounts established pursuant to the Indenture for the preceding Fiscal Year prepared by an Independent Certified Public Accountant, showing the balances in each such fund as of the beginning of such Fiscal Year and all deposits in and withdrawals from each such fund during such Fiscal Year and the balances in each such fund as of the end of such Fiscal Year, which audited financial statement will include a statement as to the manner and extent to which the Agency and the Trustee have complied with the provisions of the Indenture as it relates to such funds. The Trustee, at the expense of the Agency, will furnish a copy of such audited financial statement to any Owner upon written request. The Trustee will provide such statements with regard to any funds held by the Trustee under the Indenture to the Agency as the Agency may reasonably require to comply with the terms of this section.

Payment of Taxes and Other Charges. Subject to the provisions of the Indenture, the Agency will pay and discharge all taxes, service charges, assessments and other governmental charges that may be lawfully imposed upon the Agency or any properties owned by the Agency in the Project Areas, or upon the revenues therefrom, when the same becomes due; provided that nothing contained in the Indenture will require the Agency to make any such payments so long as the Agency in good faith contests the validity of any such taxes, service charges, assessments or other governmental charges.

Taxation of Leased Property. Whenever any property in the Project is redeveloped by the Agency and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any real property in the Project to any person or persons for redevelopment, the property will be assessed and taxed in the same manner as privately-owned property (in accordance with the Law), and the lease or contract provides (1) that the lessee will pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease are less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately-owned property, the lessee will pay such difference to the Agency within 30 days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, which such payments will be treated as tax increment revenues.

Disposition of Property in Project Areas. Except as provided below, the Agency will not authorize the disposition of any real property in the Project Areas that will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except for public ownership or use contemplated by the Redevelopment Plans in effect on the date of execution and delivery of the Indenture, or property to be used for public streets or public off-street parking facilities or easements or rights of way for public utilities, or other similar uses) if such disposition, together with all similar prior dispositions on or subsequent to the effective date of the Indenture, will (i) in the aggregate, exceed 10% of the assessed valuation of the property in the Project Areas, or (ii) cause the amount of projected Subordinated Housing Set Aside Revenues in the succeeding Fiscal Year to be less than 125% of Maximum Annual Debt Service. If the Agency proposes to make any such disposition which, together with all similar dispositions on or subsequent to the effective date of the Indenture, comprises more than 10% of the land area in the Project Areas, it will cause to be filed with the Trustee a Consultant's Report on the effect of such proposed disposition. If the Consultants Report concludes that the Subordinated Housing Set Aside Revenues will not be materially reduced by such proposed disposition, the Agency may proceed with, such proposed disposition. If the Consultant's Report concludes that Subordinated Housing Set, Aside Revenues will be materially reduced by such proposed disposition, the Agency will not proceed with such proposed disposition unless, as a condition precedent to such proposed disposition, the Agency requires that such new owner or owners either.

- Pay to the Agency, so long as any of the Bonds are Outstanding, an amount equal to the amount that would have been received by the Agency as Subordinated Housing Set Aside Revenues if such property were assessed and taxed in the same manner as privately-owned non-exempt property, which payment will be made within 30 days after taxes for each year would become payable to the taxing agencies for non-exempt property and in any event prior to the delinquency date of such taxes established by law; or

- Pay to the Agency a single sum equal to the amount estimated and certified to the Agency by an Independent Redevelopment Consultant to be receivable from taxes on such property from the date of such payment to the last maturity date of all Outstanding Bonds, less a reasonable discount value.

All such payments to the Agency in lieu of taxes will be treated as Subordinated Housing Set Aside Revenues and shall be transferred by the Agency to the Trustee to be deposited by the Trustee in the Housing Special Fund.

Amendment of Redevelopment Plans. If the Agency proposes to amend the Redevelopment Plans, it will cause to be filed with the Trustee a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Subordinated Housing Set Aside Revenues will not be materially reduced by such proposed amendment, the Agency may adopt such amendment. If the Consultant's Report concludes that Subordinated Housing Set Aside Revenues will be materially reduced by such proposed amendment, the Agency will not adopt such proposed amendment. The Trustee will be entitled to rely upon any said Report and will have no duty to verify the information or statements set forth therein.

Subordinated Housing Set Aside Revenues. The Agency will comply with all requirements of the Law to insure the allocation and payment to the Agency of the Subordinated Housing Set Aside Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of Alameda County.

Tax Covenants. The Agency will not use or permit the use of any proceeds of the Series 2006A Bonds or any funds of the Agency, directly or indirectly, to acquire any securities or obligations, and will not take or permit to be taken any other action or actions, which would cause any Series 2006A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code of "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder. The Agency will observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Agency will not use or permit the use of any proceeds of the Series 2006A Bonds or any funds of the Agency, directly or indirectly, in any manner, and will not take or omit to take any action that would cause any of the Series 2006A Bonds to be treated as an obligation not described in Section 103(a) of the Code. The foregoing applies to the Series 2006A Bonds, but does not apply to the Series 2006A-T Bonds or the Series 2000T Bonds.

PROVISIONS RELATING TO THE SERIES 2006 BOND INSURANCE POLICY AND THE SERIES 2006 RESERVE POLICY

Rights Under Series 2006 Bond Insurance Policy

So long as the Series 2006 Bond Insurance Policy remains in force and effect, the Trustee shall comply with all of the provisions thereof which are required to be complied with to ensure timely payment of the principal and interest on the Series 2006 Bonds when due.

(a) At least one (1) Business Day prior to all Interest Payment Dates, the Trustee will determine whether there will be sufficient funds in the Funds and Accounts established under the Indenture to pay the principal of or interest on the Series 2006 Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds in such funds or accounts, the Trustee shall so notify the Series 2006 Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the Series 2006 Bonds to which such deficiency is applicable and whether such Series 2006 Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Series 2006 Bond Insurer at least one (1) Business Day prior to an Interest Payment Date, the Series 2006 Bond Insurer will make payments of principal or interest due on the Series 2006 Bonds on or before the first (1st) Business Day next following the date on which the Series 2006 Bond Insurer has received notice of nonpayment from the Trustee.

(b) The Trustee shall, after giving notice to the Series 2006 Bond Insurer as provided in (a) above, make available to the Series 2006 Bond Insurer and, at the Series 2006 Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Series 2006 Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the bond registration books (the "Registration Books") of the Trustee and all records relating to the Funds and Accounts maintained under the Indenture.

(c) The Trustee shall provide the Series 2006 Bond Insurer and the Insurance Trustee with a list of the Owners of Series 2006 Bonds entitled to receive principal or interest payments from the Series 2006 Bond Insurer under the terms of the Series 2006 Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Owners of the Series 2006 Bonds entitled to receive full or partial interest payments from the Series 2006 Bond Insurer and (ii) to pay principal upon all Series 2006 Bonds surrendered to the Insurance Trustee by the Owners of Series 2006 Bonds entitled to receive full or partial principal payments from the Series 2006 Bond Insurer.

(d) The Trustee shall, at the time it provides notice to the Series 2006 Bond Insurer under (a) above, notify the Owners of Series 2006 Bonds entitled to receive the payment of principal or interest thereon from the Series 2006 Bond Insurer (i) as to the fact of such entitlement, (ii) that the Series 2006 Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of the Owner's entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the Owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Series 2006 Bond Insurer, they must surrender their Series 2006 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2006 Bonds to be registered in the name of the Series 2006 Bond Insurer) for payment to the Insurance Trustee, and not the Trustee and (iv) that should they be entitled to receive partial payment of principal from the Series 2006 Bond Insurer, they must surrender their Series 2006 Bonds for payment thereon first to the Trustee who shall note on such Series 2006 Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) If the Trustee has notice that any payment of principal of or interest on a Series 2006 Bond which has become Due for Payment and which is made to an Owner by or on behalf of the Authority has been deemed a preferential transfer and theretofore recovered from its Owner under the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Series 2006 Bond Insurer is notified pursuant to (a) above, notify all Owners that in the event that any Owner's payment is so recovered, such Owner will be entitled to payment from the Series 2006 Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Series 2006 Bond Insurer its records evidencing the payments of principal of and interest on the Series 2006 Bonds which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted the Series 2006 Bond Insurer under the Indenture, the Series 2006 Bond Insurer shall, to the extent it makes payment of principal of or interest on Series 2006 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2006 Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Series 2006 Bond Insurer's rights as subrogee on the Registration Books upon receipt from the Series 2006 Bond Insurer of proof of the payment of interest thereon to the Owners of the Series 2006 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Series 2006 Bond Insurer's rights as subrogee on the Registration Books upon surrender of the Series 2006 Bonds by the Owners thereof together with proof of the payment of principal thereof.

Rights of Series 2006 Bond Insurer

The following provisions shall govern, notwithstanding anything to the contrary set forth in the Indenture:

(a) Any provision of the Indenture expressly recognizing or granting rights in or to the Series 2006 Bond Insurer may not be amended in any manner which affects the rights of the Series 2006 Bond Insurer under the Indenture without the prior written consent of the Series 2006 Bond Insurer.

(b) For so long as the Series 2006 Bond Insurer is not in default under the Series 2006 Bond Insurance Policy, the Series 2006 Bond Insurer shall be deemed to be the sole Owner of the Series 2006 Bonds insured by it for the purpose of exercising any voting rights or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2006 Bonds insured by it are entitled to take pursuant to the provisions of the Indenture relating to the Trustee, the amendment of the Indenture and Events of Default, and the Series 2006 Bond Insurer's consent shall be required for the following purposes: (i) execution and delivery of any supplemental Indenture (other than a supplemental Indenture adopted for the purpose of issuing Additional Bonds), (ii) removal of the Trustee and selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires the consent of the Owners of the Series 2006 Bonds.

(c) Any reorganization or liquidation plan with respect to the Agency must be acceptable to the Series 2006 Bond Insurer. In the event of any reorganization or liquidation, the Series 2006 Bond Insurer shall have the right to vote on behalf of all Owners who hold Series 2006 Bonds absent a default by the Series 2006 Bond Insurer under the Series 2006 Bond Insurance Policy.

(d) Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined in the Indenture, the Series 2006 Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Series 2006 Bonds or the Trustee for the benefit of the Owners of the Series 2006 Bonds under the Indenture, including, without limitation: (i) the right to accelerate the principal of the Series 2006 Bonds as described in the Indenture, and (ii) the right to annul any declaration of acceleration, and the Series 2006 Bond Insurer shall also be entitled to approve all waivers of events of defaults.

(e) While the Series 2006 Bond Insurance Policy is in effect, the Agency shall furnish to the Series 2006 Bond Insurer (to the attention of the Surveillance Department, unless otherwise indicated):

(i) as soon as practicable after the filing thereof, a copy of any financial statement of the Agency, a copy of any audit and annual report of the Agency and a copy of the annual report and any other report given pursuant to the Series 2006 Continuing Disclosure Certificate;

(ii) a copy of any notice to be given to the Owners of the Series 2006 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2006 Bonds, and any certificate rendered pursuant to the Indenture relating to the security for the Series 2006 Bonds; and

(iii) such additional information it may reasonably request.

The Agency or the Trustee, as appropriate, shall notify the Series 2006 Bond Insurer of any failure of the Agency to provide relevant notices, certificates, or filings.

The Agency will permit the Series 2006 Bond Insurer to discuss the affairs, finances and accounts of the Agency or any information the Series 2006 Bond Insurer may reasonably request regarding the security for the Series 2006 Bonds with appropriate officers of the Agency. The Agency or the Trustee, as appropriate, will permit the Series 2006 Bond Insurer to have access to and to make copies of all books and records relating to the Series 2006 Bonds at any reasonable time.

The Series 2006 Bond Insurer shall have the right to direct an accounting at the Agency's expense, and the Agency's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Series 2006 Bond Insurer shall be deemed a default under the Indenture; provided, however, that if compliance cannot occur without such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2006 Bonds.

Notwithstanding any other provision of the Indenture, the Agency shall immediately notify the Series 2006 Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default under the Indenture.

(f) In the event of principal and/or interest due on the Series 2006 Bonds shall be paid by the Series 2006 Bond Insurer pursuant to the Series 2006 Bond Insurance Policy, the Series 2006 Bonds shall remain outstanding for all purposes and not be considered paid by the Agency, and the assignment and pledge of Subordinated Housing Set Aside Revenues under the Indenture and all covenants, agreements and other obligations of the Agency to the Owners of the Series 2006 Bonds shall continue to exist and shall run to the benefit of the Series 2006 Bond Insurer, and the Series 2006 Bond Insurer shall be subrogated to the rights of such Owners.

(g) To the extent that the Indenture confers upon or gives or grants to Series 2006 Bond Insurer any right, remedy or claim under or by reason of the Indenture, the Series 2006 Bond Insurer is hereby explicitly recognized as being a third-party beneficiary under the Indenture and may enforce any such right remedy or claim conferred, given or granted under the Indenture.

(h) Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Agency, the Trustee, the Series 2000T Insurer, the Series 2006 Bond Insurer, any other Insurer insuring Bonds other than the Series 2000T Bonds or the Series 2006 Bonds, and the Owners of the Bonds, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the Trustee, the Series 2000T Insurer, the Series 2006 Bond Insurer, any other Insurer insuring Bonds other than the Series 2000T Bonds or the Series 2006 Bonds, and the Owners of the Bonds.

(i) Except as provided in (j) below, the Agency may acquire, or cause the Trustee to acquire, for any Fund or Account established under the Indenture, only the following Authorized Investments without the consent of the Series 2006 Bond Insurer:

(1)(A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"),

(B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United State of America,

(C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

(D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America;

(A) Federal Home Loan Mortgage Corporation (FHLMC) (i) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) and (ii) Senior debt obligations.

(B) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes.

(C) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations.

(D) Federal National Mortgage Association (FNMA) (i) senior debt obligations and (ii) Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(E) Student Loan Marketing Association (SLMA) senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(F) Financing Corporation (FICO) debt obligations.

(G) Resolution Funding Corporation (REFCORP) debt obligations.

(4) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (1) of the definition of Authorized Investments above, 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 whose short-term obligations are rated “A-1+” or better by S&P and “Prime-1” by Moody’s, which collateral must be held by a third party and provided that the Trustee must have a perfected first security interest in such collateral;

(5) Commercial paper rated “Prime-1” by Moody’s and “A-1+” or better by S&P;

(6) Bankers acceptances of any bank (including the Trustee) with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or better by Moody’s, and “A-1+” by S&P;

(7) Money market funds rated in the top ranking or highest letter and numerical rating provided by at least two nationally recognized statistical rating organizations including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisor or other management services;

(8) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in the highest rating category assigned by such agencies;

(9) State of California Local Agency Investment Fund to the extent any funds to be invested therein by the Trustee are subject to withdrawal by the Trustee directly;

(10) Shares in a California common law trust (including the California Asset Management Program) established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended.

(j) All other Authorized Investments, other than as set forth in the next succeeding sentence, shall require the consent of the Series 2006 Bond Insurer. Notwithstanding (i) above, amounts on deposit in the Project Fund, and amounts on deposit in the Reserve Account that are not pledged to the payment of debt service on the Series 2006 Bonds, may be invested in any Authorized Investments without the consent of the Series 2006 Bond Insurer.

Provisions Relating to the Series 2006 Reserve Policy

As long as the Series 2006 Reserve Policy with respect to the Series 2006 Bonds shall be in full force and effect, or amounts are owed under the Series 2006 Reserve Account Agreement, the Agency and the Trustee agrees to comply with the following provisions:

(i) In the event and to the extent that moneys on deposit in the Special Fund, the Housing Special Fund, the Interest Account, the Principal Account and the Sinking Account, plus all cash on deposit in and credited to the Reserve Account for the benefit of the Owners of the Series 2006 Bonds in excess of the amount of the Series 2006 Reserve Policy, are insufficient to pay the amount of principal and interest coming due, then upon the later of (i) one (1) day after receipt by the General Counsel of the Series 2006 Reserve Provider of a demand for payment in the form attached to the Series 2006 Reserve Policy as Attachment I (the "Demand for Payment"), duly executed by the Trustee certifying that payment due under the Indenture has not been made to the Trustee; or (ii) the payment date of the Series 2006 Bonds as specified in the Demand for Payment presented by the Trustee to the General Counsel of the Series 2006 Reserve Provider, the Series 2006 Reserve Provider will make a deposit for funds in an account with the Trustee or its successor, in New York, New York, sufficient for the payment to the Trustee of amounts which are then due to the Trustee under the Indenture (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Series 2006 Reserve Policy; provided, however, that in the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the Series 2006 Reserve Policy, includes amounts available under a letter of credit, insurance policy, surety bond or other such fund instrument (the "Additional Funding Instrument"), draws on the Series 2006 Reserve Policy and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency.

(ii) The Trustee shall, after submitting to Series 2006 Reserve Provider the Demand for Payment as provided in (i) above, make available to Series 2006 Reserve Provider all records relating to the Funds and Accounts maintained under the Indenture.

(iii) The Trustee shall, upon receipt of moneys received from the draw on the Series 2006 Reserve Policy, as specified in the Demand for Payment, credit the Reserve Account to the extent of moneys received pursuant to such Demand.

AMENDMENT OF THE INDENTURE

The Indenture and the rights and obligations of the Agency and of the Owners may be amended at any time by a Supplemental Indenture that becomes binding when the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture, and the written consent of the Bond Insurer, if any, are filed with the Trustee. No such amendment will (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Agency to pay the interest or principal or redemption premium, if any, at the time and place and at the rate and in the currency provided in the Indenture of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Subordinated Housing Set Aside Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Agency and of the Owners may also be amended at any time, with the consent of the Bond Insurer (which consent shall not be required for a supplemental indenture for Additional Bonds issued under the Indenture), by a Supplemental Indenture that becomes binding upon execution, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- To add to the covenants and agreements of the Agency contained in the Indenture, other covenants and agreements thereafter to be observed, or to surrender any right or power in the Indenture reserved to or conferred upon the Agency;

- 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 regard to questions arising under the Indenture, as the Agency may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the interest of the Owners;

- To provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of the Article in the Indenture relating to the issuance of additional bonds;

- To modify, amend or supplement the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which will not materially adversely affect the interests of the Owners of the Bonds;

- To maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes (except with respect to any Bonds that the Agency certifies to the Trustee are not intended to qualify for such exclusion);

- To the extent necessary to obtain a Bond Insurance Policy, to obtain a rating on the Bonds or in connection with satisfying all or a portion of the Reserve Account Requirement by crediting a letter of credit or Bond Insurance Policy to the Reserve Account; or

- For any other purpose that does not materially adversely affect the interests of the Owners.

DEFAULTS AND REMEDIES

Events of Default. The following events constitute "Events of Default" under the Indenture:

- default is made in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same becomes due and payable, whether at maturity as therein expressed, by declaration or otherwise;

- default is made in the due and punctual payment of the interest on any Bond when and as the same becomes due and payable;

- default is made by the Agency in the observance of any of the agreements, conditions or covenants on its part contained in the Indenture or in the Bonds, and such default has continued for a period of 30 days after the Agency has been given notice in writing of such default by the Trustee; provided, however, that such default will not constitute an Event of Default under the Indenture if the Agency commences to cure such default within said 30-day period and thereafter diligently and in good faith proceeds to cure such default within a reasonable period of time; or

- the Agency files a petition or answer 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 approves a petition, filed with or without the consent of the 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 assumes custody or control of the Agency or of the whole or any substantial part of its property.

Acceleration of Maturities. During the continuance of an Event of Default, the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, will, by notice in writing to the Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same becomes immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding; provided, however, that any such declaration will be subject to the prior written consent of the Bond Insurer, if any. However, if at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered, the Agency deposits 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 at the rate of interest which would have been paid on such overdue principal on such overdue installments of principal and interest, and the expenses of the Trustee, including attorneys fees, 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) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences;

provided, however, that no such rescission or annulment will occur without the prior written consent of the Bond Insurer, if any. No such rescission and annulment will extend to or affect any subsequent default, or impair or exhaust any right or power consequent thereon.

Application of Funds Upon Acceleration. All money in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the Trustee as provided in the Indenture, and all Subordinated Housing Set Aside Revenues thereafter received by the Agency there-under, will be transmitted to the Trustee and applied by the Trustee in the following order.

- first, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this article, including reasonable compensation to its agents and counsel, to the payment of any other amounts then due and payable to the Trustee, including any predecessor trustee, with respect to or in connection with the Indenture, whether as compensation, reimbursement, indemnification or otherwise, and to the payment of the costs and expenses of the Owners in providing for the declaration of such event of default, including reasonable compensation to their agents and counsel; and

- second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on the overdue interest and principal at the rate of interest which would have been paid on such overdue principal, and in case such money is insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue interest and principal without preference or priority among such interest, principal and interest on overdue interest and principal, ratably to the aggregate of such interest, principal and interest on overdue interest and principal; provided that the amounts in each subaccount of the Reserve Account will be applied only to the payment of the Series of Bonds to which such subaccount relates.

Other Remedies of Owners. Any Owner, subject to the conditions set forth in the Indenture, will have the right for the equal benefit and protection of all Owners similarly situated:

- By mandamus or other suit or proceeding at law or in equity to enforce such Owner's rights against the Agency and any of the members, officers and employees of the Agency, and to compel the Agency or any such members, officers or employees to perform and carry out their duties under the Law and their agreements with the Owners as provided in the Indenture;

- By suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Owners; or

- Upon the happening of an event of default, by a suit in equity to require the Agency and its members, officers and employees to account as the trustee of an express trust.

Bond Insurer to Direct Default Proceedings. Notwithstanding any other provision of the Indenture, so long as a Bond Insurance Policy is in effect and the Bond Insurer is not in default in its obligations thereunder with respect to any Series of Bonds, the Bond Insurer will have the right to direct any default proceedings with respect to such Series of Bonds; provided, that if there is more than one Bond Insurer or if any Series of Bonds (or portion thereof) is not covered by a Bond Insurance Policy, then each Bond Insurer will have the right to direct default proceedings only as if it were the Owner of the Bonds which its Bond Insurance Policy covers.

DISCHARGE OF INDEBTEDNESS

If the Agency pays or causes to be paid, or there is otherwise paid, to the Owners of all Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in the Indenture, then the Owners of such Bonds will cease to be entitled to the pledge of Subordinated Housing Set Aside Revenues, and all covenants, agreements and other obligations of the Agency to the Owners of such Bonds under the Indenture will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee will execute, at the Written Request of the Agency, and at its expense, and deliver to the Agency all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee will, after payment of amounts due the Trustee, any Bond Insurer and any reserve facility provider (including the Series 2006 Reserve Provider) under the Indenture, pay over or deliver to the Agency all money or securities held by them pursuant to the Indenture which are not required for the payment of the interest due on and the principal of such Bonds other than the moneys, if any, in the Rebate Fund.

Any Outstanding Bonds will prior to the maturity date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there will have been deposited with or delivered to the Trustee, or another fiduciary or escrow agent, (i) either money in an amount which will be sufficient, or Federal Securities (including any Federal Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the interest due and to become due on such Bonds on and prior to the maturity date thereof or such earlier redemption date as will be irrevocably established, and the principal of and redemption premium, if any, on such Bonds (the sufficiency of such amounts to be appropriately verified by a report of an Independent Certified Public Accountant), (ii) an escrow agreement entered into by the Agency and the Trustee or other fiduciary or escrow agent, acceptable in form and substance to the applicable Bond Insurer, (iii) irrevocable instructions, in form satisfactory to the Trustee, to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (1) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or earlier redemption date upon which money is to be available for the payment of the principal of such Bonds, and (iv) an opinion of nationally recognized bond counsel to the effect that such Bonds area no longer Outstanding under the Indenture.

Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds or interest thereon have become due and payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds or interest thereon become due and payable, will be repaid by the Trustee to the Agency, as its absolute property and free from trust, and the Trustee will thereupon be released and discharged with respect thereto and the Bond Owners will look only to the Agency for the payment of such Bonds; provided, however, that before being required to make any such payment to the Agency, the Trustee will, at the expense of the Agency, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books of the Trustee, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date will not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Agency.

THE TRUSTEE

The Trustee is generally required to receive all money that the Agency is required to deposit with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture. The Agency, but only prior to an Event of Default, with 30 days prior written notice, remove the Trustee; provided, that any such successor will be a bank or trust company doing business in California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of the Indenture the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the Agency, and upon receiving such notice of resignation, the Agency will promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee will have been appointed and have accepted appointment within 30 days of the giving of notice of removal or notice of resignation as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor trustee appointed in connection with such resignation will give notice to the Owners of its appointment.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

PROPOSED FORMS OF BOND COUNSEL OPINIONS

April __, 2006

Redevelopment Agency of the City of Oakland
One Frank Ogawa Plaza
Oakland, California 94612

OPINION: $2,195,000 Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A

Members of the Agency:

We have acted as bond counsel in connection with the issuance by the Redevelopment Agency of the City of Oakland (the "Agency") of its $2,195,000 principal amount Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A (the "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"), a resolution of the Agency adopted on March 7, 2006, and an Indenture dated as of May 1, 2000, between the Agency and BNY Western Trust Company, as succeeded by The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture dated as of April 1, 2006 (collectively, the "Indenture") between the Agency and 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 Agency contained in the Indenture and in certified proceedings and other certifications of public officials and others 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 Agency is duly created and validly existing as a public body, corporate and politic, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly executed and delivered by the Agency and constitutes a valid and binding obligation of the Agency enforceable upon the Agency.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, the Series 2000T Bonds and any other Additional Bonds (as such terms are defined in the Indenture), subject to the prior lien granted to the Senior Bonds under the Senior Resolutions (as such terms are defined in the Indenture).

4. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency payable, on a parity with the Series 2000T Bonds and any other Additional Bonds, solely from the sources provided therefor in the Indenture.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes, except during any period while a Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the "Code"). It should be noted, however, that, such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Agency and the users of the facilities financed or refinanced from the proceeds with the proceeds of the Bonds comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Agency and the users of the facilities financed or refinanced from the proceeds with the proceeds of the Bonds have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the 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.

Respectfully submitted,

A Professional Law Corporation

[PROPOSED FORM OF OPINION OF BOND COUNSEL]

April __, 2006

Redevelopment Agency of the City of Oakland
One Frank Ogawa Plaza
Oakland, California 94612

OPINION: $82,645,000 Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A-T (Federally Taxable)

Members of the Agency:

We have acted as bond counsel in connection with the issuance by the Redevelopment Agency of the City of Oakland (the "Agency") of its $82,645,000 principal amount Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "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"), a resolution of the Agency adopted on March 7, 2006, and an Indenture dated as of May 1, 2000, between the Agency and BNY Western Trust Company, as succeeded by The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture dated as of April 1, 2006 (collectively, the "Indenture") between the Agency and 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 Agency contained in the Indenture and in certified proceedings and other certifications of public officials and others 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 Agency is duly created and validly existing as a public body, corporate and politic, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly executed and delivered by the Agency and constitutes a valid and binding obligation of the Agency enforceable upon the Agency.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, the Series 2000T Bonds and any other Additional Bonds (as such

terms are defined in the Indenture), subject to the prior lien granted to the Senior Bonds under the Senior Resolutions (as such terms are defined in the Indenture).

4. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency payable, on a parity with the Series 2000T Bonds and any other Additional Bonds, solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is not excluded from gross income for federal income tax purposes.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the 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.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND (the "Agency") in connection with the issuance of the Agency's Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A in aggregate principal amount of $2,195,000 and Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) in aggregate principal amount of $82,645,000 (the "Bonds"). The Bonds are being issued pursuant to an indenture dated as of May 1, 2000, by and between the Agency and BNY Western Trust Company, as succeeded by The Bank of New York Trust Company, N.A., as supplemented by the First Supplemental Indenture dated as of April 1, 2006 (collectively, the "Indenture"), by and between the Agency and The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as trustee (the "Trustee"). The Agency covenants and agrees as follows:

1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, 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, Sections 3 and 4 of this Disclosure Certificate.

"CPO" means the Internet-based filing system currently located at www.DisclosureUSA.org, or such other similar filing system approved by the Securities and Exchange Commission.

"Dissemination Agent" shall mean the Agency or any successor Dissemination Agent appointed by the City.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-1 2(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.

"State Repository" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

3. Provision of Annual Reports.

(a) The Agency shall, or shall direct the Dissemination Agent in writing to, not later than nine months after the end of the Agency's Fiscal Year (currently June 30), commencing with the report for the 2005-06 Fiscal Year, provide to each Repository (or, in lieu of providing to each Repository, provide to the CPO) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Trustee (if different from the Dissemination Agent). Not later than 15 Business Days prior to said date, the Agency shall provide the Annual Report to the Dissemination Agent (if other than the Agency). 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 may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report 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(c).

(b) If the Agency is unable to provide to the Repositories or to the Dissemination Agent an Annual Report by the date required in subsection (a), the Agency shall send a notice, or direct in writing the Dissemination Agent to send a notice, to (i) National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository in substantially the form attached as Exhibit A. In lieu of filing the notice with each Repository, the Agency or the Dissemination Agent may file such notice with the CPO.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the Agency and has been directed to file the Annual Report pursuant to Section 3(a) hereof, the Dissemination Agent shall file a report with the Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

4. Content of Annual Reports. The Agency's Annual Report shall be in a format suitable for filing with each Repository and shall contain or incorporate by reference the following:

(a) Audited Financial Statements 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. If the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed 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 filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the Agency for the preceding Fiscal Year, substantially similar to that provided in the corresponding tables and charts in the Official Statement for the Bonds:

(i) Table 1–"Taxable Value History (All Project Areas);"

(ii) Table 2–"Subordinated Housing Set Aside Revenues History by Redevelopment Project Area;"

(iii) Table 3–"Top Ten Taxpayers (All Project Areas Combined);" and

(iv) "THE PROJECT AREAS–Outstanding Appeals for Reduction Assessed Valuations."

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 have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Agency shall clearly identify each such other document so included by reference. The Agency reserves the right to include the information required to be set forth in the Annual Report contemplated by this Section 4 in an omnibus report prepared by the Agency or the City of Oakland, which omnibus report may include information relating to one or more bond issuers in addition to the Bonds.

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.

5. Reporting of Significant Events.

Pursuant to the provisions of this Section 5, the Agency shall give, or cause to be given, notice of the occurrence of any of the following events (the "Listed Events") with respect to the Bonds, if material:

(a) Principal and interest payment delinquencies.

(b) Non-payment related defaults.

(c) Unscheduled draws on debt service reserves reflecting financial difficulties.

(d) Unscheduled draws on credit enhancements reflecting financial difficulties.

(e) Substitution of credit or liquidity providers, or their failure to perform.

(f) Adverse tax opinions or events affecting the tax-exempt status of the security.

(g) Modifications to rights of security holders.

(h) Contingent or unscheduled bond calls.

(i) Defeasances.

(j) Release, substitution, or sale of property securing repayment of the securities.

(k) Rating changes.

Whenever the Agency obtains knowledge of the occurrence of a Listed Event, the Agency shall, as soon as possible, determine if such event would be material under applicable Federal securities law. The Trustee or the Dissemination Agent shall have no role whatsoever nor any responsibility or liability for such determination.

If the Agency determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Agency shall, or by written direction cause the Dissemination Agent (if not the Agency) to, promptly file a notice of such occurrence with (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository with a copy to the Trustee, together with written direction to the Trustee whether or not to notify the Bondholders of the filing of such notice. In the absence of any such direction, the Trustee shall not send such notice to the Bondholders. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

In lieu of filing the notice of Listed Event with each Repository in accordance with the preceding paragraph, the Agency or the Dissemination Agent may file such notice of a Listed Event with the CPO.

6. Termination of Reporting Obligation. The Agency's, the Trustee's and the Dissemination Agent's (if different) obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. lf such termination occurs prior to the final maturity of the Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

7. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent, if other than the Agency, shall not be responsible in any manner whatsoever for the format or content of any notice or Annual Report prepared by the Agency pursuant to this Disclosure Certificate. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any papers or any further act. The initial Dissemination Agent shall be The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company. The Dissemination Agent may resign, with or without appointment of a successor Dissemination Agent, upon thirty days' prior notice to the Agency. The Dissemination Agent, in addition to any other compensation if the Dissemination Agent shall also be the Trustee, shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses including, but not limited to, attorneys' fees within 30 days following demand.

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 Sections 3(a), 4 or (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 type of business conducted;

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

(d) If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 5(c).

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 future Annual Report or notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the Agency to comply with any provision of this Disclosure Certificate the Trustee may (and, subject to payment of its fees and expenses and receipt of satisfactory indemnity as set forth in the Indenture, at the request of the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any holder or beneficial owner 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency or Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including, but not limited to, the costs and expenses (including attorneys fees) (whether or not litigated) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Such indemnity shall be separate from and in addition to that provided to the Trustee under the Indenture. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent, payment of the Bonds and termination of this Disclosure Certificate pursuant to Section 6. The Dissemination Agent shall have no liability for failure to report any event or item of financial information as to which the Agency has not provided it in an information report in format suitable for filing with the Repositories. The Dissemination Agent shall have no obligation or liability whatsoever for the accuracy or completeness of any Annual Report or report of materiality under Section 5(b) hereof and shall not be deemed to be acting in any fiduciary capacity hereunder for the Agency or for any Bond owner.

12. Fees. The Agency shall compensate and reimburse the Dissemination Agent within 30 days of receipt of an invoice for such compensation and reimbursement.

13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Trustee, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _________, 2006

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

By:_______________________________________
Authorized Representative

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Name of Issue: Redevelopment Agency of the City of Oakland, Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A

Redevelopment Agency of the City of Oakland, Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A-T (Federally Taxable)

Date of Issuance: _________, 2006

NOTICE IS HEREBY GIVEN to [(i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository] [the CPO and the Municipal Securities Rulemaking Board] that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the indenture, dated as of May 1, 2000, by and between The Bank of New York Trust Company, N.A., as trustee, and the Redevelopment Agency of the City of Oakland. The Issuer anticipates that the Annual Report will be filed by ______________.

cc: Trustee

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 Agency takes no responsibility for the completeness or accuracy thereof. The 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 or 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, NY, will act as securities depository for the Series 2006 Bonds. The Series 2006 Bonds will be issued as fully-registered securities 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 security certificate will be issued for each maturity of the Series 2006 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (respectively, "NSCC", "FICC", and "EMCC", also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org northing contained in such website is incorporated into this Official Statement.

Purchases of the Series 2006 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2006 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2006 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 Series 2006 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 the Series 2006 Bonds, except in the event that use of the book-entry system for the Series 2006 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2006 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 the Series 2006 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2006 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006 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 the Series 2006 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2006 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the Series 2006 Bonds may wish to ascertain that the nominee holding the Series 2006 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. The conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC 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. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify a Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2006 Bonds called for redemption or of any other action premised on such notice. Redemption of portions of the Series 2006 Bonds by the Agency will reduce the outstanding principal amount of Series 2006 Bonds held by DTC. In such event, DTC will implement, through its book-entry system, a redemption by lot of interests in the Series 2006 Bonds held for the account of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then DTC Participants and Indirect Participants will implement a redemption of the Series 2006 Bonds.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2006 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 Series 2006 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest evidenced by the Series 2006 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 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 (nor its nominee), the Trustee, or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Series 2006 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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.

NEITHER THE AGENCY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF SERIES 2006 BONDS FOR REDEMPTION.

Neither the Agency nor the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2006 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Series 2006 Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2006 Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2006 Bond certificates will be printed and delivered.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor: Policy Number:

Obligations: Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President

AMBAC ASSURANCE CORPORATION CORPORATE SEAL WISCONSIN

Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Authorized Officer of Insurance Trustee

Ambac

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the term "Due for Payment" shall also mean, when referring to the principal of and interest on a Bond, any date on which the Bonds shall have been duly called for special mandatory redemption as a result of a final determination by a court of competent jurisdiction of an administrative agency that interest paid or payable on the Bonds to other than a substantial user or a related person is or was includable in the gross income of the owner thereof for federal income tax purposes under the United States Internal Revenue Code of 1986, as amended, pursuant to Section ________ of the Trust Indenture dated as of ____________, 19_____ securing the Bonds.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation

President

AMBAC ASSURANCE CORPORATION
CORPORATE
SEAL
WISCONSIN

Secretary

Authorized Representative

Ambac

Ambac Assurance Corporation
One State Street Plaza,
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

In the event that Ambac Assurance Corporation were to become insolvent, any claims arising under the Policy would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation

AMBAC ASSURANCE CORPORATION
CORPORATE
SEAL
WISCONSIN

President

Secretary

Authorized Representative

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX I

SPECIMEN RESERVE ACCOUNT SURETY BOND

[THIS PAGE INTENTIONALLY LEFT BLANK]

SURETY BOND

Ambac Assurance Corporation

Statutory Office:
c/o CT Corporation
44 East Mifflin Street
Madison, Wisconsin 53703

Administrative Office:
One State Street Plaza
New York, New York 10004
Telephone: (212) 668-0340

Policy No. SB__BE

Ambac Assurance Corporation ("Ambac"), in consideration of the payment of the premium and subject to the terms of this Surety Bond, hereby unconditionally and irrevocably guarantees the full and complete payments which are to be applied to payment of principal of and interest on the Obligations (as hereinafter defined) and which are required to be made by or on behalf of the ___________ (the "Obligor") to __________ (the "Trustee") as such payments are due by the Obligor but shall not be so paid pursuant to a ________ of the Obligor, dated as of _________ (the "Ordinance"), authorizing the issuance of $_________________ (the "Obligations") of said Obligor and providing the terms and conditions for the issuance of said Obligations; provided that the amount available at any particular time to be paid to the Trustee under the terms hereof shall not exceed the Surety Bond Coverage, defined herein as the lesser of $____________ or the Debt Service Reserve Fund Requirement for the Obligations, as that term is defined in the Ordinance (the "Reserve Requirement"). The Surety Bond Coverage shall be reduced and may be reinstated from time to time as set forth herein.

1. As used herein, the term "Owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the applicable Trustee, the Obligor or any designee of the Obligor for such purpose. The term "Owner" shall not include the Obligor or any person or entity whose obligation or obligations by agreement constitute the underlying security or source of payment of the Obligations.

2. Upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac of a demand for payment in the form attached hereto as Attachment 1 (the "Demand for Payment"), duly executed by the Trustee certifying that payment due as required by the Ordinance has not been made to the Trustee; or (ii) the payment date of the Obligations as specified in the Demand for Payment presented by the Trustee to the General Counsel of Ambac, Ambac will make a deposit of funds in an account with the Trustee or its successor, sufficient for the payment to the Trustee, of amounts which are then due to the Trustee (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage.

3. Demand for Payment hereunder may be made by prepaid telecopy, telex, or telegram of the executed Demand for Payment c/o the General Counsel of Ambac. If a Demand for Payment made hereunder does not, in any instance conform to the terms and conditions of this Surety Bond, Ambac shall give notice to the Trustee, as promptly as reasonably practicable that such Demand for Payment was not effected in accordance with the terms and conditions of this Surety Bond and briefly state the reason(s) therefor. Upon being notified that such Demand for Payment was not

effected in accordance with this Surety Bond, the Trustee may attempt to correct any such nonconforming Demand for Payment if, and to the extent that, the Trustee is entitled and able to do so.

4. The amount payable by Ambac under this Surety Bond pursuant to a Demand for Payment shall be limited to the Surety Bond Coverage. The Surety Bond Coverage shall be reduced automatically to the extent of each payment made by Ambac hereunder and will be reinstated to the extent of each reimbursement of Ambac by the Obligor pursuant to Article II of the Guaranty Agreement (the "Guaranty Agreement"), dated as of the date of the Obligations, by and between Ambac and the Obligor; provided, that in no event shall such reinstatement exceed the Surety Bond Coverage. Ambac will notify the Trustee, in writing within five (5) days of such reimbursement, that the Surety Bond Coverage has been reinstated to the extent of such reimbursement pursuant to the Guaranty Agreement and such reinstatement shall be effective as of the date Ambac gives such notice. The notice to the Trustee will be substantially in the form attached hereto as Attachment 2. The Surety Bond Coverage shall be automatically reduced to the extent that the Reserve Requirement for the Obligations is lowered or reduced pursuant to the terms of the Ordinance.

5. Any service of process on Ambac may be made to Ambac or the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, General Counsel will act as agent for the acceptance of service of process and its offices are located at One State Street Plaza, New York, New York 10004, Telephone: (212) 668-0340.

6. This Surety Bond is noncancelable for any reason. The term of this Surety Bond shall expire on the earlier of (i)_________ **(the maturity date of the Obligations)** or (ii) the date on which the Obligor, to the satisfaction of Ambac, has made all payments required to be made on the Obligations pursuant to the Ordinance. The premium on this Surety Bond is not refundable for any reason, including the payment prior to maturity of the Obligations.

7. This Surety Bond shall be governed by and interpreted under the laws of the State of Wisconsin, and any suit hereunder in connection with any payment may be brought only by the Trustee within one year after (i) a Demand for Payment, with respect to such payment, is made pursuant to the terms of this Surety Bond and Ambac has failed to make such payment or (ii) payment would otherwise have been due hereunder but for the failure on the part of the Trustee to deliver to Ambac a Demand for Payment pursuant to the terms of this Surety Bond, whichever is earlier.

8. In the event that Ambac were to become insolvent, any claims arising under the Surety Bond would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

IN WITNESS WHEREOF, Ambac has caused this Surety Bond to be executed and attested on its behalf this __ day of _____, 20__.

Ambac Assurance Corporation

Attest: ________________________________	By: ________________________________
Title: Assistant Secretary	Title: Vice President and Assistant General Counsel

Attachment 1

Surety Bond No. SB__BE

DEMAND FOR PAYMENT

, 20__

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Reference is made to the Surety Bond No. SB___BE (the "Surety Bond") issued by Ambac Assurance Corporation ("Ambac"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

The Trustee hereby certifies that:

(a) Payment by the Obligor to the Trustee was due on _____ [a date not less than one (1) day prior to the applicable payment date for the Obligations] under the Ordinance attached hereto as Exhibit A, in an amount equal to $________ (the "Amount Due"). The Amount Due is payable to the Owners of the Obligations on ____________________.

(b) $_______ has been deposited in the ______ [fund/account] from moneys paid by the Obligor or from other funds legally available to the Trustee for payment to the Owners of the Obligations, which amount is $________ less than the Amount Due (the "Deficiency").

(c) The Trustee has not heretofore made demand under the Surety Bond for the Amount Due or any portion thereof.

The Trustee hereby requests that payment of the Deficiency (up to but not in excess of the Surety Bond Coverage) be made by Ambac under the Surety Bond and directs that payment under the Surety Bond be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Surety Bond:

______________________________________ [Trustee's Account]

[Trustee]
By: ____
Its: ____

For your protection California law requires the following to appear on this form:
Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Attachment 2

Surety Bond No. SB__BE

NOTICE OF REINSTATEMENT

, 20__

[Trustee]

[Address]

Reference is made to the Surety Bond No. SB___BE (the "Surety Bond") issued by Ambac Assurance Corporation ("Ambac"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

Ambac hereby delivers notice that it is in receipt of payment from the Obligor pursuant to Article II of the Guaranty Agreement and as of the date hereof the Surety Bond Coverage is $_______________, subject to a reduction as the Reserve Requirement for the Obligations is lowered or reduced pursuant to the terms of the Ordinance.

AMBAC ASSURANCE CORPORATION

Attest: ______________________	By: ______________________
Title:	Title:

Form No.: 2B-0009-C (7/97)

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006A AND REVENUE BONDS, SERIES 2006A-T

Recycled Paper - Printed by
IMAGEMASTER 800.452.5152