



CITY OF OAKLAND

MEMORANDUM**TO:** HONORABLE MAYOR &
CITY COUNCIL**FROM:** Deanna J. Santana**SUBJECT:** Recent California Department of
Finance “Due Diligence Review” of the
former Redevelopment Agency and
Recognized Obligation Payment
Schedule (ROPS)**DATE:** May 23, 2013

INFORMATION

Like hundreds of cities in California, the City of Oakland continues to address issues and impacts related to the statewide dissolution of redevelopment agencies in February 2012. Recently the City received a final determination from the Department of Finance about the amount of cash from the former Oakland Redevelopment Agency available for distribution to local government agencies in Alameda County.

As a result of prudent financial planning, the State’s findings will have no impact on current City of Oakland finances. Anticipating State review, more than a year ago the City of Oakland set aside \$32.5 million in reserve in the event that the State reversed land and property sales or “clawed back” asset transfers between the former Oakland Redevelopment Agency and the City of Oakland.

Although the elimination of the Redevelopment Agency has had a significant financial impact on the City, Mayor Quan and the City Council have been prudent and proactive about protecting the community’s assets and minimizing further financial impact to Oakland.

The specific findings are discussed in greater detail below.

Department of Finance’s “Due Diligence Review”

Under the law that dissolved redevelopment agencies statewide, successor agencies of former redevelopment agencies are required to pay available cash to the County for redistribution to the “taxing entities.” Taxing entities are the government agencies that get a share of property taxes (i.e., the County, the Oakland Unified School District, AC Transit, BART, etc.). The City of Oakland is also a taxing entity.

Recently the California Department of Finance performed a “Due Diligence Review” of the Oakland Redevelopment Successor Agency to determine how much cash is available from the former Redevelopment Agency that can be redistributed to the taxing entities. Funds that have

restrictions on their use, such as bond funds, or that are needed to satisfy enforceable obligations, such as contracts, are not available to be redistributed.

On Friday, May 17, the Department of Finance determined that a series of purchase and sale agreements between the City and the Oakland Redevelopment Agency to acquire eight properties, including the Henry J. Kaiser Convention Center, which totaled approximately \$35.2 million, were not “enforceable obligations” under the State law dissolving redevelopment agencies (see attachment). Additionally, the Department determined that a number of contracts the City entered into for various public improvements also were not “enforceable obligations” of the Oakland Redevelopment Agency, even though the Redevelopment Agency had committed funds for these City projects.

As a result, the State has determined that the Successor Agency must redistribute approximately \$32.5 million in cash to the taxing entities. Accordingly, the City will transmit \$32,477,484 to the Alameda County Auditor-Controller through its Successor Agency by the May 24 deadline. This payment will be made under protest, reserving the City’s right to challenge these determinations in court.

Due to prudent financial planning, the State’s findings will have no impact on the City’s finances. More than a year ago, anticipating the possibility that the State could reverse these transactions, the City of Oakland set aside \$32.5 million in the General Fund reserve. The properties sold to the former Redevelopment Agency, including the Henry J. Kaiser, will be transferred back to the City of Oakland and will become available for reuse.

Department of Finance’s Recognized Obligation Payment Schedule (ROPS) Determination

In a separate action, the Department of Finance has again denied the City of Oakland’s request and appeal for funding of project-related staff costs through the current Recognized Obligation Payment Schedule (ROPS 13-14A) (see attachment). These funds cover the cost of staff needed to complete affordable housing projects initiated by the former Oakland Redevelopment Agency. The City continues to explore all administrative remedies through ongoing discussions with Department of Finance staff to get ROPS funding for the affordable housing project staff. The amount denied equals approximately \$850,000 per six months.

Respectfully submitted,

/s/
DEANNA J. SANTANA
City Administrator

For questions, please contact Scott P. Johnson, Assistant City Administrator (510) 238-6906.

HONORABLE MAYOR AND CITY COUNCIL

Subject: Two Recent State of California Reviews of the Former Redevelopment Agency

Date: May 23, 2013

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Attachments (2)

- Letter from the California Department of Finance, re: Other Funds and Accounts Due Diligence Review, dated May 17, 2013
- Letter from the California Department of Finance, re: Recognized Obligation Payment Schedule, dated May 17, 2013



May 17, 2013

Ms. Sarah Schlenk, Agency Administrative Manager
Oakland Redevelopment Successor Agency
250 Frank H. Ogawa Plaza, #3315
Oakland, CA 94619

Dear Ms. Schlenk:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated April 25, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Oakland Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on February 5, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Agency did not meet the January 15, 2013 submittal deadline pursuant to HSC section 34179.6 (c), Finance is not bound to completing its review and making a determination by the April 1, 2013 deadline pursuant to HSC section 34179.6 (d). Finance issued an OFA DDR determination letter on April 25, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on May 3, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- Cash transfers to the City of Oakland (City) in the amount of \$128,820,367. Our initial review noted that the former Redevelopment Agency (RDA) transferred cash totaling \$139,844,716 to the City of which \$128,820,367 (\$35,161,938 + \$93,658,429) was not permitted. Of the \$128,820,367 in disallowed transfers, \$53,541,545 (\$15,877,394 + \$37,664,151) was determined to be restricted cash/bond proceeds not available for disbursement to the taxing entities and the OFA balance available was increased by \$75,278,822 (\$128,820,367 - \$53,541,545). Based upon further review during the Meet and Confer process, disallowed transfers total \$95,584,052 (\$35,161,938 + \$60,422,114), of which \$59,121,915 (\$15,877,394 + \$43,244,521) is restricted cash/bond proceeds and OFA balances available will be increased by \$36,462,137 (\$95,584,052 - \$59,121,915), as further discussed below.
 - Pursuant to a Purchase and Sale Agreement with a Leaseback Option (Purchase and Sale Agreement) between the City and the former RDA dated March 3, 2011, the former RDA transferred \$35,161,938 to the City to acquire nine properties with a leaseback option by the City. HSC section 34179.5 states "enforceable obligation"

includes any of the items listed in subdivision (d) of section 34171. HSC section 34171 (d) (2) states "enforceable obligation" does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. Therefore, the transfer of \$35,161,938 from the former RDA to the City was not for a valid obligation and the cash and property transfers should be reversed. Of the \$35,161,938 in transfers, \$15,877,394 had originated from restricted cash/bond proceeds and is not available for disbursement to the taxing entities. Therefore, the OFA balance available for distribution is being increased by \$19,284,544 (\$35,161,938 - \$15,877,394).

- Pursuant to a Funding Agreement between the City and the former RDA executed on March 3, 2011, the Agency transferred \$104,682,778 to the City. The former RDA agreed to pay the City an amount equal to the cost for the City to carry out and complete projects on behalf of the former RDA. Pursuant to HSC section 34167.5, asset transfers after January 1, 2011, between the city, county, or city and county that created a RDA and the former RDA for which an enforceable obligation does not exist is not permitted.

During the initial review, it was determined that \$11,024,349 of the transfers had third party contracts executed by the City after the effective date of the Funding Agreement and before June 27, 2011. The remaining balance of \$93,658,429 (\$104,682,778 - \$11,024,349) was not related to enforceable obligations. It was determined that contracts issued prior to the Funding Agreement date of March 3, 2011, cannot be obligations of the former RDA as the former RDA's funds were not committed at the time of contract execution. Additionally, HSC 34163 (b) prohibits contracts to be entered into after June 27, 2011. Since \$37,664,151 of the disallowed amount originated from restricted cash/bond proceeds and is not available for disbursement to the taxing entities, the OFA balance available was increased by \$55,994,278 (\$93,658,429 - \$37,664,151).

Based upon further review during the Meet and Confer process, \$35,987,547 is restricted for the Oakland Army Base (Base) and \$8,273,117 may be retained for certain third party contracts, as further discussed below. Therefore, \$60,422,114 (\$104,682,778 - \$35,987,547 - \$8,273,117) is not restricted or related to enforceable obligations. Since \$43,244,521 of the disallowed amount originated from restricted cash/bond proceeds and is not available for disbursement to the taxing entities, the OFA balance available will be increased by \$17,177,593 (\$60,422,114 - \$43,244,521).

- During the Meet and Confer process, the Agency contended that approximately \$34.7 million of the original disallowed amount is restricted balances for the Oakland Army Base Reuse project and cannot be remitted to the taxing entities. In the Meet and Confer request, the Agency stated that the amount consisted of approximately \$22 million in revenues generated on the Army Base, \$7 million restricted for specific purposes, and \$5.7 million restricted for remediation financial assurance.

The Economic Development Conveyance (EDC) Memorandum of Agreement (Agreement) between the U.S. Army, Oakland Base Reuse Authority (OBRA), and the former RDA states that any remaining EDC Property Proceeds that were not reinvested during the reinvestment period in accordance with the

Agreement shall become due and payable to the U.S. Army. The Agency provided the annual financial statements for the Base showing that \$23,279,960 was derived from the revenues generated by the Property. Therefore, the Agency may retain \$23,279,960 as restricted balances to be reinvested in the Base or remitted to the U.S. Army.

Additionally, the Agency noted that the Base financial statements included a \$7 million transfer from the former RDA. The Agency contends that while the amount was not "earned" from the Base, the amount is restricted as it was provided to fund the Joint Infrastructure Development Fund required by the Oakland Army Base City/Port Cost Sharing Agreement dated June 1, 2011. However, HSC section 34179.5 states "enforceable obligation" includes any of the items listed in subdivision (d) of section 34171. HSC section 34171 (d) (2) states "enforceable obligation" does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. Therefore, this agreement is not an enforceable obligation. However, the \$7,019,000 consists of \$4,019,000 for the Tidelands Trust and the \$3 million for public park and public access purposes. These amounts were provided by the Port of Oakland (Port), a component unit of the City, for the transfer of the Knight Yard Property from the former RDA to the Port. These proceeds constitute EDC Property Proceeds as defined by the EDC Agreement. Therefore, the Agency may retain \$7,019,000 as restricted balances to be used consistent with the EDC Agreement or remitted to the U.S. Army.

The \$5,688,587 for remediation financial assurance is a requirement under the Consent Agreement between the former RDA, OBRA, and the California Department of Toxic Substances Control. Section 4.18 of the Consent Agreement specifies how the amount is to be determined. The Agency provided additional documents supporting the amount calculated. Therefore, the Agency may retain \$5,688,587 as restricted balances for the remediation financial assurance requirement.

Therefore, a total of \$35,987,547 ($\$23,279,960 + \$7,019,000 + \$5,688,587$) is restricted for the Base.

- During the Meet and Confer process, the Agency contended that the \$11,024,349 of transfers with third party contracts should be increased to \$27,770,776. Based upon further review during the Meet and Confer process, the items identified below are enforceable obligations of the former RDA since the contracts were entered into by the former RDA prior to June 27, 2011. For the remaining items, HSC section 34179.5 states "enforceable obligation" includes any of the items listed in subdivision (d) of section 34171, which includes contracts detailing specific work that were entered into by the former RDA prior to June 28, 2011, with a third party other than the city, county, or city and county that created the former RDA. HSC section 34171 (d) (2) states "enforceable obligation" does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. The resolutions of the former RDA providing funding to the City are considered arrangements between the city that created the RDA and the former RDA, and are not enforceable obligations. Furthermore, the City entered into contracts with third parties, not the former RDA, and the contracts do not identify the

funding source as coming from the former RDA. Therefore, \$8,273,117 may be retained.

- Item 7 – Coliseum Transit Village, Local Match for Prop 1C for \$3,073,261
 - Item 9 – Façade Improvement Grant Agreement for \$50,000
 - Item 46 – Façade Improvement Grant Agreement for \$15,000
 - Item 53 – Appraisal for Site – Donna Desmond Associates for \$10,000
 - Item 55 – Business Improvement District Assessments on former RDA properties for \$53,415
 - Item 62 – 16th Street Train Station Predevelopment Loan for \$36,342
 - Item 103 – Coliseum Transit Village, Local Match for Prop 1C for \$4,905,100
 - Item 105 – Plans for BART Plaza Improvements for \$130,000
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- Capital asset transfers to the City pursuant to a Purchase and Sale Agreement executed between the former RDA and City on March 3, 2011. The former RDA agreed to the sale of 103 RDA properties to the City for a purchase price of \$1 each. Per HSC section 34191.3, the requirements in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until Finance has approved a long-range property management plan (LRPMP). These non-liquid assets transferred to the City are subject to the California State Controller's Office review of asset transfers. To the extent these properties do not meet criteria outlined in HSC section 34181 (a), they should be returned to the Agency and disposed of in a manner consistent with the Agency's LRPMP pursuant to HSC section 34191.5. Since these are non-liquid assets, Finance made no adjustments to the available balance to the affected taxing entities.

 - During the Meet and Confer process, Finance also identified \$49,290,265 in notes and loans receivables transferred to the City pursuant to a Loan Assignment and Assumption Agreement executed between the former RDA and the City on March 3, 2011. The former RDA agreed to the sale and assignment of \$49,290,265 in notes and loans receivables to the City for a total purchase price of \$1. Per HSC section 34179.5 (c) (2), the dollar value of assets and cash transferred by the former RDA or successor agency to the city, county, or city and county that formed the former RDA between January 1, 2011 through June 30, 2012, must be evidenced by documentation of the enforceable obligation that required the transfer. HSC section 34179.5 states "enforceable obligation" includes any of the items listed in subdivision (d) of section 34171, contracts detailing specific work that were entered into by the former RDA prior to June 28, 2011, with a third party other than the city, county, or city and county that created the former RDA. HSC section 34171 (d) (2) states "enforceable obligation" does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. Therefore, the transfer was not made pursuant to an enforceable obligation and is not permitted and the Agency should reverse the transfer. Since these are non-liquid assets, Finance made no adjustments to the available balance to the affected taxing entities. Furthermore, any payments received by the City should be transferred back to the Agency. The Agency should request the use these proceeds and any payments that are anticipated to come in from the notes and loans receivables as "Other" funds on the ROPS prior to requesting funds from the Redevelopment Property Tax Trust Fund.

- Balances needed to satisfy fiscal year 2012-13 Recognized Obligation Payment Schedule (ROPS) obligations will be increased by \$3,984,653. The Agency requested to retain \$40,954,764 to satisfy ROPS obligations, which was the available asset balance remaining as reported in the DDR. Since the adjustments noted above increased the available asset balance, the Agency is permitted to retain \$44,939,417 to satisfy approved ROPS obligations. Therefore, OFA balances available will be decreased by \$3,984,653 (\$44,939,417 - \$40,954,764).

The Agency's OFA balance available for distribution to the affected taxing entities is \$32,477,484 (see table below):

OFA Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ -
Finance Adjustments	
Add:	
Disallowed transfers (\$19,284,544 + \$17,177,593)	\$ 36,462,137
Balances retained for fiscal year 2012-13 obligations	\$ (3,984,653)
Total OFA available to be distributed:	\$ 32,477,484

This is Finance's final determination of the OFA balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, it is requested you provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

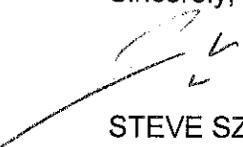
Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Patrick Lane, Redevelopment Program Manager, City of Oakland
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda
California State Controller's Office



May 17, 2013

Ms. Sarah Schlenk, Agency Administrative Manager
Oakland Redevelopment Successor Agency
250 Frank H. Ogawa Plaza, #3315
Oakland, CA 94619

Dear Ms. Schlenk:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 13, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the Oakland Redevelopment Successor Agency (Agency) submitted a ROPS 13-14A to Finance on February 28, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 26, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 370 in ROPS III – Low and Moderate Income Housing Project and Other Staff/Operations in the amount of \$849,314. Finance continues to deny this item. As stated in the April 13, 2013 ROPS 13-14A letter, Finance reviewed the Low and Moderate Income Housing Project and Operation costs and it was unclear how the staff costs are related to the specific projects approved as enforceable obligations on the ROPS. More specifically, the documentation (e.g., task list by line item) provided includes staff costs for projects where the Agency has not requested funding. Therefore, it is unclear why staff would be working on a project for which the Agency is not requesting funding.

During the Meet and Confer process, the Agency provided additional documentation (e.g., a staff report listing the employees and hours), but again staff hours could not be substantiated on a project-by-project nor staff member basis. As such, Finance is unable to approve this ROPS III item for Redevelopment Property Tax Trust Fund (RPTTF) funding due to insufficient documentation linking the staff costs to specific projects. To the extent the Agency can develop a methodology and provide suitable documentation that allows for tracking staff time by project, the Agency may be able to obtain funding on future ROPS.

- County Auditor-Controller (CAC) ROPS II Prior Period Adjustment in the amount of \$8,267. Pursuant to HSC section 34186 (a) the differences between actual payments and past estimated obligations on ROPS reported on subsequent ROPS, are subject to audit by the CAC and the State Controller. Finance defers to the adjustments made by the CAC; however, has to authority to accept or disregard findings reported by the CAC

if Finance disagrees with the reported adjustments made. As such, Finance will continue to defer to the prior period adjustment amount of \$792,041.

Should the Agency recognize an underestimated amount requested on future ROPS, HSC provides successor agencies with various methods to address short term cash flow issues. These may include requesting a loan from the city pursuant to HSC section 34173 (h), requesting the accumulation of reserves on the ROPS when a future balloon or uneven payment is expected, or subordinating pass-through payments pursuant to HSC section 34183 (b). The Agency should seek counsel from their oversight board to determine the solution most appropriate for their situation if a deficiency were to occur.

In addition, per Finance's ROPS letter dated April 13, 2013, the following items continue to be denied and were not contested by the Agency:

- Item No. 384 – Grant/Loan Management Software in the amount of \$385,000. The agreement was between the City of Oakland (City) and the software entity to license, install, and customize software to upgrade and replace the City's grant and loan management system. According to the Agency, pursuant to a cooperative agreement executed in July 2004 between the Redevelopment Agency (RDA) and the City, the RDA agreed to reimburse the City for technical support needed for housing project delivery. HSC section 34176 (a) (1) states if a city elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations, and housing assets shall be transferred to the city. Since the City assumed the housing functions of the RDA, the administrative and operating costs associated with these functions are the responsibility of the housing successor. Therefore, the item is not eligible for RPTTF funding.
- Administrative costs in the amount of \$2,280. HSC section 34171 (b) limits the fiscal year 2013-14 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Although \$1,152,112 is claimed for administrative cost, only \$1,149,832 is available pursuant to the cap. Therefore, excess administrative cost for \$2,280 is not allowed.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is: \$38,685,537 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 38,403,746
Minus: Six-month total for items denied	
Item 384	76,000
Total approved RPTTF for enforceable obligations	\$ 38,327,746
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	1,149,832
Minus: ROPS II prior period adjustment	(792,041)
Total RPTTF approved for distribution:	\$ 38,685,537

Pursuant to HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the CAC and the State Controller. The proposed CAC adjustments were received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes the prior period adjustment that was reported by the CAC.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Mr. Patrick Lane, Redevelopment Program Manager, City of Oakland
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda
California State Controller's Office