

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's confirms Ba1 on Successor Agency to the Oakland RDA (CA) TABs

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Global Credit Research - 05 Sep 2013

#### Approximately \$302 million in debt affected

New York, September 05, 2013 -- Moody's Investors Service has confirmed the Ba1 rating on the Successor Agency to the Oakland Redevelopment Agency's Tax allocation bonds.

#### RATING RATIONALE

The rating reflects our view that the credit strength of the agency's size by both value and acreage is offset by lower than two times coverage in the low period and a weaker than typical ratio of incremental to assessed valuation. The taxpayer concentration and wealth levels slightly below the national median are also factored into the rating. The bonds are secured by the tax increment revenues of the agency.

#### STRENGTHS

- Very large geographic and total project area
- Sizeable incremental and assessed valuation
- Solid high period debt service coverage

#### CHALLENGES

- Weak low period debt service coverage
- Lower than typical ratio of incremental to assessed valuation

#### WHAT COULD CHANGE THE RATING UP

- Sizable increase in incremental AV of the project area, leading to greater debt service coverage in all semi-annual periods

#### WHAT COULD CHANGE THE RATING DOWN

- Decline in the assessed valuation that weakens coverage

The principal methodology used in this rating was Moody's Analytic Approach To Rating California Tax Allocation Bonds published in December 2003. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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