NEW ISSUE **BOOK-ENTRY ONLY**

In the opinion of Brown & Wood, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming compliance by the Agency with certain covenants described herein and with the requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of Series 1992 Bond proceeds and the timely payment of certain investment earnings to the United States, interest on the Series 1992 Bonds is not includable in the gross income of the owners of the Series 1992 Bonds for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Series 1992 Bonds will not be treated as an item of tax preference in calculating alternative minimum taxable income of individuals and corporations, however, such interest will be included as an adjustment in the calculation of corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax and environmental tax liabilities Bond Counsel is also of the opinion that interest on the Series 1992 Bonds is exempt from present State of California personal income taxes. See "TAX EXEMPTION" herein.

$97,655,000
Redevelopment Agency of the City of Oakland, California
Central District Redevelopment Project
Senior Tax Allocation Refunding Bonds, Series 1992

Dated: November 15, 1992 **Due: February 1, as shown below**

The bonds which comprise the issue described herein (the "Series 1992 Bonds") are being issued by the Redevelopment Agency of the City of Oakland (the "Agency") to refund all of the Agency's Central District Redevelopment Project Tax Allocation Refunding Bonds, Series 1986 (the "Prior Bonds") The Prior Bonds were issued in June 1986 to refund certain bonds of the Agency issued to finance the Redevelopment Project (as defined herein)

The Series 1992 Bonds will be delivered only in fully registered form and, when authenticated, will be registered in the name of Cede & Co , as nominee of The Depository Trust Company, New York, New York ("DTC") Individual purchases of the Series 1992 Bonds will be made in book-entry form only in the principal amount of $5,000 or an integral multiple thereof Beneficial Owners (as defined herein) of the Series 1992 Bonds will not receive bond certificates representing their interests in the Series 1992 Bonds purchased, but will receive a credit balance on the books of the nominees of such purchasers. Principal of, premium, if any, and interest on the Series 1992 Bonds will be paid by the Fiscal Agent (hereinafter defined) to DTC, which will in turn remit such principal, premium, if any, and interest to the participants in DTC for subsequent disbursement to the Beneficial Owners (as defined herein) of the Series 1992 Bonds Interest on the Series 1992 Bonds is payable on February 1 and August 1 of each year commencing February 1, 1993.

Payment of the principal of and interest on the Series 1992 Bonds as the same shall become due will be insured by a municipal bond insurance policy to be issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Series 1992 Bonds (the "Municipal Bond Insurance Policy") See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS — Municipal Bond Insurance" herein

AMBAC®

MATURITY SCHEDULE
$61,745,000 Serial Bonds

Due (February 1)	Principal Amount	Interest Rate	Yield or Price	Due (February 1)	Principal Amount	Interest Rate	Yield or Price
1993	$1,330,000	2 50%	100%	2001	$3,860,000	5 40%	5 50%
1994	2,765,000	3 50	100	2002	4,085,000	5 50	5 65
1995	2,870,000	4 20	100	2003	4,310,000	5 65	5 75
1996	3,000,000	4 50	4 55	2004	4,585,000	5.75	5.85
1997	3,150,000	4 70	4 80	2005	4,870,000	5.90	5.95
1998	3,305,000	4 90	5.00	2006	5,150,000	6.00	100
1999	3,485,000	5.10	5 20	2007	5,470,000	6.00	6.05
2000	3,675,000	5 25	5 35	2008	5,835,000	6.00	6 05

$35,910,000 5.50% Term Bonds due February 1, 2014 @ 6.15%
(Accrued interest from November 15, 1992 to be added)

The Series 1992 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 1992 BONDS — Redemption of the Series 1992 Bonds "

The Series 1992 Bonds are limited obligations of the Agency and are secured by a pledge of Tax Revenues (as defined herein) and certain other funds held by Ameritrust Texas National Association, Houston, Texas, as fiscal agent (the "Fiscal Agent") under Resolution No 86-30, adopted July 3, 1986, as amended and supplemented by Resolution No. 92-48, adopted July 28, 1992 (together, the "Resolution") **The Series 1992 Bonds are not a debt of the City of Oakland, the State of California or any of its political subdivisions (other than the Agency), and neither the City of Oakland, the State of California nor any of its political subdivisions (other than the Agency) is liable thereon. In no event shall the Series 1992 Bonds or any interest or redemption premium thereon be payable out of any funds or properties other than those of the Agency as set forth in the Resolution. The Agency has no power to levy and collect taxes.**

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 1992 Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Brown & Wood, San Francisco, California, Bond Counsel Certain legal matters are subject to the approval of Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, New York, New York, and Hunter & Anderson, Oakland, California, co-counsel to the Underwriters Certain legal matters will be passed upon for the Agency by Jayne W Williams, Agency Counsel It is anticipated that the Series 1992 Bonds will be available for delivery to DTC on or about December 17, 1992

Bear, Stearns & Co. Inc.

M.R. Beal & Company **Prudential Securities Incorporated**

Dated November 25, 1992

THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND, CALIFORNIA
One City Hall Plaza
Oakland, California 94612

ELIHU M. HARRIS, Mayor/Chairman

LEO BAZILE, Vice Mayor/Vice Chairman

FRANK H. OGAWA

NATHAN MILEY

ALETA CANNON

MARY MOORE

MARGE GIBSON-HASKELL

IGNACIO DE LA FUENTE

RICHARD SPEES

HENRY L. GARDNER, City Manager/Agency Administrator

ARRECE JAMESON, City Clerk/Agency Secretary

GARY BREAUX, Director of Finance/Agency Treasurer

JAYNE W. WILLIAMS, City Attorney/Agency Counsel

JULIA BROWN, Director, Office of Economic Development and Employment

ANTOINETTE HEWLETT, Director, Office of Community Development

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SPECIAL SERVICES

BOND COUNSEL

Brown & Wood
San Francisco, California

FISCAL AGENT

Ameritrust Texas National Association
Houston, Texas

CO-FINANCIAL ADVISORS

Public Financial Management, Inc.
San Francisco, California

Henderson Capital Partners, Inc.
Oakland, California

No dealer, broker, salesperson or other person has been authorized by the Agency, the City of Oakland or the Underwriters to give any information or to make any representations, other than those contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 1992 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 1992 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from official sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expressions of opinions herein are subject to change without notice, and neither 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 City or the Agency since the date hereof. All discussions of certain provisions contained herein of the Resolution or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Please be advised that such documents in their entirety are on file with the Fiscal Agent.

This Official Statement is submitted in connection with the sale of the Series 1992 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 1992 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$97,655,000

Redevelopment Agency of the City of Oakland
Central District Redevelopment Project
Senior Tax Allocation Refunding Bonds, Series 1992

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, table of contents and appendices hereto (the "Official Statement"), is to provide information about the $97,655,000 Redevelopment Agency of the City of Oakland Central District Redevelopment Project Senior Tax Allocation Refunding Bonds, Series 1992 (the "Series 1992 Bonds" or the "Bonds"), to be issued by the Redevelopment Agency of the City of Oakland (the "Agency") to refund all of the Agency's Central District Redevelopment Project Tax Allocation Refunding Bonds, Series 1986, issued under the Agency's Resolution No. 86-30 adopted June 3, 1986 in the original principal amount of $91,555,000 and presently outstanding in the aggregate principal amount of $84,325,000 (the "Prior Bonds"). The Prior Bonds were issued to refund the Agency's Central District Redevelopment Project Tax Allocation Bonds, Series A, and the Agency's Central District Redevelopment Project Tax Allocation Bonds, Series B, which were issued in 1979 and 1984, respectively.

A portion of the proceeds of the Series 1992 Bonds will be irrevocably deposited into an escrow fund to legally defease all of the Prior Bonds. The remaining proceeds will be set aside to pay certain accrued interest on the Series 1992 Bonds and to pay the costs of issuance incidental to the issuance of the Series 1992 Bonds. The Series 1992 Bonds shall mature in the years and amounts and bear interest at the rates as set forth on the cover page hereof. See "THE SERIES 1992 BONDS."

The City of Oakland (the "City") is located on the east side of San Francisco Bay and was incorporated as a city in 1854. The City's charter (the "Charter") was substantially revised in 1969 to take advantage of what is now Section 7 of Article XI of the Constitution of the State of California. The City, acting pursuant to the California Community Redevelopment Law (Section 33,000 *et seq.* of the Health and Safety Code) (the "Redevelopment Law"), created the Agency in 1956 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. For additional information concerning the City and the Agency, respectively, see "APPENDIX A — DESCRIPTION OF THE CITY OF OAKLAND" and "APPENDIX B — THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND."

Pursuant to the Redevelopment Law, the Agency and the City have adopted a redevelopment plan (the "Redevelopment Plan") and created the Central District Redevelopment Project (the "Redevelopment Project"). The Redevelopment Project covers an area of more than 200 blocks located in the central business district of the City (the "Redevelopment Project Area"). Within the Redevelopment Project Area there are three main redevelopment activity areas: City Center, Chinatown and Old Oakland, which together comprise a total of 21 blocks and surround the City's convention center/hotel development.

The Series 1992 Bonds are authorized by and being issued pursuant to Resolution No. 86-30, adopted June 3, 1986, as amended and supplemented by Resolution No. 92-48, adopted July 28, 1992 (together, the "Resolution"). The Series 1992 Bonds are being issued in accordance with the Resolution, the Redevelopment Law and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing at Section 53580; the "Refunding Law") (the Redevelopment Law and the Refunding Law, collectively the "Law") and other applicable laws and the Constitution of the State of California.

Pursuant to the Redevelopment Law, a portion of all property tax revenues collected by or for each taxing agency on any increase in the taxable value of certain property within the Redevelopment Project Area over that shown on the assessment roles for the base year applicable to the Redevelopment Project Area, may be pledged to the repayment of indebtedness incurred by the Agency in connection with redevelopment in the Redevelopment Project Area. Under the Resolution, the Agency has pledged certain Tax Revenues (as defined herein) consisting of those property taxes collected within the Redevelopment Project resulting from increases in the assessed valuation of land, improvements and public utility property within the Redevelopment Project areas over that shown on the assessment roll for the base year (the 1968-69 assessment roll is defined as the "base roll") and any payments, reimbursements and certain subventions specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations (exclusive of special subvention revenue, if any) up to an amount equal to (i) 125% of annual debt service due the subsequent fiscal year plus (ii) any amount necessary to be deposited to the Reserve Account to maintain the required balance therein during such fiscal year to the payment of the principal of, premium, if any, and interest on the Series 1992 Bonds. (See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS — Pledge and Allocation of Taxes" herein.)

Payment of the principal of and interest on the Bonds when due (other than by reason of any redemption, except for mandatory sinking fund redemptions, or any acceleration of the due date of principal payments) will be insured by a municipal bond insurance policy (the "Municipal Bond Insurance Policy") issued by AMBAC Indemnity Corporation ("AMBAC Indemnity") simultaneously with the delivery of the Bonds. (See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS — Municipal Bond Insurance" herein.)

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Resolution. Discussions of the Resolution and other documents contained herein are subject to the provisions of such documents 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 Fiscal Agent for further information in connection therewith.

THE SERIES 1992 BONDS

General: Authority for Issuance

The Series 1992 Bonds have been authorized by the Resolution, and are being issued in accordance with the provisions of the Resolution, the Redevelopment Law, the Refunding Law and other applicable laws and the Constitution of the State of California.

Description of the Series 1992 Bonds

The Series 1992 Bonds will be issued in an aggregate principal amount, will mature, will be dated and will bear interest from said date, all as set forth on the cover page of this Official Statement.

The Series 1992 Bonds are issuable in the form of fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Series 1992 Bonds, when issued, will be registered in the name of Cede & Co. as a registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as a securities depository for the Series 1992 Bonds. Individual purchases may be made in book-entry-only form. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 1992 Bonds so purchased. So long as Cede & Co. is the registered owner of the Series 1992 Bonds, as nominee of DTC, references therein to the Holders or Bondholders shall mean Cede & Co. and shall not mean the "Beneficial Owners" of the Series 1992 Bonds. In this Official Statement, the term "Beneficial Owner" or "purchaser" shall mean the person for whom the DTC participant acquires an interest in the Series 1992 Bonds. (See "THE SERIES 1992 BONDS — Book-Entry-Only System" herein.)

The Series 1992 Bonds will be in $5,000 denominations or any integral multiple thereof. Interest on the Series 1992 Bonds is payable on February 1 and August 1 of each year, commencing February 1, 1993. The Series 1992 Bonds will mature on the dates and in the principal amounts, and the interest represented thereby shall be computed at the rates, all as set forth on the cover page of this Official Statement.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Series 1992 Bonds. The Series 1992 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 1992 Bond for each maturity will be issued, in the aggregate principal amount of the Series 1992 Bonds, 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 securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 1992 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 1992 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 1992 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, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, 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 interest in the Series 1992 Bonds are to be accompanied by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 1992 Bonds, except in the event that use of the book-entry system for the Series 1992 Bonds is discontinued.

To facilitate subsequent transfers, all Series 1992 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 1992 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 1992 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 1992 Bonds are credited, which may or may not be Beneficial Owners. 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 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.

Redemption notices will be sent to Cede & Co. If less than all of the Series 1992 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Series 1992 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Fiscal Agent 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 1992 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 1992 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on the payable date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the 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 DTC, the Fiscal Agent or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of and interest on Series 1992 Bonds to DTC is the responsibility of the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 1992 Bonds at any time by giving reasonable notice to the Agency or the Fiscal Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 1992 Bonds 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 1992 Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Agency nor the Underwriters make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Series 1992 Bonds are in book-entry-only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 1992 Bonds for all purposes under the Resolution, including receipt of all principal of and interest on the Series 1992 Bonds, receipt of notices, voting and requesting or directing the Fiscal Agent to take or not to take, or consenting to, certain actions under such Resolution. The Agency and the Fiscal Agent have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the

principal of and interest on the Series 1992 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to owners of Series 1992 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 1992 Bonds.

Redemption of the Series 1992 Bonds

Optional Redemption. The Series 1992 Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Series 1992 Bonds maturing February 1, 2014 shall be subject to mandatory redemption prior to their stated maturity, by lot, from sinking fund payments provided for in the Resolution, at the principal amount thereof (without premium), together with interest accrued thereon to the date fixed for redemption, in amounts and on February 1 of the years set forth below:

Series 1992 Bonds Maturing February 1, 2014

Year	Principal Amount
2009	$6,190,000
2010	5,255,000
2011	5,565,000
2012	5,925,000
2013	6,295,000
2014*	6,680,000

* Maturity

Notice of Redemption. Notice of redemption will be mailed at least 30 but not more than 60 days prior to the date fixed for redemption to the registered owners of any Series 1992 Bonds designated for redemption, but failure to receive such notice or any defect therein with respect to any particular Series 1992 Bond will not affect the sufficiency of the proceedings for the redemption of any other Series 1992 Bonds. See "THE SERIES 1992 BONDS — Book-Entry-Only System." Notice of redemption shall also be mailed to certain securities depositories and bond information services. Failure to mail any such notice or any defect therein will not affect the sufficiency of the proceedings for the redemption of any Series 1992 Bonds. On and after the redemption date, no further interest will accrue on the Series 1992 Bonds called for redemption.

PLAN OF REFUNDING

Concurrently with the delivery of the Series 1992 Bonds, a portion of the proceeds thereof, together with other legally available funds of the Agency, will be irrevocably deposited into the Escrow Fund created pursuant to the Escrow Agreement relating to the Prior Bonds and entered into between the Agency and the Ameritrust Texas National Association, as Escrow Agent. The moneys deposited pursuant to the Escrow Agreement will be applied to the purchase of non-callable direct obligations of the United States of America or obligations unconditionally guaranteed by the United States of America so as to produce sufficient funds, together with any other moneys in the Escrow Fund, to pay the principal of and interest on all of the Prior Bonds that shall become due and payable on or prior to February 1, 1996 and to pay on February 1, 1996 the redemption price of all of the Prior Bonds then outstanding, including principal, premium and interest accrued to the date of redemption. Upon such irrevocable deposit of such money, the Prior Bonds will be deemed defeased and no longer outstanding under, and will no longer be entitled to the benefit of the pledge and lien established by, the Resolution. The holders of such Prior Bonds will be entitled to payment solely out of the moneys or securities deposited pursuant to the Escrow Agreement. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. Such defeasance will discharge the pledge and assignment of the Tax Revenues and other moneys and securities securing such Prior Bonds under the Resolution.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 1992 BONDS

Sources:	
Series 1992 Bond Proceeds	$97,655,000.00
Less: Original Issue Discount	(3,029,736.25)
Accrued Interest	467,216.00
Total Sources	$95,092,479.75
Uses:	
Escrow Fund Deposit	$92,716,574.21
Costs of Issuance*	1,908,689.54
Accrued Interest	467,216.00
Total Uses	$95,092,479.75

* Includes legal, financing and consultant fees, bond insurance premium, underwriters' discount and other miscellaneous expenses.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS

General

The Series 1992 Bonds and any additional bonds issued under the Resolution on a parity with the Series 1992 Bonds ("Additional Bonds") are special obligations of the Agency and are payable as to principal, premium, if any, and interest (except to the extent paid out of Series 1992 Bond proceeds or income from investments) solely from, and are secured by, a pledge of Tax Revenues (hereinafter defined). The Series 1992 Bonds are also secured by a pledge of the moneys and investments in the funds established under the Resolution, including the Reserve Account. (See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS -- The Special Fund.")

The Series 1992 Bonds have a lien on Tax Revenues senior to that of the Agency's Central District Redevelopment Project Subordinated Tax Allocation Refunding Bonds, Series 1992A, which were issued on July 23, 1992 in the original principal amount of $53,600,000 (the "1992A Subordinated Bonds") and the Agency's Central District Redevelopment Project Tax Allocation Bond, Series 1989A, which was issued in the original principal amount of $92,399,272.85 (the "1989 Subordinated Bond") (the 1992A Subordinated Bonds and the 1989 Subordinated Bond, collectively the "Subordinated Bonds"). The 1992A Subordinated Bonds are currently outstanding in the amount of $53,600,000. The 1989 Subordinated Bond is currently outstanding in the amount of $34,609,272.85. As of the date of delivery of the Series 1992 Bonds, any outstanding Prior Bonds will be defeased in full.

The Series 1992 Bonds will be insured by a municipal bond insurance policy issued by AMBAC Indemnity (See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1992 BONDS--Municipal Bond Insurance").

The Resolution authorizing the issuance of the Series 1992 Bonds pledges tax allocations plus any payments, reimbursements and certain subventions specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations (exclusive of special subvention revenue, if any), up to an amount equal to (i) 125% of annual debt service due the subsequent fiscal year plus (ii) any amount necessary to be deposited to the Reserve Account to maintain the required balance therein during such fiscal year, until all Bonds issued under the Resolution and supplemental resolutions have been retired or remaining payments duly provided for. Such pledged tax allocations are herein referred to as "Tax Revenues."

Series 1992 Bonds Not a Debt of the City of Oakland

The Series 1992 Bonds are not a debt of the City of Oakland, the State of California, or any of its political subdivisions, and neither said City, State nor any of its political subdivisions (other than the Agency) is liable therefor. The Series 1992 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limit or restriction. The Agency has no power to levy and collect taxes.

Pledge and Allocation of Taxes

Under the provisions of the California Constitution, the Redevelopment Law, the Redevelopment Plan and the Resolution, taxes levied upon taxable property in the Redevelopment Project each year by any taxing agency will be allocated according to the following procedures.

The assessed valuation of a project area last equalized prior to adoption of the redevelopment plan, or base roll is established and, except for a period during which the property is temporarily in agency ownership, the taxing bodies thereafter receive the taxes produced by the levy of the current tax rate upon the base roll. Taxes collected upon any increase in assessed valuation over the base roll may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing or refinancing the project. The Agency has no power to levy and collect taxes, and any legislative property tax de-emphasis or provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate must necessarily reduce the amount of tax allocations that would otherwise be available to pay the principal of, and interest on, the Series 1992 Bonds. (See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS" herein). Likewise, broadened property tax exemptions or any limitation on the rate of taxation by taxing agencies could have a similar effect.

Municipal Bond Insurance

The following information has been furnished by AMBAC Indemnity for use in this Official Statement. Reference is made to Appendix E for a specimen of the Municipal Bond Insurance Policy.

Payment Pursuant to Municipal Bond Insurance Policy. AMBAC Indemnity has made a commitment to issue a municipal bond insurance policy (the "Municipal Bond Insurance Policy") relating to the Series 1992 Bonds effective as of the date of issuance of the Series 1992 Bonds. Under the terms of the Municipal Bond Insurance Policy, AMBAC Indemnity will pay to the United States Trust Company of New York, New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 1992 Bonds which becomes Due for Payment but is unpaid by reason of Nonpayment of the Agency (as such terms are defined in the Municipal Bond Insurance Policy). AMBAC Indemnity 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 Indemnity shall have received notice of Nonpayment from the Fiscal Agent. The insurance will extend for the term of the Series 1992 Bonds and, once issued, cannot be cancelled by AMBAC Indemnity.

The Municipal Bond 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 1992 Bonds become subject to mandatory redemption and insufficient funds are available for redemption for all outstanding Series 1992 Bonds, AMBAC Indemnity will remain obligated to pay principal of and interest on outstanding Series 1992 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 1992 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 Fiscal Agent has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bond holder by or on behalf of the Agency has been deemed a preferential transfer and theretofore recovered from its 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 Indemnity to the extent of such recovery if sufficient funds are not otherwise available.

The Municipal Bond Insurance Policy does not insure any risk other than Nonpayment, as defined in the Municipal Bond Insurance Policy. Specifically, the Municipal Bond 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; or

3. nonpayment of principal or interest caused by the insolvency or negligence of the Fiscal Agent or any paying agent.

If it becomes necessary to call upon the Municipal Bond Insurance Policy, payment of principal requires surrender of Series 1992 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 1992 Bonds to be registered in the name of AMBAC Indemnity to the extent of the payment under the Municipal Bond Insurance Policy. Payment of interest pursuant to the Municipal Bond Insurance Policy requires proof of Bond holder entitlement to interest payments and an appropriate assignment of the Bond holder's right to payment to AMBAC Indemnity.

Upon payment of the insurance benefits, AMBAC Indemnity will become the owner of the Series 1992 Bonds, appurtenant coupons, if any, or right to payment of principal of or interest on such Series 1992 Bonds and will be fully subrogated to the surrendering Bond holders' rights to payment.

In the event that AMBAC Indemnity 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 California.

AMBAC Indemnity Corporation. AMBAC Indemnity Corporation ("AMBAC Indemnity") 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 all the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico, with admitted assets of approximately $1,503,000,000 (audited) and statutory capital of approximately $862,000,000 (unaudited) as of September 30, 1992. Statutory capital consists of AMBAC Indemnity policyholders' surplus and statutory contingency reserve. AMBAC Indemnity is a wholly owned subsidiary of AMBAC Inc., a 100% publicly-held company. Moody's Investors Service and Standard & Poor's Corporation have both assigned a triple-A claims-paying ability rating to AMBAC Indemnity.

Copies of AMBAC Indemnity's financial statements prepared in accordance with statutory accounting standards are available from AMBAC Indemnity. The address of AMBAC Indemnity's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York 10004 and (212) 668-0340.

AMBAC Indemnity has entered into pro rata reinsurance agreements under which a percentage of the insurance underwritten pursuant to certain municipal bond insurance programs of AMBAC Indemnity has been and will be assumed by a number of foreign and domestic unaffiliated reinsurers.

AMBAC Indemnity has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by AMBAC Indemnity will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by AMBAC Indemnity under policy provisions substantially identical to those contained in its municipal bond insurance policy will be treated for federal income tax purposes in the same manner as if such payments were made by the issuer of the Series 1992 Bonds.

AMBAC Indemnity makes no representation regarding the Series 1992 Bonds or the advisability of investing in the Series 1992 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by AMBAC Indemnity and presented under the heading "MUNICIPAL BOND INSURANCE."

The Special Fund

The Resolution establishes the Special Fund held by the Fiscal Agent. Tax Revenues will be deposited in the Special Fund and will be set aside and maintained by the Fiscal Agent in the following special accounts within the Special Fund in the following order of priority:

(1) Interest Account--On or before January 15th and July 15th in each year commencing January 15, 1993 so long as any of the Series 1992 Bonds remain outstanding or unprovided for, an amount which, together with any money already contained therein, is equal to the aggregate amount of interest becoming due and payable on all Outstanding Series 1992 Bonds on the next succeeding interest payment date.

(2) Principal Account--On or before January 15th in each year commencing January 15, 1993 as long as any of the Series 1992 Bonds remain outstanding or unprovided for, an amount which, together with any money already contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Series 1992 Bonds on the next succeeding principal payment date.

(3) Term Bonds Sinking Account--On or before January 15th of each year, beginning on January 15, 2009, the Fiscal Agent shall deposit in the 1992 Term Bonds Sinking Account an amount of money equal to the Term Bonds Sinking Account installments, as set forth in the schedule shown under "THE SERIES 1992 BONDS--Redemption of the Series 1992 Bonds--Mandatory Sinking Fund Redemption."

(4) Reserve Account--So long as the Agency has not provided for the Reserve Account by delivering to the Fiscal Agent a surety bond or an insurance policy securing an amount on deposit in the Reserve Account, on or before January 15th and July 15th in each year as long as any of the Series 1992 Bonds remain outstanding, the Fiscal Agent shall set aside and deposit an amount that will maintain the Reserve Account at an amount equal to the Maximum Annual Debt Service on all Outstanding Series 1992 Bonds.

The Agency may provide for the Reserve Account by delivering to the Fiscal Agent a surety bond or an insurance policy securing an amount, together with moneys, Investment Securities or letters of credit on deposit in the Reserve Account, equal to the Reserve Requirement. Such surety bond or insurance policy shall be issued by an insurance company whose unsecured debt obligations (or obligations secured by such insurance company's policies) are rated in one of the two highest rating categories of Moody's Investors Service and Standard & Poor's Corporation. Such surety bond or insurance policy shall have a term of no less than the final maturity of any Outstanding Series 1992 Bonds.

The Reserve Account shall be maintained in the full amount of the Maximum Annual Debt Service on all Outstanding Series 1992 Bonds. All money in the Reserve Account (including all amounts which may be obtained from letters of credit and surety bonds and insurance policies on deposit in the Reserve Account) shall be used and withdrawn by the

Fiscal Agent solely for the purpose of making up any deficiency in the Interest Account, the Principal Account or the Term Bonds Sinking Account without preference or priority between any Series 1992 Bonds, and in the event of an insufficiency of such amounts, ratably among Series 1992 Bonds without distinction or preference between such Series 1992 Bonds.

(5) Surplus Account--On February 2nd of each year, beginning on February 2, 1993, the Fiscal Agent shall set aside from the Special Fund and deposit in the Surplus Account all moneys then remaining in the Special Fund. If, however, the requirements of the Resolution are met regarding amounts required to be deposited in the special accounts within the Special Fund, then all moneys remaining in the Special Fund shall be transferred to the Agency for use by it for any lawful purpose and none of such moneys shall be deposited in the Surplus Account. Pending transfer to the Agency all money in the Surplus Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of replenishing the Interest Account or the Principal Account or the Term Bonds Sinking Account or the Reserve 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 1992 Bonds in the event that no other money of the Agency is lawfully available therefor, or for the retirement (together with other available money) of all Series 1992 Bonds then Outstanding.

Notwithstanding the foregoing, any moneys available for transfer to the Agency pursuant to these terms may, upon Written Request of the Agency, be used by the Fiscal Agent to purchase Outstanding Series 1992 Bonds. Any Series 1992 Bonds so purchased shall be cancelled by the Fiscal Agent forthwith and shall not be reissued.

At such time as the above requirements have been met, any remaining tax allocations may be withheld by the Agency and used as authorized by the Redevelopment Law. When sufficient funds have been placed with the Fiscal Agent to redeem all Outstanding Series 1992 Bonds, no further Tax Revenues will be allocated to the Fiscal Agent.

Reserve Account - AMBAC Indemnity Surety Bond

Application has been made to AMBAC Indemnity Corporation ("AMBAC Indemnity") for the issuance of a Surety Bond for the purpose of funding the Reserve Account. The Series 1992 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 1992 Bonds. The Surety Bond provides that upon the later of (i) one day after receipt by AMBAC Indemnity of a demand for payment executed by the Fiscal Agent certifying that provision for the payment of principal of or interest on the Series 1992 Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to AMBAC Indemnity, AMBAC Indemnity will promptly deposit funds with the Fiscal Agent sufficient to enable the Fiscal Agent to make such payments due on the Series 1992 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 Indemnity under the terms of the Surety Bond and the Agency is required to reimburse AMBAC Indemnity 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 Agency is subordinate to the Agency's obligations with respect to the 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 Resolution provides that the Reserve Account shall be replenished in the following priority: (i) principal and interest on the Surety Bond and on the Additional Funding Instrument shall be paid from first available Tax Revenues on a pro rata basis; (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 Tax Revenues.

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

Issuance of Additional Bonds

Under the terms of the Indenture of Trust, dated as of August 1, 1989 (the "1989 Indenture"), by and between the Agency and Bankers Trust Company of California, National Association, pursuant to which the Agency's Subordinated Bonds were issued, so long as the Subordinated Bonds are outstanding additional tax allocation bonds on a parity with the Series 1992 Bonds ("Additional Bonds") may be issued only to refund the Series 1992 Bonds or any refunding thereof, provided (i) such issuance does not result in increased debt service in any Bond Year, and (ii) the Agency shall be in compliance with all covenants set forth in the Resolution.

The Subordinated Bonds are scheduled to mature on September 1, 2019, but may be defeased or redeemed prior to such date pursuant to the terms of the 1989 Indenture. If the Subordinated Bonds are fully defeased or redeemed, then the Agency may issue Additional Bonds under the terms of the Resolution. The Resolution allows Additional Bonds to be issued to pay costs of the Redevelopment Project if the requirements set forth in the Resolution are satisfied, including, among others, the following:

(a) Tax Revenues, based upon the most current assessed valuation of taxable property in the Redevelopment Project Area preceding the Agency's adoption of the resolution providing for the issuance of such Additional Bonds, shall be at least equal to 125% of Maximum Annual Debt Service on all Outstanding Series 1992 Bonds and such Additional Bonds; and

(b) So long as the Surety Bond is outstanding, the Agency shall have obtained the written consent of the Insurer prior to the issuance of such Additional Bonds.

Investment of Funds

All money held by the Agency or Fiscal Agent in any of the funds or accounts established pursuant to the Resolution shall be invested in Investment Securities. The Investment Securities in which money in the Special Fund, the Interest Account, the Principal Account, the Term Bonds Sinking Account, Reserve Account or the Surplus Account is so invested shall mature prior to the date on which such money is estimated to be required to be paid out under the Resolution. Any interest, income or profits from the deposits or investments of the Redevelopment Fund shall remain in the Redevelopment Fund. Any interest, income or profits from the deposits or investments of all funds (except the Redevelopment Fund) and accounts shall be deposited in the Special Fund. The Fiscal Agent may act as principal or agent in the making or disposing of any investment. The Fiscal Agent shall not be liable or responsible for any loss resulting from the acquisition or disposition of any investment. The Fiscal Agent may, for purposes of investment only, commingle any of the funds or accounts held by it under the Resolution. The Fiscal Agent shall value all investments in the funds or accounts under the Resolution not less than one time during each Bond Year.

Other Covenants

Some of the other covenants of the Agency under the Resolution are summarized below:

(a) The financing of the Redevelopment Project will be completed with all practicable dispatch in a sound and economical manner and in accordance with the Redevelopment Plan and the Redevelopment Law. No amendment to the Redevelopment Plan will be made which would materially reduce the Tax Revenues.

(b) The Agency will punctually pay, or cause to be paid, the principal of, interest on, and redemption premiums, if any, on the Series 1992 Bonds, and will comply with the requirements of the Redevelopment Law for the annual filing of a statement of indebtedness with the Auditor-Controller of Alameda County, and will file copies thereof with the Fiscal Agent. The Agency will annually review the total amount of Tax Revenues remaining available to be received by the Agency under the Redevelopment Plan's cumulative tax increment limitation, as well as future cumulative annual debt service. The Agency will not accept Tax Revenues or incur additional obligations payable from Tax Revenues, if such acceptance or incurrence will cause the amount remaining under the tax increment limit to fall below remaining cumulative debt service on all of the Agency's bonds or other indebtedness, except for the purpose of depositing such revenues in escrow for future debt service payment with respect to such bonds or other indebtedness.

(c) No other obligations payable from Tax Revenues will be issued having a lien upon the Tax Revenues superior to or on a parity with any Series 1992 Bonds other than Additional Bonds issued in accordance with the Resolution.

(d) The Agency will at all times keep, or cause to be kept, proper and current books and accounts (separate from other records and accounts) in which complete and accurate entries will be made of all transactions relating to the Redevelopment Project and the Special Fund. The Agency will prepare and file with the Fiscal Agent annually, within 180 days after the close of each fiscal year an audited financial statement relating to the Special Fund and all other funds or accounts established pursuant to the Resolution. Copies of such information will be furnished to any bondholder upon request.

(e) The Agency will punctually pay, or cause to be paid, any lawful government charges imposed and all claims for labor, material and supplies which if unpaid might become a lien or charge which might impair the security of the Series 1992 Bonds.

(f) The net proceeds received by the Agency from any eminent domain proceedings will be deposited in the Special Fund for the purpose of paying principal and interest on the Outstanding Series 1992 Bonds. However, such proceeds received by the Agency from the taking of any property in the Redevelopment Project Area, the redevelopment of which was financed by the Agency through the issuance of lease revenue bonds, shall be deposited, used and applied in the manner provided by the resolution authorizing the issuance of such lease revenue bonds.

(g) Whenever any property in the Redevelopment Project has been redeveloped and thereafter is leased by the Agency to any person or persons or whenever the Agency leases real property in the Redevelopment Project Area to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required in Section 33673 of the Redevelopment Law.

(h) The Agency will not use the Series 1992 Bond proceeds (i) for facilities which would cause the Bonds to become a "private activity bond" within the meaning of Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) which would cause the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code, or (iii) which would cause the Bonds to be "federally guaranteed" within the meaning of Section 149 of the Code.

Remedies

Any bondholder has the right by mandamus or other appropriate remedy to bring an action to compel the performance by the Agency and its members of the duties imposed by the Resolution and by the Redevelopment Law. However, the effect of any such remedies may be limited by laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting the enforcement of creditor's rights.

Amendment of the Resolution

Except for the purpose of correcting ambiguities or of curing a defective provision in the Resolution or adding to the covenants of the Agency or surrendering any power reserved to the Agency, the Resolution may be amended only with the written consent of Holders of 60% of all Series 1992 Bonds and any Additional Bonds then Outstanding (exclusive of Series 1992 Bonds and any Additional Bonds owned by the Agency) and the prior written consent of AMBAC Indemnity. No amendment will extend the maturity or interest payment date, reduce the interest rate, redemption premium, if any, or principal amount payable, permit the creation by the Agency of any pledge or mortgage upon Tax Revenues superior to or on a parity with the pledge and lien for the benefit of the Series 1992 Bonds, modify the rights or obligations of the Fiscal Agent without its written consent thereto, or reduce the percentage of consent required for such amendment. However, bondholder consent is not required if the Resolution is amended to provide for the issuance of Additional Bonds in accordance with the Resolution. See "Issuance of Additional Bonds" herein.

Discharge of Indebtedness

If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 1992 Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in the Resolution, then the Holders of such Series 1992 Bonds shall cease to be entitled to the pledge of Tax Revenues, and all covenants, agreements and other obligations of the Agency to the Holders of such Series 1992 Bonds under the Resolution shall thereupon cease, terminate and become void and be discharged and satisfied.

Any Series 1992 Bonds shall prior to the maturity date thereof be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if (1) there shall have been deposited with the Fiscal Agent (a) money in an amount which shall be sufficient, (b) Government Obligations (as defined in the Resolution) or (c) pre-refunded municipal obligations which shall be defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (iii) which fund is sufficient to pay principal of and interest and redemption premium, if any, on the Series 1992 Bonds or other obligations described in this clause (c) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this section, as appropriate and (iv) which are rated in the highest rating category of either Standard & Poor's Corporation or Moody's Investors Service, or any successors thereto and (2) the Agency shall have given the Fiscal Agent in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Series 1992 Bonds that the deposit required by (1) above has been made with the Fiscal Agent and that such Series 1992 Bonds are deemed to have been paid in accordance with this provision and stating the maturity date upon which money is to be available for the payment of the principal of such Series 1992 Bonds.

Historical and Current Tax Revenues

The Agency's primary source of funds to make payments of principal of, premium, if any, and interest on the Outstanding 1989 Subordinated Bond, 1992A Subordinated Bonds and the Series 1992 Bonds is the Agency's share of ad valorem property tax revenues which generally result from the completion of new real estate developments and a general reassessment of properties within the Redevelopment Project Area.

The purpose of redevelopment is to revitalize deteriorated or underdeveloped areas within a community. As new construction progresses, property values normally increase and the ultimate result is a proportionate increase in ad valorem property tax revenues.

The total taxable value of all properties within a given project area on the property assessment roll last equalized prior to the effective date of the ordinance adopting the redevelopment plan for such project area establishes a base from which increases in taxable value are computed. The base so established for the Redevelopment Project Area is the 1968–1969 assessment roll. When assessment rolls were converted in California to reflect full value assessments, the base for the Redevelopment Project Area was also converted and is now actually maintained in the 1982–83 assessment roll of the County of Alameda (the "County"). Under the Redevelopment Law, property taxes levied based upon the amount shown on the base year assessment rolls will continue to be paid to and retained by all taxing agencies levying property taxes in the Redevelopment Project Area. Taxes levied by the respective taxing agencies on any increases in taxable value realized in the Redevelopment Project Area will be allocated to the Agency.

It should be understood that this procedure does not involve the levy of any additional taxes, but provides that revenues produced by the tax rates in effect from year to year shall be apportioned to the taxing agencies levying the taxes and to the Agency on the basis described above. After all loans, advances and other indebtedness, including interest, incurred by the Agency in connection with the Redevelopment Project Area have been paid, the tax revenues will be paid to and retained by the respective taxing agencies in the normal manner.

Table 1 on the following page presents the taxable value of all property within the Redevelopment Project Area for fiscal years ended June 30, 1987 through June 30, 1992.

TABLE 1
CENTRAL DISTRICT REDEVELOPMENT PROJECT AREA PROPERTY TAXABLE VALUES
(000's omitted)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Secured Property Assessed Values						
County Rolls	$1,349,930	$1,598,424	$1,535,484	$1,732,301	$1,838,662	$2,076,578
State Unitary Property[1]	365,077	363,300	---	---	---	---
Total Secured Assessed Values	$1,715,007	$1,961,724	$1,535,484	$1,732,301	$1,838,662	$2,076,578
Unsecured Assessed Values	$ 61,017	$ 61,017	$ 61,017	$ 61,693	$ 63,308	$ 61,537
Total Assessed Value	$1,776,024	$2,022,741	$1,596,501	$1,793,994	$1,901,970	$2,138,115
Base Year Values						
Secured	$ 353,828	$ 353,828	$ 214,107	$ 214,111	$ 214,111	$ 227,111
Unsecured	61,017	61,017	61,017	61,130	61,130	61,130
Increase Over Base-Year Values-						
Secured	$1,361,179	$1,607,896	$1,321,377	$1,518,190	$1,624,551	$1,849,467
Unsecured	----	----	----	565	2,178	407
Secured Tax Rate[2]	1 2617%	1 2563%	1.2434%	1.2397%	1.2260%	1.2376%
Unsecured Tax Rate[2]	1 2725%	1.2617%	1.2563%	1.2434%	1 2397%	1.2260%

1 State unitary property values are not computed by project area. In 1988-89, the County of Alameda decreased the assessed value (including Base Year Value) to exclude the Unitary Property Tax Assessment. The County, however, makes a payment of tax increment to the Agency which is comparable to the amount formerly received from the State Unitary Property Tax Assessment (as shown in Table 2 on page 20). (See "LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS — Unitary Property.")

2 Decline in tax rate attributable to payment of debt of entities within the County of Alameda

Source: Redevelopment Agency of the City of Oakland.

Table 2 below reflects historical Tax Revenues based on fiscal years ending June 30, 1987, through June 30, 1992 taxable values. 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 collections.

TABLE 2
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
CENTRAL DISTRICT REDEVELOPMENT PROJECT AREA TAX REVENUES
Tax Increment, Excluding Subventions
(000's omitted)

	1986-87	1987-88	1988-89[1]	1989-90	1990-91	1991-92
Tax Increment Revenue						
Secured Property	$17,174	$20,200	$16,430	$18,821	$19,917	$22,889
Unsecured Property	—	—	—	7	27	5
Unitary Property	—	—	1,930	4,031	4,338	3,888
Total Tax Increment Revenue	$17,174	$20,200	$18,360	$22,861	$24,281	$26,782

1 Includes payment by the County of Alameda to compensate for decreased taxable value due to excluding unitary tax assessment from assessed value.

DEBT SERVICE SCHEDULE

Table 3 below projects the estimated annual ratios between the Agency's available tax increments from the Redevelopment Project Area (excluding the business inventory subvention) and the debt service on the Series 1992 Bonds (the "Senior Bonds"). In addition, Table 3 projects the annual ratios between the Agency's available tax increments from the Redevelopment Project Area (excluding the business inventory subvention and the maximum amount that may be needed for housing set-aside requirements) and the debt service on the Series 1992 Bonds and the Subordinated Bonds. These coverage ratios for each year are based upon tax increments in the amount received for fiscal year ending June 30, 1992. The lien of the Subordinated Bonds on Net Tax Revenues is subject to the prior lien on the Tax Revenues of the Series 1992 Bonds.

TABLE 3

Year Ending June 30	Tax Revenues[1]	Debt Service Senior Bonds[2]	Senior Bonds Coverage Ratio	Net Tax Revenues[3]	Subordinated Bonds Debt Service[4]	Subordinated Bonds Coverage Ratio[5]
1993	$ 26,782,000	$2,439,638	N/A	$ 18,985,962	$ 6,972,357	N/A
1994	26,782,000	7,987,930	3.35	13,437,670	7,064,242	1.90
1995	26,782,000	7,996,155	3.35	13,429,445	6,962,808	1.93
1996	26,782,000	8,005,615	3.35	13,419,985	6,947,889	1.93
1997	26,782,000	8,020,615	3.34	13,404,985	7,041,433	1.90
1998	26,782,000	8,027,565	3.34	13,398,035	6,936,122	1.93
1999	26,782,000	8,045,620	3.33	13,379,980	7,028,248	1.90
2000	26,782,000	8,057,885	3.32	13,367,715	6,926,544	1.93
2001	26,782,000	8,049,947	3.33	13,375,653	7,011,190	1.91
2002	26,782,000	8,066,508	3.32	13,359,092	6,916,702	1.93
2003	26,782,000	8,066,832	3.32	13,358,768	6,900,780	1.94
2004	26,782,000	8,098,318	3.31	13,327,282	6,991,086	1.91
2005	26,782,000	8,119,680	3.30	13,305,920	6,894,238	1.93
2006	26,782,000	8,112,350	3.30	13,313,250	6,973,534	1.91
2007	26,782,000	8,123,350	3.30	13,302,250	6,882,664	1.93
2008	26,782,000	8,160,150	3.28	13,265,450	6,960,982	1.91
2009	26,782,000	8,165,050	3.28	13,260,550	7,071,808	1.88
2010	26,782,000	6,889,600	3.89	14,536,000	7,026,497	2.07
2011	26,782,000	6,910,575	3.88	14,515,025	6,926,763	2.10
2012	26,782,000	6,964,500	3.85	14,461,100	6,899,130	2.10
2013	26,782,000	7,008,625	3.82	14,416,975	7,056,649	2.04
2014	26,782,000	7,047,400	3.80	14,378,200	6,984,692	2.06
2015	26,782,000			21,425,600	7,051,086	3.04
2016	26,782,000			21,425,600	7,001,722	3.06
2017	26,782,000			21,425,600	6,970,177	3.07
2018	26,782,000			21,425,600	6,948,494	3.08
2019	26,782,000			21,425,600	7,012,066	3.06
TOTAL	$723,114,000	$166,363,908		$412,127,292	$188,359,903	

1 Based on Fiscal Year 1991-1992. Does not take into account the potential effect on Tax Revenue of the Settlement Agreement with respect to Valuation of Unitary Property. See "Limitations on Tax Revenues and Possible Spending Limitations - Unitary Property"

2 Includes debt service on the Series 1992 Bonds

3 Net of 20% deposit of Tax Revenues to Low- and Moderate-Income Housing Fund and debt service on the Senior Bonds.

4 Includes debt service on the Outstanding Series 1989 Subordinated Bond and 1992A Subordinated Bonds

5 Subordinated Bonds coverage ratio equals Net Tax Revenues divided by Subordinated Bonds debt service

RISK FACTORS

Reduction in Taxable Value

Tax Revenues allocated to the Agency are determined by the amount of incremental taxable value in the project area and the current rate or rates at which property in the project area is taxed. The reduction of taxable values of property in the project area caused by economic factors beyond the Agency's control, such as a relocation out of a redevelopment project area by one or more major property owners, or the complete or partial destruction of such property caused by, among other calamaties, an earthquake, flood or other natural disaster, could cause a reduction in the Tax Revenues securing the Series 1992 Bonds. Such reduction of Tax Revenues could have an adverse effect on the Agency's ability to make timely payments of principal of and interest on and purchase price of the Bonds secured by such Tax Revenues. California is currently suffering from a recession. As a result, real property tax values in some parts of California have declined. The Agency does not expect such recession to affect its ability to pay the Series 1992 Bonds. (See "SECURITY FOR THE SERIES 1992 BONDS" herein.)

Change in the Law

In addition to the other limitations on and State required set-asides of Tax Revenues described herein under "LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS," 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 the Tax Revenues and adversely affect the security of the Series 1992 Bonds. Also, the California Legislature could adopt a law requiring redevelopment agencies to set aside a portion or percentage of all taxes which were allocated to the redevelopment agencies such as SB 844. (See "SB 844: SCHOOL SET-ASIDE" herein.) There is no assurance that the California Legislature will not at some future time enact such set-aside legislation that could reduce the Tax Revenues and adversely affect the security for the Series 1992 Bonds.

Reductions in Inflationary Rate

As described in greater detail below, Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a two percent (2%) increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. (See "LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS" herein.)

Levy and Collection

The Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Agency to pay debt service on the Bonds secured by the Tax Revenues. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability to collect property taxes could have an adverse effect on the Agency's ability to make timely debt service payments. However, it is current County policy to allocate to the Agency and to taxing entities in the County their proportionate share of property taxes collected County-wide. Therefore, the receipt of property taxes by the Agency is based on County-wide collections and not on collections in the Redevelopment Project Area. In addition, it is current County policy to allocate to the Agency the Agency's proportionate share of delinquent and redemption property payments, penalties and interest income.

Development Risks

The Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Redevelopment Project Area. The general economy of the Redevelopment Project Area will be subject to all the risks generally associated with real estate development projects. Projected development within the Redevelopment Project Area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Redevelopment Project Area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in the Redevelopment Project Area is delayed or halted, the economy of the Redevelopment Project Area could be affected causing a reduction of the Tax Revenues available to repay the Series 1992 Bonds. In addition, if there is a decline in the general economy of the Redevelopment Project Area, the owners of property within the Redevelopment Project Area may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of Tax Revenues received by the Agency from the Redevelopment Project Area.

LIMITATIONS ON TAX REVENUES AND POSSIBLE SPENDING LIMITATIONS

Property Tax Limitations: Article XIIIA

California voters, on June 6, 1978, approved an amendment (commonly known as both Proposition 13 or the Jarvis-Gann Initiative) to the Constitution of the State of California. This amendment, which added Article XIIIA to the California Constitution, among other things, affects the valuation of real property 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." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent (2%) per year or any reductions in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors. The amendment further limits the amount of any ad valorem tax on real property to one percent (1%) of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in June 1986 by initiative which exempts any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property from the one percent (1%) limitation.

On September 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds. *Amador Valley Joint Union High School District v. State Board of Equalization*, 22 Cal.3d 208 (1978). The Court reserved certain constitutional issues and the validity of legislation implementing the amendment for future determination in proper cases.

In the general election held November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amend Article XIIIA. Proposition 58 amends Article XIIIA to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. This amendment to Article XIIIA may reduce the rate of growth of local property tax revenues.

Proposition 60 amends Article XIIIA to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Revenue and Taxation Code Section 69.5 implements Proposition 60. As a result of the Legislature's action, the growth of property tax revenues may decline.

On January 18, 1989, the United States Supreme Court struck down the practice of a West Virginia county tax assessor of valuing property based on recent purchase prices but making only minor modifications in the assessment of land not recently sold. *Allegheny Pittsburgh Coal Co. v. County Commission of Webster County*, 488 U.S. 336, 109 S.Ct. 633 (1989). The West Virginia Constitution states that "taxation shall be equal and uniform throughout the State, and all property, both real and personal, shall be taxed in proportion to its value." The Court held that the county assessor's undervaluing of comparable property not recently sold denied equal protection under the law to the petitioners. In a footnote, the Court stated that it was not deciding whether the same method of valuing property would stand on a different footing if it were the law of the state, as it is under Article XIIIA of the

California Constitution, rather than "the aberrational local enforcement policy it appears to be [in West Virginia]." 109 S.Ct. at 638, n. 4.

Based on the decision in the West Virginia case, property owners in California brought three suits challenging the acquisition value assessment provisions of Article XIIIA. Two cases involved residential property, and one case involved commercial property. In all three cases, State trial and appellate courts upheld the constitutionality of Article XIIIA's assessment rules and concluded that the West Virginia case did not apply to California's laws. *Nordlinger v. Lynch*, 225 Cal.App.3d 1259 (1990), *R. H. Macy & Co. v. Contra Costa County*, 226 Cal.App.3d 352 (1990), *Northwest Financial, Inc. v. State Board of Equalization*, 229 Cal.App.3d 198 (1991). On June 3, 1991, the U.S. Supreme Court agreed to hear the appeal in *R. H. Macy & Co.*, the challenge relating to commercial property, but the plaintiff subsequently withdrew its case. On October 7, 1991, the U.S. Supreme Court agreed to hear the appeal in *Nordlinger*, a challenge relating to residential property. *Nordlinger v. Hahn*, 112 S.Ct. 49 (1991). On June 18, 1992, the Supreme Court upheld the rulings of the State court in *Nordlinger v. Lynch. Nordlinger v. Hahn*, — S.Ct. —, 1992 WL 132447; 92 Daily Journal D.A.R. 8196. Although it appears that constitutional challenges to Article XIIIA are exhausted, the Agency cannot predict what impact any future developments might have on the Agency's receipt of tax increment funds.

Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIIIA (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax, except to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIIIA of $4.00 per $100 assessed valuation (based on the traditional practice in California of using twenty-five percent (25%) of full cash value as the assessed value for tax purposes). The legislation further provides that, for the 1978-79 fiscal year only, the tax levied by each county was to be appropriated among all taxing agencies within the county in proportion to their average share of taxes levied in certain previous years.

The apportionment of property taxes in fiscal years after 1978-79 has been revised pursuant to Statutes of 1979, Chapter 282 which provides relief funds from State moneys beginning in fiscal year 1978-79 and is designed to provide a permanent system for sharing State taxes and budget surplus funds with local agencies. Under Chapter 282, cities and counties receive about one-third more of the remaining property tax revenues collected under Proposition 13 instead of direct State aid. School districts receive a correspondingly reduced amount of property taxes, but receive compensation directly from the State and are given additional relief. Chapter 282 does not affect the derivation of the base levy ($4.00 per $100 assessed valuation) and the bonded debt tax rate.

Effective as of the 1981-82 fiscal year, assessors in California no longer record property values in the tax rolls at the assessed value of twenty-five percent (25%) of market values.

All taxable property is shown at full market value. In conformity with this change in procedure, all taxable property value included in this Official Statement is shown at one hundred percent (100%) of market value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for bond service and pension liability are also applied to one hundred percent (100%) of market value.

Future assessed valuation growth allowed under Article XIIIA (new construction, change of ownership, two percent (2%) annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs except for certain utility property assessed by the State Board of Equalization ("Unitary Property") which is allocated by a different method as described under "Unitary Property" below.

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 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 currently allocates property taxes to the Agency based on County-wide property tax collections. As a result, the Agency shares in the burden of delinquent property taxes but also receives its proportionate share of delinquent and redemption property tax payments, penalties and interest income.

Current tax payment practices by the County provide for payment to the Agency of Tax Revenues on a monthly basis although the first payment to the Agency is not made until November or December. Except for property tax advances made by the County to the Agency in December and April, actual payments to the Agency are made on the basis of County-wide property tax collections. Tax increment generated from debt service tax rates is allocated to the Agency based on one hundred percent (100%) of the calculated tax levy.

Penalties. A ten percent (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 one and one-half percent (1½%) per month from the date of sale to the time of redemption. 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 ten percent (10%) penalty also applies to delinquent taxes on property on the unsecured roll, and further, an additional penalty of one and one-half percent (1½%) per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

AB 2372 (Chapter 1230, Statutes of 1989) provides that each county is to distribute property tax revenues to local agencies (such as the Agency) in accordance with certain provisions of the California Revenue and Taxation Code, but that penalties and interest on property tax delinquencies are to be deposited in the county's general fund.

Delinquencies. The valuation of property is determined as of March 1 each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. As described above under "Collections," the Agency currently receives property taxes with a deduction for delinquencies plus the Agency's proportionate share of delinquent and redemption property payments, penalties and interest income.

Taxes on unsecured property are due March 1 and become delinquent August 31.

Supplemental Assessments. A bill enacted in 1983, SB 813 (Chapter 498, Statutes of 1983), provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statues enabled the assessment of such changes only as of the next March 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 provided 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 March 1 lien date. To the extent such supplemental assessments occur within the Redevelopment Project Area, Tax Revenues may increase.

Property Tax Administrative Costs

In 1990, the State Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions on a prorated basis. The provisions of SB 2557 are not clear as to the inclusion of redevelopment agencies as a local government agency which must share the cost of property tax administration. It has been the practice of most California counties, including Alameda County, to reduce an agency's tax increment or bill an agency for its pro rata share of property tax administrative costs.

Taxing Entity Revenue

Chapter 147, Statutes of 1984, modified Section 33676 of the California Community Redevelopment Law and allows taxing entities to receive additional property taxes in a redevelopment project area above the base year revenue amount. Section 33676 allows an affected taxing entity to elect, by resolution prior to the adoption of a redevelopment plan, to receive property taxes generated from (i) increases in the tax rate levied by the affected entity; and (ii) annual increases in the real property portion of the base year value up to the inflation limit of two percent (2%) provided in Article XIIIA of the California Constitution.

Section 33676 provides that each school district shall adopt the resolution and other taxing entities may adopt the resolution. Alameda County elected to receive such 33676 revenue in Resolution No. 86-815. Section 33676 is not valid in a project area for any taxing entity which has entered into an agreement to receive payments of tax increment from a redevelopment agency as allowed by California Health & Safety Code Section 33401 to alleviate fiscal detriment resulting from a project area. According to Agency staff, no tax sharing agreements with taxing entities exist in the Redevelopment Project Area.

Business Inventory Exemption/Special Subvention

Prior Law. Under prior State law, the State reimbursed cities, counties, special districts and redevelopment agencies ("local agencies") a portion of taxes which would have been generated by the exempted portion of business inventory value (50%). In 1979, the Legislature enacted Assembly Bill 66 (Chapter 1150, Statutes of 1979), eliminating the assessment and taxation of business inventory property and providing for replacement revenue for local agencies, except redevelopment agencies. In 1980, the Legislature enacted AB 1994 (Chapter 610, Statutes of 1980) providing replacement revenue, in part, for the loss of business inventory revenues by redevelopment agencies.

Current Law. SB 794 (Chapter 447, Statutes of 1984) repealed the provision of business inventory replacement revenue provided in both Chapter 1150 and Chapter 610 for local agencies. This measure holds redevelopment agencies harmless from the loss of business inventory replacement revenues through state payments (special subventions). Under current law, if redevelopment agencies do not receive sufficient tax revenue generated from the new supplemental roll, the State pays a special subvention to restore to such agencies the difference between the level of business inventory subventions which were to be paid under prior law and the amount of revenue received from taxes on the supplemental roll. If in any year, the Agency's revenues from the supplemental roll exceed the former amount of business inventory replacement revenues, such excess will be credited against the State special subvention due in future years until the entire excess has been credited. As a result of these changes, redevelopment agencies should receive over time approximately the same amounts of revenues as they received in 1983–84 had business inventory subventions not been terminated.

AB 160 (Chapter 449, Statutes of 1990) makes several changes with respect to the special supplemental subvention. First, AB 160 changes the payment schedule for the subvention from three annual payments on October 31, February 28 and June 30 to two payments on December 31 and July 1. Second, the December 31, 1990 payment consisted of an amount equal to twenty-five percent (25%) of the total amount the Agency would otherwise be entitled to receive in the 1990–91 fiscal year, and the July 1, 1991 payment consisted of an amount equal to fifty percent (50%) of the amount the Agency would otherwise be entitled to receive in the 1990–91 fiscal year. Thus, AB 160 cut the special supplemental subvention for the 1990–91 fiscal year by twenty-five percent (25%). Finally, the Agency may not, on or after the effective date of AB 160, pledge as security for payment of the principal and interest of bonds, any special supplemental subvention amounts.

Unitary Property

AB 454 (Chapter 921, Statutes of 1987) provided that revenues derived from Unitary Property, commencing with the 1988–89 fiscal year, will be allocated as follows: (1) for revenues generated from the one percent (1%) tax rate, (a) each jurisdiction, including redevelopment project areas, will receive a percentage up to one hundred two percent (102%) of its prior year State-assessed unitary revenue; and (b) if county-wide revenues generated from Unitary Property are greater than 102% of the previous year's revenues, each jurisdiction will receive a percentage share of the excess unitary revenues by a specified formula and (2) for revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, 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. This provision applies to all Unitary Property except railroads whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed property nor a revision of the method of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

On February 1, 1991, the Superior Court for the County of Sacramento issued a Statement of Decision in *AT&T Communications of California, et al. v. State Board of Equalization*, which reduced the valuation of certain unitary property owned by AT&T for property tax purposes. Under the decision, the valuation method used by the Board of Equalization to value unitary property was declared illegal and a new method of valuation, resulting in significantly lower values and therefore significantly lower property tax revenues, was imposed. The effect on AT&T's statewide assessed value was to reduce it from approximately $1,750,000,000 to approximately $1,100,000,000. The resulting refund ordered by the court exceeded $9,000,000. The Agency understands that, as a result of this case, the State Board of Equalization and several other utility companies whose unitary property valuations could be affected by the principles announced in the Superior Court decision have entered into a settlement agreement (the "Settlement Agreement"). The Settlement Agreement's effectiveness, however, is dependent on the fulfillment of certain covenants. If effective, the Settlement Agreement would have only a prospective fiscal impact on utility assessments, which would be phased down by approximately 10.5% over a three-year period. The Agency estimates that the portion of tax increment revenues allocable to the Agency with respect to the Redevelopment Project Area and attributable to unitary property is approximately $3,009,000 for fiscal year 1991-92. The Agency cannot predict the effect of any future litigation or settlement agreements concerning these matters on the amount of Tax Revenues received or to be received by the Agency.

Recent Limitation on Tax Revenues

An initiative to amend the California Constitution entitled "Property Tax Redevelopment Agencies" was approved by California voters at the November 8, 1988 general election. Under prior law, a redevelopment agency using tax increment revenue receives additional property tax revenue whenever a local government increases its property tax rate to pay off its general obligation bonds. This initiative amends the California Constitution to allow the California Legislature to prohibit redevelopment agencies from receiving any of the property tax revenue raised by increased property tax rates imposed by local governments to make payments on their bonded indebtedness. The initiative only applies to tax rates levied to finance bonds approved by the voters on or after January 1, 1989. AB 89 (Chapter 250, Statutes of 1989) amended Section 33670 of the Redevelopment Law to implement the amendment to the California Constitution made by the initiative. Any revenue reduction to redevelopment agencies would depend on the number and value of the general obligation bonds approved by voters in future years. The Agency does not currently project receiving any Tax Revenues as a result of general obligation bonds which may be approved on or after January 1, 1989.

Tax Increment Limitation

Pursuant to SB 690 (Chapter 639, Statutes of 1985), the Agency was required to adopt a resolution setting forth a limit on the amount of tax increment the Agency may receive with respect to each of its redevelopment project areas and a time limit as to the incurrence of indebtedness to be repaid with such tax increment. The maximum amount of tax increment the Agency may receive from the Redevelopment Project Area was established in the amount of $1,348,862,000 by resolution adopted on December 16, 1986. Based on Agency records, as of June 30, 1992, the Agency has received approximately $156,400,000 to date from the Redevelopment Project Area.

Appropriations Limitations: Article XIIIB of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIIIB to the California Constitution. The principal effect of Article XIIIB 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 1978-79 fiscal year 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 XIIIB include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. Proceeds of taxes include, but are not limited to, all tax revenues and the proceeds to an entity of government from (1) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the costs of providing the service or regulation) and (2) the investment of tax revenues.

Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. While the tax rate is assumed to decline to one percent (1%) of taxable value and remain constant in subsequent years, current law permits taxing entities deriving revenues from the one percent (1%) rate to reduce their levies under certain circumstances. It is the apparent intent of the law to insulate the other taxing entities and redevelopment agencies from the effects of such reductions on their property tax revenues.

Effective September 30, 1980, the California Legislature added Section 33678 to the Redevelopment Law which provided that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by such agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIIIB, 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 purpose of the Constitution and the laws of the State of California, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions: *Brown v. Community Redevelopment Agency of the City of Santa Ana*, 168 Cal.App.3d 1014 (1985) and *Bell Community Redevelopment Agency v. Woosley*, 169 Cal.App.3d 24 (1985). The plaintiff in *Brown* petitioned the California Supreme Court for a hearing of this case. The California Supreme Court formally denied the petition and therefore the earlier court decisions are now final and binding. On the basis of these court decisions, the Agency has not adopted such an appropriations limit.

Low- and Moderate-Income Housing

Section 33334.6 of the Redevelopment Law requires redevelopment agencies to set aside 20% of all tax increment derived from redevelopment project areas adopted after January 1, 1977 into a low- and moderate-income housing fund to be used within the jurisdiction of the redevelopment agency to increase and improve the supply of low and moderate income housing. The Redevelopment Plan is subject to these requirements. Section 33334.6, however, provides that a redevelopment agency may deposit less than 20% of tax increment into the low- and moderate-income housing fund if the agency finds that such amount is required to make payments of an "existing obligation" incurred prior to January 1, 1986 (or payment of any obligation issued to refund such existing obligation). The Series 1992 Bonds are being issued for the purpose of refunding obligations originally incurred prior to January 1, 1986 and therefore constitute "existing obligations" under the Law. Consequently the tax increment required to be set aside into the low- and moderate-income housing fund will, if necessary, be available to pay debt service with respect to the Series 1992 Bonds.

Limitation on Tax Imposition

On November 4, 1986, California voters approved an initiative statute known as Proposition 62, which added Section 53720 *et seq.* to the California Government Code. This initiative (i) requires that any tax for general governmental purposes imposed by local government be approved by resolution or ordinance adopted by two-thirds vote of the governmental entity's legislative body and by a majority of the electorate of the government entity, (ii) requires that any special tax (defined as a tax levied for other than general government purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within that jurisdiction, (iii) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed, (iv) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIA, (v) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governments, (vi) requires that any tax imposed by a local government on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988,

(vii) requires that, in the event a local government fails to comply with the provisions of this measure, a reduction in the amount of property tax revenues allocated to such local government must occur in an amount equal to the revenues received by such entity attributable to the tax levied in violation of the initiative, and (viii) permits these provisions to be amended exclusively by the voters of the State of California.

Recent decisions of the State Court of Appeals (*City of Westminster v. County of Orange*) held that the provisions of Proposition 62 insofar as they purported to apply to a city's utility user tax enacted after August 1, 1985 and prior to November 15, 1988, being the so-called "window period," was unconstitutional. The case of *Woodlake v. Logan*, rendered in May 1991, struck down the provisions requiring submission of general fund tax measures to the electorate, leaving only the question of validity and effect of the provisions requiring a two-thirds electorate approval of special tax measures.

The issue is involved in the case of *Rider v. County of San Diego*, wherein the plaintiffs challenged the validity of the San Diego County Regional Justice Facility Financing Act authorizing a county-wide sales tax to finance criminal justice facilities by majority vote of the electorate. The Court of Appeals, Fourth Appellate District, Division Two, held that even though the sales tax could be considered a special tax, it was still valid because Proposition 62 violated Article II, Section 9, Subdivision (a) of the State Constitution by submitting a tax levied for the "usual current expenses" of local government to an election requirement. The State Supreme Court reversed the Court of Appeals decision on Article XIIIA, but specifically declined to address the question under Proposition 62.

Proposition 111: Revisions to Article XIIIB. On June 5, 1990, the voters approved "The Traffic Congestion Relief and Spending Limitation Act of 1990," hereafter "Proposition 111," which modified the Constitution to alter the spending limits of Article XIIIB of the Constitution. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized below:

Adjustments. The annual adjustments to the spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is measured by the change in California per capita personal income. The definition of "change in population" specified that a portion of the State's spending limit will be adjusted to reflect changes in school attendance.

Treatment of Excess Tax. "Excess" tax revenues were determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year were under its limit.

Exclusions from Spending Limit. Two new exceptions were added to the calculation of appropriations which are subject to the limit. First, there are excluded all appropriations for "Qualified Capital Outlay Projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above their current 9 cents per gallon level, sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions are needed to make effective the transportation funding package approved by the Legislature and the Governor, which counts on raising over $15 billion in additional taxes over the next several years to fund transportation programs.

Recalculation of Appropriations Limit. The Appropriations Limit for each unit of government, including the State, is recalculated beginning in the 1990-91 fiscal year, based on the actual limit for the 1986-87 fiscal year, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

SB 844: School Set-Aside. As part of the resolution of the State's projected fiscal 1992-93 budget deficit, the State adopted SB 844 which requires each redevelopment agency in the State to make a one-time payment (based upon its proportional share of statewide tax increment revenues) into a State Educational Revenue Augmentation Fund for the benefit of schools and community college districts within the State. The Agency estimates that its one-time payment, which is required to be made prior to May 10, 1993, will be approximately $4,088,993.93. The Agency is authorized to fund the required payment from any of its legally available funds and may incur bonded debt for such purpose. The Agency intends to provide for its payment due under SB 844 from existing reserves of the Agency and believes such allocation will have no material adverse impact on its ongoing operations, including its ability to meet debt service obligations. If, however, the Agency determines that it has insufficient funds available to make such payment due to its obligations under "existing indebtedness" or otherwise, the Agency is required to enter into an agreement with the City on or prior to February 13, 1993 to provide for such payment. If neither the Agency nor the City provides for such payment by May 15, 1993, the amount due will be deducted from the property tax allocation otherwise payable to the City.

The Agency cannot currently predict whether this legislation will be renewed in 1993, or whether similar legislation will be enacted by the State with respect to other revenue allocation requirements.

Further Initiatives. Article XIIIA, Article XIIIB and Propositions 62 and 111 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting Tax Revenues or the Agency's ability to expend revenues.

THE CITY AND THE AGENCY

The City of Oakland

The City of Oakland is located on the east side of San Francisco Bay approximately seven miles from San Francisco via the San Francisco–Oakland Bay Bridge. An area of diverse character, the City ranges from industrialized lands bordering the Bay to suburban foothills in the east. Historically the industrial heart of the Bay Area, Oakland has developed into a major financial, commercial and governmental center. The City is the hub of an extensive transportation network which includes a highly developed freeway system and the western terminals of major railroads and trucking firms, as well as one of the largest container-ship ports on the West Coast. Oakland supports an expanding international airport and rapid-transit lines which connect it with most of the Bay Area.

The City was incorporated as a town in 1852, and as a city in 1854, and became a charter city in 1889. The City's charter (the "Charter") was substantially revised in 1969 to take advantage of what is now Section 7 of Article XI of the Constitution of the State of California giving cities home rule as to municipal affairs. 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, franchise, licenses, permits, leases and sales; employees' pension funds; and the creation and organization for the Port of Oakland.

For additional information concerning the City, its government and its financial affairs, see "APPENDIX A — DESCRIPTION OF THE CITY OF OAKLAND."

The Redevelopment Agency of the City of Oakland

The Redevelopment Agency of the City of Oakland was activated on October 11, 1956, by action of the Oakland City Council pursuant to the Redevelopment Law. Effective December 31, 1975, the Oakland City Council declared itself to be the Agency. The Mayor serves as Chairperson of the Agency.

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

The Agency is charged with the responsibility for elimination of blight through the process of redevelopment. Generally, this process is culminated when the Agency disposes of land for development by the private sector, but before this can be accomplished, the Agency must complete the process of acquiring and assembling the necessary sites, relocating residents and businesses, demolishing the deteriorated improvements, grading and preparing the sites for purchase by developers and providing for ancillary off-site improvements.

All powers of the Agency are vested in its nine members. The Agency exercises governmental functions in carrying out projects and has sufficiently broad authority to acquire, develop, administer and sell or lease property, including the right of eminent domain and the right to issue bonds and expend their proceeds.

For additional information concerning the Agency and its financial affairs, see "APPENDIX B - THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND" and "APPENDIX C — THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 1992."

The Redevelopment Project Area and the Redevelopment Projects

The Central District Redevelopment Project Area encompasses approximately 200 blocks, including the entire central business district of the City. Within the Redevelopment Project Area are three major redevelopment action areas: City Center, Chinatown and Victorian Row. See "APPENDIX B — THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND — The Central District Redevelopment Project" for a description of the Redevelopment Project Area.

The Agency intends to use proceeds of the Series 1992 Bonds to refund the refunded portion of the Prior Bonds, the proceeds of which have been expended on projects within two major redevelopment activity areas as follows:

City Center. The City Center activity area is a major mixed-use multipurpose development on a 15-block site assembled by the Agency. It consists of three major elements: (1) the ten City blocks being developed and/or managed by Bramalea Pacific Inc.; (2) the two blocks being developed by DWA-Fed Oak for the General Services Administration's Oakland Federal Building; and (3) the three blocks of Preservation Park. Six high-rise and three low-rise office buildings totaling approximately 1,979,000 square feet, a BART Plaza, and a 1,100-car underground parking garage have been completed in City Center. The low-rise office structures have retail components that together comprise City Square. Construction of the 1,000,000 square-foot Oakland Federal Building is expected to be completed in Spring 1993, and all the Victorian structures in Preservation Park have been renovated.

Chinatown. The Chinatown activity area is a multi-phased development on a four-block site assembled by the Agency. When completed, the development will include: 100,000 square feet of retail space; 250 units of housing with 50 being affordable units and the remainder being market rate condominiums, all of which have already been pre-sold; a 24,000 square foot Asian Culture Center and Asian Library; and 840 underground parking spaces with 500 being short-term public parking spaces. Construction of the East Bay Municipal Utility District Building was completed and occupied in July 1991, and completion of the remainder of the project is expected in December 1992.

LITIGATION

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 1992 Bonds; or (ii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 1992 Bonds.

There is no litigation pending, or to the knowledge of officials of the Agency, threatened against or affecting the Agency, which will materially adversely affect the financial position or results of operations of the Agency.

The City is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the City Attorney believes that there are substantial defenses to such litigation and disputes and that, in any event, any ultimate liability in excess of applicable insurance coverage resulting therefrom will not materially adversely affect the financial position or results of operations of the City.

The City and the Agency are separate legal entities and neither is responsible for the acts or debts of the other. Should there be an adverse judgment as a result of any litigation against the City, there would be no effect on the security for the Series 1992 Bonds and minimal impact, if any, on the Agency. (See "APPENDIX A — DESCRIPTION OF THE CITY OF OAKLAND — Litigation" herein.)

TAX EXEMPTION

In the opinion of Brown & Wood, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions, and assuming compliance by the Agency with certain covenants in the documents and requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the U.S. Treasury, interest on the Series 1992 Bonds is not includable in the gross income of the Owners of the Series 1992 Bonds for purposes of federal income taxation. Failure to comply with such covenants and requirements may, however, cause interest on the Series 1992 Bonds to be included in gross income for federal income tax purposes retroactively to the date of delivery of the Series 1992 Bonds.

Interest on the Series 1992 Bonds will not be treated as an item of tax preference in calculating the alternative minimum taxable income of individuals or corporations; however, such interest will be included as an adjustment in the calculation of corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax and environmental tax liabilities.

Bond Counsel is further of the opinion that the principal amount of the Series 1992 Bonds maturing on February 1, 1996 through February 1, 2005 and on February 1, 2007 through February 2014 (the "Discount Series 1992 Bonds") and, in each case, the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Series 1992 Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as the Interest Portion. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Series 1992 Bonds and the basis of such Discount Series 1992 Bonds acquired at such initial offering price by an initial purchaser of each Discount Series 1992 Bonds will be increased by the amount of such accrued discount.

Ownership of tax-exempt obligations may result in collateral income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers with outstanding indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion as to any such collateral federal income tax consequences and, accordingly, prospective purchasers of the Series 1992 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Bond Counsel is also of the opinion that interest on the Series 1992 Bonds is exempt from personal income tax imposed by the State of California.

RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Corporation ("S&P") have assigned ratings of "Aaa" and "AAA," respectively, to the Series 1992 Bonds with the understanding that upon delivery of the Series 1992 Bonds, a policy insuring the payments when due represented by the Series 1992 Bonds will be issued by AMBAC Indemnity. An explanation concerning the significance of the rating given by Moody's may be obtained from Moody's at 99 Church Street, New York, New York 10007, (212) 553-0470. An explanation of the ratings given by S&P may be obtained from S&P at 25 Broadway, New York, New York 10004, (212) 208-8000. Certain information and materials concerning the Series 1992 Bonds, the Agency and the City were furnished to Moody's and S&P by the Agency and the City. If in the judgment of either of the rating services, circumstances so warrant, either rating service may raise, lower or withdraw its rating. If a downward change or withdrawal occurs, it could have an adverse effect on the resale price of the Series 1992 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of (a) the adequacy of the maturing principal of and interest earned on defeasance obligations to provide for the payment of the principal of, redemption premium and interest on the refunded Prior Bonds when due, and (b) the actuarial yield on such obligations and on the Series 1992 Bonds, which computations support the conclusion that the Series 1992 Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, will be verified by Ernst & Young, independent certified public accountants.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the issuance of the Series 1992 Bonds will be approved by Brown & Wood, San Francisco, California, as Bond Counsel with respect to the Series 1992 Bonds. Certain legal matters relating to the issuance of the Series 1992 Bonds will be passed upon for the Underwriters by their co-counsel, Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, New York, New York, and Hunter & Anderson, Oakland, California. Certain legal matters incident to the issuance of the Series 1992 Bonds will be passed upon for the Agency by its counsel, Jayne W. Williams, Agency Counsel and City Attorney.

UNDERWRITING

The Underwriters have agreed to purchase the Series 1992 Bonds at a price of $93,771,759.05 (which represents the $97,655,000.00 principal amount of the Series 1992 Bonds less an original issue discount of $3,029,736.25 and less an Underwriters' discount of $853,504.70), plus accrued interest. The Underwriters will purchase all of the Series 1992 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions contained in a bond purchase contract and the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Series 1992 Bonds to certain dealers and others at prices lower than the respective public offering prices stated herein. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

CO-FINANCIAL ADVISORS

The Agency has retained Public Financial Management, Inc., San Francisco, California, and Henderson Capital Partners, Inc., Oakland, California, as co-financial advisors (the "Co-

Financial Advisors") in connection with the preparation of this Official Statement and with respect to the issuance of the Series 1992 Bonds. The Co-Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Public Financial Management, Inc., is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities. Public Financial Management, Inc. is a wholly-owned subsidiary of Marine Midland Bank, N.A., New York, New York. Henderson Capital Partners, Inc. is a municipal securities broker-dealer which provides financial advisory and underwriting services to state and local governmental entities.

MISCELLANEOUS

All the discussions and summaries contained herein of the Resolution, applicable legislation, agreements and other documents are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Agency for further information in connection therewith.

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the Owners of the Series 1992 Bonds.

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

THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

By: /s/ Henry L. Gardner
Henry L. Gardner
Agency Administrator

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APPENDIX A

DESCRIPTION OF THE CITY OF OAKLAND

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APPENDIX A
Description of the City of Oakland

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GENERAL

Introduction

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

City Government

The City was incorporated as a town in 1852, as a city in 1854 and became a charter city in 1889. Oakland is governed by a nine-member City Council, seven of whom are elected by district and two of whom, including the Mayor, are elected on a city-wide basis. The Mayor and Council members serve four-year terms. The Council appoints a City Manager who is responsible for daily administration of City affairs and preparation and submission of the annual budget under the direction of the Mayor and City Council for the Mayor's submission to the City Council.

Subject to civil service regulations, the City Manager appoints City employees except the City Attorney, City Clerk, Director of Finance and City Auditor. The City Council appoints the City Manager and the City Attorney, and the City Clerk and the Director of Finance are appointed by the City Manager subject to City Council approval. The Director of Finance serves as the City's Treasurer. The City Auditor is elected at the same time as the Mayor.

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.

FINANCIAL INFORMATION

Ad Valorem Property Taxation

City property taxes are assessed and collected by the County at the same time and on the same rolls as are County, school and special district property taxes. Under California's 1991/92 adopted budget, the County was permitted to pass on costs for certain services provided to local government agencies including the collection of property taxes. The County has imposed a fee on the City based on the County's cost for the previous year. This is a prorated charge to all jurisdictions based on each jurisdiction's share of property tax receipts.

The valuation of secured property is established as of March 1, and is subsequently equalized in August, and is payable in two installments of taxes due November 1 and February 1, respectively. Taxes become delinquent on December 10 and April 10 for each respective installment. Taxes on unsecured property (personal property and leasehold) are due on August 31 of each year based on the preceding fiscal year's secured tax rate.

State law exempts $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from ad valorem property taxation for certain yclasses of property such as churches, colleges, nonprofit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in tax bases to such entities may be affected by the establishment of redevelopment agencies which, under certain circumstances, may be entitled to revenues resulting from the increase in certain property values.

For assessment and collection purposes, property is classified as either "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 real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Boats and airplanes are examples of unsecured property. Unsecured property is assessed on the "unsecured roll."

The passage of AB 454 in 1987 changed the manner in which unitary and operating nonunitary property is assessed by the State Board of Equalization. The legislation deleted the formula for the allocation of assessed value attributed to such property and imposed a State-mandated local program by requiring the assignment of the assessment value of all unitary and operating nonunitary property in each county of each State assessee other than a regulated railway company. The legislation established formulas for the computation of applicable county-wide tax rates for such property and for the allocation of property tax revenues attributable to such property among taxing jurisdictions in the county beginning in fiscal year 1988/89. This legislation requires each county to issue each State assessee, other than a regulated railway company, a single tax bill for all unitary and operating nonunitary property.

The following table represents a seven-year history of assessed valuations in the City:

CITY OF OAKLAND
ASSESSED VALUATIONS[1]

Fiscal Year	Local Secured	Utility	Unsecured	Total
1986/87	$ 8,861,815,756	$883,599,960	$1,410,875,331	$11,156,291,047
1987/88	9,574,894,509	953,123,290	1,487,663,988	12,015,681,787
1988/89	10,134,786,232	54,229,801[2]	1,516,573,931	11,705,589,964
1989/90	11,153,589,360	56,118,185[2]	1,582,277,848	12,791,985,393
1990/91	12,211,539,476	51,665,856[2]	1,557,854,483	13,821,059,815
1990/92	13,045,047,452	56,668,159[2]	1,193,649,163	14,295,378,774
1992/93	13,095,938,157	38,475,148	1,761,686,799	14,896,100,104

1 Before redevelopment tax allocation increment deduction.
2 Reflects implementation of AB 454.
Source: Alameda County Auditor-Controller.

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the City as of the preceding March 1. A supplemental roll is developed when property changes hands which produces additional revenue.

A ten percent penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1st of the fiscal year, and a lien is recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (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 specific 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 specified property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Each County levies (except for levies to support prior voter-approved indebtedness) and collects all property taxes for property falling within that county's taxing boundaries. The secured tax levy and year-end delinquencies for the City for the six most recent fiscal years are shown in the table below:

CITY OF OAKLAND
SECURED TAX LEVY AND DELINQUENCIES

Year	Secured Tax Levy[1]	Amount Delinquent as of June 30	% Del. June 30	Apportioned Secured Tax Collection[2]
1986/87	$199,856,503	$7,338,604	6.12%	$30,082,473
1987/88	127,733,624	7,118,021	5.57	31,701,308
1988/89	126,097,763	7,008,343	5.56	34,108,364
1989/90	135,197,368	8,462,045	6.26	36,751,879
1990/91	146,349,421	9,920,924	6.78	39,751,879
1991/92	156,037,784	10,426,038	6.68	40,803,034

1 All taxes collected by the County within the City.
2 Does not include tax increments paid to the Redevelopment Agency of the City of Oakland.
Source: City of Oakland, Office of Finance.

Tax Rates

The City is divided into 33 Tax Rate Areas. This figure includes one special Tax Rate Area comprised of aircraft taxable within the City. The largest Tax Rate Area within the City is Tax Rate Area 17-001 which has a total assessed valuation of $10,408,557,955 or 70.9% of the City's total assessed valuation. A five-year history of the tax components within this Tax Rate Area is shown below:

CITY OF OAKLAND
TAX RATE AREA 17-001
SUMMARY OF TAX RATES
(Percent of Property Assessed Value)

Tax Agency	1987/88	1988/89	1989/90	1990/91	1991/92
Countywide Tax[1]	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Oakland Unified School District	0.0295	0.0236	0.0216	0.0184	0.0166
Peralta Community College District	0.0163	0.0131	0.0126	0.0111	0.0109
Oakland Unified School District[2]	0.0140	0.0120	0.0114	0.0108	0.0109
Bay Area Rapid Transit District	0.0390	0.0372	0.0319	0.0250	0.0251
East Bay Regional Park District	0.0000	0.0000	0.0047	0.0032	0.0028
City of Oakland[3]	0.1575	0.1575	0.1575	0.1575	0.1713
Combined Tax Rates	1.2563%	1.2434%	1.2397%	1.2260%	1.2376%

1 Maximum rate for purposes other than paying debt service in accordance with Article XIIIA of the State of Constitution.
2 Represents tax levied under Education Code Section 16090.
3 Represents tax levied to correct underfunded obligations in the Police and Fire Retirement System.
Source: Alameda County Auditor-Controller.

Principal Taxpayers

The following table lists the major taxpayers in the City in terms of their 1991/92 assessed valuation:

CITY OF OAKLAND
20 LARGEST LOCALLY SECURED TAXPAYERS FOR 1991/92

Property Owner	1991-92 Assessed Valuation
1. Eleven Eleven Associates	$127,949,526
2. State of California Public Employees Retirement System	101,225,400
3. Kaiser Foundation Health Plan, Inc.	95,527,525
4. Clorox Company	93,915,380
5. Samuel Merritt Hospital	87,460,445
6. Ordway Associates	85,527,148
7. Ahmanson Commercial Development Company	83,034,523
8. Lake Merritt Plaza	79,899,484
9. Bramelea Limited and City Square One	77,910,351
10. Kaiser Center, Incorporated	76,269,775
11. Owens Illinois Glass Container Incorporated	63,761,774
12. Webster Street Partners Limited	59,206,558
13. CF Oakland Associates Limited	43,026,154
14. Sparknight	33,498,132
15. FT International Incorporated and Toyomura Fumi	32,687,861
16. Safeway Stores, Incorporated	30,106,112
17. Fleischmann's Yeast Incorporated	28,337,627
18. Springwood Investment	27,625,451
19. Argonaut Financial Services Incorporated	26,763,117
20. Silberblatt S.S. Incorporated and Oakland Associates	26,245,364
Total - Top Twenty	**$1,279,977,687**
Percent of Total City-wide Assessment:	9.81%

Source: California Municipal Statistics, Inc.

Budget Process

The City's budget is developed on a cash basis.

The budget process begins in the fall of each year with staff developing broad guidelines for the subsequent year's budget preparation. These are presented to and discussed with the City Council, and finalized.

Internal budget hearings are held between the City Manager and heads of each department to discuss resources and funding for the following year; concurrently, City Council members meet with departments and review their requests. Formal public hearings are held for each departmental budget during May and June.

At least 30 days prior to the beginning of the fiscal year, the Mayor submits the proposed budget to the City Council and the time is then set by the City Council for public hearings. Upon conclusion of the public hearings, the City Council may make necessary revisions.

The operating budget is adopted by the City Council on or before June 30 of each year. It contains appropriations for all funds and all first year appropriations for capital improvements.

The City Manager employs an independent certified public accountant who, upon request, but at least annually, examines books, records, inventories and reports of all officers and employees who receive, control, handle or disburse public funds, and those of any other officers, employees or departments as the City Manager directs.

Within a reasonable period following the fiscal year-end, the accountant submits the final audit to the City Council. The City then publishes the financial statements as of the close of the fiscal year.

Financial and Accounting Information

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into eight generic fund types and three broad fund categories as follows:

Government Funds:

General Fund. The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt service funds are used to account for the accumulation of resources for, and the payment of, the principal of and interest on general obligation long-term debt, and related costs.

Capital Projects Funds. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

Special Assessment Funds. Special assessment funds are used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

Proprietary Funds:

Enterprise Funds. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily though user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds:

Trust and Agency Funds. Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and other taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are incurred.

Comparative Financial Statements

The following table reflects the City's general fund audited financial statements for the fiscal years 1987/88 through 1991/92, listing actual revenues, expenditures and fund balances:

CITY OF OAKLAND
GENERAL FUND
REVENUES, EXPENDITURES AND OPERATING RESULTS
1987/88 THROUGH 1991/92
(000's)

Total Revenues and Expenditures	Actual 1987/88	Actual 1988/89	Actual 1989/90	Actual 1990/91	Actual 1991/92
REVENUES					
Taxes and Franchise Fees	$155,403	$174,712	$170,084	$177,768	$182,637
Permits and Licenses	4,775	4,946	5,518	6,160	5,300
Fines and various penalties	4,787	6,423	7,117	7,420	6,158
Interest and rental income	10,017	16,582	12,852	12,015	10,048
Revenue from current services	15,105	16,987	17,619	22,105	21,438
Grant revenue	2,619	1,057	10,395	6,230	6,274
Other revenue	443	3,472	6,629	7,802	8,465
TOTAL REVENUES	$193,149	$224,179	$230,214	$239,500	$240,320
EXPENDITURES					
General government	$ 18,092	$ 21,696	$ 26,993	$ 27,893	$ 33,178
Public safety	88,122	103,163	130,420	143,287	150,411
Office of Public Works	134561	17,256	20,598	27,026	28,488
Office of General Services	4,519	6,196	5,890	5,006	4,558
Parks, Recreation and Cultural	23,818	26,515	18,616	16,579	23,628
Economic, Community and Social Programs	3,514	3,858	6,485	6,579	6,358
Nondepartmental[1]	16,701	7,445	11,216	15,243	6,161
Debt Service	125	125	0	0	0
TOTAL EXPENDITURES	$168,347	$186,254	$220,218	$241,613	$252,782
Excess (deficiency) of Revenues over Expenditures	24,802	37,925	9,996	(2,113)	(12,462)
Operating Transfers	(16,839)[3]	(50,517)[3]	24,857	(9,581)	5,440
Combined Adjustments[2]	13,461	365	26,185	(46,271)	---
Ending Balance	$ 60,357	$ 58,830	$119,868	$61,903	$ 54,881

1 Does not include rent payable on lease obligations.
2 Includes audit reclassifications and net residual equity transfers.
3 Operating transfers related to the refunding of City and Various Properties Certificates of Participation (1988/89) and the Certificates of Participation related to the Oakland Museum (1987/88). These financings liquidated and transferred various restricted investments from the General Fund Group to other Fund Groups.

Source: City of Oakland Audited Financial Statements.

The following table reflects the City's revenues, expenditures and operating surpluses for the general purpose fund for fiscal years 1988/89 through 1992/93:

CITY OF OAKLAND
GENERAL PURPOSE FUND
REVENUES, EXPENDITURES AND OPERATING SURPLUSES
1988/89 THROUGH 1991/92 ACTUAL
1992/93 ADOPTED BUDGET
(000's)

Total Revenues and Expenditures	Actual 1988/89	Actual 1989/90	Actual 1990/91	Actual 1991/92	Adopted 1992/93
REVENUES					
Taxes	$174,712	$170,084	$77,763	$182,750	$187,780
Permits and Licenses	4,946	5,518	6,160	7,100	7,190
Traffic fines and various penalties	6,423	7,117	7,420	6,160	7,400
Interest and rental income	16,582	12,852	12,015	7,070	6,010
Revenue from current services	16,987	17,619	22,105	16,480	27,300
Grant revenue	1,057	10,395[1]	6,230	10,390	5,880
Other revenue	3,472	6,629	20,636[3]	10,880	14,190
TOTAL REVENUES	$224,179	$230,214	$252,334	$240,830	$255,750
EXPENDITURES					
General government	$ 21,696	$ 26,993	$ 27,893	$ 30,130	$ 32,400
Public safety	103,163	130,420	143,287	141,290	147,240
Office of public works	17,256	20,598	27,026	25,080	38,660
Office of general services	6,196	5,890	17,432	4,730	4,470
Parks, Recreation and Cultural	26,515	18,616	16,579	22,550	26,300
Economic, Community and Social Programs	3,858	6,485	6,579	5,860	5,150
Nondepartmental	7,445	9,510	11,172	18,710	25,170
Capital Improvement	0	1,706	4,071	0	2,030
Interdepartmental Transfers	50,517	(24,857)	9,581	(1,540)	(14,160)
TOTAL EXPENDITURES	$236,646	$195,361	263,620	$246,810	$267,260
Excess (deficiency) of Revenues over Expenditures	$ (12,467)	$ 34,853	$(11,694)	$(5,980)	$(11,510)

1 Increase reflects anticipated reimbursement from the Federal Emergency Management Assistance program for earthquake related expenses.

2 Operating transfers related to the refunding of City and Various Properties Certificates of Participation (1988/89) and the Certificates of Participation related to the Oakland Museum (1987/88).

Source: City of Oakland 1992/93 Adopted Policy Budget. City of Oakland Financial Statements.

Financial Obligations

Short-Term. The City of Oakland implemented a short-term financing program in 1981 to finance general fund cash flow deficits during the fiscal year (July 1 through June 30). Shown below are the short-term borrowings for the most recent fiscal years. The City has never defaulted on the payment of any of these notes.

The 1992/93 notes were issued in the principal amount of $50,000,000 on October 14, 1992. The notes will become due October 15, 1993, and bear interest at a rate of 3.50% (priced to yield 2.60%). According to the terms of issuance, the City has pledged to set aside certain receipts from taxes, revenues and other moneys which are received by the City for the City's general fund sufficient to pay principal and interest on the notes. Such receipts are to be from moneys received during fiscal year 1992/93 and will be set aside on certain dates all prior to June 30, 1993.

CITY OF OAKLAND
SHORT-TERM BORROWING

Fiscal Year	Amount
1983/84	$26,000,000
1984/85	29,800,000
1985/86	35,700,000
1986/87	39,000,000
1987/88	26,000,000
1988/89	30,000,000
1989/90	22,500,000
1990/91	27,500,000
1991/92	35,000,000
1992/93	50,000,000

Source: City of Oakland, Office of Finance.

Lease Obligations. Since 1982, the City has entered into four separate sale-leaseback arrangements involving City property. Certificates of participation were issued by the Civic Improvement Corporation to finance the acquisition and construction of capital improvements to twenty-three City properties, and by the Oakland Redevelopment Agency for the acquisition and improvements to the Henry J. Kaiser Convention Center, the George F. Scotlan Memorial Convention Center, and the Oakland Museum. Because the certificates in each case are ultimately secured by lease payments from the City to various nonprofit corporations, the certificates are recorded as direct obligations of the City.

Long-Term Borrowings. In 1988, the City issued revenue refunding bonds in the amount of $209,835,000 which mature from 1993 to 2021. Such bonds are payable solely from the proceeds of guaranteed annuity contracts held in trust with PFRS (as defined below at "Retirement Programs") in the Pension Annuity Expendable Trust fund. Because of the nature of the financing structure, such bonds are recorded as direct obligations of the City.

In addition, the Oakland Redevelopment Agency has issued three series of Tax Allocation Bonds for two redevelopment project districts. In each case, the Tax Allocation Bonds are limited obligations of the Agency and are solely payable from and secured by a pledge of an incremental portion of tax revenues assessed on property within each respective project district. For fiscal year 1990/91, the redevelopment tax increment within the City is valued at $1,696,107,000.

Special Assessment Debt. In April 1989, the City issued $4,365,000 of Medical Hill Parking District Refunding Improvement Bonds. Such bonds are payable from additional property tax assessments levied against property owners in the Medical Hill Parking District. In the event of continuing delinquencies in the payment of the property owners' installments, the City, in the absence of any other bidder, is obligated to purchase at delinquent assessment sales and pay future delinquent installments of assessments and interest thereon until the land is resold or redeemed.

Internal Service Fund Long-Term Obligations. In 1980, the Oakland Redevelopment Agency purchased and leased back City Hall West to the City. In 1988, the Agency issued 1988 City Hall West Lease Revenue and Refunding Bonds. The bonds are payable from and secured by a pledge of annual lease rentals to be received from the City.

Enterprise Funds Long-Term Obligations. Numerous revenue bonds and certificates of indebtedness have been issued by the Port of Oakland and the Acorn Mortgage Program. In the case of the Port of Oakland, the outstanding balance for such obligations was determined to be $292,231,000 as of June 30, 1990. The Port operates on an enterprise basis in that debt service for Port bonds is not payable from general City revenues. In the case of the Acorn Mortgage Program, the outstanding balance for such obligations was determined to be $9,045,000 as of June 30, 1990. Such obligations are secured by a pledge of FHA insured mortgage loans issued from the related bond proceeds to developers in the Acorn Redevelopment Project Area.

Oakland-Alameda County Coliseum. Oakland-Alameda County Coliseum, Inc. is a nonprofit corporation managed by a self-appointed Board of Directors. The Board manages the fiscal affairs and policies of the corporation at its own discretion. The corporation has issued bonds which are payable from the operating revenues of the Corporation. Currently, the City and County lease the Coliseum Complex from the Corporation. The lease obligates the City and the County to make annual rent payments of $750,000 each. The lease terminates in 2006.

In the fiscal years 1992/93 through 1996/97, the City of Oakland will be making combined lease payments from its general fund as shown below:

CITY OF OAKLAND
GENERAL FUND LEASE OBLIGATIONS

Fiscal Year	Henry J. Kaiser Convention Center and G.F. Scotlan Memorial Convention Center	Civic Improvement Corporation	Oakland Museum	Total
1992/93	$3,308,185	$6,909,000	$1,902,713	$ 12,119,898
1993/94	7,738,358	6,894,000	3,072,648	17,705,006
1994/95	7,738,358	6,867,000	3,192,828	17,798,186
1995/96	9,021,175	6,735,000	3,192,240	18,948,415
1996/97	9,510,983	4,980,000	3,191,490	17,682,473
Balance Due[1]	$149,825,000	$51,500,000	$39,408,025	$240,733,025

1 Principal balance as of July 1, 1992.
Source: City of Oakland, Office of Finance.

The City has never defaulted on the payment of principal or interest on any of its indebtedness or lease obligations.

Statement of Direct and Overlapping Debt

Contained 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 and special assessment bonds. The direct and overlapping debt of the City is shown below. Self-supporting revenue bonds, tax allocation bonds and nonbonded capital lease obligations are excluded from the debt statement.

CITY OF OAKLAND
STATEMENT OF DIRECT AND OVERLAPPING DEBT
1991-92 Assessed Valuation: $13,648,141,124
(after deducting $2,022,098,876 redevelopment incremental valuation)

Direct and Overlapping Bonded Debt	% Applicable	Debt 5/1/92
San Francisco Bay Area Rapid Transit District	7.864%	$ 24,803,056
Alameda-Contra Costa Transit District Cert. of Part.	22.467	6,284,020
Oakland-Alameda County Coliseum	60.188	8,191,587
Alameda County Board of Education Public Facilities Corp.	20.376	1,591,366
Alameda County Authority and Cert. of Part.	20.376	50,016,763
East Bay Municipal Utility District	21.290	9,511,308
East Bay Municipal Utility District, Special District #1	53.954	16,571,971
East Bay Regional Park District	11.722	6,821,032
Bay Area Pollution Control Authority	3.645	4,192
Peralta Community College District	56.194	1,933,074
Oakland Unified School District	99.996	16,109,356
Oakland Unified School District Cert. of Part.	99.996	49,468,021
San Leandro Unified School District Cert. of Part.	14.492	315,926
Castro Valley Unified School District and Cert. of Part.	0.008-0.120	192
City of Oakland	100	12,000,000
City of Oakland Building Authorities	100	381,185,000[1]
City of Oakland 1915 Act Bonds	100	3,990,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		$588,796,864[2]
Less: East Bay Municipal Utility District (100% self-supporting)		9,511,308
East Bay M.U.D., Special District #1 (100% self-supporting		16,571,971
Oakland-Alameda County Coliseum (100% self-supporting)		8,191,687
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		$554,521,998

1 Excludes refunding Certificates of Participation 1992 Series A.

2 Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and nonbonded capital lease obligations.

RATIOS TO ASSESSED VALUATION:	
Gross Direct Debt ($399,990,000)	3.08%[1]
Net Direct Debt ($393,185,000)	3.03%
Total Gross Debt	4.54%
Total Net Debt	4.27%

1	General Obligation Bonds		$ 12,000,000
	Lease Revenue Bonds and Cert. of Part.		381,185,000
	Share of Oakland Alameda County Coliseum Lease-Revenue Bonds		6,805,000
			$399,990,000
	STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/91:	$10,722,154	

Source: California Municipal Statistics, Inc

Labor Relations

City employees are represented by five labor unions and associations, described in the table below, the largest one being Service Employees United Public Employees (Local 790) which represents approximately 49 percent of all City employees. Approximately 72 percent of all City employees are covered by negotiated agreements.

CITY OF OAKLAND
LABOR RELATIONS

Employee Organization	Number of Employees	Contract Expiration Date
Oakland Police Officers Association	743	June 30, 1995
United Public Employees (Local 790)	2,690	June 30, 1994
International Brotherhood of Electrical Workers	26	June 30, 1994
International Association of Firefighters (Local #557)	477	in arbitration
Western Council of Engineers	95	June 30, 1994

Source: City of Oakland, Office of Personnel Resources Management.

Retirement Programs

The Police and Fire Retirement System (PFRS) is a defined benefit plan administered by a Board of Trustees and covers uniformed employees hired prior to July 1, 1976. As of June 30, 1991, PFRS covered 457 current employees and 1,525 retired employees. Effective July 1, 1976, the City began providing for and funding an amount equal to the annual normal service cost of all PFRS participants and the amortization of unfunded benefits accumulated as of that date over a forty year period. On June 7, 1988, voters approved a City measure to extend the amortization period of the unfunded benefits to fifty years. In accordance with these voter approved measures, the City annually levies an ad valorem tax on all property within the City subject to taxation by the City to help fund the accumulated unfunded benefits. For fiscal year 1991, the City levied a tax of .1575% for this purpose. The present value of vested benefits (benefits to which participants are entitled regardless of future service) was an amount that exceeded related plan assets at June 30, 1990 by approximately $702.6 million. Effective July 1, 1985, the City's contributions to PFRS have been at the rate of 76 percent of all uniformed employees' compensation subject to retirement contribution.

The City's annual contribution to PFRS is determined by calculating the total pension liability for public safety employees under both PFRS and the Public Employees Retirement System (PERS). The amount to be contributed to both plans is allocated between years such that a level percentage of payroll (61.04% in 1991) will amortize the unfunded liabilities by

2026 and 2000 of PFRS and PERS, respectively. Contributions to PERS are deducted and the difference is contributed to PFRS.

For the fiscal year ended June 30, 1991, contributions to PFRS totaling $31.4 million ($28.9 million employer and $2.5 million employee) were made in accordance with actuarially determined contribution requirements. Employer and employee contributions equaled 105% and 9%, respectively, of current year covered payroll for plan participants. The City's actuaries do not make an allocation of the contribution amount between normal cost and the unfunded actuarial liability because the plan is closed.

Oakland Municipal Employees' Retirement System (OMERS) is administered by the City and covers two nonuniformed employees hired prior to September 1, 1970 who have not elected to transfer to the PERS as well as 366 retired employees. For the year ended June 30, 1991, the City, in accordance with actuarially determined contribution requirements, did not make contributions to OMERS as the plan is fully funded.

PERS is a defined benefit plan administered by the State of California and covers all nonuniformed employees except those who have not elected to transfer from OMERS and all uniformed employees hired after June 30, 1976. As of June 30, 1991, the unfunded pension benefit obligation under PERS was $13.1 million.

For accounting purposes, employees covered under PERS are classified as either miscellaneous employees or safety employees. City miscellaneous employees and City safety employees are required to contribute 7% and 9%, respectively, of their annual salary to PERS. The City's contribution rates for the fiscal year ended June 30, 1991, were 7.9% and 7.3% for each group, respectively. The City pays the entire amount of the miscellaneous employees' annual contribution (7%) to PERS. The remaining portion of the required employee contribution, if any, is paid by the City.

PERS uses an actuarial method which takes into account those benefits that are expected to be earned in the future as well as those already accrued. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability ended June 30, 1990.

State Budget Matters

The State adopted its budget on September 2, 1992. Based on the State's budget as specified in SB 844, the City's property tax allocation for fiscal year 1992/93 was reduced by $4.25 million. However, this amount will be adjusted in the City's favor by an estimated $750,000, which is the City's share of a "disaster pool" shared by all cities which have had federally-declared disasters since October 1, 1989. Although the City's property tax base is permanently reduced by SB 844, the disaster allowance will continue until fiscal year 1996/97. The expected reduction of about $3.5 million for fiscal year 1992/93 represents less than 2% of the City's total budget.

SB 844 allows the City of Oakland, among other cities with port facilities, to require the Port of Oakland to transfer to the City $4 million or 25% of the Port's discretionary reserve, whichever is greater. The City does not presently intend to require the Port of Oakland to actually make a transfer to the City of this amount. This amount, however, cannot exceed the amount of the City's property tax loss, which is expected to be about $3.5 million for fiscal year 1992/93. Any existing contracts or payments for services between the City and the Port of Oakland are not affected, and any city charter provisions to the contrary are overridden by SB 844.

Oakland Hills Fire

On October 20, 1991, a fire damaged the Oakland Hills. None of the property damaged by the fire is located in the Central District Redevelopment Project Area. An estimated 1,990 acres of forest and residential property were damaged. 2,354 homes and 456 apartment units were destroyed in the fire, most of which were in Oakland. An additional 87 homes were damaged. Property destroyed in the fire has been subject to lower assessed valuations. After rebuilding substantially the same as the previous home, the value assigned to the new home will be the same as the Proposition 13 value of the home on the Assessor's file prior to the fire.

The City has spent $35 million responding to the fire. The State has approved assistance to the City and the City fully expects 100% of this cost to be reimbursed by the Federal Emergency Management Agency (FEMA). Additionally, the fire represents a $1.1 million loss from property taxes or approximately 1% of the City's total property tax. There is legislation pending to reimburse the City for lost property taxes as a result of the fire.

The City has completed its debris cleanup and erosion control measures. 90% of the private lots have been cleared of debris. There have been no major slides in the burn area. The erosion control program has cost $5 million and will be reimbursed by FEMA. The debris cleanup program will be funded jointly by FEMA, the State and insurance companies at an estimated cost of $20 million.

Litigation. On October 20, 1992, seven lawsuits on behalf of approximately 350 persons were filed in state superior court seeking monetary compensation for damages allegedly sustained in the Oakland Hills Fire. With an earlier suit filed in September 1992, the total number of fire-related lawsuits is eight. The City believes that state law immunizes it from many of the causes of action filed against it in these lawsuits, but that protracted litigation will be necessary to resolves those issues to which immunities may not be applicable.

The City and the Agency are separate legal entities and neither is responsible for the acts or debts of the other. Should there be an adverse judgment against the City, there would be no effect on the security for the 1992 Bonds and minimal impact, if any, on the Agency.

Loma Prieta Earthquake

The October 1989 Loma Prieta earthquake damaged a number of old structures in the downtown district of Oakland. Of the 24 major commercial buildings that sustained damage, eight have been renovated and reopened. A number of the buildings which remain closed are single-room occupancy hotels which served low-income residents. Due to the age and historical nature of some of these structures, and the effects of the current economic recession, the commercial owners have not secured the necessary loans to repair these buildings. The City has been working with these hotel owners to arrange financing from FEMA, the State and the Oakland Redevelopment Agency.

ECONOMIC PROFILE

Introduction

Founded in 1852, Oakland occupies 53.8 square miles, with 19 miles of coastline on the San Francisco Bay in northern California. It is the seat of government of Alameda County, one of nine counties comprising the San Francisco Bay region, and the center of commerce for the Bay Area. The Bay Area has a population of over 6,000,000 people. A large number of public entities are headquartered in Oakland, including the Bay Area Rapid Transit District (BART), East Bay Municipal Utility District, Association of Bay Area Governments (ABAG), Alameda County Transportation Authority, and the University of California Board of Regents. The California Department of Transportation (Caltrans) will be completing its headquarters building in 1992 and the U.S. General Services Administration will complete its twin towers in 1993.

Oakland's population exceeds 376,700, making it the sixth largest city in California and the third largest Bay Area city. The 1990 census figures demonstrate that Oakland is one of the most ethnically diverse cities in the country, with 81 different languages and dialects spoken. The City's workforce is both sizable and multi-skilled. More than half of its residents are between the ages of 25 and 49, while almost 35 percent live in households with income levels of $35,000 or more.

The East Bay economy (Alameda and Contra Costa Counties), which accounted for 39 percent of all new job growth in the Bay Area in the 1980s and 30.2 percent in 1990, will continue to be the primary engine of growth for the Bay Area of the 1990s. Sales and Marketing Management Magazine estimates that the value of goods and services will increase by 66 percent by the year 2000. With $38.3 billion in buying power and nearly $16.2 billion in retail sales in 1990, the two-county area is one of the highest spending markets in the nation. Projections made by ABAG indicate that Oakland's employment growth between the years 1985 to 1995 will be 12.5 percent or over 23,000 jobs.

Historically, the City's economic base has been largely industrial, and the City retains a strong manufacturing sector. Over 700 manufacturing firms are located in the City with an increasing commercial and service sector presence. According to the Oakland Chamber of Commerce there is approximately 12 million square feet of office space within the City, and about 50% of that is in Class A office buildings. Oakland's vacancy rate for office space was 14.5% at the end of the first quarter of 1992, while its Class A office vacancy rate was 13.7%. Two major office buildings and one parking garage are under construction. An increasing number of major retailers have opened locations in Oakland and there are several commercial/shopping districts emerging in the City.

Much of the City's economic strength is attributable to its extensive transportation system. The Port of Oakland is one of the busiest container facilities in the nation and Oakland International Airport offers service to more than 150 cities. Nine major U.S. and California highways converge in Oakland, providing convenient travel throughout the Bay Area and direct access to other regions of the country. High speed rail transportation to San Francisco and throughout the East Bay is offered by the Bay Area Rapid Transit District (BART) and local bus service is provided by AC Transit. Additionally, ferry service is available to San Francisco.

Services and other important resources are extensive and locally provided. Eight major hospitals with over 1,700 beds are located in the City and serve City residents. There are more than 170 public and private schools which provide educational opportunities to the City's young people on the elementary and secondary levels. Utility services are provided by East Bay Municipal Utility District, Pacific Gas and Electric, and Pacific Bell. In addition to other Bay Area media, the City has its own regional newspaper, radio stations, and a television station.

Having begun its development as a commercial and transportation center with the Gold Rush in 1849, Oakland is today recognized as the center of commerce for the entire Bay Area. It is also one of the main sea terminals for cargo moving between the Western United States and the Pacific Rim, Latin America and Europe. Since 1960, Oakland International Airport, operated by the Port of Oakland, has developed into a major regional center of air passenger and cargo jet operations. Last year it was one of the fastest-growing airports in the nation in number of passengers served. It currently provides 56 percent of the Bay Area's cargo flights. The City's foreign trade zone is the largest in the Bay Area with the number of goods flowing through the zone having doubled in 1990, and revenues in excess of $25 million.

Over the last 25 years, there have been significant gains in diversifying the City's economic base. While manufacturing jobs have decreased, the economy now offers a balanced mixture of trade, government, financial and service-oriented occupations, and has a growing skilled crafts sector. The City's abandoned warehouses, foundries, and long silent cigar, macaroni and tent factories are being rapidly converted into live/work studios for crafts people.

Less obvious to people passing through Oakland are the City's increasingly robust neighborhood retail areas: Glenview, Lakeshore and Grand Avenue, Piedmont Avenue, Fruitvale, Montclair Village, Rockridge and Chinatown. In fact, it was because of the activity in these commercial/shopping districts that the City did not suffer a significant decline in sales tax revenue despite temporary closure of several major retail stores after the 1989 Loma Prieta earthquake.

Development of Oakland's downtown has long been a primary thrust of city planning. Over the past two decades, the central business district (extending to Lake Merritt) has undergone a dramatic physical renaissance. New office and retail buildings, refurbished public facilities, renovated historical buildings, a new convention center, transportation improvements, parking facilities, luxury hotels, park enhancements and outdoor art have created a cosmopolitan environment enhancing the City's status as the hub of the Bay Area.

The quality of life in the City is enhanced by abundant opportunities for recreation, entertainment and culture. The City has a moderate climate and has 64 parks within its borders including Lake Merritt which is located downtown. The Oakland-Alameda County Coliseum hosts concerts and other special events, and is the home to Oakland A's baseball and Golden State Warriors basketball. A variety of museums, music, dance and theater groups, both amateur and professional, perform regularly in the City.

Population

The City is the sixth largest in the State of California. Between 1980 and 1991, the City's population increased by a total of 11% or 37,412. The County has experienced steady population growth since 1960, and it is estimated that population has grown by 187,621 or 17% since 1980. The fastest growing cities are located in the southern and eastern portions of the County. The County is the second most populous in the Bay Area and the sixth most populous in the State.

CITY OF OAKLAND AND ALAMEDA COUNTY
POPULATION

Year	City of Oakland	Alameda County
1960	367,548	908,209
1970	358,486	1,064,049
1980	339,288	1,105,379
1990	372,242	1,279,182
1991	376,700	1,293,000

Source: Statistics for 1991 are State Department of Finance estimates as of January 1. The 1960, 1970, 1980 and 1990 totals are U.S. Census figures.

Employment

During the past seven years of economic expansion, Alameda County's labor force has grown steadily. It is expected that the County will continue to experience moderate job growth with approximately 82,000 more jobs in the County by 1996 than in 1989. This represents an increase of 13.8 percent or an average of 2.0 percent per year. Reflecting the national recession in 1990 and 1991, local job growth was slower at that time than during the preceding several years. As the overall economy recovers, job growth in the County will also accelerate. Federal government employment will increase in 1993 when the new Oakland federal building is completed. At this time, the various military bases in the County are not slated for closure.

The following table represents the labor patterns in the County for 1987 through 1990 and for June 1991 and June 1992 and civilian labor force figures for the City for the same period:

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES
(Amounts in Thousands)

ALAMEDA COUNTY

	1987	1988	1989	1990	June 1991	June 1992
Civilian Labor Force	639.9	667.6	685.6	675.7	679.1	698.3
Employment	607.3	636.9	656.5	647.6	639.0	646.2
Unemployment	32.6	30.7	29.1	28.1	36.5	42.1
Unemployment Rate	5.1%	4.6%	4.2%	4.2%	5.4%	6.1%
Wage and Salary Employment[1]						
Total All Industries	552.2	573.3	598.7	608.6	600.2	N/A
Agriculture	1.8	1.9	1.8	1.5	1.4	N/A
Non-agriculture	550.4	571.4	596.9	607.1	598.8	N/A
Mining & Construction	28.8	30.5	31.7	31.4	27.4	N/A
Manufacturing	74.7	80.4	83.3	81.9	81.7	N/A
Transportation & Public Utilities	35.7	36.5	38.8	40.5	39.3	N/A
Wholesale Trade	36.3	37.6	40.9	40.8	43.4	N/A
Retail Trade	100.1	102.9	106.1	108.3	100.2	N/A
Finance, Insurance & Real Estate	29.2	29.6	30.4	30.8	29.4	N/A
Services	127.4	134.1	143.3	149.6	153.2	N/A
Government	118.2	119.8	122.4	123.8	124.2	N/A
Civilian Labor Force[2]	181.1	187.3	195.2	190.5	192.3	199.2
Employment	168.3	175.3	183.7	179.5	178.3	180.0
Unemployment	12.8	12.0	11.4	11.0	14.0	19.2
Unemployment Rate	7.0%	6.4%	5.9%	5.8%	7.3%	9.6%

1 Based on place of work.
2 Based on place of residence.

Source: California Employment Development Department.

Largest Employers

The following tables represent the largest public and private employers in the City of Oakland:

CITY OF OAKLAND
LARGEST PUBLIC EMPLOYERS

Public Entity	Product/Service
AC Transit District	Public Transportation
Alameda County	Governmental Operations
Bay Area Rapid Transit District	Public Transportation
East Bay Municipal Utility District	Utility/Water
Highland Hospital Oakland	County Medical Center
City of Oakland	Governmental Operations
Naval Hospital Oakland	Hospital-Medical Center
Oakland Public Schools	Education
Oakland Army Base	Military Traffic Management/Cargo Control
Peralta Community College	Education
US Navy Supply Center	Government Installation
US Post Office	Postal Services

Source: Oakland Chamber of Commerce.

CITY OF OAKLAND
LARGEST PRIVATE EMPLOYERS

Company	Product/Service
American President Companies, Inc.	Ocean Shipping
American Protective Services	Security
AT&T	Communications
Blue Cross	Health Care Insurer
Children's Hospital	Hospital Service
Citicorp Savings	Banking
Clorox Company	Household Products
Emporium	Department Store
Granny Goose	Food Products
ICF-Kaiser Engineers	Aluminum Products/Engineering
Kaiser Foundation Health Plan	Hospital Services
Kilpatricks Bakery	Bakery Products
Mother's Cake & Cookie Co.	Bakery Products
Oakland Scavenger	Garbage Collection
Owens-Illinois	Glass Container
Pacific Bell	Public Utility
Pacific Gas & Electric	Public Utility
Safeway Stores, Inc.	Grocery Stores
San Francisco French Bread Co.	Bakery Products
Scott Co.	Mechanical
Southern Pacific Transportation	Transportation
Summit Medical Center	Hospital Services
Sunshine Biscuits	Bakery Products
The Tribune	Newspaper
World Savings and Loan	Banking

Source: Oakland Chamber of Commerce.

Commercial Activity

A six-year history of retail sales for the City is shown in the following table:

CITY OF OAKLAND
TAXABLE TRANSACTIONS 1986–1991

Year	Retail Sales
1986	$2,366,556,000
1987	2,352,164,000
1988	2,472,515,000
1989	2,530,690,000
1990	2,447,917,000
1991	2,406,366,000

Source: State Board of Equalization, Department of Research and Statistics.

Construction Activity

A five-year history of building permits and valuation appears in the following table:

CITY OF OAKLAND
BUILDING PERMITS AND VALUATIONS 1986–1991

Year	Residential Permits	Residential Valuation (In Thousands)	Nonresidential Valuation (In Thousands)
1987	650	101,383	82,709
1988	612	106,892	92,260
1989	505	73,941	57,776
1990	336	71,399	49,284
1991	762	113,323	89,982

Source: "California Building Permit Activity," Economic Sciences Corporation.

Median Household Income

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

CITY OF OAKLAND AND ALAMEDA COUNTY
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME
1985–1990 Median EBI

Year	City of Oakland	Alameda County	California	United States
1985	$20,712	$28,037	$26,557	$23,680
1986	21,960	29,756	28,227	24,632
1987	23,028	31,220	30,537	25,888
1988	22,927	30,984	30,088	24,488
1989	23,257	31,440	30,713	25,976
1990	25,306	34,211	33,342	27,912

Note: Beginning in 1988, methodology used to calculate Median EBI differs from that in previous years.
Source: "Survey of Buying Power," Sales and Marketing Management Magazine

APPENDIX B

THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

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APPENDIX B

THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

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 Redevelopment Law. Effective December 31, 1975, the City Council declared itself to be the Agency. The members of the Agency include the Mayor, Elihu M. Harris, as Chairman of the Agency, and the other members of the City Council of the City of Oakland: Leo Bazile, Frank H. Ogawa, Aleta Cannon, Marge Gibson-Haskell, Nathan Miley, Mary Moore, Wilson C. Riles, Jr., and Richard Spees.

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

Henry L. Gardner serves as City Manager and Agency Administrator. He was appointed to these positions in 1981. He formerly served as Assistant City Manager and has been employed by the City since 1971.

Jayne W. Williams serves as City Attorney and Agency Counsel. She was appointed to these positions in 1987.

Gary Breaux serves as Agency Treasurer. He also serves as City Director of Finance. He was appointed to these positions in 1991.

Arrece Jameson serves as Secretary to the Agency, as well as City Clerk. Ms. Jameson has held the position of Secretary to the Agency since 1977 and has been employed by the City since 1950.

Julia T. Brown, Director of the Office of Economic Development and Employment, was appointed in 1990.

Antoinette Hewlett, Director of the Office of Community Development, was appointed in 1979.

Administration of the Agency's projects is a staff function within the City organizational framework and has been a shared responsibility of the Office of Economic Development and Employment (Commercial/Industrial Projects) and Office of Community Development (Housing Projects).

Powers

All powers of the Agency are vested in its nine 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 accomplish this 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 this, the Agency must complete the process of acquiring and assembling the necessary sites, relocating residents and businesses, demolishing the deteriorated improvements, complete 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 the 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 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. Besides the Central District Redevelopment Project, the active projects include two designated projects and three proposed projects (see below for descriptions).

Agency Finances

The Agency's audited financial statements for the fiscal year ending June 30, 1992, are found in Appendix C.

The Central District Redevelopment Project

The Central District Redevelopment Project Area encompasses an area of 200 City blocks, including the entire Central Business District. The Project Area is the economic and transportation hub of the East Bay portion of the San Francisco–Oakland Metropolitan

Area. It contains nearly 40 major office buildings of over 30,000 square feet each with approximately 9 million square feet of rentable office space. The class A buildings currently have a vacancy rate of approximately 13.7%. This vacancy rate exists predominantly in the older office buildings and in the portion of new buildings still under construction.

The Project Area is at the heart of the BART transit system, having three stations located within its boundaries. More than forty bus lines connect the Project Area with other parts of Oakland and nearby communities. Freeway access to the Project Area is excellent, and was significantly enhanced with the completion of the John B. Williams Freeway in 1985.

Within the Project Area are three major redevelopment action areas: City Center, Chinatown and Victorian Row. These three action areas surround the Oakland Convention Center/Parc Oakland Hotel Complex, which was developed with Agency financial assistance. A second hotel/garage project is in progress and will be developed with Agency financial assistance. The Agency owns and operates the Housewives Market and is continuing with plans to develop new retail business in the Central District.

City Center. The City Center action area is a major mixed-use multipurpose development on a 15-block site assembled by the Agency. It consists of three major elements: (1) the ten blocks being developed and/or managed by Bramalea Pacific Inc.; (2) the two blocks being developed by DWA-Fed Oak for the General Services Administration's Oakland Federal Building; and (3) the three blocks of Preservation Park.

Chinatown. The Chinatown action area is a multi-phased development on a four-block site assembled by the Agency. The first phase consisted of a six-story podium covering one city block, with the lower floors designed for commercial, retail and restaurant use and the upper floors for office use. Construction was completed in late 1982.

Victorian Row. Victorian Row, started in 1978, consists of the rehabilitation/restoration of eleven mid-to-late nineteenth century Victorian commercial structures in three phases, and new construction in a fourth phase, for office and commercial uses.

Special Programs

In addition to undertaking redevelopment activity within the three major action areas, the Agency has initiated three other programs in the Central District Project Area.

The Cultural Development Program provides grants and technical assistance to local non-profit arts organizations, producing a wide array of arts activities and assisting in marketing Central District activities through technical assistance, advertising and promotion.

The Employment and Training Program provides assistance to employers in accessing employment and training resources, and by providing a work force trained to the employer's specifications. Over 750 high school students are presently enrolled in the program.

The Drug Nuisance Abatement Housing Program is designed to eradicate drug dealing and use in Oakland's low- and moderate-income residences. The program places the duty to abate drug-related nuisances on the property owners in conjunction with the Oakland Police Department.

Controls, Land Use and Building Restrictions

The Central District Urban Renewal Plan (the "Plan") designates six major use areas that cover the entire Project Area: commercial core, peripheral commercial, civic and institutional, residential (apartment), residential (neighborhood), and general industrial. The Plan outlines guidelines for predominant and secondary uses in each area, residential development densities and floor areas, off-street parking requirements, and off-street loading requirements. The Plan is intended to provide the framework for the Agency's planning and execution of renewal activities. The Agency's formal land use control powers are limited, however, to approved rehabilitation, activity, and acquisition areas within the Project Area, as described below. City codes, including the zoning regulations of the City of Oakland and other Oakland municipal codes and ordinances apply throughout the Project Area.

The Plan provides for the establishment of rehabilitation, acquisition and activity areas within the Project Area in which the Agency is empowered to employ various urban renewal techniques and to exercise special land use controls as authorized by the Redevelopment Law. These areas can be established only by resolution of the City Council based on recommendations by the City Planning Commission. Three such action areas (described earlier) have been established. Pursuant to state law requirements, environmental impact data have been completed for each action area.

For each of these areas, the Plan sets forth land use controls, enforceable by the Agency, related to primary and secondary uses, size and operating characteristics of acceptable use, design standards, building requirements, off-street parking and loading requirements, sign control, utilities undergrounding, circulation and other obligations to be imposed on redevelopers. The Plan provides that no building, sign, or structure be constructed and no existing improvement be rehabilitated within established rehabilitation, acquisition, or activity areas except in accordance with architectural, landscape, and site plans submitted to and approved in writing by the Agency.

Under certain circumstances, the Agency is authorized to permit a variation from the limits, restrictions and controls established by the Plan. However, no variation shall be granted which changes a basic land use or which permits other than a minor departure from the Plan provisions. In permitting a variation, the Agency is required to impose such conditions as are necessary to protect the public health, safety or welfare, and to assure compliance with the purposes of the Plan. Any variation permitted by the Agency is not to supersede any other approval required under City codes and ordinances.

Other Projects

In addition to the Central District Redevelopment Project two designated redevelopment projects and three proposed projects are briefly described below.

Acorn Project. Redevelopment began the Acorn Project in 1962 on a 50-block area west of downtown Oakland. Approximately 610 structures were acquired, the occupants relocated, the buildings demolished and the sale of assembled land to private non-profit developers who built over 1,000 low-moderate income residential units. A 23-block area at the southern edge of the project contains industrial and commercial development where more than 20 new firms have bought land and built new facilities.

Oak Center Project. Oak Center is a 56-block residential community in West Oakland, adjacent to downtown and the Acorn Project, mainly composed of Victorian structures. These structures were preserved through may efforts and a variety of financing techniques. Those that were unfeasible for renovation were demolished and the vacant land made available for future development.

Martin Luther King, Jr. Community Plaza. This is a proposed mixed use development located at the Old Merritt College Campus in North Oakland which will consist of office, retail, civic activities and residential space.

Coliseum Area Project. This is a proposed 4,100 acre redevelopment project in East Oakland with the objective of economically revitalizing the area and increasing jobs for Oakland residents. Activities will include commercial and industrial rehabilitation, public improvements, acquisition and assemblage of marketable parcels of land and construction of low- and moderate-income housing.

West Oakland Area Project. This program proposes to alleviate blight in West Oakland through housing development, commercial revitalization and aesthetic improvement.

Litigation and Claims

There is no litigation pending, or to the knowledge of officials of the Agency, threatened against or affecting the Agency, seeking to restrain or enjoin the issuance of the 1992 Bonds or the application of the proceeds thereof to payment of the Prior Bonds, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Series 1992 Bonds, the Resolution, or the transactions contemplated thereby.

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APPENDIX C

THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992

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WILLIAMS, ADLEY & COMPANY

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Financial Statements and
Supplemental Information

June 30, 1992

(With Independent Auditors' Report Thereon)

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
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WILLIAMS, ADLEY & COMPANY
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**To the Members of the Redevelopment Agency
of the City of Oakland:**

We have audited the combined component unit financial statements of the Redevelopment Agency of the City of Oakland (the Agency) as of and for the year ended June 30, 1992, as listed in the accompanying table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with generally accepted auditing standards 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 examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Redevelopment Agency of the City of Oakland at June 30, 1992 and the results of its operations and the cash flows of the Enterprise Fund for the year then ended in conformity with generally accepted accounting principles

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole The supplemental financial information as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole

Williams, Adley & Company
WILLIAMS, ADLEY & COMPANY
November 13, 1992

1330 Broadway, Suite 1825 · Oakland, CA 94612 · (510) 893-8114 Fax 893-2603

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1992

	Governmental Fund Types			Proprietary Fund Type	Account Group	
Assets	Capital Project	Debt Service	Administrative	Enterprise Fund	General Long-Term Obligations	Totals (Memorandum Only)
Cash	$ 633,125		$ 100			$ 633,225
Restricted cash and investments with fiscal agent	71,758,359	$ 57,849,065		$ 80,467		129,687,891
Pooled cash and investments.						
Cash			476,141			476,141
Accrued interest receivable			890,283			890,283
Investments			85,619,710			85,619,710
Discount on investments			(100,772)			(100,772)
Less· Other funds interests			(86,885,363)			(86,885,363)
Equity in pooled cash and investments	67,239,762	313,557	19,332,044			86,885,363
Due from other Redevelopment Agency funds	1,230,000					1,230,000
Due from City of Oakland	13,419,504		1,350,000			14,769,504
Due from U S Government				475,000		475,000
Direct financing lease receivables - City of Oakland		43,323,025				43,323,025
Accounts receivable (net of $200,000 allowance for doubtful accounts)	43,348					43,348
Accrued interest receivable	2,861,868	5,482				2,867,350
Notes receivable	18,070,042	81,522,267				99,592,309
Land held for resale	14,082,848					14,082,848
Amount available in Debt Service Fund					$ 53,436,266	53,436,266
Amount to be provided for retirement of general long-term obligations					256,574,019	256,574,019
Capital Contribution	1,000					1,000
Total assets	$189,339,856	$183,013,396	$20,682,143	$555,467	$310,010,285	$703,601,147

See Accompanying Notes to Combined Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Combined Balance Sheet - All Fund Types and Account Group, Continued
June 30, 1992

Liabilities	Governmental Fund Types			Proprietary Fund Type	Account Group	
	Capital Project	Debt Service	Administrative	Enterprise Fund	General Long-Term Obligations	Totals (Memorandum Only)
Accrued debt service		$ 4,579,136				$ 4,579,136
Certificates of participation					$120,908,025	120,908,025
Tax allocation refunding bonds payable					176,059,273	176,059,273
Lease revenue refunding bonds payable					3,915,000	3,915,000
Mortgage revenue bonds payable				$475,000		475,000
Due to other Redevelopment Agency funds			$1,230,000			1,230,000
Due to Alameda County	$ 693					693
Due to City of Oakland	15,715,157					15,715,157
Advances from City of Oakland					9,127,987	9,127,987
Deferred revenue	27,185,887	124,974,625	120,000			152,280,512
Refundable deposits	33,112		36,467			69,579
Accrued liabilities	403,816					403,816
Endowment Liabilities	515,285					515,285
Other liabilities	62,610	23,369				85,979
Total liabilities	43,916,560	129,577,130	1,386,467	475,000	310,010,285	485,365,442
Fund Balance						
Retained earnings				80,467		80,467
Fund balances						
Reserved for debt service		53,436,266				53,436,266
Reserved for land held for resale	14,082,848					14,082,848
Reserved for long-term loans			1,230,000			1,230,000
Reserved for capital projects/activities	131,340,448					131,340,448
Unreserved designated for future capital projects/activities			18,065,676			18,065,676
Total fund equity	145,423,296	53,436,266	19,295,676	80,467		218,235,705
Total liabilities and fund equity	$189,339,856	$183,013,396	$ 20,682,143	$555,467	$310,010,285	$703,601,147

See Accompanying Notes to Combined Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
All Governmental Fund Types
Year ended June 30, 1992

	Governmental Fund Types			
	Capital Project	Debt Service	Administrative	Totals (Memorandum Only)
Revenues:				
Tax increment	$ 27,575,682	$ 657,573		$ 28,233,255
City grants	1,119,738			1,119,738
Federal grants-in-aid	3,197,351			3,197,351
Interest on restricted cash and investments with fiscal agent	2,346,492	5,691,596		8,038,088
Interest on pooled cash and investments	3,163,387	56,135	$ 1,148,519	4,368,041
Interest on notes receivable	874,637	8,234,313		9,108,950
Interest on direct financing lease receivables - City of Oakland		3,022,118		3,022,118
Rents and reimbursements	576,872			576,872
Other	575,767		551,221	1,126,988
Total revenues	39,429,926	17,661,735	1,699,740	58,791,401
Expenditures				
Debt Service				
Retirement of long-term debt		4,043,250		4,043,250
Interest		23,394,595		23,394,595
Operation and management of acquired property	465,990			465,990
Site clearance and toxic remediation	779,203			779,203
Project improvements	18,183,772			18,183,772
General and administrative	9,966,471			9,966,471
Loss on sale of real property	195,345			195,345
Other	2,630,764		2,603	2,633,367
Total expenditures	32,221,545	27,437,845	2,603	59,661,993
Excess (Deficiency) of revenues over expenditures	7,208,381	(9,776,110)	1,697,137	(870,592)
Other financing sources (uses)				
Operating transfers in(out)	(16,560,722)	16,560,722		
Proceeds from sale of bonds		42,294,316		42,294,316
Retirement of bonds - transfer to bond escrow		(38,056,763)		(38,056,763)
Bond reserve fund - transfer to bond escrow		(4,102,272)		(4,102,272)
Bond issue costs		(926,892)		(926,892)
Proceeds from insurance		2,200,000		2,200,000
Total other financing sources (uses)	(16,560,722)	17,969,111		1,408,389
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,352,341)	8,193,001	1,697,137	537,797
Fund balances at beginning of year	154,775,637	45,243,265	17,598,539	217,617,441
Fund balances at end of year	$145,423,296	$53,436,266	$19,295,676	$218,155,238

See Accompanying Notes to Combined Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Fund

Year ended June 30, 1992

Revenues:	
Interest on cash with fiscal agent	$ 283,266
Interest on notes receivable	71,403
Total revenues	354,669
Expenses:	
Interest	
565,500	
Other	17,040
Total expenses	582,540
Net loss	(227,871)
Retained earnings at beginning of year	308,338
Retained earnings at end of year	$ 80,467

See Accompanying Notes to Combined Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Statement of Cash Flows
Enterprise Fund

Year ended June 30, 1992

Cash flows from operating activities:	
Cash provided by operations:	
Net loss	$ (227,871)
Decrease in notes receivable	7,987,538
Net cash provided by operating activities:	7,759,667
Cash flows from non-capital financing activities:	
Principal payments on bonds	8,420,000
Decrease in accrued interest payable	144,613
Net cash used for non-capital financing activities:	8,564,613
Decrease in cash	(804,946)
Balance of cash with fiscal agent at beginning of year	885,413
Balance of cash with fiscal agent at end of year	$ 80,467

See Accompanying Notes to Combined Financial Statements.

(1) Activities of the Redevelopment Agency of the City of Oakland

The Redevelopment Agency, a component unit of the City of Oakland (the Agency), was activated on October 11, 1956, for the purpose of redeveloping certain areas of the City of Oakland (City) designated as project areas. 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 is financing numerous low and moderate income housing projects throughout the City of Oakland.

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

- Bond issues, notes and other financing sources.
- Advances, loan and grants-in-aid from the City.
- Property tax revenue attributable to increases in the assessed valuations in the associated project areas.
- Grants received from the U.S. Department of Housing and Urban Development under the Urban Renewal Program, Neighborhood Development Program and Community Development Block Grant Program (through the City of Oakland), as well as Section 312 rehabilitation loans.

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 funding agreements. The amount of incremental property tax revenue received is dependent upon the local property tax assessments and rates, which are outside of the control of the Agency. Accordingly, the length of time that will be necessary to repay the City is not readily determinable.

The Agency has undertaken seven projects to date which consist of the Central District (which is segmented into several action areas including Chinatown, City Center and Victorian Row), Acorn, Elmhurst, Oak Center, Peralta College, Stanford/Adeline and the 77th Avenue Industrial areas. The Elmhurst, Oak Center and Stanford/Adeline projects are substantially complete. The Peralta College project has been completed. The 77th Avenue Industrial project, which is not complete, is currently inactive.

(1) Activities of the Redevelopment Agency of the City of Oakland, (Cont'd.)

The Central District Redevelopment Project, the Agency's primary project, provides for the development and rehabilitation of commercial and residential structures for approximately 200 blocks of Oakland's downtown area.

The Agency has also purchased from and leased back to the City certain major properties including the H. J. Kaiser Convention Center, George P. Scotlan Memorial-Oakland Convention Center (Scotlan Convention Center) and the Oakland Museum.

(2) Summary of Significant Accounting Policies

Basis of Presentation - Fund Accounting

The accounts of the Agency are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements. Fund types and the account group used by the Agency are described below.

Governmental Fund Types:

Capital Projects Fund - The Agency is organized into project areas which constitute separate accounting entities within the Agency. The operations of each project area are accounted for through a Capital Projects Fund. The Capital Projects Fund accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

Debt Service Funds - The Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest and related costs.

Administrative Fund - The balances related to activities that are not directly associated with a specific project area as well as activities of the Agency's pooled investments are accounted for through the Administrative Fund.

(2) **Summary of Significant Accounting Policies, (Cont'd.)**

Basis of Presentation - Fund Accounting, (Cont'd.)

Proprietary Fund Type:

Enterprise Fund - The Enterprise Fund is used to account for operations of the Acorn Mortgage Revenue Bond program where the intent of the Agency is that the costs of providing services to the public on an on-going basis be financed or recovered primarily through user charges.

Account Group.

General Long-Term Obligations Account Group - The General Long-Term Obligations Account Group is established to account for the Agency's long-term obligations expected to be financed by governmental funds.

Basis of Accounting

Modified Accrual Basis of Accounting:

The modified accrual basis of accounting is followed in the governmental fund types. Revenues are recorded when susceptible to accrual, that is, both measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is expected to be liquidated with expendable available resources. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.

Accrual Basis of Accounting:

The accrual basis of accounting is utilized in the proprietary fund type. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

(2) **Summary of Significant Accounting Policies, (Cont'd.)**

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for on a funds flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a capital maintenance measurement focus. Assets and liabilities (whether current or non-current) associated with this activity are included on their balance sheets.

Investments

Investments held directly by the Agency are stated at amortized cost. Amortization of investment premiums and discount is recorded in interest income. Securities held by Fiscal Agents are stated at purchase cost.

Investment earnings are accrued as they are measurable and available

Restricted Cash and Investments with Fiscal Agents

Proceeds from debt and other funds which are restricted for the payment of debt and held by fiscal agents by agreement are classified as restricted assets.

Land Held for Resale

Property held for resale and/or lease is recorded at lower of cost or estimated conveyance value, with an equal amount recorded as a reservation of fund balance.

Direct Financing Lease Receivables

The Agency accounts for its long-term direct financing leases (Debt Service Fund) on the modified accrual basis wherein the present value of the minimum lease payments is capitalized and reduced as payments are received. Capital leases are offset by deferred revenue. Revenue is recognized as payments are received.

(2) Summary of Significant Accounting Policies, (Cont'd.)

Fund Equity

Reservations of fund balances indicate those portions of fund equity which are not available for appropriation or expenditure or which have been legally restricted to a specific use.

Reserved for debt service - To comply with debt covenants, these monies are set aside and held by a fiscal agent for future payment of debt service principal and interest.

Reserved for land held for resale - To account for assets acquired with certain funds granted to the Agency not available for appropriation.

Reserved for capital projects/activities - To account for assets set aside that have been committed to a specific use by contractual agreement or Agency resolution.

Reserved for long-term loans - To reflect that balances due are long-term in nature and do not represent available spendable resources of the Agency.

Unreserved - designated for future capital projects/activities - To reflect those amounts specifically designated for projects/activities by Agency action.

Tax Increment Revenue

Tax increment revenues are recognized when measurable and available from local taxing authorities.

Pooled Cash and Investments

Advances are made to a common cash and investment pool maintained by the Agency to pool assets for investment purposes. Income on pooled assets is allocated to the individual funds based on the fund's average daily balance in relation to total pooled assets.

Budgetary Data

The Agency operates on a project basis. Annual budgetary data is not presented as it would not provide a meaningful comparison to actual revenues and expenditures.

(2) **Summary of Significant Accounting Policies, (Cont'd.)**

Total (Memorandum Only) Columns on Combined Statements

Total columns on the combined statements are presented to aggregate financial data. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Eliminations of interfund activity have not been made between fund types.

(3) **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 any employees nor does it have facilities separate from the City. A substantial portion of the Agency's expenditures represents reimbursement to the City.

The City provides administrative services and materials related to the various projects, as well as advances and loans. For certain projects, as described below, the Agency has entered into repayment agreements to reimburse the City for all amounts advanced for those projects

At June 30, 1992, the following amounts were due from or to the City:

Direct Financing Lease Receivables - City of Oakland:	Amount
Oakland Museum direct financing lease receivable in semiannual installments ranging from $818,889 to $3,996,400 through March 15, 2012, with interest imputed at 6.44%	$39,408,025
City Hall West direct financing lease receivable in semiannual installments of $194,000 through October 31, 2010, with interest imputed at 8.20%. On August 1, 1985, the City sold buildings and improvements of City Hall and various properties to the Agency. The City concurrently leased back the properties in a sale leaseback transaction.	3,915,000
	$43,323,025

(3) Transactions with the City of Oakland (Cont'd.)

Due from City of Oakland:

Reimbursements to the City for various redevelopment loans made by the City in connection with the Central District Project. The City will reimburse the Agency as amounts are collected on the underlying loans.	$13,010,937
Various Agency advances to the City currently receivable.	1,758,567
	$14,769,504

Due to City of Oakland:

Various City advances on Agency projects currently payable	$15,715,157

A summary of future minimum lease payments from the above-mentioned direct financing lease receivables follows:

Year ending June 30	City Hall West	Oakland Museum	Total
1993	$ 388,000	$ 1,902,713	$ 2,290,713
1994	388,000	3,072,648	3,460,648
1995	388,000	3,192,828	3,580,828
1996	388,000	3,192,220	3,580,220
1997	388,000	3,191,490	3,579,490
Thereafter	5,238,000	55,942,811	61,180,811
Total future minimum lease payments receivable	7,178,000	70,494,710	77,672,710
Less amounts representing interest	(3,263,000)	(31,086,685)	(34,349,685)
Present value of future minimum lease payments receivable	$3,915,000	$39,408,025	$43,323,025

(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 combined balance sheet as equity in pooled assets Additionally, cash and investments in the Debt Service and Enterprise Funds are separately held by the Agency's fiscal agents.

Agency investments are categorized by type to give an indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Agency or its agent in the Agency's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's custodian in the Agency's name.

At June 30, 1992, the carrying value, market value and category of credit risk of the Agency's cash and investments are as follows:

	Net Carrying Value	Market Value	Risk Category
Cash	$ 1,109,366	$ 1,109,366	-
Restricted cash and investments with fiscal agents:			
Cash	$ 40,767	$ 40,767	-
Certificates of deposit	80,460	80,460	1
U.S. Treasury securities	109,016,937	111,556,669	2
Government money market fund	20,549,727	20,549,727	-
	$129,687,891	$132,227,623	
Pooled cash and investments:			
Certificates of deposit	$ 200,000	$ 200,000	1
U.S. Treasury securities	7,010 000	7,130,544	2
U.S. government agency securities	38,160,000	39,380,734	2
Purchase agreements	4,500,000	4,500,000	2
Commercial paper	12,500,000	12,678,845	2
Bankers' acceptances	23,250,000	23,026,283	2
	$ 85,620,000	$ 86,916,406	

(4) Cash and Investments (Cont'd)

California Government Code requires collateral for demand deposits and certificates of deposit at 110% of all deposits not covered by federal deposit insurance. Since the Agency uses only authorized public depositories, all funds deposited with financial institutions are fully insured or collateralized.

California statutes authorize Agency officials to invest pooled funds in United States bonds and obligations, guaranteed United States agency issues, bank certificates of deposit, bankers' acceptances, repurchase agreements and prime commercial paper issues.

For the purpose of the Statement of Cash Flows, cash equivalents consist of certificates of deposit.

(5) Notes Receivable

Notes receivable consisted of the following at June 30, 1992:

	Amount
Note receivable related to the sale of the H. J. Kaiser Convention Center	$43,520,110
Note receivable related to the sale of the G.P. Scotlan Memorial Convention Center	38,002,157
Other Agency Redevelopment Project Construction and Rehabilitation Loans	18,070,042
	$99,592,309

H. J. Kaiser Convention Center

In connection with the purchase and sale of the H. J. Kaiser Convention Center (see note 7), the Agency has an installment sale agreement with Associates Limited Partnership (Oakter) Under the terms of the agreement, Oakter agreed to pay the Agency $37,196,298 for the Convention Center. Oakter paid $1,204,849 in cash with the $35,991,449 balance payable in sixty semiannual principal and interest installments ranging from $2,169,656 to $2,534,656. Interest not covered by the semiannual payments has been deferred and added to the outstanding note receivable balance. Principal reductions are scheduled to begin on April 1, 1995. This installment sale agreement has an effective interest rate of 9.97% per annum and is secured by a deed of trust and the Partnership's rights in its lease agreement with the City.

(5) Notes Receivable (Cont'd.)

G P Scotlan Memorial Convention Center

In connection with the purchase and sale of the Scotlan Convention Center (see note 7), the Agency has an installment sale agreement with the OCCEN Corporation Limited Partnership (OCCEN). Under the terms of the agreement, OCCEN agreed to pay the Agency $39,410,926 for the Convention Center. OCCEN paid $1,410,926 in cash and the $38,000,000 balance including deferred interest of $1,201 is payable in sixty-one semiannual installments which commenced on September 1, 1984. Payments range from $1,947,500 to $2,252,876 with principal reductions beginning on March 1, 1995. This installment sale agreement has an effective interest rate of 10.25% per annum and is secured by a deed of trust and the Partnership's rights in its lease agreement with the City.

Project Construction and Rehabilitation Loans

The Agency has made advances to developers of various other Agency redevelopment projects. These advances are evidenced by a note or loan receivable as follows:

East Bay Asian Local Development Company, bearing interest at 6%, through September 1, 1989 and zero interest thereafter, principal and interest due March 2, 1992 or earlier upon the receipt of Department of Housing and Urban Development Grant Funds from the City. (Due date in process of being extended.)	$ 339,349
Greater Emmanual Housing Development Corporation, bearing interest at 9%, interest payable monthly, principal and interest due December 29, 1992 or earlier under certain provisions of the note.	565,000
Cahon, Inc., bearing interest at 9%, principal and interest due December 1, 1992 or earlier under certain provisions of the note.	1,100,000
Preservation Venture, bearing interest at 1/2% over the Bank of America reference rate, principal and interest due August 31, 1993.	5,755,106

(5) Notes Receivable (Cont'd.)

San Antonio Terrace Associates, bearing interest at 3%, principal and interest due December 31, 1992 or earlier under certain provisions of the note.	649,980
Oaks Associates, bearing interest at 6%, principal and interest due May 2, 1992. The Agency is currently extending the due date of this note.	1,134,257
Slim Jenkins Court Associates, bearing interest at 9%, principal and interest due March 29, 1992. The loan has been declared in in default and foreclosure actions have been initiated.	950,000
Pacific Renaissance Associates II , bearing interest at 10%, principal and interest due July 30, 2015.	7,000,000
Other notes receivable	576,350
	$18,070,042

(6) Property Held for Resale

Property held for resale at June 30, 1992 consisted of the following:

Chinatown	$ 2,100,000
City Center	3,335,988
Housewives Market	1,610,963
Rotunda	1,850,000
Multi-Service Center	5,100,000
Oak Center	85,897
	$14,082,848

(7) Long-Term Obligations

General Long-Term Obligations

The following is a summary of changes in the General Long-Term Obligations Account Group for the year ended June 30, 1992:

	Balance July 1, 1991	Additions	Retirements and Decreases	Balance June 30, 1992
Certificates of participation	$116,810,000	$39,408,025	$35,310,000	$120,908,025
Tax allocation funding bonds payable	179,709,273	-	3,650,000	176,059,273
Lease revenue refunding bonds	3,960,000	-	45,000	3,915,000
Advances from City of Oakland	9,054,107	222,130	148,250	9,127,987
	$309,533,380	$39,630,155	$39,153,250	$310,010,285

(7) Long-Term Obligations (Cont'd.)

General Long-Term Obligations (Cont'd.)

Long-term obligations consist of the following:

	Maturity	Interest Rates	Balance at June 30, 1992
Certificates of Participation:			
H.J. Kaiser Convention Center	2002	9.875%	$ 8,550,000
H.J. Kaiser Convention Center	2014	10.00%	34,950,000
G.P. Scotlan Memorial	2014	10.25%	38,000,000
Oakland Museum 1992 Series A	1994-2003	4.40%-6.00%	16,285,000
Oakland Museum 1992 Series A	2005	6.25%	5,020,000
Oakland Museum 1992 Series A	2012	6.00%	15,900,000
Oakland Museum 1992 Series A	2006-2007	6.45%-6.55%	2,203,025
			120,908,025
Tax Allocation Bonds:			
Central District Refunding Series 1986:			
Serial bonds	1991-2000	5.25%-7.5%	17,950,000
Term bonds	2001-2014	7.5%	66,375,000
			84,325,000
Acorn Refunding Series 1988:			
Serial bonds	1993-2000	6.30-7.00%	1,300,000
Term bonds	2007	7.40%	2,075,000
			3,375,000
Central District Series 1989:			
Serial bonds	1993-2000	5.75%-6.55%	24,860,000
Capital appreciation bonds	2001-2009	6.6%-6.65%	11,899,273
Term bonds	2010-2019	7.125%	51,600,000
			88,359,273
Total Tax Allocation Bonds			176,059,273
Lease Revenue Refunding Bonds:			
Lease Revenue Refunding Series 1988:			
Serial bonds	1993-2003	5.20%-7.200%	1,870,000
Term bonds	2010	7.375%	2,045,000
			3,915,000
Advances from the City of Oakland:			9,127,987
Total General Long-Term Obligations			$310,010,285

(7) Long-Term Obligations, (Cont'd.)

Certificates of Participation

H. J. Kaiser Convention Center

Concurrently with the issuance of the certificates dated September 1, 1982, the Agency purchased the H. J. Kaiser Convention Center from the City and sold the facility to a partnership which then leased the facility back to the City. The certificates are special limited obligations of the Agency payable solely from payments made to the Agency by the partnership under the terms of an installment sale agreement between the Agency and the partnership (see note 5).

The Certificates of Participation have mandatory sinking fund requirements commencing April 1, 1995 and are subject to prior redemption.

George P. Scotlan Memorial Convention Center

Concurrently with the issuance of the certificates dated December 1, 1983, the Agency purchased the Scotlan Convention Center from the City and sold the facility to a partnership which then leased the facility back to the City. The certificates are special limited obligations to the Agency payable solely from payments made to the Agency by the partnership under the terms of an installment sale agreement between the Agency and the partnership (see note 5).

The Certificates of Participation have mandatory sinking fund requirements commencing April 1, 1995 and are subject to prior redemption.

Oakland Museum

On May 15, 1992, the Redevelopment Agency of the City of Oakland (Agency) issued $39,408,025 in Refunding Certificates of Participation - Oakland Museum 1992 Series A (Certificates) with an interest cost of 6.442% to defease, in substance, Certificates of Participation - Oakland Museum 1987 Series (CP 1987 Series). Underwriting fees, insurance, and other issuance costs totalling $926,892 were incurred in connection with the bond issue. Proceeds of the issuance, as well as the balance in the 1987 Series bond reserve fund were transfered to an escrow fund to defease all of the outstanding CP 1987 Series bonds and to pay the costs of issuance of the Certificates. This refunding resulted in an accounting gain (difference of total debt service between old and new debt) of $2,350,000 and economic gain (difference between the present values of the debt service payments of the old and new debt) of approximately $1,651,000.

(7) Long-Term Obligations, (Cont'd.)

Certificates of Participation (Cont'd.)

Oakland Museum (Cont'd.)

The Certificates evidenced undivided proportionate rights to lease payments payable by the City under a Lease Agreement Relating to Museum Facilities, dated as of September 1, 1987, as amended and restated as of May 15, 1992, between the City and the Agency.

The lease payments required to be made by the City under the Lease Agreement are subject to the availability of the Museum for use by the City, and will be in amounts sufficient to enable the Agency to make the payments required to pay the principal and the interest with respect to the Certificates. The Agency will not be obligated to make any payments in respect to the Certificates except from the payments by or on behalf of the City pursuant to the Lease Agreement.

The obligation of the City under the Lease Agreement does not constitute an indebtedness of the City, the Agency, the State of California, or any political subdivision thereof within the meaning of the Constitution of the State of California, or otherwise, and is not secured by faith and credit or the taxing power of the City, the State of California or any political subdivision thereof.

Tax Allocation Refunding Bonds

Central District Refunding Bonds Series 1986

In fiscal year 1987 the Central District Redevelopment Project Tax Allocation Refunding Bonds, Series 1986 were used to defease the Central District Redevelopment Project Tax Allocation Bonds, Series A and Series B.

The Central District Redevelopment Project Tax Allocation Refunding Bonds are payable from and secured by a pledge of incremental property taxes resulting from the increase in assessed valuations within the Central District Redevelopment Project subsequent to the adoption of the related redevelopment plan. The Agency must set aside from incremental tax revenue received from the Central District an amount equal to 125% of the annual debt service requirement for the ensuing fiscal year. Such amounts are held by the fiscal agent.

(7) Long-Term Obligations, (Cont'd.)

Tax Allocation Refunding Bonds (Cont'd.)

Central District Refunding Series 1986 (Cont'd.)

The term bonds are subject to mandatory redemption requirements beginning February 1, 2001.

Acorn Refunding Series 1988

The Acorn Redevelopment Project 1988 Tax Allocation Refunding Bonds were used to advance refund $2,895,000 of outstanding Acorn Redevelopment Project Tax Allocation Refunding Bonds (prior bonds) with an average coupon rate of 11.84%. As a result, the prior bonds are considered to be defeased and the liability of the prior bonds has been removed from the general long-term obligations account group.

The Acorn Redevelopment Project 1988 Tax Allocation Refunding Bonds are payable from and secured by a pledge of incremental property taxes allocated to the Agency resulting from the increased in assessed valuation of properties within the Acorn Redevelopment Project.

Bonds maturing in 2007 are subject to mandatory sinking fund requirements commencing May 1, 2001 and are subject to prior redemption.

Central District Refunding Series 1989

On August 1, 1989, the Central District Redevelopment Project Tax Allocation Bond, Series 1989A ("Tax Allocation Bond"), was issued by the Agency. The Agency will use the net proceeds of the Tax Allocation Bond to finance projects and related improvements in the Central District Redevelopment Project Area. The Tax Allocation Bond is a limited obligation of the Agency and is payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area, allocable to the Agency pursuant to Redevelopment Law.

(7) Long-Term Obligations, (Cont'd.)

Tax Allocation Refunding Bonds (Cont'd.)

Central District Refunding Series 1989

The lien created by the pledge of the tax revenues is subordinate to a lien on tax revenues in favor of the Agency's Central District Redevelopment Project Tax Allocation Refunding Bonds, Series 1986. The Agency may only incur additional indebtedness payable from subordinated tax revenues on a parity with the Tax Allocation Bond when set subordinated tax revenues received by the Agency in the prior year equals or exceeds 120% of maximum annual debt service, excluding debt service on the Series 1986 bonds.

The Term Bonds are subject to optional redemption in whole or in part on any interest payment date, in such amounts as directed by the Agency. The Term Bonds are, also, subject to mandatory sinking fund redemption in whole, or in part by lot, on September 1 in each year commencing September 1, 2010.

Lease Revenue Refunding Bonds

City Hall West Lease Revenue Refunding Bonds Series 1988

In 1988, the Agency issued City Hall West Lease Revenue Refunding Bonds 1988 Series (1988 Lease Revenue Refunding Bonds). The bonds are special limited obligations of the Agency payable solely from payments made to the Agency by the City under the terms of the related City Hall West Lease Agreement (see note 3).

On October 17, 1989, the City Hall West building which secures payment on the Lease Revenue Refunding Bonds, suffered significant damage in the Loma Prieta Earthquake. The City maintained earthquake and business interruption insurance on the building and, during 1992, the Agency received $2,200,000 (in addition to the $5,000,000 received in 1990 and the $3,300,000 received in 1991) in proceeds from the insurance policies. These proceeds have been reported as other financing sources in the financial statements.

(7) Long-Term Obligations, (Cont'd.)

Lease Revenue Refunding Bonds Payable (Cont'd.)

Since the 1988 Refunding Bonds continue to remain outstanding ,and since the Agency meets its Debt Service requirements with lease revenues received from the City, the Agency has two legal options it may pursue with regards to the insurance proceeds. The Agency may either (a) repair, replace, or reconstruct City Hall West with such insurance proceeds, or (b) cause such insurance proceeds to be used for the redemption of all outstanding bonds at a redemption price of 100% of the principal amount, plus accrued interest.

The City has hired a consultant to do a comprehensive study of City office space needs and until a decision is made as to whether the City Hall West site is a preferred site for a new City office building,the Agency has not chosen either option stated above. In the interim, the City has agreed to make lease payments on City Hall West so that the Agency can continue to meet the Debt Service requirements on the outstanding bonds.

Advances from City to the Redevelopment Agency

The City has made various advances to the Agency for redevelopment projects. The advances are payable principally from future tax increment revenues. Approximately $8,800,000 of the advances bear interest at 6% per annum. The remaining advances are non-interest bearing.

Defeasance of Debt

The Agency has defeased certain bonds in substance by placing the sufficient assets to provide for all future debt service payments on the defeased bonds, as they become due, in an irrevocable trust. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Agency's financial statements.

In 1986, the Agency defeased 1979 Series A and B bonds. The outstanding bond balance is $60,865,000 at June 30, 1992.

In 1988, the Agency defeased 1985 Certificates of Participation. The outstanding amount of the defeased certificates is $ 188,070,000 at June 30, 1992.

(7) Long-Term Obligations, (Cont'd.)

Defeasance of Various Properties Debt, (Cont'd.)

In 1988, the Agency defeased the 1980 City Hall West Lease Revenue and Refunding Bonds. The bonds were retired in the current year.

On May 15, 1992 the Agency defeased Certificates of Participation - Oakland Museum 1987 Series in the amount of $35,310,000. The certificates were outstanding at June 30, 1992.

Enterprise Fund Obligations

Enterprise fund obligations at June 30, 1992 are as follows:

	Maturity	Interest Rates	Balance at June 30,1992
1980-Acorn Mortgage Revenue Bonds	2011	8.875%	$320,000
1981-Acorn Mortgage Revenue Bonds	2011	11.80%	155,000
			$475,000

On August 25, 1991 the Department of Housing and Urban Development (HUD) took control of the Acorn I Housing complex. Effective August 1, 1991, HUD ceased making rent subsidy payments to the owner. On December 20, 1991, holders of Acorn I 1980 Series A and 1981 Series A were notified that an Event of Default had occurred and that the trustee had made claim for $8,895,000 of bonds outstanding. HUD, which had guaranteed the lease agreement, paid the proceeds of the guarantee to the trustee. These funds were used to pay the bond holders. The balance outstanding at June 30, 1992, has been paid subsequent to year end.

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.

(7) Long-Term Obligations, (Cont'd.)

Annual Future Payments

The following table presents the Agency's aggregate annual amount of future payments required to amortize the outstanding certificates of participation bonds, and long-term liabilities to the City of Oakland as of June 30, 1992.

Year ending June 30	Enterprise Fund	General Long-Term Obligations	Total
1993	$475,000	$ 26,113,348	$ 26,588,348
1994		27,371,091	27,371,091
1995		28,165,928	28,165,928
1996		28,856,000	28,856,000
1997		28,865,791	28,865,791
Thereafter		532,161,570	532,161,570
Amounts with unspecified payment dates (advances from City of Oakland)		9,127,987	9,127,987
Totals	475,000	680,661,715	681,136,715
Less amounts representing interest		(370,651,430)	(370,651,430)
Liability at June 30, 1992	$475,000	$310,010,285	$310,485,285

(8) Commitments and Contingencies

As of June 30, 1992, the Agency has entered into contractual commitments of approximately $377,000 for materials and services relating to various projects. These commitments and future costs will be funded by currently available funds, tax increment revenue and other sources.

The Agency is involved in various claims and litigation arising in the ordinary course of its activities. In the opinion of the Agency's in-house counsel, the City Attorney's Office for the City of Oakland, none of these claims are expected to have a significant impact on the financial condition of the Agency or its operations.

In connection with the sale of land in the Central District project, the Agency entered into an agreement to place $1,000,000 of the sales proceeds in escrow pending the removal of hazard substances and contamination. The developer filed claims amounting to $2,700,000 which were rejected by the Agency. In accordance with the agreement, the Agency filed for arbitration with the American Arbitration Association, and as a result paid $184,439 in the prior fiscal year. On October 1, 1991 the Agency agreed to pay an additional $1,300,000 in settlement of the claim. In January 1992, the Agency paid $700,000 of this amount, leaving a remaining liability of $600,000 at June 30, 1992.

On July 9, 1991 the Agency sold the Acorn Shopping Center for $1,910,000. As a result the U.S. Economic Development Administration (EDA), which provided a $1,234,000 grant to construct the Center, has claimed that $600,122 of the sales proceeds, less a pro rata deduction for customary expenses of sale, should be paid to them. The Agency is in negotiation with EDA and expects that no payment will be made. However, because of this claim, the Agency has agreed to indemnify the Title Company up to $1,400,000 and has reserved $600,122 until the matter is resolved.

At June 30, 1992, the Agency was committed to fund $9,797,000 in loans and had issued $8,792,000 repayment guarantees and 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.

(9) Subsequent Events

On July 9, 1992, the Agency issued $53,600,000 of Central District Redevelopment Project Subordinated Tax Allocation Refunding Bonds Series 1992 A at an interest rate of 6.02%. These bonds were issued to legally defease the term bond portion of the Agency's Central District Redevelopment Project Tax Allocation Bond Series 1989 A (see note 7) in the amount of $51,600,000. The defeased bonds were originally issued for $92,399,273 at an interest rate of 7.125%.

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Balance Sheet - Capital Project Funds by Action Area
June 30, 1992

Assets	Acorn	Central District	Other Projects	Total
Cash	$ 3,569	$ 629,572	$ (16)	$ 633,125
Restricted cash and investments with fiscal agent		71,758,359		71,758,359
Equity in pooled cash and investments	3,996,250	54,247,423	8,996,089	67,239,762
Due from other Redevelopment Agency funds		1,230,000		1,230,000
Due from City of Oakland	3	11,532,106	1,887,395	13,419,504
Accounts receivable (net of $200,000 allowance for doubtful accounts)	30,000	13,348		43,348
Notes receivable		13,498,465	4,571,577	18,070,042
Accrued interest receivable	37,990	2,060,908	762,970	2,861,868
Property held for resale		10,535,988	3,546,860	14,082,848
Capital Contribution		1,000		1,000
Total assets	$4,067,812	$165,507,169	$19,764,875	$189,339,856
Liabilities				
Due to County		$ 1,201	$ (508)	$ 693
Due to City of Oakland	$ 29,690	15,191,942	493,525	15,715,157
Deferred revenue		25,834,876	1,351,011	27,185,887
Accrued liabilities		98,815	305,001	403,816
Refundable deposits		32,582	530	33,112
Endowment liabilities		515,285		515,285
Accrued liabilities	2,054	60,556		62,610
Total liabilities	31,744	41,735,257	2,149,559	43,916,560
Fund Balances				
Reserved for land held for resale		10,535,988	3,546,860	14,082,848
Reserved for approved projects/activities	3,773,182	46,605,352	8,975,888	59,354,422
Reserved for designated projects/activities	262,886	66,630,572	5,092,568	71,986,026
Total fund balances	4,036,068	123,771,912	17,615,316	145,423,296
Total liabilities and fund balances	$ 4,067,812	$165,507,169	$19,764,875	$189,339,856

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Project Funds by Action Area
Year ended June 30, 1992

	Acorn	Central District	Other Projects	Total
Revenues:				
Tax increment	$ 793,702	$ 26,781,980		$ 27,575,682
City grants		850,000	$ 269,738	1,119,738
Federal grants-in-aid		3,197,351		3,197,351
Interest on restricted cash and investments with fiscal agents		2,346,492		2,346,492
Interest on pooled cash and investments	231,210	2,807,985	124,192	3,163,387
Interest on notes receivable		69,147	805,490	874,637
Rents and reimbursements		576,872		576,872
Other	6 026	238,959	330,782	575,767
Total revenues	1,030,938	36,868,786	1,530,202	39,429,926
Expenditures:				
Operation and management of acquired property	36 284	410,102	19,604	465,990
Site clearance and toxics remediation		779 203		779,203
Project improvements		15,566,439	2,617,333	18,183,772
General and administrative	76.621	8,298,034	1,591,816	9,966.471
Loss on sale of property			195,345	195,345
Other		2,630,312	452	2,630,764
Total expenditures	112,905	27,684,090	4,424,550	32,221,545
Excess (deficiency) of revenues over expenditure	918,033	9 184,696	(2,894,348)	7,208.381
Other financing sources (uses):				
Operating transfers in(out) - net	(2,504,557)	(23,698 076)	9,641,911	(16,560,722)
Total other financing (uses) sources	(2,504,557)	(23,698,076)	9,641,911	(16,560,722)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,586.524)	(14,513,380)	6,747,563	(9,352,341)
Fund balances at beginning of year	5,622,592	138,285,292	10,867,753	154,775,637
Fund balances at end of year	$4,036,068	$123,771,912	$17,615,316	$145,423,296

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Schedule of Capital Project Expenditures - Central District
Year ended June 30, 1992

	City Center	Chinatown	Other	Total
Expenditures:				
Operation and management of acquired property		$ 9,367	$ 400,735	$ 410,102
Site clearance and toxics remediation	$ 685,488	93,715		779,203
Project improvements	1,104,229	5,704,483	8,757,727	15,566,439
General and administrative	555,286	613,212	7,129,536	8,298,034
Other	12,394		2,617,918	2,630,312
Total expenditures	$2,357,397	$6,420,777	$18,905,916	$27,684,090

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Balance Sheet - Debt Service Funds
June 30, 1992

	Tax Allocation Debt	City-Agency Lease Financing	Total
Assets			
Restricted cash and investments with fiscal agent	$42,266,273	$15,582,792	$57,849,065
Equity in pooled cash and investments	313,557		313,557
Direct financing lease receivables - City of Oakland		43,323,025	43,323,025
Accrued interest receivable		5,482	5,482
Notes to receivable		81,522,267	81,522,267
Total assets	$42,579,830	$140,433,566	$183,013,396
Liabilities			
Accrued debt service	$ 4,434,625	$ 144,511	$ 4,579,136
Deferred revenue		124,974,625	124,974,625
Other liabilities		23,369	23,369
Total liabilities	4,434,625	125,142,505	129,577,130
Fund Balances			
Fund balances - reserved for debt service	38,145,205	15,291,061	53,436,266
Total liabilities and fund balance	$42,579,830	$140,433,566	$183,013,396

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds June 30, 1992

	Tax Allocation Debt	City-Agency Lease Financing	Total
Revenues.			
Tax increment	$ 657,573		$ 657,573
Interest on restricted cash and investments with fiscal agent	4,186,590	$ 1,505,006	5,691,596
Interest on pooled cash and and investments	56,135		56,135
Interest on notes receivable		8,234,313	8,234,313
Interest on direct financing lease receivables - City of Oakland		3,022,118	3,022,118
Total revenues	4,900,298	12,761,437	17,661,735
Expenditures			
Debt Service			
Retirement of long-term obligations	3,798,250	245,000	4,043,250
Interest	12,091,447	11,303,148	23,394,595
Total expenditures	15,889,697	11,548,148	27,437,845
Excess (Deficiency) of revenues over expenditures	(10,989,399)	1,213,289	(9,776,110)
Other financing sources (uses)			
Operating transfer in (out) - net	16,973,782	(413,060)	16,560,722
Proceeds from sale of bonds		42,294,316	42,294,316
Retirement of bonds - transfer to bond escrow		(38,056,763)	(38,056,763)
Bond reserve fund - transfer to bond escrow		(4,102,272)	(4,102,272)
Bond issue costs		(926,892)	(926,892)
Proceeds from insurance settlement		2,200,000	2,200,000
Total other financing uses	16,973,782	995,329	17,969,111
Excess of revenues and other financing sources over expenditures and other financing uses	5,984,383	2,208,618	8,193,001
Fund balances at beginning of year	32,160,822	13,082,443	45,243,265
Fund balances at end of year	$38,145,205	$15,291,061	$53,436,266

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Combining Balance Sheet - City-Agency Lease Financing Debt Service Funds
June 30, 1992

Assets	City Hall West	H. J. Kaiser Convention Center	Scotlan Convention Center	Oakland Museum	Total
Restricted cash and investments with fiscal agent	$11,587,905	$ 49,415	$ 10,403	$ 3,935,069	$ 15,582,792
Direct financing lease receivables - City of Oakland	3,915,000			39,408,025	43,323,025
Accrued interest receivable				5,482	5,482
Notes receivable		43,520,110	38,002,157		81,522,267
Total assets	$15,502,905	$43,569,525	$38,012,560	$43,348,576	$140,433,566
Liabilities					
Accrued interest Payable				$ 144,511	$ 144,511
Deferred revenue	$ 4,044,333	$43,520,110	$38,002,157	39,408,025	124,974,625
Other liabilities		6,006		17,363	23,369
Total liabilities	4,044,333	43,526,116	38,002,157	39,569,899	125,142,505
Fund Balances					
Fund balances -reserved for debt service	11,458,572	43,409	10,403	3,778,677	15,291,061
Total liabilities and fund balances	$15,502,905	$43,569,525	$38,012,560	$43,348,576	$140,433,566

See Accompanying Notes to Financial Statements

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - City-Agency Lease Financing Debt Service Funds
Year Ended June 30, 1992

	City Hall West	H J Kaiser Convention Center	Scotlan Convention Center	Oakland Museum	Total
Revenues:					
Interest on restricted cash and investments with fiscal agent	$ 499,108	$ 5,535	$ 6,312	$ 994,051	$ 1,505,006
Interest on notes receivable		4,339,313	3,895,000		8,234,313
Interest on direct financing lease receivables - City of Oakland	388,000			2,634,118	3,022,118
Total revenues	887,108	4,344,848	3,901,312	3,628,169	12,761,437
Expenditures					
Debt Service					
Retirement of obligations	45,000			200,000	245,000
Interest	274,204	4,339,313	3,895,000	2,794,631	11,303,148
Total expenditures	319,204	4,339,313	3,895,000	2,994,631	11,548,148
Excess of revenues over expenditures	567,904	5,535	6,312	633,538	1,213,289
Other financing sources (uses).					
Operating transfers in (out) - net	(413,060)				(413,060)
Proceeds from sale of bonds				42,294,316	42,294,316
Retirement of bonds - transfer to escrow				(38,056,763)	(38,056,763)
Bond reserve fund - transfer to escrow				(4,102,272)	(4,102,272)
Bond issue costs				(926,892)	(926,892)
Proceeds from insurance settlement	2,200,000				2,200,000
Total other financing sources (uses)	1,786,940			(791,611)	995,329
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,354,844	5,535	6,312	(158,073)	2,208,618
Fund balances at beginning of year	9,103,728	37,874	4,091	3,936,750	13,082,443
Fund balances at end of year	$11,458,572	$ 43,409	$ 10,403	$ 3,778,677	$15,291,061

See Accompanying Notes to Financial Statements

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

December 17, 1992

Redevelopment Agency of
the City of Oakland
Oakland, California

Re: **$97,655,000**
Redevelopment Agency of the City of Oakland
Central District Redevelopment Project
Senior Tax Allocation Refunding Bonds, Series 1992

Ladies and Gentlemen:

We have acted as bond counsel to the Redevelopment Agency of the City of Oakland (the "Agency") in connection with the issuance of its Central District Redevelopment Project Senior Tax Allocation Refunding Bonds, Series 1992 in the principal amount of $97,655,000 (the "Bonds"). The Bonds are being issued under the provisions of the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California) and Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Law"), and under Resolution No. 86-30, adopted on June 3, 1986, as amended and supplemented by Resolution No. 92-48, adopted on July 28, 1992 (together, the "Resolution").

In our capacity as bond counsel, we have reviewed the Law and a certified copy of the record of proceedings relating to the issuance of the Bonds, including the Resolution, certifications of the Agency, the City of Oakland, and others, opinions of counsel to the Agency, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Bonds and the Resolution are subject to bankruptcy, insolvency, reorganization, arrangement, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies in the State of California.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

(1) The Agency has, and the proceedings show, lawful authority for the issuance of the Bonds under the laws of the State of California now in force, and the Bonds constitute valid, legal and binding special obligations of the Agency payable solely from the Tax Revenues (as described in the Resolution) and monies in certain funds and accounts as specified in the Resolution, subject to the limitations set forth therein.

(2) The Resolution has been duly adopted and constitutes the valid and binding obligation of the Agency. The Bonds are secured by a pledge of, and charge and lien

upon, the Tax Revenues and monies in certain funds and accounts as specified in the Resolution, and the Tax Revenues and such monies constitute a trust fund for the security and payment of the interest on and principal of the Bonds.

(3) The Bonds are not a debt of the City of Oakland, the State of California, or any of its political subdivisions (other than the Agency), and neither the City of Oakland, the State of California, nor any of its political subdivisions (other than the Agency) is liable for them, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Agency as set forth in the Resolution.

(4) Based on existing statutes, regulations, rulings and judicial decisions and assuming compliance by the Agency with certain covenants in the Resolution and requirements of the Internal Revenue Code of 1986, as amended, regarding the use, expenditure and investment of Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Bonds is not includable in the gross income of the owners of the Bonds for purposes of federal income taxation. Interest on the Bonds will not be treated as an item of tax preference in calculating the alternative minimum taxable income of individuals or corporations; however, interest on the Bonds will be included as an adjustment in the calculation of corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax and environmental tax liabilities. We express no opinion regarding other income tax consequences caused by ownership of, or receipt of interest on, the Bonds.

(5) Interest on the Bonds is exempt from personal income tax imposed by the State of California.

Respectfully submitted,

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APPENDIX E

FORM OF MUNICIPAL BOND INSURANCE POLICY

NY\LISTNAME\4982

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AMBAC INDEMNITY CORPORATION

Municipal Bond Insurance Policy

AMBAC Indemnity Corporation
c/o CT Corporation Systems
222 W Washington Ave., Madison, WI 53703
Administrative Office:
One State Street Plaza, New York, NY 10004

Issuer: | Policy Number:

Bonds: | Premium:

AMBAC Indemnity Corporation (AMBAC) A Wisconsin Stock Insurance Company

in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to the United States Trust Company of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of Bondholders, that portion of the principal of and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AMBAC will make such payments to the Insurance Trustee within 5 days following notification to AMBAC of Nonpayment. Upon a Bondholder's presentation and surrender to the Insurance Trustee of such unpaid Bonds or appurtenant coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Bondholder the face 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 Bonds and coupons and shall be fully subrogated to all of the Bondholder's rights to payment.

In cases where the Bonds are issuable only in a form whereby principal is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse principal to a Bondholder as aforesaid only upon presentation and surrender to the Insurance Trustee of the unpaid Bond, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the Bondholder or such Bondholder's duly authorized representative, so as to permit ownership of such Bond to be registered in the name of AMBAC or its nominee. In cases where the Bonds are issuable only in a form whereby interest is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse interest to a Bondholder as aforesaid only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Bond and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the claimant Bondholder or such Bondholder's duly authorized representative, transferring to AMBAC all rights under such Bond to receive the interest in respect of which the insurance disbursement was made. AMBAC shall be subrogated to all of the Bondholders' rights to payment on registered Bonds to the extent of the insurance disbursements so made.

As used herein, the term "Bondholder" means any person other than the Issuer who, at the time of Nonpayment, is the owner of a Bond or of a coupon appertaining to a Bond. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a 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 Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal of and interest on the Bonds which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Bonds prior to maturity. This Policy does not insure against loss of any redemption, prepayment or acceleration premium which at any time may become due in respect of any Bond, nor against 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 counter-signature of its duly authorized representative.

President

AMBAC INDEMNITY CORPORATION CORPORATE SEAL WISCONSIN

Stephen D. Cooke

Secretary

Effective Date:

Authorized Representative

UNITED STATES TRUST COMPANY OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Cynthia Chaney

Authorized Officer

Form # 566-0003 (3/90)

AMBAC
INDEMNITY CORPORATION

Endorsement

AMBAC Indemnity Corporation
c/o CT Corporation Systems
222 West Washington Avenue
Madison, Wisconsin 53703
Administrative Office:
One State Street Plaza
New York, New York 10004

Policy issued to:

Attached to and forming part of

Effective Date of Endorsement

The Policy to which this Endorsement is attached and of which it forms a part is hereby amended to provide that AMBAC will make payments of that portion of the principal of and interest on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer within one (1) day following notification to AMBAC of Nonpayment.

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, the Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding on the Company by virtue of countersignature by its duly authorized agent.

AMBAC Indemnity Corporation

President

AMBAC INDEMNITY CORPORATION CORPORATE SEAL WISCONSIN

Stephen D. Cooke

Secretary

Authorized Representative

Form # 2B-0006 (6/91)

AMBAC.
INDEMNITY CORPORATION

AMBAC Indemnity Corporation
c/o CT Corporation Systems
222 West Washington Avenue
Madison, Wisconsin 53703
Administrative Office:
One State Street Plaza
New York, New York 10004

Endorsement

Policy issued to

Attached to and forming part of

Effective Date of Endorsement

In the event that AMBAC Indemnity 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. Payments due under the Policy with respect to the Bonds, as defined in the Policy, may not be accelerated by the issuer of, the obligor on, or any trustee or paying agent for, the Bonds.

SPECIMEN

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, the Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding on the Company by virtue of countersignature by its duly authorized agent.

AMBAC Indemnity Corporation

President

AMBAC INDEMNITY CORPORATION CORPORATE SEAL WISCONSIN

Stephen D. Cooke

Secretary

Authorized Representative

Form # 578-0002 (3/91)

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SEAL OF THE CITY OF OAKLAND
CALIFORNIA