

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES ON  
ALL FUNDS OTHER THAN THE LOW  
AND MODERATE INCOME HOUSING FUND  
ASSOCIATED WITH CALIFORNIA HEALTH AND SAFETY  
CODE SECTIONS 34179.5(c)(1) THROUGH 34179.5(c)(6)**

To the Oversight Board of the Successor Agency of  
the Community Improvement Commission of the City of Alameda  
Alameda, CA

We have applied the procedures below, which were agreed to by the Successor Agency of the Community Improvement Commission of the City of Alameda, Alameda, California, solely to assist you with respect to the procedures required under California Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(6) for all funds other than the Low and Moderate Income Housing Fund (Other Funds) of the Successor Agency to the Community Improvement Commission of the City of Alameda for the year ended June 30, 2012, also referred to as the Due Diligence Review by the Code. These procedures were suggested by the Governmental Auditing and Accounting Committee, as agreed to by the California State Department of Finance and State Controller's Office. Management of the Successor Agency is responsible for the accounting records, the Attachments and information provided pertaining to the statutory compliance pursuant to Health and Safety Code Section 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

**Citation:**

*34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Suggested Procedure(s):**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Results:** We obtained the following listing from the staff of the City of Alameda and agreed the amounts transferred to the Successor Agency to the accounting records without exception.

	Redevelopment Agency Other Fund Balances January 31, 2012 <u>(Prior to transfer)</u>	Balances transferred to the Successor Agency on <u>February 1, 2012</u>
ASSETS		
Current assets:		
Cash and investments	\$10,495,777	\$10,495,777
Restricted Cash and investments	<u>8,894,534</u>	<u>8,894,534</u>
Total current assets	<u>19,390,311</u>	<u>19,390,311</u>
Total Assets	<u><u>\$19,390,311</u></u>	<u><u>\$19,390,311</u></u>

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Result:** The State Controller's Office has not yet completed its review of transfers. We obtained the schedule below from City Staff.

<u>Asset Description</u>	<u>Date of Transfer</u>	<u>Carrying Value</u>	<u>Purpose of Transfer</u>
Land - Theater/ Parking Garage	3/11/2011	\$ 19,981,611	See Attachment E

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Result:** Per inquiry of City Staff, the Successor Agency did not make any transfers from the Other Funds to the city, county, or city and county that formed the redevelopment agency from the period of February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Result:** We traced the obligation listed on the schedule at 2A to the legal documents without exception.

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

- 3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Result:** The State Controller's Office has not yet completed its review of transfers. Per inquiry of City staff, the former redevelopment agency did not make any transfers from the Other Funds to any other public agencies or private parties from the period of January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Result:** : Per inquiry of City staff, the Successor Agency did not make any transfers from the Other Funds to any other public agencies or private parties from the period of February 1, 2012 through June 30, 2012.

For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Result:** Not applicable. No transfers were identified by City staff.

**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Suggested Procedure(s):**

4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

**Result:** We obtained the schedule below from City Staff that includes all funds of the CIC:

Schedule of 80% and 20% Funds				
	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash and Investments	\$ 16,822,632	\$ 18,035,445	\$ 13,115,318	\$ 15,713,113
Cash and Investments (Temporary Market Value Adjustment)			9,282	19,456
Restricted Cash and Investments (Net of Temporary Market Value Adjustment)	9,974,899	18,613,204	14,652,440	10,541,390
Accounts Receivable		27,800		646,777
Loans Receivable	6,480,194	6,087,223	13,477,177	13,477,177
Advance to Other Funds/Successor Agency	808,781	808,781	808,781	808,781
<b>Total Assets</b>	<b>\$ 34,086,506</b>	<b>\$ 43,572,453</b>	<b>\$ 42,053,716</b>	<b>\$ 41,206,694</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts Payable	\$ 149,683	\$ 285,207	\$ 158,200	\$ 376,518
Accrued Payroll	35,179	23,860	9,282	481
Deferred Revenue	6,480,194	6,087,223	13,477,177	-
Due to Housing Authority				19,971,236
Pass through Obligations	1,098,236	9,398,496	8,126,410	946,157
Advance from Other Funds/ Housing Successor	808,781	808,781	808,781	808,781
Refundable Deposits	33,113	33,113	-	-
Advances from the City of Alameda	4,258,995	4,258,995	4,258,995	-
<b>Total Liabilities</b>	<b>\$ 12,864,181</b>	<b>\$ 20,895,675</b>	<b>\$ 26,838,845</b>	<b>\$ 22,103,173</b>
<b>Equity</b>	<b>21,222,325</b>	<b>22,676,778</b>	<b>15,214,871</b>	<b>19,103,521</b>
<b>Total Liabilities + Equity</b>	<b>\$ 34,086,506</b>	<b>\$ 43,572,453</b>	<b>\$ 42,053,716</b>	<b>\$ 41,206,694</b>
<b>Total Revenues:</b>	<b>\$ 16,267,868</b>	<b>\$ 15,369,557</b>	<b>\$ 7,291,167</b>	<b>\$ 5,834,178</b>
<b>Total Expenditures:</b>	<b>\$ 15,191,459</b>	<b>\$ 16,688,949</b>	<b>\$ 14,551,531</b>	<b>\$ 3,920,012</b>
<b>Intra-Agency Transfer:</b>	<b>\$ (1,216,496)</b>	<b>\$ (1,758,357)</b>	<b>\$ -</b>	<b>\$ (473,250)</b>
<b>Total Proceeds from Bonds (Net):</b>	<b>\$ -</b>	<b>\$ 9,924,674</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Writeoff of Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,258,995 ****</b>
<b>Accrual for Transfer of Housing Assets to Housing Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,811,261) *****</b>
<b>Net change in equity</b>	<b>\$ (140,087)</b>	<b>\$ 6,846,925</b>	<b>\$ (7,260,364)</b>	<b>\$ 3,888,650</b>
<b>Beginning Equity:</b>	<b>\$ 21,362,412</b>	<b>\$ 15,829,853 *****</b>	<b>\$ 22,475,235 *</b>	<b>\$ 15,214,871</b>
<b>Ending Equity:</b>	<b>\$ 21,222,325</b>	<b>\$ 22,676,778</b>	<b>\$ 15,214,871</b>	<b>\$ 19,103,521</b>

\* Restated 7/1/2011 beginning equity to exclude Parking Structure Fund, as its related debt is not considered a debt of the former CIC or the successor agency

Other Information (show year end balances for all four periods presented):

Capital assets as of end of year (net)	\$ 19,526,292	\$ 52,965 ***		
Long-term bonded debt as of end of year (net) **	73,143,000	81,345,674	\$ 80,195,674	\$ 79,585,674

\*\* Does not include several contingent liabilities included on the ROPS and disclosed in the annual audit reports. Amounts reported as of February 1, 2012 and June 30, 2012 equal total reported on ROPS for period.

\*\*\* Decrease due to the CIC transferring Theatre Assets to the City

\*\*\*\* The writeoff of loans consists of the writeoff of a \$3 million loan from the City's Sewer Fund to the former CIC and the writeoff of a \$1,258,995 loan from the City's General Fund to the former CIC. Both were disclosed in Note 5B of the 6/30/11 audited financials for the CIC and were taken off the ROPS as the State determined they were not eligible for reimbursement.

\*\*\*\*\* The accrual for \$1.8 million includes the transfer of a \$808,781 SERAF loan receivable to the housing authority and payments to the Housing Authority in July 2012 for items on the approved ROPS schedule (\$978,210 for Jack Capon Villa and \$24,270 for interest payable on the SERAF loan previously mentioned).

\*\*\*\*\* During fiscal year 2011 the commission made prior period adjustments to properly record funds held by Commission on demand in deposit accounts on behalf of a private developer and the Alameda Unified School District. The effect of the correction on prior year's statement of activities and statement of revenue and expenditures was a \$5,392,472 decreases for both statements.

B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.

**Result:** Per review of the schedule above, it appears that all revenues, expenditures and transfers account for changes in equity from previous period. Except for footnotes above.

C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

**Result:** We traced amounts in schedule above to June 30, 2010 state controllers report without exception.

**Result:** We traced amounts in schedule above to June 30, 2010 state controllers report without exception.

- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Result:** For the twelve months ended June 30, 2011, we traced amounts to the CIC's audited financials statements for the fiscal year ended June 30, 2011 without exception. For the seven month period ending January 31, 2012, we traced amounts to the City's accounting records without exception. We also traced amounts to the City's accounting records for the Successor Agency for the five month period ending June 30, 2012 without exception.

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

*(A) A statement of the total value of each fund as of June 30, 2012.*

**Suggested Procedure(s):**

- Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Result:** We obtained the following schedule from City staff and agreed the balances listed under the total assets as of June 30, 2012 and compared them to accounting records without exception.

	Total 80% assets as of June 30, 2012
Cash and investments	\$10,047,291
Year end receivable	646,777
Cash and investments, held by trustees	9,428,057
Total	<u>\$20,122,125</u>

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Suggested Procedure(s):**

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Result:** We obtained Attachment A from the City Staff. For items listed under 6A, we traced the individual components to accounting records and supporting legal documents without exception.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Result:** Not applicable. Per inquiry of City staff, there were no grant proceeds or program income associated with the other funds held by the Successor Agency at June 30, 2012.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Results:** We obtained Attachment A from the City Staff. For items listed under 6C as other assets considered being legally restricted, we traced the individual components to accounting records without exception. We also traced the individual components to legal documents that were identified by the Successor Agency as restricted.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Result:** See Attachment A.

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Suggested Procedure(s):**

7. Perform the following procedures:
  - A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
  - B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
  - C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
  - D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Result:** Not applicable. Per conversation with City Staff there were no non-liquid assets noted in Other Funds related to the Successor Agency as of June 30, 2012.

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Suggested Procedure(s):**

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

**Result:** Per inquiry of City staff, asset balances are needed to be retained to satisfy enforceable obligations as noted in Attachment A.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.

**Result:** See Attachment D. Traced to all applicable Recognized Enforceable Obligation Payments schedules without exception.

- ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
  - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.

**Result:** See Attachment D. The major assumptions appear to be included on Attachment D.

For the forecasted annual revenues:

- b. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

**Result:** See Attachment D. These major assumption appear to be included in Attachment D.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
  - iii. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - iv. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - v. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

**Result:** Per inquiry of City staff, there are sufficient projected property tax revenues and other general purpose revenues to pay bond debt services payments.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
  - a. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - b. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - c. Include the calculation in the AUP report.

**Result:** See 8A and 8B above.

**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

**Suggested Procedure(s):**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Result:** Per City Staff cash balances needed to be retained to satisfy obligations for the period July 1, 2012 through December 31, 2012. See Attachment B.

**Citation:**

*34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

**Suggested Procedure(s):**

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Result:** See Attachment C.

**Suggested Procedure(s):**

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

**Result:** Management representation letter was obtained.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the information provided for the purposes of the agreed-upon procedures and the Attachments. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we performed an audit of the information provided for the purposes of the agreed-upon procedures and the Attachments, matters might have come to our attention which would have been reported to you.

This report is intended for the information of management and the Oversight Board, the State Department of Finance and State Controller's Office. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Maze & Associates*

November 29, 2012

ATTACHMENT A

Type of Assets	Amount	Restriction	Restricted Period of Time
<b>6A Unspent Bond Proceeds (required to be maintained to meet debt service requirements of existing bonds)</b>			
Cash and investments - Unspent Bond Proceeds	\$2,632,668		
Total	<u>\$2,632,668</u>		Until assets are expended
<b>6C Other Assets Considered to be Legally Restricted</b>			
Cash and investments	\$18,623	Funds encumbered for enforceable obligations to pay for administrative expense of the Successor Agency	Until assets are expended
Cash and investments	105,458	East Bay Regional Park District	Until assets are expended
Cash and investments	1,420,282	Bayport enforceable obligation	Until assets are expended
Cash and investment - Fund Reserve	1,363,522	For next debt service payments	Until assets are expended
Cash and investments, held by trustee	5,399,867	Debt service reserve	Until last debt service payment is made
Cash and investments	32,000	GASB31 adjustments on investments held by Successor Agency	Until assets are expended
Total	<u>\$8,339,752</u>		

**ATTACHMENT B**

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Protect Area	Total Outstanding Debt or Obligation (Estimate as of 6/30/2012)	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF) For July 2012 to Dec. 2012 Total	Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Explanation of Why Cash is Needed
1a. 2003 TAB Series C, Aug 1 Pmt***	2003	Union Bank of CA	Tax exempt series	BWP/WMECIP	\$ 24,906,204.87	\$ 628,040.63	RPTTF	\$ 628,040.63	\$ 628,040.63	see footnote 1
1b. 2003 C Reserve for Feb 1 Pmt	2003	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 628,040.63	RPTTF	\$ 628,040.63	\$ 628,040.63	see footnote 1
2a. 2003 TAB Series A1, Sept 1 Pmt***	2003	Union Bank of CA	Tax exempt series	BWP/WMECIP	\$ 12,373,103.75	\$ 274,231.25	RPTTF	\$ 274,231.25	\$ 274,231.25	see footnote 1
2b. 2003 A1 Reserve for Mar 1 2013 Pmt	2003	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 274,231.25	RPTTF	\$ 274,231.25	\$ 274,231.25	see footnote 1
3a. 2003 TAB Series A2, Sept 1 Pmt***	2003	Union Bank of CA	Taxable series	BWP/WMECIP	\$ 53,822,523.75	\$ 1,282,436.25	RPTTF	\$ 1,282,436.25	\$ 1,282,436.25	see footnote 1
3b. 2003 A2 Reserve for Mar 1 2013 Pmt	2003	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 1,282,436.25	RPTTF	\$ 1,282,436.25	\$ 1,282,436.25	see footnote 1
4a. 2003 TAB Series B, Sept 1 Pmt***	2003	Union Bank of CA	Tax exempt series	BWP/WMECIP	\$ 16,007,288.38	\$ 312,183.13	RPTTF	\$ 312,183.13	\$ 312,183.13	see footnote 1
4b. 2003 B Reserve for Mar 1 2013 Pmt	2003	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 312,183.13	RPTTF	\$ 312,183.13	\$ 312,183.13	see footnote 1
5a. 2011 A Reserve for Mar 1 2013 Pmt	2011	Union Bank of CA	Taxable series	BWP/WMECIP	\$ 28,643,162.50	\$ 411,462.50	RPTTF	\$ 411,462.50	\$ 411,462.50	see footnote 1
5b. 2011 A Reserve for Mar 1 2013 Pmt	2011	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 411,462.50	RPTTF	\$ 411,462.50	\$ 411,462.50	see footnote 1
6a. 2011 B Reserve for Mar 1 2013 Pmt	2011	Union Bank of CA	Tax exempt series	BWP/WMECIP	\$ 1,708,518.75	\$ 28,418.75	RPTTF	\$ 28,418.75	\$ 28,418.75	see footnote 1
6b. 2011 B Reserve for Mar 1 2013 Pmt	2011	Union Bank of CA	Requirement to reserve pledged TI for next bond payment	BWP/WMECIP	Included above	\$ 28,418.75	RPTTF	\$ 28,418.75	\$ 28,418.75	see footnote 1
7. Bond Trustee Fees **	Various (see above)	Various	UBOC Trustee fees	BWP/WMECIP	\$ 585,000.00	\$ 20,000.00	RPTTF	\$ 20,000.00	\$ 20,000.00	see footnote 1
8. Bond Disclosure / Indenture Obligations**	Various (see above)	Various	continuing disclosure & noticing under indentures	BWP/WMECIP	\$ 495,000.00	\$ 10,000.00	RPTTF	\$ 10,000.00	\$ 5,000.00	see footnote 1
9. 2005-06 ERAF Loan	2006	California Statewide CDA / Wells Fargo Trustee	Loan for 2005-06 ERAF Pmt	All	\$ 381,762.00	\$ 94,536.00	RPTTF	\$ 47,268.00	\$ 47,268.00	see footnote 1
10. Stargell Loan	2009	Sewer Enterprise Fund of the City of Alameda	Loan for project improvements	BWP/WMECIP	\$ 3,180,000.00	\$ 90,000.00	RPTTF	\$ 45,000.00	denied by DOF	
11. AP/FP Loan from City General Fund**	2010	City of Alameda	Stargell Adventure Club Project Costs	AP	\$ 2,241,015.23	\$ 75,540.00	RPTTF	\$ 37,770.00	denied by DOF	
12. Loan for SERAF Payment	2010	Alameda Housing Authority	Loan for SERAF Payment	BWP/WMECIP	\$ 954,361.86	\$ 48,527.00	RPTTF	\$ 24,263.50	\$ 24,263.50	see footnote 1
13. Bayport DDA **	2000	FOCIL - BP LLC	DDA for residential project (See also Form B for portion of obligation paid from existing fund balances)	BWP/WMECIP	\$ 3,193,512.77	\$ 1,300,000.00	RPTTF	\$ 1,300,000.00	\$ 1,300,000.00	see footnote 1
14a. Alameda Landing DDA	2006	Palmtree Acquisition Corp.	DDA for mixed use project	BWP/WMECIP	\$ 35,500,000.00	\$ -	RPTTF	\$ -	0.00	see footnote 1
14b. Alameda Landing Environmental Consulting Contract**	2011	Russell Resources	Consultant contract which pertains to Alameda Landing DDA	BWP/WMECIP	\$ 30,000.00	\$ 30,000.00	RPTTF	\$ 15,000.00	\$ 15,000.00	see footnote 1
14c. Alameda Landing Stockpile Maintenance Obligation**	2009	PM Realty Group	Agreement with Palmtree Acq. Corp to maintain stockpiled soils	BWP/WMECIP	\$ 275,500.00	\$ 29,000.00	RPTTF	\$ 14,500.00	\$ 14,500.00	see footnote 1
14d. Alameda Landing Project CIC Public Improvement Obligations	2006	Contractor not selected	CIC funding obligation for public improvements which are conditions of approval for Alameda Landing project. Mitigation Monitoring and Reporting Plan Items MM TIC-3, TIC-11b.	BWP/WMECIP	\$ 1,875,000.00	\$ -	RPTTF	\$ -		
15a. Bridgeside DDA**	2003	Regency Realty Group	DDA for retail project	BWP/WMECIP	\$ 946,853.00	\$ 197,905.00	RPTTF	\$ 197,905.00	\$ 197,905.00	see footnote 1
15b. Bridgeside DDA, compliance**	2003		Third party costs to determine obligation under Bridgeside DDA	BWP/WMECIP	\$ 25,000.00	\$ 5,000.00	RPTTF	\$ 5,000.00	\$ 5,000.00	see footnote 1
Totals - This Page (RPTTF Funding)					\$ 187,143,806.86	\$ 7,774,053.02	N/A	\$ 7,575,251.52	\$ 7,492,481.52	
Totals - Page 2 (RPTTF Funding)					\$ 421,252,339.85	\$ 2,085,097.56	N/A	\$ 727,473.78	\$ 690,423.78	
Totals - Page 3 (Other Funding)					\$ 8,443,896.05	\$ 1,998,681.73	N/A	\$ 1,282,963.73	\$ 0.00	
Totals - Page 4 (Administrative Cost Allowance)					\$ 7,500,000.00	\$ 295,774.52	N/A	\$ 147,887.28	\$ 147,887.28	
Totals - Page 5 (Pass Thru Payments)					\$ -	\$ -	N/A	\$ -	\$ -	
Grand total - All Pages					\$ 624,340,132.76	\$ 12,153,606.83		\$ 9,735,576.31	\$ 8,330,792.58	

\*\* Amount and timing has been estimated  
 \*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 \*\*\*\* Requirement to reserve pledged TI funds for these payments was also reflected on the Jan. to June 2012 ROPS. Actual requirement from RPTTF will need to be adjusted downward to the extent of any funds reserved for purpose of these payments during the prior period.  
 RPTTF - Redevelopment Property Tax Trust Fund  
 Admin - Successor Agency Administrative Allowance  
 Bond - Bond proceeds  
 Other - reserves, rents, interest earnings, etc.

Footnote 1: Explanation of why unrestricted cash balance as of June 30, 2012 needs to be retained to fund ROPS: This balance as of June 30, 2012 is inclusive of the RPTTF funds allocated to the Successor Agency to fund enforceable obligations for the ROPS II period (July to December 2012). Funds were allocated to the Successor Agency specifically for the purpose of funding the obligations listed on ROPS II and payable from RPTTF. Use of these funds for enforceable obligations is entirely consistent with the oversight board and DOF. Anticipated draw down of retained funds for design and enforceable obligations is reflected on Form B or ROPS II as appropriate and offsets the requirements from RPTTF, unrestricted funds. The Successor Agency does not have any other source of funds for these obligations and many of the obligations have already been paid using funds available as of June 30th.

**ATTACHMENT B (Continued)**

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation (Estimate as of 6/30/12)	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Explanation of Why Cash is Needed
16. Marina Village OPA - PM Staff (0.025 FTE) and OH allocation**	1984	City of Alameda	Marina Village OPA project management / implementation costs (see also Form B for related obligation)	BWIP/WEICIP	\$ 11,578.10	\$ 7,312.56	RPTTF	\$ 3,656.28	see footnote 1
17a. Independence Plaza Agreement**	1989	Alameda Housing Authority	Affordable Housing Project Obligation	BWIP/WEICIP	\$ 20,752,993.00	\$ 1,216,160.00	RPTTF	\$ 608,080.00	see footnote 1
17b. Independence Plaza - PM Staff (0.1 FTE) and OH allocation**	1989	Alameda Housing Authority	Independence Plaza agreement monitoring / implementation costs	BWIP/WEICIP	\$ 627,812.50	\$ 29,250.00	RPTTF	\$ 14,625.00	see footnote 1
18a. Islander OPA - PM Staff (0.1 FTE) and OH allocation**	2011	Alameda Housing Authority	Islander OPA related completion / implementation costs (see also Form B for related obligation)	BWIP/WEICIP	\$ 29,250.00	\$ 29,250.00	RPTTF	\$ 14,625.00	see footnote 1
18b. Islander OPA - Legal Services / Project Closeout**	2011	Outside legal services	Islander OPA related completion / implementation costs (see also Form B for related obligation)	BWIP/WEICIP	\$ 30,000.00	\$ 30,000.00	RPTTF	\$ 15,000.00	see footnote 1
19a. Boatworks Settlement Agreement	2010	Francis & Catherine Collins	Housing and Non-Housing Project Obligation	BWIP/WEICIP	\$ 4,500,000.00	\$ -	RPTTF	\$ 0.00	see footnote 1
19b. Boatworks Project Settlement Agreement / Mitigation Monitoring and Reporting Plan Public Improvement Obligations	2010	Contractor not selected	CIC funding commitment for public improvements required as part of conditions of approval for project. Identified as Mitigation Monitoring and Reporting Plan Items B-10, B-11, B-12	BWIP/WEICIP	\$ 80,550.00	\$ -	RPTTF	\$ 0.00	see footnote 1
20. Labor Agreement Obligations - pension and other long term obligations**	Various	Employees	Long term post-employment pension / benefit obligation to current & past CIC employees.	All	\$ 902,500.00	\$ 47,500.00	RPTTF	\$ 0.00	see footnote 1
21. Guyton Judgment and Settlement Agreement**	1993		Affordable housing production / funding agreement. Remaining obligation is approximately 350 units	All	\$ 37,500,000.00	\$ -	RPTTF	\$ 0.00	see footnote 1
22. Inclusionary Housing Contract**	2011	HomsBridks	BMR monitoring / enforcement of existing BMR covenants	All	\$ 2,245,000.00	\$ 65,000.00	RPTTF	\$ 29,550.00	denied by DOF
23. BMR/Inclusionary Obligations PM (0.05 FTE) and OH allocation**	Various	Alameda Housing Authority	BMR/Inclusionary project implementation / monitoring costs	All	\$ 2,083,906.25	\$ 14,625.00	RPTTF	\$ 7,312.50	denied by DOF
24. BMR/Inclusionary Obligations - Legal Services	Various	Outside legal services	BMR/Inclusionary project implementation / monitoring costs	All	\$ 2,143,000.00	\$ 15,000.00	RPTTF	\$ 7,500.00	denied by DOF
25. APC Infrastructure	1999	Alameda Point Collaborative	Homeless Accommodation/Standards of Reasonableness - zero rate payment for infrastructure	AP/IP	\$ 3,600,000.00	\$ -	RPTTF	\$ -	denied by DOF
26a. Alameda Unified School District (AUSD) agreement - District Housing Fund Deposit**	1991	Housing funds are held in special subfund until drawn by AUSD for eligible projects.	Agreement with AUSD for the BWIP Original Project area. Funds are restricted for use on AUSD housing projects. (See also form B for obligation from existing subfund balance).	BWIP/WEICIP	\$ 31,042,000.00	\$ 458,000.00	RPTTF	\$ -	denied by DOF
26b. Alameda Unified School District (AUSD) agreement - District Capital Outlay Fund**	1991	AUSD	Agreement with AUSD for the BWIP Original Project area. Funds are restricted for use on AUSD capital projects.	BWIP/WEICIP	\$ 12,317,000.00	\$ 183,000.00	RPTTF	\$ -	denied by DOF
27. AP/IP Affordable Housing Agreement	2011	Alameda Housing Authority	Affordable Housing Funding Agmt. Amount of obligation outstanding reflects adjustment to exclude items separately listed on ROPS	AP/IP	\$ 66,000,000.00	\$ -	RPTTF	\$ -	denied by DOF
28. AP/IP Public Improvements Agreement	2010	City of Alameda	Public Improvements in Project Area - Amount of obligation outstanding reflects adjustment to exclude items separately listed on ROPS	AP/IP	\$ 164,725,000.00	\$ -	RPTTF	\$ -	denied by DOF
29. BWIP/WEICIP Public Improvements Agreement	2011	City of Alameda	Public Improvements in Project Area - Amount of obligation outstanding reflects adjustment to exclude items separately listed on ROPS	BWIP/WEICIP	\$ 61,620,000.00	\$ -	RPTTF	\$ -	denied by DOF
30. BWIP/WEICIP Affordable Housing Agreement	2011	Alameda Housing Authority	Affordable Housing Funding Agmt. Amount of obligation outstanding reflects adjustment to exclude items separately listed on ROPS	BWIP/WEICIP	\$ 10,000,000.00	\$ -	RPTTF	\$ -	denied by DOF
31a. Jack Capon Villa OPA - PM Staff (0.1 FTE) and OH allocation**	2011	Alameda Housing Authority	Jack Capon OPA related completion / implementation costs (see also Form B for related obligation)	BWIP/WEICIP	\$ 29,250.00	\$ -	RPTTF	\$ 14,625.00	see footnote 1
31b. Jack Capon Villa OPA - Legal Services	2011	Outside legal services	Jack Capon OPA related completion / implementation costs (see also Form B for related obligation)	BWIP/WEICIP	\$ 12,500.00	\$ -	RPTTF	\$ 12,500.00	see footnote 1
<b>Totals - This Page (RPTTF Funding)</b>					\$ 421,252,339.85	\$ 2,095,097.56	N/A	\$ 690,423.78	

\*\* Amount and timing has been estimated  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance  
 Bords - Bond proceeds  
 Other - reserves, rents, interest earnings, etc

**Footnote 1: Explanation of why unrestricted cash balance as of June 30, 2012 needs to be retained to fund ROPS: The balance as of June 30, 2012 is inclusive of the RPTTF funds allocated to the Successor Agency to fund enforceable obligations for the ROPS II period (July to December 2012). Funds were allocated to the Successor Agency specifically for the purpose of funding the obligations listed on ROPS II and payable from RPTTF. Use of these funds for enforceable obligations is entirely consistent with the ROPS II as approved by the oversight board and DOF. Anticipated draw down of restricted funds for designated enforceable obligations is reflected on Form B of ROPS II as appropriate and offsets the requirements from RPTTF unrestricted funds. The Successor Agency does not have any other source of funds for these obligations and many of the obligations have already been paid using funds available as of June 30th.**

**ATTACHMENT B (Continued)**

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation (Estimate as of 6/30/12)	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources		Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Explanation of Why Cash is Needed
									Total		
1. Indentures for 2003 A1, A2, B Bonds	2003	various	Bond proceeds required to be used for Project Improvements consistent with indentures.	BWIP/WECIP	\$ 1,888,424.00	when drawn	Bonds	\$ -	\$ -	0.00	N/A
2. Marina Village OPA	1984	Alameda Marina Village Assoc.	OPA for mixed use project [see also Form A for related obligations]	BWIP/WECIP	\$ 485,822.00	\$ 485,822.00	Bonds	\$ -	\$ -	0.00	N/A
3. Islander OPA	2011	Resources for Community Development & Alameda Housing Authority	Housing Project OPA Obligation [see also Form A for related obligations]	BWIP/WECIP	\$ -	\$ -	Bonds	\$ -	\$ -	0.00	N/A
4. AUSD Agreement ***	1991	Alameda Unified School District/20% Housing Fund	20% Set-Aside Funds held for eligible affordable housing activities.	BWIP/WECIP	\$ 4,576,860.32	when drawn	Other	\$ -	\$ -	0.00	N/A
5. Bayport DDA	2000	FOCIL - BP LLC	DDA for residential project; portion of obligation payable from reserve balance as of 12/31/2011. [see also Form A for related obligations]	BWIP/WECIP	\$ 534,649.73	\$ 534,649.73	Other	\$ 534,649.73	\$ -	0.00	N/A
6. Jack Capon Villa (2216 Lincoln) OPA	2011	Satellite Housing/Housing Consortium of the East Bay	Housing Project OPA Obligation [see also Form A for related obligations]	BWIP/WECIP	\$ 978,210.00	\$ 978,210.00	Other	\$ 748,314.00	\$ -	0.00	N/A
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Totals - LMIHF					\$ -	\$ -		\$ 0.00	\$ 0.00	0.00	
Totals - Bond Proceeds					\$ 2,354,246.00	\$ 485,822.00		\$ 0.00	\$ 0.00		
Totals - Other					\$ 6,089,740.05	\$ 1,512,859.73		\$ 1,282,963.73	\$ 1,282,963.73		
Grand total - This Page					\$ 8,443,986.05	\$ 1,998,681.73		\$ 1,282,963.73	\$ 1,282,963.73		

\*\* Amount and timing has been estimated  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 Bonds - Bond proceeds  
 Admin - Successor Agency Administrative Allowance

**ATTACHMENT B (Continued)**

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation [Estimate as of 6/30/12]	Total Due During Fiscal Year 2012-2013**	Funding Source**	Payable from the Administrative Allowance Allocation****		Unrestricted Cash as of June 30, 2012 Needed to Satisfy Obligations	Explanation of Why Cash is Needed
							Total			
1) Successor Agency Administrative (cost allowance)	City of Alameda as Successor Agency	Administrative Costs for Successor Agency	All	\$ 7,500,000.00	\$ 295,774.52	Admin	\$ 147,887.28	\$ 147,887.28	see footnote 1	
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<b>Totals - This Page</b>				<b>\$ 7,500,000.00</b>	<b>\$ 295,774.52</b>		<b>\$ 147,887.28</b>	<b>\$ 147,887.28</b>		

\*\* Amount and timing has been estimated

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund

LMHF - Low and Moderate Income Housing Fund

\*\*\*\* - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

Other - reserves, rents, interest earnings, etc

Admin - Successor Agency Administrative Allowance

Footnote 1: Explanation of why unrestricted cash balance as of June 30, 2012 needs to be retained to fund ROPS: The balance as of June 30, 2012 is inclusive of the RPTTF funds allocated to the Successor Agency to fund enforceable obligations for the ROPS II period (July to December 2012). Funds were allocated to the Successor Agency specifically for the purpose of funding the obligations listed on ROPS II and payable from RPTTF. Use of these funds for enforceable obligations is entirely consistent with the ROPS II as approved by the oversight board and DOF. Anticipated draw down of restricted funds for designated enforceable obligations is reflected on Form B of ROPS II as appropriate and offsets the requirements from RPTTF / unrestricted funds. The Successor Agency does not have any other source of funds for these obligations and many of the obligations have already been paid using funds available as of June 30th.

ATTACHMENT C

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 20,122,125
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(10,972,420)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	(818,912) *
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)	(8,330,793)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	\$ -

\*The cash flow analysis presented as Attachment D indicates a shortfall of \$1,749,000 to fund enforceable obligations from FY 2013-14 through FY 2020-21, net of projected future annual revenues and net of existing restricted balances available to fund enforceable obligations. After funding of the current ROPS (procedure 9), \$818,812 in funds remain to partially address the \$1,749,000 shortfall indicated on Attachment D for FY 2013-14 forward. All available funds up to \$1,749,000 are required to address the cash flow shortfall as indicated on Attachment D.

**Table 1**  
**DDR Item 8 B**  
**10-Year Cash Flow Projection - Future ROPS Periods**  
**Successor Agency to the Alameda CIC**  
**Alameda, CA**  
**\$Thousands**

	2013-14 July-Dec	2014-15 Jan-June	2014-15 July-Dec	2015-16 Jan-June	2015-16 July-Dec	2016-17 Jan-June	2016-17 July-Dec	2017-18 Jan-June	2017-18 July-Dec	2018-19 Jan-June	2018-19 July-Dec	2019-20 Jan-June	2019-20 July-Dec	2020-21 Jan-June	2020-21 July-Dec	2021-22 Jan-June	2021-22 July-Dec	2022-23 Jan-June	2022-23 July-Dec	
1 Gross RPTTF Revenue <sup>(1)</sup>	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	
2 Pass Throughs <sup>(1)</sup>	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	
3 County Admin Fee	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72	
Existing Net RPTTF Revenue	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830	
4 Alameda Landing Net Revenue <sup>(2)</sup>	-	-	67	67	157	157	288	288	424	424	526	526	633	633	717	717	806	806	897	
5 Net RPTTF Available	5,830	5,830	5,896	5,896	5,986	5,986	6,117	6,117	6,253	6,253	6,356	6,356	6,462	6,462	6,547	6,547	6,635	6,635	6,727	
6 Enforceable Obligations <sup>(3)</sup>	<i>Items paid with existing restricted fund balances are not included in projection.</i>																			
Bonds (Table 3)	2,169	3,844	2,129	3,894	2,086	3,951	2,038	3,956	1,940	4,036	1,887	4,092	1,829	4,174	1,806	4,236	1,769	4,317	1,725	4,398
Other Obligations (Table 4) <sup>(4)</sup>	2,799	2,765	3,095	3,056	3,532	3,039	3,160	2,995	3,324	3,159	3,489	3,289	3,620	3,430	3,763	3,348	3,472	3,262	3,550	3,340
Total Enforceable Obligations	4,968	6,610	5,224	6,950	5,618	6,990	5,198	6,951	5,264	7,194	5,376	7,381	5,449	7,604	5,569	7,584	5,240	7,579	5,275	7,738
7 Projected RPTTF Available / (Deficit) After Payment of Enforceable Obligations Cumulative	862	(780)	605	(1,054)	279	(1,004)	788	(833)	863	(941)	878	(1,025)	907	(1,142)	894	(1,036)	1,307	(944)	1,360	(1,011)
8 Shortfall to Fund Enforceable Obligations Rounded Up To:	862	82	688	(366)	(87)	(1,091)	(303)	(1,136)	(283)	(1,223)	(346)	(1,371)	(464)	(1,606)	(712)	(1,749)	(442)	(1,386)	(26)	(1,037)
	(1,749)																			

max shortfall on a cumulative basis:

Projected shortfall to fund enforceable obligations requiring retention of existing unrestricted balances.  
 Requirement represents approximately 1% of revenue over the next 10 years.

- Obligations Excluded from Projection:**
- SERAF Loan, and APJP Loan
  - APC Infrastructure obligation
  - BMR / Inclusionary Items
  - Marina Village OPA
  - Excess Bond Proceeds Obligations
- Amount Reason for exclusion:**
- \$2.25 M Under AB 1484, payment is contingent upon availability of excess revenue over other obligations for distribution.
  - \$3.6 M Pending meet and confer with DOF.
  - \$4.9 M Pending meet and confer with DOF.
  - \$0.7 M Paid from existing restricted funds.
  - \$1.9 M Paid from existing restricted funds.
  - \$13.4 M

**Notes**

(1) Based upon County estimate for FY 12-13 Jan 1 Distribution (See Table 2 for details). Pass throughs assumed to be allocated 50/50 by ROPS period consistent with County October 1, 2012 Estimate.

(2) Net RPTTF funds generated by Alameda Landing after pass throughs are pledged to Alameda Landing project pursuant to Alameda Landing DDA. Estimate assumes full build out of the project. First phase (Target) expected to open in 2013.

(3) Excludes obligations paid from dedicated / restricted funds.

(4) Inclusive of SA administrative costs.

**Table 2**  
**DDR Item 8 B**  
**RPTTF Revenue Detail**  
**Successor Agency to the Alameda CIC**  
**Alameda, CA**

**November 1, 2012**

	<u>June 1, 2012</u> <u>Distribution</u>
<b>I. Actual RPTTF Available for Obligations</b>	
Gross RPTTF Per County	7,473,238
Less: Pass Throughs by County	(1,840,557)
Less: Held for Questioned Pass Throughs	(646,776)
Less: County Admin Fee	(131,516)
Net to SA Distributed on June 1	<u>4,854,389</u>
Release of Funds for Questioned Items	646,776
Net to SA for July to Dec. 2012 ROPS	<u>5,501,165</u>

Funds held for questioned pass throughs released to fund EOs per AB 1484  
 Actual Available for ROPS

	<u>January 2, 2013</u> <u>Distribution</u>	<u>June 1, 2013</u> <u>Distribution</u>	
<b>II. Estimated RPTTF Available for Obligations</b>			June 1, 2013 estimate based on County January 2, 2013 estimate
Gross RPTTF Per County	7,284,222	7,284,222	Based on County 10/1/2012 estimate
Admin Fees Per County	(72,078)	(72,078)	Based on County 10/1/2012 estimate
Pass Throughs Per County	(1,055,548)	(1,055,548)	Based on County 10/1/2012 estimate
Additional AUSD Pass through (1)	(233,000)	(233,000)	County did not reflect in estimate; Calculated by KMA
Additional City Pass through (2)	(94,000)	(94,000)	County did not reflect in estimate; Calculated by KMA
Less: Pass Throughs Due for Prior Period	(545,954)	NA	County did not reflect in estimate, see below
Net Available for Enforceable Obligations	<u>5,283,642</u>	<u>5,829,596</u>	

<u>Prior Period Pass Through Obligations</u>	
<b>to Carry Forward to Jan 2nd 2013 Distribution</b>	
AUSD Agmt - Housing Fund	445,132
City of Alameda	<u>100,822</u>
	<u>545,954</u>

Held by County but then released for EOs following adoption of AB 1484  
 For period after dissolution. (= \$201,644 for full 11-12 fiscal year - \$100,822 already paid by SA)  
 Carry Forward Obligation to Jan. 2013

(1) County estimate does not reflect full obligation to AUSD; however, AUSD and City both concur that the additional payment restricted to housing should continue to be made pursuant to the pass through agreement.  
 (2) County has excluded the City's share of AB 1290 pass throughs with respect to the BWIP / WECIP Merged Project Area subject to receipt of evidence of the City's election to receive these payments. The City expects to submit such evidence to the County within the month so that pass throughs to the City may continue to be made as they have been since these pass through obligations were triggered a number of years ago.

Attachment D (Continued)

**Table 3**  
**DDR Item 8 B**  
**Bond Debt Requirements - Next 10 Years**  
**Successor Agency to the Alameda CIC**  
**Alameda, CA**

	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		November 1, 2012		
	July-Dec	Jan-June	July-Dec	Jan-June																	
<b>I. Bond Payments Due to Trustee</b>																					
2003 A1 Bonds	171	376	167	377	163	383	158	388	154	399	148	398	143	408	137	412	131	416	124	424	
2003 A2 Bonds	891	1,671	868	1,693	844	1,719	818	1,743	791	1,776	762	1,797	731	1,836	697	1,867	661	1,901	623	1,943	
2003 B Bonds	249	389	246	406	242	422	237	437	232	457	226	476	219	499	211	516	202	542	192	562	
2003 C	356	906	345	915	334	924	321	931	307	947	293	963	278	973	263	983	247	1,002	229	1,014	
2011 A Bonds	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	
2011 B Bonds	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	27	27	25	25	23	
Trustee Fees	10	10	10	11	11	11	11	11	11	12	12	12	12	12	12	13	13	13	13	13	
Disclosures	5	5	5	5	5	5	5	5	6	6	6	6	6	6	6	6	6	7	7	7	
2006 CDA Bonds <sup>(1)</sup>	47	48	48	48	48	48	48	48	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total - Bonds</b>	<b>2,169</b>	<b>3,844</b>	<b>2,129</b>	<b>3,894</b>	<b>2,086</b>	<b>3,951</b>	<b>2,038</b>	<b>3,956</b>	<b>1,940</b>	<b>4,036</b>	<b>1,887</b>	<b>4,092</b>	<b>1,829</b>	<b>4,174</b>	<b>1,806</b>	<b>4,236</b>	<b>1,769</b>	<b>4,317</b>	<b>1,725</b>	<b>4,398</b>	

**II. Required Reserve for Upcoming Bond Payments Deposited to Special Fund Per Indenture**

Requirement to reserve pledged funds for upcoming bond payments will continue to be reported on ROPS; however, net impact on RPTTF requirements should be minor after factor in application of reserves already reported on ROPS III (see ROPS III items #7 - #12).

(1) Bond financing to fund 2005-06 ERAF payment to State.

Attachment D (Continued)

	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		November 1, 2012	
	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June
<b>Table 4</b>																				
<b>DDR Item 8 B</b>																				
<b>Projection of Other Enforceable Obligations - Next 10 Years</b>																				
<b>Successor Agency to the Alameda CIC</b>																				
<b>Alameda, CA</b>																				
<b>\$Thousands</b>																				
<b>Other Obligations (except bonds)</b>																				
16 APIP Loan from City General Fund	not included in projection given payments may only be made to the extent excess funds remain after other obligations (per AB 1484)																			
17 Loan for SERAF Payment	not included in projection given payments may only be made to the extent excess funds remain after other obligations (per AB 1484)																			
18 Bayport DDA (1)	1,300	1,000	1,065	1,155	1,455	1,290	1,590	1,425	1,725	1,525	1,825	1,635	1,935	1,715	2,015	1,805	2,105	1,895		
19 Alameda Landing DDA (1)	-	-	1,300	1,065	1,155	1,455	1,290	1,590	1,425	1,725	1,525	1,825	1,635	1,935	1,715	2,015	1,805	2,105	1,895	
22 Alameda Landing DDA: Stockpile Maintenance	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	
23 Alameda Landing DDA: Public Improvements (2)	200	300	500	500	375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24 Bridgside DDA	195	-	195	-	171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25 Bridgside DDA: compliance	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27 Marina Village OPA: PM Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28 Independence Plaza Agreement (3)	632	632	658	684	684	711	740	740	769	769	800	800	832	832	865	865	900	900		
29 Independence Plaza: PM Staff	15	15	15	16	16	16	17	17	17	17	18	18	18	18	19	19	20	20		
30 Islander OPA	Funding fully drawn																			
31 Islander OPA - PM Staff	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32 Islander OPA - Legal Services / Project Closeout	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33 Boatworks Agreement	-	-	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	
34 Boatworks Public Improvement Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35 Labor Agreement Obligations	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	
36 Guyton Judgment and Settlement Agreement (4)	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	
37 Inclusionary Housing Contract	pending meet and confer																			
38 BMR/Inclusionary Obligations PM Staff	pending meet and confer																			
39 BMR/Inclusionary Obligations - Legal Services	pending meet and confer																			
40 Alameda Point Collaborative (APC) Infr. Agmt	Funding / obligation transferred to housing successor																			
41 Jack Capon Villa OPA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42 Jack Capon Villa OPA - PM Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43 Jack Capon Villa OPA - Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
44 AT&T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
46 SA Admin (@ROPS III level to 15-16, then minimum)	160	160	160	160	160	125	125	125	125	125	125	125	125	125	125	125	125	125	125	
<b>Total Obligations - Non-Restricted Sources</b>	<b>2,799</b>	<b>2,765</b>	<b>3,095</b>	<b>3,056</b>	<b>3,532</b>	<b>3,160</b>	<b>2,995</b>	<b>3,324</b>	<b>3,159</b>	<b>3,489</b>	<b>3,289</b>	<b>3,620</b>	<b>3,430</b>	<b>3,763</b>	<b>3,348</b>	<b>3,472</b>	<b>3,262</b>	<b>3,550</b>	<b>3,340</b>	

Obligations paid from restricted existing balances are not shown in the cash flow (includes ROPS items 26 and 45 which are funded from 2003 bond proceeds)

**Obligations Paid from Existing Restricted Balances**

Note: numbering of obligations based on ROPS III item number.

Notes:  
 (1) Bayport obligation projected based upon actual payments for 2012. Alameda Landing obligation commences once Bayport obligation is repaid and is estimated based upon projected RPTTF revenue generated by the project plus the Bayport funds based on the actual for 2012. Alameda Landing projection assumes return hurdle in DDA not met and \$8 million additional obligation is triggered.  
 (2) Reflected in cash flow projection near term given the project has broken ground; however, actual timing of public improvements will depend upon timing of build out over multiple phases.  
 (3) Obligation estimated at ROPS III level plus 4% annual growth.  
 (4) Assumes performance under Guyton Judgment and Settlement Agreement limited to the same restricted sources of funds that would otherwise have been available for that purpose consisting of funds that would have been deposited into the housing set-aside fund less prior obligations of those funds.

Actual revenues, obligation amounts, and timing may vary from the amounts contained in this projection.  
 Prepared by Keyser Marston Associates, Inc.

Attachment D (Continued)

**Table 5  
DDR Item 8 B  
Five Year Assessed Value History  
Successor Agency to the Alameda CIC  
Alameda, CA**

November 1, 2012

	2008-09	2009-10	2010-11	2011-12	2012-13	Average Annual % Change 2008/09 to 2012/13
<b>Assessed Value History</b>						
Secured	1,468,306,884	1,507,506,933	1,481,263,479	1,470,438,037	1,487,123,249	0.3%
Utility	25,717,137	25,717,137	30,717,668	10,458,170	10,458,170	-20.1%
Unsecured	260,642,286	265,896,653	244,407,484	247,976,415	256,508,284	-0.4%
Total	1,730,127,820	1,773,314,691	1,733,072,955	1,728,872,622	1,754,089,703	<b>0.3%</b>
Percent change from prior year		2.5%	-2.3%	-0.2%	1.5%	

Note: Includes both WECIP / BWIIP Merged Project Area and APIP Project Area.

Source: Alameda County Auditor-Controller.

Actual revenues, obligation amounts, and timing may vary from the amounts contained in this projection.  
Prepared by Keyser Marston Associates, Inc.

## Attachment E

**Question:** How is the theater transfer in 2a allowable under both Sections 34167.5 and 34178.8 of the California Health and Safety Code?

**Response:** Health and Safety Code Section 34167.5 states that any transfer of assets between a redevelopment agency and the city that created the agency occurring after January 1, 2011 shall be retroactively deemed not to be in furtherance of the Community Redevelopment Law and therefore be unauthorized, and further provides that unless the city is contractually committed to a third party for the expenditure or encumbrance of those assets, and unless otherwise prohibited by state or federal law, the Controller shall order the return of the assets to the redevelopment agency or its successor agency. Health and Safety Code Section 34178.5 prohibits any transfer of assets from a successor agency to the city that created it occurring after January 31, 2012, unless such transfer was made pursuant to an enforceable obligation on an approved and valid Recognized Obligation Payment Schedule.

On or about March 11, 2011, the former Alameda Community Improvement Commission (CIC) transferred to the City of Alameda its interests in the Alameda Theater project, including fee interest in the historic Alameda Theater Building and public parking garage, and interest as ground lessor in the land underlying the adjacent Alameda Cineplex. Because the transfers occurred prior to January 31, 2012, Section 34178.5 does not apply to it. Because the transfers occurred after January 1, 2011, Section 34167.5 does apply; however, the Successor Agency to the former CIC respectfully submits that the transfers should be recognized as valid because they were undertaken in furtherance of longstanding contractual obligations to third parties.

The Alameda Theater project is a successful public private partnership development project located in Alameda's Park Street business district. The project involved restoration of the historic Alameda Theater building, construction of a public parking garage and development a new modern Cineplex located directly adjacent to and integrated with the historic theater building. The parking garage was constructed by the CIC and City and the historic theater restoration work and new Cineplex construction were undertaken by the project developer/theater operator, Alameda Entertainment Associates L.P. (AEA), with assistance from the CIC, all as set forth in a Disposition and Development Agreement dated May 3, 2005. The theater project was completed in May, 2008; the remaining obligations of the parties are set forth in the Historic Theater Lease and Cineplex Ground Lease, both dated March 15, 2007.

The lease and land transfers by the CIC to City were made pursuant to Section 22.19 of the Historic Theater Lease and Section 17.19 of the Cineplex Ground Lease between the CIC and AEA for the following reasons and purposes:

1. To Meet Landlord's Obligations Under the Leases. The primary purpose of the transfers was to meet the landlord's contractual obligations under the Historic Theater Lease and Cineplex Ground Lease with respect to building insurance and maintenance of the theater project since, following completion of project construction, the CIC lacked statutory authority to pay for normal maintenance and operation of publicly owned buildings.
2. To Ensure Ability to Meet Debt Service Payments on HUD 108 Loan. A secondary purpose of the transfer was to ensure that lease revenues generated by the Alameda Theater project would be available to meet debt service payments on HUD 108 loan program debt that CIC had incurred in connection with development of the public parking garage component of the theater.

## Attachment E (Continued)

Further details supporting each of these purposes are provided below.

1. Landlord's Obligations Under the Leases. Section 10.1 of the Historic Theater Lease obligates the landlord (originally the CIC and now the City) to "maintain the structural portions of the roof, foundation and load-bearing portions of walls of the Building" and Section 15.1 obligates the landlord to maintain insurance or an insurance equivalent insuring structural components of the building against fire and extended coverage. Section 33678(b) of the Community Redevelopment Law prohibits redevelopment agencies (and now successor agencies) from utilizing tax increment revenues to pay for ongoing employee services not directly related to "redevelopment activities" and Section 33445(b) prohibits redevelopment agencies (and now successor agencies) from paying for normal maintenance and operation of publicly owned buildings. The completion of the theater project in May 2008, marked the end of the CIC's "redevelopment activities." At that point, in order to meet the landlord's ongoing administrative responsibilities and normal maintenance and operational obligations under the Cineplex Ground Lease and Historic Theater Lease, it was necessary for the City of Alameda to assume the CIC's interests as landlord under those leases. Transfer of the CIC's obligations to the City was anticipated at the time the CIC and AEP entered into the DDA, as well as the Historic Theater Lease and Ground Lease, and all three agreements expressly authorized the CIC to transfer its interests to the City (see DDA section 823, Historic Theater Lease section 22.19, and Cineplex Ground Lease section 17.19). Specific findings related to the statutory restrictions identified above and the need to transfer and assign the relevant lease documents to the City were set forth in Resolution No. 14554 adopted by the City Council and Resolution No. 11-180 adopted by the CIC Board at the time the property transfers and lease assignments were approved.

2. Ensuring Ability to Meet Debt Service Payments on Public Parking Garage. Financing for the Alameda Theater project included various sources of public and private financing, including tax increment financing, developer equity, a Small Business Administration Section 504 loan, a private construction loan from Bank of Alameda, and a \$7 Million loan from the US Department of Housing and Urban Development (HUD) under the HUD 108 loan program. The HUD 108 loan was used to finance construction of the public parking garage portion of the theater project. Per the requirements of the HUD 108 program, the City of Alameda acted as the primary borrower and entered into a Contract for Loan Guaranty Assistance in favor of HUD. Because the HUD 108 loan was intended to be repaid by lease and parking revenues generated by the theater project, the City and CIC, as sub-recipient, concurrently entered into an Assignment and Transfer of HUD 108 Loan Program Note under which the CIC assumed the City's obligation under the HUD 108 loan documents. CIC's obligation to repay the HUD 108 loan was in turn secured by a Deed of Trust and Assignment of Rents in favor of HUD dated October 25, 2006. In the spring of 2011, with the anticipated demise of redevelopment looming and the lack of clarity as to whether third party obligations, such as the HUD 108 loan, would be recognized as enforceable obligations, the CIC approved a transfer to the City of both its theater project assets (i.e. the property and the lease revenues generated therefrom) and its theater project liabilities (i.e. the \$7 Million HUD 108 loan and HUD loan deed of trust). In addition to the primary purpose of the transaction described above, a secondary purpose of the transfer was to ensure that the HUD 108 loan would be repaid in accordance with the terms of the HUD loan program documents.