



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 12/15/98

AGENDA ITEM 8

WORK SESSION ITEM _____

TO: Redevelopment Agency Board Members
Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Adoption of the Annual Report of Redevelopment Agency Activities for FY 1997-98

RECOMMENDATION:

1. That the Redevelopment Agency Board adopt the Annual Report of Redevelopment Agency Activities for FY 1997-98 and present it to City Council.
2. That the City Council receive and file the Annual Report of Redevelopment Agency Activities for FY 1997-98.

BACKGROUND:

California Redevelopment Law requires that the Redevelopment Agency present a report to the City Council within six months of the end of the fiscal year, and that the City Council review the report and take any action which it deems appropriate. The report is required to be filed with the State Controller.

The attached report has been prepared in the format prescribed by law and includes the following components:

The Financial Audit: This report identified no exceptions or issues. The Agency's year end fund balance for general capital projects was approximately \$280,000 net of the ERAF loan and other obligations to the Low & Moderate Income Housing Fund. Beginning in FY 1992-93 and continuing for a period of three years, the State charged all redevelopment agencies a fee called the Educational Revenue Augmentation Fund (ERAF) out of property tax revenues in order to help the State balance its budget. Redevelopment agencies were allowed to borrow funds for a period of 10 years from their low & moderate income housing funds in order to defray the impact of this charge. The Agency availed itself of that option, and will therefore have to repay the loan from the Low & Moderate Income Housing Fund beginning in FY 2002-2003.

The Annual Report of Financial Transactions: This report presents the financial audit information in a manner prescribed by the State Controller so that information can be compiled on a statewide basis.

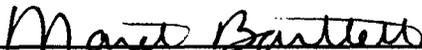
Council and Redevelopment
Agency Board Members
December 15, 1998

The Annual Report of Housing Activity: This report summarizes activities of the Low/Moderate Income Housing Fund. In this fiscal year, the City's First Time Homebuyer program continued to be the primary activity associated with this fund. Also in FY 1997-98, the L/M Fund paid for the acquisition of a property that became available on Site 4, at 22730 Atherton Street.

CONCLUSIONS:

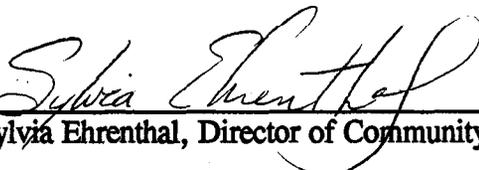
With respect to tax increment revenues, growth did not meet the projected levels during the last fiscal year. As a result, the Agency will undertake a property tax increment audit just as the City has for its property tax revenues.

Prepared by:



Maret Bartlett, Redevelopment Director

Recommended by:



Sylvia Ehrenthal, Director of Community & Economic Development

Approved by:



Jesús Armas, City Manager

Attachment A: Annual Report
Resolutions

ANNUAL REPORT
OF
REDEVELOPMENT AGENCY ACTIVITIES
FOR
FY 1997-98

Redevelopment Agency of the City of Hayward

December 1998

A. **Independent Financial Audit**

See Appendix A, Redevelopment Agency of the City of Hayward (A Component of the City of Hayward, California), General Purpose Financial Statements for the Year Ended June 30, 1998, Independent Auditors' Report and Independent Auditors' Compliance Report.

B. **Annual Report of Financial Transactions for FY 1997-98**

See Appendix B, Annual Report of Financial Transactions of Community Redevelopment Agencies.

C. **Description of Agency's Activities Affecting Housing and Displacement**

See Appendix C, Annual Report of Housing Activity of Community Redevelopment Agencies.

APPENDIX A
INDEPENDENT FINANCIAL AUDIT
FOR FY 1997-98

Redevelopment Agency of the City of Hayward

December 1998

**REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 1998 AND 1997**

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
 COMPONENT UNIT FINANCIAL STATEMENTS
 FOR THE YEARS ENDED
 JUNE 30, 1998 AND 1997**

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INDEPENDENT AUDITOR'S REPORT

The Redevelopment Agency of the
City of Hayward

We have audited the accompanying component unit financial statements of the Redevelopment Agency of the City of Hayward (Agency), a component unit of the City of Hayward, as of and for the years ended June 30, 1998 and 1997 as listed in the 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 audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance as to 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 audits provides a reasonable basis for our opinion.

As discussed in Note 1, the component unit financial statements present only the Agency and are not intended to present fairly the financial position and results of operations of the City of Hayward in conformity with generally accepted accounting principles.

In our opinion, the component unit financial statements referred to above present fairly in all material respects the financial position of the Agency as of June 30, 1998 and 1997 and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The combining capital projects funds' financial statements listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements. These combining capital projects funds' financial statements have been subjected to the auditing procedures applied in the audits of the component unit financial statements, and in our opinion are fairly stated in all material respects when considered in relation to the component unit financial statements taken as a whole.

Maze + Associates

October 8, 1998

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

COMBINED BALANCE SHEETS ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 1998 WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 1997

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS	
	Capital Projects Funds	Debt Service Fund	General Fixed Assets	General Long-Term Debt
ASSETS:				
Cash and investments available for operations (Note 2)	\$4,208,346	\$68,537		
Cash and investments with trustee (Note 2)		560,210		
Accounts receivable	33,868			
Interest receivable	52,654			
Due from City of Hayward	277,000			
Long-term receivable from City of Hayward (Note 3)	436,581			
Long term receivable due from General Capital Projects Fund (Note 4)	1,136,988			
Note receivable (Note 5)				
Land held for resale (Note 6)	1,287,200			
Lease receivable (Note 8 (a))				
Fixed assets (Note 7)			\$6,520,661	
Amount available in Debt Service Fund				\$628,747
Amount to be provided for retirement of long-term debt				10,288,884
Total Assets	\$7,432,637	\$628,747	\$6,520,661	\$10,917,631
LIABILITIES:				
Accounts payable	\$92,861			
Performance bonds and refundable deposits	28,000			
Deferred revenue				
Long term interfund payable to Low and Moderate Income Housing Capital Projects Fund (Note 4)	1,136,988			
Compensated absences	1,554			
Long term obligations (Note 8)				
Certificates of participation				
Repayment agreement				
Tax allocation bonds				5,780,000
Long-term loan payable to the City of Hayward				5,137,631
Total Liabilities	1,259,403			10,917,631
FUND EQUITY:				
Investment in general fixed assets			\$6,520,661	
Fund balances				
Reserved for:				
Encumbrances	266,645			
Debt service		\$628,747		
Low and moderate income housing	2,768,239			
Long-term receivable from City	436,581			
Long term interfund recievable	1,136,988			
Land held for resale	1,287,200			
Unreserved, designated for:				
Capital projects	277,581			
Total Fund Balances	6,173,234	628,747	6,520,661	
TOTAL LIABILITIES AND FUND BALANCES	\$7,432,637	\$628,747	\$6,520,661	\$10,917,631

TOTALS
(Memorandum Only)

<u>1998</u>	<u>1997</u>
\$4,276,883	\$2,732,887
560,210	1,715,720
33,868	
52,654	40,059
277,000	
436,581	906,532
1,136,988	486,988
	682,365
1,287,200	2,159,224
	850,000
6,520,661	5,870,661
628,747	1,747,276
<u>10,288,884</u>	<u>10,985,037</u>
<u><u>\$25,499,676</u></u>	<u><u>\$28,176,749</u></u>
\$92,861	\$11,624
28,000	28,000
	1,532,365
1,136,988	486,988
1,554	1,554
	850,000
	541,022
5,780,000	6,005,000
<u>5,137,631</u>	<u>5,336,291</u>
<u>12,177,034</u>	<u>14,792,844</u>
6,520,661	5,870,661
266,645	137,553
628,747	1,747,276
2,768,239	2,242,028
436,581	906,532
1,136,988	486,988
1,287,200	2,159,224
<u>277,581</u>	<u>(166,357)</u>
<u>13,322,642</u>	<u>13,383,905</u>
<u><u>\$25,499,676</u></u>	<u><u>\$28,176,749</u></u>

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Capital Projects Funds	Debt Service Fund	TOTALS (Memorandum Only)	
			1998	1997
REVENUES:				
Incremental property taxes	\$2,199,504		\$2,199,504	\$2,421,464
Lease receipts from City:				
Principal	505,794		505,794	800,000
Interest	36,893		36,893	121,088
Collection of note receivable (Note 5)	682,365		682,365	
Interest	201,449	\$88,715	290,164	309,931
	<u>3,626,005</u>	<u>88,715</u>	<u>3,714,720</u>	<u>3,652,483</u>
EXPENDITURES:				
Current				
Salaries and benefits	248,443		248,443	230,415
Administrative services	357,316	7,366	364,682	310,018
Transfers to City of Hayward	859,492		859,492	266,595
Capital improvement - Sulphur Creek				226,234
Land held for resale converted to fixed assets	650,000		650,000	
Debt service				
Principal retirement	556,022	1,075,000	1,631,022	1,614,442
Interest and fiscal charges	301,738	370,606	672,344	553,877
	<u>2,973,011</u>	<u>1,452,972</u>	<u>4,425,983</u>	<u>3,201,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>652,994</u>	<u>(1,364,257)</u>	<u>(711,263)</u>	<u>450,902</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,487,244	1,082,972	2,570,216	1,348,726
Operating transfers (out)	(1,732,972)	(837,244)	(2,570,216)	(1,348,726)
	<u>(245,728)</u>	<u>245,728</u>	<u></u>	<u></u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>407,266</u>	<u>(1,118,529)</u>	<u>(711,263)</u>	<u>450,902</u>
BEGINNING FUND BALANCE	<u>5,765,968</u>	<u>1,747,276</u>	<u>7,513,244</u>	<u>7,062,342</u>
ENDING FUND BALANCE	<u>\$6,173,234</u>	<u>\$628,747</u>	<u>\$6,801,981</u>	<u>\$7,513,244</u>

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Incremental property taxes	\$2,260,000	\$2,199,504	(\$60,496)			
Lease receipts from City:						
Principal	505,794	505,794				
Interest	36,893	36,893				
Collection of note receivable (Note 5)	832,121	682,365	(149,756)			
Interest	131,700	201,449	69,749	\$95,000	\$88,715	(\$6,285)
Total Revenues	<u>3,766,508</u>	<u>3,626,005</u>	<u>(140,503)</u>	<u>95,000</u>	<u>88,715</u>	<u>(6,285)</u>
EXPENDITURES:						
Current						
Salaries and benefits	259,892	248,443	11,449			
Administrative services	1,626,975	357,316	1,269,659	12,500	7,366	5,134
Transfers to City of Hayward	524,595	859,492	(334,897)			
Debt Service						
Principal retirement	556,022	556,022		1,075,000	1,075,000	
Interest and fiscal charges	159,533	301,738	(142,205)	370,606	370,606	
Total Expenditures	<u>3,127,017</u>	<u>2,323,011</u>	<u>804,006</u>	<u>1,458,106</u>	<u>1,452,972</u>	<u>5,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>639,491</u>	<u>1,302,994</u>	<u>663,503</u>	<u>(1,363,106)</u>	<u>(1,364,257)</u>	<u>(1,151)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	1,487,244	1,487,244		1,075,606	1,082,972	7,366
Operating transfers (out)	(1,725,606)	(1,732,972)	(7,366)	(837,244)	(837,244)	
Total Other Financing Sources (Uses)	<u>(238,362)</u>	<u>(245,728)</u>	<u>(7,366)</u>	<u>238,362</u>	<u>245,728</u>	<u>7,366</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$401,129</u>	<u>1,057,266</u>	<u>\$656,137</u>	<u>(\$1,124,744)</u>	<u>(1,118,529)</u>	<u>\$6,215</u>
Adjustments to budgetary basis:						
Land held for resale converted to fixed assets		(650,000)				
BEGINNING FUND BALANCES		<u>5,765,968</u>			<u>1,747,276</u>	
ENDING FUND BALANCES		<u>\$6,173,234</u>			<u>\$628,747</u>	

See accompanying notes to financial statements

Totals
(Memorandum Only)

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$2,260,000	\$2,199,504	(\$60,496)
505,794	505,794	
36,893	36,893	
832,121	682,365	(149,756)
<u>226,700</u>	<u>290,164</u>	<u>63,464</u>
<u>3,861,508</u>	<u>3,714,720</u>	<u>(146,788)</u>
259,892	248,443	11,449
1,639,475	364,682	1,274,793
524,595	859,492	(334,897)
1,631,022	1,631,022	
<u>530,139</u>	<u>672,344</u>	<u>(142,205)</u>
<u>4,585,123</u>	<u>3,775,983</u>	<u>809,140</u>
<u>(723,615)</u>	<u>(61,263)</u>	<u>662,352</u>
2,562,850	2,570,216	7,366
<u>(2,562,850)</u>	<u>(2,570,216)</u>	<u>(7,366)</u>
<u>(\$723,615)</u>	<u>(61,263)</u>	<u>\$662,352</u>
	(650,000)	
	<u>7,513,244</u>	
	<u>\$6,801,981</u>	

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. **Description of the Redevelopment Agency and Redevelopment Plan** - The Redevelopment Agency of the City of Hayward (the Agency) was created in December 1969 under the provisions of the Community Redevelopment Law (California Health and Safety Code), for clearance and rehabilitation of areas determined to be in a declining condition in the City of Hayward. A Redevelopment Plan was adopted in December of 1975 and amended in April of 1994 to provide an improved physical, social and economic environment in the Project Area.

The Agency is authorized to finance the Plan from various sources, including assistance from the City, the State and federal government, property tax increments, interest income and the issuance of Agency notes and bonds.

The Agency is an integral part of the City of Hayward and, accordingly, the accompanying financial statements are included as a component of the general purpose financial statements prepared by the City. A component unit is a separate governmental unit, agency or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's general purpose financial statements.

- B. **Description of Funds and Account Groups** - The accounts of the Agency 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 which comprise its assets, liabilities, fund equity, revenues and expenditures. The Agency uses the following funds and account groups:

GOVERNMENTAL FUND TYPES:

Capital Projects Funds are used to account for all resources used in the acquisition and construction of major capital facilities and other fixed assets under the Redevelopment Plan.

Debt Service Fund is used to account for the accumulation of resources for and the payment of principal, interest and related costs of general long-term debt.

ACCOUNT GROUPS:

General fixed assets account group is used to account for the costs of the fixed assets of the Agency.

General long-term obligations account group is used to account for long-term obligations of the Agency.

- C. **Measurement Focus** - All governmental funds are accounted for on a spending or *financial flow* measurement focus which means that only *current* liabilities are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of *available spendable resources*. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets.

In those cases when a governmental fund records a long-term receivable or other non-current asset, an offsetting credit is made to deferred revenue or undesignated fund balance is reduced to reflect the fact that this amount is not yet available.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Because of their spending measurement focus, governmental funds exclude fixed assets and noncurrent liabilities. Instead, these assets and liabilities are reported in the General Fixed Assets Account Group the General Long-Term Obligations Account Group. These account groups measure only financial position; they are not funds and they do not measure results of operations. They maintain accounting control over the Agency's governmental fund fixed assets and Agency debt which will be repaid by governmental funds.

- D. Fixed Assets and Long-Term Liabilities** - The General Fixed Assets Account Group provides accounting control over the cost of fixed assets used by the Agency's governmental funds. The General Fixed Assets Account Group is not a fund and its balances are not financial resources available for expenditure. Rather, they provide an historical record of resources expended on general fixed assets. Public domain (infrastructure) general fixed assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized because these assets are immovable and of value only to the public. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

Fixed assets acquired under lease/purchase agreements are capitalized.

The General Long-Term Obligation Account Group provides accounting control over the Agency's general long-term obligations. These obligations will be repaid out of governmental funds but are not accounted for in these funds because they do not require an appropriation or expenditure in this accounting period.

- E. Basis of Accounting** - Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. These fund revenues are recognized when they become measurable *and* available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts which could not be measured or were not available were not accrued as revenue in the current fiscal year.

Those revenues susceptible to accrual are incremental property taxes and interest revenue.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on governmental funds' long-term debt which is recognized when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts thus are not current liabilities of the debt service fund as their settlement will not require expenditure of existing fund assets.

- F. Budgets and Budgetary Accounting** - The Agency adopts an annual operating budget, effective July 1, for the ensuing fiscal year for the Capital Projects Funds and Debt Service Fund.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency Executive Director may transfer appropriations from one program, activity, or object to another within the same fund. However, transfers of appropriations which increase total fund appropriations must be approved by the Agency Board. Expenditures which exceed appropriations at the fund level must be approved by the Agency Board. All unexpended appropriations lapse at the end of the fiscal year.

The Agency's budget is presented on a basis consistent with generally accepted accounting principles (GAAP), except as follows:

The Agency's investments in land held for resale are budgeted as capital outlay expenditures.

Land held for resale which is converted to fixed assets is not budgeted.

Planning expenditures are budgeted on a project time frame rather than an annual basis.

There were no significant timing differences in 1997-98.

- G. *Encumbrance accounting*** under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Such encumbrances are automatically reappropriated for inclusion in the following year's budget.
- H. *Property Tax Increment*** - All property taxes are levied and collected by the County Auditor of the County of Alameda and paid to the various taxing entities including the Agency. Secured taxes are due on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured taxes are due on July 1 and become delinquent on August 31. The lien date for secured and unsecured property taxes is January 1 of the preceding fiscal year. Property tax increment revenues include only property taxes resulting from increased assessed values and are recognized in the fiscal year for which the taxes have been levied, provided they become available and measurable within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- I. *Accumulated unpaid vacation and sick pay benefits*** are recorded in the capital projects fund due to the fact that such benefits are expected to be liquidated with available expendable resources.
- J. *Fund Balances*** - Fund balances at June 30, 1998 consisted of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balance.
- Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures.
- K. *"Total (Memorandum Only)"*** columns in the accompanying combined financial statements do not present consolidated financial information. They are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS

In accordance with the Certificates of Participation and Tax Allocation Bond Indentures of Trust, a Trustee holds bond proceeds amounting to \$560,210 at June 30, 1998 as a reserve for debt service. These bond proceeds are invested in an investment agreement. Carrying value equals fair value.

Agency cash not held by the Trustee is included in a City wide cash and investment pool. The City's cash is fully collateralized with securities held by an agent of the pledging financial institution in the City's name. City statutes permit investments in obligations of the U.S. Treasury or its agencies, money market funds investing in such obligations, negotiable certificates of deposit, commercial paper and medium term corporate notes that meet specified rating requirements, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the Agency's board, the State Treasurer's investment pool (Local Agency Investment Fund) and banker's acceptances.

The Agency did not enter into any reverse repurchase agreements during 1997-98.

The Agency's investments are categorized below to give an indication of the level of credit risk assumed by the Agency at June 30, 1998. 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 trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or are held by the counterparty's trust department or agent but not in the Agency's name.

The Agency's cash and investments comprise the following at June 30, 1998:

	1998	1997
Category 2:		
Federal Agency Notes and Mortgage Backed Securities		\$686,592
Investment Agreements and Pooled investments (non Categorized):		
Money Market Funds (U.S. Securities)		468,918
Investment Agreements	\$560,210	560,210
City of Hayward Treasury	4,276,883	2,732,887
Total Cash and Investments	\$4,837,093	\$4,448,607

Marking Investments to Fair Market Value (GASB 31) - In fiscal 1998 the Agency adopted Government Accounting Standards Board Statement 31, which requires that the Agency's investments be carried at fair market value instead of cost. Under GASB 31, the Agency must adjust the carrying value of its investments to reflect their fair market value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB 31 requires the Agency to restate June 30, 1997 fund balances for the fair market value adjustments, if material. The Agency has determined that the amount of such restatements would not be material; additionally, the June 30, 1998 adjustment has been determined to be immaterial.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 3 - RECEIVABLES FROM THE CITY OF HAYWARD

The Agency loaned \$950,481 to the City's General Fund for use as loans to homebuyers and third-party contractors for the purpose of promoting homeownership in the City and developing low and moderate income housing. Such funds are repaid to the Agency by the City as repayment is received from the loan recipients. The loans bear interest at rates equivalent to the Federal Home Loan Bank rate. At June 30, 1998 \$436,581 of the loan was still outstanding.

As of June 30, 1998, the Agency sold Site 2 to the City at the appraisal value of \$277,000. This amount is owed by the City to the Agency and is expected to be repaid within the next fiscal year.

NOTE 4 - LONG-TERM INTERFUND BALANCES

The provisions of the State's annual budget required redevelopment agencies to contribute a portion of their incremental property tax revenues over the three fiscal years prior to 1995-96 to a county Educational Revenue Augmentation Fund ("ERAF"). Accumulated ERAF contributions through June 30, 1995 were funded by the Low and Moderate Income Housing Capital Projects Fund via interfund, interest-free loans, as permitted by State guidelines. The General Capital Projects Fund is required to repay the loans to the Low and Moderate Income Housing Fund within ten years.

During the year ended June 30, 1998, the Agency elected to use a parcel of land known as Site 3 for the construction of a parking garage. In 1993 the Agency acquired the site for \$650,000 with Low and Moderate Income Housing funds. As a result of converting this site from Low/Moderate income uses, the Agency recorded has an interfund loan which is expected to be repaid from future revenues.

NOTE 5 - NOTE RECEIVABLE

During the year ended June 30, 1995, the Agency sold land to a developer in exchange for a note receivable. The entire note was due in 5 years, on an installment basis upon the sales of housing units. During fiscal year 1997-98 this note was repaid in full by the developer.

NOTE 6 - LAND HELD FOR RESALE

Land held for resale of \$1,287,200 and \$2,159,224 at June 30, 1998 and 1997, respectively, is stated at the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the Redevelopment Agency of the City of Hayward. The stated purpose of the Redevelopment Plan is to provide an improved physical, social and economic environment in the downtown area of the City. The Site 3 parcel formerly held for resale has been used to construct a parking garage and has been removed from land held for resale and added to fixed assets, and the Site 2 parcel has been sold to the City.

NOTE 7 - FIXED ASSETS

Changes in the General Fixed Assets Account Group consisted of the following:

	June 30, 1997 Balance	Additions	June 30, 1998 Balance
Land	\$787,615	\$650,000	\$1,437,615
Parking garages	5,083,046		5,083,046
Total	<u>\$5,870,661</u>	<u>\$650,000</u>	<u>\$6,520,661</u>

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations consist of the following:

	Principal Outstanding June 30, 1997 Balance	Additions	Retirements	Principal Outstanding June 30, 1998 Balance
Certificates of participation	\$850,000		\$850,000	
Repayment agreement	541,022		541,022	
Tax allocation bonds	6,005,000		225,000	\$5,780,000
Loans payable to the City	5,336,291	\$36,340	235,000	5,137,631
Total	<u>\$12,732,313</u>	<u>\$36,340</u>	<u>\$1,851,022</u>	<u>\$10,917,631</u>

Long-term obligations at June 30, 1998 are as follows:

Type of Obligation	Maturity	Interest Rates	Authorized and Issued	Outstanding at June 30, 1998
Tax Allocation Bonds				
1996 Redevelopment Agency Tax Allocation Bonds (c)	3/1/14	4.00%-5.50%	6,195,000	<u>\$5,780,000</u>
Loan Payable to the City				
Payable to the Water Enterprise Fund (d)	06/01/13	7.506%	5,946,333	4,468,195
Payable to the Workers' Compensation Insurance Fund (e)	Unknown	Various	513,000	<u>669,436</u>
Total loans payable to City				<u>5,137,631</u>
Total				<u>\$10,917,631</u>

- (a) The Agency leased the City Center Parking Garage, the Garage Site and Municipal Parking Lot Number 4 (collectively, the "Hayward Parking Projects") to the City. At the termination of the lease on December 31, 1997, ownership of the Hayward Parking Projects passed to the City.

In 1987, the Agency defeased certain revenue bonds by placing the proceeds of the certificates of participation in an irrevocable trust to call and retire the defeased revenue bonds.

- (b) Under the terms of a repayment agreement, the Agency reimbursed the City for a portion of the Hayward Parking Projects' lease payments made by the City. Debt service payments for the repayment agreement were made from incremental property tax revenues.
- (c) In February 1996, the Redevelopment Agency issued \$6,195,000 in Tax Allocation Bonds to advance refund \$5,620,000 of outstanding 1989 Tax Allocation Bonds. Proceeds from the 1996 Bonds were placed in an irrevocable trust to call and retire the defeased 1989 bonds. Debt service payments for the 1996 Bonds are made from incremental property tax revenues.
- (d) In 1990, the City's Water Enterprise Fund made a loan to the Agency to finance the purchase of land for development. Debt service payments for the loan are to be made from available incremental property tax revenues.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
Notes to Financial Statements

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

(e) During the year ended June 30, 1993, the City made a loan of \$513,000 from its Workers' Compensation Insurance Internal Service Fund to the Agency to help pay for the settlement of a condemnation litigation case. Repayment of the loan will be made from proceeds of the sale of Agency properties. As a result, the final maturity date of the loan has not been determined. The loan payable bears interest at the average rate the City earns on its cash and investments.

Summary of scheduled debt service payments, including interest amounting to \$6,577,455 for the general long-term obligations account group follows:

Year ending June 30:	Tax Allocation Bonds	Loans Payable To City	Total Debt
1999	\$538,918	\$525,950	\$1,064,868
2000	539,018	521,450	1,060,468
2001	543,082	526,505	1,069,587
2002	541,156	530,705	1,071,861
2003	543,506	529,020	1,072,526
Thereafter	<u>6,073,731</u>	<u>6,082,045</u>	<u>12,155,776</u>
Total	<u>\$8,779,411</u>	<u>\$8,715,675</u>	<u>\$17,495,086</u>

NOTE 9 - JOINT POWERS AGENCY

The Hayward Public Financing Authority (the "Authority") was established in May 1989 when the Agency and the City entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California for the purpose of financing certain capital improvements within the City. The governing body of the Authority consists of the City's seven City Council members who also act as the Agency's governing body. As a separate legal entity, the Authority exercises full power and authority within the scope of the Joint Powers Agreement including the accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the Authority are not those of the Agency.

Complete financial statements of the Authority can be obtained from:

City of Hayward
 Finance Department, 3rd Floor
 777 B Street
 Hayward, California 94541

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Agency is involved in several legal proceedings arising from its normal operations. It is the opinion of management that any obligations which may result from such legal proceedings will not have a material effect on the financial position of the Agency.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEETS JUNE 30, 1998 WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 1997

	General Capital Projects	Low and Moderate Income Housing	Totals	
			1998	1997
ASSETS:				
Cash and investments available for operations	\$1,470,815	\$2,737,531	\$4,208,346	\$2,701,331
Accounts receivable	27,094	6,774	33,868	
Interest receivable	22,084	30,570	52,654	40,059
Due from City of Hayward	277,000		277,000	
Long-term receivable from City of Hayward		436,581	436,581	906,532
Long term receivable due from General Capital Projects Fund		1,136,988	1,136,988	486,988
Notes receivable				682,365
Land held for resale	<u>1,287,200</u>		<u>1,287,200</u>	<u>2,159,224</u>
Total Assets	<u><u>\$3,084,193</u></u>	<u><u>\$4,348,444</u></u>	<u><u>\$7,432,637</u></u>	<u><u>\$6,976,499</u></u>
LIABILITIES:				
Accounts payable	\$86,225	\$6,636	\$92,861	\$11,624
Deferred revenue			28,000	682,365
Performance bonds and refundable deposits	28,000		28,000	28,000
Long-term interfund payable to Low and Moderate Income Housing Capital Projects Fund	1,136,988		1,136,988	486,988
Compensated absences	<u>1,554</u>		<u>1,554</u>	<u>1,554</u>
Total Liabilities	<u>1,252,767</u>	<u>6,636</u>	<u>1,259,403</u>	<u>1,210,531</u>
FUND EQUITY:				
Fund balances				
Reserved for:				
Encumbrances	266,645		266,645	137,553
Low and moderate income housing		\$2,768,239	2,768,239	2,242,028
Long-term receivable from City of Hayward		436,581	436,581	906,532
Receivable from other fund		1,136,988	1,136,988	486,988
Land held for resale	1,287,200		1,287,200	2,159,224
Unreserved - designated for capital projects	<u>277,581</u>		<u>277,581</u>	<u>(166,357)</u>
Total Fund Balances	<u>1,831,426</u>	<u>4,341,808</u>	<u>6,173,234</u>	<u>5,765,968</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$3,084,193</u></u>	<u><u>\$4,348,444</u></u>	<u><u>\$7,432,637</u></u>	<u><u>\$6,976,499</u></u>

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

CAPITAL PROJECTS FUNDS COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	General Capital Projects	Low and Moderate Income Housing	Totals	
			1998	1997
REVENUES:				
Incremental property taxes	\$1,759,603	\$439,901	\$2,199,504	\$2,421,464
Lease receipts from City:				
Principal	505,794		505,794	800,000
Interest	36,893		36,893	121,088
Collection of note receivable (Note 5)	682,365		682,365	
Interest	67,895	133,554	201,449	214,718
	3,052,550	573,455	3,626,005	3,557,270
EXPENDITURES:				
Current:				
Salaries and benefits	231,419	17,024	248,443	230,415
Administrative services	165,145	192,171	357,316	286,144
Transfers to City of Hayward	551,492	308,000	859,492	266,595
Capital improvement - Sulphur Creek				226,234
Land held for resale converted to fixed assets	650,000		650,000	
Debt service:				
Principal repayment	556,022		556,022	624,442
Interest and fiscal charges	301,738		301,738	90,977
	2,455,816	517,195	2,973,011	1,724,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	596,734	56,260	652,994	1,832,463
OTHER FINANCING USES				
Operating transfers in	837,244	650,000	1,487,244	
Operating transfers (out)	(1,732,972)		(1,732,972)	(1,348,726)
	(895,728)	650,000	(245,728)	(1,348,726)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(298,994)	706,260	407,266	483,737
BEGINNING FUND BALANCES	2,130,420	3,635,548	5,765,968	5,282,231
ENDING FUND BALANCES	\$1,831,426	\$4,341,808	\$6,173,234	\$5,765,968

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	General Capital Projects			Low and Moderate Income Housing		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Incremental property taxes	\$1,800,000	\$1,759,603	(\$40,397)	\$460,000	\$439,901	(\$20,099)
Lease receipts from City:						
Principal	505,794	505,794				
Interest	36,893	36,893				
Collection of note receivable (Note 5)	832,121	682,365	(149,756)			
Interest	48,400	67,895	19,495	83,300	133,554	50,254
Total Revenues	3,223,208	3,052,550	(170,658)	543,300	573,455	30,155
EXPENDITURES:						
Current:						
Salaries and benefits	244,133	231,419	12,714	15,759	17,024	(1,265)
Administrative services	738,277	165,145	573,132	888,698	192,171	696,527
Transfers to City of Hayward	216,595	551,492	(334,897)	308,000	308,000	
Debt service:						
Principal repayment	556,022	556,022				
Interest and fiscal charges	159,533	301,738	(142,205)			
Total Expenditures	1,914,560	1,805,816	108,744	1,212,457	517,195	695,262
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,308,648	1,246,734	(61,914)	(669,157)	56,260	725,417
OTHER FINANCING USES						
Operating transfers in	837,244	837,244		650,000	650,000	
Operating transfers (out)	(1,725,606)	(1,732,972)	(7,366)			
Total Other Financing Sources (Uses)	(888,362)	(895,728)	(7,366)	650,000	650,000	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	\$420,286	351,006	(\$69,280)	(\$19,157)	706,260	\$725,417
Adjustments to budgetary basis:						
Land held for resale converted to fixed assets		(650,000)				
BEGINNING FUND BALANCES		2,130,420			3,635,548	
ENDING FUND BALANCES		\$1,831,426			\$4,341,808	

<u>Totals</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$2,260,000	\$2,199,504	(\$60,496)
505,794	505,794	
36,893	36,893	
832,121	682,365	(149,756)
131,700	201,449	69,749
<u>3,766,508</u>	<u>3,626,005</u>	<u>(140,503)</u>
259,892	248,443	11,449
1,626,975	357,316	1,269,659
524,595	859,492	(334,897)
556,022	556,022	
159,533	301,738	(142,205)
<u>3,127,017</u>	<u>2,323,011</u>	<u>804,006</u>
<u>639,491</u>	<u>1,302,994</u>	<u>663,503</u>
1,487,244	1,487,244	
<u>(1,725,606)</u>	<u>(1,732,972)</u>	<u>(7,366)</u>
<u>(238,362)</u>	<u>(245,728)</u>	<u>(7,366)</u>
<u>\$401,129</u>	1,057,266	<u>\$656,137</u>
	(650,000)	
	<u>5,765,968</u>	
	<u>\$6,173,234</u>	

ACCOUNTANCY CORPORATION
1670 Riviera Avenue - Suite 100
Walnut Creek, California 94596
(925) 930-0902 • FAX (925) 930-0135

COMPLIANCE REPORT OF CERTIFIED PUBLIC ACCOUNTANTS ON MANAGEMENT'S ASSERTIONS

Members of the Governing Board
Redevelopment Agency of the City of Hayward
Hayward, California

We have examined the Redevelopment Agency of the City of Hayward management's assertion, included in its representation letter October 8, 1998, that the Agency complied with laws, regulations and administrative requirements of the State of California, based on the criteria set forth in Guidelines For Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, Division of Local Government Fiscal Affairs, during the fiscal year ended June 30, 1998. As discussed in the representation letter, Agency management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's management's assertion as to the Agency's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and included examining on a test basis evidence as to the Agency's compliance with the State's requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Agency's compliance with specific requirements.

In our opinion, the assertion of Agency management that the Agency has complied with laws, regulations and administrative requirements of Section 33080.1 of the Health and Safety Code of the State of California during the fiscal year ended June 30, 1998 is correct in all material respects, based on the criteria set forth in the Guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, Division of Local Government Fiscal Affairs.

October 8, 1998

Maze + Associates

COMPLIANCE REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Members of the Governing Board
Redevelopment Agency of the City of Hayward
Hayward, California

We have audited the financial statements of the City of Hayward Redevelopment Agency as of and for the year ended June 30, 1998, and have issued our opinion thereon dated October 8, 1998. 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 as to whether the financial statements are free of material misstatements.

Compliance with laws and regulations applicable to the Agency is the responsibility of management. As part of obtaining reasonable assurance as to whether the financial statements are free of material misstatement, we performed tests of the Agency's compliance with provisions of laws and regulations contained in the Guidelines For Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, Division of Local Government Fiscal Affairs.

The results of our tests indicated that with respect to the items tested the Agency complied in all material respects with the provisions referred to on the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Agency had not complied in all material respects with those provisions.

Maze + Associates

October 8, 1998

APPENDIX B
ANNUAL REPORT OF FINANCIAL TRANSACTIONS
FOR FY 1997-98

Redevelopment Agency of the City of Hayward

December 1998

01358000

HAYWARD REDEVELOPMENT AGENCY
25151 CLAWITER ROAD 777 B Street
HAYWARD, CA 94545-94541

OF COMMUNITY REDEVELOPMENT AGENCIES

The U.S. Bureau of the Census requests the following information about the fiscal activities of your government for the year ended June 30, 1998. Governments furnishing this information will no longer receive Census Bureau Form F-32, Survey of Local Government Finances. If you have any questions please contact Chris Kubacki at the Census Bureau 1-800-242-4523.

A. PERSONNEL EXPENDITURES

Report your government's total expenditure for salaries and wages during the year, including amounts paid on force account construction projects.

200

\$ 248,443

B. MORTGAGE REVENUE BOND INTEREST PAYMENTS

Indicate the amount of interest paid on mortgage revenue bonds during the year.

U20

\$ 0

C. CASH AND INVESTMENTS HELD AT THE END OF THE FISCAL YEAR

Report separately for each of the three types of funds listed below, the total cash on hand and on deposit and investments in Federal government, Federal agency, State and local government and non-governmental securities. Report all investments at par value. Include in the sinking fund total any mortgages and notes receivable held as offsets to housing and industrial financing loans. Exclude accounts receivable, value of real property and non-security assets.

1. Sinking funds - Reserves held for redemption of long term debt. W01
\$ 560,210

2. Bond funds - Unexpended proceeds from sale of bond issues held pending disbursement. W31
\$ _____
3. All other funds - Exclude employee retirement funds. W61
\$ 4,276,883

**ANNUAL REPORT OF FINANCIAL TRANSACTIONS
OF COMMUNITY REDEVELOPMENT AGENCIES**

TO: STATE CONTROLLER
DIVISION OF ACCOUNTING AND REPORTING
LOCAL GOVERNMENT REPORTING SECTION
REDEVELOPMENT REPORTING UNIT
P. O. BOX 942850
SACRAMENTO, CA 94250

EXPRESS MAIL ADDRESS:
3301 C STREET, SUITE 700
SACRAMENTO, CA 95816

PHONE: (916) 445-5153

FISCAL YEAR ENDED
June 30, 19 98
DUE WITHIN SIX MONTHS OF THE
AGENCY'S FISCAL YEAR END.

STATE USE ONLY	
BATCH NO	
REVIEWED	
CLEARED	

COUNTY		STATE USE ONLY	
01358000		HAYWARD REDEVELOPMENT AGENCY	
25151 CLAWITER ROAD 777 B Street		HAYWARD, CA 94545 94541	
LOCATION: (STREET ADDRESS) (IF DIFFERENT FROM ABOVE)		CITY	
777 B Street		Hayward	
STATE		CA	
ZIP CODE		94541	
AGENCY ORGANIZATION		GOVERNING BODY MEMBERSHIP	
<input checked="" type="checkbox"/> REDEVELOPMENT AGENCY (IHS CODE 33100)		<input checked="" type="checkbox"/> BOARD OF SUPERVISORS	
<input type="checkbox"/> COMMUNITY DEVELOPMENT COMMISSION (IHS CODE 34110)		<input type="checkbox"/> CITY COUNCIL <input type="checkbox"/> OTHER	
REPORT PREPARED (CONTACT PERSON)		PHONE - (CONTACT PERSON)	
BY: Ken Morrison		(510) 583-4090	
STREET ADDRESS			
777 B Street			
CITY		STATE	
Hayward		CA	
ZIP CODE		94541	
SIGNATURE OF EXECUTIVE DIRECTOR		DATE	
X		X	
NAME		TITLE	
Jesus Armas		Executive Director	
FIRM NAME		INDEPENDENT AUDITOR	
Maze & Associates			
CONTACT PERSON		PHONE - (CONTACT PERSON)	
Cory Biggs		(510) 930-0922	
STREET ADDRESS			
1670 Riviera Avenue, #100			
CITY		STATE	
Walnut Creek		CA	
ZIP CODE		94596	

MEMBERS OF THE GOVERNING BODY	
CHAIRPERSON Roberta Cooper	MEMBER William Ward
MEMBER Olden Hensen	MEMBER Kevin Dowling
MEMBER Natt Jiminez	MEMBER
MEMBER Doris Rodriguez	MEMBER
MEMBER Joseph Wilson	MEMBER
AGENCY OFFICIALS	
EXECUTIVE OFFICER Jesus Armas	PHONE (510) 583-4000
FISCAL OFFICER Perry Carter	PHONE (510) 583-4000
SECRETARY Angelina Reyes	PHONE (510) 583-4000

**ANNUAL REPORT OF FINANCIAL TRANSACTIONS
OF COMMUNITY REDEVELOPMENT AGENCIES
ACHIEVEMENT INFORMATION
(UNAUDITED)**

FISCAL YEAR ENDED June 30, 19 98

AGENCY NAME Hayward Redevelopment Agency

INDICATE ONLY THOSE ACHIEVEMENTS COMPLETED DURING THE FISCAL YEAR OF THIS REPORT
AS A DIRECT RESULT OF THE ACTIVITIES OF THE REDEVELOPMENT AGENCY.

PLEASE PROVIDE A DESCRIPTION OF THE AGENCY'S ACTIVITIES/
ACCOMPLISHMENTS DURING THE PAST YEAR. USE ADDITIONAL FORMS
AS NEEDED.
*PLEASE BE SPECIFIC, AS THIS INFORMATION WILL BE THE BASIS
FOR POSSIBLE INCLUSION IN THE PUBLICATION.*

See Project Area Report

ENTER THE AMOUNT OF SQUARE FOOTAGE COMPLETED THIS YEAR BY BUILDING TYPE AND SEGREGATED BY NEW OR REHABILITATED CONSTRUCTION.		SQUARE FOOTAGE COMPLETED	
		A	B
		NEW CONSTRUCTION	REHABILITATED
COMMERCIAL BUILDINGS	1		
INDUSTRIAL BUILDINGS	2		
PUBLIC BUILDINGS	3	98,000	
OTHER BUILDINGS—housing	4	138,730 (83 units)	
TOTAL SQUARE FOOTAGE	5	236,730	
ENTER THE NUMBER OF JOBS CREATED FROM THE ACTIVITIES OF THE AGENCY, EITHER ACTUAL OR ESTIMATED.		A	
	6		
ENTER THE APPROPRIATE CODES TO INDICATE EACH TYPE OF PUBLIC FACILITY COMPLETED THIS YEAR.		A	
TYPES COMPLETED (A-F ONLY)	7	C	

A = UTILITIES C = LANDSCAPING E = STREETS & ROADS
B = RECREATION D = SEWER & STORM F = BUS/TRANSIT

**FISCAL YEAR 1997-98
PROJECT AREA REPORT
DOWNTOWN HAYWARD REDEVELOPMENT PROJECT**

In Fiscal Year 1997-98 the Hayward Redevelopment Agency saw an acceleration of activity in its Downtown Hayward Redevelopment Project. Site One, the award-winning 83-unit Atherton Place Townhome development, was completed and all units were sold at market rate. The Agency's land note was repaid in the amount of \$682,365. The Agency had previously assembled the site and sold it to the developer at a reduced price, and also used its Low & Moderate Income Housing funds to provide downpayment and closing cost assistance for qualified first time homebuyers.

The new Hayward City Hall and Civic Plaza was completed in December, 1997. This marks the completion of approximately 40% of the redevelopment of Site 2, which is a seven-acre parcel adjacent to the downtown Hayward BART Station. The Agency has assembled one-half of the site and is conveying the property under the City Hall to the City. The Agency also funded site preparation activities, including the relocation of the Sulphur Creek drainage culvert. In FY 1998-99 the Agency looks forward to completing land acquisitions from BART in order to start development of the balance of the Site 2 with a mixed use project consisting of office and townhome development.

The Agency also assembled and cleared the adjacent Site 3, which is currently under construction as a 320-space parking structure, fronted by 13,000 square feet of retail space. The parking structure has been designed to serve downtown merchants and shoppers in addition to City Hall employees.

In a related matter, the City sold a former City Hall property, consisting of a 150,000 square foot office building, in August, 1998. This property will be renovated and re-leased and is now back on the property tax rolls.

The Agency continued to work towards adoption of a Disposition and Development Agreement for the development of an 80,000 square foot retail development anchored by a Lucky/Sav-on supermarket. This project was approved in July, 1998, and the Agency looks forward to assisting the developer to assemble and relocate tenants in FY 1998-99. The developer is paying all costs - including relocation and legal costs - for this project and is paying fair market value for the Agency's land. The Agency will work with the developer to ensure that an existing, smaller downtown Lucky market is successfully re-leased.

The Agency also worked with an existing property owner teamed with a cinema operator to develop a multi-screen movie theater in the downtown. Although negotiations between the property owner and theater operator have not been successful to this point, the Agency will continue to work towards this goal, and remains optimistic that it can be achieved.

In FY 1997-98, the Agency initiated a major redevelopment plan amendment, which will add approximately 370 acres immediately adjacent to and west of the core Downtown Hayward Project Area. This area consists primarily of an older residential neighborhood which the Agency intends to preserve and enhance, and a number of older industrial uses which the Agency will seek to redevelop or re-use in a way which is more compatible with the surrounding residential uses. The Plan Amendment was adopted in November, 1998.

With respect to use of the Low/Moderate Income Housing Fund, the City continued implementation of its successful city-wide First Time Homebuyer Program, which provides deferred second mortgage loans for downpayment assistance and closing costs. This program has assisted Hayward to meet its goal of promoting homeownership in a City which has a large stock of affordable housing, but one of the lowest homeownership rates in Alameda County, at under 50%. A total of 36 loans were made in FY 1997-98.

Also in FY 1997-98, the Low/Moderate Income Housing Fund was used to acquire a property in the Agency's next priority housing development site, known as Site 4. This is a two-acre site, consisting of 17 parcels, and two parcels are now owned by the Agency. The Agency anticipates acquiring additional properties in this site in upcoming years.

The City continued to work with the owner of an 85-unit single room occupancy hotel serving low to moderate-income clients in the downtown redevelopment area, known as the Green Shutter Hotel. The owner is working to obtain private funding to match available Low/Moderate Income Housing funds in order to undertake a seismic retrofit and façade improvement of this historic structure. It is anticipated that the financing package will be completed in FY 1998-99.

Finally, the City worked with Eden Housing, Inc., a local non-profit developer, to acquire and convert six buildings with a total of 24 rental units on Harris Court in south Hayward to be substantially rehabilitated for serving very low-income families. Again, funding of this project with Low/Moderate Income Housing funds is anticipated in FY 1998-99.

BALANCE SHEET

FISCAL YEAR ENDED June 30, 19 98

AGENCY NAME Hayward Redevelopment Agency

ASSETS & OTHER DEBITS		A CAPITAL PROJECTS FUNDS	B DEBT SERVICE FUNDS	C LOW/MODERATE INCOME HOUSING FUNDS	D SPECIAL REVENUE/OTHER FUNDS	E GENERAL LONG-TERM DEBT	F GENERAL FIXED ASSETS	G TOTAL <small>(MEMORANDUM ONLY)</small>
CASH & IMPREST CASH	1.0	\$ 1,470,815	\$ 68,537	\$ 2,737,531	\$			\$ 4,276,883
CASH WITH FISCAL AGENT	2.0		560,210					560,210
TAX INCREMENTS RECEIVABLE	3.0							
ACCOUNTS RECEIVABLE	4.0	27,094		6,774				33,868
ACCRUED INTEREST RECEIVABLE	5.0	22,084		30,570				52,654
LOANS RECEIVABLE	6.0	277,000		1,573,569				1,850,569
CONTRACTS RECEIVABLE	7.0							
LEASE PAYMENTS RECEIVABLE	8.0				\$			
UNEARNED FINANCE CHARGE DUE FROM CAPITAL PROJECTS FUND	10.0							
DUE FROM DEBT SERVICE FUND	11.0							
DUE FROM LOW/MODERATE INCOME HOUSING FUND	12.0							
DUE FROM SPECIAL REVENUE/OTHER FUNDS	13.0							
INVESTMENTS	14.0							
OTHER ASSETS	15.0							
INVESTMENT-LAND HELD FOR RESALE	16.0	1,287,200						1,287,200
ALLOWANCE FOR DECLINE IN VALUE OF LAND HELD FOR RESALE	16.1							
FIXED ASSETS: LAND, STRUCTURES & IMPROVEMENTS	17.0						\$ 6,520,661	6,520,661
EQUIPMENT	18.0							
AMOUNT AVAILABLE IN DEBT SERVICE FUND	19.0					628,747		628,747
AMOUNT TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT	20.0					10,288,884		10,288,884
TOTAL ASSETS & OTHER DEBITS	21.0	\$ 3,084,193	\$ 628,747	\$ 4,348,444	\$	\$ 10,917,631	\$ 6,520,661	\$ 25,499,676

(MUST EQUAL PAGE 04, LINE 40)

BALANCE SHEET
FISCAL YEAR ENDED

June 30

AGENCY NAME Hayward Redevelopment Agency
,19 98

		A	B	C	D	E	F	G
LIABILITIES & OTHER CREDITS		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING FUNDS	SPECIAL REVENUE/OTHER FUNDS	GENERAL LONG-TERM DEBT	GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ACCOUNTS PAYABLE	22.0	\$ 86,225	\$	\$ 6,636	\$			\$ 92,861
INTEREST PAYABLE	23.0					\$		
TAX ANTICIPATION NOTES PAYABLE	24.0							
LOANS PAYABLE	25.0							
OTHER LIABILITIES	26.0	29,554						29,554
DUE TO CAPITAL PROJECTS FUND	27.0							
DUE TO DEBT SERVICE FUND	28.0							
DUE TO LOW/MODERATE INCOME HOUSING FUND	29.0	1,136,988						1,136,988
DUE TO SPECIAL REVENUE/OTHER FUNDS	30.0							
TAX ALLOCATION BONDS PAYABLE	31.0					5,780,000		5,780,000
LEASE REVENUE BONDS/CERTIFICATES OF PARTICIPATION PAYABLE	32.0							
OTHER LONG-TERM DEBT	33.0					5,137,631		5,137,631
TOTAL LIABILITIES & OTHER CREDITS	34.0	\$ 1,252,767	\$	\$ 6,636	\$	\$ 10,917,631		\$ 12,177,034
EQUITIES								
INVESTMENT IN GENERAL FIXED ASSETS	35.0				\$		\$ 6,520,661	\$ 6,520,661
FUND BALANCE RESERVED	36.0	\$ 1,553,845	\$ 628,747	\$ 4,341,808				6,524,400
FUND BALANCE UNRESERVED-DESIGNATED	37.0	277,581						277,581
FUND BALANCE UNRESERVED-UNDESIGNATED	38.0							
TOTAL EQUITIES (MUST EQUAL PAGE 05, LINE 51)	39.0	\$ 1,831,426	\$ 628,747	\$ 4,341,808	\$		\$ 6,520,661	\$ 13,322,642
TOTAL LIABILITIES OTHER CREDITS & EQUITIES	40.0	\$ 3,084,193	\$ 628,747	\$ 4,348,444	\$	\$ 10,917,631	\$ 6,520,661	\$ 25,499,676

INCOME STATEMENT - CONSOLIDATED

AGENCY NAME

Hayward Redevelopment Agency

PAGE 0 5

FISCAL YEAR ENDED

June 30, 19 98

		A	B	C	D	E
REVENUES		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING * FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
TAX INCREMENT - GROSS (INCLUDE ALL APPORTIONMENTS)	1.0	\$ 1,759,603	\$	\$ 439,901	\$	\$ 2,199,504
SPECIAL SUPPLEMENTAL SUBVENTION	2.0					
PROPERTY ASSESSMENTS	3.0					
SALES & USE TAX	4.0					
TRANSIENT OCCUPANCY TAX	4.1					
INTEREST INCOME	5.0	67,895	88,715	133,554		290,164
RENTAL INCOME	6.0					
LEASE INCOME	7.0	542,687				542,687
SALE OF REAL ESTATE GAIN ON LAND HELD FOR RESALE	8.0 8.1	682,365				682,365
FEDERAL GRANTS	9.0					
GRANTS FROM OTHER AGENCIES	10.0					
BOND ADMINISTRATIVE FEES	11.0					
OTHER REVENUES	12.0					
TOTAL REVENUES	13.0	3,052,550	88,715	573,455		3,714,720
EXPENDITURES						
ADMINISTRATION COSTS	14.0	\$ 266,372	\$ 7,366	\$ 17,024	\$	\$ 290,762
PROFESSIONAL SERVICES	15.0	108,011		65,761		173,772
PLANNING, SURVEY & DESIGN	16.0					
REAL ESTATE PURCHASES	17.0					
EXPENDITURES SUB-TOTAL (CARRY TO LINE 19)	(18.0)	\$ 374,383	\$ 7,366	\$ 82,785	\$	\$ 464,534

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

INCOME STATEMENT - CONSOLIDATED

Hayward Redevelopment Agency

FISCAL YEAR ENDED June 30, 1998 AGENCY NAME

EXPENDITURES (CONT)		A	B	C	D	E
		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
SUB-TOTAL (FROM LINE 18)	(19.0)	\$ 374,383	\$ 7,366	\$ 82,785	\$	\$ 464,534
ACQUISITION EXPENSE	20.0			126,409		126,409
OPERATION OF ACQUIRED PROPERTY	21.0	22,181				22,181
RELOCATION COSTS	22.0					
RELOCATION PAYMENTS	23.0					
SITE CLEARANCE COSTS	24.0					
PROJECT IMPROVEMENT/ CONSTRUCTION COSTS	25.0					
DISPOSAL COSTS	26.0					
LOSS ON DISPOSITION OF LAND HELD FOR RESALE	26.1					
DECLINE IN VALUE OF LAND HELD FOR RESALE	26.2					
REHABILITATION COSTS	27.0					
REHABILITATION GRANTS	28.0					
INTEREST EXPENSE	29.0	301,738	370,606			672,344
FIXED ASSET ACQUISITIONS	30.0	650,000				650,000
SUBSIDIES TO LOW & MODERATE INCOME HOUSING	31.0					
DEBT ISSUANCE COSTS	31.1					
* OTHER EXPENDITURES INCLUDING PASS THROUGH PAYMENT(S)	32.0	551,492		308,000		859,492
DEBT PRINCIPAL PAYMENTS: TAX ALLOCATION BONDS & NOTES	33.0	556,022	1,075,000			1,631,022
REVENUE BONDS & CERTIFICATES OF PARTICIPATION	34.0					
CITY/COUNTY ADVANCES & LOANS	35.0					
U. S., STATE, & OTHER LONG-TERM DEBT	36.0					
TOTAL EXPENDITURES	37.0	\$ 2,455,816	\$ 1,452,972	\$ 517,195	\$	\$ 4,425,983

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

* \$551,492 includes Agency payment to City Cost Allocation, \$334,897 repayment to City for debt service reserve upon retirement of City Center Parking garage debt, \$20,000 transfer for downtown BIA promotional activities, and \$4,595 liability insurance. \$308,000 includes \$260,000 payment to City First Time Homebuyer loan fund and \$48,000 City Cost Allocation.

INCOME STATEMENT - CONSOLIDATED

AGENCY NAME

Hayward Redevelopment Agency

PAGE 0 5

FISCAL YEAR ENDED June 30, 19 98

EXPENDITURES (CONT)		A	B	C	D	E
		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES	38.0	\$ 596,734	\$ [1,364,257]	\$ 56,260	\$	\$ [711,263]
OTHER FINANCING SOURCES (USES)						
PROCEEDS OF LONG-TERM DEBT	39.0					
PROCEEDS OF REFUNDING BONDS	39.1					
PAYMENT TO REFUNDED BOND ESCROW AGENT	39.2	()	()	()	()	()
ADVANCES FROM CITY/COUNTY	40.0					
SALE OF FIXED ASSETS	41.0					
MISCELLANEOUS FINANCING SOURCES (USES)	41.1					
OPERATING TRANSFERS IN	42.0	837,244	1,082,972	650,000		2,570,216
TAX INCREMENT TRANSFERS IN (LOW & MOD HOUSING FUND)	42.1					
OPERATING TRANSFERS OUT	43.0	(1,732,971)	(837,244)	()	()	(2,570,216)
TAX INCREMENT TRANSFERS OUT (TO LOW & MOD HOUSING FUND)	43.1	()	()		()	()
TOTAL - OTHER FINANCING SOURCES (USES)	44.0	\$ [895,728]	\$ 245,728	\$ 650,000	\$	\$ 0
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES (LINE 38 + LINE 44)	45.0	\$ [298,994]	\$ [1,118,529]	\$ 706,260	\$	\$ [711,263]
EQUITY, BEGINNING OF PERIOD	46.0	\$ 2,130,420	\$ 1,747,276	\$ 3,635,548	\$	\$ 7,513,244
ADJUSTMENTS:						
PRJOR PERIOD ADJUSTMENTS	47.0					
RESIDUAL EQUITY TRANSFERS	48.0					
OTHER - (EXPLAIN)	49.0					
	50.0					
EQUITY, END OF PERIOD (MUST EQUAL PAGE 04, LINE 39)	51.0	\$ 1,831,426	\$ 628,747	\$ 4,341,808	\$	\$ 6,801,981

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

ASSESSED VALUATIONS - AND - TAX INCREMENT REVENUES

SCHEDULE D-R

FISCAL YEAR ENDED June 30, 98

AGENCY NAME Hayward Redevelopment Agency

PAGE

3	1
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ASSESSED VALUATION DATA

			C
FROZEN BASE ASSESSED VALUATION	1.0	\$ 55,031,837	
INCREMENT ASSESSED VALUATION	2.0	\$ 167,450,177	
TOTAL ASSESSED VALUATION	3.0	\$ 222,482,014	

PASS THROUGH / SCHOOL DISTRICT ASSISTANCE

AMOUNTS PAID TO TAXING AGENCIES PURSUANT TO:		TAX INCREMENT PASS THROUGH DETAIL				OTHER PAYMENTS					
		H & S CODE SECTION 33401		H & S CODE SECTION 33676		H & S CODE SECTION 33607		TOTAL		H & S CODE SECTION 33445	H & S CODE SECTION 33445.5
		A	B	C	D	E	F				
COUNTY	4.0	\$	\$	\$	\$						
CITIES	5.0										
SCHOOL DISTRICTS	6.0										
COMMUNITY COLLEGE DISTRICTS	7.0										
SPECIAL DISTRICTS	8.0										
TOTAL PAID TO TAXING AGENCIES	10.0	\$	\$	\$	\$						
NET AMOUNT TO AGENCY	11.0					2,199,504					
GROSS TAX INCREMENT GENERATED	12.0					\$					

CAPITAL IMPROVEMENT DETAIL

IN ADDITION TO THE ABOVE TAX INCREMENT PASS-THROUGHS, PLEASE ITEMIZE EACH CAPITAL IMPROVEMENT EXPENDITURE MADE ON BEHALF OF ANY TAXING AGENCY OTHER THAN A SCHOOL DISTRICT OR COMMUNITY COLLEGE DISTRICT, AND INDICATE CODE SECTION

Description	Name of Taxing Agency	Amount	Code Section:	
			33401	33676
_____	_____	\$ _____	[]	[]
_____	_____	\$ _____	[]	[]
_____	_____	\$ _____	[]	[]
_____	_____	\$ _____	[]	[]

SUMMARY OF THE STATEMENT OF INDEBTEDNESS - Agency Totals

Agency Name Hayward Redevelopment Agency

Types of Debts		Total Indebtedness Outstanding As of June 30, 1998.
TAX ALLOCATION BOND DEBT	1	\$ 8,779,414
REVENUE BONDS	2	
OTHER LONG-TERM DEBT	3	486,988
CITY/COUNTY DEBT	4	8,467,606
LOW & MODERATE FUND	5	19,785,214
OTHER	6	
TOTAL	7	\$37,519,222
AVAILABLE REVENUES	8	(10,697,412)
NET REQUIREMENT	9	\$26,821,810

A

Using the Statement of Indebtedness (SOI) filed on or before October 1, 1998, please summarize all indebtedness listed on Forms A and B as follows:

=====

DESCRIPTION OF LINE ITEMS

1. Any indebtedness listed on the SOI related to Tax Allocation Bonds or Notes.
2. Any indebtedness listed on the SOI related to Revenue Bonds or Certificates of Participation.
3. Any indebtedness listed on the SOI related to other long-term debt issuances, other than debt listed above, or indebtedness owed to the governing body.
4. All indebtedness or obligations owed to the governing body, regardless of the purpose or time limit.
5. All indebtedness or obligations to the Low and Moderate Income Housing Fund.
6. All indebtedness or obligations listed on the SOI, not included above.
8. Line 7 from the Calculation of Available Revenues statement.

**ANNUAL REPORT OF FINANCIAL TRANSACTIONS
OF COMMUNITY REDEVELOPMENT AGENCIES
PROJECT AREA REPORT**

PROJECT AREA
COVER SHEET

PAGE 0 1

STATE USE ONLY	
REVIEWED	CLEARED

STATE USE ONLY									
PROJECT AREA ID#									
AGI									
01358021									
HAYWARD REDEVELOPMENT AGENCY									
DOWNTOWN HAYWARD PROJECT AREA									
DATE PROJECT AREA WAS ESTABLISHED (MM-DD-YY) (1) 12 - 30 - 75									
MOST RECENT DATE PROJECT AREA WAS AMENDED (MM-DD-YY) 2 3 - 21 - 87									
MOST RECENT DATE PROJECT AREA WAS MERGED (MM-DD-YY) 3 - N/A -									
ESTABLISHED TIME LIMIT: REPAYMENT OF INDEBTEDNESS (YEAR ONLY) 4 2020									
ESTABLISHED TIME LIMIT: EFFECTIVENESS OF PLAN (YEAR ONLY) 5.1 2015 & 2020 (Exp. Area)									
ESTABLISHED TIME LIMIT: NEW INDEBTEDNESS (YEAR ONLY) 6.1 2004 & 2007 (Exp. Area)									
SIZE OF PROJECT AREA IN ACRES. 7 236									
PERCENTAGE OF LAND VACANT AT THE INCEPTION OF THE PROJECT AREA. HEALTH AND SAFETY CODE SECTION 33320.1 (XX.X%) 8 3.6%									
PERCENTAGE OF LAND DEVELOPED AT THE INCEPTION OF THE PROJECT AREA. HEALTH AND SAFETY CODE SECTION 33320.1 (XX.X%) 9 96.4%									
OBJECTIVES OF THE PROJECT AREA AS SET FORTH IN THE PROJECT AREA PLAN. 10 R, C, P, O									
R - RESIDENTIAL									
I - INDUSTRIAL									
C - COMMERCIAL									
P - PUBLIC									
O - OTHER									
ENTER THE APPROPRIATE CODE(S) IN SEQUENCE AS SHOWN.									

PLEASE PROVIDE A BRIEF DESCRIPTION OF THE ACTIVITIES FOR THIS PROJECT AREA DURING THE REPORTING YEAR.

Site 1 (Atherton Place Townhomes) - Completion of construction and sales (private). Agency used Low and Moderate Income Housing Funds for qualified First Time Homebuyers. Agency land note was repaid.

Site 2 (Civic Center) - City completed construction of City Hall. Agency contributed to land assembly, site preparation and other related public improvements.

Construction of adjacent parking facilities is underway on Site 3 (City and Agency).

Initiation of Major Redevelopment Plan Amendment to add 370 acres to Downtown Hayward Project Area.

INCOME STATEMENT

AGENCY NAME Hayward Redevelopment Agency
PROJECT AREA NAME Downtown

FISCAL YEAR ENDED June 30 19 98

REVENUES		A	B	C	D	E
		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING * FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
TAX INCREMENT - GROSS (INCLUDE ALL APPORTIONMENTS)	1.0	\$ 1,759,603	\$	\$ 439,901	\$	\$ 2,199,504
SPECIAL SUPPLEMENTAL SUBVENTION	2.0					
PROPERTY ASSESSMENTS	3.0					
SALES & USE TAX	4.0					
TRANSIENT OCCUPANCY TAX	4.1					
INTEREST INCOME	5.0	67,895	88,715	133,554		290,164
RENTAL INCOME	6.0					
LEASE INCOME	7.0	542,687				542,687
SALE OF REAL ESTATE GAIN ON LAND HELD FOR RESALE	8.0	682,365				682,365
	8.1					
FEDERAL GRANTS	9.0					
GRANTS FROM OTHER AGENCIES	10.0					
BOND ADMINISTRATIVE FEES	11.0					
OTHER REVENUES	12.0					
TOTAL REVENUES	13.0	3,052,550	88,715	573,455		3,714,720
EXPENDITURES						
ADMINISTRATION COSTS	14.0	\$ 266,372	\$ 7,366	\$ 17,024	\$	\$ 290,762
PROFESSIONAL SERVICES	15.0	108,011		65,761		173,772
PLANNING, SURVEY & DESIGN	16.0					
REAL ESTATE PURCHASES	17.0					
EXPENDITURES SUB-TOTAL (CARRY TO LINE 19)	(18.0)	\$ 374,383	\$ 7,366	\$ 82,785	\$	\$ 464,534

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

INCOME STATEMENT

AGENCY NAME Hayward Redevelopment Agency
 PROJECT AREA NAME Downtown

FISCAL YEAR ENDED June 30, 19 98

EXPENDITURES (CONT)		A	B	C	D	E
		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
SUB-TOTAL (FROM LINE 18)	(19.0)	\$ 374,383	\$ 7,366	\$ 82,785	\$	\$ 464,534
ACQUISITION EXPENSE	20.0			126,409		126,409
OPERATION OF ACQUIRED PROPERTY	21.0	22,181				22,181
RELOCATION COSTS	22.0					
RELOCATION PAYMENTS	23.0					
SITE CLEARANCE COSTS	24.0					
PROJECT IMPROVEMENT/ CONSTRUCTION COSTS	25.0					
DISPOSAL COSTS	26.0					
LOSS ON DISPOSITION OF LAND HELD FOR RESALE	26.1					
DECLINE IN VALUE OF LAND HELD FOR RESALE	26.2					
REHABILITATION COSTS	27.0					
REHABILITATION GRANTS	28.0					
INTEREST EXPENSE	29.0	301,738	370,606			672,344
FIXED ASSET ACQUISITIONS	30.0	650,000				650,000
SUBSIDIES TO LOW & MODERATE INCOME HOUSING	31.0					
DEBT ISSUANCE COSTS	31.1					
* OTHER EXPENDITURES INCLUDING PASS THROUGH PAYMENT(S)	32.0	551,492		308,000		859,492
DEBT PRINCIPAL PAYMENTS:						
TAX ALLOCATION BONDS & NOTES	33.0	556,022	1,075,000			1,631,022
REVENUE BONDS & CERTIFICATES OF PARTICIPATION	34.0					
CITY/COUNTY ADVANCES & LOANS	35.0					
U S, STATE, & OTHER LONG-TERM DEBT	36.0					
TOTAL EXPENDITURES	37.0	\$ 2,455,816	\$ 1,452,972	\$ 517,195	\$	\$ 4,425,983

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

*See note from consolidated statement.

INCOME STATEMENT

AGENCY NAME Hayward Redevelopment Agency

FISCAL YEAR ENDED June 30, 1998

PROJECT AREA NAME Downtown

EXPENDITURES (CONT)		A	B	C	D	E
		CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	LOW/MODERATE INCOME HOUSING FUNDS	SPECIAL REVENUE/OTHER FUNDS	TOTAL
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES	38.0	\$ 596,734	\$ [1,364,257]	\$ 56,260	\$	\$ [711,263]
OTHER FINANCING SOURCES (USES)						
PROCEEDS OF LONG-TERM DEBT	39.0					
PROCEEDS OF REFUNDING BONDS	39.1					
PAYMENT TO REFUNDED BOND ESCROW AGENT	39.2	()	()	()	()	()
ADVANCES FROM CITY/COUNTY	40.0					
SALE OF FIXED ASSETS	41.0					
MISCELLANEOUS FINANCING SOURCES (USES)	41.1					
OPERATING TRANSFERS IN	42.0	837,244	1,082,972	650,000		2,570,216
TAX INCREMENT TRANSFERS IN (LOW & MOD HOUSING FUND)	42.1					
OPERATING TRANSFERS OUT	43.0	(1,732,972)	(837,244)	()	()	(2,570,216)
TAX INCREMENT TRANSFERS OUT (TO LOW & MOD HOUSING FUND)	43.1	()	()		()	()
TOTAL - OTHER FINANCING SOURCES (USES)	44.0	\$ 895,728	\$ 245,728	\$ 650,000	\$	\$ 0
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES (LINE 38 + LINE 44)	45.0	\$ [298,994]	\$ [1,118,529]	\$ 706,260	\$	\$ [711,263]
EQUITY, BEGINNING OF PERIOD	46.0	\$ 2,130,420	\$ 1,747,276	\$ 3,635,548	\$	\$ 7,513,244
ADJUSTMENTS:						
PRIOR PERIOD ADJUSTMENTS	47.0					
RESIDUAL EQUITY TRANSFERS	48.0					
OTHER - (EXPLAIN)	49.0					
	50.0					
EQUITY, END OF PERIOD (MUST EQUAL PAGE 04, LINE 39)	51.0	\$ 1,831,426	\$ 628,747	\$ 4,341,808	\$	\$ 6,801,981

* In order to ensure consistency, the amounts reported in the Low and Moderate Income Housing Fund should form the basis for the data reported to the Department of Housing and Community Development on Schedules HCD-A and HCD-C.

**AGENCY LONG-TERM DEBT
TAX ALLOCATION BONDS, REVENUE BONDS AND CERTIFICATES OF PARTICIPATION**

SCHEDULE A-RP

FISCAL YEAR ENDED June 30, 19 98

AGENCY NAME Hayward Redevelopment Agency

PAGE OF

PROJECT AREA NAME Downtown

USE A SEPARATE COLUMN FOR LISTING EACH BOND AUTHORIZATION NOT FULLY RETIRED. USE ADDITIONAL PAGES AS NECESSARY.

INDICATE TYPE OF DEBT: TAX ALLOCATION BOND, REVENUE BOND OR CERTIFICATE OF PARTICIPATION		Tax Allocation Bonds				TOTAL
YEAR OF AUTHORIZATION	1.0	1996				
PRINCIPAL AMOUNT AUTHORIZED	1.1	\$ 6,195,000	\$	\$	\$	\$
PRINCIPAL AMOUNT UNISSUED	1.2					
PRINCIPAL AMOUNT UNMATURED - BEGINNING OF FISCAL YEAR	2.0	6,005,000				
ADJUSTMENTS MADE DURING YEAR (EXPLAIN)	3.0					
PRINCIPAL AMOUNT ISSUED DURING FISCAL YEAR	4.0					
PRINCIPAL AMOUNT MATURED DURING FISCAL YEAR	5.0	(225,000)	()	()	()	()
PRINCIPAL AMOUNT DEFEASED DURING FISCAL YEAR	5.1	(5,780,000)	()	()	()	()
PRINCIPAL AMOUNT UNMATURED - END OF FISCAL YEAR	6.0	\$	\$	\$	\$	\$
PRINCIPAL AMOUNT IN DEFAULT	6.1					
INTEREST IN DEFAULT	6.2					

PURPOSE OF DEBT BY AUTHORIZATION	REVENUES PLEDGED AS ADDITIONAL SECURITY (SPECIFY NATURE OF REVENUE)	EXTENT PLEDGED
Purchase of parking lots; refinancing of existing debt, construction of road improvements; purchase of land for redevelopment	Rent - City of Hayward	%
		%
		%
		%

OTHER LONG-TERM DEBT

SCHEDULE B-RP

FISCAL YEAR ENDED June 30 1998

AGENCY NAME Hayward Redevelopment Agency
 PROJECT AREA NAME Downtown

USE A SEPARATE COLUMN FOR LISTING EACH BOND AUTHORIZATION NOT FULLY RETIRED. USE ADDITIONAL PAGES AS NECESSARY.

	(1.0)	1 6 A		1 7 A		1 8 A		1 9 A		TOTAL
		CITY/COUNTY	STATE	U. S.	OTHER					
PRINCIPAL AMOUNT UNMATURED- BEGINNING OF FISCAL YEAR	2.0	\$ 5,336,291	\$	\$	\$	\$				
ADJUSTMENTS MADE DURING YEAR (EXPLAIN)	3.0									
INTEREST ADDED TO PRINCIPAL	3.1	36,340								
PRINCIPAL AMOUNT RECEIVED DURING FISCAL YEAR	4.0									
PRINCIPAL AMOUNT MATURED DURING FISCAL YEAR	5.0	(235,000)	()	()	()	()	()	()	()	
PRINCIPAL AMOUNT UNMATURED- END OF FISCAL YEAR	6.0	\$ 5,137,631	\$	\$	\$	\$				

**NON-AGENCY LONG-TERM DEBT
MORTGAGE REVENUE BONDS, INDUSTRIAL DEVELOPMENT BONDS AND CERTIFICATES OF PARTICIPATION**

SCHEDULE C-RP

FISCAL YEAR ENDED June 30, 19 98

AGENCY NAME Hayward Redevelopment Agency
PROJECT AREA NAME Downtown

PAGE OF

USE A SEPARATE COLUMN FOR LISTING EACH BOND AUTHORIZATION NOT FULLY RETIRED. USE ADDITIONAL PAGES AS NECESSARY.

CODING BOXES FOR CONTROLLER'S USE ONLY

INDICATE TYPE OF DEBT: MORTGAGE REVENUE BONDS, INDUSTRIAL DEVELOPMENT BONDS, CERTIFICATES OF PARTICIPATION		NO FINANCIAL TRANSACTIONS				TOTAL
YEAR OF AUTHORIZATION	1.0					
PRINCIPAL AMOUNT AUTHORIZED	1.1	\$	\$	\$	\$	\$
PRINCIPAL AMOUNT UNISSUED	1.2					
PRINCIPAL AMOUNT UNMATURED - BEGINNING OF FISCAL YEAR	2.0					
ADJUSTMENTS MADE DURING YEAR (EXPLAIN)	3.0					
PRINCIPAL AMOUNT ISSUED DURING FISCAL YEAR	4.0					
PRINCIPAL AMOUNT MATURED DURING FISCAL YEAR	5.0	()	()	()	()	()
PRINCIPAL AMOUNT DEFEASED DURING FISCAL YEAR	5.1	()	()	()	()	()
PRINCIPAL AMOUNT UNMATURED - END OF FISCAL YEAR	6.0	\$	\$	\$	\$	\$
PRINCIPAL AMOUNT IN DEFAULT	6.1					
INTEREST IN DEFAULT	6.2					

PURPOSE OF DEBT BY AUTHORIZATION	REVENUES PLEDGED AS ADDITIONAL SECURITY (SPECIFY NATURE OF REVENUE)	EXTENT PLEDGED
		%
		%
		%
		%

ASSESSED VALUATIONS - AND - TAX INCREMENT REVENUES

SCHEDULE D-RP

FISCAL YEAR ENDED June 30, 98

AGENCY NAME Hayward Redevelopment Agency

PAGE 3 of 1

PROJECT AREA NAME Downtown

ASSESSED VALUATION DATA

FROZEN BASE ASSESSED VALUATION	1.0	\$ 55,031,837
INCREMENT ASSESSED VALUATION	2.0	167,450,177
TOTAL ASSESSED VALUATION	3.0	222,482,014

PASS THROUGH / SCHOOL DISTRICT ASSISTANCE

AMOUNTS PAID TO TAXING AGENCIES PURSUANT TO:	TAX INCREMENT PASS THROUGH DETAIL				OTHER PAYMENTS	
	H & S CODE SECTION 33491	H & S CODE SECTION 33676	H & S CODE SECTION 33607	TOTAL	H & S CODE SECTION 33445	H & S CODE SECTION 33445.5
	A	B	C		D	E
COUNTY	4.0	\$	\$	\$	\$	\$
CITIES	5.0					
SCHOOL DISTRICTS	6.0					
COMMUNITY COLLEGE DISTRICTS	7.0					
SPECIAL DISTRICTS	8.0					
TOTAL PAID TO TAXING AGENCIES	10.0	\$	\$	\$	\$	\$
NET AMOUNT TO AGENCY	11.0			2,199,504		
GROSS TAX INCREMENT GENERATED	12.0					

CAPITAL IMPROVEMENT DETAIL

IN ADDITION TO THE ABOVE TAX INCREMENT PASS-THROUGHS, PLEASE ITEMIZE EACH CAPITAL IMPROVEMENT EXPENDITURE MADE ON BEHALF OF ANY TAXING AGENCY OTHER THAN A SCHOOL DISTRICT OR COMMUNITY COLLEGE DISTRICT, AND INDICATE CODE SECTION

Description	Name of Taxing Agency	Amount	Code Section:	
			33401	33676
		\$		
		\$		
		\$		
		\$		

SUMMARY OF THE STATEMENT OF INDEBTEDNESS - Project Area Summary

Agency Name Hayward Redevelopment Agency
 Project Area Downtown

Schedule E-RP
 Page 3 2

Types of Debts		Total Indebtness Outstanding As of June 30, 1998	
TAX ALLOCATION BOND DEBT	1	\$	8,779,414
REVENUE BONDS	2		
OTHER LONG-TERM DEBT	3		486,988
CITY/COUNTY DEBT	4		8,467,606
LOW & MODERATE FUND	5		19,785,214
OTHER	6		
TOTAL	7	\$	37,519,222
AVAILABLE REVENUES	8		(10,697,412)
NET REQUIREMENT	9	\$	26,821,810

Using the Statement of Indebtedness (SOI) filed on or before October 1, 1998, please summarize all indebtedness listed on Forms A and B as follows:

DESCRIPTION OF LINE ITEMS

1. Any indebtedness listed on the SOI related to Tax Allocation Bonds or Notes.
2. Any indebtedness listed on the SOI related to Revenue Bonds or Certificates of Participation.
3. Any indebtedness listed on the SOI related to other long-term debt issuances, other than debt listed above, or indebtedness owed to the governing body.
4. All indebtedness or obligations owed to the governing body, regardless of the purpose or time limit.
5. All indebtedness or obligations to the Low and Moderate Income Housing Fund.
6. All indebtedness or obligations listed on the SOI, not included above.
8. Line 7 from the Calculation of Available Revenues statement.

APPENDIX C

**DESCRIPTION OF AGENCY'S ACTIVITIES
AFFECTING HOUSING AND DISPLACEMENT**

ANNUAL REPORT OF HOUSING ACTIVITY
OF COMMUNITY REDEVELOPMENT AGENCIES
FOR FISCAL YEAR ENDED 6 / 30 / 98

Agency Name and Address:

County of Jurisdiction:

Hayward Redevelopment Agency

Alameda

777 B Street

Hayward, CA 94541

Redevelopment agencies must report annually on their housing activities and maintenance and use of the Low & Moderate Income Housing Fund (Health and Safety Code Section 33080.1). A copy of this report must be filed with the Department of Housing and Community Development (HCD) (Section 33080.3). HCD must compile and publish annually a report of redevelopment agencies' housing activities (Section 33080.6).

Please answer each of the following questions in order to determine which HCD Schedules your agency must prepare to provide a complete report of housing activity and fund balances for the reporting period.

1. How many adopted project areas did the agency have during the reporting period? 1
If one or more, prepare and submit a separate copy of SCHEDULE HCD-A for each adopted project area.
If none, do not submit Schedule HCD-A.
2. Did the agency conduct any housing activity outside of adopted redevelopment project areas during the reporting period?
 Yes. Prepare and submit one copy of SCHEDULE HCD-B for the agency.
 No. Do not submit Schedule HCD-B.
3. Did the agency have any adopted project areas, or any funds in the Low & Moderate Income Housing Fund during the reporting period?
 Yes. Prepare and submit one copy of SCHEDULE HCD-C for the agency.
 No. Do not submit Schedule HCD-C.

To the best of my knowledge the representations made in the above statement and the disclosures contained in the HCD Schedule(s) submitted herewith are true and correct.

Date

Maurit Benoit
Signature of Authorized Agency Representative

1110

Agency Name: Hayward Redevelopment Agency

Project Area Name: Downtown Hayward

Exemption(s)

4. a. If you are claiming an exemption from making the minimum 20% set-aside, indicate the reason(s). Check the appropriate Health and Safety Code Section designation(s):
- N/A Section 33334.2(a)(1): No need in community to increase/improve supply of lower or moderate income housing.
- Section 33334.2(a)(2): Less than 20% set-aside is sufficient to meet the need.
- Section 33334.2(a)(3): Community is making substantial effort equivalent in value to 20% set-aside and has specific contractual obligations incurred before May 1, 1991 requiring continued use of this funding.
- Other: Specify code section, reasons:
- b. When was the necessary finding(s) adopted? (Show month/day/year.) _____/_____/_____

Pursuant to Section 33334.2(b), attach copies of the findings adopted for this reporting period in accordance with item 4. above, if you have not previously submitted them to the Department.

Deferral(s)

5. a. If you are deferring the set-aside, indicate the reason(s). Check the appropriate Health and Safety Code Section designation.
- N/A Section 33334.6(d): Project was adopted before 1977 and tax increments are needed to meet existing debts.
- Other: Specify code section, reasons:
- b. When was the necessary finding(s) adopted? (Show month/day/year.) _____/_____/_____
- c. A deferred set-aside pursuant to Section 33334.6(d) constitutes an indebtedness to the Housing Fund equal to the amount of the set-aside being deferred. Summarize the amount(s) of set-aside deferred during this fiscal year and cumulatively:

Fiscal Year	Amount Deferred During FY	Amount of Prior FY Deferrals Repaid During FY	Cumulative Amount Deferred (Less Any Amount Repaid)
96/97	\$	\$	\$
97/98	\$	\$	\$ *

* The cumulative amount of deferred set-aside should also be shown on Line 8b of Schedule HCD-C.

If the FY 96/97 cumulative deferral shown here differs from what was reported on the last HCD report, indicate the amount of and the reason for the difference:

Housing Units Lost and Households Displaced

6. Pursuant to Sections 33080.4(a)(1) and (a)(3), report the number of dwelling units and bedrooms destroyed or removed from this project area as a result of redevelopment activities; the number of those units or bedrooms the agency is not required to replace; and the income category and type of households displaced from the project area during the fiscal year.

NONE

Household Income and Type	Households Displaced	Total No. Lost (Removed or Destroyed) Units / Bedrooms	Number Lost <u>Not</u> Required to be Replaced Units / Bedrooms *
Total Very Low	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Low	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Moderate	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Above Moderate	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		

* Destroyed units which were vacant but, if occupied, reasonably would be expected to be occupied by lower or moderate income households should be replaced.

7. As required in Section 33080.4(a)(2), estimate the type and number of households, by income category, to be displaced from this project area during the next reporting period (the current fiscal year):

Income Level	Total Households	Subtotal Elderly	Subtotal Other
Very Low	1		1
Low	1		1
Moderate			
Above Moderate	1		1

Replacement Housing Plan Adopted 6/9/1998
(Lucky Project)

Current Housing Activity

8. Pursuant to Section 33080.4(a)(4) and (5), report (by project name) the number of affordable units constructed, substantially rehabilitated, or for which affordability covenants were acquired, in this project area, during the reporting period. Report only those units, within specific development projects, that are subject to a regulatory agreement in accordance with Section 33334.3(f)(2). Report all such units assisted by the agency or by persons or entities other than the agency. Report only those units that were completed (available for occupancy) during the reporting period. Also specify whether the units are being used to satisfy an inclusionary housing requirement in accordance with Section 33413(b)(1) or (2), a replacement housing need in accordance with Section 33413(a), or are otherwise use restricted.

Project Name	Project Type		Total Units Assisted			Income Groups Targeted			Household Type		Replacement Units Provided ⁴	Inclusionary Units Provided		Other Units Provided ⁷	Use Res Termination Date ⁸
	Rent	Own	New Cons. ¹	Sub Rehab. ²	Cov. Acq. ³	Very Low	Low	Moderate	Elderly	Other		Agency Dev. ⁵	Other Dev. ⁶		
Sample Project	R		80			40		40	80				80		6/1/40
NONE															

Note: Units reportedly used to meet an inclusionary requirement (project area production) may not also be used to meet a replacement housing need (Section 33413(b)(3)).

¹ New Construction.

² Substantial Rehabilitation (see Section 33413(b)(2)(A)(iii) and (iv) for a definition).

³ Affordability Covenant Acquisition (see Section 33413(b)(2)(B) for a definition).

⁴ New construction or rehabilitation in accordance with Section 33413(a).

⁵ Agency developed units per Section 33413(b)(1).

⁶ Units developed by persons or entities other than the agency (but may have included agency assistance) per Section 33413(b)(2).

⁷ Agency assisted construction or substantial rehabilitation not used to meet inclusionary or replacement housing requirements per Section 33334.3(f).

⁸ Use restriction terms should correspond to Sections 33413(c), 33413(b)(2)(C), 33334.3(f) or 33334.13 as applicable.

Current Housing Activity

9. Pursuant to Section 33080.4(a)(4), report by income level all other units or households assisted in the project area during the reporting period, which have occupancy or use restrictions. Do not report the same units or households in more than one column. Do not report any of the same units reported in item 8, on the previous page.

NONE

Household Income	Mobilehomes Maintained	Units Rehabbed (not substantial)	Households Receiving Rental Assistance or Subsidies	Households Received Home-ownership Assistance	Other Households Assisted (Specify)
Very Low	_____	_____	_____	_____	_____
Low	_____	_____	_____	_____	_____
Moderate	_____	_____	_____	_____	_____
Above Moderate	_____	_____	_____	_____	_____

10. Pursuant to Section 33080.4(a)(10), report the number of units to be constructed in the project area (with agency assistance), within the next two years, pursuant to an executed contract or agreement. Also include the estimated completion dates of the units. Do not report any units shown in item 8 or 9, above.

Name of Contract or Agreement	Execution Date	Est. Date of Completion	Numbers of Units to be Built			
			Total	Very Low	Low	Mod
NONE			_____	_____	_____	_____
			_____	_____	_____	_____
			_____	_____	_____	_____
			_____	_____	_____	_____
			_____	_____	_____	_____
			_____	_____	_____	_____

NOTE: It is anticipated that 85 units of lower income SRO hotel units will be rehabilitated within the next two years.

11. Pursuant to Sections 33080.4(a)(7) and 33418, provide an inventory of all housing projects or units, affordable to lower or moderate income households, in the project area, which have been developed or made available pursuant to any provision of the Community Redevelopment Law. Use the form on page 6 to report all housing projects or units. If a complete inventory for the previous year was submitted, use page 6 to report any additions or corrections to that inventory.

None Reported

Inventory of Housing Units in Project Area
with Restrictions on Occupancy or Affordability Pursuant to
Recorded Agreements, or Conditions, Covenants and Restrictions

for Fiscal Year Ended 6 / 30 / 98

Project Type <u>O/R*</u>	Project Name/ <u>Address</u>	Owner Name/ <u>Address</u>	Total No. Units in <u>Project</u>	Units Reserved for Elderly <u>VL L M AM</u>	Units Restricted by Income Only <u>VL L M AM</u>	Units Occupied by Ineligible Households <u>VL L M Elderly</u>	Financing/ Subsidy <u>Sources**</u>	Earliest Afford. <u>Term Date</u>
-----------------------------	---------------------------------	-------------------------------	---	---	--	---	---	---

NO CHANGES

TOTALS:

* Specify Owner or Rental Project

** Abbreviations for financing or subsidy sources:

RDA = redevelopment agency
 HUD # = Housing and Urban Development construction or rehab. program (list program number)
 HUD V or C = HUD Section 8 Voucher or Certificate subsidy, respectively
 FmHA # = Farmers Home Administration program number (list program number)
 CDBG = federal Community Development Block Grant
 UDAG = federal Urban Development Grant
 TAXC = federal Tax Credits

HCD = CA Dept. of Housing & Comm. Dev. (specify program)
 CHFA = Calif. Housing Finance Agency
 MRB = local Mortgage Revenue Bonds
 DB = local Density Bonus provided
 PRIV = private source (e.g. foundations, corporations)
 OTH = any other source (explain in a footnote)

SCHEDULE HCD-B
Activity Outside Project Areas
for Fiscal Year Ended 6 / 30 / 98

Agency Name: Hayward Redevelopment Agency

Preparer's Name, Title: Maret Bartlett, Redevelopment Director Preparer's Telephone No: (510) 583-4261

Pursuant to Health & Safety Code Section 33334.2(g) agencies may use Housing Funds to assist housing affordable to lower and moderate income households outside of an adopted project area (i.e., outside the project area providing the funding assistance), but within the jurisdiction. Report here on the agency's housing activities conducted during the reporting period which occurred outside of an adopted project area (even if the activity was within another adopted project area). This information should not be reported in Schedule HCD-A.

Housing Units Lost and Households Displaced

1. Pursuant to Sections 33080.4(a)(1) and (a)(3), report the number of dwelling units and bedrooms destroyed or removed; the number of those units and bedrooms the agency is not required to replace; and the income category and type of households displaced from outside of project areas during the fiscal year.

NONE

Household Income and Type	Households Displaced	Total No. Lost (Removed or Destroyed) Units / Bedrooms	Number Lost <u>Not</u> Required to be Replaced Units / Bedrooms *
Total Very Low	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Low	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Moderate	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		
Total Above Moderate	_____	_____ / _____	_____ / _____
Subtotal Elderly	_____		
Subtotal Other	_____		

* Destroyed units which were vacant but, if occupied, reasonably would be expected to be occupied by lower or moderate income households should be replaced.

2. As required in Section 33080.4(a)(2), estimate the type and number of households, by income category, to be displaced outside of each project area providing funding assistance during the next reporting period (the current fiscal year):

NONE

Income Level	Total Households	Subtotal Elderly	Subtotal Other
Very Low			
Low			
Moderate			

Current Housing Activity

3. Pursuant to Section 33080.4(a)(4) and (5), report (by project name) the number of affordable units constructed, substantially rehabilitated, or for which affordability covenants were acquired, outside of adopted project areas, during the reporting period. Report only those units, within specific development projects, that are subject to a regulatory agreement in accordance with Section 33334.3(f)(2). Report all such units assisted by the agency or which the agency has caused by regulation or agreement to be affordable to lower or moderate income households. Report only those units that were completed (available for occupancy) during the reporting period. Also specify whether the units are being used to satisfy an inclusionary housing requirement in accordance with Section 33413(b)(1) or (2), a replacement housing need in accordance with Section 33413(a), or are otherwise use restricted.

Project Name	Project Type		Total Units Assisted			Income Groups Targeted			Household Type		Replacement Units Provided ⁴	Inclusionary Units Provided		Other Units Provided ⁷	Use Res Termination Date ⁸
	Rent	Own	New Cons. ¹	Sub Rehab. ²	Cov. Acq. ³	Very Low	Low	Moderate	Elderly	Other		Agency Dev. ⁵	Other Dev. ⁶		
Sample Project	R		80			40		40	80				40		6/1/40
NONE															

Note: Units reportedly used to meet an inclusionary requirement (project area production) may not also be used to meet a replacement housing need (Section 33413(b)(3)).

¹ New Construction.
² Substantial Rehabilitation (see Section 33413(b)(2)(A)(iii) and (iv) for a definition).
³ Affordability Covenant Acquisition (see Section 33413(b)(2)(B) for a definition).
⁴ New construction or rehabilitation in accordance with Section 33413(a).
⁵ Agency developed units per Section 33413(b)(1).
⁶ Units developed by persons or entities other than the agency (but which the agency has caused to be affordable) may only be counted on a 2-for-1 basis per Section 33413(b)(2)(A)(ii).
⁷ Agency assisted construction or substantial rehabilitation not used to meet inclusionary or replacement housing requirements per Section 33334.3(f).
⁸ Use restriction terms should correspond to Sections 33413(c), 33413(b)(2)(C), 33334.3(f) or 33334.13 as applicable.

4. Pursuant to Section 33080.4(a)(4), report by income level all other units or households assisted outside project areas during the reporting period, which have occupancy or use restrictions. Do not report the same units or households in more than one column. Do not report any of the same units reported in item 3, on the previous page. NONE

Household Income	Mobilehomes Maintained	Units Rehabbed (not substantial)	Households Receiving Rental Assistance or Subsidies	Households Received Home-ownership Assistance	Other Households Assisted (Specify)
Very Low	_____	_____	_____	_____	_____
Low	_____	_____	_____	_____	_____
Moderate	_____	_____	_____	_____	_____
Above Moderate	_____	_____	_____	_____	_____

5. Pursuant to Section 33080.4(a)(10), report the number of dwelling units to be developed outside adopted project areas (with agency assistance) within the next two years pursuant to an executed contract or agreement. Also include the estimated completion dates of the units. Do not report any units shown in items 3 or 4, above.

Name of Contract or Agreement	Execution Date	Est. Date of Completion	Numbers of Units to be Built			
			Total	Very Low	Low	Mod Other
Harris Court-Eden Housing	est. 12/98	7/99	<u>24</u>	<u>20</u>	<u>4</u>	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

6. Pursuant to Sections 33080.4(a)(7) and 33418, provide an inventory of all housing projects or units, affordable to lower or moderate income households, outside of adopted project areas, which were developed or otherwise made available pursuant to any provision of the Community Redevelopment Law. Use the form on page 4 to report all housing projects or units. If a complete inventory for the previous year was submitted, use page 4 to report any additions or corrections to that inventory.

Previously submitted

Agency Name: Hayward Redevelopment Agency

Inventory of Housing Units Outside Project Area
with Restrictions on Occupancy or Affordability Pursuant to
Recorded Agreements, or Conditions, Covenants and Restrictions

for Fiscal Year Ended 6 / 30 / 98

Project Type <u>IR*</u>	Project Name/ <u>Address</u>	Owner Name/ <u>Address</u>	Total No. Units in <u>Project</u>	Units Reserved for Elderly <u>VL L M AM</u>	Units Restricted by Income Only <u>VL L M AM</u>	Units Occupied by Ineligible Households <u>VL L M Elderly</u>	Financing/ Subsidy <u>Sources**</u>	Earliest Afford. <u>Term Date</u>
-------------------------------	---------------------------------	-------------------------------	---	---	--	---	---	---

NO CHANGES

NOTALS:

Specify Owner or Rental Project

* Abbreviations for financing or subsidy sources:

DA = redevelopment agency

UD # = Housing and Urban Development construction or rehab. program (list program number)

UD V or C = HUD Section 8 Voucher or Certificate subsidy, respectively

nHA # = Farmers Home Administration program number (list program number)

DEG = federal Community Development Block Grant

DAG = federal Urban Development Grant

AKC = federal Tax Credits

HCD = CA Dept. of Housing & Comm. Dev. (specify program)

CHFA = Calif. Housing Finance Agency

MRB = local Mortgage Revenue Bonds

DB = local Density Bonus provided

PRIV = private source (e.g., foundations, corporations)

OTH = any other source (explain in a footnote)

HCD-B

Page 4 of 4

SCHEDULE HCD-C

Agency-wide Activity

for Fiscal Year Ended 6 / 30 / 98

Agency Name: Hayward Redevelopment Agency

Preparer's Name, Title: Maret Bartlett, Redevelopment Director Preparer's Telephone No: (510) 583-4261

Preparer's Facsimile: (510) 583-3650 Preparer's E-Mail Address: maretb@ci.hayward.ca.us

Low & Moderate Income Housing Funds

Report on the "status and use of the agency's Low and Moderate Income Housing Fund," including information developed to comply with Sections 33080.4(a)(6) and (a)(8). Information reported here should be based on that reported to the State Controller.

1. Beginning Cash and Investment Balance
 (Should equal Line 4, "Net Resources Available" from last year's HCD-C form): \$ 2,242,028

If Beginning Balance is not the same as Line 4 from Schedule HCD-C for FY 96/97, indicate the amount of, and reason(s) for, the difference: _____

2. Revenues:

a. Total Receipts From Project Areas:
 (Sum of amount(s) from line 3.1. on Schedule HCD-A(s)) \$ 573,455

b. Other revenues not reported on Schedule HCD-A(s)
 (Specify: repayment of loan receivable): \$ 469,951

1st time homebuyer loans

3. Subtotal of Expenditures and Uses (combine a.-j. below): (\$ 517,195)

(NOTE: The line items below were expanded to include specific line items from the State Controller's Annual Report of Financial Transactions of Community Redevelopment Agencies, to facilitate preparation of the report. However, always refer to the Community Redevelopment Law to determine the appropriateness of these expenditures from the Low & Moderate Housing Fund.)

a. Property Acquisition
 Acquisition of Property/Building Sites (33334.2(e)(1)): \$ 126,409

Housing Acquisition (33334.2(e)(6)): \$ _____

Acquisition Expense (Line 20c): \$ _____

Operation of Acquired Property (Line 21c): \$ _____

Relocation Costs (Line 22c): \$ _____

Relocation Payments (Line 23c): \$ _____

Site Clearance Costs (Line 24c): \$ _____

Disposal Costs (Line 26c): \$ _____

Loss on Disposition of Land Held for Resale (Line 26.1c): \$ _____

Decline in Value of Land Held for Resale (Line 26.2c): \$ _____

Other (Specify) _____: \$ _____

b. Housing subsidies (33334.2(e)(8)):
 1st Time Homebuyer Down Payment Assistance: \$ 260,000

Rental Subsidies: \$ _____

Agency Name: _____

c. **Debt Service (33334.2(e)(9)):**

Debt Principal Payments:

Tax Allocation, Bonds & Notes (Line 33c): \$ _____

Revenue Bonds & Certificates of Participation (Line 34c.) \$ _____

City/County Advances & Loans (Line 35c): \$ _____

U. S. State & Other Long -Term Debt (Line 36c): \$ _____

Interest Expense (Line 29c): \$ _____

Debt Issuance Costs (Line 31.1c): \$ _____

Other (Specify) _____: \$ _____

d. **Planning and administration costs (33334.3(e)(1)):**

Administration Costs (Line 14c): includes \$17,024 of direct salaries and \$48,000 transfer to City \$ 65,024

Professional Services (not project based) (Line 15c): \$ 65,762

Planning, Survey/Design (not project based) (Line 16c): \$ _____

Indirect Nonprofit Costs (33334.3(e)(1)(B)): \$ _____

Other (Specify) _____: \$ _____

e. On/Off-Site Improvements (33334.2(e)(2)): \$ _____

f. Housing Construction (33334.2(e)(5)): \$ _____

g. Housing Rehabilitation (33334.2(e)(7)), (Line 27c): \$ _____

h. Maintenance of Mobilehome Parks (33334.2(e)(10)): \$ _____

i. Preservation of At-Risk Units (33334.2(e)(11)): \$ _____

j. Other (Specify) _____: \$ _____

Transfers Out: The specific use of transferred funds should be reported in items a-j, above.

Note: Dollar amounts for items 3a., 3c., 3d., and 3g. (where a line number is noted in parentheses) can be taken directly from that line number on the State Controller's Annual Report of Financial Transactions of Community Redevelopment Agencies, Consolidated Income Statement.

4. Net Resources Available (End of Year [1.+2a.+2b.-3.]): \$ 2,768,239

5. Total Encumbrances (End of Year)-see Section 33334.12(g)(2) for a definition. (Amount of line 4 encumbered per agreement or contract): (\$ 0)

6. Unencumbered Balance (End of Year [4.-5.]): Enter this amount here and on line 9b.1 \$ 2,768,239

7. **Unencumbered Funds:**

a. Unencumbered Designated (portion of line 6) \$ 0

b. Unencumbered Undesignated (portion of line 6) \$ 0

8. **Other Housing Fund Assets (not included on Line 4, above):**

a. Value of Land Purchased Housing Funds and Held for Development of Affordable Housing: \$ 650,000

b. Indebtedness for Set-asides Deferred (Sec. 33334.6): \$ _____

c. Loans Receivable for Housing Activities: \$ 436,581

Excess Surplus

Pursuant to Section 33080.7, report any excess surplus funds (as defined in Section 33334.12). An excess surplus exists for a fiscal year if the unencumbered balance in the Housing Fund at year end exceeds the greater of \$1,000,000 or the aggregate amount of tax increments deposited into the Fund during the preceding four fiscal years. "Encumbering" means committing funds pursuant to a legally enforceable contract or agreement for expenditure for authorized redevelopment housing activities. In accordance with Section 33334.12(g)(3)(A) and (B), the unencumbered balance may be adjusted to account for revenue added from debt proceeds or the difference between the sales price of land for affordable housing and its fair market value.

9.a. Fill in the following table to calculate and track your agency's excess surplus amounts for each fiscal year since FY 93/94.

Fiscal Year	Total Tax Increments Deposited in Housing Fund	Sum of Tax Increments in Housing Fund from Previous Four FYs	Total Unencumbered Balance in Housing Fund at End of FY*	Excess Surplus	Amount Expended and Encumbered against Excess Surplus, for each FY, as of 6/30/98	Remaining Excess Surplus, for each FY, as of 6/30/98
93-94	\$ 484,413			\$ 0	\$ _____	\$ _____
94-95	\$ 469,493			\$ 0	\$ _____	\$ _____
95-96	\$ 440,251			\$ 0	\$ _____	\$ _____
96-97	\$ 484,293			\$ 338,889**	\$ _____	\$ _____
97-98		\$ 1,878,450	\$ 2,768,239	\$ 889,789		

* Unencumbered balance for FY 97-98 should equal item 6 on previous page unless adjustments are made per 9.b., below.

** Correction from last year.

b. Are you eligible to adjust the total unencumbered balance? If yes, identify the type and amount of the adjustment below:

1. Unencumbered balance from line 6 on previous page: \$ 0
2. Adjustments:
 - Debt Proceeds (33334.12(g)(3)(B): (\$ 0)
 - Land Sales (33334.12(g)(3)(A): (\$ 0)
3. Adjusted Balance:

Enter this amount in the "Total Unencumbered Balance in Housing Fund at End of FY" column, for FY 97-98 (above).

\$ 0

c. If you reported an excess surplus for the current fiscal year, briefly summarize the agency's plan (authorized in Section 33334.10) for encumbering or expending that amount:

- 1) The Green Shutter Hotel is an 85-unit single room occupancy (SRO) hotel within the Project Area. All 85 rooms serve lower income households. A loan of \$550,000 has been authorized to undertake seismic retrofit.

Agency Name: Hayward Redevelopment Agency

Misc. Uses of Funds

10. Pursuant to Section 33080.4(a)(6), report the total number of very low-, low-, and moderate-income households directly benefited by expenditures for onsite/offsite improvements, which resulted in new construction, rehabilitation, or the elimination of health and safety hazards. (If line 3e. of this schedule does not show expenditures for improvements, no units should be reported here.)

Income Level	Construction	Rehabilitation	Health and Safety	Duration of Deed Restriction
Very Low	_____	_____	_____	_____
Low	_____	_____	_____	_____
Moderate	_____	_____	_____	_____

NONE

11. If the agency is holding land for future housing development (see line 8a, above), summarize here the sites held, including acreage, date of purchase, zoning, and anticipated start date for the housing development.

Site Name/Location*	No. of Acres	Zoning	Purchase Date	Est. Date Available	Comments
Site 3-B&Mission	2.13	Central City Residential (Multi-family) & Central City Plaza (pedestrian retail)	1993	N/A	The Agency Board determined in 1998 to use the site for other purposes. The Low/Moderate Income Housing Fund has been credited with a receivable for \$650,000 from the Agency's Capital Fund to be repaid beginning in FY 1999-2000.

* Please attach a separate sheet of paper listing any additional sites not reported above.

12. Section 33334.13 requires agencies which have used the Housing Fund to assist mortgagors in a homeownership mortgage revenue bond program, or home financing program described in that Section, to provide the following information:

a. Has your agency used the authority related to definitions of income or family size adjustment factors provided in Section 33334.13(a)?

Yes ___ No Not Applicable ___

b. Has the agency complied with requirements in Section 33334.13(b) related to assistance for very low-income households equal to twice that provided for above moderate-income households?

Yes ___ No Not Applicable ___

13. Section 50836(b) allows redevelopment funds to be used as matching funds for federal HOME or HOPE program support. Did the agency use any redevelopment funds for this purpose during the reporting period?

Yes ___ No Not Applicable ___

Achievements

15. On a separate sheet of paper, please briefly describe one outstanding or innovative project, practice, or program the agency participated in during this reporting period to increase, improve or preserve the community's affordable housing supply. Please provide the following information along with the program or project description:

N/A

a. Name of Project or Program:

b. Description:

No. and type of units provided:

Resident incomes:

Services provided:

Agency funding provided:

Financing arrangements:

c. Agency's Role:

Nature and extent of the Agency's role:

Financial participation in the project or program:

d. Brief History:

Housing need or problem addressed:

Successful aspects:

Unusual features:

Problems encountered:

Lessons learned:

e. Contact Person and Telephone Number:

The following year, several agencies will be selected to receive a "Director's Award for Housing Development Excellence". This new award will highlight the important role of redevelopment agencies in addressing California's housing problems. Agencies will be selected based upon the description of an exemplary project or program and in consideration of the leadership role of the agency, the creativity or innovative nature of the project or program, and the overall merit of the project or program in addressing an identified housing problem or need.

Use of Other Redevelopment Funds for Housing

16. Please briefly describe the use of any non-housing redevelopment funds (i.e., contributions from the other 80% of tax increment revenue) to construct, improve, assist, or preserve housing in the community.

In FY 1997-98 the Agency initiated a major Redevelopment Plan Amendment (adopted 11/98) which includes adding new territory. Much of the added area is a neighborhood of older homes occupied by moderate income households. With the expansion of the redevelopment area, it is expected that the Agency will in future years target its Low/Moderate Housing funds to rehabilitate homes in this neighborhood and use its 80% funds to provide much needed improvement to the area.

Resource Needs

DRAFT

DM 11-24-98

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-_____

Introduced by Agency Member _____

RESOLUTION ADOPTING THE ANNUAL REPORT OF
REDEVELOPMENT AGENCY ACTIVITIES FOR FISCAL
YEAR 1997-98

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that it does hereby adopt the "Annual Report of Redevelopment Agency Activities for FY 1997-98," dated December 1998, a copy of which is attached hereto as Exhibit "A."

BE IT FURTHER RESOLVED that the Redevelopment Agency of the City of Hayward hereby forwards a copy of the annual report to the City Council of the City of Hayward for its review and appropriate action.

HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

Secretary of the Redevelopment Agency
of the City of Hayward

jm 11-24-98

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION ADOPTING THE ANNUAL REPORT OF
REDEVELOPMENT AGENCY ACTIVITIES FOR FISCAL
YEAR 1997-98

BE IT RESOLVED that the City Council of the City of Hayward hereby
acknowledges receipt of the "Annual Report of Redevelopment Agency Activities for
FY 1997-98," and directs that the report be filed with the office of the state controller.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: