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**DATE:** December 18, 2007

**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 2006-07

#### **RECOMMENDATION**

That the Agency Board adopts the attached resolution approving the Annual Report of Redevelopment Agency Activities for FY 2006-07 and present it to the City Council; and

That City Council adopts the attached resolution to receive and to authorize staff to file the Annual Report of Redevelopment Agency Activities for FY 2006-07.

#### **BACKGROUND**

California Redevelopment Law requires that the Redevelopment Agency present an Annual Report to the City Council, and that the City Council review the report and take any action which it deems appropriate. The report is then filed with the State Controller. The report contains four major components, including: 1) the Agency's Independent Financial Audit for FY 2006-07; 2) the Annual Report of Financial Transactions, which takes information from the audit and presents it in a format suitable for review by the State Controller; 3) the State Housing and Community Development (HCD) Annual Redevelopment Agencies Housing Activity Report; and 4) the Agency's Annual Statement of Indebtedness.

The Agency's independent financial audit is attached to the Annual Report as Appendix A. The audit reported no exceptions or findings in the Agency's financial reporting this year. The State Controller's Report of Financial Transactions (Appendix B) includes a narrative discussion of the Agency's activities, entitled The Project Area Report.

## DISCUSSION

The Agency's total tax increment revenue in FY 2006-07 increased 26% from \$9.1 million to \$11.4 million over the prior fiscal year. The increase is reflective of increasing property values and development activity in the Downtown and in the Burbank and Mission-Foothill sub-areas. Approximately 40% of the tax increment is generated in the Downtown, 33% in the Cannery-Burbank subarea, and 27% in the Mission-Foothill sub-area. The percentage of the tax increment generated by the two sub-areas relative to the Downtown continues to increase over time, as the sub-areas are larger and experiencing increasing property values, and over the long-term there are more opportunities for new development. This is evidenced by the fact that in FY 2005-06 the Downtown generated 43% of the tax increment and prior to that in FY 2004-05 the Downtown generated 50% of the tax increment

The Agency's expenditures from its Capital Projects/Administrative Fund totaled \$2.9 million and were generally in line with the budget. New to the budget was the provision of \$550,000 for the Downtown Retail Attraction Initiative. Other major expenditures included \$257,000 for Cinema Place, which was primarily for environmental related activities. Lastly, there was \$700,244 spent for annual statutory pass-through payments to other taxing entities in the Redevelopment Project Area. These payments are required under Redevelopment Law for prior amendments to the Redevelopment Plan, and they are based on the amount of tax increment the Agency receives and will continue to grow over time. As of the end of the FY 2006-07 the balance in the Capital Projects/Administrative Fund was approximately \$6.3 million. Of this amount, \$1.2 million remains to be disbursed from the Agency loan of \$1.5 million to the developer of Cinema Place and \$1.6 is land held for resale. Hence the undesignated balance of the Capital Projects/Administrative Fund was approximately \$3.5 million.

The major Redevelopment Project expenditures from the Tax Allocation Bonds (TABS) Capital Projects Fund totaled approximately \$17.1 million in FY 2006-07 for the continued implementation of the Cannery Area Plan and for Downtown parking improvements. These activities were financed from the proceeds of the 2004 and 2006 Tax Allocation Bonds and included the following: \$7,107,374 for the commencement of construction on the new Burbank School; \$2,497,976 for Cannery Area street and infrastructure improvements; and \$1,032,950 for the Cannery Park including design, environmental remediation, and construction. Lastly, a total of approximately \$6,337,617 was expended for the construction of the Cinema Place parking structure. The unexpended proceeds from the TABS are approximately \$25.5 million, reflected in the Agency's balance sheet assets and fund balances under the categories of "Restricted cash and investments with trustee". These funds will be fully drawn down as the projects are completed.

Information regarding the Agency's activities in support of affordable housing is included in Appendix B, and further reporting is contained in Appendix C: Agency's Activities Affecting Housing and Displacement.

As required by California Community Redevelopment Law, the Low and Moderate Income Housing Fund receives 20% of the tax increment revenue. For FY 2006-07 the amount generated for the fund was approximately \$2.3 million. Of that amount, approximately \$1.8 was spent during the year for housing related activities and the difference was added to fund balance, which was \$8.3

million at the end of the fiscal year 2007-08. In Appendix D, Schedule C shows \$510,214 in "excess surplus" in the Low and Moderate Income Housing Fund during FY 2006-07, which were not committed by year end and the schedule shows projected cumulative excess surplus for FY 2007-08 at \$1,294,333. Excess surplus is determined by formulas under Redevelopment Law, and these funds must be expended within a three year time period. The Agency plans to spend \$1.0 million of the excess surplus for housing rehabilitation projects as follows: a loan in the amount of \$250,000 to the Villa Springs development was approved and encumbered during FY 2006-07, and a loan in the amount of \$750,000 for the Majestic Apartments was approved after the close of the FY 2006-07 with the funds shown as obligated in Appendix D, Schedule C, for the FY 2006-07. Because the loan for Villa Springs was encumbered during the FY 2006-07, it was already credited against the excess surplus; however, since the loan for the Majestic Apartments was not encumbered during the FY 2006-07 it will not be credited to excess surplus until FY 2007-08. This will result in lowering the excess surplus for FY 2007-08 to \$544,333. Recommendations for the use of these funds will be presented to the City Council/Agency Board during the course of the budget process.

The major expenditure from the Low and Moderate Income Housing Fund during FY 2006-07 was a loan in the amount of \$507,000 to Eden Housing for the development of 60 units of affordable senior rental housing located at C & Grand Streets. The loan proceeds were used to cover the increased cost associated with having the building foundation span Sulphur Creek. This housing fulfills the Cannery Place developer's inclusionary affordable housing obligation for very-low income units. The developer purchased the land for the project and conveyed it to Eden Housing, and is also providing some construction financing. Other activities funded through the Low and Moderate Income Housing Fund included a loan in the amount of \$214,954 to Eden Housing for the Sara Conner Court. This project cost approximately \$19.0 million and it consisted of 57 units of rental housing for very low-income households. The Agency had, in prior years, extended a loan in the amount of \$1.8 million from the fund to the project. The additional funds this year were used to cover expenses previously covered by the City's CDBG funds, which HUD had disallowed. Additionally, four loans totaling \$80,000 were funded under the First-Time Homebuyer program during FY 2006-07. These funds were leveraged with a total of \$1.1 million in private/public financing.

Appendix D contains the Statement of Indebtedness, which the Agency is required to file each year with Alameda County, and which provides the legal basis for the Agency to receive its tax increment revenue. The total amount shown under outstanding indebtedness is \$145.2 million. This includes all debt that the Agency has outstanding including \$97.9 million for the TABS (including principal and interest to maturity), loans and advances of \$18.2 million that the City made to the Agency and miscellaneous categories, and lastly an estimated \$29.1 million for the Agency's required set-aside for the Low and Moderate Income Housing Fund for the duration of the Project. Although this appears as "debt", it is more akin to a reservation of future funding to assure compliance with the obligation to set aside funds for low- and moderate-income housing.

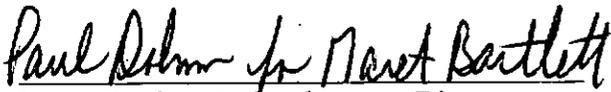
## FISCAL IMPACT

There is no fiscal impact to the action requested of the Agency Board. However, if the Agency does not submit the Annual Report to the State prior to December 31, 2007, the Agency could be subject to a forfeiture of up to \$10,000 in tax increment.

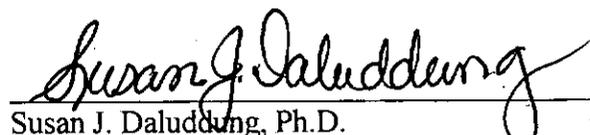
## PUBLIC CONTACT

An update on the Redevelopment Agency Finances and Cash Flow Projections was presented by the Director of Finance to the City Council in Work Session on October 2, 2007.

Prepared by:

  
Maret Bartlett, Redevelopment Director

Recommended by:

  
Susan J. Daluddung, Ph.D.  
Director of Community and Economic Development

Approved by:

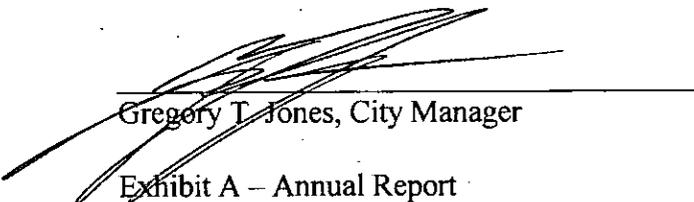
  
Gregory T. Jones, City Manager

Exhibit A – Annual Report  
Resolutions

EXHIBIT A

**ANNUAL REPORT**  
**OF**  
**REDEVELOPMENT AGENCY ACTIVITIES**  
**FOR**  
**FY 2006-07**

Redevelopment Agency of the City of Hayward

December 2007

## Contents

**A. Independent Financial Audit**

See Appendix A, Redevelopment Agency of the City of Hayward Component Unit Financial Statements for the Year Ended June 30, 2007, Independent Auditors' Report and Independent Auditors' Compliance Report.

**B. Annual Report of Financial Transactions for FY 2006-07**

See Appendix B, Annual Report of Financial Transactions of Community Redevelopment Agencies, Project Area Report, Report Regarding Progress in Alleviating Blight, Status of Loans, and Status of Agency-owned Property.

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

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

**D. Statement of Indebtedness**

See Appendix D, Statement of Indebtedness for the 2006-07 Tax Year

**APPENDIX A**  
**INDEPENDENT FINANCIAL AUDIT**  
**FOR FY 2006-07**

Redevelopment Agency of the City of Hayward

December 2007

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD  
 COMPONENT UNIT FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2007**

**Table of Contents**

	<u>Page</u>
<i>Independent Auditors' Report</i> .....	1
<i>Management's Discussion and Analysis</i> .....	3
<b>Component Unit Financial Statements:</b>	
Agency-wide Financial Statements:	
Statement of Net Assets .....	10
Statement of Activities .....	11
Fund Financial Statements:	
Major Governmental Funds:	
Balance Sheet .....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	16
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Statement of Activities .....	17
Notes to Component Unit Financial Statements .....	19
<i>Report on Compliance and On Internal Control Over Financial Reporting        Based on an Audit of Financial Statements Performed in Accordance        With Government Auditing Standards</i> .....	35
Schedule of Prior Year Findings .....	36

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying component unit financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Hayward (Agency), a component unit of the City of Hayward, as of and for the year ended June 30, 2007, as listed in the Table of Contents. These component unit financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the component unit financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued reports dated October 31, 2007 on our consideration of the Agency's internal control structure and on its compliance with laws and regulation.

In our opinion the component unit financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency at June 30, 2007 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is supplementary information required by the Government Accounting Standards Board, but is not part of the component unit financial statements. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

October 31, 2007

**HAYWARD REDEVELOPMENT AGENCY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The purpose of the Management's Discussion and Analysis is to offer the reader of the financial statements of the Redevelopment Agency of the City of Hayward (Agency) an overview of the Agency's financial activities for the fiscal year ended June 30, 2007. Please read this overview in conjunction with the accompanying basic financial statements.

**THE PURPOSE OF THE AGENCY**

The Redevelopment Agency functions as a division within the City of Hayward. The Agency is governed by the City Council, which sits in a separate capacity as the Agency's Board of Directors. City employees perform all the duties and functions required of the Agency. The Agency is a component unit of the City of Hayward.

The Agency's purpose under California law is to eliminate urban blight in the City of Hayward. The Agency is given certain powers under the law to assist it in that endeavor. The Agency may condemn property under certain circumstances as prescribed by the law, and it may incur indebtedness to finance its redevelopment activities. The Agency may not assess or receive property taxes, but it may receive any increases in property taxes over amounts received in the year before the property in the Agency's area became subject to redevelopment (called the Base Year). The increases are called property tax increments. Twenty percent of the property tax increments received must be used to increase the supply of low and moderate income housing. The Agency must also make "pass through" payments to other pre-existing governmental entities within its redevelopment area, in accordance with statutory formulas.

**2007 FINANCIAL HIGHLIGHTS**

Financial highlights of the fiscal year ended June 30, 2007 include the following:

*Agency-wide:*

- The Agency's net assets increased \$14.8 million to \$34.2 million in fiscal year 2007.
- Total assets increased to \$97.5 million and liabilities amounted to \$63.3 million in fiscal year 2007.
- Total Agency revenues were \$20.4 million and expenses \$5.6 million in fiscal year 2007.

*Fund Basis:*

- General Capital Projects Fund revenues of \$14.9 million were \$5.6 million higher than the prior year, while expenditures of \$2.9 million were \$100 thousand higher than the prior year.
- General Capital Projects Fund other financing uses amounted to \$11.7 million in fiscal year 2007, up \$7.1 million in transfers over prior year.
- General Capital Projects Fund fund balance increased \$200 thousand to \$6.3 million.
- Tax Allocation Bonds (TABs) Capital Projects Fund revenues were \$1.8 million.
- TABs Capital Projects Fund expenditures of \$17.1 million were \$13.9 million higher than the prior year.
- TABs Capital Projects Fund other financing sources amounted to \$9.7 million due to interfund transfers of \$8.9 million and a \$800 thousand transfer from the City.
- TABs Capital Projects Fund balance decreased \$5.6 million to \$34.8 million.
- Low and Moderate Income Housing Fund revenues were \$2.8 million. The 20% set aside revenue totaled \$2.4 million for fiscal year 2007.
- Low and Moderate Income Housing Fund expenditures of \$1.0 million were \$600 thousand higher than the prior year.
- Low and Moderate Income Housing Fund ending fund balance increased to \$8.3 million, \$1.8 million higher than the prior year.
- Debt Service Fund transfers in were \$2.8 million in fiscal year 2007, down \$1.1 million from the prior year.
- Debt Service Fund expenditures totaled \$3.2 million in fiscal year 2007; the same as prior year.

## THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements comprise the Agency-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Agency's financial activities and financial position.

### *Agency-wide Financial Statements*

The Agency-wide Financial Statements provide a longer-term view of the Agency's activities as a whole and comprise the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the Agency as a whole, including all its capital assets and long-term liabilities using the full accrual basis of accounting, similar to that used by corporations. The Statement of Activities provides information about all the Agency's revenues and all its expenses, using the full accrual basis of accounting, with the emphasis on measuring the flow of all economic resources in each of the Agency's programs. The Statement of Activities explains in detail the change in net assets for the year.

All of the Agency's basic services and activities are considered to be redevelopment activities, and therefore they are reported as Government Activities.

These services are supported by general Agency revenues such as property tax increments.

### *Fund Financial Statements*

The Fund Financial Statements report the Agency's operations in more detail than the Agency-wide Statements and provide additional information. The Fund Financial Statements focus primarily on the short-term activities of the Agency's four major funds and measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Agency and are presented individually, while the activities of any Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. The Agency reports all four of its Funds as Major Funds; their purpose is explained in Note 1C to the financial statements.

All the Agency's major Funds are Governmental Funds; financial statements for these Funds are prepared using the modified accrual basis of accounting, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

### *Notes to the Financial Statements:*

*The notes provide additional information that is essential to the full understanding of the data provided in the Agency-wide and Fund financial statements.*

## FINANCIAL ANALYSIS OF THE AGENCY-WIDE FINANCIAL STATEMENTS

**Change in Net Assets:** This analysis focuses on the net assets and changes in net assets of the Agency's Governmental Activities in the Agency-wide Statement of Net Assets and Statement of Activities that follow.

The Agency's net assets increased 76% to \$34.2 million in 2007 from \$19.4 million in 2006. This increase is the change in net assets reflected in the Statement of Activities, as explained below:

- Cash and investments decreased \$2.5 million due primarily to increased project expenditures.
- Land held for redevelopment decreased \$300 thousand due to conversion of property located behind City Hall as a public use park.
- Capital assets amounted to \$33.5 million, which increased \$17.3 million due to additions to construction in progress.
- Loans and other receivables increased \$1.2 million due to low-moderate income loans and increased property tax increment due at year end.
- Long-term payable to City decreased \$1.1 million due to \$1.3 million in scheduled repayments net of \$200 thousand in interest and other additions.
- Long-term debt decreased \$600 thousand due to scheduled payments for 2006 TABs.
- Net assets invested in capital assets reflected only the investment in capital assets discussed above.
- Unrestricted net assets of \$21 million, are that part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements.

**Cannery Area Public Facilities Projects:** The Cannery Area projects are located between B and C Streets, west of Filbert Street, and consist of three components: 1) a \$34.5 million construction of an approximately 80,000 square foot public elementary school to replace the existing Burbank School, 2) a \$6.2 million expansion of Cannery Park, with construction of new recreational elements, and joining it to the new Burbank School by vacating the existing Burbank Street, and 3) a \$5.8 million construction of new roads and infrastructure west and south of the new park and school, and the extension of Filbert Street from C Street to B Street. Upon completion of the school, the site and improvements are to be conveyed by the Agency to the School District in exchange for a portion of the current school site owned by the School District. The Agency has also agreed to deconstruct the current school site and advance funds to Hayward Area Recreation and Park District (HARD) to finance the cost of certain improvements to adjacent Cannery Park, jointly used by HARD and the School District. To partially compensate the Agency for the design and construction costs and to repay the advances, the School District and the City have agreed to assign school development fees and park in lieu fees generated within the Cannery zone to the Agency. In addition, the School District has agreed that the Agency may keep pass-through payments, owed to the School District, as partial payment for the construction costs. Further, the old school site that will be conveyed to the Agency will be sold as additional repayment. These projects were conceived and included in the Hayward Cannery Area Design Plan, which was adopted in 2001. The Cannery Area Design Plan was adopted in response to the closure of the 75+ acre Hunt-Wesson Cannery and the desire on the part of the City to convert the former industrial lands to residential use. The new facilities will serve both residents of the new development in the Cannery area as well as the existing Burbank neighborhood. The Burbank-Cannery area was added to the Hayward Redevelopment Project Area in 1998.

**Theater/Retail Complex (Cinema Place) and Parking Structure Project:** During October 2005, the Agency signed an agreement with a Developer to construct a Theater/ Retail Complex (Cinema Place) consisting of a twelve screen, 1,800-seat movie theater and approximately 21,000 square feet of restaurant/ retail space. The Agency is obligated to construct, operate, and maintain an approximate 241 stall, three-level, detached parking structure. Construction of the projects began this year on an Agency owned site (B Street & Foothill Boulevard) consisting of a theater/retail complex parcel to be leased to the Developer and a parking structure parcel to be retained by the Agency. Receipt of rental income for the theater/retail complex started in January 1, 2006 for \$4,167 per month, plus five percent of the subtenant revenues over \$660,000. The parking structure was 90% complete as of June 30, 2006. A second amendment to the development agreement calls for the Agency to provide \$1.5 million in developer assistance plus the payment of \$135,000 in City building permits by the Agency on behalf of the Developer.

**Huntwood Commons Apartments:** In its effort to carry out low and moderate income housing programs, the Agency has a \$1 million loan with Eden Housing, Inc. a California non-profit public benefit corporation. Eden Housing intends to rehabilitate thirty-nine units of rental housing for low-moderate income households and one manager's unit.

## **ANALYSIS OF FUND FINANCIAL STATEMENTS**

At June 30, 2007, the Agency's governmental funds reported combined fund balances of \$53.9 million, which is a decrease of \$3.8 million from last fiscal year's combined fund balances. The change between this fiscal year's decrease compared to last year's increase in fund balance of \$13.4 million is represented by the following: a \$8.4 million increase in revenues over last year, a \$0.8 million transfer from City, offset with a \$14.6 million increase in expenditures over last year, and \$11.8 million decrease in other financing sources due to 2006 Tax Allocation Bond proceeds included in last year's balance. Debt Service Fund expenditures of \$3.2 million were funded by transfers. Low and Moderate Income Housing Fund revenues exceeded expenditures by \$1.8 million.

Expenditures amounting to \$24.2 million in fiscal year 2007 increased \$14.6 million from the prior year due to \$14.2 million in construction costs and \$0.4 million increase in first-time homebuyers expenditures.

The \$2.8 million transferred to the Redevelopment Agency Debt Service Fund was for debt service on Tax Allocation Bonds.

## **CAPITAL ASSETS**

The Agency is required to record all capital assets, including infrastructure, at historical cost, and to depreciate these assets over their estimated useful lives. These requirements do not take effect with respect to historical infrastructure costs until four years after the Agency implements GASB 34, but the Agency's has included these costs in the current year.

Capital assets of \$33.5 million at June 30, 2007 represent redevelopment projects on the Cannery/ Burbank project and Cinema Place theater/ retail complex project at B Street & Foothill Boulevard, that are subject to depreciation requirements. Further detail on the Agency's capital assets may be found in Note 6 to the financial statements.

## **DEBT ADMINISTRATION**

The Agency's debt is discussed in detail in Note 7 to the financial statements. The Agency's outstanding debt consists of 2004 and 2006 Tax Allocation Bonds (TABs). The 2004 TABs have a remaining principal balance of \$43.6 million that bears interest at 3.0% to 5.23% and is due serially until 2034. The proceeds from these Bonds were used to refund and retire 1996 bonds and to finance various projects within the Redevelopment area. The 2006 TABs were issued last year to finance various projects within the

Redevelopment area and have a principal balance of \$11.8 million that bears interest at 3.75% to 4.3% and is due serially until 2036. Both 2004 and 2006 bonds are secured by property tax increment revenues.

The Agency also has two long-term loans payable to the City which amounted to \$3.5 million at June 30, 2007, subject to specific repayment terms described in Note 3 to the financial statements. Repayment of these loans is subordinated to debt service on the Bonds.

In addition, the Agency has a Repayment Agreement with the City under which \$11.2 million has been advanced to the Agency to pay for projects. The terms of the Repayment Agreement do not specify when repayment will occur for a portion of this amount. As a result, the advance has not been included in long-term debt of the Agency financial statements.

#### **CONTACTING THE FINANCIAL MANAGEMENT OF THE REDEVELOPMENT AGENCY**

These Redevelopment Agency component unit financial statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Agency's finances. Questions about this Report should be directed to the Finance Department, at 777 B Street, Hayward, California 94541

STATEMENT OF NET ASSETS AND  
STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities summarize the entire Agency's financial activities and financial position. They are prepared using the same basis of accounting as is used by most businesses, which means they include all the Agency's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis, the effect of all the Agency's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Agency funds have been eliminated.

The Statement of Net Assets reports the difference between the Agency's total assets and the Agency's total liabilities, including all the Agency's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the Agency's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of all the Agency's Governmental Activities in a single column.

The Statement of Activities reports increases and decreases in the Agency's net assets. It is also prepared on the full accrual basis, which means it includes all the Agency's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The format of the Statement of Activities presents the Agency's expenses that are listed by program first. Program revenue, that is, revenues which are generated directly by these programs are then deducted from program expenses to arrive at the net expense of each program. The Agency's general revenues are then listed and the change in net assets is computed and reconciled with the Statement of Net Assets.

These Agency-wide financial statements along with the fund financial statements and footnotes are called *Component Unit Financial Statements*.

# REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

## STATEMENT OF NET ASSETS JUNE 30, 2007

	Governmental Activities
<b>ASSETS</b>	
Cash and investments available for operations (Note 2)	\$25,798,721
Restricted cash and investments with trustee (Note 2)	29,559,555
Accounts receivable	275,624
Interest receivable	177,227
Due from other governments	1,024,083
Loans receivable (Note 5)	2,994,677
Land held for redevelopment (Note 5)	4,154,570
Capital assets: Nondepreciable (Note 6)	25,423,870
Depreciable, net of accumulated depreciation	<u>8,043,969</u>
Total assets	<u>97,452,296</u>
<b>LIABILITIES</b>	
Accounts payable	1,742,854
Accrued liabilities	853,877
Interest payable	860,979
Refundable deposits	920,700
Long-term payable to City (Note 3)	
Due in one year	885,000
Due in more than one year	2,645,696
Long-term debt (Note 7)	
Due within one year	1,210,000
Due in more than one year	<u>54,175,000</u>
Total liabilities	<u>63,294,106</u>
<b>NET ASSETS</b>	
Restricted for:	
Debt service	4,609,660
Low and moderate income housing	<u>8,313,288</u>
Total restricted net assets	<u>12,922,948</u>
Unrestricted	<u>21,235,242</u>
Total net assets	<u><u>\$34,158,190</u></u>

See accompanying notes to financial statements

# REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2007

	Governmental Activities
Expenses:	
Redevelopment	\$2,669,316
Interest on long-term debt	2,955,636
	<hr/>
Total Expenses	5,624,952
	<hr/>
General revenues:	
Taxes:	
Incremental property tax	11,465,642
Investment earnings	2,852,994
School District reimbursement	110,436
Developer contribution	5,000,000
Other	202,226
Transfers from the City (Note 4B)	750,000
	<hr/>
Total general revenues and transfers	20,381,298
	<hr/>
Change in Net Assets	14,756,346
Net Assets-Beginning	19,401,844
	<hr/>
Net assets-Ending	\$34,158,190
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See accompanying notes to financial statements

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**

**FUND FINANCIAL STATEMENTS**

The format of the Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between types of funds and the practice of combining like funds and presenting their totals in separate columns (Combined Financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-term Debt Account Groups.

All of the Agency funds were determined to be Major Governmental Funds in fiscal year 2007. They are described below:

The **GENERAL CAPITAL PROJECTS FUND** accounts for all resources used in the acquisition and construction of major capital facilities and other fixed assets under the Redevelopment Plan. Property tax increment revenues are accumulated in this Fund, less the 20% reported in the Low-Moderate Income Fund.

The **TABS CAPITAL PROJECTS FUND** accounts for project costs financed by proceeds from the 2004 and 2006 Tax Allocation Bonds.

The **LOW-MODERATE INCOME HOUSING CAPITAL PROJECTS FUND** accounts for the receipt of the mandated 20% set-aside of tax increment revenue from the Redevelopment Project Area.

The **DEBT SERVICE FUND** accounts for the accumulation of resources for payment of principal, interest, and related costs of the Agency's long-term debt.

# REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2007

	General Capital Projects	TABs Capital Projects	Low and Moderate Income Housing	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments available for operations (Note 2)	\$7,806,664	\$ 9,151,383	\$8,254,996	\$585,678	\$25,798,721
Restricted cash and investments with trustee (Note 2)		25,535,573		4,023,982	29,559,555
Accounts receivable	275,624				275,624
Interest receivable	48,846	69,976	58,405		177,227
Due from other governments	1,024,083				1,024,083
Loans receivable (Note 5)			2,994,677		2,994,677
Land held for redevelopment (Note 5)	1,576,446	2,578,124			4,154,570
<b>Total Assets</b>	<b>\$10,731,663</b>	<b>\$37,335,056</b>	<b>\$11,308,078</b>	<b>\$4,609,660</b>	<b>\$63,984,457</b>
<b>LIABILITIES</b>					
Accounts payable	\$52,706	\$1,690,148			\$1,742,854
Accrued liabilities	853,213	551	\$113		853,877
Deferred revenue			2,994,677		2,994,677
Refundable deposits	28,000	892,700			920,700
Long-term payable to City (Note 3)	3,530,696				3,530,696
<b>Total Liabilities</b>	<b>4,464,615</b>	<b>2,583,399</b>	<b>2,994,790</b>		<b>10,042,804</b>
<b>FUND BALANCES</b>					
Fund balance (Note 1G)					
Reserved for:					
Capital outlay		32,173,533			32,173,533
Land held for redevelopment	1,576,446	2,578,124			4,154,570
Low and moderate income housing			8,313,288		8,313,288
Debt service				\$4,609,660	4,609,660
Developer assistance	1,224,376				1,224,376
Unreserved, undesignated	3,466,226				3,466,226
<b>TOTAL FUND BALANCES</b>	<b>6,267,048</b>	<b>34,751,657</b>	<b>8,313,288</b>	<b>4,609,660</b>	<b>53,941,653</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10,731,663</b>	<b>\$37,335,056</b>	<b>\$11,308,078</b>	<b>\$4,609,660</b>	<b>\$63,984,457</b>

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

GOVERNMENTAL FUNDS  
BALANCE SHEET (Continued)  
JUNE 30, 2007

Total Fund Balances reported on the governmental funds balance sheet \$53,941,653

Amounts reported for Governmental Activities in the Statement of  
Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets  
or financial resources and therefore are not reported in the Governmental Funds. 33,467,839

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently  
are taken into revenue in the Statement of Activities.

Deferred revenue 2,994,677  
Interest payable (860,979)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore  
are not reported in the Funds:

Long-term debt (55,385,000)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$34,158,190

See accompanying notes to financial statements

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>General Capital Projects</u>	<u>TABs Capital Projects</u>	<u>Low and Moderate Income Housing</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Incremental property taxes	\$9,172,514		\$2,293,128		\$11,465,642
Use of money and property	518,698	\$1,794,956	417,252	\$122,088	2,852,994
Charges for current services		7,485			7,485
School District reimbursement	110,436				110,436
Developer contribution	5,000,000				5,000,000
Other	129,254		65,487		194,741
<b>Total Revenues</b>	<u>14,930,902</u>	<u>1,802,441</u>	<u>2,775,867</u>	<u>122,088</u>	<u>19,631,298</u>
<b>EXPENDITURES:</b>					
Current					
Redevelopment:					
Salaries and benefits	448,163		64,656		512,819
Services and supplies	48,667				48,667
Administrative charges from City of Hayward	556,071		67,109		623,180
First-time Home Buyers Program			791,954		791,954
Pass-through payments (Note 9)	1,008,199				1,008,199
Capital outlay	594,802	17,058,776	52,582		17,706,160
Debt service					
Principal				610,000	610,000
Interest and fiscal charges	293,813			2,583,245	2,877,058
<b>Total Expenditures</b>	<u>2,949,715</u>	<u>17,058,776</u>	<u>976,301</u>	<u>3,193,245</u>	<u>24,178,037</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>11,981,187</u>	<u>(15,256,335)</u>	<u>1,799,566</u>	<u>(3,071,157)</u>	<u>(4,546,739)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in from the City (Note 4)		750,000			750,000
Transfers in (Note 4)		8,912,255		3,188,616	12,100,871
Transfers (out) (Note 4)	(11,745,223)			(355,648)	(12,100,871)
<b>Total Other Financing Sources (Uses)</b>	<u>(11,745,223)</u>	<u>9,662,255</u>		<u>2,832,968</u>	<u>750,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	235,964	(5,594,080)	1,799,566	(238,189)	(3,796,739)
<b>BEGINNING FUND BALANCES</b>	<u>6,031,084</u>	<u>40,345,737</u>	<u>6,513,722</u>	<u>4,847,849</u>	<u>57,738,392</u>
<b>ENDING FUND BALANCES</b>	<u>\$6,267,048</u>	<u>\$34,751,657</u>	<u>\$8,313,288</u>	<u>\$4,609,660</u>	<u>\$53,941,653</u>

See accompanying notes to financial statements

# REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

## Reconciliation of the NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS with the STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2007

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$3,796,739)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

### CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance 17,374,276  
Depreciation expense is deducted from the fund balance (80,298)

### LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities. Repayment of debt principal is added back to fund balance

610,000

### ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred revenue 727,685  
Interest payable (78,578)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$14,756,346

See accompanying notes to financial statements

**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 1975 and amended in April 1994 to provide an improved physical, social, and economic environment in the Project Area. In November 1998 a redevelopment amendment added approximately 370 acres to the existing Project Area for the primary purpose of undertaking neighborhood preservation activities in the residential areas and facilitate reuse or redevelopment of certain industrial and commercial sites over time. In fiscal year 2002, the Agency amended its plan to increase the project area by an additional 738 acres near the Mission and Foothill Boulevard corridors extending north and south of the existing project area. As a result, the total acreage of the Redevelopment Project Area is 1,348 acres.

The Agency is authorized to finance the Redevelopment 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 basic 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 basic financial statements.

**B. Basis of Presentation**

The Agency's Component Unit Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

**Agency-wide Statements:** The Statement of Net Assets and the Statement of Activities include the financial activities of the overall Agency government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Agency. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. Any remaining governmental funds are aggregated and reported as nonmajor funds.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)**

**C. Major Funds**

Major funds are identified using the criteria in GASB 34, which requires that the Agency's major funds be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The Agency may also select other funds it believes should be presented as major funds. The Agency selected the Low-Mod Income Housing Operating Fund to be treated as a major fund.

The Agency reported all of its governmental funds in the accompanying financial statements as major funds:

The **General Capital Projects Fund** accounts for all resources used in the acquisition and construction of major capital facilities and other fixed assets under the Redevelopment Plan.

The **TABS Capital Projects Fund** accounts for project costs financed by proceeds from the 2004 and 2006 Tax Allocation Bonds.

The **Low-Moderate Income Housing Capital Projects Fund** accounts for the receipt of the mandated 20% set-aside of tax increment revenue from the Redevelopment Project Area.

The **Debt Service Fund** accounts the accumulation of resources for and the payment of principal, interest, and related costs of the Agency's long-term debt.

**D. Basis of Accounting**

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when *measurable and available*. The Agency considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)**

Other revenues susceptible to accrual include interest and charges for services.

Under the terms of grant agreements, the Agency may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and unrestricted redevelopment revenues. Thus, both restricted and unrestricted net assets are available to finance program expenditures. The Agency's policy is to first apply restricted grant resources to such programs, followed by unrestricted redevelopment revenues if necessary.

**E. Capital Assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. The Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

With the implementation of GASB Statement 34, the Agency is required to record all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems. Infrastructure assets are transferred to the City upon completion as the City will maintain them. GASB 34 required such assets to be excluded from the Agency's financial statements and included in the City's financial statements.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Agency has assigned the useful lives listed below to capital assets.

Buildings	10-50 years
Improvements	10-50 years
Equipment	7-50 years

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)**

**F. Net Assets**

GASB Statement 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net Assets is the excess of all the Agency's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions under GASB Statement 34. These captions apply only to Net Assets, which is determined only at the Agency-wide level, and are described below:

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Agency cannot unilaterally alter. These principally include resources received for debt service requirements; redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of Net Assets which is not restricted as to use.

**G. Fund Balance Reserves and Designations**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds.

Designations are imposed by the Redevelopment Agency to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended, or removed by the Redevelopment Agency.

**H. 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.

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.

Budgets versus actual comparisons for capital projects and debt service funds are excluded from these financial statements as generally accepted accounting principals which do not require such presentations.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)**

**I. 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.

**NOTE 2 - CASH AND INVESTMENTS**

The Agency's dependence on incremental property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The Agency pools cash from all sources and all funds except cash held by the Trustees so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Investments are carried at fair value.

**A. Policies**

The Agency invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the Agency employs the Trust Department of a bank as the custodian of all Agency managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Agency's cash on deposit or first trust deed mortgage notes with a value of 150% of the Agency's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Agency's name and places the Agency ahead of general creditors of the institution pledging the collateral.

The Agency's investments are carried at fair value, as required by generally accepted accounting principles. The Agency adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the Agency's case fair value equals fair market value, since all of the Agency's investments are readily marketable.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**B. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Agency debt instruments or Agency agreements.

	2007
City of Hayward Treasury	\$24,449,335
California Local Agency Investment Fund	1,349,386
Cash and investments available for operations	25,798,721
Restricted cash and investments	29,559,555
Total Cash and Investments	\$55,358,276

**C. Investments Authorized by Debt Agreements**

The Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the Agency fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Agency resolutions, bond indentures, or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	No limit	No limit
U.S. Government Agency Obligations	No limit	No limit
U.S. Government Sponsored Obligations	No limit	No limit
Money Market Mutual Funds	No limit	AAm
Collateralized Certificates of Deposits	No limit	No limit
FDIC Insured Deposits	No limit	No limit
Investment Agreements	No limit	No limit
Commercial Paper	No limit	A-1
State or Municipal bonds	No limit	Two Highest Categories
Bankers Acceptances or Federal Funds	1 year	A-1
Repurchase Agreements	30 days	A
California Local Agency Investment Fund	No limit	No limit

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity date:

	Market Value	Maturity Date
<i>Investments:</i>		
Guaranteed Investment Agreement	\$3,374,432	March 1, 2034
Guaranteed Investment Agreement	10,708,365	December 31, 2008
California Local Agency Investment Fund	1,349,386	
Money Market Mutual Funds (U.S. Securities)	15,476,758	
City of Hayward Treasury	24,449,335	
Total Investments	<u>\$55,358,276</u>	

The Agency participates in the City of Hayward Cash and Investments pool, detail of which is presented in the City's Comprehensive Annual Financial Report.

Money market funds are available for withdrawal on demand and at June 30, 2007, matured in an average of 5 days.

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2007 for Money Market Funds are AAA as provided by Standard and Poor's investment rating system. The Local Agency Investment Fund and Guaranteed Investment Agreements were not rated as of June 30, 2007.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**F. Concentration Risk**

Significant investments in the securities of any individual issuers, other than U. S. Treasury securities, mutual funds, are set forth below:

Reporting Unit	Issuer	Investment Type	Reported Amount
<b>Agency-wide:</b>			
	AIG Matched Funding Corp	Guaranteed Investment Agreement	\$3,374,432
	Pallas Capital Corporation	Guaranteed Investment Agreement	10,708,365
<b>Major Funds:</b>			
2004 TABS Capital Projects	Pallas Capital Corporation	Guaranteed Investment Agreement	10,708,365
Debt Service Fund	AIG Matched Funding Corp	Guaranteed Investment Agreement	3,374,432

**NOTE 3 - RECEIVABLES FROM/PAYABLES TO THE CITY OF HAYWARD**

**A. Long term Payable to City**

The City has made various loans and advances to finance Agency operations and consist of the following:

Type of Obligation	Maturity	Interest Rates	Authorized and Issued	Outstanding at June 30, 2006	Interest & Additions	Retirements	Outstanding at June 30, 2007
<b>Loans Payable to the City</b>							
1990 Water Enterprise Fund Loan (a)	6/1/2013	Varies	\$5,946,333	2,128,196	\$178,250	538,250	\$1,768,196
2003 Sewer Fund Loan (b)	3/31/10	2.25% to 3%	2,350,000	2,232,500	50,657	520,657	1,762,500
Total loans payable to City				<u>\$4,360,696</u>	<u>\$228,907</u>	<u>\$1,058,907</u>	<u>\$3,530,696</u>

- a. In 1990, the City's Water Enterprise Fund made a loan to the Agency to finance the purchase of land for development. Scheduled debt service payments for the loan are being made from available incremental property tax revenues.
- b. During fiscal year 2003, the Sewer Enterprise Fund loaned \$2.35 million to the Redevelopment Agency pursuant to a City Council resolution to partially finance sidewalk improvements. This loan bears interest from 2.25% to 3.00%, which is repaid quarterly. Principal is repayable over a five-year period commencing the fourth quarter of fiscal year 2006.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 3 – RECEIVABLES FROM/PAYABLES TO THE CITY OF HAYWARD (Continued)**

**B. City Repayment Agreement**

In addition to the above amounts, funds have been advanced under an Amended Repayment Agreement whereby the Agency has agreed to reimburse the City a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza.

Amounts due under the Agreement are non-interest bearing and are repayable from available revenues of the Agency and are subordinated to the Tax Allocations Bonds. As a result, the final maturity date of the loan has not been determined and the timing of repayment is unknown. Therefore the amount of Repayment Agreement advances which amount to \$11,186,217 at June 30, 2007 have been excluded from the accompanying financial statements as required by generally accepted accounting principals.

**NOTE 4 – INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

With Council approval, resources may be transferred from one fund to another. Transfers between funds during the fiscal year ended June 30, 2007 were as follows:

FROM FUND:	TO FUND:	AMOUNT:
General Capital Projects Fund	Debt Service Fund	\$3,188,616 A
	TABs Capital Projects Fund	8,556,607 B
Debt Service Fund	TABs Capital Projects Fund	<u>355,648 B</u>
		<u>\$12,100,871</u>

- A To fund debt service
- B To fund capital projects

**B. Transfers from the City**

During fiscal year 2007 the Agency received transfers from City Park Funds in the amount of \$750,000 to fund capital project activities.

**NOTE 5 – REDEVELOPMENT ACTIVITIES**

**A. Land Held for Redevelopment**

Land held for redevelopment of \$4,154,570 at June 30, 2007, 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.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 5 – REDEVELOPMENT ACTIVITIES (Continued)**

***B. Downtown Hayward Redevelopment Project – Theater/Retail Complex and Parking Structure Projects (Cinema Place)***

As of October 2005, the Agency had signed an agreement with a Developer which will construct a Theater/Retail Complex consisting of a twelve screen, 1,876 seats movie theater, and approximately 19,500 square feet of restaurant/retail space. The Agency is obligated to construct, operate, and maintain a 241 stall, three level detached parking structure. The Developer is obligated to pay 50 percent of the net parking structure operating costs.

These projects are to be constructed on an Agency owned site consisting of a Theater/Retail Complex parcel to be leased to the Developer and a parking structure parcel to be retained by the Agency. Pursuant to a related agreement with an initial movie theater operator, the Agency is contingently liable for \$5 million to be paid if a competing movie theater is open outside the Downtown Core Area.

Under the related ground lease for the Theater/Retail Complex parcel, rent due the Agency began on January 1, 2006 consisting of monthly base rent of \$4,167, plus an annually remitted percentage rent equal to five percent of subtenant receipts received in excess of \$660,000. Base rent increases in the eleventh, twenty-fifth year and each tenth year anniversary thereafter as defined in the agreement. The term of the lease is 50 years, plus a two 5-year renewal options.

A Second amendment to this agreement calls for the Agency to provide a \$1.5 million site assistance loan, and for the Agency to pay the building permit fees, estimated to be \$135,000 to the City. As of June 30, 2007 there were draw downs of \$276,000 from the \$1.5 million site assistance loan, and no building permit fees were paid.

As of June 30, 2006, the Agency transferred the \$3,443,016 cost for both parcels from land held for resale to governmental activities capital assets. As of June 30, 2007, the parking structure was under construction, and construction costs were estimated to be \$7.2 million of which \$6,592,015 had been incurred to date. The amount will eventually offset against the \$1.5 million site assistance loan to reduce the loan principal.

***C. Elementary School and Public Improvements (Cannery/Burbank Project)***

Pursuant to an agreement between the Agency, City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the Agency. Upon completion of the school, the site, and improvements are to be conveyed by the Agency to the School District in exchange for a portion of the current school site owned by the School District. The Agency has also agreed to deconstruct the current school site, and advance funds to HARD to finance the cost of certain improvements to the adjacent Cannery Park, which will be jointly used by HARD and the School District.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 5 – REDEVELOPMENT ACTIVITIES (Continued)**

To partially compensate the Agency for the above design and construction costs and repay the advances, the School District, HARD and City have agreed to assign certain school development fees and park in lieu fees to the Agency. In addition, the School District has agreed that the Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code as partial compensation for the above costs. At June 30, 2007, the Agency retained \$110,436 in pass-through payments due the School District. The Agency also received developer contributions of \$5 million to assist with the financing of the Burbank School project. The Agency's commitments under the agreement are presented below:

	<b>Budget</b>	<b>Committed</b>
Construction of new Burbank School	\$34,439,000	\$33,671,000
Expansion of Cannery Park	6,170,000	1,083,000
New streets and infrastructure	<u>5,795,000</u>	<u>5,488,000</u>
 Total Estimated Commitment	 <u>\$46,404,000</u>	 <u>\$40,242,000</u>

As of June 30, 2007, the Agency had accumulated land held for redevelopment and construction in progress amounting to \$4,154,570 and \$13,553,900, respectively.

**D. Loans Receivable**

In order to carry out low and moderate housing programs, Redevelopment low and moderate income housing funds were loaned to home buyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing. The loans bear interest at rates equivalent to either the 11th district cost of funds or the rate the City earns on its cash and investments.

**Huntwood Commons Apartments** – The City has a loan agreement with Eden Housing, Inc., a California nonprofit public benefit corporation. Eden Housing intends to rehabilitate thirty-nine units of rental housing for rental to low-income households and one manager's unit. The loans are in the amount of \$840,000 consisting of HOME funds and \$175,500 consisting of Workforce Housing Reward funds. At June 30, 2007 the principal balances outstanding for the HOME and Workforce Housing Reward loan funds were \$840,000 and \$132,471, respectively. The outstanding principal balance of the loan funds will accrue interest at a rate of 3% annually. Repayments of the principal amount of the loan and any accrued interest on such principal shall be deferred until April 30, 2062.

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
Notes to Financial Statements

**NOTE 6 – CAPITAL ASSETS**

Changes in the capital assets consisted of the following:

	Balance at June 30, 2006	Additions	Transfers	Balance at June 30, 2007
Capital assets not being depreciated:				
Land	\$1,497,439	\$337,500		\$1,834,939
Construction in progress	11,592,717	17,036,776	(\$5,040,562)	23,588,931
Total Capital assets not being depreciated	<u>13,090,156</u>	<u>17,374,276</u>	<u>(5,040,562)</u>	<u>25,423,870</u>
Capital assets being depreciated:				
Buildings	3,558,965		3,466,201	7,025,166
Improvements other than buildings			1,574,361	1,574,361
Machinery and equipment	15,681			15,681
Total capital assets being depreciated	<u>3,574,646</u>		<u>5,040,562</u>	<u>8,615,208</u>
Less accumulated depreciation for:				
Buildings	481,119	79,088		560,207
Machinery and equipment	9,822	1,210		11,032
Total accumulated depreciation	<u>490,941</u>	<u>80,298</u>		<u>571,239</u>
Net capital assets being depreciated	<u>3,083,705</u>	<u>(80,298)</u>	<u>5,040,562</u>	<u>8,043,969</u>
Capital assets, net	<u>\$16,173,861</u>	<u>\$17,293,978</u>	<u>\$5,040,562</u>	<u>\$33,467,839</u>

Construction in progress for capital assets composed of the following:

	Project Budget	Expended to June 30, 2007	Encumbered	Committed
Land	\$3,443,016	\$3,443,016		
Buildings	41,674,071	15,006,169	\$22,625,518	\$4,042,384
Improvement other than buildings	6,170,262	1,082,508		5,087,754
Streets	5,794,800	4,057,238	881,187	856,375
Total	<u>\$57,082,149</u>	<u>\$23,588,931</u>	<u>\$23,506,705</u>	<u>\$9,986,513</u>

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 7 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations consist of the following:

Type of Obligation	Authorized and Issued	Principal Outstanding June 30, 2006	Retirements	Principal Outstanding June 30, 2007	Current Portion
Tax Allocation Bonds, 2004 Redevelopment Agency due 3/1/2034, interest at 3%-5.23%	\$44,790,000	\$44,195,000	\$610,000	\$43,585,000	\$1,210,000
2006 Redevelopment Agency due 3/1/2036, interest at 3.75%-4.3%	11,800,000	11,800,000		11,800,000	
<b>Total</b>	<b>\$56,590,000</b>	<b>\$55,995,000</b>	<b>\$610,000</b>	<b>\$55,385,000</b>	<b>\$1,210,000</b>

In fiscal year 2004, the Agency issued \$44,790,000 principal amount of **Redevelopment Agency Tax Allocation Bonds, Series 2004**, the proceeds of which were used to defease and retire the Redevelopment Agency Tax Allocation Bonds, Series 1996, and to finance various other redevelopment projects within the Redevelopment Area.

In fiscal year 2006, the Agency issued \$11,800,000 principal amount of **Redevelopment Agency Tax Allocation Bonds, Series 2006**, the proceeds of which will be used to finance various redevelopment projects within the Redevelopment Area.

Summary of scheduled debt service payments follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2008	\$1,210,000	\$2,722,772
2009	1,270,000	2,662,272
2010	1,335,000	2,598,772
2011	1,400,000	2,532,022
2012	1,540,000	2,469,022
2013-2017	8,790,000	11,245,682
2018-2022	11,045,000	8,975,023
2023-2027	13,900,000	5,910,754
2028-2032	8,940,000	2,648,914
2033-2036	5,955,000	771,015
<b>Totals</b>	<b>\$55,385,000</b>	<b>\$42,536,248</b>

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**  
**Notes to Financial Statements**

**NOTE 8 - JOINT POWERS AGENCY**

The Hayward Public Financing Authority (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, 3<sup>rd</sup> Floor, 777 B Street, Hayward, California 94541.

**NOTE 9 - PASS-THROUGH PAYMENTS AND TAX INCREMENT SHIFT TO EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF)**

Pursuant to California Redevelopment Law (Health and Safety Code Section 33607.5), the Agency is obligated to pass-through a portion of the gross tax increment received to jurisdictions within the project area. In fiscal year 2007, the Agency calculated and remitted \$589,800 pass-through payments to the affected jurisdictions. Pursuant to its Cannery/Burbank Project agreement (see Note 5 C), the Agency retained pass-throughs of \$110,436 due the School District.

Starting in fiscal year 2003, the State of California directed that a portion of the incremental property taxes that had been received in prior years by redevelopment agencies be paid instead to local educational agencies. Since fiscal year 2002, the Agency has been questioning the County's pass-through allocation to ERAF. During fiscal year 2007, the Agency had an accrued liability of \$307,955, which represents the amount in dispute with the County.

The State also directed that the above amounts be included in the Agency's total incremental property tax receipts for purposes of calculating the amounts to be set aside for Low and Moderate Income Housing.

**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.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the Redevelopment Agency of the City of Hayward as of and for the year ended June 30, 2007, and have issued our report thereon dated October 31, 2007. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. We noted no items we consider to be material weaknesses. As part of our audits, we prepared and issued our separate Memorandum on Internal Control dated October 31, 2007 which included other matters related to City Council.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit included tests of compliance with provisions of the Guidelines for Compliance Audits of California Redevelopment Agencies. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the above parties.

October 31, 2007

**APPENDIX B**  
**ANNUAL REPORT OF FINANCIAL TRANSACTIONS**  
**FOR FY 2006-07**

Redevelopment Agency of the City of Hayward

December 2007

**REDEVELOPMENT AGENCIES  
FINANCIAL TRANSACTIONS REPORT  
COVER PAGE**

**Redevelopment Agency Of The City Of Hayward**

Fiscal Year      **2007**

ID Number:      **13980135800**

Submitted by:

*Debra C. Auken*  
Signature

Finance Director  
Title

Debra C. Auken  
Name (Please Print)

12/13/07  
Date

Per Health and Safety Code section 33060, this report is due within six months after the end of the fiscal year. The report is to include two (2) copies of the agency's component unit audited financial statements, and the report on the Status and Use of the Low and Moderate Income Housing Fund (HCD report). To meet the filing requirements, all portions must be received by the California State Controller's Office.

**To file electronically:**

1. Complete all forms as necessary.
2. Transmit the completed output file using a File Transfer Protocol (FTP) program or via diskette.
3. Sign this cover page and mail to either address below with 2 audits and the HCD report.

**To file a paper report:**

1. Complete all forms as necessary.
2. Sign this cover page, and mail complete report to either address below with 2 audits and the HCD report.

Report will not be considered filed until receipt of this signed cover page.

**Mailing Address:**

State Controller's Office  
Division of Accounting and  
Reporting  
Local Government Reporting Section  
P. O. Box 942850  
Sacramento, CA 94250

**Express Mailing Address:**

State Controller's Office  
Division of Accounting and Reporting  
Local Government Reporting Section  
3301 C Street, Suite 700  
Sacramento, CA 95816

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**General Information**

Fiscal Year **2007**

**Members of the Governing Body**

	Last Name	First Name	Middle Initial
Chairperson	Sweeney	Michael	
Member	Ward	Bill	
Member	Henson	Olden	
Member	Dowling	Kevin	
Member	Halliday	Barbara	
Member	Quirk	Bill	
Member	Rodriquez	Doris	
Member			
Member			
Member			

**Mailing Address**

Street 1

Street 2

City  State  Zip

Phone   Is Address Changed?

**Agency Officials**

	Last Name	First Name	Middle Initial	Phone
Executive Director	Jones	Gregory	T	(510) 583-4305
Fiscal Officer	Auker	Debra	C	(510) 583-4010
Secretary	Reyes	Angelina	M	(510) 583-4405

	Report Prepared By	Independent Auditor
Firm Name		Maze and Associates, Inc
Last	Gudino	Biggs
First	Henry	Cory
Middle Initial	J	A
Street	777 B Street	3478 Buskirk Ave, Suite 215
City	Hayward	Pleasant Hill
State	CA	CA
Zip Code	94541-5007	94523-
Phone	(510) 583-4091	(925) 930-0902

Appendix B - Page 2

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Audit Information**

Fiscal Year

2007

Was the Report Prepared from Audited Financial Data,  
and Did You Submit a Copy of the Audit?

Yes

Indicate Financial Audit Opinion

Unqualified

If Financial Audit is not yet Completed, What is the  
Expected Completion Date?

If the Audit Opinion was Other than Unqualified, State  
Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with  
Health and Safety Code Section 33080.1 and the State  
Controller's Guidelines for Compliance Audits, and Did You  
Submit a Copy of the Audit?

Yes

Indicate Compliance Audit Opinion

Unqualified

If Compliance Audit is not yet Completed, What is the  
Expected Completion Date?

If compliance opinion includes exceptions, state  
the areas of non-compliance, and describe the  
agency's efforts to correct.

Appendix B - Page 3

**Redevelopment Agency Of The City Of Hayward  
Redevelopment Agencies Financial Transactions Report**

**Project Area Report**

**Fiscal Year 2007**

**Project Area Name**

**Downtown Hayward Project Area**

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

Forwarded from Prior Year ?

Yes

Enter Code for Type of Project Area Report

P

P = Standard Project Area Report

A = Administrative Fund

L = Low and Moderate Income Housing Fund

M = Mortgage Revenue Bond Program

O = Other Miscellaneous Funds or Programs

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

12/30/1975

Most Recent Date Project Area was Amended

5/2/2006

Did this Amendment Add New Territory?

No

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Yes

**Established Time Limit :**

Repayment of Indebtedness (Year Only)

2047

Effectiveness of Plan (Year Only)

2032

New Indebtedness (Year Only)

2021

Size of Project Area in Acres

1,348

Percentage of Land Vacant at the Inception of the Project Area

4.0

*Health and Safety Code Section 33320.1 (xx.x%)*

Percentage of Land Developed at the Inception of the Project Area

96.0

*Health and Safety Code Section 33320.1 (xx.x%)*

Objectives of the Project Area as Set Forth in the Project Area Plan

RCPO

*(Enter the Appropriate Code(s) in Sequence as Shown)*

R = Residential I = Industrial C = Commercial P = Public O = Other

Appendix B - Page 4

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Assessed Valuation Data**

**Fiscal Year**            **2007**

Project Area Name

Downtown Hayward Project Area

Frozen Base Assessed Valuation

622,930,415

Increment Assessed Valuation

926,887,085

Total Assessed Valuation

1,549,817,500

Appendix B - Page 5

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Pass-Through / School District Assistance**

**Fiscal Year**

**Project Area Name**

**Tax Increment Pass Through Detail**

**Other Payments**

Amounts Paid To Taxing Agencies Pursuant To:

**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**

	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
County			188,651	\$188,651		
Cities			100,034	\$100,034		
School Districts			201,371	\$201,371		
Community College Districts			27,533	\$27,533		
Special Districts			490,610	\$490,610		
<b>Total Paid to Taxing Agencies</b>	\$0	\$0	\$1,008,199	\$1,008,199	\$0	\$0
<b>Net Amount to Agency</b>				\$10,457,443		
<b>Gross Tax Increment Generated</b>				11,465,642		

Appendix B - Page 6

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Summary of the Statement of Indebtedness - Project Area**

<b>Fiscal Year</b>	2007
<b>Project Area Name</b>	Downtown Hayward Project Area
<b>Tax Allocation Bond Debt</b>	97,921,249
<b>Revenue Bonds</b>	
<b>Other Long Term Debt</b>	
<b>City/County Debt</b>	14,716,913
<b>Low and Moderate Income Housing Fund</b>	29,038,898
<b>Other</b>	3,517,429
<b>Total</b>	\$145,194,489
<b>Available Revenues</b>	4,609,659
<b>Net Tax Increment Requirements</b>	\$140,584,830

Appendix B - Page 7

**Redevelopment Agency Of The City Of Hayward**

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year

2007

Project Area Name

Downtown Hayward Project Area

Forward from Prior Year

Yes

Bond Type

Tax Allocation Bonds

Year of Authorization

2004

Principal Amount Authorized

44,790,000

Principal Amount Issued

44,790,000

Purpose of Issue

New Capital Projects and Refunding

Maturity Date Beginning Year

2004

Maturity Date Ending Year

2034

Principal Amount Unmatured Beginning of Fiscal Year

\$44,195,000

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

610,000

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$43,585,000

Principal Amount In Default

Interest In Default

**Bond Types Allowed:**

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Appendix B - Page 8

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2007

Project Area Name

Downtown Hayward Project Area

Forward from Prior Year

Yes

Bond Type

Tax Allocation Bonds

Year of Authorization

2006

Principal Amount Authorized

11,800,000

Principal Amount Issued

11,800,000

Purpose of Issue

New Capital Projects and Refunding

Maturity Date Beginning Year

2006

Maturity Date Ending Year

2036

Principal Amount Unmatured Beginning of Fiscal Year

\$11,800,000

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$11,800,000

Principal Amount in Default

Interest in Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Appendix B - Page 9

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="City/County Debt"/>
Year of Authorization	<input type="text" value="1975"/>
Principal Amount Authorized	<input type="text" value="12,556,048"/>
Principal Amount Issued	<input type="text" value="12,556,048"/>
Purpose of Issue	<input type="text" value="Property Acquisition"/>
Maturity Date Beginning Year	<input type="text" value="1990"/>
Maturity Date Ending Year	<input type="text" value="2010"/>
<b>Principal Amount Unmatured Beginning of Fiscal Year</b>	<input type="text" value="\$4,360,696"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text" value="228,907"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="1,058,907"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
<b>Principal Amount Unmatured End of Fiscal Year</b>	<input type="text" value="\$3,530,696"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

**Bond Types Allowed:**

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Appendix B - Page 10

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Revenues**

Fiscal Year 2007  
 Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>	9,172,514		2,293,128		\$11,465,642
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	2,263,654	122,088	417,252		\$2,802,994
Rental Income					\$0
Lease Income	50,000				\$50,000
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues	5,247,175		65,487		\$5,312,662
<b>Total Revenues</b>	<b>\$16,733,343</b>	<b>\$122,088</b>	<b>\$2,775,867</b>	<b>\$0</b>	<b>\$19,631,298</b>

Appendix B - Page 11

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Expenditures**

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense	293,813	2,583,245			\$2,877,058
Fixed Asset Acquisitions			791,954		\$791,954
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	1,008,199		52,582		\$1,060,781
<b>Debt Principal Payments:</b>					
Tax Allocation Bonds and Notes		610,000			\$610,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans	1,058,907				\$1,058,907
All Other Long-Term Debt					\$0
<b>Total Expenditures</b>	<b>\$21,067,398</b>	<b>\$3,193,245</b>	<b>\$976,301</b>	<b>\$0</b>	<b>\$25,236,944</b>
<b>Excess (Deficiency) Revenues over (under) Expenditures</b>	<b>(\$4,334,055)</b>	<b>(\$3,071,157)</b>	<b>\$1,799,566</b>	<b>\$0</b>	<b>(\$5,605,646)</b>

Appendix B - Page 12

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Expenditures**

Fiscal Year:

Project Area Name:

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	1,004,234		131,765		\$1,135,999
Professional Services	305,969				\$305,969
Planning, Survey, and Design					\$0
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property					\$0
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	17,396,276				\$17,396,276
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

Appendix B - Page 13

**Redevelopment Agency Of The City Of Hayward**

**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Other Financing Sources**

Fiscal Year

2007

Project Area Name

Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(\$6,188,116)	(\$238,189)	\$1,799,566	\$0	(\$4,626,739)
Equity, Beginning of Period	\$50,737,517	\$4,847,849	\$6,513,722	\$0	\$62,099,088
Prior Period Adjustments					\$0
Residual Equity Transfers					\$0
Equity, End of Period	\$44,549,401	\$4,609,660	\$8,313,288	\$0	\$57,472,349

Appendix B - Page 14

**Redevelopment Agency Of The City Of Hayward**

**Redevelopment Agencies Financial Transactions Report**

**Statement of Income and Expenditures - Other Financing Sources**

**Fiscal Year**

**2007**

**Project Area Name**

**Downtown Hayward Project Area**

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					\$0
Proceeds of Refunding Bonds					\$0
Payment to Refunded Bond Escrow Agent					\$0
Advances from City/County					\$0
Sale of Fixed Assets					\$0
Miscellaneous Financing Sources (Uses)	978,907				\$978,907
Operating Transfers In		2,832,968			\$2,832,968
Tax Increment Transfers In					\$0
Operating Transfers Out	2,832,968				\$2,832,968
Tax Increment Transfers Out					\$0
<i>(To the Low and Moderate Income Housing Fund)</i>					
<b>Total Other Financing Sources (Uses)</b>	(\$1,854,061)	\$2,832,968	\$0	\$0	\$978,907

Appendix B - Page 15

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Assets and Other Debits**

Fiscal Year 2007	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Investments							\$0
Other Assets							\$0
Investments: Land Held for Resale	4,154,570						\$4,154,570
Allowance for Decline In Value of Land Held for Resale							\$0
Fixed Assets: Land, Structures, and Improvements						34,023,217	\$34,023,217
Equipment						15,861	\$15,861
Amount Available In Debt Service Fund					58,915,696		\$58,915,696
Amount to be Provided for Payment of Long-Term Debt							\$0
<b>Total Assets and Other Debits</b>	<b>\$48,066,719</b>	<b>\$4,609,660</b>	<b>\$11,308,078</b>	<b>\$0</b>	<b>\$58,915,696</b>	<b>\$34,039,078</b>	<b>\$156,939,231</b>
<i>(Must Equal Total Liabilities, Other Credits, and Equities)</i>							

Appendix B - Page 16

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Assets and Other Debits**

Fiscal Year 2007	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
<b>Assets and Other Debits</b>							
Cash and Imprest Cash	16,958,047	585,678	8,254,996				\$25,798,721
Cash with Fiscal Agent	25,535,573	4,023,982					\$29,559,555
Tax Increments Receivable	1,024,083						\$1,024,083
Accounts Receivable	275,624						\$275,624
Accrued Interest Receivable	118,822		58,405				\$177,227
Loans Receivable			2,994,677				\$2,994,677
Contracts Receivable							\$0
Lease Payments Receivable							\$0
Unearned Finance Charge							\$0
Due from Capital Projects Fund							\$0
Due from Debt Service Fund							\$0
Due from Low/Moderate Income Housing Fund							\$0
Due from Special Revenue/Other Funds							\$0

Appendix B - Page 17

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Liabilities and Other Credits**

Fiscal Year	2007	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
<b>Equities</b>								
Investment In General Fixed Assets							34,039,078	\$34,039,078
Fund Balance Reserved		36,328,103	4,609,660	8,313,288				\$49,251,051
Fund Balance Unreserved-Designated		3,530,696						\$3,530,696
Fund Balance Unreserved- Undesignated		4,690,602						\$4,690,602
<b>Total Equities</b>		\$44,549,401	\$4,609,660	\$8,313,288	\$0		\$34,039,078	\$91,511,427
<b>Total Liabilities, Other Credits, and Equities</b>		\$48,066,719	\$4,609,660	\$11,308,078	\$0	\$58,915,696	\$34,039,078	\$156,939,231

Appendix B - Page 18

**Redevelopment Agency Of The City Of Hayward**  
**Redevelopment Agencies Financial Transactions Report**

**Balance Sheet - Liabilities and Other Credits**

Fiscal Year	2007	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
<b>Liabilities and Other Credits</b>								
Accounts Payable		1,742,854						\$1,742,854
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities		1,774,464		2,994,790				\$4,769,254
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund								\$0
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						55,385,000		\$55,385,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds								\$0
All Other Long-Term Debt						3,530,696		\$3,530,696
<b>Total Liabilities and Other Credits</b>		<b>\$3,517,318</b>	<b>\$0</b>	<b>\$2,994,790</b>	<b>\$0</b>	<b>\$58,915,696</b>		<b>\$65,427,804</b>

Appendix B - Page 19

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year	2007	
Operating Transfers In		\$2,832,968
Tax Increment Transfers In		\$0
Operating Transfers Out		\$2,832,968
Tax Increment Transfers Out		\$0

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**

**LISTING OF LAND HELD FOR REDEVELOPMENT FY 2006-07**

**Site Two** - bounded by "B" and "C" Streets, Watkins St. and Downtown BART Station:

	Original Cost	\$337,500
Renamed City Hall Plaza Park and transferred to Other Agency owned properties in FY06-07		(\$337,500)

Russell Way - 24,242 sq. ft. vacant parcel held for resale. Property is now under a five year lease agreement.	\$212,000
--	-----------

**Cannery Park projects:**

203 C Street – SF house on 25,908 sq. ft. lot, purchased 2/10/04.	\$500,000
---	-----------

229 C Street – SF house on 10,200 sq. ft. lot, purchased 4/11/02.	\$285,000
---	-----------

231 C Street – SF house on 9,180 sq. ft. lot, purchased 5/16/03.	\$296,828
--	-----------

Cost value of property and easement interests acquired in May 2006 by exchange with Citation for 199 C Street and 199 Filbert (equal to cost value of property given up 24083 Myrtle Street)	\$282,618
--	-----------

Subtotal RDA Gen Capital	\$1,576,446
--------------------------	-------------

245 C Street – two SF houses on 6,250 sq. ft. lot, purchased 4/15/05.	\$588,177
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251 C Street – SF house on 5,000 sq. ft. lot, purchased 3/17/05.	\$428,443
--	-----------

271 C Street – SF house on 8,875 sq. ft. lot, purchased 2/22/05.	\$433,939
--	-----------

22737 Filbert Street – SF house on 12,719 sq. ft. lot, purchased 4/15/05.	\$577,721
---	-----------

Cost value of property and easement interests acquired in May 2006 by exchange with Citation/ Libitzky for 199 C Street and 199 Filbert (equal to cost value of property given up 199 Filbert Street \$492,569 plus \$57,275 net cash difference).	\$549,844
--	-----------

Subtotal TABS Capital Projects Fund	\$2,578,124
-------------------------------------	-------------

**6/30/07 Total Land Held for Redevelopment \$4,154,570**

**LISTING OF OTHER AGENCY-OWNED PROPERTIES**

<b>Land: City Hall Municipal Parking Structure</b>	\$ 650,000
<b>Bldg: Municipal Parking Structure</b> - 498-space municipal parking structure on approximately 63,500 sq. ft. lot	\$3,558,965
<b>Bldg: 3<sup>rd</sup> Level Separate Addition</b>	\$3,466,201
<b>Land: Muni Lot #2</b> – Partial acquisition of land at 1025 A Street (6210± sq. ft.) and full acquisition of land at 1027 A Street, to expand Muni Lot #2, purchased 5/11/05	\$737,439
<b>Land: Muni Lot #2</b> – Partial acquisition 1077 A St. (2,840± sq. ft.) of land and access easement to expand Municipal Lot #2, purchased 5/11/05	\$110,000
<b>Improvements: Muni Lot #2</b> , completed	\$1,574,361
<b>Land: City Hall Plaza Park</b> (former Site 2 approx 31,910 sq. ft.)	\$337,500

**6/30/07 Total Other Agency-Owned Properties**      **\$10,434,466**

<b>On-going Construction In Progress projects</b>	\$23,588,931
Cinema Place Parking	6,592,015
Cannery Area School	8,414,154
Cannery Park Expansion	1,082,508
Cannery Public Works	4,057,238
Cinema Place B & Foothill parcels	<u>3,443,016</u>
Total	23,588,931

## Project Area Report FY 2006-07

In fiscal year 2006-07 the Hayward Redevelopment Agency initiated or continued work on the following activities.

On March 27, 2007 the Agency Board approved The Second Amended Disposition and Development Agreement (DDA) and long-term ground lease with Blake-Hunt Ventures for the Agency-owned site at the corner of B Street and Foothill Boulevard for the Cinema Place project. The original DDA was approved in July 2004 and the Amended DDA was approved in May 2005. Blake-Hunt proposes developing the site with a two-story, 55,000 square foot, retail/entertainment complex called Cinema Place. The anchor tenant will be a 12-screen movie theater operated by Century Theatres, and there will be an additional 19,500 square feet of restaurant and retail space. A three-level parking structure is under construction on the rear of the site, which is planned to serve onsite businesses and to provide public parking. The parking garage was significantly completed in June 2007 and is scheduled to open in the late fall of 2007. The site will be subdivided into two parcels, and the Agency will lease the front two-thirds of the site to Blake-Hunt for a period of 50 years, plus two 5-year renewal options. The Agency's cost for this project includes approximately \$6.7 million for the public parking and \$3.5 Million for the property (previously acquired). In addition, the second amended DDA calls for the Agency to provide a \$1.5 million site assistance loan, and for the building permit fees estimated in amount of \$135,000, to be waived. The Agency would be responsible for repaying the City these fees by amending the Agency/City Repayment Agreement in that amount. In November 2005, the Developer deconstructed the former Albertson's market on the property, and the Agency paid for this cost. Pursuant to the amended DDA, the amounts that the Agency has spent will be included within the \$1.5 million assistance loan. Construction on the Cinema Place project commenced shortly after the end of this fiscal year.

The Agency is continuing its efforts to implement the Cannery Area Design Plan. The focus is on the construction of a new elementary school to replace Burbank School, the expansion of Cannery Park, and the construction of streets and parking surrounding these facilities. In July 2006, the Agency and the City of Hayward entered into a Public Facilities and Development and Property Exchange Agreement with the Hayward Unified School District and the Hayward Area Recreation District to memorialize the terms of participation by all parties. Environmental remediation work was undertaken in the summer of 2006 and that work has been accepted by the State DTSC. The remaining land required for the public projects was acquired by October 2006. The construction drawings for the new school were completed and submitted to the State Architect and have been approved. Construction on the roads was completed in January 2007, and construction on the new school and park commenced in spring 2007. It is expected that the new school will be completed by summer of 2008, and the existing school demolished. The remaining surplus school site will be transferred to the Agency when the new school is completed and transferred to HUSD – and this transfer is expected to take place in August 2008. During spring of 2007 the Agency issued a Request for Proposals from developers for redevelopment of the surplus school site. The Agency selected a developer for the site in October 2007 and is presently entering into

negotiations with the developer to initiate the process of entitling the site for redevelopment so that the land may be conveyed to the developer soon after the new school is completed. The sale of the surplus school site is one of the primary components; for repayment to the Agency for the cost of the new school.

In FY 2005-06 two developers received site plan review approval for developing housing on the southern and eastern edge of the former cannery, which will include a total of 629 units. Additionally, the site of the old Select Foods facility, to the west of the former cannery, has been deconstructed and grading initiated for the construction of 112 housing units. Construction commenced on these developments in summer 2007.

In this fiscal year, the Agency also funded and began implementation of a Retail Attraction Initiative for the downtown area. This initiative is intended to support the Agency's other redevelopment efforts in the downtown area, including the Cinema Place development. This program is funded for \$500,000, which funds will be used to provide loans to property owners and businesses to bring in targeted retailers to fill persistent vacancies in downtown retail properties.

During this fiscal year the Agency prepared a RFP to be issued in the summer of 2007 to solicit redevelopment proposals for the site of the former 11-story on City Center Drive in the downtown. The building has remained empty since it was vacated by the City in 1991. Since then, various proposals have come forward to redevelop the building; however, no project has been completed. The RFP will also incorporate the site of Centennial Hall, which is an obsolete publicly owned conference center, located directly north of the 11-story building, and also the public parking structure directly south of the building. The RFP will focus on redeveloping the site with housing and mixed-use development and will also consider reuse and/or replacement of the conference facilities.

In connection with the Cannery Area housing, Eden Housing, Inc., a non-profit affordable housing developer, received approval for the development of their new administrative offices and 60 units of affordable senior housing located at C & Grand Streets, west of the BART station. This housing serves to partially fulfill the Cannery developer's Inclusionary affordable housing obligation. The developer purchased the land and conveyed it to Eden Housing, and is also providing some construction financing. The Agency also approved a \$507,000 loan from its Low and Moderate Income Housing Fund for this development. Construction commenced on the project the spring of 2007.

Also, with respect to affordable housing activities, the Agency funded additional loan amounts of \$214,954 to Eden Housing, Inc. from the Low and Moderate Income Housing Fund to develop Sara Conner Court. This project includes 57 units of rental housing affordable to families with incomes from 30% to 60% of median household income. The total project cost was approximately \$19 million. The reason for the additional funding was that previous grants made from the City's CDBG funds were disallowed by HUD and had to be returned to the City's CDGB line of credit. Construction of this project was completed and occupied in the fall of 2006. In addition, the Agency approved a \$250,000 loan from the Low and Moderate Income Housing funds to Eden Housing Inc. in order to provide for emergency roof replacement at its Villa Springs development.

Finally, four loans were made under the First-Time Homebuyer program in FY 2006-07. This program is also funded by the Low and Moderate Income Housing Fund.

**Agency's Progress in Alleviating Blight**  
(Pursuant to H&S 33080.I (d), (e), and (f))

As noted above, the Agency continued to make progress in alleviating blight in several specific ways. During the FY 2005-06 the Agency had filed an eminent domain complaint to acquire the last building in the downtown (913 B Street) that is constructed of unreinforced masonry. The building was in violation of an ordinance passed by the City that mandates the seismic retrofit of buildings of this type of construction. As a result of the Agency's action, the property owner undertook and completed the seismic retrofit and the complaint was dismissed in the summer of 2006.

**Status of Agency Loans**  
(Pursuant to H&S 33080.I (d), (e), and (f))

The Agency is not in default on any loans, nor is it out of compliance with respect to any of its existing debt.

**Supplement to the Annual Report of Community Redevelopment Agencies  
For the Fiscal Year Ended June 30, 2007**

<b>Redevelopment Agency ID Number:</b>	13980135800
<b>Name of Redevelopment Agency:</b>	Redevelopment Agency, City of Hayward

The U.S. Bureau of the Census requests the following information about the fiscal activities of your government for the 2006-2007 fiscal year (defined from July 1, 2006 through June 30, 2007). 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:

**U.S. Bureau of the Census  
Gina E. Broxterman  
1-800-242-4523**

**A. Personnel Expenditures**

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

<b>Z00</b>	<b>\$ 512,819.00</b>
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**B. Mortgage Revenue Bond Interest Payments**

Report your government's total amount of interest paid on mortgage revenue bonds during the year.

<b>U20</b>	<b>\$ 0</b>
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**APPENDIX C**

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

Redevelopment Agency of the City of Hayward

December 2007





**California Redevelopment Agencies-Fiscal Year 2006/2007**  
**Project Area Contributions to Low and Moderate Income Housing Funds**  
**Sch A Project Area Summary Report**  
**HAYWARD RDA**

<b>Project Area</b>	<b>100% of Tax Increment</b>	<b>20% Set Aside Requirement</b>	<b>Tax Increment Allocated</b>	<b>Amount Exempted</b>	<b>Deferral</b>	<b>Tax Incr. Deposited to Hsng Fund</b>	<b>Percent of Tax Incr Dep</b>	<b>Repayment Deferrals</b>	<b>Other Income</b>	<b>Total Deposited to Housing</b>
<b>DOWNTOWN HAYWARD PROJECT</b>	\$11,465,642	\$2,293,128	\$2,293,128	\$0	\$0	\$2,293,128	20.00%	\$0	\$482,739	\$2,775,867
<b>Agency Totals:</b>	\$11,465,642	\$2,293,128	\$2,293,128	\$0	\$0	\$2,293,128	20.00%	\$0	\$482,739	\$2,775,867

Appendix C - Page 3

*Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)*

California Redevelopment Agencies - Fiscal Year 2006/2007  
 Sch A/B Project Area Program Information  
**HAYWARD RDA**

**Project Area: DOWNTOWN HAYWARD PROJECT**

*FUTURE UNIT CONSTRUCTION*

<i>Contract Name</i>	<i>Execution Date</i>	<i>Estimated Completion Date</i>	<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Total</i>
C & Grand Senior Housing	06/01/06	06/01/08	59	0	1	60

**Project Area: OUTSIDE PROJECT AREA**

*FUTURE UNIT CONSTRUCTION*

<i>Contract Name</i>	<i>Execution Date</i>	<i>Estimated Completion Date</i>	<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Total</i>
The Majestic Apartments	12/19/07	05/31/08	0	39	0	39
Villa Springs Apartments	07/23/07	03/31/08	50	15	0	65

California Redevelopment Agencies - Fiscal Year 2006/2007  
 Status of Low and Moderate Income Housing Funds  
 Sch C Agency Financial Summary  
 HAYWARD RDA

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encumbrances	* Unencumbered Balance	Unencumbered Designated	Unencumbered Not Dsgntd
\$6,513,722	\$2,775,867	\$0	\$976,301	\$8,313,288	\$0	\$8,313,288	\$260,000	\$8,053,288	\$750,000	\$7,303,288

Expenses	Planning and Administration Costs	Subsidies	Total
2006/2007	\$184,347	\$791,954	\$976,301

Appendix C - Page 5

\*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation . (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2006/2007  
 Status of Low and Moderate Income Housing Funds  
 Sch C Agency Financial and Program Detail  
 HAYWARD RDA

	<b>Beginning Balance</b>	<b>\$6,513,722</b>
	<b>Adjustment to Beginning Balance</b>	<b>\$0</b>
	<b>Adjusted Beginning Balance</b>	<b>\$6,513,722</b>
<b>Total Tax Increment From PA(s)</b>	<b>\$2,293,128</b>	
	<b>Total Receipts from PA(s)</b>	<b>\$2,775,867</b>
	<b>Other Revenues not reported on Schedule A</b>	<b>\$0</b>
	<b>Sum of Beginning Balance and Revenues</b>	<b>\$9,289,589</b>

<b>Expenditure</b>			
<b>Item</b>	<b>Subitem</b>	<b>Amount</b>	<b>Remark</b>
<b>Planning and Administration Costs</b>			
Administration Costs		\$131,765	
Professional Services		\$52,582	
	<b>Subtotal of Planning and Administration Costs</b>	<b>\$184,347</b>	
<b>Subsidies from the LMIHF</b>			
1st Time Homebuyer Down Payment Assistance		\$80,000	
Other		\$711,954	\$214,954 additional loan to Eden Housing for Sara Conner Court(57 units of very low-income rental housing)and \$497,000 disbursed on \$507,000 loan to Eden Housing for C & Grand (60 units of very low-income senior rental housing).
	<b>Subtotal of Subsidies from the LMIHF</b>	<b>\$791,954</b>	
	<b>Total Expenditures</b>	<b>\$976,301</b>	

**Net Resources Available**      **\$8,313,288**

**Indebtedness For Setasides Deferred**      **\$0**

<b>Other Housing Fund Assets</b>		
<b>Category</b>	<b>Amount</b>	<b>Remark</b>
	<b>Total Other Housing Fund Assets</b>	

**Total Fund Equity**      **\$8,313,288**

California Redevelopment Agencies - Fiscal Year 2006/2007  
 Status of Low and Moderate Income Housing Funds  
 Sch C Agency Financial and Program Detail  
 HAYWARD RDA

2002/2003	\$1022681			
2003/2004	\$1227726			
2004/2005	\$1407138	<i>sum of 4 Previous Years' Tax Increment for 2006/2007</i>	<i>Prior Year Ending Unencum</i>	<i>Excess Surplus for 2006/2007</i>
2005/2006	\$1830963	\$5488508	\$5,998,722	\$510,214

<i>Sum of Current and 3 Previous Years' Tax Increments</i>	\$6,758,955
<i>Adjusted Balance</i>	\$8,053,288
<i>Excess Surplus for next year</i>	\$1,294,333
<i>Net Resources Available</i>	\$8,313,288
<i>Unencumbered Designated</i>	\$750,000
<i>Unencumbered Undesignated</i>	\$7,303,288
<i>Total Encumbrances</i>	\$260,000
<i>Unencumbered Balance</i>	\$8,053,288
<i>Unencumbered Balance Adjusted for Debt Proceeds</i>	\$0
<i>Unencumbered Balance Adjusted for Land Sales</i>	\$0
<i>Excess Surplus Expenditure Plan</i>	Yes
<i>Excess Surplus Plan Adoption Date</i>	18-DEC-07

<i>Site Improvement Activities Benefiting Households</i>				
<i>Income Level</i>	<i>Low</i>	<i>Very Low</i>	<i>Moderate</i>	<i>Total</i>
<i>Construction</i>	0	59	1	60
<i>Rehabilitation</i>	0	0	0	0
<i>Health and Safety Hazard</i>	0	0	0	0

<i>Land Held for Future Development</i>					
<i>Site Name</i>	<i>Num Of Acres</i>	<i>Zoning</i>	<i>Purchase Date</i>	<i>Estimated Start Date</i>	<i>Remark</i>

*Use of the Housing Fund to Assist Mortgageors*

<i>Income Adjustment Factors</i>	<input type="text"/>	<i>Requirements Completed</i>	<input type="text"/>
<i>Home</i>	<input type="text" value="\$"/>	<i>Hope</i>	<input type="text" value="\$"/>

*The City of Hayward has an Inclusionary Housing Ordinance which requires that all*

California Redevelopment Agencies - Fiscal Year 2006/2007  
Status of Low and Moderate Income Housing Funds  
Sch C Agency Financial and Program Detail  
HAYWARD RDA

**Non Housing Redevelopment  
Funds Usage**

residential developments of 20 units or more, set aside 15% of the units to low and moderate income households. Two affordable rental housing developments Saklan Housing and C & Grand Senior Housing received cash and other non-cash resources (such as land and environmental clean up of the respective sites) from market-rate developers to comply with the City's inclusionary obligations.

**Resource Needs**

**LMIHF Deposits/Withdrawals**

<b>Document Name</b>	<b>Document Date</b>	<b>Custodian Name</b>	<b>Custodian Phone</b>	<b>Copy Source</b>
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**Achievements**

**Description**

California Redevelopment Agencies - Fiscal Year 2006/2007  
Sch D General Project Information  
HAYWARD RDA

Project Area Name: DOWNTOWN HAYWARD PROJECT

Project Name: C & Grand Senior Housing  
Address: 566 C Street Hayward 94541  
Owner Name: Eden Housing, Inc.

SPECIAL NEEDS UNITS

Category	Sub Category	Count
Special Need Unit	Special Needs	59
Special Need Unit	Elderly	59
Special Need Unit	Disabled (Physical)	6

PROJECT FUNDING SOURCE

Funding Source	Amount
Redevelopment Funds	\$507,000
State Funds	\$450,000
Private Funds	\$2,306,990
Owner Equity	\$316,397
TCAC/State Award	\$12,109,199

Project Area Name: **OUTSIDE PROJECT AREA**

**Project Name: First Time Homebuyer Program**

Address: **777 B Street Hayward 94541**

**PROJECT FUNDING SOURCE**

<b>Funding Source</b>	<b>Amount</b>
Redevelopment Funds	\$80,000
State Funds	\$85,097
Private Funds	\$1,006,303
Owner Equity	\$11,699

**Project Name: The Majestic Apartments**

Address: **959 Torrano Hayward 94541**

Owner Name: **AMG Associates**

**UNIT INVENTORY**

			<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Mod</b>	<b>Became Ineligible</b>	<b>Total</b>
<b>Other Provided with LMIHF</b>								
<b>Unit</b>								
<b>Non-Substantial Rehabilitation</b>								
Non-Agency	Rental	Non-Elderly	0	39	0	0	0	39
<b>Unit Total</b>			0	39	0	0	0	39

**PROJECT FUNDING SOURCE**

<b>Funding Source</b>	<b>Amount</b>
Redevelopment Funds	\$750,000

California Redevelopment Agencies - Fiscal Year 2006/2007  
 Sch D General Project Information  
 HAYWARD RDA

**Project Area Name:** OUTSIDE PROJECT AREA

**Project Name:** Villa Springs Apartments  
**Address:** 22328 /30 S Garden Hayward 94541  
**Owner Name:** Eden Housing, Inc.

**UNIT INVENTORY**

			Very Low	Low	Moderate	Above Mod	Became Ineligible	Total
<b>Other Provided with LMIHF</b>								
<b>Unit</b>								
<b>Substantial Rehabilitation</b>								
Non-Agency	Rental	Non-Elderly	50	15	0	0	0	65
<b>Unit Total</b>			<b>50</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>

**PROJECT FUNDING SOURCE**

<b>Funding Source</b>	<b>Amount</b>
Redevelopment Funds	\$250,000

**SCHEDULE HCD E**  
**CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES**  
*(This Form is Information Only: Actual Obligation is based on Implementation Plan)*

**Report Year: 2006/2007**

**Agency: HAYWARD RDA**

**NOTE:** This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

<b>PART I</b> [H & SC Section 33413(b)(1)] <b>AGENCY DEVELOPED</b>	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
<b>PART II</b> [H & SC Section 33413(b)(2)] <b>NON-AGENCY DEVELOPED UNITS</b>	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
<b>PART III</b> <b>TOTALS</b>	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

**STATEMENT OF INDEBTEDNESS - CONSOLIDATED  
FILED FOR THE 2007-2008 TAX YEAR**

Cover Page

Name of Redevelopment Agency Hayward Redevelopment Agency  
 Name of Project Area Downtown Hayward Redevelopment Project Area

Balances Carried Forward From:	Line	Current	
		Total Outstanding Debt	Principal/Interest Due During Tax Year
Fiscal Period - Totals (From Form A, Page 1 Totals)	(1)	145,194,489	9,734,270
(Optional) Post Fiscal Period - Totals (From Form B Totals)	(2)		
Grand Totals	(3)	145,194,489	9,734,270
Available Revenues From Calculation of Available Revenues, Line 7	(4)	4,609,659	
Net Requirement	(5)	140,584,830	

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:  
 Pursuant to Section 33675 (b) of the Health and Safety Code,  
 I hereby certify that the above is a true and accurate Statement  
 of Indebtedness for the above named agency.

Debra C Auken Director of Finance  
 Name Title  
Debra C Auken 9/27/07  
 Signature Date

Appendix D - Page 1

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS  
FILED FOR THE 2007-2008 TAX YEAR**

Form A  
Page 1 of 1

Name of Redevelopment Agency Hayward Redevelopment Agency  
Name of Project Area Downtown Hayward Redevelopment Project Area

For Indebtedness Entered into as of June 30, 2007

Debt Identification	Original Data					Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
A 20% Low & Mod Income Housing Set-Aside Required by H & S Code	As of 6/30/2007	Based on O/S Debt	Until Paid	N/A	N/A	29,038,898	2,295,000
B 2004 RDA Tax Allocation Bonds	5/20/2004	44,790,000	3/1/2027	3% - 5.23%	35,677,904	73,238,015	3,373,432
C Advance from City of Hayward - Water Enterprise Fund Loan	6/1/1990	5,946,333	6/1/2013	7.506%	N/A	1,768,196	360,000
D Advance from City of Hayward - Sewer Fund Loan	6/30/2003	2,350,000	3/31/2010	2.25% - 3%	306,253	1,762,500	470,000
E						0	
F Repayment Agreement from City	7/30/2000	14,386,217	Until Paid	N/A	N/A	11,186,217	
G Due to Other Governments	As of 6/30/2007	Based on Fiscal Year End	Until Paid	N/A	N/A	840,931	
H 2006 RDA Tax Allocation Bonds	6/30/2007	11,800,000	3/1/2036	4.797%	13,273,218	24,683,234	559,340
I Payables from Operations - Tax Year	As of 6/30/2007	N/A	1 Yr.	N/A	N/A	2,676,498	2,676,498
J Pass-Thru Obligations - Fiscal Year	As of 6/30/2007	N/A	1 Yr.	N/A	N/A	0	
K						0	
Subtotal, This page						145,194,489	9,734,270
Totals forward From All Other Pages						0	0
Totals, Fiscal Year Indebtedness						145,194,489	9,734,270

Purpose of Indebtedness:

- A Low & Mod Income Housing Set-Aside pursuant to H&S Sec. 3334.2
- B Finance various redevelopment projects
- C Finance various redevelopment projects
- D Downtown sidewalk & streetscape project - phase II
- E \_\_\_\_\_
- F Redevelopment project costs advanced by the city

- G Accrued liability reserve due to other governments
- H Finance various redevelopment projects
- I Tax Year operating requirements
- J Pursuant to Health and Safety Code
- K \_\_\_\_\_

## RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency Hayward Redevelopment Agency  
 Name of Project Area Downtown Hayward Redevelopment Project Area

Tax Year 2007 -2008

Reconciliation Dates: From July 1, 2006 To June 30, 2007

Debt Identification:			A Outstanding Debt All Beginning Indebtedness	B		C		D	E	F
				Adjustments		Amounts Paid Against Indebtedness, from:				
SOI, page and line:		Brief Description		Increases (Attach Explanation)	Decreases (Attach Explanation)	Tax Increment	Other Funds			
Prior Yr Line	Current Yr Line									
Pg 1 Line A	Pg 1 Line A	20% Low & Mod Income Housing Set-Aside Required by H & S Code	29,377,787	1,954,239		2,293,128			29,038,898	
Pg 1 Line B	Pg 1 Line B	2004 RDA Tax Allocation Bonds	76,029,747			2,791,732			73,238,015	
Pg 1 Line C	Pg 1 Line C	Advance from City of Hayward - Water Enterprise Fund Loan	2,128,196	178,250		538,250			1,768,196	
Pg 1 Line D	Pg 1 Line D	Advance from City of Hayward - Sewer Fund Loan	2,232,500	115,563		585,563			1,762,500	
Pg Line	Pg Line									
Pg 1 Line F	Pg 1 Line F	Repayment Agreement from City	11,186,217						11,186,217	
Pg 1 Line G	Pg 1 Line G	Due to Other Governments	532,976	307,955					840,931	
Pg Line New	Pg Line H	2006 RDA Tax Allocation Bonds	25,073,218			389,984			24,683,234	
Pg 1 Line K	Pg 1 Line I	Payables from Operations - Tax Year	328,295	6,985,658		4,277,177	360,278		2,676,498	
Pg 2 Line A	Pg 1 Line J	Pass-Thru Obligations - Fiscal Year		589,808		589,808				
Pg Line	Pg Line									
<b>TOTAL-THIS PAGE</b>			<b>146,888,936</b>	<b>10,131,473</b>		<b>11,465,642</b>	<b>360,278</b>		<b>145,194,489</b>	
<b>TOTALS FORWARD</b>										
<b>GRAND TOTALS</b>			<b>146,888,936</b>	<b>10,131,473</b>		<b>11,465,642</b>	<b>360,278</b>		<b>145,194,489</b>	

**NOTE:** This form is to reconcile the previous Statement of indebtedness to the current one being filed. However, since the reconciliation period is limited by law to a July 1 --June 30 fiscal year period, only those items included on the SOI From A is to be included on this document. To assist in following each item of indebtedness from one SOI to the next, use page and line number references from each SOI that the item of indebtedness is listed on. If the indebtedness is new to the fiscal year, enter "new" in the "Prior Yr" page and line columns. Column F must equal the current SOI, Form A Total Outstanding Debt column.

# EXPLANATIONS OF INCREASES/DECREASES FROM RECONCILIATION STATEMENT

Name of Agency Hayward Redevelopment Agency  
 Name of Project Area Downtown Hayward Redevelopment Project Area

Tax Year 2007 -2008

Reconciliation Statement References		Explanation
Current Yr	Brief Description	
Pg Line	I A	Increase - Adjust set-aside relative to RDA outstanding debt
Pg Line	I C	Increase - Fiscal year accrued interest
Pg Line	I D	Increase - Fiscal year accrued interest
Pg Line	I G	Increase - Accrue liability reserve due to other governments
Pg Line	I I	Increase - Adjust to year end payable estimate
Pg Line	I J	Increase - Fiscal year pass-thru obligation
Pg Line		

Appendix D - Page 4

## CALCULATION OF AVAILABLE REVENUES

Name of Agency Hayward Redevelopment Agency  
 Name of Project Area Downtown Hayward Redevelopment Project Area

Tax Year 2007 -2008

Reconciliation Dates: From July 1, 2006 To June 30, 2007

1 . Beginning Balance, Available Revenues (See Instructions)	<u>\$4,847,849</u>
2 . Tax Increment Received - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies.	<u>11,465,642</u>
3 . All other Available Revenues Received (See Instructions)	<u>122,088</u>
4 . Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1-3) above	<u>                  </u>
5 . Sum of Lines 1 through 4	<u>16,435,579</u>
6 . Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	<u>11,825,920</u>
7 . Available Revenues, End of Year (5 - 6) <b>FORWARD THIS AMOUNT TO STATEMENT ON INDEBTEDNESS, COVER PAGE, LINE 4</b>	<u><u>\$4,609,659</u></u>

### NOTES

#### Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax increment Revenues set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefore omitted from Available Revenues at year end.

#### Item 4. above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition and Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues".

# DRAFT

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA- 07-

Introduced by Agency Member \_\_\_\_\_

*mal*  
*12/10/07*

RESOLUTION ADOPTING THE ANNUAL REPORT OF  
REDEVELOPMENT AGENCY ACTIVITIES FOR FISCAL  
YEAR 2006-07

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 2006-07" and directs that the report be filed with the Office of the State Controller.

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 December, 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES:            AGENCY MEMBERS:  
   CHAIR :

NOES:            AGENCY MEMBERS:

ABSTAIN:        AGENCY MEMBERS:

ABSENT:         AGENCY MEMBERS:

ATTEST: \_\_\_\_\_  
Secretary of the Redevelopment Agency  
of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

