

SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Prepared By the City of Fremont as Successor Agency to
the Redevelopment Agency of the City of Fremont

Fremont Merged Redevelopment Project Area

As of May 7, 2012

Dissolution of Former RDA; Designation of Successor Agency. Pursuant to the terms of ABx1 26 (the "Dissolution Act"), the former Redevelopment Agency of the City of Fremont (the "Former RDA") was dissolved as of February 1, 2012, and the City of Fremont in a special limited capacity has been designated to serve as the successor agency to the Former RDA (in this limited capacity, the City is referred to as the "Successor Agency").

Preparation and Processing of First ROPS. In accordance with the Dissolution Act, the Successor Agency prepared a draft initial Recognized Obligation Payment Schedule (as revised, the "First ROPS"), covering enforceable obligation payments during the period January through June 2012. The First ROPS was approved by the Successor Agency's oversight board (the "Oversight Board"), submitted to the County Auditor-Controller for certification and to the State Controller's Office and the State Department of Finance (the "DOF"). The DOF has provided certain comments on the First ROPS. In response to the DOF comments and other considerations, the Oversight Board approved a modified version of the First ROPS at its May 7, 2012 meeting.

Preparation and Successor Agency Approval of Draft Second ROPS. In accordance with the Dissolution Act, the Successor Agency prepared a draft of the second Recognized Obligation Payment Schedule (the "Draft Second ROPS"), covering enforceable obligation payments during the period July through December 2012. The Draft Second ROPS was approved by the City Council of the City of Fremont, acting in its limited capacity as Governing Board of the Successor Agency, on April 3, 2012, and forwarded for consideration by the Oversight Board.

Oversight Board Approval of Second ROPS. At its May 7, 2012 meeting, the Oversight Board considered the Draft Second ROPS and approved the Draft Second ROPS with certain modifications (as so modified and approved by the Oversight Board, the "Second ROPS"). This document constitutes the Second ROPS as approved by the Oversight Board. The Second ROPS will be formally submitted to the County Auditor-Controller, State Controller's Office and the DOF, and will be posted on the Successor Agency's website.

Contents of Second ROPS. As noted, the Second ROPS addresses payments by the Successor Agency of the amounts due or required to be reserved or expended for enforceable obligations for the six-month period consisting of July through December 2012. The monthly payments noted on this Second ROPS for the six-month period are estimates. The amount to be disbursed in any given month may be higher or lower than the amount shown, not to exceed the aggregate amount shown for this six-month period. The payees noted on this Second ROPS are those

under contract for the period noted above. The vendors may change over time as necessary and appropriate to meet changes in circumstances related to services provided.

Treatment of Pass-Through Payments. Health and Safety Code Section 34171(d)(1)(C), regarding the definition of enforceable obligations, indicates that pass-through payments to taxing entities are not enforceable obligations. Instead, Health and Safety Code Section 34183 directs that pass-through payments to taxing entities will be made directly by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller, also indicating that such pass-through payments are not the obligation of the Successor Agency to pay. For these reasons, pass-through payments to taxing entities are not shown as enforceable obligations on this Second ROPS.

Also, in light of the potential that all remaining enforceable obligations of the Former RDA that are being administered by the Successor Agency may be paid off with existing revenues available to the Successor Agency without need for additional funding from the Redevelopment Property Tax Trust Fund, the Successor Agency intends to review with the Oversight Board and the County Auditor-Controller whether pass-through payments can be expeditiously terminated to allow all future property taxes that would have been property tax increment to the Former RDA instead to be directly distributed by the County Auditor-Controller to the taxing entities as normal property taxes in accordance with their respective AB 8 property tax shares.

Funding Sources. The Dissolution Act requires the designation of one or more funding sources for payment of each enforceable obligation, with the funding sources to be selected from among six alternatives that have been coded for purposes of the "Funding Source" column of this Second ROPS as follows: (A) Low and Moderate Income Housing Fund; (B) Bond Proceeds; (C) Reserve Balances – funds transferred to Successor Agency of former RDA as of February 1, 2012; (D) Administrative Costs Allowance; (E) Redevelopment Property Tax Trust Fund; and (F) Other Sources.

The Successor Agency has received sufficient fund balances from the former RDA ("RDA Fund Balances"), including encumbered Housing Fund balances and balances available for payment of non-housing enforceable obligations, so that (with one minor exception) it can make all required payments shown on this Second ROPS from such RDA Fund Balances (Funding Code "C"), so long as the County Auditor-Controller allows the Successor Agency to retain the required portion of RDA Fund Balances for such payment purposes and does not require that such portion of the RDA Fund Balances instead be remitted to the County Auditor-Controller for distribution to the affected taxing entities pursuant to Health and Safety Code Section 34177(d).

The one exception is that the Successor Agency Administrative Cost Allowance amount will be paid from that corresponding funding source (Funding Code "D") as authorized by the Dissolution Act.

Name of Redevelopment Agency:

Redevelopment Agency of the City of Fremont

Project Area(s)

Merged Project Area**SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Per AB 26 - Section 34177 (I)

Prepared on April 3, 2012, approved by Oversight Board on May 7, 2012

	Project Name / Debt Obligation	Payee	Description							Total During ROPS Period	Funding Source	
				Jul 12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12			
1)	Main Street Village	Fremont Main Street Village L.P. (Allied & Mid-Peninsula Housing)	Agency assistance for the development, land acquisition and construction of the project	390	403,847						404,237	C
2)	CalHFA Loan (See Footnote 1)	CalHFA	Loan for affordable housing projects	1,950,000							1,950,000	C
3)	Administrative Costs for Servicing and Monitoring Existing Former RDA Housing Projects (See Footnote 2)	City as Housing Successor to former RDA, and Amerinational Community Services	Administrative Costs for Servicing and Monitoring Existing Former RDA Housing Projects.	847,655							847,655	C
4)	Centerville Unified Site remediation	Remediation contractor TBD and Management Costs.	Hazardous materials remediation of site and associated properties	5,083	1,855,083	5,083	5,083	5,083	5,083	5,083	1,880,498	C
5)	Legal consulting services	Cox Castle Nicholson Attorneys	Legal consulting services for the Centerville Unified Site project	8,333	8,333	8,333	8,333	8,333	8,333	8,333	49,998	C
6)	Ongoing legal consulting services	Goldfarb & Lipman Attorneys	Legal services on Successor Agency activities	20,000	20,000	20,000	20,000	20,000	20,000	20,000	120,000	C
7)	Ongoing financial consulting	Seifel Consulting Inc.	Pass-through and Tax Increment projections to assist County Auditor-Controller.	40,000							40,000	C
8)	RDA Employee Costs (See Footnote 3)	City employees serving the Redevelopment Agency	Unfunded actuarial liability for pensions and OPEB	2,850,000							2,850,000	C
9)	Successor Agency administrative cost allowance	City staff and equipment & materials	Employee salaries, benefits, overhead and indirect expense allocation.	21,000	21,000	21,000	21,000	21,000	20,000		125,000	D
10)	Property Maintenance	Art Cuevas and City Staff	Maintenance of 3 RDA properties including fencing and weed abatement.	10,000	10,000	10,000	10,000	10,000	10,000	10,000	60,000	C
11)	Audit of Successor Agency	Macias Gini & O'Connell LLP	Audit of Successor Agency						5,000		5,000	C
12)	Oversight Board Legal Counsel	Michael Roush	Provide legal services to Oversight Board as needed	5,000	5,000	5,000	5,000	5,000	5,000	5,000	30,000	C
	Totals			5,757,461	2,323,263	69,416	69,416	69,416	73,416		8,362,388	

Footnote 1: Oversight Board approved prepayment of this loan in July 2012 from existing Successor Agency funds available.

Footnote 2: Total outstanding debt/obligation amount is reflected here as discounted cash flow, based on a discount rate of 3%, calculated on payments as follows: years 1-5: \$96,000 per year; years 6-10: \$72,000 per year; years 10-15: \$48,000 per year; Years 10-15: \$48,000 per year. Oversight Board approved prepayment of this obligation in July, 2012 from existing Successor Agency funds.

Footnote 3: Oversight Board approved prepayment of this obligation in July 2012 from existing Successor Agency funds.

CODE TO FUNDING SOURCES: (A) Low and Moderate Income Housing Fund; (B) Bond Proceeds; (C) Reserve Balances - funds transferred to Successor Agency of former RDA starting 2/1/2012; (D) Administrative Costs Allowances; (E) Redevelopment Property Tax Trust Fund, and (F) Other Sources.