DEPARTMENT OF
FINANCE

Gavin Newsom ▪ Governor

915 L Street ▪ Sacramento CA ▪ 95814-3706 ▪ www.dof.ca.gov

April 15, 2026

Cecil Flournoy, Director
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Compton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2026 through June 30, 2027 (ROPS 26-27) to the California Department of Finance (Finance) on March 3, 2026. Finance has completed its review of the ROPS 26-27.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 25 – Professional Services in the total requested amount of $130,000 from the Redevelopment Property Tax Trust Fund (RPTTF) is not allowed. The Agency stated it is requesting $130,000 for "the annual" appraisal service in accordance with the requirements specified in HSC dissolution statutes. However, dissolution law does not require "annual" appraisals for properties that the Agency still owns. Appraisal costs for properties that are in an active disposition status may be eligible for funding. Therefore, the requested amount of $130,000 is not eligible for RPTTF funding at this time.

- Item No. 26 – Successor Agency (SA) Owned Properties (Fencing) in the requested amount of $350,000 is partially approved. Based upon review of the amounts already paid toward the contracted amount of $440,000, only $195,177 remains unpaid. Therefore, $154,823 from the requested amount of $350,000 is not eligible for funding ($350,000 - $195,177).

- Item No. 30 – SA Owned Properties (Weed Abatement) in the requested amount $150,000, is not allowed. The Property Maintenance Services Agreement for weed abatement was only valid until June 30, 2026, including a period for an option to renew. Further, the Agency did not provide any documented cost estimates for the ROPS 26-27 period. Therefore, the requested amount $150,000 is not eligible for funding on the current ROPS; however, the item may be eligible for funding on future ROPS.

- The claimed administrative costs exceed the allowance by $37,629.
  HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or $250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is $332,871 for fiscal year 2026-27.

  Although $295,500 is claimed for ACA, Item No. 50 – Legal Services in the amount of $75,000 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table below, $37,629 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2025-26	$11,327,438
Less distributed Administrative RPTTF	(231,743)
RPTTF distributed for 2025-26 after adjustments	**$11,095,695**
ACA Cap for 2026-27 per HSC section 34171 (b)	$332,871
ACA requested for 2026-27 before adjustments	295,500
Plus amount reclassified to ACA	75,000
Total ACA	370,500
ACA in Excess of the Cap	**($37,629)**

- ROPS 26-27 was not submitted to Finance until March 3, 2026. Pursuant to HSC 34177 (o) (1) (B), if the Agency does not submit a ROPS within ten days of the deadline, the Agency's Administrative Cost Allowance (ACA) shall be reduced by 25 percent. Therefore, the ACA in the amount of $332,871 has been reduced by $83,218 ($332,871 x 25%) to $249,653.

- On the ROPS 26-27 form, the Agency reported cash balances and activity for the period July 1, 2023 through June 30, 2024 (ROPS 23-24). According to our review, the Agency has approximately $18,570,449 from Other Funds available to fund enforceable obligations on the ROPS 26-27. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. These items do not require payment from property tax revenues; therefore, the funding source for the following items has been reclassified from RPTTF to Other Funds in the amounts specified on the following page:

Item No.	Item Name	Requested RPTTF	Administrative RPTTF Requested After Adjustments	RPTTF/Admin RPTTF Authorized	Other Funds Authorized
26	SA Owned Properties	$350,000	$0	$0	$195,177
70	Administrative Costs	0	249,653	0	249,653
217	Bond Trustee Fees	4,000	0	0	4,000
218	Tax Allocation Bonds Series 2022A	10,795,987	0	0	10,795,987
220	Bond Disclosure Fees	8,400	0	0	8,400

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 23-24 period. The ROPS 23-24 prior period adjustment (PPA) will offset the ROPS 26-27 RPTTF distribution. The total authorized RPTTF is insufficient to allow the entire PPA to be applied during this ROPS period, resulting in an excess PPA that should be applied prior to requesting RPTTF on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is $0, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2026 through December 31, 2026 period (ROPS A period), and one distribution for the January 1, 2027 through June 30, 2027 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 26-27 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 26-27 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 26-27, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 26-27. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 26-27 form submitted by the Agency and this determination letter will be posted on our website:

http://dof.ca.gov/Programs/Redevelopment/ROPS/

This determination is effective for the ROPS 26-27 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Originally signed by:

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Willie Hopkins, City Manager, City of Compton
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County
Cesar Hernandez, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	**ROPS B**	**Total**
RPTTF Requested	$ 10,161,631	$ 1,351,756	$ 11,513,387
Administrative RPTTF Requested	147,750	147,750	295,500
Total RPTTF Requested	**10,309,381**	**1,499,506**	**11,808,887**
RPTTF Requested	**10,161,631**	**1,351,756**	**11,513,387**
Adjustment(s)			
Item No. 25	(65,000)	(65,000)	(130,000)
Item No. 26	(175,000)	(175,000)	(350,000)
Item No. 30	(75,000)	(75,000)	(150,000)
Item No. 50	(37,500)	(37,500)	(75,000)
Item No. 217	(2,000)	(2,000)	(4,000)
Item No. 218	(9,802,931)	(993,056)	(10,795,987)
Item No. 220	(4,200)	(4,200)	(8,400)
	(10,161,631)	(1,351,756)	(11,513,387)
RPTTF Authorized	**0**	**0**	**0**
Administrative RPTTF Requested	**147,750**	**147,750**	**295,500**
Adjustment(s)			
Item No. 50	37,500	37,500	75,000
Excess ACA	(37,629)	0	(37,629)
25% Admin Penalty	(83,218)	0	(83,218)
Adjusted Administrative RPTTF	64,403	185,250	249,653
Reclass to Other Funds	(64,403)	(185,250)	(249,653)
Administrative RPTTF Authorized	**0**	**0**	**0**
ROPS 23-24 Prior Period Adjustment (PPA)	(842,807)	0	(842,807)
Excess PPA	842,807	0	842,807
Total RPTTF Approved for Distribution	**$ 0**	**$ 0**	**$ 0**

ICC: Trivedi, Vermillion, Takagi-Galamba, Standing Horse, McCormick

Final Path: LGU>Audits and Review>ROPS 26-27 Letters>Signed ROPS 26-27 Letters PDF

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