



April 10, 2026

Mary Thomas, Assistant to the City Manager
City of Hayward
777 B Street
4th Floor- CMO
Hayward, CA 94541

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Hayward 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 January 31, 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. 78 – 2016 Tax Allocation Refunding Bonds. The Agency requested the amount of \$3,228,624 in error. According to the debt service schedule, the requested amounts of \$1,614,312 for the July through December 2026 (ROPS 26-27A) and \$1,614,312 for the January through June 2027 (ROPS 26-27B) periods were incorrect and should be \$1,558,563 and \$1,558,562, respectively, for a total of \$3,117,125. Therefore, with the Agency's concurrence, Finance made an adjustment of \$111,499 to decrease the requested amount to accurately reflect the required debt service.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2023 through June 30, 2024 (ROPS 23-24) period. The ROPS 23-24 prior period adjustment (PPA) will offset the ROPS 26-27 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency. Based on our review of the PPA form, Finance noted the Agency misspent a portion of excess funds. Specifically:

- The Agency spent more than what was authorized for the ACA for the ROPS 23-24 period. Finance authorized \$187,500 pursuant to the cap; yet a total of \$250,000 was reported as being spent. This is \$62,500 in excess of the maximum amount allowed pursuant to HSC section 34171 (b) (3). Further, pursuant to HSC section 34177 (a) (3), only those payments listed on a ROPS may be made by the Agency from the funds and source specified on the ROPS, up to the amount authorized by Finance. Finance reminds the Agency that funds in excess of the amounts authorized on the ROPS cannot be expended. Any excess funds must be retained and expended once the Agency receives approval for their use on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,959,542, 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 item, 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: Irene Perez, Management Analyst, City of Hayward
Trina Caballero, Division Chief, Tax Analysis Unit/Countywide Oversight
Board Representative, Alameda County

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 2,069,312	\$ 2,069,312	\$ 4,138,624
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	2,194,312	2,194,312	4,388,624
RPTTF Requested	2,069,312	2,069,312	4,138,624
<u>Adjustment(s)</u>			
Item No. 78	(55,749)	(55,750)	(111,499)
RPTTF Authorized	2,013,563	2,013,562	4,027,125
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 23-24 Prior Period Adjustment (PPA)	(317,583)	0	(317,583)
Total RPTTF Approved for Distribution	\$ 1,820,980	\$ 2,138,562	\$ 3,959,542