DEPARTMENT OF
FINANCE

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

April 15, 2026

Nick Wells, City Manager
City of Holtville
121 West Fifth Street
Holtville, CA 92250

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Holtville 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 30, 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. 6 - Successor Agency administrative costs totaling $222,500 is reclassified. The Agency inadvertently requested its administrative costs from the incorrect funding source. Therefore, Finance reclassified $222,500 from the Redevelopment Property Tax Trust Fund (RPTTF) to Administrative RPTTF.

- The claimed administrative costs exceed the allowance by $110,370. 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 $112,130 for fiscal year 2026-27.

  Although $222,500 is claimed for ACA, only $112,130 is available pursuant to the cap. Therefore, as noted in the table below, $110,370 in excess ACA is not allowed.

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2025-26	$469,260
Less distributed Administrative RPTTF	(245,000)
RPTTF distributed for 2025-26	**$224,260**
ACA Cap for 2026-27 per HSC section 34171 (b)	$112,130
ACA Requested for 2026-27	$222,500
ACA in Excess of the Cap	**($110,370)**

- The administrative costs claimed were reduced to be 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 RPTTF distribution. The County Auditor-Controller did not provide its review of the Agency's prior period adjustments for the ROPS 23-24 period as required by HSC section 34186. On the ROPS 26-27 form, the Agency reported cash balances and activities for ROPS 23-24. Therefore, Finance reviewed the ROPS 23-24 expenditures. The amount of RPTTF approved includes the PPA self-reported by the Agency and reviewed by Finance.

The Agency's maximum approved RPTTF distribution for the reporting period is $553,044, 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: Gilberto Pinedo, Accounts Payable Clerk, City of Holtville
Edith Anaya, Special Accounting Manager, Imperial County
Karina Alvarez, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	**ROPS B**	**Total**
RPTTF Requested	$ 460,790	$ 224,897	$ 685,687
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	**460,790**	**224,897**	**685,687**
RPTTF Requested	**460,790**	**224,897**	**685,687**
Adjustment(s)			
Item No. 6	(100,000)	(122,500)	(222,500)
RPTTF Authorized	**360,790**	**102,397**	**463,187**
Administrative RPTTF Requested	**0**	**0**	**0**
Adjustment(s)			
Item No. 6	100,000	122,500	222,500
Adjusted Administrative RPTTF	**100,000**	**122,500**	**222,500**
Excess Administrative Costs	(0)	(110,370)	(110,370)
Administrative RPTTF Authorized	**100,000**	**12,130**	**112,130**
ROPS 23-24 Prior Period Adjustment (PPA)	(22,273)	0	(22,273)
Total RPTTF Approved for Distribution	**$ 438,517**	**$ 114,527**	**$ 553,044**