



April 15, 2026

Kay Godbey, Interim Finance Director
City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Cudahy 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 February 23, 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. 24 – Administrative Cost Allowance (ACA). The ROPS 26-27 was not submitted to Finance until February 23, 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 ACA shall be reduced by 25 percent. Therefore, the ACA in the amount of \$150,220 has been reduced by \$37,555 ($\$150,220 \times 25\%$) to \$112,665.

Finance also notes the Agency requested their ACA under the Redevelopment Property Tax Trust Fund (RPTTF) instead of the Administrative RPTTF. However, as noted below, the Agency's ACA of \$112,665 is being reclassified to Other Funds, as specified in the table below.

- Item No. 52 – Taxable Tax Allocation Refunding Bonds, Series 2018. The Agency requested \$2,001,064 in RPTTF and Reserve Balances in error. According to the debt-service schedule provided by the Agency, the amounts requested for the July 1, 2026 through December 31, 2026 period (ROPS A period) should be \$917,635, and the January 1, 2027 through June 30, 2027 period (ROPS B period) should be \$963,014, totaling \$1,880,649. Therefore, with the Agency's concurrence, Finance made adjustments to accurately reflect the correct debt-service payments, as specified in the table below.
- 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 \$2,771,091 in 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. The following items do not require payment from property tax revenues; therefore, with the Agency's

concurrence, the funding sources for the following items have been reclassified in the amounts specified below:

Item No.	Funding Source	Requested	Adjusted	Reclassified	Authorized Reserve Balance	Authorized Other Funds	Authorized RPTTF
8	RPTTF	\$ 1,800	\$ 0	\$ (1,800)	\$ 0	\$ 0	\$ 0
	Other Funds	0	0	1,800	0	1,800	0
9	RPTTF	1,200	0	(109)	0	0	1,091
	Other Funds	0	0	109	0	109	0
24	RPTTF	150,220	(37,555)	(112,665)	0	0	0
	Other Funds	0	0	112,665	0	112,665	0
52A	RPTTF	918,303	(165,794)	(752,509)	0	0	0
	Reserve Balance	165,126	0	752,509	917,635	0	0
52B	RPTTF	917,635	45,379	(963,014)	0	0	0
	Other Funds	0	0	963,014	0	963,014	0
Totals		\$ 2,154,284	(\$ 157,970)	\$ 0	\$ 917,635	\$ 1,077,588	\$ 1,091

After the above reclassifications, the Agency still has approximately \$1,693,503 (\$2,771,091 - \$1,077,588) that should be used before requesting RPTTF for a future ROPS.

- 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 ROPS 23-24 period. The ROPS 23-24 prior period adjustment (PPA) will offset the ROPS 26-27 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.

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 ROPS A period, and one distribution for the 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 that 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: Charles G. Ortiz, Senior Accountant, City of Cudahy
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	\$ 993,413	\$ 995,745	\$ 1,989,158
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	993,413	995,745	1,989,158
RPTTF Requested	993,413	995,745	1,989,158
<u>Adjustment(s)</u>			
Item No. 8	0	(1,800)	(1,800)
Item No. 9	0	(109)	(109)
Item No. 24	(75,110)	(75,110)	(150,220)
Item No. 52	(918,303)	(917,635)	(1,835,938)
	(993,413)	(994,654)	(1,989,158)
RPTTF Authorized	0	1,091	1,091
Administrative RPTTF Authorized	0	0	0
ROPS 23-24 Prior Period Adjustment (PPA)	0	1,091	1,091
Total RPTTF Approved for Distribution	\$ 0	\$ 0	\$ 0