



March 20, 2026

Felice Lopez, Director of Finance
City of Hawthorne
4455 West 126th Street
Hawthorne, CA 90250

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Hawthorne 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 29, 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. 46 – 2025 Tax Allocation Refunding Bonds. The Agency requested the amount of \$1,627,813 in error. According to the debt service schedule, the amount of \$1,310,438 for the July through December (ROPS 26-27A) and \$317,375 for the January through June (ROPS 26-27B) periods were incorrect and should be \$1,183,500 and \$317,375, respectively, totaling \$1,500,875. Therefore, with the Agency's concurrence, Finance made the following adjustments to decrease the requested amount to accurately reflect the required debt service amounts.
 - The Agency has approximately \$8,925 in Other Funds available to fund this enforceable obligation. Therefore, \$8,925 has been reclassified from Reserve Balances to Other Funds. In addition, during the ROPS 25-26 period, Finance approved \$1,396,125 in RPTTF funding for a bond reserve for the ROPS 26-27 debt service payment, of which \$1,301,513 is still available. Therefore, these Reserve Balances totaling \$1,310,428 (\$8,925 + \$1,301,513) should be used prior to requesting RPTTF. As a result, the total RPTTF funding requested for this item has been adjusted by \$126,938 from \$317,375 to \$190,437. The ROPS 26-27 approved funding for this line item is as follows:

Item No.	Item Name	Total Funding Approved	RPTTF Approved	Reserve Balances Approved	Other Funds Approved
46	2025 Tax Allocation Refunding Bonds	\$1,500,875	\$190,437	\$1,301,513	\$8,925

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 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 \$1,676,185, 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: Venetia Castrillo, Accountant, City of Hawthorne
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	\$ 406,119	\$ 2,252,750	\$ 2,658,869
Administrative RPTTF Requested	117,700	117,700	235,400
Total RPTTF Requested	523,819	2,370,450	2,894,269
RPTTF Requested	406,119	2,252,750	2,658,869
<u>Adjustment(s)</u>			
Item No. 46	0	(126,938)	(126,938)
RPTTF Authorized	406,119	2,125,812	2,531,931
Administrative RPTTF Authorized	117,700	117,700	235,400
ROPS 23-24 Prior Period Adjustment (PPA)	(523,819)	(567,327)	(1,091,146)
Total RPTTF Approved for Distribution	\$ 0	\$ 1,676,185	\$ 1,676,185