



May 15, 2026

Suja Lowenthal, City Manager
City of Lynwood
11330 Bullis Road
Lynwood, CA 90262

2026-27 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 10, 2026. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lynwood Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2026 through June 30, 2027 (ROPS 26-27) to Finance on January 30, 2026. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on May 5, 2026.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 60 - Administrative Expenses in the amount of \$250,000 continues to be denied. Finance originally denied this request based on HSC section 34171 (b) (3), which limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual distributed Redevelopment Property Tax Trust Fund (RPTTF) in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the distributed RPTTF in the preceding fiscal year.

The Agency contends that while HSC section 34171 (b) (3) puts limitations on the ACA, it is unreasonable to assume administrative costs will not be necessary. The Agency also contends the prior period adjustment (PPA) applied to ROPS 25-26 should be considered RPTTF received that year for purposes of the ACA calculation. The ACA limitations set forth in HSC section 34171 (b) (3) are specifically based on the RPTTF distributed during the prior ROPS period. Since the Agency received no RPTTF distribution for the ROPS 25-26 period and the PPA applied for the ROPS 25-26 period stems from the RPTTF distributed during the ROPS 22-23 period, the limitations established in HSC section 34171 (b) (3) apply. Therefore, ACA is not allowed, and Finance continues to deny this request.

In addition, per Finance's letter dated April 10, 2026, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item 102 – 2022 Tax Allocation Refunding Bonds in the amount of \$1,504,214 is partially reclassified. For the ROPS 25-26 period, the total authorized RPTTF was insufficient to allow the entire PPA to be applied to that ROPS period, resulting in an excess PPA, in the amount of \$245,336. This excess PPA must be applied to the current ROPS. As a result, Finance is reclassifying \$245,336 in RPTTF to Reserve Balances to apply the excess PPA. Finance approves RPTTF in the amount of \$1,258,878, and Reserves in the amount of \$245,336, for a total of \$1,504,214.

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 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 \$833,560, 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.

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.

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

Sincerely,

Originally signed by:

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

cc: Harry Wong, Director of Finance and Administration, City of Lynwood
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	\$ 1,453,533	\$ 280,659	\$ 1,734,192
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,578,533	405,659	1,984,192
RPTTF Requested	1,453,533	280,659	1,734,192
<u>Adjustment(s)</u>			
Item No. 102	(245,336)	0	(245,336)
RPTTF Authorized	1,208,197	280,659	1,488,856
Administrative RPTTF Requested	125,000	125,000	250,000
Excess Administrative Costs	(125,000)	(125,000)	(250,000)
Administrative RPTTF Authorized	0	0	0
ROPS 23-24 Prior Period Adjustment (PPA)	(655,296)	0	(655,296)
Total RPTTF Approved for Distribution	\$ 552,901	\$ 280,659	\$ 833,560