



May 15, 2026

Teresa Binkley, Finance Director
City of Taft
209 East Kern Street
Taft, CA 93268

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 15, 2026. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Taft Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2026 through June 30, 2027 (ROPS 26-27) to Finance on January 27, 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 April 22, 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. 9 – Administrative Expenses in the amount of \$95,301 continues to be denied. Finance originally denied \$95,301 requested for the ROPS 26-27 Administrative Cost Allowance (ACA) based on the limitations outlined in HSC section 34171 (b) (3). HSC section 34171 (b) (3) limits the fiscal year ACA to three percent of actual Redevelopment Property Tax Trust Fund (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.

The Agency contends that although HSC section 34171 (b) (3) puts limitations on the ACA, it is not reasonable to assume no administrative costs will be necessary. The Agency further contends that Other Funds were mistakenly authorized on ROPS 25-26 rather than RPTTF due to an accounting error. However, Finance cannot retroactively reclassify the source of funds on a prior ROPS and since no RPTTF was distributed in the ROPS 25-26 period, the limitations set forth in HSC section 34171 (b) (3) apply. Therefore, as noted in the table below, \$95,301 in excess ACA is not allowed:

ACA Calculation	
Actual RPTTF distributed for fiscal year 2025-26	\$73,280
Less distributed Administrative RPTTF	(73,280)
RPTTF distributed for 2025-26 after adjustments	\$0
ACA Cap for 2026-27 per HSC section 34171 (b)	\$0
ACA requested for 2026-27	95,301
Total ACA Available	\$0
ACA in Excess of the Cap	(\$95,301)

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 \$534,581, 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.

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

Sincerely,

Originally signed by:

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

cc: Craig Jones, City Manager, City of Taft
Aimee Espinoza, County Auditor-Controller, Kern County
Joe Arriola, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 416,634	\$ 147,251	\$ 563,885
Administrative RPTTF Requested	28,590	66,711	95,301
Total RPTTF Requested	445,224	213,962	659,186
RPTTF Authorized	416,634	147,251	563,885
Administrative RPTTF Requested	28,590	66,711	95,301
Excess Administrative Costs	(28,590)	(66,711)	(95,301)
Administrative RPTTF Authorized	0	0	0
ROPS 23-24 Prior Period Adjustment (PPA)	(29,304)	0	(29,304)
Total RPTTF Approved for Distribution	\$ 387,330	\$ 147,251	\$ 534,581