



March 27, 2026

Marissa Duran, Administrative Services Director
City of Watsonville
250 Main Street
Watsonville, CA 95076

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Watsonville 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 determination:

- Item No. 17 - Projected Manebe-Ow OPA Management Costs – Payments for this type of service requested in the amount of \$10,000 is considered a general administrative cost and has been reclassified to Administrative Redevelopment Property Tax Trust Fund (RPTTF).

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 (CAC) review of the PPA form submitted by the Agency, as adjusted by Finance. Specifically, Finance increased the PPA amount by \$36,641 to \$37,141, to reflect Other Funds approved to be used prior to using RPTTF for Item No. 36 - 2016 Bond debt service payment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$383,050, 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: Joemaiyra Nolasco, Assistant Finance Manager, City of Watsonville
Laura Bowers, Auditor-Controller Treasurer Tax Collector, Santa Cruz County
Kim Namba, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 359,283	\$ 50,908	\$ 410,191
Administrative RPTTF Requested	5,000	5,000	10,000
Total RPTTF Requested	364,283	55,908	420,191
RPTTF Requested	359,283	50,908	410,191
<u>Adjustment(s)</u>			
Item No. 17	(5,000)	(5,000)	(10,000)
RPTTF Authorized	354,283	45,908	400,191
 Administrative RPTTF Requested	 5,000	 5,000	 10,000
<u>Adjustment(s)</u>			
Item No. 17	5,000	5,000	10,000
Adjusted Administrative RPTTF	10,000	10,000	20,000
Administrative RPTTF Authorized	10,000	10,000	20,000
ROPS 23-24 Prior Period Adjustment (PPA)	(37,141)	0	(37,141)
Total RPTTF Approved for Distribution	\$ 327,142	\$ 55,908	\$ 383,050