DEPARTMENT OF FINANCE
Gavin Newsom ▪ Governor
915 L Street ▪ Sacramento CA ▪ 95814-3706 ▪ www.dof.ca.gov

April 15, 2026

Julio Morales, Finance Director
City of Santa Fe Springs
11710 East Telegraph Road
Santa Fe Springs, CA 90670

2026-27 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Santa Fe Springs 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 12, 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. 5 – 2006 Tax Allocation Bonds Series A totaling $27,144,895 is partially adjusted. The Agency requested $20,610,992 Bond Proceeds, $5,173,903 Reserve Balances, and $1,360,000 in Redevelopment Property Tax Trust Fund (RPTTF), totaling $27,144,895.
  - The Agency received a Finding of Completion on December 5, 2013 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the bond covenants. Finance approved Oversight Board Resolution No. 2014-003 on April 21, 2014, for a Bond Expenditure Agreement between the Agency and the City. The Agency was authorized to transfer pre-2011 excess bond proceeds on the July 1, 2014 through December 31, 2014 Recognized Obligation Payment Schedule (ROPS 14-15A). It is our understanding that the bond proceeds were transferred during ROPS 14-15A and the Agency no longer possesses the bond proceeds. Therefore, the Bond Proceeds requested in the amount of $20,610,992 are not allowed.
  - The Agency made an error in the Reserve Balances amount requested. To accurately reflect the RPTTF funding approved for the January 1, 2026 to June 30, 2026 period (ROPS 25-26B) for this item as Reserve Balances, the requested Reserve Balances amount for the July 1, 2026, through December 31, 2026 period (ROPS 26-27A) has been decreased by $153,903 from $5,173,903 to $5,020,000.
  - As a result of the above adjustments, Finance is authorizing $5,020,000 in Reserve Balances and the requested $1,360,000 in RPTTF funding, totaling $6,380,000 ($27,144,895 - $20,610,992 - $153,903) to agree with amounts due pursuant to the bond debt service schedule.

- Item No. 45 – Weed Abatement in the amount of $531,094 is partially allowed. The Agency provided documentation identifying properties for weed abatement services. However, all the properties listed, with the exception of one property, are noted for governmental use on the Agency's Long-Range Property Management Plan (LRPMP). Governmental use properties listed on the approved LRPMP are not eligible for property maintenance costs, as these properties were to be transferred to the City of Santa Fe Springs for continued governmental use. According to the Agency's calculations, the governmental use properties accounted for $527,397 of the requested maintenance costs on the ROPS 26-27. Further, the amounts requested encompass amounts due during prior ROPS periods. Therefore, of the $531,094 requested for the ROPS 26-27 period, Finance determined that only $3,697 is eligible for RPTTF funding and $527,397 is not allowed.

- Item No. 58 – Administrative Expenses totaling $512,644 have been reclassified. The Agency inadvertently requested its administrative costs from the incorrect funding source. Therefore, Finance reclassified $512,644 from RPTTF to Administrative RPTTF.

- Item No. 71 – Water in the amount of $435,000 is not allowed. The Agency provided documentation identifying properties with water consumption charges. However, all the properties listed are noted for governmental use on the LRPMP. Governmental use properties listed on the LRPMP are not eligible for property maintenance costs, including utilities, for the reasons stated above. Therefore, the requested amount of $435,000 is not allowed.

- The claimed administrative costs exceed the allowance by $262,644.
  HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual 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. As a result, the Agency’s maximum ACA is $250,000 for fiscal year 2026-27.

  Although $512,644 is claimed for ACA, only $250,000 is available pursuant to the cap. Therefore, as noted in the table below, $262,644 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2025-26	$5,308,967
Less distributed Administrative RPTTF	(250,806)
RPTTF distributed for 2025-26 after adjustments	**5,058,161**
ACA Cap for 2026-27 per HSC section 34171 (b)	250,000
ACA requested for 2026-27 after adjustments	512,644
ACA in Excess of the Cap	**($262,644)**

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 $1,593,567, 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 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 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 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/

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: Rachel Gutierrez, Assistant Finance Director, City of Santa Fe Springs
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County
Martha Arana, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2026 through June 2027			
	ROPS A	**ROPS B**	**Total**
RPTTF Requested	$ 744,119	$ 2,104,119	$ 2,848,238
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	**744,119**	**2,104,119**	**2,848,238**
RPTTF Requested	**744,119**	**2,104,119**	**2,848,238**
Adjustment(s)			
Item No. 45	(261,850)	(265,547)	(527,397)
Item No. 58	(256,322)	(256,322)	(512,644)
Item No. 71	(217,500)	(217,500)	(435,000)
	(735,672)	(739,369)	(1,475,041)
RPTTF Authorized	**8,447**	**1,364,750**	**1,373,197**
Administrative RPTTF Requested	**0**	**0**	**0**
Adjustment(s)			
Item No. 58	256,322	256,322	512,644
Adjusted Administrative RPTTF	**256,322**	**256,322**	**512,644**
Excess Administrative Costs	(6,322)	(256,322)	(262,644)
Administrative RPTTF Authorized	**250,000**	**0**	**250,000**
ROPS 23-24 Prior Period Adjustment (PPA)	(29,630)	0	(29,630)
Total RPTTF Approved for Distribution	**$ 228,817**	**$ 1,364,750**	**$ 1,593,567**