



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of June 24, 2025

**TO:** Mayor and Members of the City Council

**VIA:** Dante Hall, City Manager

**SUBMITTED BY:** Tim Rood, Community Development Director

**SUBJECT:** Agreement with RSG to Provide Housing Element Program Implementation Services

### **RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute a \$187,985 professional service agreement with RSG to assist the City with implementing Housing Element programs to implement meaningful actions related to Affirmatively Furthering Fair Housing ("AFFH") and increasing the supply of affordable housing in the City.

### **BACKGROUND:**

#### Housing Successor Agency

In 2012, State law dissolved California redevelopment agencies and at the time, the City did not elect to become Housing Successor to retain housing assets and functions of the Former Agency. By default, the Contra Costa County Housing Authority ("Authority") became a Housing Successor by operation of law. However, the Authority refused the transfer of any assets. Former Agency loans were not administered for several years as a result. With the Authority declining to exercise Housing Successor functions, the City elected to become Housing Successor on February 27, 2024. As Housing Successor, the City gained access to over \$4.9 million in affordable housing funds collected from housing loan repayments since its dissolution. The City is also resuming the administration of outstanding housing loans issued by the Former Agency.

The City's Finance Department engaged RSG in September 2023 to review the Successor Agency loan documents and determine how to proceed with performing and non-performing loans. In July 2024, Finance engaged RSG to develop and implement a plan to restructure the non-performing loans, including borrower negotiations and amending loan agreements.

#### Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing consistent with the requirements of the federal Fair Housing Act. According to AB 686, affirmatively furthering fair housing means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics."

The four main goals are to:

- Address significant disparities in housing needs and in access to opportunity, and
- Replace segregated living patterns with truly integrated and balanced living patterns, and
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity, and
- Foster and maintain compliance with civil rights and fair housing laws.

RSG's proposal for Fair Housing services is based on Housing Element Table H.21: AFFH Meaningful Actions Matrix, with bold text indicating areas where RSG will assist City staff in establishing and implementing these programs.

#### **ANALYSIS:**

This proposal provides a scope of services to develop and implement a plan to fulfill the City's Fair Housing commitments in the adopted and certified 6th Cycle Housing Element and to assist the City in administering the Housing Asset Funds.

Due to RSG's extensive familiarity with the Successor Agency's finances and its status as the City's only pre-qualified vendor for fiscal analysis, the Finance Director and City Manager authorized the sole-source procurement for this agreement.

Staff is requesting that the City Council authorize the City Manager to execute the agreement.

#### **FISCAL IMPACT:**

As identified in RSG's proposal (Attachment 2), up to \$120,595 of RSG's proposed services, including preparation and administration of a Notice of Funding Availability (NOFA) for the Housing Asset Funds, are eligible to be paid from Housing Asset Funds as an eligible administrative expense. There is sufficient available cash balance for this

Agreement in the Housing Successor (Fund No. 640), which is derived from the repayment of the Housing Loans and restricted for Housing Successor-related activities. This portion of the scope of work is within the purview of Housing Asset Fund, and qualifies as an eligible expenditure for the specified funding source. For services that are not eligible for this funding, the adopted FY 25-26 Budget allocates \$67,390 from the General Fund for Housing Program Support.

Funds have been appropriated and are available in the General Fund and Housing Successor Fund for this contract as follows:

<b><u>Funding Sources</u></b>	<b><u>Account Number</u></b>	<b><u>Amount</u></b>
Housing Successor Fund	640-6000-611.40-00	\$120,595
General Fund	100-5238-611.40-00	\$ 67,390

**ATTACHMENTS:**

Attach 1- Resolution  
Attach 2- RSG Proposal