STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 28, 2026

TO: Mayor and Members of the City Council

VIA: Patrick Tang, Interim City Manager

SUBMITTED BY: Edwin Gato, Director of Finance

SUBJECT: Adopt a Resolution authorizing the City Manager to execute a professional service agreement with RSG to administer the Housing Successor Agency Housing Loan Program and Business Development Loan Program in the amount not to exceed $87,950

RECOMMENDED ACTION:

Staff recommend that the City Council consider adopting a resolution to authorize the City Manager to enter into a professional service agreement with RSG. This agreement will continue to facilitate the administration of the Housing Successor Agency's Housing Loan Program and the Business Development Loan Program, with an expenditure not to exceed $87,950.

BACKGROUND:

In 2012, California's state law dissolved redevelopment agencies throughout the state. At that time, the City opted not to become a Housing Successor, which would have allowed it to retain the former agency's housing assets and functions. As a result, the Contra Costa County Housing Authority became the Housing Successor by default, but it refused to accept any transfer of assets. Consequently, the loans from the former agency went unmanaged for several years.

Due to the Authority's decision not to carry out Housing Successor functions, the City elected to become the Housing Successor on February 27, 2024. This designation allows the City to access over $4.9 million in affordable housing funds collected from housing loan repayments since the dissolution. Additionally, the City may now resume administering outstanding housing loans issued by the former agency.

ANALYSIS:

As the Housing Successor, the City is responsible for managing 77 loans originally issued by the former agency. In September 2023, RSG was hired to review the loan documents, confirm the status of the outstanding loans, and determine the appropriate next steps for both performing and non-performing loans.

RSG's review revealed that out of the 77 loans, 47 are collectible while 30 are deemed uncollectible. Among the 47 active loans, 21 are performing (with no overdue balances), and 26 are non-performing (with overdue balances). The City Council has instructed staff to write off uncollectible loans, continue managing performing loans, and restructure non-performing loans.

RSG will continue to work alongside the City to assist with the administration of the former redevelopment agency loans. The details of these services are outlined in the attached proposal.

FISCAL IMPACT:

There are adequate funds available for this agreement through the Housing Successor (Fund No. 640), which is financed by the repayment of Housing Loans and is specifically designated for Housing Successor-related activities. The scope of work outlined falls within the jurisdiction of the Housing administration and qualifies as an eligible expense for this funding source. Staff requests that the City Council approve the appropriation for the professional services agreement as detailed below:

Funding Sources	Account Number	Amount
Housing Successor Fund	640-6000-611.40-00	$87,950

ATTACHMENTS:

Attach 1 - Resolution
Attach 2 - RSG Proposal