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**SUBJECT:** Supplement to the Annual Report on the Low and Moderate Income Housing Fund for Fiscal Year 2024/25

**DEPARTMENT:** Finance & Information Systems

**STAFF:** Kerry Breen, Director of Finance & Information Systems  
Sonia Agostini, Accounting Manager

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### **TITLE/RECOMMENDATION**

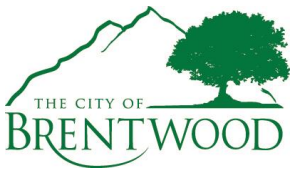
The Supplement to the Annual Report on the Low and Moderate Income Housing Fund ensures compliance with requirements for Housing Successors included in Senate Bill 341 (SB 341). This report will be submitted to the Department of Housing and Community Development (HCD) as an addendum to the Annual Progress Report that will be prepared in Spring 2026. Staff recommends that the City Council receive and file the Supplement to the Annual Report on the Low and Moderate Income Housing Fund for Fiscal Year 2024/25.

### **FISCAL IMPACT**

There is no fiscal impact associated with the City Council receiving this report. The information in the Supplement to the Annual Report on the Low and Moderate Income Housing Fund is required by law to be posted on the City's website and submitted to HCD.

### **BACKGROUND**

The state of California passed the Community Redevelopment Law, which set up a framework to allow cities and counties to form redevelopment agencies (RDA's). These agencies, set up as separate entities from the city, focused on addressing blight in communities by redeveloping commercial, industrial, and residential areas into new projects. One of the primary accomplishments of RDA's was developing affordable housing in communities. This was primarily accomplished through a special financing method used by RDA's called tax increment financing, which allowed RDA's to capture the increased property taxes after redeveloping blighted areas and reinvest that revenue into the area for improvements.



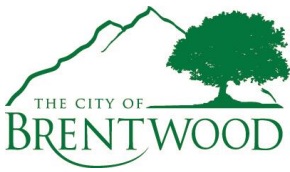
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In 2011, the state passed new legislation dissolving all California RDA's. In order to wind down the affairs and enforce outstanding obligations of the defunct RDA's, successor agencies were identified. In most instances, the successor agencies were simply the governmental bodies that had first established each RDA. Housing successor agencies were also set up to take over the housing functions and assets of the former RDA. They are not separate legal entities – cities generally rolled housing obligations and assets of former RDAs into existing city housing and community development departments.

In Brentwood, in addition to serving as the Successor Agency to the former Brentwood Redevelopment Agency (RDA), the City is also serving as Housing Successor. On January 10, 2012, in its capacity as Housing Successor, the City assumed the housing functions of the former RDA. These housing functions included the transfer of formerly designated RDA Low and Moderate Income Housing funds and property. These assets are required to be kept by the City in a separate fund and spent in accordance with Health and Safety Code Section 34176.1 ("Code"). The State Department of Finance (DOF) has reviewed and approved all Housing Successor related asset transfers from the Successor Agency.

State reporting requirements established the Low and Moderate Income Housing Fund ("Fund") of the former redevelopment agency, now owned, operated and administered by the City as Housing Successor. To ensure that the money in the Fund is spent as required, the Code requires an independent financial audit of the Fund within six months of the end of the fiscal year. The independent audit of the City's Fund was included as part of the City's Annual Comprehensive Financial Report (ACFR) prepared by City staff and audited by Maze and Associates, the City's independent auditor. The ACFR, along with the Independent Auditor's Report, is scheduled to be presented to the City Council on a separate item on the City Council's December 9, 2025, agenda. Staff will post the ACFR to the City's website following presentation to the City Council.

SB 341 also requires the annual reporting of thiteen specific items. Staff has prepared a supplemental report, attached as Exhibit "A", to comply with this reporting requirement. Following the review and receipt of this item by the City Council, the report will be posted on the City's website. In addition, the report will be submitted to HCD as an addendum to the Annual Progress Report concerning the progress of the implementation of the City's Housing Element.



The report includes the following information:

- There was a \$16,917 cash balance in the Fund at the fiscal year ending June 30, 2025, and there were \$0 expenditures during the period.
- The Fund holds two parcels (1907 and 1909 Jane Way) with a combined statutory value of \$420,000. The City had until September 18, 2017, to either initiate activities consistent with the development of the properties for low and moderate housing purposes, or otherwise dispose of the properties.
- The Fund holds loans/grants receivable related to affordable housing totaling \$5,235,578, although the entirety of this amount is expected to be forgiven.
- 47% (160 out of 338) of the affordable housing units assisted by the Housing Successor are restricted for seniors.
- There is no "excess surplus" (or unencumbered funds of more than one million dollars, as defined by SB 341) in the Fund.

#### **CITY COUNCIL STRATEGIC INITIATIVE**

Not Applicable.

#### **PREVIOUS ACTION**

Previous Action by the City Council is included on Attachment 1.

#### **DATE OF NOTICE**

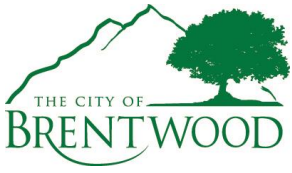
Not Applicable.

#### **ENVIRONMENTAL DETERMINATION**

Not Applicable.

#### **ALTERNATIVE OPTION**

1. Council may choose to not receive and file the supplement report, however, compliance with Senate Bill 341 (SB 341) requirements would not be met.



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**ATTACHMENTS**

1. Previous Action
2. Exhibit "A"- Supplement to the Annual Report on the Low and Moderate Income Housing Fund for the Fiscal Year Ended June 30, 2025