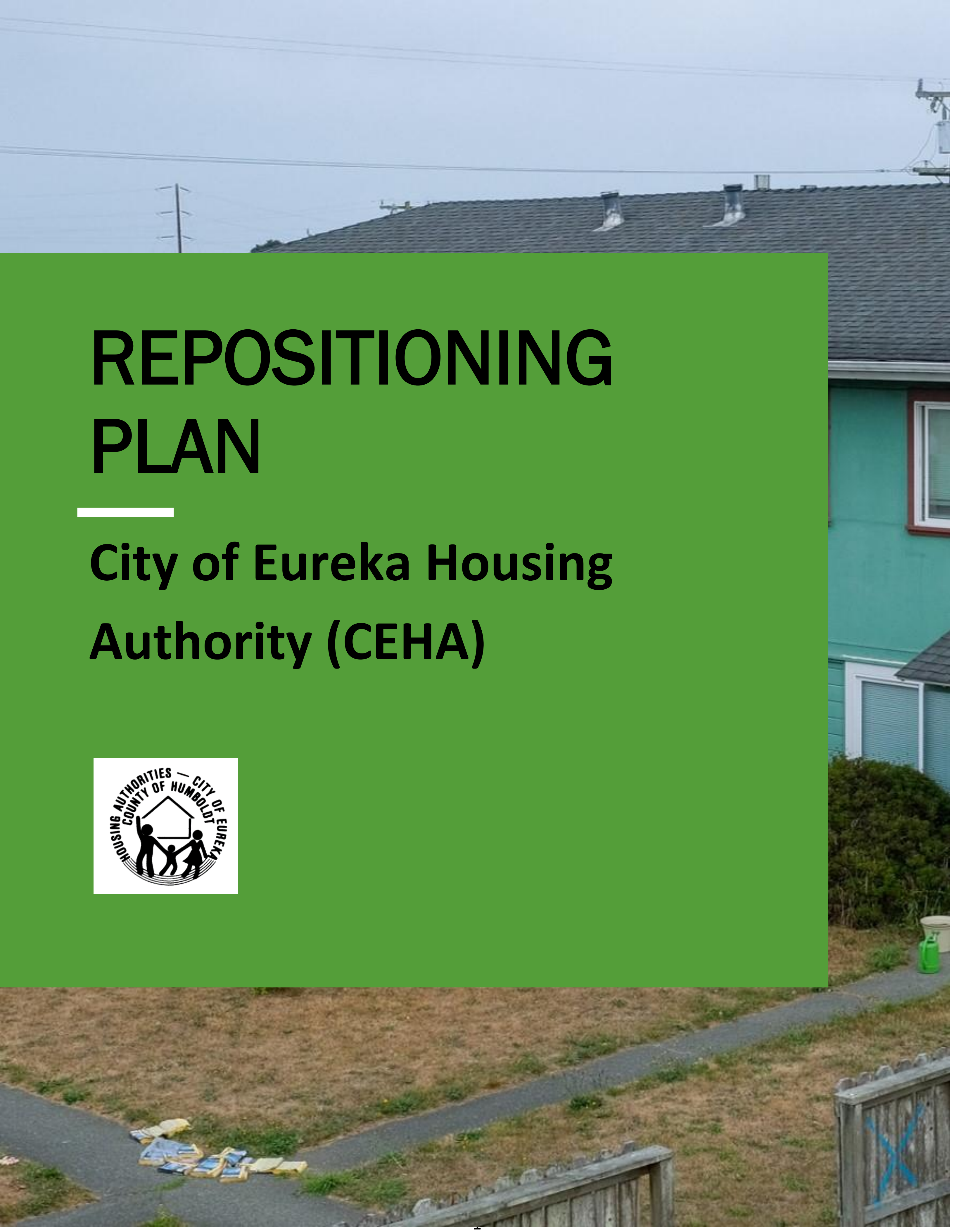


# REPOSITIONING PLAN

## City of Eureka Housing Authority (CEHA)

# Executive Summary

Public housing authorities nationally have been working to reposition their traditional public housing units. This effort is motivated by several factors:

- Backlog of capital needs have outpaced the ability of public housing funding to keep pace;
- Operating revenue from public housing is uncertain year-to-year, and in many instances, less than other available options;
- Repositioning public housing can reduce or eliminate administrative requirements and generally ease burdens of operations; and
- Unmet need for affordable housing can be addressed by redeveloping and leveraging public housing assets to provide more housing.

Repositioning means to convert properties owned and operated by public housing authorities to a Section 8 platform. This change can bring more stable and increased revenue to properties. In addition to changing the subsidy type from public housing to Section 8, repositioning can also mean recapitalizing existing properties to address physical needs or redeveloping sites to create a net increase in units. The outcome of repositioning can include the public housing authorities maintaining ownership and control of original properties.

The City of Eureka Housing Authority (CEHA) has set out to reposition its traditional public housing. This report provides a detailed analysis of CEHA's existing condition and offers a repositioning recommendation that results in more households served and improves the physical and financial soundness of the portfolio.

CEHA is organized as a corporate and public body as defined by California law, to develop, own, and operate affordable housing. CEHA is governed by a volunteer Board of Commissioners. Relevant to CEHA's repositioning plan is the close operational arrangement with the County of Humboldt Housing Authority (CHHA) which administers a Housing Choice Voucher (Section 8) program. CEHA will work closely with CHHA throughout the implementation of this repositioning plan.

CEHA owns and operates 196 traditional public housing units across 12 separate properties. Among the households served, there are approximately 500 total residents. Median income of households is $17,604. Over half of the households served have incomes less than 30% of the area median income. CEHA provides a critical housing resource in the City of Eureka.

Buildings in the CEHA portfolio were constructed between 1952 and 1983. Given the age, expected capital needs and general maintenance needs exist. Additionally, due to changes in the zoning code, there are properties with capacity for more units on the same sites. This presents an opportunity to leverage CEHA's land resources for additional units.

An evaluation of physical, financial, and social information related to CEHA portfolio was completed to understand existing conditions and opportunities available. Details are provided in the body and attachment to this report. This quantitative analysis was used as a basis for recommendations. Additionally, CEHA sought input from community stakeholders with insight and direct experience with affordable housing in the City of Eureka.

Using information gained from analysis and community input, recommendations were developed based on the following 5 policy guidelines that provided priority and a basis for repositioning recommendations:

1. Continue to serve very low-income populations in these communities.
2. Increase the supply of affordable housing.
3. Maintain ownership or control of the properties.
4. Improve the physical and financial condition of the properties.
5. Partner to optimize public and private resources on behalf of the properties and our residents.

Based on this analysis, the recommendation is for CEHA to reposition the entire public housing portfolio. Implementation of this strategy would rely on a series of applications to the U.S. Department of Housing and Urban Development (HUD), seeking incremental approvals for the desired project plan. The table below outlines the recommendations.

| Project Order | Name | Application Type | Strategy | Application No. | Project Type | Units Existing | Units Additional | Units Future |
|---|---|---|---|---|---|---|---|---|
| 1 | 1645 C Street | Section 18 | Scattered Site | 1 | Preservation | 3 | 0 | 3 |
| 2 | 25-1 | Section 18 | Obsolescence | 2 | Redevelop Site | 96 | 78 | 174 |
| 3 | Prospect Avenue | Section 18 | Obsolescence | 3 | Redevelop Site | 10 | 6 | 16 |
| 4 | C & Clark | Section 18 | Obsolescence | 4 | Redevelop Site | 16 | 42 | 58 |
| 5 | Buhne/Union/Summer | Section 18 | Obsolescence | 5 | Preservation & Rehab | 13 | 0 | 13 |
| 6 | Spring & Garland | Section 18 | Obsolescence | 6 | Redevelop Site | 12 | 6 | 18 |
| 7 | 1335 B | Section 18 | Very Small | 7 | Preservation & Rehab | 5 | 9 | 14 |
| 8 | 2523 Albee | Section 18 | Very Small | 7 | Preservation & Rehab | 4 | 0 | 4 |
| 9 | 510 W. Harris | Section 18 | Very Small | 7 | Preservation & Rehab | 5 | 0 | 5 |
| 10 | 330 Grant Street | Section 18 | Very Small | 7 | Preservation & Rehab | 5 | 0 | 5 |
| 11 | Albee & Del Norte | Section 18 | Very Small | 7 | Preservation & Rehab | 8 | 0 | 8 |
| 12 | 131 West Del Norte | Section 18 | Very Small | 7 | Preservation & Rehab | 19 | 14 | 33 |
| Total | | | | | | 196 | 154 | 350 |

Using HUD's Section 18 Disposition program over a series of seven applications, CEHA will be able to maximize the revenue available to the portfolio by utilizing options for net new Section 8 vouchers for each unit and carry out the desired physical redevelopment plans. Some of the properties do not need significant rehabilitation and/or do not offer an opportunity to increase units. These factors were used to determine which properties are best suited for Preservation or Redevelopment. Here, Preservation means to keep the existing building, convert the subsidy to Section 8, and complete a needed or desired rehabilitation. Redevelop means to relocate the existing residents, raze the buildings, and develop the property with new and more units than previously were on the site.

Two fundamental measurable outcomes from this recommendation are:

1. Number of housing units owned and controlled by CEHA will increase from 196 units to 350 units; and
2. The weighted average rent received per unit will increase from approximately $850 per month to $1,225 per month.

A strategic goal for this repositioning plan was to find a path that would allow CEHA to fully reposition using the Section 18 repositioning tool as opposed to other available tools. Section 18 is the only tool that provides a net new Section 8 voucher for each unit repositioned. Other tools provide an alternative subsidy, but the value is less. Achieving the new weighted average rent of $1,225 is only achievable with the Section 18 application type.

The high-level process for implementation is detailed in this plan. Generally, the HUD process will begin with compiling information needed to submit an application to HUD. The different strategy types (redevelopment versus preservation) listed above come with their own application requirements. Sequencing of the applications is important to the plan. Using the strategy called “Very Small” to convert units to voucher subsidy requires CEHA have 50 or fewer units remaining in its traditional public housing inventory at the time of these applications. Therefore, the prior projects must be completed in order to submit certain of these applications.

In addition to the HUD process, CEHA will implement a real estate strategy for each property. Properties involving preservation provide an opportunity for CEHA to complete the tasks needed and increase development capacity. For properties involving redevelopment it is recommended CEHA seek a development partner.

CEHA is positioned to make changes to its public housing portfolio that will significantly increase the number of households served and improve the physical and financial position of the portfolio.

# Section I: Introduction

Enterprise was tasked by HUD to develop an asset repositioning strategy that fully analyzes real estate assets inclusive of a market analysis, financial resources, resident needs, organizational structure, legal implications, capacity, potential partners, etc.

Technical Assistance was delivered remotely and on-site (as appropriate and in consideration of local COVID-19 precautions) in coordination with Housing Authority Staff, HUD Field Office Staff, and other technical assistance providers/consultants.

The City of Eureka Housing Authority (CEHA) is a small PHA located in Humboldt County in Northern California. The agency is comprised of two housing authorities: The City of Eureka Housing Authority (CEHA) and the County of Humboldt Housing Authority (CHHA). CEHA owns and operates several public housing properties in the City of Eureka and the County of Humboldt Housing Authority administers assistance through the Section 8 Housing Choice Voucher (HCV) program.

Enterprise will work with CEHA in a multi-year engagement to develop and implement a repositioning strategy that will ultimately lead to improving current properties and encourage the development of more affordable housing in the area.

The first element of the engagement included a portfolio analysis, site visit, goal and vision setting, and a community input meeting. Based on these initial efforts, Enterprise, in partnership with CEHA and Structure Development Advisors, has developed a repositioning plan.

# Section II: Overview of the City of Eureka Housing Authority (CEHA)

**HISTORY**

The federal Public Housing program began as a part of the United States Housing Act of 1937 (the "Act"), specifically as a mechanism for incentivizing workers for public works projects and clearing slums. It wasn't until the Housing Act of 1949 that Public Housing was expanded widespread across the country into the housing stock that we see today.

CEHA incorporated on August 6, 1946, a few years before the massive expansion in Public Housing under the Housing Act of 1949. CEHA is an independent agency, with operations separate from those of the City of Eureka. CEHA operated exclusively traditional Public Housing until the development of its first Low-Income Housing Tax Credit Project (LIHTC) in 2007. Currently the Housing Authority owns and operates several housing projects throughout the City of Eureka, including Eureka Family Housing, Eureka Senior Housing, and Public Housing Projects.

**GOVERNANCE**

CEHA and CHHA operate together as the Housing Authorities of the City of Eureka and County of Humboldt, with two separate boards and one staff. The Board for the County of Humboldt Housing Authority is appointed by the Humboldt County Board of Supervisors. The Board for the City of Eureka Housing Authority is appointed by the mayor of the City of Eureka and confirmed by the City Council. There are currently five (5) Commissioners for the City of Eureka Housing Authority and five (5) Commissioners for the County of Humboldt Housing Authority.

The Eureka Housing Development Corporation (EHDC) also exists within the CEHA governing structure as a separate legal entity. EHDC remains a component of CEHA that has provided development support primarily to CEHA and collaborated with procured developers to do rehabilitation of affordable housing properties. CEHA envisions EHDC to be CEHA's representative on all development transactions, including repositioning.

**AGENCY PROFILE**

CEHA currently operates with a budget of $3,528,177 and 23 full time employees (FTEs). This budget and staff lend itself to the administration of 270 units owned and operated by the housing authority through a combination of public housing developments and tax-credit properties assisted with project-based vouchers. 198 of the units are traditional public housing units, with an additional 72 LIHTC units.

CEHA Resident Demographics

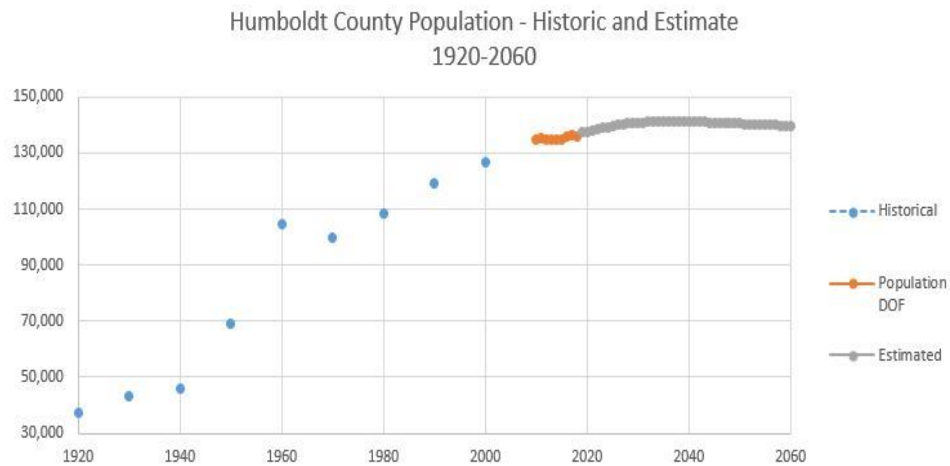
- *Residents 65 or older:* 72
- *Households with income of 30% AMI or lower:* 101
- *Households with income of 50% AMI:* 43
- *Households with income of 80% AMI:* 25
- *Over-income households:* 12
- *Disabled residents:* 140
- *Racial Demographics:*
  - *White:* 51.7%
  - *Black:* 8.4%
  - *Hispanic: 12.6%*
  - *American Indian Alaskan Native:* 12.1%
  - *Asian: 13%*
  - *Native Hawaiian/Pacific Islander: 2.2%*

# Section III: Community Overview

For many years, Congress has failed to fully fund federal housing programs, including the Public Housing Capital Fund and Public Housing Operating Fund. Currently, public housing agencies (PHAs) are only receiving about 70 percent of the amount HUD has determined they need to responsibly administer the Public Housing program. This chronic underfunding has resulted in 250,000 public housing units being lost from the program, and more are disappearing each year.

Many years of insufficient program funding has created a backlog of public housing capital repair needs nationally estimated at $70 billion. Yet public housing remains a critical source of affordable, stable housing for more than 1.8 million U.S. residents — especially women, people of color, and people with disabilities. Currently, a worker making the local minimum wage can afford a one-bedroom apartment at fair market rent in just 5% of U.S. counties.

Since the creation of the Housing Authorities in 1946 (CEHA) and 1970 (CHHA), the demographics, population size, economy, and social fabric of Humboldt County have changed dramatically. However, the housing stock has not been changed or revitalized since the construction of CEHA's newest property in the 1980s.




*Source: https://humboldtgov.org/2448/2019-*

## HOUSING MARKET CONDITIONS

As the funding for public housing has stagnated, housing prices and demand in the state of California have only increased, becoming inaccessible for the nearly 6 million renter households in the state. Currently, the Fair Market Rent (FMR) for a two-bedroom apartment in California is $2,030 and in order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn $81,191, which would equate to an hourly wage of $39.03 an hour, assuming a 40-hour work week for 52 weeks of the year.[1]

Looking at these numbers in Humboldt County specifically we see that the Fair Market Rent (FMR) for a two-bedroom apartment is a little bit lower than the statewide estimate, at $1,113. In order to afford this level of rent and utilities within the 30% of income threshold, a household must earn $44,520 a year which equates to $21.40 an hour, assuming a 40-hour work week for 52 weeks of the year. According to the U.S. Census bureau, the average yearly income in Humboldt County is $25,114.

This leaves 6,154 low-income renter households in Humboldt County without access to an affordable home and 81% of extremely low-income households paying more than half of their income on housing costs, compared to just 5% of moderate-income households.

In addition to households experiencing extreme cost-burden, Humboldt County and the City of Eureka have a higher-than-average rate of homelessness relative to other regions of the State. Specifically, in December of 2019, the County counted 1,473 homeless people, over two and a half times the state average of 410 per 100,000 people, according to the U.S. Department of Housing and Urban Development.

[1] National Low-Income Housing Coalition 2021 Out of Reach Report: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/viewer.html?pdfurl=https%3A%2F%2Fnlihc.org%2Fsites%2Fdefault%2Ffiles%2Foor%2F2021%2FOut-of-Reach_2021.pdf&clen=11916493&chunk=true

## HOUSING ELEMENT

California State law requires cities and counties to have housing elements as part of their general plans. The housing element identifies existing and projected housing needs and establishes goals, policies, standards and implementation measures for the preservation, improvement, and development of housing in the unincorporated areas of the county. Both Humboldt County and the City of Eureka's Housing Elements were last updated in 2019. The planning horizon for this Element extends to 2027.

The Housing Element is designed to achieve the following objectives set forth in State law:

1. Identify adequate sites for a range of housing opportunities;
2. Assist in the development of adequate and affordable housing;
3. Address constraints to meeting the City's housing needs;
4. Conserve and improve the condition of housing; and
5. Promote housing opportunities for all persons.

In the City of Eureka, specifically, since annexation of new developable lands is not possible, and because the city is largely built-out with few undeveloped sites remaining inside the city limits, Eureka needs a new set of realistic strategies designed to overcome these challenges and to stimulate the creation of new housing units across the economic and social spectrum of the city.

This Housing Element opens a new chapter for Eureka. Through considerable analysis and community engagement, the city has developed six specific strategies to stimulate the creation of housing. These strategies are unique in that they are explicitly based on the City's existing context and designed specifically to stimulate new housing in Eureka. The six strategies are:

1. Maximize development potential of the few remaining vacant and underutilized sites;
2. Accessory Dwelling Units (ADUs);
3. Internal conversions;
4. Small-lot subdivisions and conservation subdivisions;
5. Geographically dispersed affordable housing through affordable-by-design incentives; and
6. Local density bonuses

State housing element law requires the County and other jurisdictions to meet their shares of the state prescribed regional housing need. The County does this by maintaining a residential land inventory sufficient to meet the assessed number of units (known as RHNA). The final housing allotments for Humboldt County are outlined in the chart following:

| Jurisdiction | Very Low-Income Allocation | Low-Income Allocation | Moderate Income Allocation | Above Moderate-Income Allocation | Proposed Total RHNA Allocation |
|---|---|---|---|---|---|
| Arcata | 142 | 95 | 111 | 262 | 610 |
| Blue Lake | 7 | 4 | 5 | 7 | 23 |
| Eureka | 231 | 147 | 172 | 402 | 952 |
| Ferndale | 9 | 5 | 6 | 13 | 33 |
| Fortuna | 73 | 46 | 51 | 120 | 290 |
| Rio Dell | 12 | 8 | 9 | 22 | 51 |
| Trinidad | 4 | 4 | 3 | 7 | 18 |
| Unincorporated Area | 351 | 223 | 256 | 583 | 1413 |
| RHNA Targets | 829 | 532 | 613 | 1416 | 3390 |

CEHA and CHHA work closely with the City and County governments and seek to develop a repositioning plan in order to contribute to the Housing Element implementation and stimulate new and improved housing in Eureka.

# Section IV: Community Involvement

### COMMUNITY INVOLVEMENT PLAN

Success in repositioning CEHA's public housing portfolio is more likely with involvement of residents and key stakeholders. CEHA recognizes repositioning is a choice in service of providing more and better affordable housing to families that are current residents and to families for decades to come. Involving residents and other key stakeholders is important for CEHA and the stakeholders.

For residents, communication is valuable on two levels. First, it provides CEHA a means to communicate how repositioning will impact current residents. Ensuring residents understand what repositioning means for their family is a priority for CEHA. Second, seeking residents' input of redevelopment options will benefit the future development. Input from current residents about future plans will provide meaningful actionable advice. Asking residents to be part of planning for their future communities will also create a stake in the new community.

Beyond residents, other stakeholders will also be involved in the process in a manner proportional to the repositioning plans. For example, properties that will be a large-scale physical redevelopment will involve immediate neighborhood. Properties that will only see a change in subsidy will likely not warrant such engagement.

During the implementation phase, CEHA will create a more specific resident and community outreach plan that is appropriate for each property. It will be a priority of CEHA's to communicate "early and often" with residents.

## COMMUNITY INPUT MEETING SUMMARY

On November 11th, 2021, CEHA held its first Virtual Community Input Meeting to better understand what the community values and prioritizes as it relates to housing in Eureka and how CEHA can play a role in addressing the lack of affordable housing in the City of Eureka and Humboldt County through repositioning. The meeting was advertised to residents, advocates, City and County officials, developers, and other stakeholders through both an email listserv and direct flyer distribution to residents.

The content of the meeting covered background of the Housing Authority, current state of the Housing Authority, an overview of Repositioning, and 3 breakout rooms designed to facilitate discussion on the following topics:

- General thoughts about affordable housing in Eureka
- Concerns about affordable housing in Eureka
- Likes or dislikes about affordable housing in Eureka
- Future vision for affordable housing in Eureka
- Other suggestions

Poll questions were also dispersed throughout the meeting to identify more specific targets for housing in Eureka.

There were 27 unique attendees of the meeting, 2 of which were identified as residents. The overall sentiment amongst attendees was that although there is much to be done in terms of improving housing conditions and providing additional units for residents, people are hopeful and encouraged by the efforts of the City and County governments as well as the Housing Authorities.

To view a recording of the meeting, download a copy of the presentation, or look at the notes from the breakout discussion, follow this link: (https://eurekahumboldtha.org/repositioning/).

# Section V: CEHA Policy Guidelines & Directives for Repositioning

### POLICY GUIDELINES FOR REPOSITIONING

1) Continue to serve very low-income populations in these communities.
2) Increase the supply of affordable housing.
3) Maintain ownership or control of the properties.
4) Improve the physical and financial condition of the properties.
5) Partner to optimize public and private resources on behalf of the properties and our residents.

### DIVERSITY, EQUITY, AND INCLUSION

CEHA believes that equity is critical to providing access to affordable housing for residents in Eureka. Explicitly valuing diversity, equity, and inclusion is imperative in our approach to creating and offering housing. CEHA recognizes the historical patterns that can create injustice and inequity in housing. Addressing these systematic social and economic patterns requires a broader and deeper organizational commitment.

CEHA is committed to understanding and addressing the patterns of inequity and injustice in our community. We have begun to create an organizational approach to diversity, equity, and inclusion. As our public housing repositioning is implemented, like other efforts, it will reflect our commitment to equity values.

### POLICY DIRECTIVES:

Over the next several years, we will be taking the steps necessary to reposition public housing. These important policies will guide us as we undertake this complex and challenging initiative:

**1) Continue to serve low and very-low income populations**

As rents increase and the demand for low and very-low income housing increases, CEHA will maintain its focus on serving this segment of the community.

**2) Protect existing residents**

Existing residents who are still eligible for assistance will not lose housing because of this transition. When properties are razed and the land redeveloped, CEHA will offer the qualifying existing residents the right to return to the new development.

Development of new properties will provide for the need of current tenants in regard to unit bedroom sizes, and consider community need in determining unit sizing for any increase in unit count.

As relocation will be required for many tenants, CEHA will provide moving assistance.

**3) Maintain ownership and/or control of properties**

CEHA will continue to be the landlord and have a controlling position in the real estate following the transition. While the entity owning the real estate may change, CEHA will be the exclusive or managing entity exercising control. This control is important to CEHA as matters related to long term affordability, decisions that impact access to housing, and healthy financial performance and physical condition are all factors critical to achieving our mission.

Additionally, CEHA will retain an option (or right of first refusal) to purchase the buildings and improvements at the end of the term of any and all partnerships, which will be codified in all contracts.

While a minimum affordability period of 30 years is required per HUD, CEHA prefers an extended length of 50 years or longer.

**4) Outreach and community input is necessary**

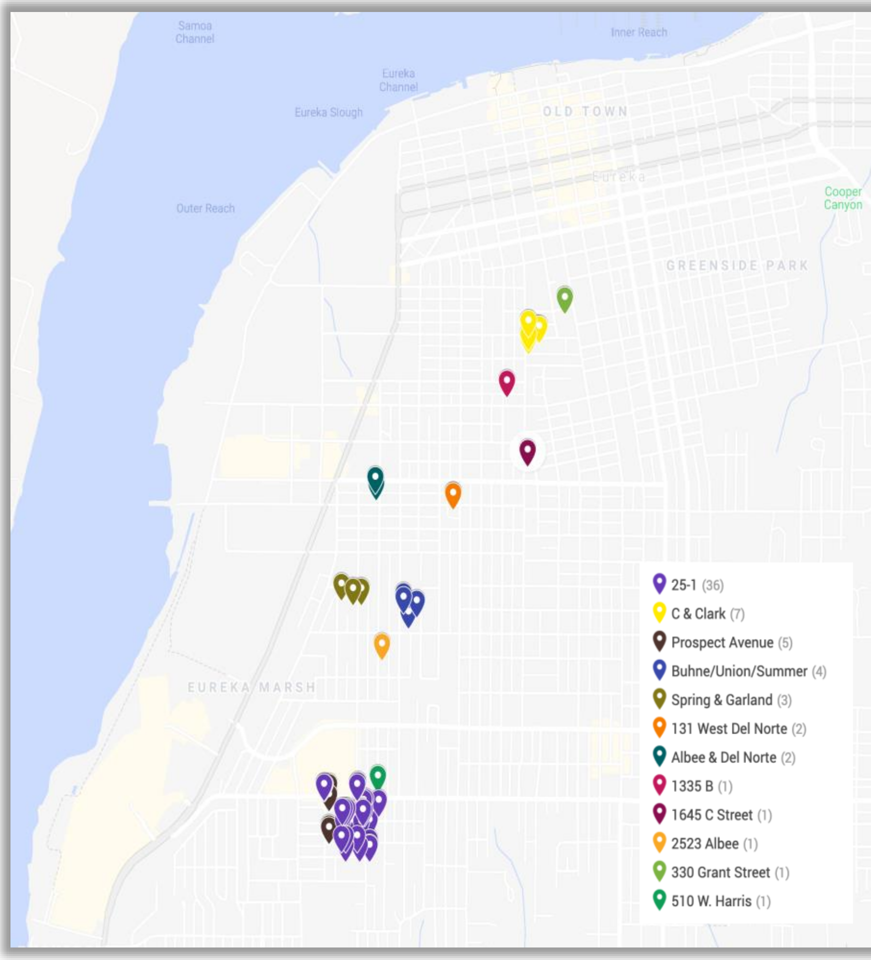
Outreach will be conducted early and often to tenants and the neighborhood at large throughout the repositioning process, with specific attention paid to outreach to the BIPOC residents and community. We believe it is critical to receive input from all community groups, and we will provide opportunities and make every effort for peoples' voices to be heard.

# Section VI: Portfolio Analysis

### PORTFOLIO OVERVIEW

CEHA public housing portfolio is a reflection of two distinct periods of federal public housing development. The first occurred in the late 1940s to early 1960s and reflects the period of post-World War II era housing spurred by the Housing Act of 1949. The second occurred in the 1970s and 1980s and is reflective of smaller scale, scattered site projects.

Today, CEHA's portfolio includes 196 traditional public housing units in twelve properties. All units are in a single AMP (CA025000001). Nearly half of CEHA's apartments are within a single development constructed in the early 1950s. The other half were developed over the next three decades.




| DOFA Year | Units |
|---|---|
| 1952 | 96 |
| 1964 | 60 |
| 1971 | 21 |
| 1983 | 19 |

The properties are generally aligned along the western edge of Eureka's residential districts in land zoned R2 and R3. Buildings are either one or two stories with a wood frame structure. Construction type, site development and building condition reflect their age.

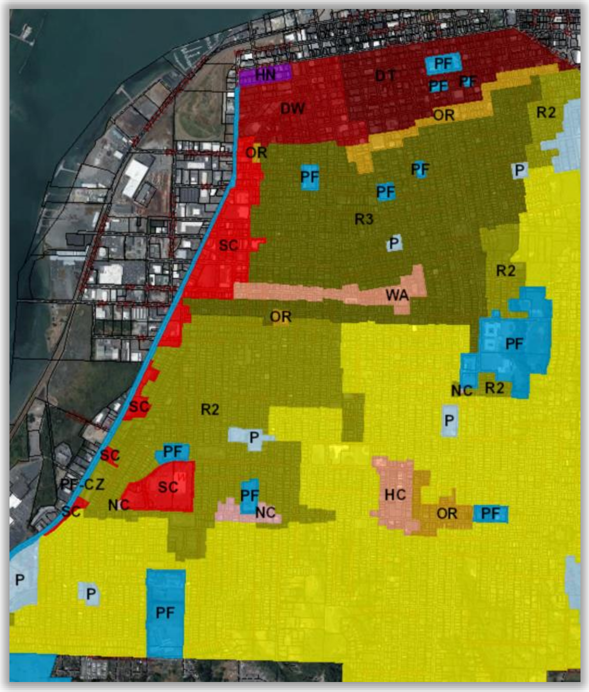
The portfolio consists of 1-, 2-, 3-, and 4-bedroom units. Units are both flats and townhouse style. Units exit directly outside.

| Name | SRO | 1BR | 2BR | 3BR | 4BR | 5BR | 6BR | Total |
|---|---|---|---|---|---|---|---|---|
| 25-1 | 0 | 24 | 42 | 22 | 8 | 0 | 0 | 96 |
| Prospect Avenue | 0 | 0 | 2 | 4 | 4 | 0 | 0 | 10 |
| C & Clark | 0 | 10 | 6 | 0 | 0 | 0 | 0 | 16 |
| Buhne/Union/Summer | 0 | 0 | 10 | 3 | 0 | 0 | 0 | 13 |
| Spring & Garland | 0 | 0 | 5 | 7 | 0 | 0 | 0 | 12 |
| 1335 B | 0 | 0 | 3 | 2 | 0 | 0 | 0 | 5 |
| 2523 Albee | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 4 |
| 1645 C Street | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 3 |
| 510 W. Harris | 0 | 0 | 4 | 1 | 0 | 0 | 0 | 5 |
| 330 Grant Street | 0 | 0 | 4 | 1 | 0 | 0 | 0 | 5 |
| Albee & Del Norte | 0 | 0 | 4 | 4 | 0 | 0 | 0 | 8 |
| 131 West Del Norte | 0 | 0 | 19 | 0 | 0 | 0 | 0 | 19 |
| Total | 0 | 34 | 103 | 47 | 12 | 0 | 0 | 196 |
| Percent of Total | 0% | 17% | 53% | 24% | 6% | 0% | 0% | 100% |

## REGULATORY OVERVIEW OF PORTFOLIO

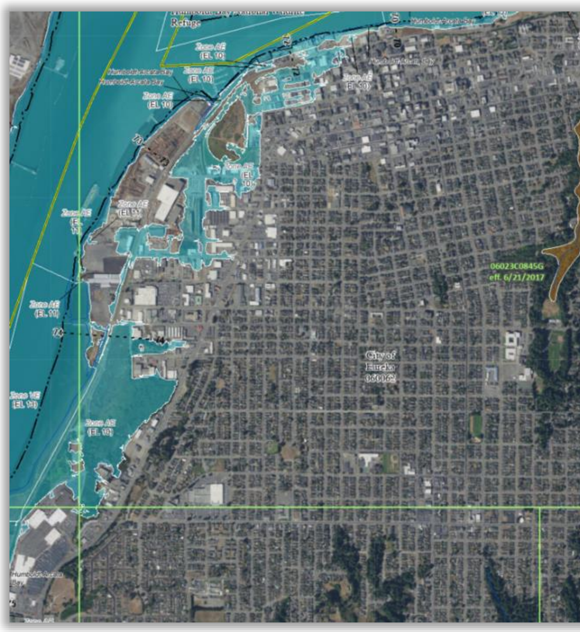
*Zoning*

CEHA properties are located in either R2 or R3 zones. Additional information about development capacity is contained in the property level analysis.



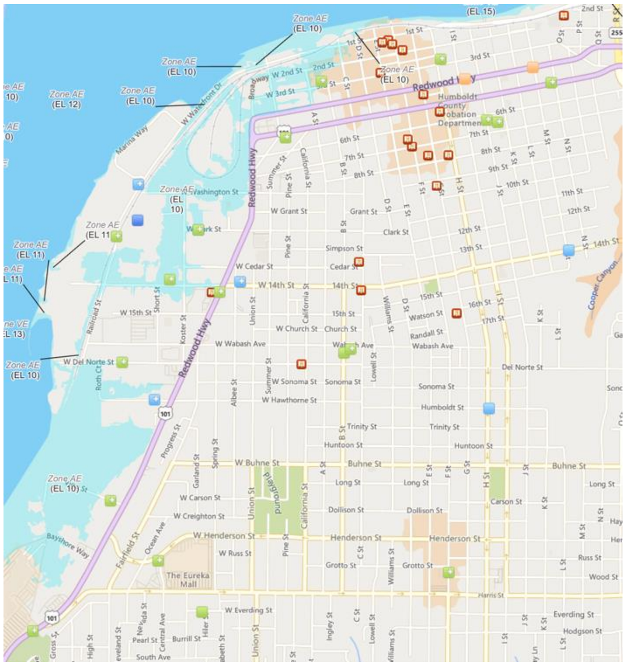

*Flood Plain*

No properties are in flood hazard areas.



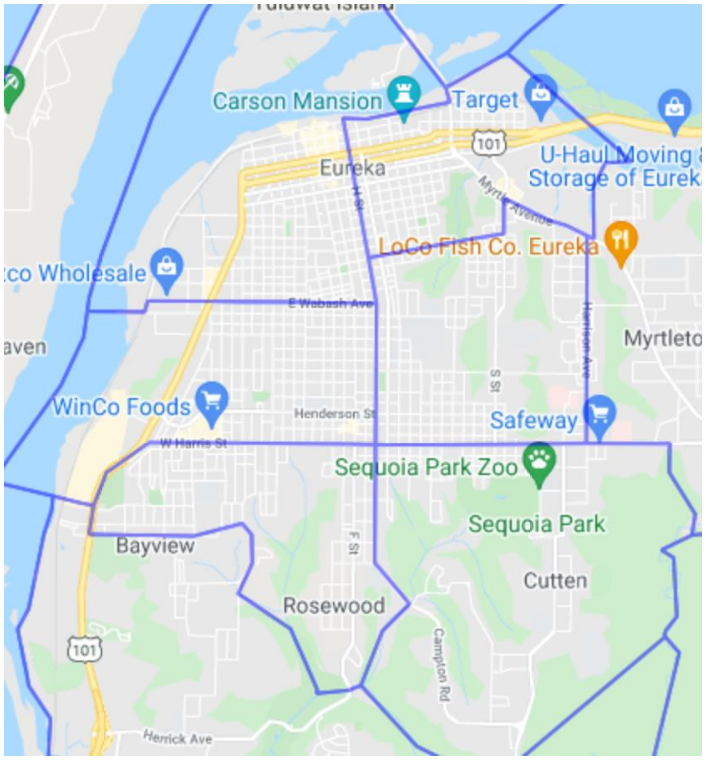
*National Environmental Policy Act (NEPA), Part 58 Review*

The Environmental Protection Agency (EPA) NEPAssist website did not reveal any hazardous elements likely to be discovered during a Part 58 Environmental Review.




*Minority Concentration Census Tracts*

There are no minority concentration census tracts in the City of Eureka.



## PHA ANNUAL PLAN

CEHA's 5-Year and Annual Plan include an intent to explore repositioning and a desire to pursue RAD, Section 18 or Section 22 as methods for repositioning. The Annual Plan will need to be updated to include the specific repositioning tools intended for specific projects. Intended tools can be listed in the PHA plan narrative to allow for flexibility should a desired change present after the plan approval.

## PORTFOLIO-LEVEL ANALYSIS

### 1) 25-1

1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 10 | 24 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 63 | 42 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 25 | 22 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 4 | 8 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 96 | $71.92 | $848 | $1,151 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

| | |
|---|---|
| a. Address: | 3107 Prospect Avenue |
| b. City/state/zip: | Eureka, CA 95503 |
| c. Census Tract: | 6023000100 |
| d. Building age: | 70 years |
| e. QCT: | Yes |
| f. Opportunity Zone: | Yes |
| g. Minority Census Tract: | No |
| h. Lot size: | 343,688 sf / 7.89 acres |
| i. Zoning: | R2 |
| j. District: | 14 |
| k. APN: | 009-074-001,<br>009-073-001,<br>009-075-001,<br>009-072-001,<br>009-076-001. |

3) Physical description:

The building and property within 25-1 appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. 25-1 is largest of all CEHA properties, containing 39 residential buildings (two of which have non-residential uses), an administrative building and a maintenance building sited within five parcels on five separated city blocks.

Buildings are one- and two-story wood frame construction with gable roofs. Foundations are slab on grade. Water distribution and waste lines are contained within the poured slab foundation. Staff reports there is asbestos in the floor mastic and wall compound.

Due to the size of the development and site design, there is considerable landscaping and open space. Additionally, there is no intentional design to the system for trash disposal, which results in most tenants leaving their individual trash reception on the street week over week. Copious amount of fencing is used to define the edge or boundary of the site and create private or semi-private space within the site for residents. These design factors drive up landscape maintenance expense, contribute to nuisance activities within indefensible space, and result in negative public perception due to general appearance of the site.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $16,325,417 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
   Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for 25-1. Because 25-1 includes multiple building types as defined by HUD, the per unit amounts shown are weighted averages based on the mix of units and building types. The 2021 TDC for 25-1 is $30,620,517. At 57.14%, the Obsolescence threshold amount is $17,496,558.

| Section 18 Analysis | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Override | | | | | Unit Dist - Blend | | |
| Size | Unit | Units | HCC | TDC | | RAD | Section 18 | Total |
| 0BRD | 0 | 0 | $121,118 | $211,956 | | 0 | 0 | 0 |
| 1BRD | 10 | 24 | $154,899 | $271,074 | *WAVG Bldg Type* | 19 | 5 | 24.1 |
| 2BRD | 63 | 42 | $175,838 | $307,716 | *WAVG Bldg Type* | 34 | 8 | 42 |
| 3BRD | 25 | 22 | $201,666 | $352,915 | *WAVG Bldg Type* | 18 | 4 | 22 |
| 4BRD | 4 | 8 | $244,753 | $428,318 | *WAVG Bldg Type* | 6 | 2 | 8 |
| 5BRD | 0 | 0 | $287,862 | $503,758 | | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $311,468 | $545,070 | | 0 | 0 | 0 |
| Total | | 96 | $17,497,432 | $30,620,507 | | 77 | 19 | 96.1 |
| | | | | | | 80% | 20% | 100% |
| **TDC / HCC Thresholds** | | | | | | | | |
| Obsolescence | | 57.14% | of TDC | $17,496,558 | or $182,256 / U | 0% | 100% | |
| Const Blend | > 30% | 30.00% | of HCC | $5,249,230 | or $54,679 / U | 80% | 20% | |
| Const Blend | > 60% | 60.00% | of HCC | $10,498,459 | or $109,359 / U | 60% | 40% | |
| Const Blend | > 90% | 90.00% | of HCC | $15,747,689 | or $164,038 / U | 40% | 60% | |
| Const Blend | > 90% high $ | 90.00% | of HCC | $15,747,689 | or $164,038 / U | 20% | 80% | |

Using the Bureau Veritas capital needs value through 2024, and applying the allowable load factors for General Conditions (5%), Buildings Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for 25-1 is projected to be $20,242,277 or 66.10% of the TDC.

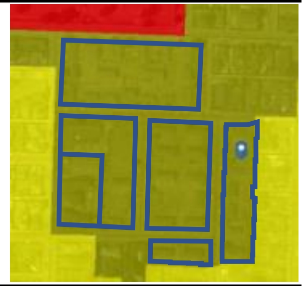
5) Development capacity analysis:
25-1 is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Since 25-1 and Prospect Avenue share a city block, this analysis combined these properties to consider future development capacity. In the aggregate, 25-1 and Prospect Avenue can yield approximately 83 additional housing units on the same land under a redevelopment scenario. Five of the six parcels possess demonstrably more unit capacity than exists. The smallest southerly lot, APN 009-076-001 could only yield one additional unit.

**Total: 25-1 & Prospect Avenue**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 186% | 80 | 600 SF | 48,000 SF | 64,000 SF | |
| 2BRD | 216% | 93 | 860 SF | 79,980 SF | 106,640 SF | |
| 3BRD | 37% | 16 | 1,145 SF | 18,320 SF | 24,427 SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 440% | 189 | 774 SF | 146,300 SF | 195,067 SF | 65,022 SF |



| Information | | |
|---|---|---|
| APN | | |
| Zoning | R2 | |
| District | 14 | |
| Acres | 8.61 | 7.89 |
| SF | 375,052 | 343,688 |
| Existing Units | 106 | |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 189 units |
| FAR | 1.00 | 375,052 |
| Site Coverage | 70% | 262,536 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 80 | | |
| 2BRD | 93 | | |
| 3BRD | 16 | | |
| 4 BRD | 0 | | |
| Total | 189 | Existing Units | 106 |
| | | Net Change | 83 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| | Override | Existing | | 2020 RAD Rent | 2022 FMR-UA | | | |
|---|---|---|---|---|---|---|---|---|
| Size | Unit | Units | Utility Allowance* | OCAF'd 2022 | 100% | 110% | 120% | 150% |
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 10 | 24 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 63 | 42 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 25 | 22 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 4 | 8 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 96 | $71.92 | $848 | $1,151 | $1,266 | $1,381 | $1,726 |

FMR based rents for 25-1 are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 36% higher than RAD rents ($1,151 versus $848). This difference across 96 units for one year totals $348,862.

7) Discussion of development opportunity:
25-1 is the oldest and largest property in CEHA's portfolio. Capital needs are conservatively projected to be over $28.0M within the next several years. This amount exceeds the Obsolescence threshold criteria for Section 18 Disposition.

The original site plan contributes to high costs. Landscape and grounds maintenance is high due to the amount of open space. The ratio of units to buildings (106 units in 25-1 and Prospect within 42 residential buildings) results in a high proportion of roof and exterior facades to maintain.

Current zoning allows for 22 units per acre. The current development is at 12 units per acre. An additional 83 units is achievable on this site.

Under a FMR based revenue scenario, the 106 residential units in 25-1 and Prospect Avenue would be approximately $404,203 higher per year than a RAD revenue scenario.

Buildings in 25-1 are greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in 25-1 do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | Yes | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $5,249,230 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $10,498,459 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $15,747,689 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | No | <= 50 units | Project exceeds 50 units. |
| **Section 18** | | | |
| Obsolescence | Conditional | $17,496,558 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 2) Prospect Avenue

1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2021 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $495 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $577 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $744 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 43 | 4 | $71.92 | $1,064 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 8 | 4 | $71.92 | $1,270 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,270 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,270 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 10 | $71.92 | $1,083 | $1,544 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

a. Address: 3229 Prospect Avenue
b. City/state/zip: Eureka, CA 95503
c. Census Tract: 6023000100
d. Building age: 58 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 31,363 sf / 0.72 acres
i. Zoning: R2
j. District: 14
k. APN: 009-083-001, 009-083-002, 009-083-003.

3) Physical description:

The building and property within Prospect Avenue appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. Prospect Avenue was construction adjacent and to be a part of 25-1. By appearance and operation, they function as a single site.

Prospect Avenue contains 3 residential buildings totaling 10 units. They are sited on three separate parcels on a city block also containing units from 25-1, the CEHA administrative office, and maintenance facility.

Buildings are two story wood frame construction with a gable roof. Foundations are slab on grade. The buildings were constructed in 1964, making them 58 years old. This site includes off-street parking and a drive aisle shared with CEHA's maintenance facility.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

As with 25-1, but proportional to the size of this site, there is ample landscaping and open space. Unlike 25-1, the edge of Prospect Avenue includes a privacy fence. Backyards face the street and front doors are interior to the site off the central parking. This creates private space for residents, aids in management of the site, and lends to the site feeling disconnected from the neighborhood.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On-site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $2,413,529 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Prospect Avenue. The 2021 TDC is $3,662,404. At 57.14%, the Obsolescence threshold amount is $2,092,698.

**Section 18 Analysis**

| | Override | | | | Unit Dist - Blend | | |
|---|---|---|---|---|---|---|---|
| Size | Unit | Units | HCC | TDC | RAD | Section 18 | Total |
| 0BRD | 0 | 0 | $104,865 | $183,514 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $136,735 | $239,286 | 0 | 0 | 0 |
| 2BRD | 103 | 2 | $165,504 | $289,632 | 2 | 0 | 2 |
| 3BRD | 43 | 4 | $201,666 | $352,915 | 3 | 1 | 4 |
| 4BRD | 8 | 4 | $238,783 | $417,870 | 3 | 1 | 4 |
| 5BRD | 0 | 0 | $262,812 | $459,920 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $285,060 | $498,856 | 0 | 0 | 0 |
| Total | | 10 | $2,092,802 | $3,662,404 | 8 | 2 | 10 |
| | | | | | 80% | 20% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $2,092,698 | or $209,270 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $627,841 | or $62,784 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $1,255,681 | or $125,568 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $1,883,522 | or $188,352 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $1,883,522 | or $188,352 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Buildings Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Prospect Avenue is projected to be $2,992,776 or 81.72% of the TDC.

5) Development capacity analysis:
Prospect Avenue is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

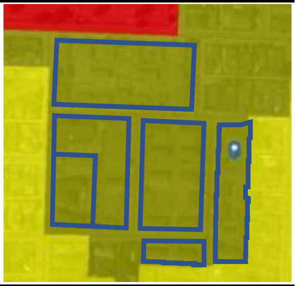
For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site.

This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Since 25-1 and Prospect Avenue share a city block, this analysis combined these properties to consider future development capacity. In the aggregate, 25-1 and Prospect Avenue can yield approximately 83 additional housing units on the same land under a redevelopment scenario. Five of the six parcels possess demonstrably more unit capacity than exists. The smallest southerly lot, APN 009-076-001, could only yield one additional unit.

**Total: 25-1 & Prospect Avenue**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 186% | 80 | 600 SF | 48,000 SF | 64,000 SF | |
| 2BRD | 216% | 93 | 860 SF | 79,980 SF | 106,640 SF | |
| 3BRD | 37% | 16 | 1,145 SF | 18,320 SF | 24,427 SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 440% | 189 | 774 SF | 146,300 SF | 195,067 SF | 65,022 SF |



| Information | | |
|---|---|---|
| APN | | |
| Zoning | R2 | |
| District | 14 | |
| Acres | 8.61 | 7.89 |
| SF | 375,052 | 343,688 |
| Existing Units | 106 | |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 189 units |
| FAR | 1.00 | 375,052 |
| Site Coverage | 70% | 262,536 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 80 | | |
| 2BRD | 93 | | |
| 3BRD | 16 | | |
| 4 BRD | 0 | | |
| Total | 189 | Existing Units | 106 |
| | | Net Change | 83 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| | Override | Existing | | 2020 RAD Rent | 2022 FMR-UA | | | |
|---|---|---|---|---|---|---|---|---|
| Size | Unit | Units | Utility Allowance* | OCAF'd 2021 | 100% | 110% | 120% | 150% |
| 0BRD | 0 | 0 | $71.92 | $495 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $577 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $744 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 43 | 4 | $71.92 | $1,064 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 8 | 4 | $71.92 | $1,270 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,270 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,270 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 10 | $71.92 | $1,083 | $1,544 | $1,266 | $1,381 | $1,726 |

FMR based rents for Prospect Avenue are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 43% higher than RAD rents ($1,544 versus $1,083). This difference across 10 units for one year totals $55,340.

7) Discussion of development opportunity:
Prospect Avenue was developed in the early 1960s and sits among the building and land part of 25-1. Capital needs are conservatively projected to be over $2.9M within the next several years. This amount exceeds the Obsolescence threshold criteria for Section 18 Disposition.

   The site's connection with the larger 25-1 suggests planning for the two properties occur in tandem. Additionally, CEHA's continuity of operations relates to planning for the Prospect Avenue site.

   Current zoning allows for 22 units per acre. The current development is at 13 units per acre. There is an additional 5 units available on these three parcels, and when considered as part of a larger project with 25-1, development options become greater.

   Under a FMR based revenue scenario, the 106 residential units in 25-1 and Prospect Avenue would be approximately $404,203 more revenue per year than a RAD revenue scenario.

   Buildings in Prospect Avenue are greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in Prospect Avenue do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

   Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $627,841 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $1,255,681 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $1,883,522 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $2,092,698 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 3) C & Clark

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 24 | 10 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 99 | 6 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 16 | $71.92 | $662 | $884 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

| | |
|---|---|
| a. Address: | 1115 C Street |
| b. City/state/zip: | Eureka, CA 95501 |
| c. Census Tract: | 6023000100 |
| d. Building age: | 58 years |
| e. QCT: | Yes |
| f. Opportunity Zone: | Yes |
| g. Minority Census Tract: | No |
| h. Lot size: | 43,996 sf / 1.01 acres |
| i. Zoning: | R3 |
| j. District: | 14 |
| k. APN: | 004-163-001,<br>004-163-019. |

3) Physical description:
The building and property within C & Clark are located on C Street between Clark Street and Hillsdale Street. The buildings and land exist on two parcels bisected by a public right of way alley. The alley runs the length of the block from C Street to E Street. Head in parking exists for the project off the alley.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available

There are seven buildings on the site containing 16 units. Buildings are generally oriented inward toward the centrally located parking and private outdoor space. Buildings appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing.

Buildings are one- and two-story wood frame construction with a gable roof. Foundations are slab on grade. The buildings were constructed in 1964 making them 58 years old.
In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $2,126,273 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Prospect Avenue. The 2021 TDC is $4,477,427. At 57.14%, the Obsolescence threshold amount is $2,558,402.

**Section 18 Analysis**

| | Override | | | | | Unit Dist - Blend | | |
|---|---|---|---|---|---|---|---|---|
| Size | Unit | Units | HCC | TDC | | RAD | Section 18 | Total |
| 0BRD | 0 | 0 | $121,118 | $211,956 | | 0 | 0 | 0 |
| 1BRD | 24 | 10 | $156,551 | $273,964 | *WAVG Bldg Type* | 8 | 2 | 10 |
| 2BRD | 99 | 6 | $165,504 | $289,632 | *WAVG Bldg Type* | 5 | 1 | 6 |
| 3BRD | 47 | 0 | $223,042 | $390,324 | | 0 | 0 | 0 |
| 4BRD | 12 | 0 | $262,665 | $459,663 | | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $287,862 | $503,758 | | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $311,468 | $545,070 | | 0 | 0 | 0 |
| Total | | 16 | $2,558,530 | $4,477,427 | | 13 | 3 | 16 |
| | | | | | | 81% | 19% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $2,558,402 | or $159,900 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $767,559 | or $47,972 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $1,535,118 | or $95,945 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $2,302,677 | or $143,917 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $2,302,677 | or $143,917 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Prospect Avenue is projected to be $2,636,579 or 58.89% of the TDC.

5) Development capacity analysis:
C & Clark is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Since the two parcels that make up C & Clark are separated by a public right of way, they will likely be treated distinctly for entitlements. Given the underlying zoning and existing development, both parcels are underdeveloped. APN 004-163-001 has capacity for 12 units more than the current development. APN 004-163-019 has capacity for 10 more units than are currently developed.

**Total: C & Clark**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 214% | 30 | 600 SF | 18,000 SF | 24,000 SF | |
| 2BRD | 107% | 15 | 860 SF | 12,900 SF | 17,200 SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 321% | 45 | 687 SF | 30,900 SF | 41,200 SF | 13,733 SF |

| Information | |
|---|---|
| APN | |
| Zoning | R2 |
| District | 14 |
| Acres | 1.01 |
| SF | 43,996 |
| Existing Units | 16 |

| Standards | | Calcs |
|---|---|---|
| Density | 44 units/acre | 44 units |
| FAR | 1.00 | 43,996 |
| Site Coverage | 70% | 30,797 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 30 | | |
| 2BRD | 15 | | |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 45 | Existing Units | 16 |
| | | Net Change | 29 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 24 | 10 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 99 | 6 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 16 | $71.92 | $662 | $884 | $1,266 | $1,381 | $1,726 |

FMR based rents for C & Clark are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 34% higher than RAD rents ($884 versus $662). This difference across 16 units for one year totals $42,666.

7) Discussion of development opportunity:

C & Clark was developed in the early 1960s. The properties possess the wear and needs expected given the age of the buildings, construction type, and use. Capital needs are conservatively projected to be over $2.6M within the next several years. This amount exceeds the Obsolescence threshold criteria for Section 18 Disposition.

The site encompasses an entire city block along C Street, approximately 315 ft curb to curb, bisected by a public alley asymmetrically on the block, creating two different frontage lengths.

Current zoning allows for 44 units per acre. The current development is at 16 units per acre. There is an additional 29 units available on these two parcels.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $767,559 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $1,535,118 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $2,302,677 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $2,558,402 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 4) Buhne / Union / Summer

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 24 | 10 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 102 | 3 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 13 | $71.92 | $637 | $848 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

a. Address: 2315 Union Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 58 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 33,541 sf / 0.77 acres
i. Zoning: R2
j. District: 14
k. APN: 009-131-011, 009-131-009.

3) Physical description:
Two parcels make up this irregular shaped property between Union Street and Summer Street along W Buhne. The otherwise full block property is interrupted by a single-family home on the corner of W Buhne Street and Union Street.

The western edge of the site rises quickly for approximately 10 feet and then the site levels. Parking is located in the center of the property, accessed by a driveway off Buhne. Based on the Humboldt County maps, it appears the drive may be in public ownership or a right of way dedication. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available

There are four buildings on the site containing 13 units. Buildings are generally oriented inward toward the centrally located parking or set back from the street. Buildings appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing.

Buildings are two story wood frame construction with a gable roof. Foundations are slab on grade. The buildings were constructed in 1964, making them 58 years old.
In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $3,195,600 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Buhne/Union/Summer. The 2021 TDC is $3,261,751. At 57.14%, the Obsolescence threshold amount is $1,863,765.

**Section 18 Analysis**

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $104,865 | $183,514 | 0 | 0 | 0 |
| 1BRD | 24 | 10 | $136,735 | $239,286 | 8 | 2 | 10 |
| 2BRD | 102 | 3 | $165,504 | $289,632 | 2 | 1 | 3 |
| 3BRD | 47 | 0 | $201,666 | $352,915 | 0 | 0 | 0 |
| 4BRD | 12 | 0 | $238,783 | $417,870 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $262,812 | $459,920 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $285,060 | $498,856 | 0 | 0 | 0 |
| Total | | 13 | $1,863,858 | $3,261,751 | 10 | 3 | 13 |
| | | | | | 77% | 23% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $1,863,765 | or $143,367 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $559,157 | or $43,012 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $1,118,315 | or $86,024 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $1,677,472 | or $129,036 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $1,677,472 | or $129,036 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Buhne/Union/Summer is projected to be $3,962,544 or 121.49% of the TDC.

5) Development capacity analysis:
Buhne/Union/Summer is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

The two parcels that make up Buhne/Union/Summer are adjacent and appear to be adjoined by either a publicly owned right of way or a dedication. Given the underlying zoning and existing development, both parcels are underdeveloped. Together the two parcels have capacity for 4 units more than the current development.

**Total: Buhne/Union/Summer**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 100% | 9 | 600 SF | 5,400 SF | 7,200 SF | |
| 2BRD | 89% | 8 | 860 SF | 6,880 SF | 9,173 SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 189% | 17 | 722 SF | 12,280 SF | 16,373 SF | 5,458 SF |

| Information | |
|---|---|
| APN | |
| Zoning | R2 |
| District | 14 |
| Acres | 0.77 |
| SF | 33,541 |
| Existing Units | 13 |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 17 units |
| FAR | 1.00 | 33,541 |
| Site Coverage | 70% | 23,479 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 9 | | |
| 2BRD | 8 | | |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 17 | Existing Units | 13 |
| | | | 4 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 24 | 10 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 99 | 6 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 16 | $71.92 | $662 | $884 | $1,266 | $1,381 | $1,726 |

FMR based rents for Buhne/Union/Summer are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 25% higher than RAD rents ($848 versus $637). This difference across 13 units for one year totals $32,931.

7) Discussion of development opportunity:

Buhne/Union/Summer was developed in the early 1960s. The buildings possess the wear and needs expected given the buildings' age, construction type and use. Capital needs are conservatively projected to be over $3.9M within the next several years. This amount exceeds the Obsolescence threshold criteria for Section 18 Disposition.

The site is an irregular shape, primarily due to the single-family home at the corner of Union Street and W Buhne Street.

Current zoning allows for 17 units per acre. The current development is at 13 units per acre. There is an additional capacity of 4 units available on the property.

Under a FMR based revenue scenario, the 13 residential units at Buhne/Union/Summer would be approximately $32,931 higher per year than a RAD revenue scenario.

Buildings in Buhne/Union/Summer are greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in Buhne/Union/Summer do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $559,157 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $1,118,315 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $1,677,472 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $1,863,765 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 5) Spring & Garland

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 100 | 5 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 40 | 7 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 12 | $71.92 | $963 | $1,313 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

| | | |
|---|---|---|
| a. | Address: | 2230 Spring Street |
| b. | City/state/zip: | Eureka, CA 95501 |
| c. | Census Tract: | 6023000100 |
| d. | Building age: | 58 years |
| e. | QCT: | Yes |
| f. | Opportunity Zone: | Yes |
| g. | Minority Census Tract: | No |
| h. | Lot size: | 36,155 sf / 0.83 acres |
| i. | Zoning: | R2 |
| j. | District: | 14 |
| k. | APN: | 009-021-017,<br>009-021-003 |

### 3) Physical description:

The building and property within Spring & Garland appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The development exists on two parcels and fronts two parallel streets. The development has three distinct modules; two on Spring and one on Garland.

Buildings are two story wood frame construction with gable roofs. Foundations are slab on grade. The buildings function as two separate developments; the buildings on Spring and the buildings on Garland. Two on-site parking lots exist for all units. The site plan creates some space between the buildings that is functional and manageable, and other space interior for management and use by residents.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $3,004,071 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Spring and Garland. The 2021 TDC is $3,725,048. At 57.14%, the Obsolescence threshold amount is $2,239,067.

**Section 18 Analysis**

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $104,865 | $183,514 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $136,735 | $239,286 | 0 | 0 | 0 |
| 2BRD | 100 | 5 | $165,504 | $289,632 | 4 | 1 | 5 |
| 3BRD | 40 | 7 | $201,666 | $352,915 | 6 | 1 | 7 |
| 4BRD | 12 | 0 | $238,783 | $417,870 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $262,812 | $459,920 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $285,060 | $498,856 | 0 | 0 | 0 |
| Total | | 12 | $2,239,179 | $3,918,563 | 10 | 2 | 12 |
| | | | | | 83% | 17% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $2,239,067 | or $186,589 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $671,754 | or $55,979 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $1,343,507 | or $111,959 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $2,015,261 | or $167,938 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $2,015,261 | or $167,938 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Spring and Garland is projected to be $3,725,048 or 95.06% of the TDC.

5) Development capacity analysis:

Spring & Garland is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purposes of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Spring & Garland can yield approximately 6 additional housing units on the same land under a redevelopment scenario.

**Total: Spring & Garland**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 58% | 7 | 600 SF | 4,200 SF | 5,600 SF | |
| 2BRD | 67% | 8 | 860 SF | 6,880 SF | 9,173 SF | |
| 3BRD | 25% | 3 | 1,145 SF | 3,435 SF | 4,580 SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 150% | 18 | 806 SF | 14,515 SF | 19,353 SF | 6,451 SF |

| Information | |
|---|---|
| APN | |
| Zoning | R2 |
| District | 14 |
| Acres | 0.83 |
| SF | 36,155 |
| Existing Units | 12 |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 18 units |
| FAR | 1.00 | 36,155 |
| Site Coverage | 70% | 25,308 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 7 | | |
| 2BRD | 8 | | |
| 3BRD | 3 | | |
| 4 BRD | 0 | | |
| Total | 18 | Existing Units | 12 |
| | | | 6 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 10 | 24 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 63 | 42 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 25 | 22 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 4 | 8 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 96 | $71.92 | $848 | $1,151 | $1,266 | $1,381 | $1,726 |

FMR based rents for Spring & Garland are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 27% higher than RAD rents ($1,313 versus $963). This difference across 12 units for one year totals $50,370.

7) Discussion of development opportunity:
Spring & Garland are among the larger properties in CEHA's portfolio. Capital needs are conservatively projected to be over $3.7M within the next several years. This amount exceeds the Obsolescence threshold criteria for Section 18 Disposition.

The original site plan is challenging for operations and residents. Parking is disconnected from units. Open space is unintentional. The site operates as three adjoining small projects rather than a single development.

Current zoning allows for 22 units per acre. The current development is at 12 units per acre. An additional 6 units is achievable on this site.

Under a FMR based revenue scenario, the 12 residential units at Spring & Garland would earn approximately $50,370 more revenue per year than a RAD revenue scenario.

Buildings in Spring & Garland are greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in Spring & Garland do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $671,754 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $1,343,507 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $2,015,261 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | Yes | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $2,239,067 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 6) 1335 B

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 102 | 3 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 45 | 2 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $902 | $1,227 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

a. Address: 1335 B Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 58 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 13,504 sf / 0.31 acres
i. Zoning: R3
j. District: 14
k. APN: 004-114-007

3) Physical description:
The building and property at 1335 B appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The development occupies a full quarter block between B Street and C Street, 14th Street and Cedar Street.

The rowhouse style buildings are two story wood frame construction with gable roofs. Foundations are slab on grade. Parking for the building is serviced from an alley.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $706,607 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Spring and Garland. The 2021 TDC is $1,574,725. At 57.14%, the Obsolescence threshold amount is $899,798.

**Section 18 Analysis**

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $104,865 | $183,514 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $136,735 | $239,286 | 0 | 0 | 0 |
| 2BRD | 102 | 3 | $165,504 | $289,632 | 2 | 1 | 3 |
| 3BRD | 45 | 2 | $201,666 | $352,915 | 2 | 0 | 2 |
| 4BRD | 12 | 0 | $238,783 | $417,870 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $262,812 | $459,920 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $285,060 | $498,856 | 0 | 0 | 0 |
| Total | | 5 | $899,843 | $1,574,725 | 4 | 1 | 5 |
| | | | | | 80% | 20% | 100% |

**TDC / HCC Thresholds**

| | | | | | | RAD | Section 18 |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $899,798 | or $179,960 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $269,953 | or $53,991 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $539,906 | or $107,981 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $809,859 | or $161,972 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $809,859 | or $161,972 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Spring and Garland is projected to be $876,193 or 55.64% of the TDC. This projection is $23,605 short of meeting the obsolescence threshold criteria.

5) Development capacity analysis:
1335 B is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

1335 B can yield approximately 9 additional housing units on the same land under a redevelopment scenario.

**1335 B St.**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 43% | 6 | 600 SF | 3,600 SF | 4,800 SF | |
| 2BRD | 57% | 8 | 860 SF | 6,880 SF | 9,173 SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 14 | 749 SF | 10,480 SF | 13,973 SF | 4,658 SF |

| Information | |
|---|---|
| APN | 004-114-007 |
| Zoning | R3 |
| District | 14 |
| Acres | 0.31 |
| SF | 13,504 |
| Existing Units | 5 |

| Standards | | Calcs |
|---|---|---|
| Density | 44 units/acre | 14 units |
| FAR | 1.15 | 15,529 |
| Site Coverage | 80% | 10,803 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 1.03 |
| 1 BRD | 6 | Stories | 3 |
| 2BRD | 8 | Site Coverage | 34% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 14 | Existing Units | 5 |
| | | Net Change | 9 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 102 | 3 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 45 | 2 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $902 | $1,227 | $1,266 | $1,381 | $1,726 |

FMR based rents for 1335 B are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 26% higher than RAD rents ($1,227 versus $902). This difference across 5 units for one-year totals $19,491.

7) Discussion of development opportunity:
1335 B is among the smaller properties in CEHA's portfolio by existing units and land size. Capital needs are conservatively projected to be at approximately $876K within the next several years. This amount is short of the Obsolescence threshold criteria for Section 18 Disposition by a manageable $23,605.

The site is square, served by an alley and on a corner. These dimensions, size, access and adjacencies are conducive to an efficient building design.

Current zoning allows for 44 units per acre. The current development is at 16 units per acre. An additional 9 units is achievable on this site.

Under a FMR based revenue scenario, the 5 residential units in 1335 B would earn approximately $19,491 more revenue per year than a RAD revenue scenario.

Buildings at 1335 B are greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings at 1335 B do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $269,953 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $539,906 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $809,859 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | No | $899,798 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 7) 2523 Albee

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 45 | 2 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 4 | $71.92 | $936 | $1,274 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

a. Address: 2523 Albee Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 58 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 11,761 sf / 0.27 acres
i. Zoning: R2
j. District: 14
k. APN: 009-033-012

3) Physical description:
The building and property at 2523 Albee Street appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The property is located at the corner of Albee Street and W Carson Street.

The rowhouse style buildings are two story wood frame construction with gable roofs. Foundations are slab on grade. Parking for the building is serviced from an alley that bisects the block.

The site is square and level. The site lacks any natural features that would impact operations of development of site. Buildings are set back from the street frontage. A fence creates private space for residents and leaves a spacious area outside of the fence that is not clearly used by residents or intended for neighbors. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $601,654 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for 2523 Albee. The 2021 TDC is $1,285,093. At 57.14%, the Obsolescence threshold amount is $734,302.

**Section 18 Analysis** 16,246

| Size | Override Unit | Units | HCC | TDC | RAD (Unit Dist - Blend) | Section 18 (Unit Dist - Blend) | Total (Unit Dist - Blend) |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $104,865 | $183,514 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $136,735 | $239,286 | 0 | 0 | 0 |
| 2BRD | 103 | 2 | $165,504 | $289,632 | 2 | 1 | 2 |
| 3BRD | 45 | 2 | $201,666 | $352,915 | 2 | 1 | 2 |
| 4BRD | 12 | 0 | $238,783 | $417,870 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $262,812 | $459,920 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $285,060 | $498,856 | 0 | 0 | 0 |
| Total | | 4 | $734,339 | $1,285,093 | 3 | 1 | 4 |
| | | | | | 75% | 25% | 100% |

**TDC / HCC Thresholds**

| | | | | | | RAD | Section 18 |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $734,302 | or $183,576 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $220,302 | or $55,075 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $440,603 | or $110,151 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $660,905 | or $165,226 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $660,905 | or $165,226 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for 2523 Albee Street is projected to be $748,051 or 58.05% of the TDC.

5) Development capacity analysis:
2523 Albee Street is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

2523 Albee Street can yield approximately 2 additional housing units on the same land under a redevelopment scenario.

**1645 C St**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 100% | 5 | 600 SF | 3,000 SF | 4,000 SF | |
| 2BRD | 0% | 0 | 860 SF | SF | SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 5 | 600 SF | 3,000 SF | 4,000 SF | 1,333 SF |

| Information | |
|---|---|
| APN | 004-199-012 |
| Zoning | R3 |
| District | 14 |
| Acres | 0.12 |
| SF | 5,227 |
| Existing Units | 3 |

| Standards | | Calcs |
|---|---|---|
| Density | 44 units/acre | 5 units |
| FAR | 1.15 | 6,011 |
| Site Coverage | 80% | 4,182 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 0.77 |
| 1 BRD | 5 | Stories | 3 |
| 2BRD | 0 | Site Coverage | 26% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 5 | Existing Units | 3 |
| | | Net Change | 2 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 45 | 2 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 4 | $71.92 | $936 | $1,274 | $1,266 | $1,381 | $1,726 |

FMR based rents for 2523 Albee are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 27% higher than RAD rents ($1,274 versus $936). This difference across 5 units for one year totals $16,246.

7) Discussion of development opportunity:
2523 Albee is among the smallest sites in CEHA's portfolio. Based on the capital needs assessment, the property meets the threshold criteria for Obsolescence.

Existing setbacks, location and height of the perimeter fence, and placement of trees create a disconnect from the neighbors. The property feels physically and socially isolated from its neighborhood.

Current zoning allows for 22 units per acre. The current development is at 15 units per acre. Given the site size, only an additional 2 units are achievable on this site.

Under a FMR based revenue scenario, the 4 residential units in 2523 Albee would be approximately $16,246 more revenue per year than a RAD revenue scenario.

2523 Albee is greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in Spring & Garland do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $220,302 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $440,603 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $660,905 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $734,302 | Project meets Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 8) 1645 C Street

### 1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 3 | $71.92 | $880 | $1,196 | $1,266 | $1,381 | $1,726 |

### 2) Building & Site Information

a. Address: 1645 C Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 51 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 5,227 sf / 0.12 acres
i. Zoning: R3
j. District: 14
k. APN: 004-199-012

3) Physical description:
The building and property at 1645 C Street appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The lot is located mid-block and has frontage on both C Street and Lowell Street.

The rowhouse style buildings are two story wood frame construction with gable roofs. Foundations are slab on grade. Parking for the building is serviced from Lowell Street.

The site is 50 ft wide and 190 feet long. There is a slight rise off C Street and then the site flattens. The site lacks any natural features that would impact operations of development of site. Immediate adjacent uses are single family homes. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $81,578 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for 1645 C Street. The 2021 TDC is $945,535. At 57.14%, the Obsolescence threshold amount is $540,278.

**Section 18 Analysis**

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $94,256 | $164,949 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $128,610 | $225,068 | 0 | 0 | 0 |
| 2BRD | 103 | 2 | $162,852 | $284,992 | 1 | 1 | 2 |
| 3BRD | 46 | 1 | $214,601 | $375,551 | 1 | 0 | 1 |
| 4BRD | 12 | 0 | $265,874 | $465,279 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $299,528 | $524,173 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $332,759 | $582,328 | 0 | 0 | 0 |
| Total | | 3 | $540,305 | $945,535 | 2 | 1 | 3 |
| | | | | | 67% | 33% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $540,278 | or $180,093 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $162,092 | or $54,031 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $324,183 | or $108,061 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $486,275 | or $162,092 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $486,275 | or $162,092 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for 1645 C Street is projected to be $101,157 or 10.70% of the TDC. An additional $439,122 in cost is needed to meet threshold.

5) Development capacity analysis:
1645 C Street is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

1645 C Street can yield approximately 2 additional housing units on the same land under a redevelopment scenario.

**1645 C St**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 100% | 5 | 600 SF | 3,000 SF | 4,000 SF | |
| 2BRD | 0% | 0 | 860 SF | SF | SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 5 | 600 SF | 3,000 SF | 4,000 SF | 1,333 SF |


| Information | |
|---|---|
| APN | 004-199-012 |
| Zoning | R3 |
| District | 14 |
| Acres | 0.12 |
| SF | 5,227 |
| Existing Units | 3 |

| Standards | | Calcs |
|---|---|---|
| Density | 44 units/acre | 5 units |
| FAR | 1.15 | 6,011 |
| Site Coverage | 80% | 4,182 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 0.77 |
| 1 BRD | 5 | Stories | 3 |
| 2BRD | 0 | Site Coverage | 26% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 5 | Existing Units | 3 |
| | | Net Change | 2 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 103 | 2 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 3 | $71.92 | $880 | $1,196 | $1,266 | $1,381 | $1,726 |

FMR based rents for 1645 C Street are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 26% higher than RAD rents ($1,196 versus $880). This difference across 5 units for one-year totals $11,368.

7) Discussion of development opportunity:
1645 C Street is the smallest of CEHA's properties. At 3 units, the property is considered a "Scattered Site" by HUD's Section 18 Disposition criteria.

Capital needs for 1645 C Street are far below the threshold criteria for Obsolescence.

Physical development capacity of the site is limited by its size, shape, adjacencies, and for being located mid-block with relatively short street frontages.

Existing setbacks, location and height of the perimeter fence, and placement of trees create a disconnect from the neighbors. The property feels physically and socially isolated from its neighborhood.

Current zoning allows for 44 units per acre. The current development is at 3 units per acre. Only an additional 2 units are achievable on this site.

Under a FMR based revenue scenario, the 3 residential units in 1645 C Street would earn approximately $11,368 more revenue per year than a RAD revenue scenario.

1645 C Street is greater than 50 years old. This will cause a Section 106 review under the National Historic Preservation Act by California Office of Historic Preservation. The buildings in 1645 C Street do not appear to have historic significance besides age.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $162,092 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $324,183 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $486,275 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $540,278 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | Yes | <= 4 units / lot | Project is a "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 9) 510 W. Harris

1) Bedroom mix and rent table:

**Property Units & Rents**

| | Override | Existing | | 2020 RAD Rent | 2022 FMR-UA | | | |
|---|---|---|---|---|---|---|---|---|
| Size | Unit | Units | Utility Allowance* | OCAF'd 2022 | 100% | 110% | 120% | 150% |
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $836 | $1,134 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

a. Address: 510 West Harris
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 51 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 8,276 sf / 0.19 acres
i. Zoning: R2
j. District: 14
k. APN: 009-064-005

3) Physical description:
The building and property at 510 W Harris appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The property is located at the corner of W Harris Street and Albee Street. 25-1 is located two blocks to the west on W Harris Street.

The rowhouse style buildings are two story wood frame construction with gable roofs. Foundations are slab on grade. Parking for the building is serviced from an alley that bisects the block.

The site is rectangular with good street frontage, access, and visibility. The site is flat and lacks any natural features that would impact operations of development of site. Immediate adjacent uses are single family homes. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $123,401 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural or PHA Administrative Costs. Assuming correct, these costs would be additive..

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for 510 W. Harris. The 2021 TDC is $1,515,518. At 57.14%, the Obsolescence threshold amount is $865,967.

**Section 18 Analysis** 17,858

| Size | Override Unit | Units | HCC | TDC | RAD | Unit Dist - Blend Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $94,256 | $164,949 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $128,610 | $225,068 | 0 | 0 | 0 |
| 2BRD | 101 | 4 | $162,852 | $284,992 | 3 | 1 | 4 |
| 3BRD | 46 | 1 | $214,601 | $375,551 | 1 | 0 | 1 |
| 4BRD | 12 | 0 | $265,874 | $465,279 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $299,528 | $524,173 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $332,759 | $582,328 | 0 | 0 | 0 |
| Total | | 5 | $866,010 | $1,515,518 | 4 | 1 | 5 |
| | | | | | 80% | 20% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $865,967 | or $173,193 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $259,803 | or $51,961 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $519,606 | or $103,921 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $779,409 | or $155,882 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $779,409 | or $155,882 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for 510 W Harris is projected to be $153,017 or 10.10% of the TDC. An additional $712,950 in cost is needed to meet the obsolescence threshold.

5) Development capacity analysis:
510 W Harris is entirely located in a Residential Medium (R2) Zone. R2 permits development density of 22 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zone would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

510 W Harris is currently non-conforming with the existing zoning designation. This should not present a problem as the development was built under a prior code. There is no additional development capacity on the site

**510 W Harris**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 100% | 4 | 600 SF | 2,400 SF | 3,200 SF | |
| 2BRD | 0% | 0 | 860 SF | SF | SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 4 | 600 SF | 2,400 SF | 3,200 SF | 1,067 SF |


| Information | |
|---|---|
| APN | 009-064-005 |
| Zoning | R2 |
| District | 14 |
| Acres | 0.19 |
| SF | 8,276 |
| Existing Units | 5 |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 4 units |
| FAR | 1.00 | 8,276 |
| Site Coverage | 70% | 5,793 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 0.39 |
| 1 BRD | 4 | Stories | 3 |
| 2BRD | 0 | Site Coverage | 13% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 4 | Existing Units | 5 |
| | | Net Change | -1 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $836 | $1,134 | $1,266 | $1,381 | $1,726 |

FMR based rents for 510 W Harris are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 26% higher than RAD rents ($1,134 versus $836). This difference across 5 units for one year totals $17,858.

7) Discussion of development opportunity:
510 W Harris is among the smallest of CEHA properties. Capital needs are conservatively projected at approximately $153K within the next several years. This amount is short of the Obsolescence threshold criteria for Section 18 Disposition by $712,950.

The property exceeds the current allowable development capacity of the site. No additional units could be developed on site.

Under a FMR based revenue scenario, the 5 residential units in 510 W Harris would be approximately $17,858 more revenue per year than a RAD revenue scenario.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $259,803 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $519,606 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $779,409 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $865,967 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 10) 330 Grant Street

1) Bedroom mix and rent table:

| | | | | | |
|---|---|---|---|---|---|
| **Project** | 10 | **Name** | 330 Grant Street | **DOFA Date** | 1982/04/30 |
| **AMP** | CA025000001 | **Bldg Type** | Walkup | **Year Built** | 1970/01/01 |

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $836 | $1,134 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

| | | |
|---|---|---|
| a. | Address: | 330 Grant Street |
| b. | City/state/zip: | Eureka, CA 95501 |
| c. | Census Tract: | 6023000100 |
| d. | Building age: | 40 years |
| e. | QCT: | Yes |
| f. | Opportunity Zone: | Yes |
| g. | Minority Census Tract: | No |
| h. | Lot size: | 7,841 sf / 0.18 acres |
| i. | Zoning: | R3 |
| j. | District: | 14 |
| k. | APN: | 004-161-002 |

3) Physical description:
The building and property at 330 Grant Street appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The property is located on the corner of Grant Street and E Street.

The buildings consist of rowhouse and stacked flat units in a two-story wood frame construction with gable roofs. Foundations are slab on grade. Parking for the building is serviced from an alley off Grant Street. The building fronts on Grant Street. Private space is located behind the building.

The site is flat. The site lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $62,190 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for 330 Grant. The 2021 TDC is $1,515,518. At 57.14%, the Obsolescence threshold amount is $865,967.

**Section 18 Analysis** 17,858

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $94,256 | $164,949 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $128,610 | $225,068 | 0 | 0 | 0 |
| 2BRD | 101 | 4 | $162,852 | $284,992 | 3 | 1 | 4 |
| 3BRD | 46 | 1 | $214,601 | $375,551 | 1 | 0 | 1 |
| 4BRD | 12 | 0 | $265,874 | $465,279 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $299,528 | $524,173 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $332,759 | $582,328 | 0 | 0 | 0 |
| Total | | 5 | $866,010 | $1,515,518 | 4 | 1 | 5 |

Using the Bureau Veritas capital needs value through 2024 and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for 330 Grant Street is projected to be $71,116 or 5.09% of the TDC. An additional $788,851 in cost is needed to meet threshold.

5) Development capacity analysis:
330 Grant Street is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area

Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zoning would allow for more units than currently exist on the site. This capacity analysis mathematically tests fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

330 Grant Street is currently non-conforming with the existing zoning designation. This should not present a problem as the development was built under a prior code. There is no additional development capacity on the site.

**330 Grant Street**

| | | | NSF | | GSF | # of Stories |
|---|---|---|---|---|---|---|
| Size | % | # | Target | Total NSF | 0.75 Eff | 3 |
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 100% | 4 | 600 SF | 2,400 SF | 3,200 SF | |
| 2BRD | 0% | 0 | 860 SF | SF | SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 4 | 600 SF | 2,400 SF | 3,200 SF | 1,067 SF |


| Information | |
|---|---|
| APN | 004-161-002 |
| Zoning | R2 |
| District | 14 |
| Acres | 0.18 |
| SF | 7,841 |
| Existing Units | 5 |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 4 units |
| FAR | 1.00 | 7,841 |
| Site Coverage | 70% | 5,489 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 0.41 |
| 1 BRD | 4 | Stories | 3 |
| 2BRD | 0 | Site Coverage | 14% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 4 | Existing Units | 5 |
| | | Net Change | -1 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 46 | 1 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 5 | $71.92 | $836 | $1,134 | $1,266 | $1,381 | $1,726 |

FMR based rents for 330 Grant Street are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 26% higher than RAD rents ($1,134 versus $836). This difference across 5 units for one year totals $17,858.

7) Discussion of development opportunity:
330 Grant Street is among the smallest of CEHA properties. Capital needs for 330 Grant Street are far below the threshold criteria for Obsolescence.

The building frontage on Grant Street is welcoming. The north side of the building facing the busier E Street includes a bank of gas and electric meters and no windows.

The property exceeds the current allowable development capacity of the site. No additional units could be developed on site.

Under a FMR based revenue scenario, the 5 residential units in 330 Grant Street would be approximately $17,858 more revenue per year than a RAD revenue scenario.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $259,803 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $519,606 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $779,409 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $865,967 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 11) Albee & Del Norte

1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 43 | 4 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 8 | $71.92 | $936 | $1,274 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

a. Address: 514 W Del Norte Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 40 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 13,068 sf / 0.30 acres
i. Zoning: R3
j. District: 14
k. APN: 004-052-006, 004-052-007

3) Physical description:
The building and property at Albee & Del Norte appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The development occupies a full quarter block between W Wabash Avenue and W Del Norte, Spring Street and Albee Street. The block is bisected by an alley running east west.

There are two bar shaped buildings, oriented north / south on the property. Parking for the building is serviced from an alley. Space between the buildings makes an outdoor courtyard for both buildings. Within the courtyard is a small laundry building (not in service), vertical circulation for the western building and access to parking. The courtyard is behind a 6-foot-tall privacy fence.

The total property includes two parcels. It appears from county parcel maps that building footprints overlay lot lines.

The overall site is flat and lacks any natural features that would impact operations of development of site. At the lot line there is a 3-foot-tall fence that creates semi-private space along W Del Norte Street and Albee Street. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $465,735 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Albee & Del Norte. The 2021 TDC is $2,551,625. At 57.14%, the Obsolescence threshold amount is $1,457,999.

**Section 18 Analysis**

| Size | Override Unit | Units | HCC | TDC | | RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Unit Dist - Blend | | |
| 0BRD | 0 | 0 | $121,118 | $211,956 | | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $156,551 | $273,964 | | 0 | 0 | 0 |
| 2BRD | 101 | 4 | $162,852 | $284,992 | *WAVG Bldg Type* | 3 | 1 | 4 |
| 3BRD | 43 | 4 | $201,666 | $352,915 | *WAVG Bldg Type* | 3 | 1 | 4 |
| 4BRD | 12 | 0 | $262,665 | $459,663 | | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $287,862 | $503,758 | | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $311,468 | $545,070 | | 0 | 0 | 0 |
| Total | | 8 | $1,458,072 | $2,551,625 | | 6 | 2 | 8 |
| | | | | | | 75% | 25% | 100% |

**TDC / HCC Thresholds**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obsolescence | | 57.14% | of TDC | $1,457,999 | or $182,250 / U | 0% | 100% |
| Const Blend | > 30% | 30.00% | of HCC | $437,421 | or $54,678 / U | 80% | 20% |
| Const Blend | > 60% | 60.00% | of HCC | $874,843 | or $109,355 / U | 60% | 40% |
| Const Blend | > 90% | 90.00% | of HCC | $1,312,264 | or $164,033 / U | 40% | 60% |
| Const Blend | > 90% high $ | 90.00% | of HCC | $1,312,264 | or $164,033 / U | 20% | 80% |

Using the Bureau Veritas capital needs value through 2024, and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Albee & Del Norte is projected to be $557,551 or 22.63% of the TDC. This projection is $880,847 short of meeting the obsolescence threshold criteria.

5) Development capacity analysis:
Albee & Del Norte is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zoning would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Combined, the property at Albee & Del Norte can yield 6 additional housing units on the same land under a redevelopment scenario.

**Total: Alber & Del Norte**

| Size | % | # | NSF Target | Total NSF | GSF 0.75 Eff | # of Stories 3 |
|---|---|---|---|---|---|---|
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 80% | 8 | 600 SF | 4,800 SF | 6,400 SF | |
| 2BRD | 60% | 6 | 860 SF | 5,160 SF | 6,880 SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | 0 | SF | SF | SF | |
| TOTALS | 140% | 14 | 711 SF | 9,960 SF | 13,280 SF | 4,427 SF |


| Information | |
|---|---|
| APN | |
| Zoning | R3 |
| District | 14 |
| Acres | 0.3 |
| SF | 13,068 |
| Existing Units | 12 |

| Standards | | Calcs |
|---|---|---|
| Density | 22 units/acre | 7 units |
| FAR | 1.00 | 13,068 |
| Site Coverage | 70% | 9,148 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | | |
| 1 BRD | 8 | | |
| 2BRD | 6 | | |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 14 | Existing Units | 12 |
| | | | 2 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 101 | 4 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 43 | 4 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 8 | $71.92 | $936 | $1,274 | $1,266 | $1,381 | $1,726 |

FMR based rents for Albee & Del Norte are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 27% higher than RAD rents ($1,274 versus $936). This difference across 8 units for one year totals $32,492.

7) Discussion of development opportunity:
Albee & Del Norte is a moderate sized property in CEHA's portfolio. Capital needs are conservatively projected at approximately $577,511 within the next several years. This amount is short of the Obsolescence threshold criteria for Section 18 by $880,487.

The site is square, served by an alley and on a corner. These dimensions, size, access and adjacencies are conducive to an efficient building design.

Current zoning allows for 44 units per acre. The current development is at 27 units per acre. An additional 6 units is achievable on this site.

Under a FMR based revenue scenario, the 8 residential units in Albee & Del Norte would be approximately $32,492 more revenue per year than a RAD revenue scenario.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $437,421 | Project meets Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $874,843 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $1,312,264 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $1,457,999 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

## 12) 131 West Del Norte

1) Bedroom mix and rent table:

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 86 | 19 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 19 | $71.92 | $770 | $1,040 | $1,266 | $1,381 | $1,726 |

2) Building & Site Information

a. Address: 131 W Del Norte Street
b. City/state/zip: Eureka, CA 95501
c. Census Tract: 6023000100
d. Building age: 38 years
e. QCT: Yes
f. Opportunity Zone: Yes
g. Minority Census Tract: No
h. Lot size: 32,234 sf / 0.74 acres
i. Zoning: R3
j. District: 14
k. APN: 004-084-006

3) Physical description:

The buildings and property at 131 W Del Norte appear to be in satisfactory condition for their age, original construction type, and historical funding trends in public housing. The development occupies a full half block between W Sonoma Street and W Del Norte, Pine Street and California Street. Based on aerial photos and site observations, it appears CEHA has granted an easement to the neighboring property for shared use of the existing drive aisle and parking.

There are two buildings on the property. Parking for the building is interior to the site and accessed from a shared drive aisle located on CEHA property. Buildings are oriented towards the parking area. Rears of the buildings are street facing. A combination of privacy fences and lower perimeter fences divide and separate the exterior space.

The overall site is flat and lacks any natural features that would impact operations of development of site. Water and sanitary service are available to the site. Information about the capacity of the system for additional conveyance or service is not available.

In 2020, CEHA contracted with Bureau Veritas (fka EMG) to complete a Physical Needs Assessment. On site investigation occurred from January 14 to 17, 2020, and the final report is dated August 5, 2020. The report is comprehensive in its scope of review. As of the final report, Bureau Veritas concluded needs totaling $500,017 through 2024. These costs do not appear to include general conditions, Builder Profit, Architectural, or PHA Administrative Costs. Assuming correct, these costs would be additive.

4) Total Development Cost / Housing Construction Cost analysis:
Several HUD Repositioning tools rely upon Total Development Cost (TDC) or Housing Construction Cost (HCC) to determine eligibility. The tables below illustrate the TDC and HCC amounts for Albee & Del Norte. The 2021 TDC is $5,414,840. At 57.14%, the Obsolescence threshold amount is $3,094,040.

**Section 18 Analysis** 61,656

| Size | Override Unit | Units | HCC | TDC | Unit Dist - Blend RAD | Section 18 | Total |
|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $94,256 | $164,949 | 0 | 0 | 0 |
| 1BRD | 34 | 0 | $128,610 | $225,068 | 0 | 0 | 0 |
| 2BRD | 86 | 19 | $162,852 | $284,992 | 15 | 4 | 19 |
| 3BRD | 47 | 0 | $214,601 | $375,551 | 0 | 0 | 0 |
| 4BRD | 12 | 0 | $265,874 | $465,279 | 0 | 0 | 0 |
| 5BRD | 0 | 0 | $299,528 | $524,173 | 0 | 0 | 0 |
| 6BRD | 0 | 0 | $332,759 | $582,328 | 0 | 0 | 0 |
| Total | | 19 | $3,094,194 | $5,414,840 | 15 | 4 | 19 |

Using the Bureau Veritas capital needs value through 2024, and applying the allowable load factors for General Conditions (5%), Builder Profit (10%), Architectural (7%), and PHA Administration (2%), the gross capital needs for Albee & Del Norte is projected to be $620,021 or 11.45% of the TDC. This projection is $2,474,018 short of meeting the obsolescence threshold criteria.

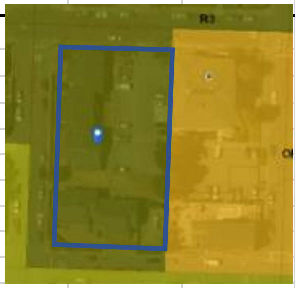
5) Development capacity analysis:
131 W Del Norte is entirely located in a Residential Medium (R3) Zone. R3 permits development density of 44 dwelling units per acre. Additional development standards including Floor Area Ratio (FAR), building height, and building setback further define the development capacity of a site.

For purpose of this repositioning plan, a development capacity analysis was completed to determine if the underlying zoning would allow for more units than currently exist on the site. This capacity analysis mathematically test fit units based on development standards. Gross Square Footage (GSF) was determined using a bedroom mix, unit square footage, and a building efficiency factor.

Combined, the property at 131 W Del Norte can yield 14 additional housing units on the same land under a redevelopment scenario.

**131 West Del Norte**

| Size | % | # | NSF Target | Total NSF | GSF 0.75 Eff | # of Stories 3 |
|---|---|---|---|---|---|---|
| SRO | 0% | 0 | | | | |
| 0 BRD | 0% | 0 | 410 SF | SF | SF | |
| 1 BRD | 61% | 20 | 600 SF | 12,000 SF | 16,000 SF | |
| 2BRD | 39% | 13 | 860 SF | 11,180 SF | 14,907 SF | |
| 3BRD | 0% | 0 | 1,145 SF | SF | SF | |
| 4 BRD | 0 | | SF | SF | SF | |
| TOTALS | 100% | 33 | 702 SF | 23,180 SF | 30,907 SF | 10,302 SF |



| Information | |
|---|---|
| APN | 004-084-006 |
| Zoning | R3 |
| District | 14 |
| Acres | 0.74 |
| SF | 32,234 |
| Existing Units | 19 |

| Standards | | Calcs |
|---|---|---|
| Density | 44 units/acre | 33 units |
| FAR | 1.15 | 37,070 |
| Site Coverage | 80% | 25,788 |
| Height | 35 ft. | 3 stories |

| Program | | | |
|---|---|---|---|
| 0 BRD | 0 | FAR | 0.96 |
| 1 BRD | 20 | Stories | 3 |
| 2BRD | 13 | Site Coverage | 32% |
| 3BRD | 0 | | |
| 4 BRD | 0 | | |
| Total | 33 | Existing Units | 19 |
| | | Net Change | 14 |

6) Economic analysis:
A fundamental consideration for public housing repositioning is how to maximize property revenue post conversion. The two bases for consideration are RAD rents and Fair Market Rents (FMR). RAD rents are available through a RAD repositioning. FMR is the basis for determining property revenue when using Section 18 Disposition.

The table below reflects a comparison of 2022 RAD rents and 2022 FMR available to CEHA. Both RAD rents and FMR figures reflect the net revenue to a project.

**Property Units & Rents**

| Size | Override Unit | Existing Units | Utility Allowance* | 2020 RAD Rent OCAF'd 2022 | 2022 FMR-UA 100% | 110% | 120% | 150% |
|---|---|---|---|---|---|---|---|---|
| 0BRD | 0 | 0 | $71.92 | $512 | $669 | $736 | $803 | $1,004 |
| 1BRD | 34 | 0 | $71.92 | $597 | $790 | $869 | $948 | $1,185 |
| 2BRD | 86 | 19 | $71.92 | $770 | $1,040 | $1,144 | $1,248 | $1,560 |
| 3BRD | 47 | 0 | $71.92 | $1,102 | $1,508 | $1,659 | $1,810 | $2,262 |
| 4BRD | 12 | 0 | $71.92 | $1,315 | $1,831 | $2,014 | $2,197 | $2,747 |
| 5BRD | 0 | 0 | $71.92 | $1,315 | $2,117 | $2,328 | $2,540 | $3,175 |
| 6BRD | 0 | 0 | $71.92 | $1,315 | $2,402 | $2,642 | $2,882 | $3,603 |
| Total / Weighted Ave | | 19 | $71.92 | $770 | $1,040 | $1,266 | $1,381 | $1,726 |

FMR based rents for 131 W Del Norte are significantly higher than RAD rents. FMR weighted average rents for the property bedroom mix are 26% higher than RAD rents ($1,040 versus $770). This difference across 19 units for one year totals $61,656.

7) Discussion of development opportunity:
131 W Del Norte is a moderate sized property in CEHA's portfolio. Capital needs are conservatively projected at approximately $620,021 within the next several years. This amount is short of the Obsolescence threshold criteria for Section 18 by $2,474,018.

The site is square, served by an alley and on a corner. These dimensions, size, access and adjacencies are conducive to an efficient building design.

Current zoning allows for 44 units per acre. The current development is at 26 units per acre. An additional 14 units is achievable on this site.

Under a FMR based revenue scenario, the 19 residential units in 131 W Del Norte would be approximately $61,656 more revenue per year than a RAD revenue scenario.

8) Repositioning Tool Analysis:
HUD offers a variety of repositioning tools that convert traditional public housing to the Section 8 platform. These tools include RAD, RAD / Section 18 Blends, Section 18, and Section 22 Streamlined Voluntary Conversion. Each tool has its own eligibility criteria and resulting rent structure post conversion to Section 8.

Identifying the optimal tool for CEHA begins with determining eligibility. The table below reflects eligibility by repositioning tool and option. Information in the 2020 physical needs assessment completed by Bureau Veritas is used to conclude conditional eligibility.

**Public Housing Repositioning Tool: Option Eligibility**

| Type | Eligibility | Threshold | Note |
|---|---|---|---|
| **RAD** | | | |
| PBV | Yes | na | Available by right to PHA |
| PBRA | Yes | na | Available by right to PHA |
| PBRA Rent Boost | No | Located in OZ | Project is not in an Opportunity Zone |
| Streamline | No | 50 units | Not less than 50 units |
| **RAD / Section 18 Blends** | | | |
| Const Blend > 30% | Conditional | $928,258 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 60% | Conditional | $1,856,517 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% | Conditional | $2,784,775 | Project does not meet Threshold based on Bureau Vista report. |
| Const Blend > 90% High Cost | No | | Project is not in a HUD deteremied "high cost" area. |
| Small PHA | Conditional | <= 250 units | PHA must have 250 or fewer units remaining in PIC at time of application. |
| Very Small PHA | Conditional | <= 50 units | PHA must have 50 or fewer units remaining in PIC at time of application. |
| **Section 18** | | | |
| Obsolescence | Conditional | $3,094,040 | Project does not meet Threshold based on Bureau Vista report. |
| Scattered Site | No | <= 4 units / lot | Project is not "scattered site." |
| Health & Safety | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| Infeasible Opereations | Conditional | Situational | Meets criteria in 24 CFR 970.17(a) and Notice 2021-07 |
| **Section 22** | | | |
| SVC | Yes | <=250 units | CEHA has less than 250 units in PIC. |

# Section VII: Repositioning Recommendations

CEHA provides housing opportunities to people in our community with a need for safe, decent, and affordable housing.  For over 70 years, providing housing has been a foundation for our work. Today we own 270 units of housing throughout the city of Eureka that provide a reliably affordable home for families, seniors, and people with disabilities.

Nearly 200 of these homes operate as public housing at 12 properties. The buildings and the affordability they offer are important resources for the City of Eureka. Unfortunately, given waning federal support, mounting capital needs, and growing demand for affordable housing, the public housing program obstructs our ability to reinvest in these homes, meet the preservation challenges, and serve more families.

It is in the best interest of the residents and the properties they call home to pursue a transition from public housing to project-based Section 8 rental assistance for all CEHA's public housing properties. This transition will provide greater and more stable operating funding and will allow CEHA to access more sources of funding to enable us to continue providing affordable housing for years to come. This transition will also allow CEHA to leverage the creation of more housing on our existing land.

Based on the size, location, and condition of CEHA's public housing properties, the best option for CEHA and its real estate portfolio is to reposition all properties using Section 18 Disposition. Justification for Section 18 Disposition will vary by project.

The table below illustrates the order, type of Section 18 disposition, and plan for the existing real estate that allows CEHA to best serve the community.

| Order | New AMP | New Name | Total AMP Units | On-Line AMP Units | Section 18 Dispo Type | Repo Units | Remaining Units | Rehab or Redevelop | Faircloth |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 198 | | |
| 1 | CA025000001h | 1645 C Street | 3 | | Scattered Site | 3 | 195 | Rehab | 198 |
| 2 | CA025000001a | 25-1 | 98 | | Obsolescence | 98 | 97 | Redevelop | 198 |
| 3 | CA025000001b | Prospect Avenue | 10 | | Obsolescence | 10 | 87 | Redevelop | 198 |
| 4 | CA025000001c | C & Clark | 16 | | Obsolescence | 16 | 71 | Redevelop | 198 |
| 5 | CA025000001d | Buhne/Union/Summer | 13 | | Obsolescence | 13 | 58 | Rehab | 198 |
| 6 | CA025000001e | Spring & Garland | 12 | | Obsolescence | 12 | 46 | Redevelop | 198 |
| 7 | CA025000001f | 1335 B | 5 | | Very Small | 5 | 41 | Redevelop | 198 |
| 8 | CA025000001g | 2523 Albee | 4 | | Very Small | 4 | 37 | Rehab | 198 |
| 9 | CA025000001i | 510 W. Harris | 5 | | Very Small | 5 | 32 | Rehab | 198 |
| 10 | CA025000001j | 330 Grant Street | 5 | | Very Small | 5 | 27 | Rehab | 198 |
| 11 | CA025000001k | Albee & Del Norte | 8 | | Very Small | 8 | 19 | Rehab | 198 |
| 12 | CA025000001l | 131 West Del Norte | 19 | | Very Small | 19 | - | Redevelop | 198 |

The remainder of this section will provide a summary of the property-specific recommendations and rationale. Information in each recommendation includes:

**Project #:** This indicates the order in which the repositioning should occur. Order of operations must follow HUD's repositioning threshold criteria rules for the type of tool. Within those rules, CEHA can manage the specific order repositioning occurs.

**Current Units:** Number of units that exist today.

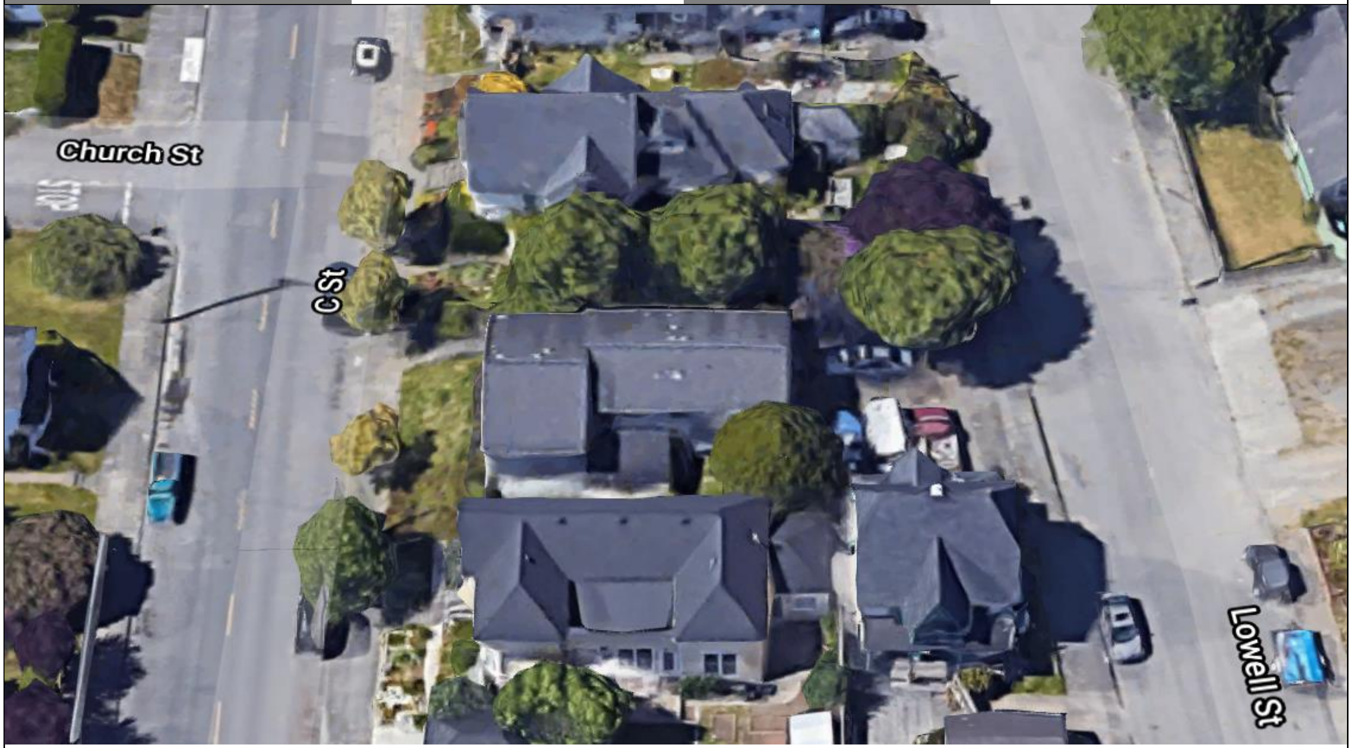
**Future Units:** Number of units allowable by current zoning. An analysis of development standards was not completed to determine impact on development capacity. Number of potential units will require on-going evaluation should the underlying zoning allow for more development (which is suspected) and higher development standards.

**Section 18:** This indicates the specific justification for Section 18 Disposition recommended based on PIH 2021-07 and 24 CFR part 970.

**Real Estate Plan**: Rehab is used to indicate recapitalization and preservation of the existing buildings. Redevelopment is used to indicate razing the existing buildings and constructing new units on site. Redevelopment is always used to provide more units than currently exist on site.

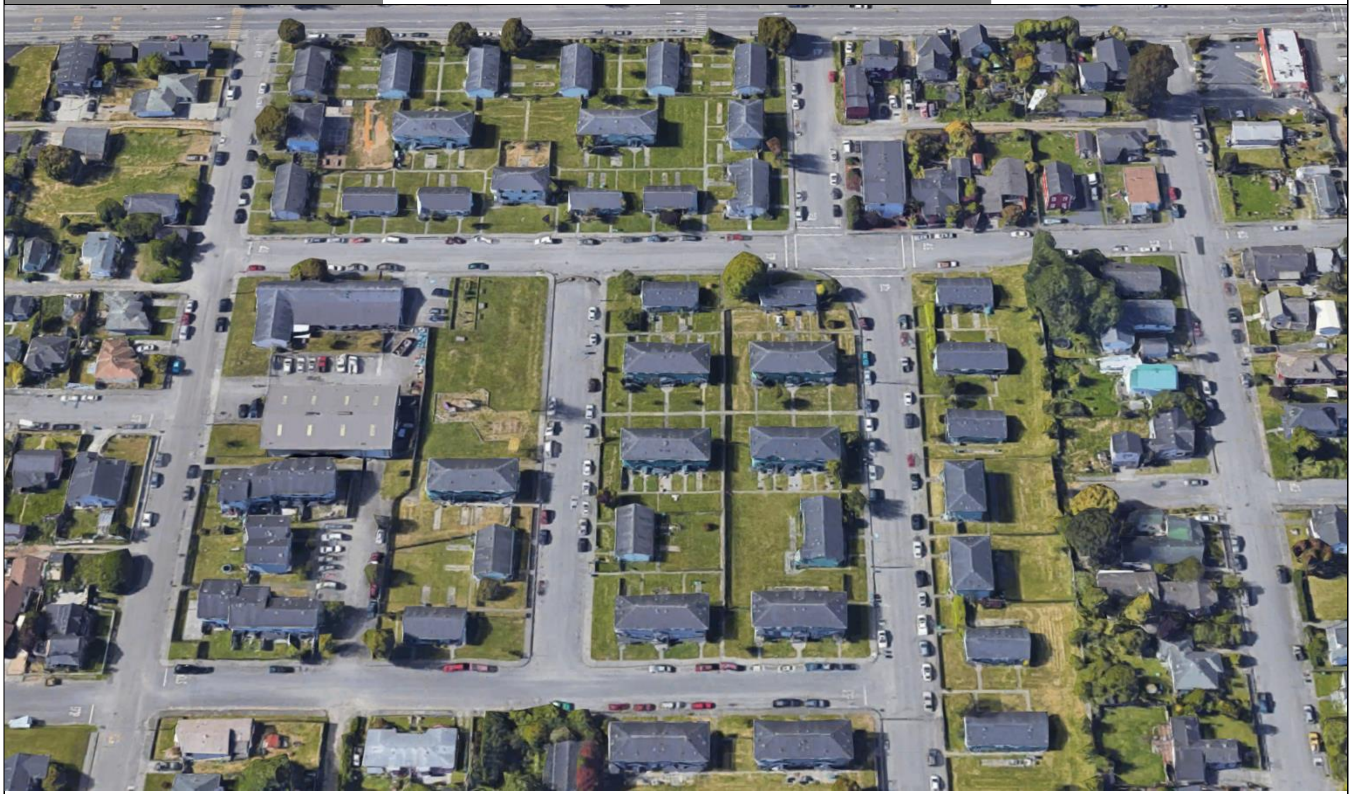
**Approach:** The real estate development strategy for CEHA to use for this project. In some cases, the implementation could involve bundling or combining two or more projects into a single financial phase.

| | | | |
|---|---|---|---|
| Project # | 1 | Section 18: | Scattered Site |
| Name: | 1645 C Street | Real Estate Plan: | Rehab |
| Current Units: | 3 | Future Units | 3 |




| | |
|---|---|
| Approach: | CEHA should proceed with Section 18 Disposition. No developer partner is needed for this property. |
| Discussion: | Ideal project to be repositioned first. This change will increase revenue immediately. |

| | | | |
|---|---|---|---|
| Project # | 2 | Section 18: | Obsolescence |
| Name | 25-1 | Real Estate Plan: | Redevelop |
| Current Units: | 96 | Future Units | 174 |



| | |
|---|---|
| Approach: | CEHA should seek a developer partner early in the process to assist with developing a site-specific redevelopment plan for 25-1 and Prospect Avenue. These two properties should proceed together.<br><br>Due to their scope, 25-1 and Prospect Avenue will have the longest development timelines. Starting on the developer selection and Section 18 application process early is recommended.<br><br>Devising a phased redevelopment would ease the relocation process by creating destination housing for households in subsequent phases. Replicating the bedroom mixes of units to be replaced is necessary to create a relocation destination.<br><br>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy. |

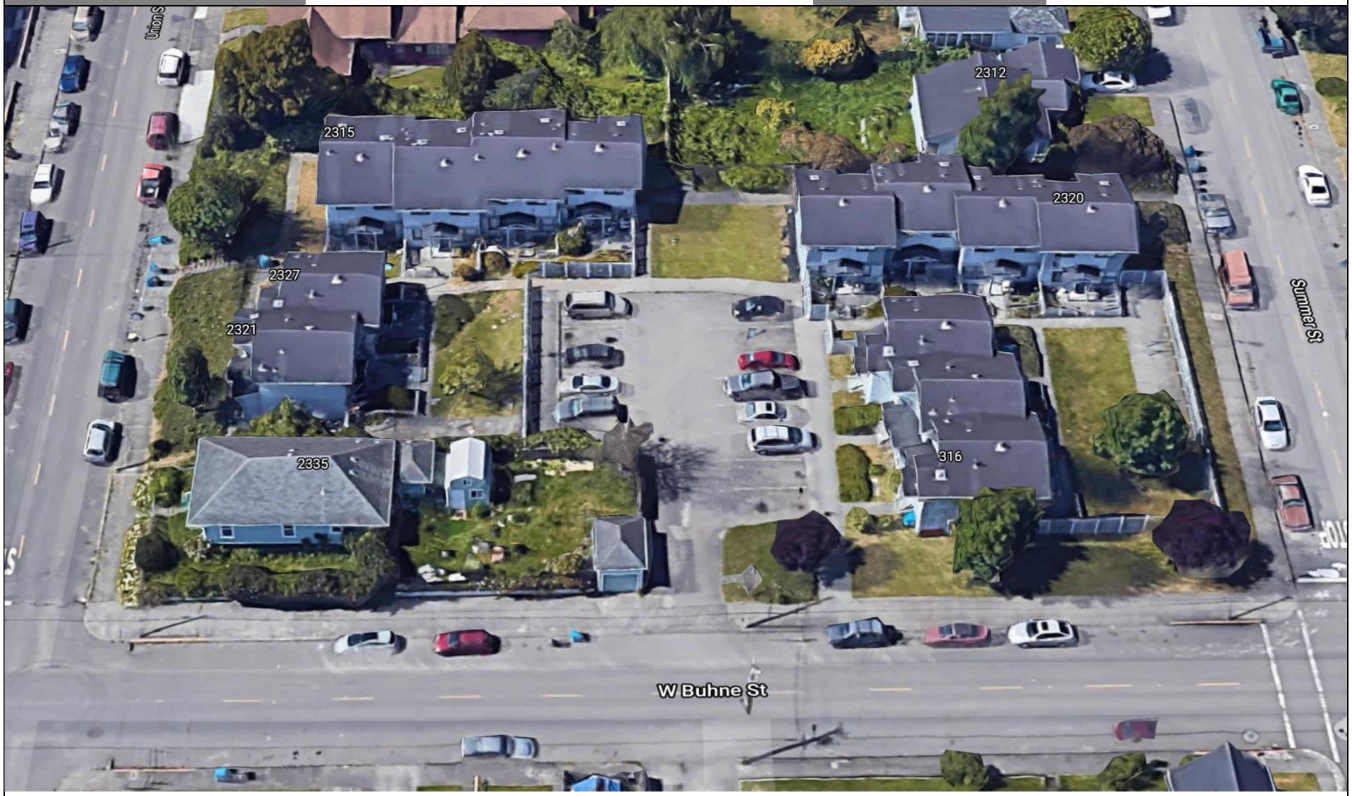
| | | | |
|---|---|---|---|
| Project # | 3 | Section 18: | Obsolescence |
| Name | Prospect Avenue | Real Estate Plan: | Redevelop |
| Current Units: | 10 | Future Units | 16 |

| | |
|---|---|
| Approach: | CEHA should seek a developer partner early in the process to assist with developing a site-specific redevelopment plan for 25-1 and Prospect Avenue. These two properties should proceed together.<br><br>Due to their scope, 25-1 and Prospect Avenue will have the longest development timelines. Starting on the developer selection and Section 18 application process early is recommended.<br><br>Devising a phased redevelopment would ease the relocation process by creating destination housing for households in subsequent phases. Replicating the bedroom mixes of units to be replaced is necessary to create a relocation destination.<br><br>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy. |

| | | | |
|---|---|---|---|
| Project # | 4 | Section 18: | Obsolescence |
| Name | C & Clark | Real Estate Plan: | Redevelop |
| Current Units: | 16 | Future Units | 58 |

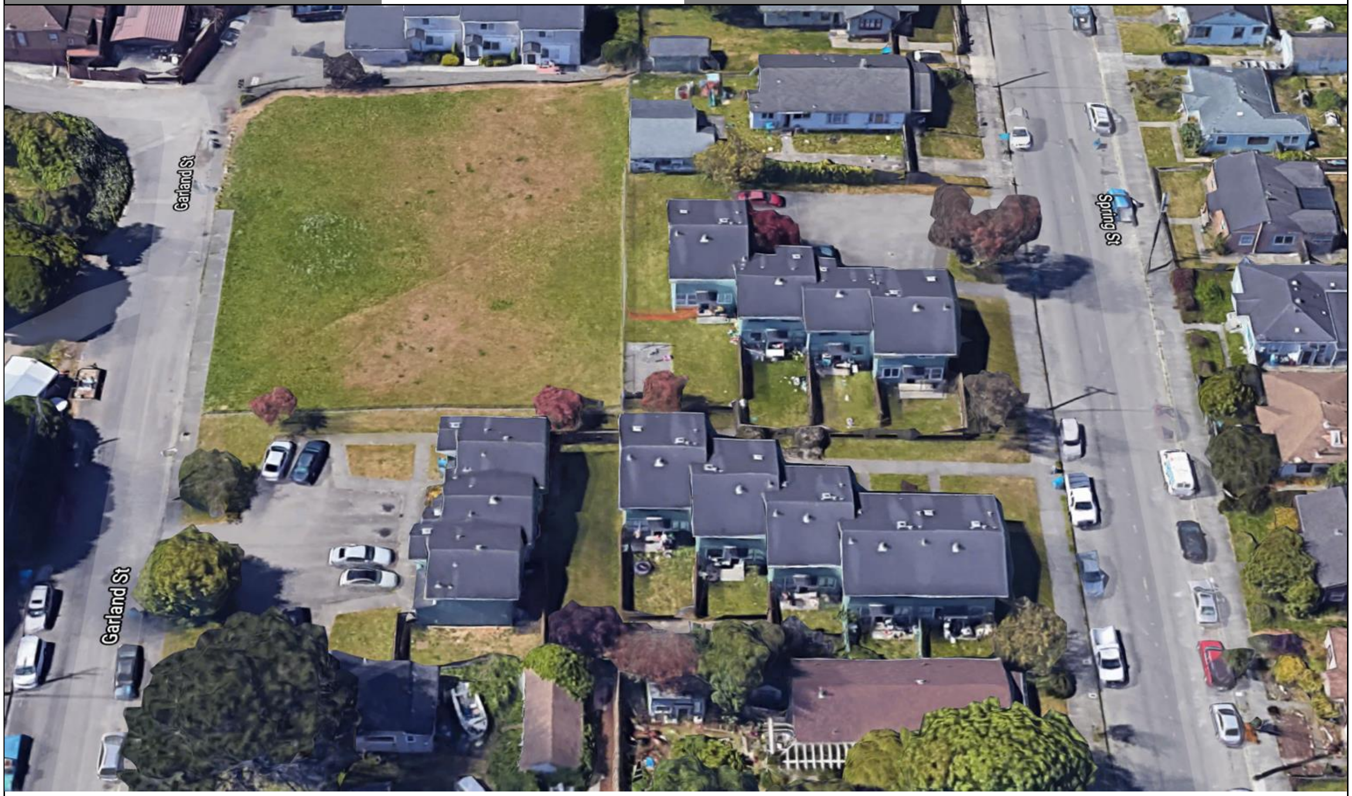

| | |
|---|---|
| Approach: | CEHA should seek a developer partner to assist with redeveloping C & Clark. Consideration should be given to bundling C & Clark with other properties for efficiency and scale.<br><br>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy. |

| | | | |
|---|---|---|---|
| Project # | 5 | Section 18: | Obsolescence |
| Name | Buhne/Union/Summer | Real Estate Plan: | Rehab |
| Current Units: | 13 | Future Units | 13 |



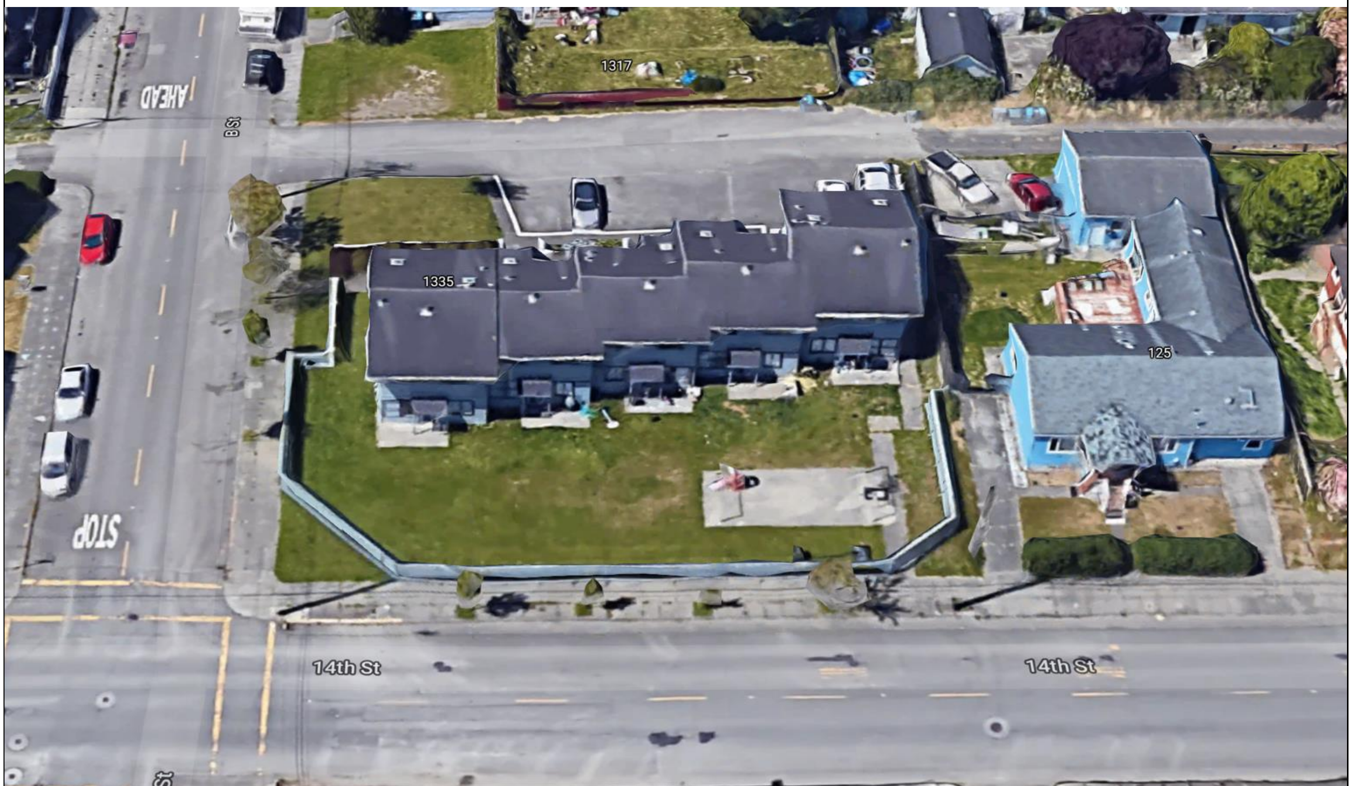

| | |
|---|---|
| Approach: | CEHA should consider acting as the developer for the rehabilitation of Buhne/Union/Summer. The scale and scope of this project provides an opportunity for CEHA to expand its development capacity and retain fees.<br><br>The size of this project, level of rehab needed, and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of Buhne/Union/Summer could be combined with any or all of the Very Small / Rehab properties in this plan. |

| | | | |
|---|---|---|---|
| Project # | 6 | Section 18: | Obsolescence |
| Name | Spring & Garland | Real Estate Plan: | Redevelop |
| Current Units: | 12 | Future Units | 18 |



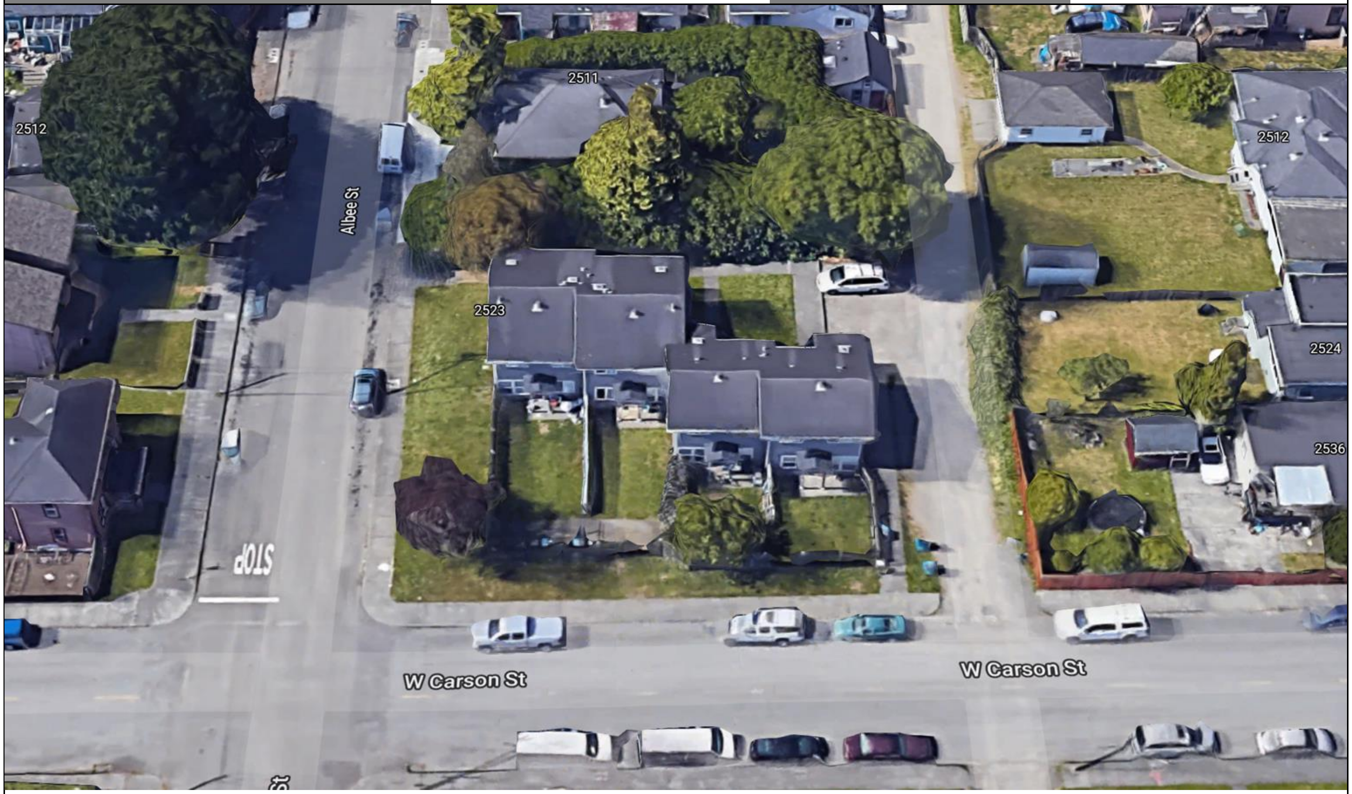

| | |
|---|---|
| Approach: | CEHA should seek a developer partner to assist with redeveloping Spring & Garland. Consideration should be given to bundling Spring & Garland with other properties for efficiency and scale.<br><br>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy. |

| | | | |
|---|---|---|---|
| Project # | 7 | Section 18: | Very Small |
| Name | 1335 B | Real Estate Plan: | Redevelop |
| Current Units: | 9 | Future Units | 14 |




| | |
|---|---|
| Approach: | CEHA should act as the developer for repositioning 1335 B. The project scale and scope are ideal for CEHA to expand development capacity.<br><br>The size of this project, level of rehab needed, and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of 1335 B can be combined with any of the Very Small / Rehab properties in this plan.<br><br>Eligibility for Very Small will occur once CEHA's public housing inventory in PIC is at or below 50 units. |

| | | | |
|---|---|---|---|
| Project # | 8 | Section 18: | Very Small |
| Name | 2523 Albee | Real Estate Plan: | Rehab |
| Current Units: | 4 | Future Units | 4 |

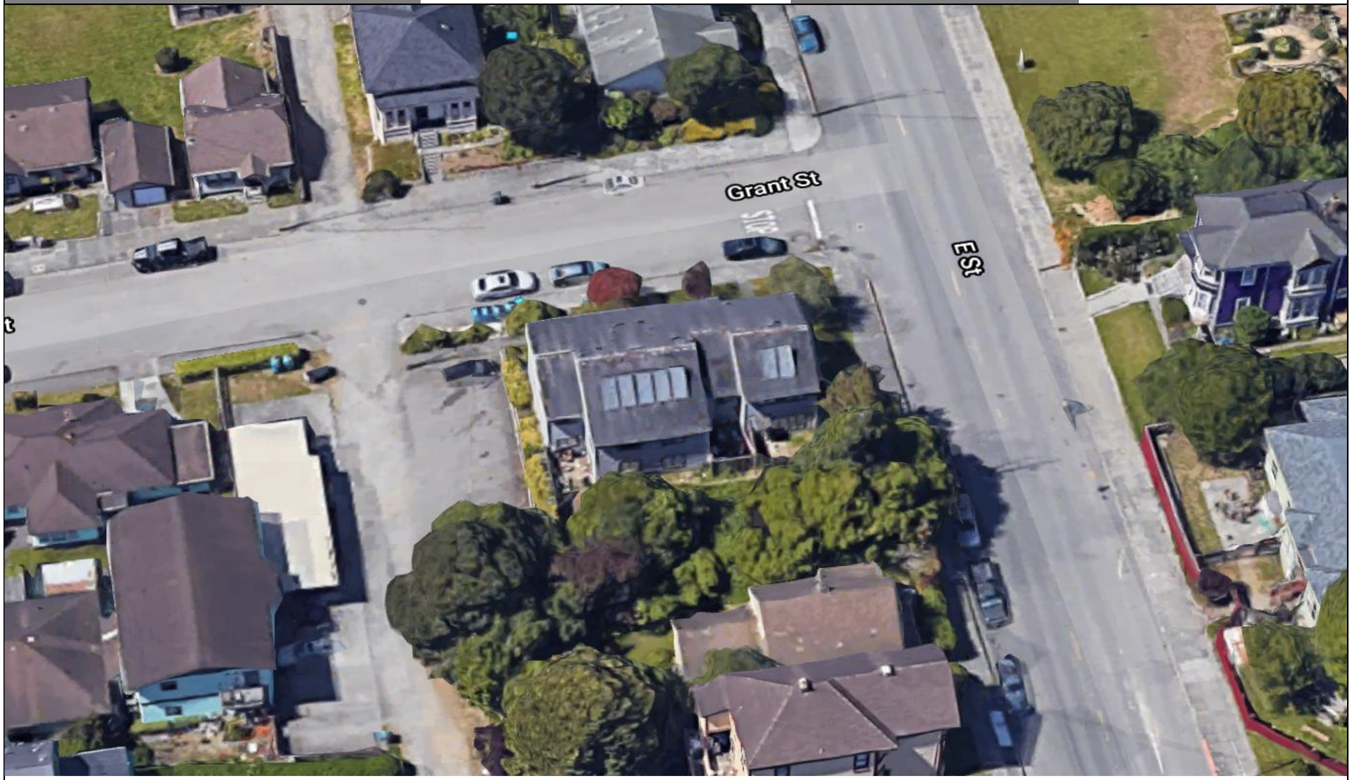



| | |
|---|---|
| Approach: | CEHA should act as the developer for repositioning 2523 Albee. The project scale and scope are ideal for CEHA to expand development capacity.<br><br>The size of this project, level of rehab needed, and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of 2523 Albee can be combined with any of the Very Small / Rehab properties in this plan.<br><br>Eligibility for Very Small will occur once CEHA's public housing inventory in PIC is at or below 50 units. |

| | | | |
|---|---|---|---|
| Project # | 9 | Section 18: | Very Small |
| Name | 510 W Harris | Real Estate Plan: | Rehab |
| Current Units: | 5 | Future Units | 5 |

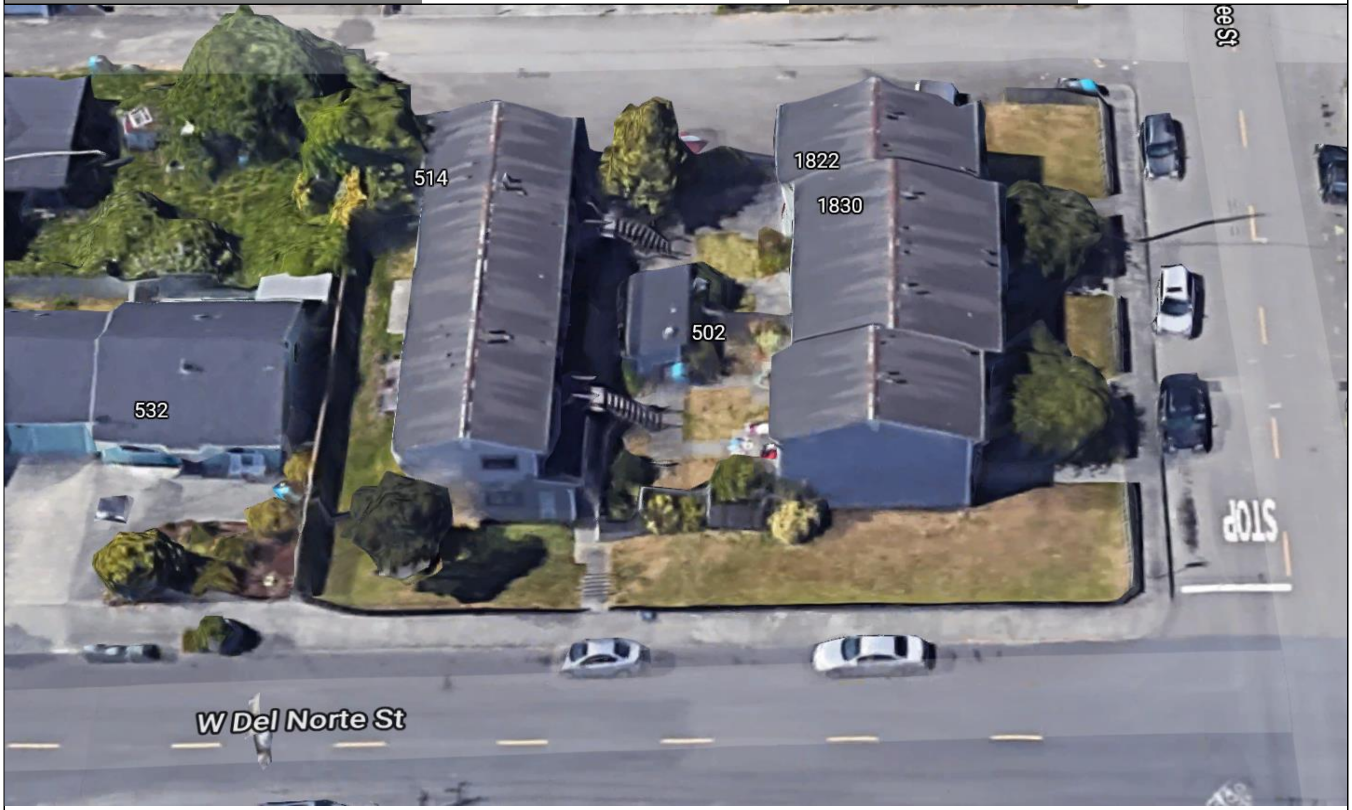

| | |
|---|---|
| Approach: | CEHA should act as the developer for repositioning 510 W Harris. The project scale and scope are ideal for CEHA to expand development capacity.<br><br>The size of this project, level of rehab needed and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of 510 W Harris can be combined with any of the Very Small / Rehab properties in this plan.<br><br>Eligibility for Very Small will occur once CEHA's public housing inventory in PIC is at or below 50 units. |

| | | | |
|---|---|---|---|
| Project # | 10 | Section 18: | Very Small |
| Name | 330 Grant Street | Real Estate Plan: | Rehab |
| Current Units: | 5 | Future Units | 5 |



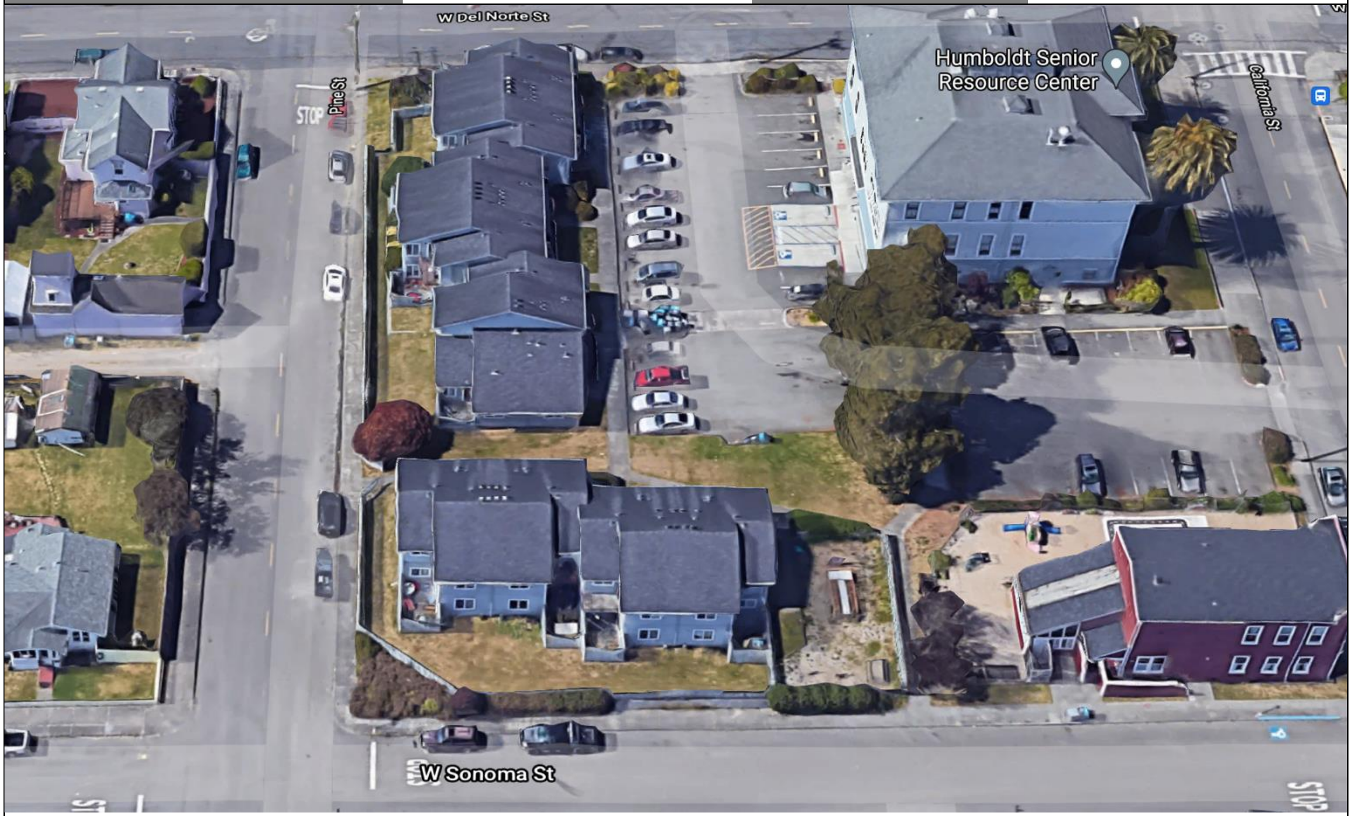

| | |
|---|---|
| Approach: | CEHA should act as the developer for repositioning 330 Grant Street. The project scale and scope are ideal for CEHA to expand development capacity.<br><br>The size of this project, level of rehab needed and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of 510 W Harris can be combined with any of the Very Small / Rehab properties in this plan.<br><br>Eligibility for Very Small will occur once CEHA's public housing inventory in PIC is at or below 50 units. |

| | | | |
|---|---|---|---|
| Project # | 11 | Section 18: | Very Small |
| Name | Albee & Del Norte | Real Estate Plan: | Rehab |
| Current Units: | 8 | Future Units | 8 |




| | |
|---|---|
| Approach: | CEHA should act as the developer for repositioning Albee & Del Norte. The project scale and scope are ideal for CEHA to expand development capacity.<br><br>The size of this project, level of rehab needed and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.<br><br>Recapitalization of Albee & Del Norte can be combined with any of the Very Small / Rehab properties in this plan.<br><br>Eligibility for Very Small will occur once CEHA's public housing inventory in PIC is at or below 50 units. |

| | | | |
|---|---|---|---|
| Project # | 12 | Section 18: | Very Small |
| Name | 131 West Del Norte | Real Estate Plan: | Redevelop |
| Current Units: | 19 | Future Units | 44 |




| | |
|---|---|
| Approach: | CEHA should seek a developer partner to assist with redeveloping 131 West Del Norte. Consideration should be given to bundling 131 West Del Norte with other properties for efficiency and scale.<br><br>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.<br><br>131 West Del Norte is the only Redevelopment site that does not rely on Obsolescence for Section 18 Disposition justification. This is because the previously complete capital needs assessment did not return sufficient costs to meet the Obsolescence threshold. Therefore, this project was planned later in the sequence to use the Very Small justification. |

# Section VIII: Implementation Plan

Repositioning of CEHA's public housing portfolio is a multi-year, multi-phase endeavor. Preparation of this plan involved analysis of existing conditions and development of recommendations. Having established what repositioning outcomes are in CEHA's best interest, this section will frame the implementation of the preferred plan. This section will address how to proceed.

**Organizational Commitment to Repositioning**

Repositioning public housing is a choice that will change long established patterns and practices for CEHA. Given the importance of this decision to CEHA, its residents, and the community generally, it is important to clearly articulate the reasons for repositioning and to establish clear policy objectives that will guide the organization through implementation.

Included in this plan are justifications for repositioning. The plan explains why repositioning will best serve the affordable housing needs of Eureka and CEHA. To guide the implementation, also included in the plan are four policy directives created to guide decision making processes.

To establish these policies, CEHA's board of commissioners should adopt this plan, resolve that these policy directives shall guide CEHA's implementation, and instruct the organization to begin implementation.

**NEXT STEP: Board resolution accepting the plan and instructing implementation to begin.**

**Community and Resident Engagement Plan**

Work with residents and community stakeholders was part of the planning effort resulting in this plan. Following the board direction, CEHA should create a communication strategy appropriate to support implementation. This plan should include communication strategies and tools to provide information to residents and stakeholders, and to receive information that will seek to inform the development process.

**NEXT STEP: Create a communications plan for residents and community stakeholders.**

**Developer Selection**

Redevelopment of some properties should be done in partnership with a developer selected by CEHA. Selection of the developer partner is foundational to successful implementation and achievement of CEHA's desired outcomes.

CEHA should use a qualification-based process to seek a developer partner. The Request for Qualifications (RFQ) document should include CEHA's policies for repositioning and any other desired outcomes that will be the basis for a future partnership. Establishing clear expectations with a future partner is critical to a successful joint venture. CEHA should communicate expectations in the RFQ.

Before drafting the RFQ seeking a developer, CEHA should define the process that will best serve implementation of this plan. Key questions to consider are:

- How many developer partners should be involved with implementation?
- What are the qualities and experiences CEHA wants in a developer partner?
- What roles does CEHA want to perform in the development process?
- What risks or obligations is CEHA willing to accept during the development process? Related, what financial benefits does CEHA want to receive as a result of the development?

**NEXT STEP: Define real estate development qualification and deal terms important to include in the RFQ. Create and manage process to select developer partner.**

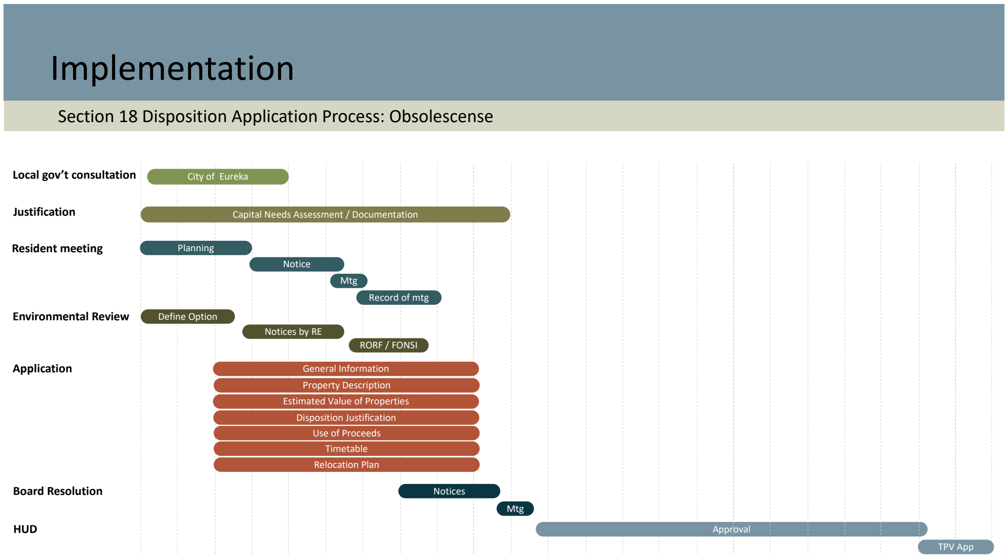
**Section 18 Disposition Applications:**
Repositioning of CEHA portfolio assumes the use of Section 18 Disposition with the following three separate justifications: 1) Scattered Site, 2) Obsolescence, and 3) Very Small PHA.

The order of applications is important to CEHA using Section 18 to reposition all properties. This can be achieved by using Scattered Site justification for 1645 C St and then Obsolescence for those properties that qualify until the portfolio is reduced to less than 50 units. Once the portfolio is at or below 50 units, CEHA can reposition the remaining properties by right. CEHA can manage the order and grouping of properties within HUD's repositioning qualifying terms.

Since all of CEHA's units are in a single AMP, Section 18 Disposition applications should be set up with a specific Application (DDA) number for each property. This will allow CEHA to incrementally dispose of properties within the portfolio while maintaining current public housing funding flow for the remaining properties.

There is an efficiency to submitting groups of Section 18 Disposition applications for properties by justification type. Timing requires that the Obsolescence properties occur first. Once these approvals are secured, the Small PHA justification is available by right.

Completing the Obsolescence justification will require assistance from third party consultants. Most important is a capital needs assessment provider. This is the most important and likely longest lead time application submittal.



**NEXT STEP: Create a Workplan for developing a Section 18 Disposition application and begin the application process.**

**Real Estate Development / Project Management:**
Flowing from the resident and community engagement, developer selection and Section 18 application work, is further defining and managing the real estate development / project management tasks. Generally, this work will involve: 1) finance, 2) design, 3) construction, 4) HUD process, 5) relocation, and 6) ownership and management. Specific details for each of these project elements will vary by property. Some will involve a developer partner, while others will be managed by only CEHA.

Defining how properties will be bundled together is necessary to commence the real estate development / project management tasks. Composition of each project is necessary to develop the work plan. This step may be iterative as more details are learned and applied.

Selection of the developer partner should be completed prior to settling on project bundling and phasing. Clarity brought to the project definition with a developer partner will then be the basis for information shared with residents and community stakeholders.

**NEXT STEP: Work to create specific projects and phasing for real estate development and project management**

**Portfolio Repositioning Organization and Flow Chart**