

**UPDATED:
January 2023**



REPOSITIONING PLAN

**Housing Authority of the City of Eureka
(HACE)**



Project #	1	Section 18:	Scattered Site
Name:	1645 C Street	Real Estate Plan:	Rehab
Current Units:	3	Future Units	3
Approach:	HACE 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:	<p>HACE 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.</p> <p>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.</p> <p>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.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p>
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Project #	3	Section 18:	Obsolescence
Name	Prospect Avenue	Real Estate Plan:	Redevelop
Current Units:	10	Future Units	16

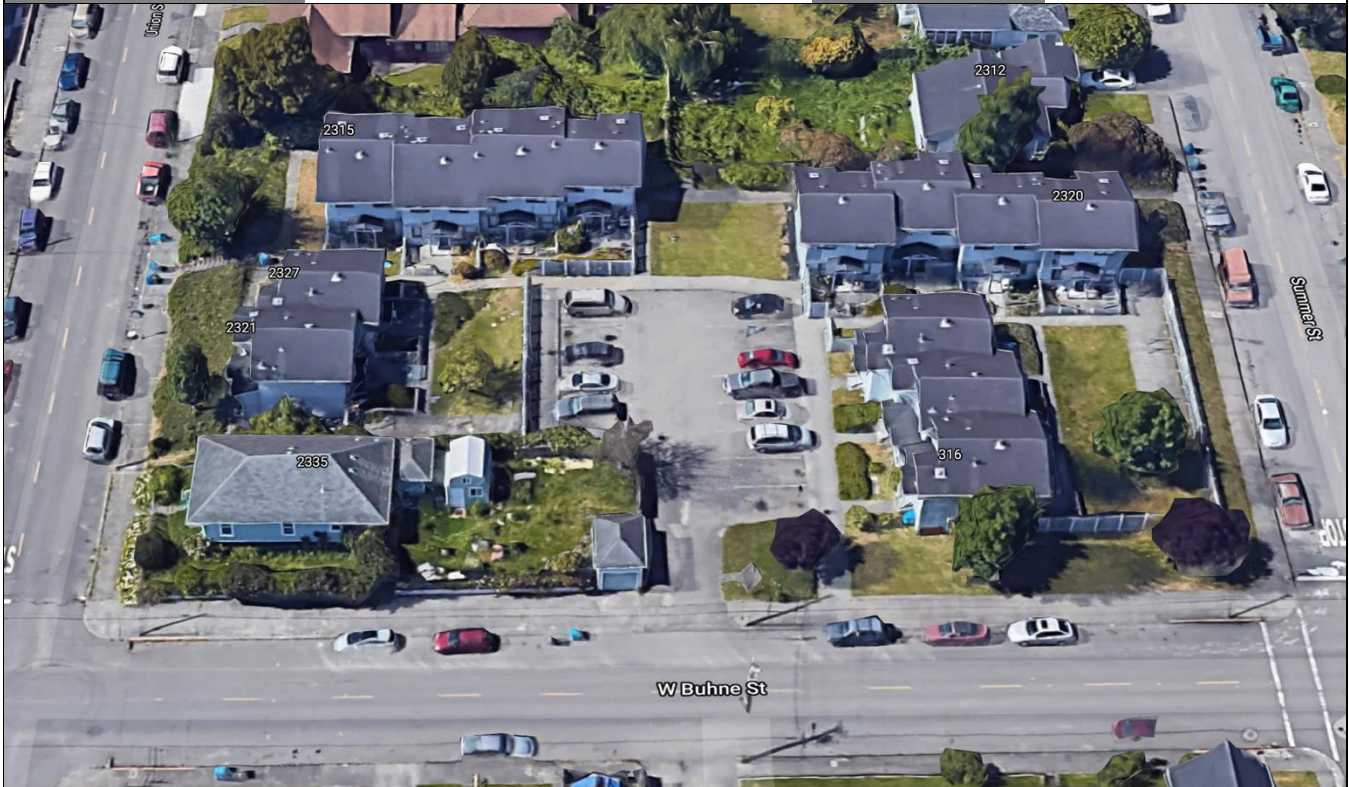


Approach:	<p>HACE should seek a developer partner early in the process to assist with developing a site-specific redevelopment plan for 25-1 and Prospect Avenue. These two properties should proceed together.</p> <p>Due to their scope, 25-1 and Prospect Avenue will have the longest development timelines. Starting on the developer selection and Section 18 application process early is recommended.</p> <p>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.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p>
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Project #	4	Section 18:	Obsolescence
Name	C & Clark	Real Estate Plan:	Redevelop
Current Units:	16	Future Units	58

Approach:	<p>HACE 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.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p>
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Project #	5	Section 18:	Obsolescence
Name	Buhne/Union/Summer	Real Estate Plan:	Rehab
Current Units:	13	Future Units	18



Approach:	<p>HACE should seek a developer partner to assist with redeveloping Buhne/Union/Summer. Consideration should be given to bundling Buhne/Union/Summer with other properties for efficiency and scale.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p> <p>Redevelopment of Buhne/Union/Summer could be combined with any or all of the Very Small / Rehab properties in this plan.</p>
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Project #	6	Section 18:	Obsolescence
Name	Spring & Garland	Real Estate Plan:	Redevelop
Current Units:	12	Future Units	18



Approach:	<p>HACE 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.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p>
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Project #	7	Section 18:	Very Small
Name	1335 B	Real Estate Plan:	Redevelop
Current Units:	9	Future Units	14



Approach:

HACE should act as the developer for repositioning 1335 B. The project scale and scope are ideal for HACE to expand development capacity.

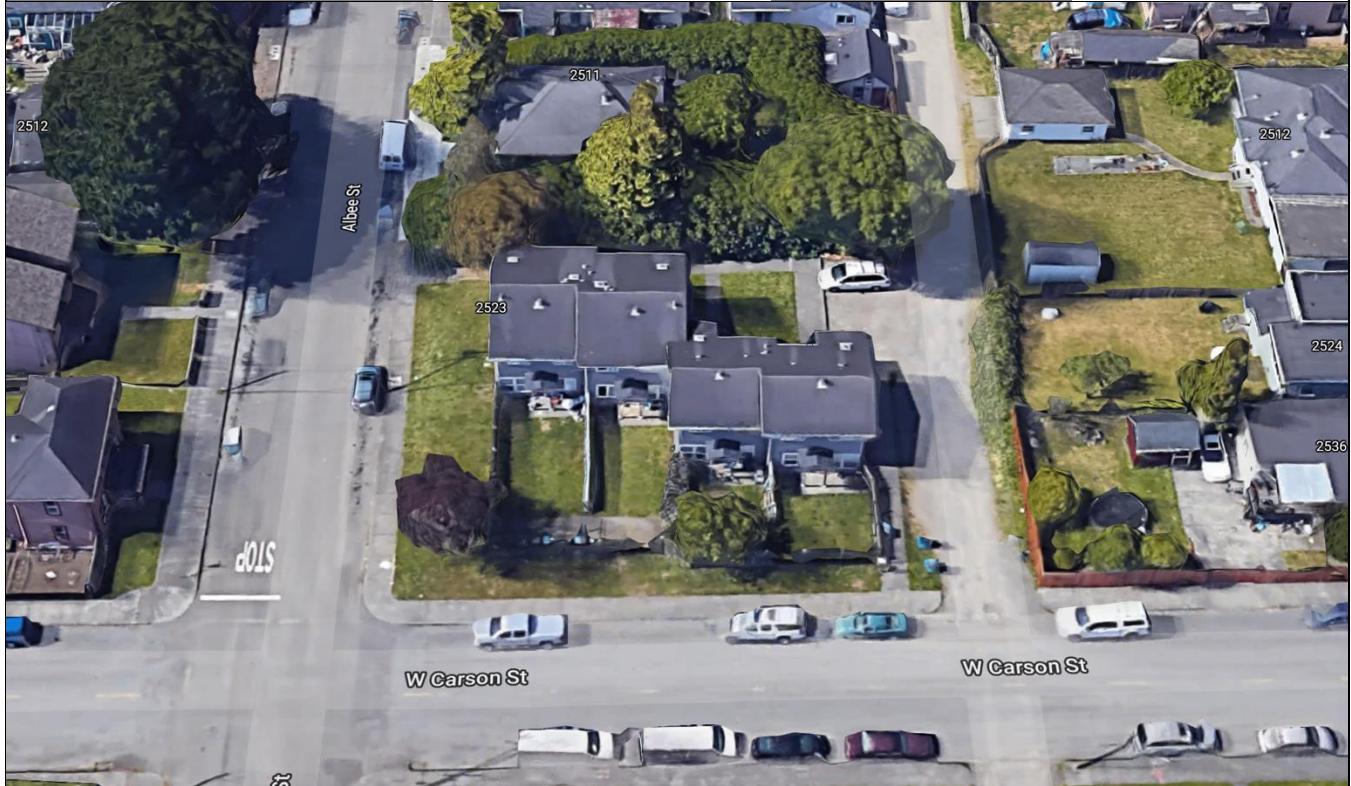
The size of this project, level of rehab needed, and development subsidy available in California should allow for recapitalization with debt and development subsidy only. Low Income Housing Tax Credits are not recommended.

Recapitalization of 1335 B can be combined with any of the Very Small / Rehab properties in this plan.

Eligibility for Very Small will occur once HACE'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:	<p>HACE should act as the developer for repositioning 2523 Albee. The project scale and scope are ideal for HACE to expand development capacity.</p> <p>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.</p> <p>Recapitalization of 2523 Albee can be combined with any of the Very Small / Rehab properties in this plan.</p> <p>Eligibility for Very Small will occur once HACE’s public housing inventory in PIC is at or below 50 units.</p>
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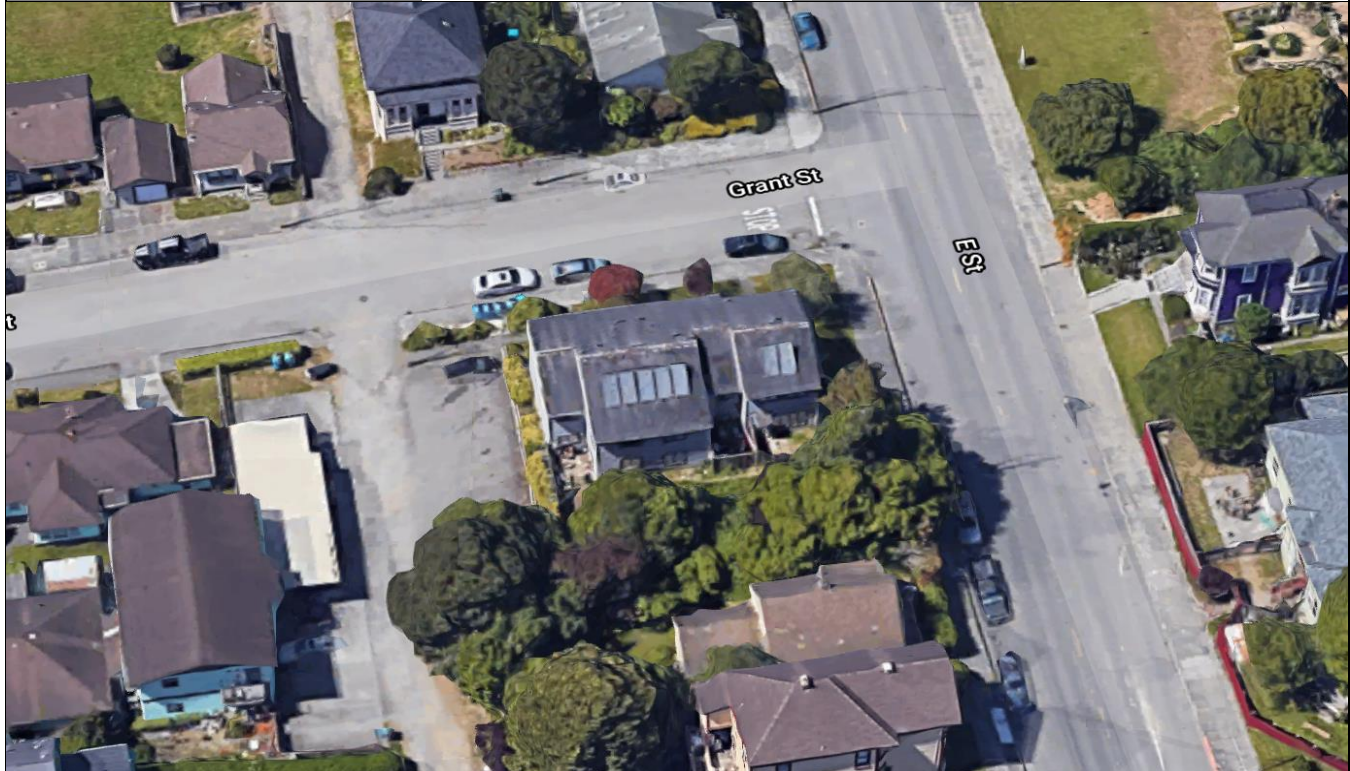
Project #	9	Section 18:	Very Small
Name	510 W Harris	Real Estate Plan:	Rehab
Current Units:	5	Future Units	5



<p>Approach:</p>	<p>HACE should act as the developer for repositioning 510 W Harris. The project scale and scope are ideal for HACE to expand development capacity.</p> <p>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.</p> <p>Recapitalization of 510 W Harris can be combined with any of the Very Small / Rehab properties in this plan.</p> <p>Eligibility for Very Small will occur once HACE’s public housing inventory in PIC is at or below 50 units.</p>
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Project #	10	Section 18:	Very Small
Name	330 Grant Street	Real Estate Plan:	Rehab
Current Units:	5	Future Units	5



Approach:	<p>HACE should act as the developer for repositioning 330 Grant Street. The project scale and scope are ideal for HACE to expand development capacity.</p> <p>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.</p> <p>Recapitalization of 510 W Harris can be combined with any of the Very Small / Rehab properties in this plan.</p> <p>Eligibility for Very Small will occur once HACE’s public housing inventory in PIC is at or below 50 units.</p>
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Project #	11	Section 18:	Very Small
Name	Albee & Del Norte	Real Estate Plan:	Rehab
Current Units:	8	Future Units	8



Approach:	<p>HACE should act as the developer for repositioning Albee & Del Norte. The project scale and scope are ideal for HACE to expand development capacity.</p> <p>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.</p> <p>Recapitalization of Albee & Del Norte can be combined with any of the Very Small / Rehab properties in this plan.</p> <p>Eligibility for Very Small will occur once HACE's public housing inventory in PIC is at or below 50 units.</p>
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Project #	12	Section 18:	Very Small
Name	131 West Del Norte	Real Estate Plan:	Redevelop
Current Units:	19	Future Units	44



Approach:	<p>HACE 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.</p> <p>Redevelopment of this site will use LIHTCs, debt, and state/local development subsidy.</p> <p>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.</p>
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Implementation Plan

Repositioning of HACE'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 HACE'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 HACE. Given the importance of this decision to HACE, 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 (see full plan text at <https://eurekahumboldtha.org/repositioning/>) are justifications for repositioning. The plan explains why repositioning will best serve the affordable housing needs of Eureka and HACE. To guide the implementation, also included in the plan are four policy directives created to guide decision making processes.

To establish these policies, HACE's board of commissioners should adopt this plan, resolve that these policy directives shall guide HACE'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, HACE 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 HACE. Selection of the developer partner is foundational to successful implementation and achievement of HACE's desired outcomes.

HACE should use a qualification-based process to seek a developer partner. The Request for Qualifications (RFQ) document should include HACE'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. HACE should communicate expectations in the RFQ.

Before drafting the RFQ seeking a developer, HACE 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 HACE wants in a developer partner?
- What roles does HACE want to perform in the development process?
- What risks or obligations is HACE willing to accept during the development process? Related, what financial benefits does HACE 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 HACE portfolio assumes the use of Section 18 Disposition with the following three separate justifications: 1) Scattered Site, 2) Obsolescence, and 3) Very Small PHA.

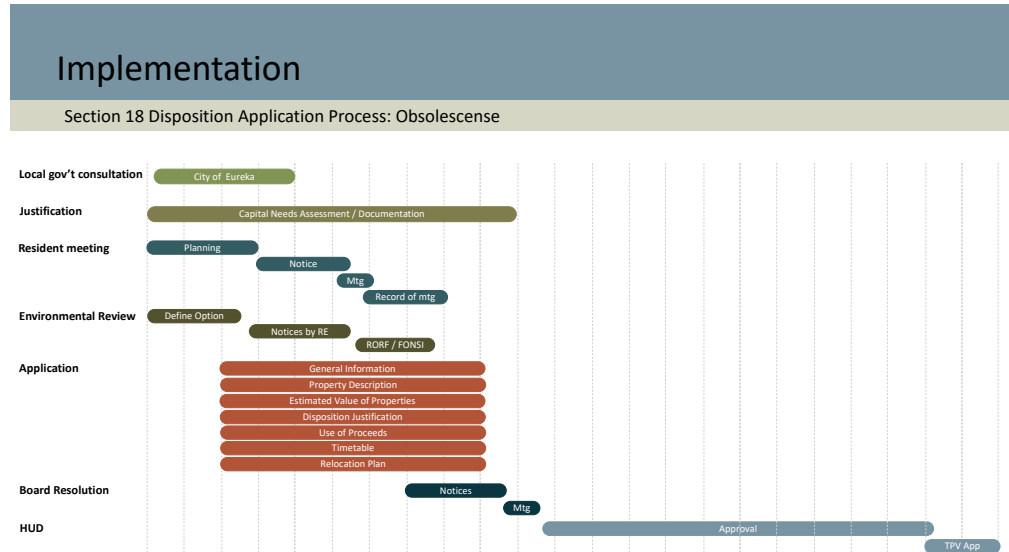
The order of applications is important to HACE using Section 18 to reposition all properties. This can be achieved by using Scattered Site justification for 1645 C St and then Obsolescence for those properties that qualify until the portfolio is reduced to less than 50 units. Once the portfolio is at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

Since all of HACE'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 HACE 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 HACE.

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

