

RFQ Questions and Responses

The following questions were submitted by interested parties by the due date of April 3, 2023.

1. Existing Units: The repositioning plan indicates the AMI level for 169 out of 196 existing units in HACE's portfolio and 12 units are labeled as "over-incomed". Can we assume the remaining units are at or below 80% AMI?
 1. As of 4/1/2023, the breakdown of tenants is as follows:
 1. 30% - 105
 2. 50% - 38
 3. 80% - 29
 4. Over income – 11. Note that we will be requiring over-income families to relocate after twelve months over income, in compliance with HOTMA Final Rule.
 5. Vacant – 12
2. Over Income Tenants: Is there a plan for the 12 over-incomed tenants? Will they be offered relocation?
 1. Over income tenants will be required to relocate after twenty-four consecutive months over income, or otherwise pay full market rents, in compliance with HOTMA Final Rule.
3. Replacement Units Vouchers: The RFP states that each replacement unit will receive a project-based voucher. Will these vouchers be subtracted from HACE's set voucher allocation?
 1. Housing Authority of the City of Eureka ("HACE") does not have a voucher program or administer the voucher program. However, we have shared office space and staff with the Housing Authority of the County of Humboldt ("HACH") which will administer project-based vouchers for HACE. Per HUD rules, tenant protection vouchers will be provided for tenants for relocation during redevelopment, with intent to convert to project-based vouchers upon completion of redevelopment and implementation of HAP contract. These will be new vouchers issued by HUD.
4. HACE Administrative Office: Will HACE temporarily relocate when the administrative building is redeveloped or does a new office need to be completed prior to demolition of the existing office?
 1. HACE may temporarily relocate offsite, if required and feasible, in order to affect the most ideal redevelopment outcome.
5. Existing Community Organizations: Will the "Boys and Girls Club" and "Eureka Police Community Service" buildings currently on the 25-1 & Prospect site be relocated?
 1. HACE considers the buildings and space for police presence and the Boys and Girls Club to be important features for our tenants and community. Ideally, we would like to see space available for these entities to use and/or lease in a redevelopment scenario. HACE will work with these partners to create a plan for relocation and involvement in future development.
6. Density Bonus: Does HACE want proposals to adhere to the current zoning or utilize density bonuses to exceed the amount of "future units" listed on the RFP and Repositioning Plan?

1. HACE is open to considering density bonuses, to exceed the number of units allowed by current zoning.
7. Scale: Does HACE want proposals to max out on the number of stories zoning allows?
 1. Proposals should include, at a minimum, replacement units for existing Public Housing units. They may include provisions for additional units and may max out the number of stories allowed by zoning. Additionally, it is recommended that any designs to be considered integrate well with the current neighborhoods.
8. Unit Entry/Security: Does HACE prefer to consolidate down to just a few controlled entry/exit points? Or would you prefer the more dispersed/individualized entries (similar to the existing housing stock)?
 1. One of the issues with housing built in the 1950's and 1960's (majority of Eureka's current Public Housing) is that the design may not help to effectively prevent crime in current day. Design features such as limited entry access, clear sightlines, and other environmental controls should be implemented to enhance safety and prevent crime. Ideally, replacement units would provide adequate indoor and outdoor personal space (e.g. with non-landscaped patios) while also providing for ample community gathering space (green area, parks, community room, etc.). HACE will work with its development partner to create a design that is efficient to construct and manage, while balancing livability and safety concerns.
9. Private vs Public Open Space: Even at the proposed higher density, there will be a great deal of open space left over. Does HACE prefer that each unit have its own grassy yard (similar to the existing housing stock)? Or do you prefer the excess space be more consolidated, either in a common outdoor garden for the project (operated by HACE), or a public park (operated by the City)?
 1. HACE prefers that units not have individual landscaped areas, but that excess space be more consolidated as green space available to all tenants.
10. Would HACE consider selling properties whose future development potential is less than 16 units as a way of raising capital?
 - a. HACE's goal is to increase the supply of affordable housing in Eureka. We are open to discussing a plan that would use existing real estate to raise capital if the overall supply of net new affordable housing warrants this approach.
11. Is HACE open to acquisitions of adjacent sites/properties as part of repositioning?
 1. If it is financially feasible, HACE is open to acquisitions of adjacent sites/properties as part of repositioning. One of these potential sites, 2335 Union Street, was acquired in December 2022, as the parcels/buildings on Buhne, Union, and Summer Streets wrap around this single-family home. The added parcel should be considered eligible for any repositioning plans at this site. The parcels at Spring and Garland are adjacent to an empty lot that is not owned by the PHA. The remaining sites are not adjacent to vacant lots.
12. Per the payment standards released June 2022 by HACH, it appears that payment standards as of 4/1/2022 are 120% of FMR. Should we assume this same payment standard for Section 18 PBVs? If not, what payment standard will be utilized? What about with respect to TPVs?

1. Project Based Vouchers are limited to 110% of FMRs. This may be used as the payment standard.

Bedroom Size	1	2	3	4
2023 FMR	\$907	\$1,183	\$1,681	\$2,015
Payment Standard @110%	\$997	\$1,301	\$1,849	\$2,216

13. HUD data as of 9/30/2021, shows HACE's Base Faircloth Limit to be 199 with 198 units utilized and 1 unit available. The RFQ references only the 198 units. As part of the repositioning, will 199 or 198 Section 8 PBVs be provided?
 1. HACE intends to reposition 100% of the public housing currently in service. A future Faircloth to RAD transaction is also a possibility. The immediate aim is to reposition all traditional public housing units in operation (195 units).
14. Is HACE open to providing PBVs in addition to the Section 18 PBVs?
 1. Yes, HACH still has vouchers available to project base, subject to HUD requirements and per-project limits. Ideally, as many new units (above current PH 195 units) would have PBV assistance as possible.
15. Is HACE and the City of Eureka open to having greater density (as allowed by law) than outlined in the Repositioning Plan?
 1. Preliminary discussions with the City of Eureka seem to encourage seeking density bonuses that would allow provision of units beyond what current zoning allows.
16. Currently, 50% of CEHA's portfolio is at 30% AMI. What targeted AMIs would CEHA like to achieve ideally?
 1. All current tenants who remain eligible for assistance will be given the first right of return, so there will still be a significant population that is at 30% AMI. Additionally, per 24 CFR §983.251(c)(6), not less than 75% of the families admitted to a PHA's project-based voucher programs during the PHA fiscal year shall be extremely low-income families (30% AMI or lower). So generally, 75% of the PBV units would expect to be at 30% AMI. However, units that do not have PBVs could be considered for higher tiers of low-income limits (e.g. up to 80% AMI).
17. How integral is the Repositioning Plan to the City of Eureka's RHNA and Housing Element goals?
 1. The Repositioning Plan was developed based on analysis of current housing authority operations, sites, tenancy, etc., with minimal input from the City of Eureka. However, the City has responded positively to the Repositioning Plan and sees the PHA repositioning goals as integral to the City meeting RHNA/Housing Element goals.
18. With question #8 in mind, is HACE interested in mixed income projects (including up to 80% AMI units) that could help provide Missing Middle units for Eureka's growing workforce?
 1. Yes, HACE is interested in mixed income projects that provide housing for a blend of household incomes.
19. Would HACE prefer being part of ownership or using LURA instruments to give them required rights and economics?

1. HACE is open to discussing different scenarios that would result in a successful development.
20. The economic analysis in the Repositioning Plan uses the same utility allowance for all units regardless of bedroom count (\$71.92). Please confirm if under Section 18 this is appropriate to use for our own analysis. If not, is it appropriate for us to use the utility allowance schedule that HACH issues for calculating utility allowance?
1. The \$71.92 was used as an average for simplification of analysis. However, a Utility Allowance would vary based on unit bedroom sizes. The 2023 Utility Allowances for the Housing Authority of the County of Humboldt's voucher program is available at <https://eurekaumboldt.org/wp-content/uploads/2022/12/County-Programs-Utility-Allowance-2023-1.pdf>
21. The RFQ mentions HACE property management as a potential value add to repositioned properties as well as a potential source of income to the Housing Authority. It is our understanding that HACE currently serves as the property manager for the two projects it developed under the LIHTC Program. Based on that and the rest of your portfolio, we believe that HACE would qualify for full property management experience points. Please confirm if that is correct. If not, please let us know how many points you qualify for with CTCAC.
1. HACE understands the importance of demonstrated experience when competing for development resources in California. HACE has experience and we would want to work with a development partner to present the most competitive application for development resources.
22. With regards to property management for any properties developed under the LIHTC Program, would HACE want to be the sole property management firm, or would you prefer a wraparound management company that can assist on compliance, lease up, marketing, etc. for a set period of time?
1. HACE is open to a conversation with development partners about delineation of services and durations for arrangements that are in the best interest of a successful development (e.g attracting capital, competing for resources and successful management).
23. Is the proposed new unit count of 189 units (however it appears the two proposals add to 190 units [174 + 16]) for Prospect Avenue and 25-1 based on the total site for these properties assuming the existing administration and maintenance buildings will be removed?
1. No, the administration building and maintenance building will need to be reestablished (rebuilt) onsite, though not necessarily at exactly the same location. Further, considering that parcel APN #009076001, 0.4 acres, is already at maximum units of 8, this parcel should be excluded from the overall calculation. New units based on current zoning (not considering potential density bonuses) would be approximately 180, based on 8.21 acres (7 parcels) and 22 units per acre.
24. Does the proposal need to include a plan to replace the HACE's administration and maintenance buildings? If so, what will be the size and some design requirements of the replacement buildings (i.e., maintenance yard, office, storage, etc.)?
1. The current RFQ response should acknowledge that future design plans/proposals would need to include plans to replace HACE's administration and maintenance

buildings/space, including employee parking. Below are some minimum requirements that would be needed for continued operations.

2. Administration building:
 1. Office space for 20+ employees
 2. Conference room for meetings e.g. client briefings (up to 25 people)
 3. Storage (currently have X sq. ft. in office and overflow storage of x sq. ft.)
 4. Lobby/public reception area of x sq. ft.
 5. Adequate bathrooms, break room, etc. for staff
 3. Maintenance building/shop:
 1. HACE manages and provides all maintenance services for 72 LIHTC units.
 2. To provide maintenance services for new units, HACE would need an equivalent or larger maintenance shop and parking for the vehicle fleet.
 3. Other needs to be discussed with the selected redevelopment partner.
25. Can you describe any dedicated staff and their expertise in working with the applicant?
1. Senior staff have an average of 12 years of experience with HACE/HACH
 2. Tenant/client caseworkers have an average of 8 years of experience with HUD programs at the PHA.