



## AGENDA SUMMARY EUREKA CITY COUNCIL

**TITLE:**           **FY24 US Department of Housing and Urban Development (HUD)  
Pathways to Removing Obstacles to Housing (PRO Housing)  
competitive grant**

**DEPARTMENT:**   **Finance**

**PREPARED BY:**   **Kristen Raymond**

**PRESENTED FOR:**       Action        Information only        Discussion

### **RECOMMENDATION**

1. Hold a Public Hearing; and
2. Adopt a Resolution of the City Council of the City of Eureka authorizing staff to prepare and submit an application for the 2024 Pathways to Removing Obstacles to Housing competitive grant NOFO.

### **FISCAL IMPACT**

No Fiscal Impact        Included in Budget        Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

More Livable Eureka Community Safe, Clean, Beautiful and Enjoyable.

### **DISCUSSION**

The Department of Housing and Urban Development (HUD) has announced through a Notice of Funding Opportunity (NOFO), approximately \$100 Million is available through this NOFO, HUD invites applicants from eligible applicants for the program and purpose described within the NOFO for the 2024 funding year.

The objectives of the Pro Housing program are to aid communities nationwide from the lack of affordable housing, and housing production is not meeting the increasing demand for accessible and available units in many urban and rural areas, particularly areas of high opportunity. Pathways to Removing Obstacles to Housing (PRO Housing) empowers communities that are actively taking steps to remove barriers to affordable housing and

seeking to increase housing production and lower housing costs over the long term. Barriers to affordable housing may take the form of restrictive zoning designations, land use policies, or regulations; discretionary, costly or prolonged procedures; deteriorating or inadequate infrastructure; lack of neighborhood amenities; neighborhood opposition to new or affordable housing; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduce the number of affordable units, displacement pressures, or expiration of affordable requirements.

As an eligible applicant, The City of Eureka may apply for up to \$7 Million in this 2024 US Department of Housing and Urban Development Pathways to Removing Obstacles to Housing Notice of Funding Opportunity. Staff is recommending the following project:

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

The Proposed Project: Is located within the City of Eureka south of West Harris Street on Assessor's parcel numbers (APNs) 009-072-001, 009-073-001, 009-074-001, 009-075-001, 009-076-001, 009-083-001, 009-083-002, and 009-083-003. The site is designated Medium Density Residential (MDR) and zoned Residential Medium (R2). The topography on the project site is generally flat and the site is situated at an elevation of approximately 85-100 feet above mean sea level.

In undertaking this larger masterplan construction project at what is known as the 25-1 and Prospect Project site, the Housing Authority of the City of Eureka (HACE) and Brinshore Development, L.L.C. are partnering to reposition and redevelop HACE's public housing portfolio on the 25-1 and Prospect Project site, including the eight adjacent properties that currently contain 106 affordable housing units. HACE has determined that the public-housing buildings on these properties are functionally obsolete and is pursuing a repositioning strategy pursuant to Section 18 of the United States Housing Act of 1937 (42 USC 1437p).

The 25-1 and Prospect Project ("project") would occur in seven phases on an 8.61-acre development footprint and would demolish the existing housing and rebuild multi-family housing on each property at a higher density using current City zoning code density allowances and State Density Bonus law. The Green Phase would be the initial phase of the project and proposes to demolish 8 existing units and rebuild 44 multi-family residential units including 43 affordable units and 1 market-rate manager's unit. Current residents that would be displaced by the project would be offered the opportunity to relocate into other housing owned by HACE or would receive tenant protection vouchers to find housing elsewhere in the community.

Tenant Protection Vouchers (TPVs) for eight (8) impacted households within the Green Phase may be issued to assist with relocation. The estimated amount of total funding for rental subsidy for the Green Phase relocation efforts is estimated to be \$325,920. Overall, long-term relocation efforts for the Project may result in an additional 97 TPVs requiring approximately \$3,951,780 in HUD Section 8 funding. Overall, this results in

\$4,277,700 in TPV funding.

As noted above, the properties in the project site are zoned R2, which allows a density of 22 units per acre. The project proposes an 80 percent density bonus, which would allow an increased density of 37 units per acre overall. The Green Phase proposes to use waivers as allowed by State Density Bonus law for development standards including, but not limited to 1) allowing off-street parking to be in front of the residential buildings; and 2) reducing the number of ground floor building entries facing the street.

The project would result in 150 net new income-restricted residential units, resulting in a total of 256 residential units. HACE will be providing Section 8 housing assistance to the project in the form of Project Based Vouchers (PBVs), as authorized under Section 8 of the Housing Act of 1937, as amended. HACE proposes to provide PBVs for a minimum of 50 percent of the proposed units except for any market-rate manager's units, which could be up to 7 (1 for each phase of the project). The project also proposes to redevelop and/or relocate several commercial and/or public facility buildings including the HACE offices, a housing maintenance facility, the Boys and Girls Club building, and a community police building.

**REVIEWED AND APPROVED BY:**

- City Attorney
- City Clerk/Information Technology
- Community Services
- Development Services
- Finance
- Fire
- Human Resources
- Police
- Public Works