

SECTION G
REDEVELOPMENT
AGENCY



OVERVIEW

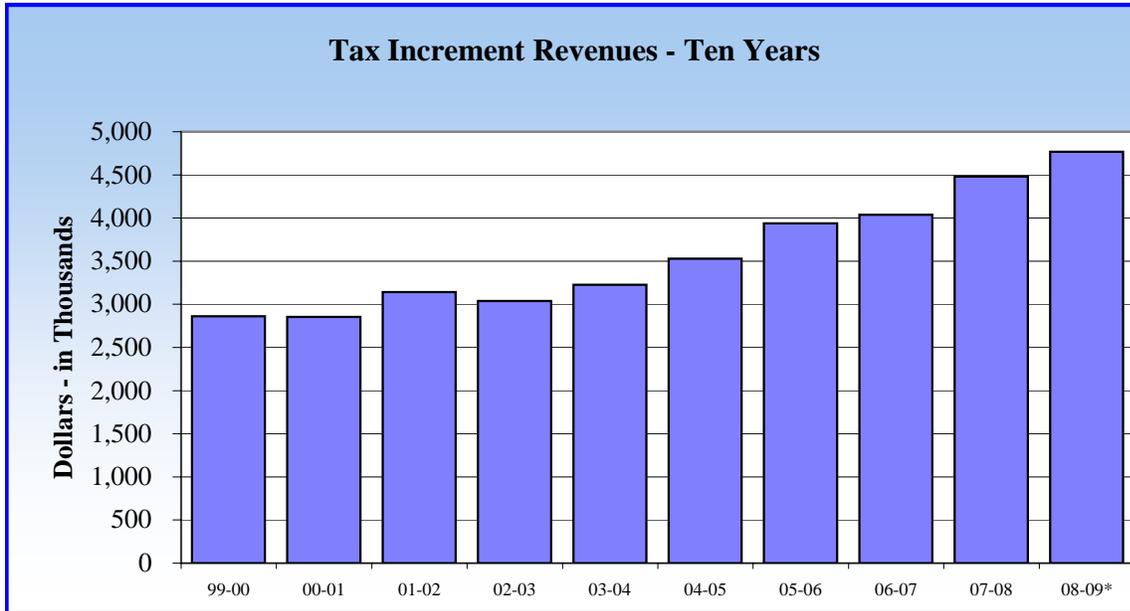
The Eureka Redevelopment Agency (Agency) budget is displayed in this document in several sections. Summaries for the Agency funds are included both in the “Recap of Funds” section beginning on page B-29 and in the “Fund Summaries” section beginning on page D-19. Revenues can be found in the “Revenues by Fund” section, beginning on page E-21. Expenditures can be found in the “Expenditures by Fund” section, beginning on page F-14. Capital and other project details are located in the “Capital Improvements and Special Projects Listing” (p.H-4), and in the “Fund Projects” listing, beginning on page H-15.

Operating programs funded by the Redevelopment Agency are presented in the Redevelopment and Housing Department and the details for those programs can be located under that department. These programs include Redevelopment Administration and Low and Moderate Income Housing.

In addition, the following materials are provided in this section:

- Historical tax increments by project area
- Summary of revenues by fund
- Summary of 2008-09 Program Goal and Objectives

Redevelopment Fund Trends



Fiscal Year	Merged Project Area
99-00	2,860,146
00-01	2,854,316
01-02	3,141,399
02-03	3,038,826
03-04	3,227,871
04-05	3,527,479
05-06	3,936,997
06-07	4,038,031
07-08	4,478,789
08-09*	4,766,479

* Estimated

Note: Century III - Phase I, Phase II and Eureka Tomorrow project areas were combined into one "Merged Project Area" in July 2005.



REVENUES BY FUND

	2006-07 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Estimated <u>Actual</u>	2008-09 <u>Budget</u>
Special Revenue:				
Low & Moderate				
Income Housing	\$ 1,189,909	\$ 1,421,400	\$ 1,197,064	\$ 1,412,295
Debt Service:				
Merged Project Area	4,207,390	4,278,300	4,640,026	4,835,679
Capital Projects:				
Merged Project Area	<u>147,358</u>	<u>4,910,307</u>	<u>1,187,038</u>	<u>3,657,075</u>
Total	<u>\$5,544,658</u>	<u>\$10,610,007</u>	<u>\$7,024,128</u>	<u>\$9,905,049</u>

EUREKA REDEVELOPMENT AGENCY

SUMMARY OF 2007-08

PROGRAM OBJECTIVES AND ACHIEVEMENTS

The Eureka Redevelopment Agency is responsible for the implementation of all activities associated with the expenditure of Redevelopment tax increment and bond funds. The primary objective of the Agency is to undertake projects that will revitalize the project areas and improve the economic base of the community by facilitating redevelopment, housing and economic development activities. In order to leverage and fully maximize the impact of the Redevelopment Agency's limited tax increment monies, the Agency also applies for additional funding from both state and federal sources for housing and economic development activities. This summary does not separate achievements by funding source, but by projects, which are administered by the Agency. In addition, the Agency/Council goals developed during FY 2006-07 are included. The following summary lists the 2007-08 program objectives for each of Redevelopment's major areas of responsibility and highlights the accomplishments completed towards those objectives.

REDEVELOPMENT GENERAL ADMINISTRATION

AGENCY/COUNCIL GOALS (Developed during FY 2006-07):

- ★ Attract city residents' downtown by enhancing the exciting mix of restaurants, retail, water access, and housing on our waterfront.
- ★ Develop and implement a redevelopment plan for the Balloon Track.
- ★ Attract vibrant commercial businesses to our downtown corridor that can play a vital role in our downtown economy.
- ★ Encourage the construction of housing capable of attracting new residents' downtown.
- ★ Make downtown living attractive by enhancing residential services, such as developing a downtown grocery store.
- ★ Create an exciting theatre district in downtown Eureka capable of supporting a wide variety of performances and attracting visitors from out of the area.
- ★ Implement the REACH program in order to support area museums.
- ★ Adopt an effective parking plan that supports the needs of downtown residents and retail businesses.
- ★ Support re-opening and successful operation of the Eureka Inn.

PROGRAM OBJECTIVES:

- Assist in the elimination of economic and physical deficiencies, underutilization of property and other blighting factors.
- Focus limited Redevelopment monies, and invest in projects that will be self-sufficient, increase tax increment and create new employment opportunities.
- Strengthen and stimulate commercial activity in the area.
- Revitalize the Eureka waterfront and eliminate blighting influences.
- Assist in the elimination of blighting influences to improve and strengthen residential neighborhoods and supporting commercial areas.
- Comply with California Redevelopment Law requirements.

PROGRAM ACHIEVEMENTS:

ADMINISTRATION

- ◆ ***2007-08 Statement of Indebtedness***—prepared the 2007-08 Statement of Indebtedness with the Finance Department as required by California Redevelopment Law.
- ◆ ***2006-07 Annual Report of Financial Transactions***—prepared 2006-07 Annual Report with the Finance Department as required by California Redevelopment Law
- ◆ ***California Redevelopment Association(CRA)***—John Shirey, Executive Director of CRA and Amy O’Gorman, Regional Manager for the League of California Cities visited Eureka on July 31st and August 1st to discuss issues impacting the City and Agency. A tour of the Redevelopment Project Area was conducted.

The Maxon Family was quoted in CRA’s publication “Community Guide to Redevelopment”, and the Eureka Redevelopment Agency was featured in their December monthly publication “Redevelopment Building Better Communities”.

- ◆ ***2008-09 Annual Budget***—prepared 2008-09, Annual Budget for Redevelopment Administration, Housing and Revolving Loan Fund Programs.
- ◆ ***I-Bank***—Prepared and submitted a preliminary application for Infrastructure Bank financing for the “C” Street and Market Square public improvements. The preliminary application was approved on August 29th, 2006 and the Agency was invited to prepare a full application for a \$2,000,000 low interest loan. The full application was submitted and approved on July 24, 2007. The project is now underway and the first reimbursement was received in May.
- ◆ ***Halvorsen Park***—Continue to Assist Old Town Rotary with their centennial project to improve the infrastructure of the performing arts park by adding telephone, cable and water access to the site as well as a new entry.
- ◆ ***Youth Mural Program***—co-sponsored the “Youth Mural Program” with the Ink People.
- ◆ ***Waterfront Photography Competition***—sponsored the 2007 Images of Water Photography Competition as recommended by the Local Coastal Program’s original implementation policies.
- ◆ ***Redevelopment Advisory Board (RAB)***—prepared staff reports and agendas as needed.

PRIVATE DEVELOPMENT ACTIVITY

- ◆ ***Eureka Inn***—Staff met with the owners of the Eureka Inn to discuss how the Redevelopment Agency might be able to assist with efforts to re-open the historic property. Redevelopment staff has organized and participated in several meetings between prospective buyers and staff, including arranging City tours, identifying state and local programs which will apply during renovation of the historic structure and its ongoing operation.

◆ **Request for Proposals (RFP)**—The following Request for Proposals for the lease, purchase or development of Agency owned property was prepared by staff:

- **H.H. Buhne Warehouse RFP**—Staff prepared a RFP for the relocation, preservation, restoration of the historic H.H. Buhne Warehouse on the corner of Waterfront Drive and “C” Street. The building is required to be relocated in order for the development of Seaport Village to proceed. An open house was held May 4th to enable potential bidders to determine the condition of the structure. Three proposals were received on July 6th from the Humboldt Bay Maritime Museum, Warehouse Partners and the Old Town Carriage Company. The project submitted by the Maritime Museum did not contain all of the required elements and was considered non-responsive. On July 19, 2007, the Redevelopment Advisory Board considered the proposals for the Warehouse Partners (Loring and Lapotre) and the Carriage Company (L’Herault). The Carriage Company will be located in the building constructed using salvageable components of the Buhne Warehouse building. Following a review and discussion of the proposals the board recommended the L’Herault proposal to the Redevelopment Agency Board. At their meeting of August 7, 2007, the Board authorized an Exclusive Right to Negotiate (ERTN) with the L’Heraults.

◆ **Disposition and Development Agreements (DDA)**

- **Hampton Inn**—The Agency Board approved a new ERTN Agreement with Greg Pierson and Larry DeBeni for the development of a Hampton Inn adjacent to the Eureka Public Marina. Staff worked with State Lands Commission to determine if the removal of the public trust properties in the Dock B area was possible. State Lands will not remove the trust.
- **Coastal Dependent Industrial RFP**—**Coastal Dependent Industrial RFP**—Redevelopment Agency Board executed an ERTN with DB Properties, LLC for the purchase and development of a 5 acre site for Wing Inflatables, LLC. Developers have begun providing the items required by the ERTN. Soils work has been completed and a project description has been submitted to Community Development prior to the start of CEQA documentation.
- **Environmental Technology Hostel**—The Agency Board approved a new ERTN Agreement with the Center for Environmental Economic Development (CEED) for the development of an Environmental Technology Hostel on a portion of the Halvorsen Site. CEED’s attorney notified the Agency that there will be a “successor entity” formed for the Hostel project. CEED will no longer be involved in the project. Staff continues to meet with Board Members for the successor entity and prepared a new ERTN for Council/Agency Board approval. On November 27th 2007, the Agency Board approved the new ERTN Agreement with the “successor entity” formed for the Hostel project, the Humboldt Bay Center for Sustainable Living. This entity is a tax exempt, non-profit corporation for the specific purpose of developing and operating the hostel. The new board of directors held a press conference at the Adorni Center on December 12th to showcase model hostel buildings designed and built by HSU students.
- **Fisherman’s Fresh Seafood Retail Counter/Café**—Staff met several times with the prospective operator regarding development timeline, lease information and design. On February 15th, the operator concluded that the space was too small for their desired project. Staff is now working with another potential tenant who is also interested in the café and counter
- **Fisherman’s Terminal Building**—City and Agency staff met with prospective tenants to determine their needs and lease space configuration.
- **Waterfront RV Park**—ERTN expired and deposit has been returned.

- **Tydd Street**—Staff is working with a new Developer on the terms and conditions for the purchase and development of the property for housing.
- **First & C Street Property**—No activity.
- **7th & Myrtle Ave**—A Request for Proposals was postponed pending the completion of a lot line adjustment. On August 28, 2007, the Agency was granted an extension to its lot line adjustment application in order to complete additional required information. Once complete, proposals will be requested.
- **Eureka Pier (Fisherman’s Building)**—Staff is working with State Lands Commission to complete removal of the public trust from small slivers of property adjacent to the boardwalk. Staff continues to work with State Lands Commission to complete removal of the public trust Staff met with State Lands on November 8th and also met with the developer on December 11th to discuss the status of the project.

◆ **Facade Improvement Program (co-administered with Eureka Main Street)**

- **Administration**—prepared and executed Facade Improvement Loan documents and disbursed funds when projects were completed for the following facades:

FAÇADE IMPROVEMENTS – COMPLETED

❖ Vanity Building 109 F Street	Total Project Cost: \$16,571 Agency Participation: \$ 9,120
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FAÇADE IMPROVEMENTS – IN PROGRESS

❖ Brothers Building 425 Snug Alley	Est. Agency Participation: \$10,000
❖ Solatube 50 W Fifth Street	Est. Agency Participation: \$30,000
❖ Mori Building 201 & 211 Second Street	Est. Agency Participation: \$22,500
❖ Indian-West Emporium 326 2 nd Street	Est. Agency Participation: \$20,000

PUBLIC WORKS PROJECTS**

The Eureka Redevelopment Agency is providing a major portion of the funding for the design and construction of the following public works projects:

- ◆ **“C” Street Development Projects**
 - **Market Square**—Construction of a plaza area at the southeastern corner of C Street and the Boardwalk up to 17,000 square feet in size. The square will include the installation of street furniture that would be consistent in number, scale, and style as those on the existing boardwalk and “F” Street pedestrian plaza. The Square will also consist of permanent, semi-permanent, and removable facilities for public gatherings including: a permanent covered stage wired for amplified sound, a ticket booth and/or information kiosk, outdoor dining areas, umbrella stands for market events and an approximately 60-foot by 120-foot removable tent along with imbedded anchoring stanchions and brackets.
 - **“C” Street**—Construction of a 60-foot wide plaza along the 240-foot long portion (14,400 square feet) of “C” Street between the Boardwalk and First Street. This pedestrian oriented plaza area will include the installation of street furniture consistent in number, scale, and style as those on the existing Boardwalk and “F” Street pedestrian plaza.
 - **Public Parking Lot**—Construction of 41 public parking spaces, including 2 handicap accessible spaces, immediately south of the Fisherman’s Terminal Building. Access to the Terminal Building loading docks (noted above) will be provided through the parking lot to Waterfront Drive. The parking lot will be landscaped and include the installation of amenities consistent in number, scale, and style as those on the existing Boardwalk and “F” Street pedestrian plaza.
 - **Fisherman’s Terminal**—Construct seafood buying, processing and retail facility at the foot of “C” Street.
 - **C Street Floating Dock Installation**—Install floating dock and gangway at the foot of C Street.
- ◆ **Inner Reach Dredging**—Bay dredging of 10 inner-reach sites.
- ◆ **Old Town Parking Lot Lighting Upgrade**—Light poles and fixtures in Downtown/Old Town are 25-30 years old. The lighting efficiency has dropped, and they are costly to operate and maintain. These new fixtures and poles will not only enhance the appearance of Old Town, the Gazebo and surrounding parking lots, but will provide better lighting, a better sense of security, and will save the City about \$6,000.00 per year in energy costs. Upgrade was completed.
- ◆ **Waterfront Drive Extension “I” to “K” Streets**—Construct Waterfront Drive which will connect Old Town and the City’s northern waterfront resources with vehicular, pedestrian and transit access.
- ◆ **England Marine Fuel Terminal**—In-place permanent closure of underground storage tank.

** Sections 332255 and 33421.1 of the Health and Safety Code require the Redevelopment Agency and City Council to make certain findings prior to committing funds for the design and construction of public improvements. When projects are scheduled to proceed, findings will be presented to the Agency Board and Council for approval.

NON-HOUSING GRANT ACTIVITY

- ◆ **Community Development Block Grant (CDBG) Public Hearing** — On July 18, 2007, staff held a CDBG public hearing to discuss the Fiscal Years 2007 & 2008 Community Development Block Grant (CDBG) program and solicit citizen input on the following activities.

The City can request up to a maximum of \$940,000 per year. The \$940,000 can be used in the following manner: General and Native American Allocation up to \$500,000 and/or Economic Development up to \$500,000 or a combination of the two (2) applications up to a maximum of \$800,000. The City may also apply for up to a maximum of \$140,000 for Planning and Technical Assistance grants (\$70,000 for General and \$70,000 for Economic Development). Funds may be requested up to \$35,000 per project specific activity, General or Economic Development, and up to \$35,000 per planning study, General or Economic Development (no more than two (2) grants per funding cycle for each allocation).

1. **Annual Grantee Performance Reports for CDBG Program Income Business Revolving Loan Account and Housing Revolving loan Account.** Repaid funds are available for business and housing loans.
2. **Annual Grantee Performance Report for CDBG Grant 04-STBG-1959.** Construction of a new Alzheimer's Day Center; acquisition and rehabilitation of a Veterans Transitional Housing facility; and a Lead Based Paint Evaluation and Mitigation Grant Program.

The five major activity categories are Housing-New Construction, Housing-Rehabilitation, Community Facilities/Public Services, Public Works and Business Loans that create or retain jobs. Projects funded with CDBG allocations must carry out one of three National Objectives, as follows: Benefit to targeted Income Group (TIG) people, elimination of slums or blight, and meeting urgent community development needs.

- ◆ **Humboldt Senior Resource Center (HSRC) New Alzheimer's Day Center**—HSRC was awarded the construction contract to DanCo Builders in the amount of \$3,006,194 on June 25, 2007 and work is currently underway.

On September 21, 2007, staff traveled to Sacramento to present a CDBG Economic Development, Over-the-Counter Component, grant application request to the State Housing and Community Development Loan Advisory Committee for \$564,000, to continue assisting HSRC with the financing of the New Alzheimer's Center in Eureka. The committee unanimously approved the request. These funds will be provided to the HSRC in the form of a deferred low interest loan, with interest being forgiven over 15 years of the loan, and a "net gain" to the City of \$525,000 which will be repaid by HSRC and deposited into the City's CDBG Program Income Revolving Loan Fund to re-loan. The City has previously committed a total of \$833,000 of CDBG grant funds to this project (includes a \$35,000 Planning and Technical Assistance Grant).

One CDBG Over-the-Counter business revolving loan in the amount of \$525,000 was approved in October 2007, to assist the Humboldt Senior Resource Center in the construction of the New Alzheimer's Center in Eureka. A total of 17 FTE net new jobs will be created within three years of opening the new center.

- ◆ **CDBG Planning and Technical Assistance Grant—GIS Project**—Geographic Resources of Arcata was continues to make progress in completing the items in the Phase II Scope of Work. The project should be completed by the middle of May.
- ◆ **PG&E Local Economic Development Grant**—Staff submitted an application for the 2006 round of the PG&E Local Economic Development Grant program. The application for \$7,500 was approved. Funds will be used to improve and refresh the existing Redevelopment website.

- ◆ ***Center for Environmental Economic Development (CEED)***—In April 2007, the City was awarded grant funding from the FY 2006/2007 Planning and Technical Assistance Allocation of the State Community Development Block Grant (CDBG) program, to assist CEED, a non-profit, in the preparation of an updated economic feasibility study, site plan study, and related preliminary environmental review work for project commonly known as “Eco-Hostel Project”. On June 5, 2007, Council authorized staff to enter into a Sub-recipient Agreement with CEED to carry out grant eligible activities. On January 28, 2008, the City received a request from CEED to terminate the agreement and recommended the City enter into an agreement with Humboldt Bay Center for Sustainable Living (HBCSL) to carry out the grant eligible activities because HBCSL is the intended nonprofit builder of the facility and is the logical recipient of the grant.

On February 19, 2008, Council approved the termination of the Subrecipient Agreement with CEED, and approved entering into an agreement with HBCSL to carry out the grant eligible activities.

- ◆ ***HCD Administered Programs***—Redevelopment staff met with Deputy HCD Director Chris Westlake during an October visit to Arcata. Discussion centered on the programs offered through HCD and improvements that could be made to enable the state’s rural communities to access them for economic development purposes.
- ◆ ***Making Headway, Inc.*** —In April 2007, the City was awarded grant funding from the FY 2006/2007 Planning and Technical Assistance Allocation of the State Community Development Block Grant (CDBG) program, to assist Making Headway, Inc., a non-profit, in conducting a feasibility analysis and needs assessment for the development of a permanent facility to provide traumatic brain injury services, support and education. Funding may also be used to perform environmental services if applicable, and grant writing directly related to the construction or rehabilitation of a facility. On July 17, 2007, Council authorized staff to enter into a Sub-recipient Agreement with MHI to carry out grant eligible activities. During their April Board meeting, MHI decided to postpone the development of a permanent facility and withdraw their participation in the CDBG program. The \$8,750 cash match was returned to MHI.
- ◆ ***Humboldt Community Access and Resource Center (HCAR) Sunrise Plaza Building***—HCAR will be included as a 10% Set-aside Activity in the FY 2008-2009 CDBG General Allocation grant application submitted on April 1, 2008. Funding in the amount of \$150,000 will be requested to assist HCAR in completing Phase II improvement of the HCAR Sunrise Plaza Building. Awards will be announced at the end of May 2008.

REDEVELOPMENT & HOUSING EDUCATION AND TRAINING

Staff attended the following education and training workshops:

- ◆ ***California Redevelopment Association Affordable Housing Conference***
- ◆ ***CDBG General Allocation Grant Training***
- ◆ ***Community Development Funding Workshop***
- ◆ ***Redding Funding Fair***
- ◆ ***California Redevelopment Association (CRA) Annual Conference***
- ◆ ***Proposition 1C Funding Workshop***
- ◆ ***2008 Housing Summit***

ECONOMIC DEVELOPMENT

AGENCY/COUNCIL GOALS (Developed during FY 2006-07):

- ★ Work under the principles of Prosperity! and support Humboldt County's identified industry clusters.
- ★ Focus on economic development that attracts, expands, and retains businesses and services that maintain our quality of life in Humboldt County.
- ★ Achieve consistent increases in the number of living-wage employers.
- ★ Increase the resilience of our City budget to State takeaways and other fluctuations in outside funding sources.
- ★ Become the visitor-serving hub of the region.
- ★ Become the information and technology capitol of the region.
- ★ Keep sufficient land and infrastructure dedicated for high wage employers, including light industry and manufacturing.
- ★ Lead our region by supporting economic development solutions.

PROGRAM OBJECTIVES:

- Administer the Business Revolving Loan Program to encourage business start-ups and expansions within the City of Eureka.
- Market and administer the Eureka Enterprise Zone to the business and financial communities.
- Act as a City liaison with the business, financial, and economic development communities.
- Ensure compliance with all federal and state CDBG requirements and procedures.
- Be actively involved in the California Enterprise Zone Association to influence legislative changes to enhance the Zone's benefits to business.
- Maintain open communication with the Business, Transportation and Housing Agency to ensure inclusion in appropriate business location leads.
- Develop relationships with federal and state funding agencies as well as legislative representatives to assist the City in accessing financial and technical assistance.
- Complete Foreign Trade Zone implementation.
- Develop Business Retention and Expansion Visitation Program and conduct regularly scheduled visitations to Eureka companies with 10 or more employees.

PROGRAM ACHIEVEMENTS:

ECONOMIC DEVELOPMENT ORGANIZATIONS/PROGRAMS

REVOLVING BUSINESS LOAN PROGRAM

- ◆ ***Administration***—continue to monitor open loans and market program to lending institutions and potential borrowers. All business loan recipients have completed their job creation requirements. One loan application was reviewed and the applicant withdrew their request. Staff continues to meet with prospective businesses interested in starting, relocating or expanding a business in Eureka.

FOREIGN TRADE ZONE

- ◆ **Administration**—City staff has completed a request to activate the Foreign Trade Zone at the Redwood Marine Terminal in Samoa which is owned by the Harbor District. The activation documentation has been submitted to Customs and Border Protection for consideration.

ENTERPRISE ZONE PROGRAM

- ◆ **California Enterprise Zone Board (CAEZ)**
 - **California Enterprise Zone Board (CAEZ)**—Serve as a Board Member, attend quarterly Board Meetings and actively supported/opposed legislation affecting Enterprise Zone incentives.
 - **Annual Enterprise Zone Conference**—Staff attended the CAEZ Annual Training Conference on October 24-26, 2007 in Modesto, California. The conference will provide staff with updates on Zone legislation and new regulations, as well as provide staff with an opportunity to network with other zones throughout the State.
 - **State Legislation**—actively supported/opposed legislation affecting Enterprise Zone incentives.
- ◆ **Eureka Enterprise Zone Activity—2007** (based on a calendar year as required by State)
 - **Administration**—Administer and market the program in compliance with the State rules and regulations.
 - **Employee Hiring Credit Vouchers Issued—464**
 - **Business License Waivers Issued—135**
 - **Business Information Packets Distributed—31**
 - **Enterprise Zone Application**—In November, 2006, Staff received a letter of conditional approval from the State Housing & Community Development (HCD) Department on our new EZ designation. In December we received a letter with three conditions that must be met before final designation will be granted. Staff completed the modifications requested by HCD as well as the completion of the required CEQA documentation which were due April 30th. Final designation was received on July 31, 2007. The Memorandum of Understanding (MOU) has been executed.

EUREKA MAIN STREET PROGRAM

- ◆ **Board of Directors**—City liaison serving on the Main Street Board of Directors and Economic Restructuring Committee. Attend monthly Board Meetings.
- ◆ **Eureka Main Street Program Cumulative Results (9/92-12/07)**
 - **Net New Businesses—492**
 - **Net New Jobs—1829.5**
 - **Ground Floor Vacancy Rate**—reduced from 14% (9/92) to less than 1% (12/07).

UPSTATE CALIFORNIA ECONOMIC DEVELOPMENT COMMISSION

- ◆ ***Upstate California Economic Development Commission—UCEDC***—The mission of UCEDC is to cooperatively market the region (Northern California from Sacramento to the Oregon border) to new and existing businesses in support of the regional effort to diversify the economy, increase employment and enhance the quality of life. Redevelopment staff attends bi-monthly board meetings, and serves as Chief Financial Officer for the group. UCEDC has strengthened its efforts to attract relocating businesses from other parts of the state and from outside of California by updating its website, attending tradeshow for targeted industries and authorizing our executive director to increase outreach efforts. Staff attended the annual meeting on November 29th and 30th in Mount Shasta.
- ◆ Staff attended a regularly scheduled board meeting on July 12, 2007. On January 11th and March 14th via conference call; and worked a booth at the California League of Food Processors Trade Show in Sacramento February 5-7, 2008.

CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT (CALED)

- ◆ ***California Association for Local Economic Development Board***—Executive Committee Board Member. Actively supported/opposed legislation affecting economic development in the State of California.
- ◆ ***Annual CALED Conference***—Staff attended the CALED Annual Conference on April 28th –May 2nd 2008 in Anaheim, California. The conference, California’s largest economic development conference, provided information on how to implement effective economic development practices to help businesses and grow their local economy. This year’s conference featured special issues facing local governments, businesses and economic development. The issues discussed included the impact of the green movement on business assistance programs, cultivating tomorrow’s economic development leads, and opportunities for attracting foreign direct investment in the global economy. Also, served as a panelist on the “10 Minute Mentor” Roundtable discussion.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (CEDA)

- ◆ ***California Enterprise Development Authority Board***—As Board Member, attend meetings to review and approve capital to California small and medium sized businesses for expansion and job creation through an innovative gap financing program. Financing is a combination of tax-exempt industrial bonds (IDB’s) and below market-rate second mortgages resulting in a lower down payment and lower blended interest rates than commercial lenders. During 2007 CEDA:

- **CEDA completed eight financings totaling:** **\$132, 276,280**
 - ✓ Includes three industrial development bonds (IDB’s) totaled \$ 25,000,000
 - ✓ Created 231 and retained 447 family wage jobs

MARKETING

- ◆ **Business Outreach**—Redevelopment staff had a number of meetings to discuss potential revolving loans and grant applications, as well as enterprise zone benefits for specific businesses. Attended the Chamber sponsored Coastal Commission reception on September 5, 2007.

- ◆ **Business Visits**—Coast Seafoods, Campton Electric and Evergreen Pulp were visited during the year. The new Enterprise Zone designation was one of the items discussed.
- ◆ **Additional Outreach**—Staff gave a presentation to Southwest Rotary on November 2nd highlighting Redevelopment Program benefits and accomplishments. On December 3rd the City Manager and Redevelopment staff hosted a luncheon meeting with representatives from the Indonesian Consulate in San Francisco as well as Harbor District staff. Staff discussed economic development, tourism and the Port of Humboldt Bay.
- ◆ **Purchased Advertising**—Ads were placed in the following publications:
 - **Humboldt Crabs Baseball Program**
 - **North Coast Jazz Festival Program**
 - **North Coast Repertory Theatre Annual Program**
 - **The Pallet Magazine**

BUSINESS DEVELOPMENT WORKSHOPS

- ◆ **Sponsored Workshops**-- The following workshops were sponsored by the City of Eureka
 - **Retail Development Workshops**—The Redevelopment Agency committed \$10,000 to the NCSBRC to provide a series of Eureka-based workshops for small retail operations and restaurants. The program was designed in conjunction with Eureka Main Street and at their request, with the marketing focus on the redevelopment district and Henderson Center retailers. The following workshops were offered:
 - ★ *Boot Camp for Retailers*—**55 participants**
 - ★ *Retail Therapy (three sessions)*—**90 participants**
- ◆ **Co-Sponsored Workshops**—The following workshops were co-sponsored by the City of Eureka:
 - **Taking Care of Business Series**, Office for Economic & Community Development
 - **Funding Fair**, County of Humboldt

ADDITIONAL PUBLIC INVOLVEMENT

- ◆ **Eureka Chamber of Commerce Business & Industry Committee**—staff attends meetings as scheduled to discuss issues affecting businesses in the region.
- ◆ **Prosperity**--Attend Prosperity network meetings as required.
- ◆ **Caltrans Richardson Grove Re-alignment Project**—staff attended an information meeting presented by Caltrans on February 20th to gain a better understanding of this important project designed to allow FTAA trucks to serve Humboldt County from the south.

HOUSING

AGENCY/COUNCIL GOALS (Developed during FY 2006-07):

- ★ Attract city residents' downtown by enhancing the exciting mix of restaurants, retail, water access, and housing on our waterfront.
- ★ Encourage the construction of housing capable of attracting new residents' downtown.
- ★ Continue Redevelopment Programs that encourage the upgrade of existing housing units.
- ★ Continue to encourage Eureka's homeowners to enhance their property.

PROGRAM OBJECTIVES

- Provide adequate sites and promote the development of new housing to accommodate Eureka's fair share housing allocation for very low, low and moderate-income residents.
- Encourage the maintenance, improvement and rehabilitation of Eureka's existing housing stock and residential neighborhoods.
- Insure the provision of quality housing opportunities for very low-income citizens.
- Assist in the elimination of substandard and deteriorated housing while preserving the neighborhood community.
- Increase, improve and preserve the community's supply of very low or low-income housing.

PROGRAM ACHIEVEMENTS

◆ *CDBG Housing Rehabilitation Program Income 1989, 1994 (Fund #271)*

➤ Housing Rehabilitation Projects under Construction	2
➤ Housing Rehabilitation Completed	2
➤ Housing Loans Monitored	21
➤ Housing Loans Canceled	0
➤ Housing Loans Declined	0
➤ Loan Amount Increased	1

◆ *Housing Rental Rehabilitation Program (Fund #281)*

➤ Housing Loans Processed	0
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◆ *HUD Rental Rehab (Fund #285)*

➤ Rental Rehab Projects Monitored	0
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◆ **Low and Moderate Income Housing Program (Fund #290)**

➤	Owner Occupied Housing Rehabilitation Projects under Construction	0
➤	Owner Occupied Housing Rehabilitation Completed	2
➤	Rental Rehabilitation Loans Completed	0
➤	Rental Rehabilitation Loans Monitored	10
➤	Paint-up Fix-up Grants	15
➤	First Time Homebuyer Loans Approved	14
➤	First Time Homebuyer Loans Monitored	62
➤	Housing Construction Loans Monitored	1
➤	Housing Loans Canceled	1
➤	Relocation Grants Approved	0
➤	Pending Applications	1

◆ **Local Housing Program (#291)**

➤	Wheelchair Ramp Grants	1
➤	Dumpsters Provided	14
➤	Senior Home Repair Grants	62
➤	Paint-up Fix-Up Grants	15
➤	Housing Rehabilitation Projects under Construction	0
➤	Housing Rehabilitation Completed	1
➤	Rental Rehabilitation Loans Monitored	1
➤	Housing Loans Monitored	12
➤	Housing Loans Canceled	0
➤	Housing Loans Declined	1
➤	Loan Increases	1
➤	Pending Applications	0

◆ **RCAA HOME Program Owner Occupied Housing Rehabilitation**

➤	Housing Rehabilitation Loans Monitored	20
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◆ **RCAA HOME First Time Homebuyer Program**

➤	First Time Homebuyer Loans Completed	0
➤	First Time Homebuyer Loans Monitored	9

◆ **CalHome Program 06-CalHOME-198**

➤	Pending Applications	6
➤	Applications Denied	1

◆ **Other Miscellaneous Loan Activities**

➤	Subordination:	1
➤	Loan Payoffs Processed	12
➤	Loan Term Extension	0
➤	Loan Conversion (Deferred to Amortization)	1
➤	Defaults/Foreclosures	7

HOUSING GRANT ACTIVITY

- ◆ **Community Development Block Grant (CDBG) Public Hearing** — On July 18, 2007, staff held a CDBG public hearing to discuss the Fiscal Years 2007 & 2008 Community Development Block Grant (CDBG) program and solicit citizen input on the following activities.

The City can request up to a maximum of \$940,000 per year. The \$940,000 can be used in the following manner: General and Native American Allocation up to \$500,000 and/or Economic Development up to \$500,000 or a combination of the two (2) applications up to a maximum of \$800,000. The City may also apply for up to a maximum of \$140,000 for Planning and Technical Assistance grants (\$70,000 for General and \$70,000 for Economic Development). Funds may be requested up to \$35,000 per project specific activity, General or Economic Development, and up to \$35,000 per planning study, General or Economic Development (no more than two (2) grants per funding cycle for each allocation).

1. **Annual Grantee Performance Reports for CDBG Program Income Business Revolving Loan Account and Housing Revolving loan Account.** Repaid funds available for business and housing loans.
2. **Annual Grantee Performance Report for CDBG Grant 04-STBG-1959.** Construction of a new Alzheimer's Day Center; acquisition and rehabilitation of a Veterans Transitional Housing facility; and a Lead Based Paint Evaluation and Mitigation Grant Program.

The five major activity categories are Housing-New Construction, Housing-Rehabilitation, Community Facilities/Public Services, Public Works and Business Loans that create or retain jobs. Projects funded with CDBG allocations must carry out one of three National Objectives, as follows: Benefit to targeted Income Group (TIG) people, elimination of slums or blight, and meeting urgent community development needs.

- ◆ **Community Development Block Grant Program Income (CDBG-PI) Funds** –Two CDBG owner occupied rehabilitation projects were completed and one loan increase was processed. Six applications have been mailed since July 1, 2007, three declined to participate, with three not responding. These funds are revolving funds which accumulate from repayments of past CDBG program income loans. As the balance increases, these funds are then expended for allowable program uses. It is anticipated that CDBG funds will be used to increase the CalHome loan program loan amounts from \$40,000, up to a maximum of \$60,000.
- ◆ **CalHome Grant Program-** The City was awarded a CalHome grant of \$600,000 the purpose of restoring substandard owner occupied residential units. The grant will provide between 13-15 owner occupied rehabilitation loans. These loans are for low income eligible applicants at 3% interest with deferred payments for 30 years and will be administered by the City. Ten percent of the total grant will be for administration of the grant. To date six applications have been received back by the City and are in various stages of processing. It is anticipated that Community Development Block Grant Program Income funds will be used as matching funds, should the rehabilitation repair costs exceed the \$40,000 CalHome loan amount, up to an additional \$20,000.
- ◆ **HOME Program Income Fund** – The City of Eureka has received and administered multiple State of California Home program grants in the form of owner occupied rehabilitation loans. When these loans are repaid to the City, the funds are deposited to this revolving program income account to be reused for other program eligible purposes.

HOME OWNERSHIP ACTIVITY

- ◆ ***First Time Homebuyers Program*** –The program is being administered by Umpqua Bank who qualifies applicants for their amortized monthly payment first mortgage. The Agency’s Low and Moderate Income Housing Fund provides up to \$120,000 in a deferred payment (second lien position) loan, which provides the gap financing, up to the allowable purchase price of the home. This program does not reserve funds for applicants; therefore once the applicants are pre-qualified by the first mortgage lender, the program is on a first-come first-served basis until a purchase agreement is executed by the owner and seller. On January 2008, the City Council approved an increase in funding of \$480,000 to provide an additional four loans. The program in 2007-08 funded 14 new purchases to low and moderate income households.
- ◆ ***Humboldt County Office of Education (HCOE) Seventh Street Villas***—On September 4, 2007, the City Council/Redevelopment Agency authorized the Agency to enter into a Joint Agency Agreement (JAA) with the Humboldt County Office of Education (HCOE), to develop redevelopment owned property between 6th and 7th Street on Myrtle Avenue in Eureka, as an affordable housing condominium complex that will be an annexation to the Sixth Street Villas. As soon as the tract map is approved by the City, escrow transferring the property should close. It is anticipated that two of the six units will be completed and ready for sale by the first of July.
- ◆ ***Redevelopment Property at 615 Myrtle Avenue*** - This property was purchased by the Redevelopment Agency in 2004 from the State of California, with the intention of developing affordable housing for low to moderate income persons. This property will also serve as replacement housing for the demolition of the residence at 1901 California Street for the development of the Senior Resource Center’s Alzheimer’s Day Care Center. The Agency contracted with Will Adams Construction in July 2007 to restore the home. It is anticipated that the home will be offered for sale with affordability covenants to a low income household through the First Time Homebuyer Program. The deadline to apply is June 27, 2008.

HOUSING/NEIGHBORHOOD UPGRADE ACTIVITY

- ◆ ***Eureka Housing Authority*** – In December 2006, the Redevelopment Agency authorized a loan to the Eureka Housing Authority (EHA) in the amount of \$500,000 from the Low and Moderate Income Housing Fund. The loan will be at 3% interest, deferred for 40 years, to assist EHA in the restructuring of a purchase/rehabilitation loan to assist in the rehabilitation of 50 existing affordable housing units located at 735 “P”, 112 “E”, and 615 W. Hawthorne Streets in Eureka. The Agency authorized approval with contingencies which are now in compliance by the EHA staff. This loan closed escrow in November 2007.
- ◆ ***Eureka Housing Authority (EHA) 1998 \$330,000 LMIHF Loan #21698-986-0000*** – Loan for 22 units of affordable senior housing units on four sites within the City of Eureka. The Housing Authority requested a subordination of the Agency \$330,000 loan to refinance their existing tax exempt mortgage revenue bond in second lien position on title to an Umpqua Bank loan in the amount of \$344,000. The Agency has administratively approved with contingencies.
- ◆ ***LOCAL Fund/Owner Occupied Rehabilitation*** – The LOCAL owner occupied rehabilitation budget for FY 2007-8 is \$100,000. Three LOCAL loan applications have been mailed with two being over-income, and one is not responding. One loan was completed for \$10,000 for fire damage repair.
- ◆ ***Dumpsters*** - The City of Eureka, in cooperation with Eureka City Garbage, provides free dumpsters to neighborhoods upon request (based upon need). Eureka City Garbage provides 20 dumpsters, at no cost to the City, every calendar year. This program is augmented by the City’s budget of \$5,000 for additional dumpsters. Since July 1, 2007, fourteen dumpsters have been provided to the community.

- ◆ ***Low and Moderate Income Housing Fund/ Owner Occupied Rehabilitation*** One project has been completed and another project is pending the receipt of engineering reports for her foundation structural repairs, before she can proceed with her loan application. The historic property owned by the Redevelopment Agency on 615 Myrtle Avenue is listed separately above, and is funded from the LMIHF. Thirteen applications have been mailed with one denied due to lack of verifiable income, several were over-income, two are pending submission of asset information, three have transferred to the CalHome program, and the others have decided not to proceed for various reasons. Staff is continuing discussions with three property owners in the Redevelopment Area who have requested affordable housing and seismic retrofit rehabilitation funding for affordable housing in Old Town. To date, one application has been submitted.
- ◆ ***Paint Up/Fix Up Program*** –\$100,000 was budgeted for FY 2007-2008. (\$50,000 was budgeted from the Low and Moderate Income Housing Fund and an additional \$50,000 was budgeted from the LOCAL fund) for Paint Up/Fix Up Program grants to cover both targeted areas and provide grants City wide The program provides grants of up to \$2,500 for qualified moderate to low income households. The program provides grants for exterior repairs to qualified homeowners and landlords who rent to qualified income eligible tenants. There is currently no waiting list for this program and approximately \$43,000 has been expended
- ◆ ***Senior Home Repair Program*** – In FY 2007-08 the City appropriated \$10,000 from the LOCAL fund, for the Humboldt Senior Resource Center to administer the “Senior Home Repair Program”. These grants provide small home repairs to income qualified seniors, over 60 years of age, ranging from grab bars to leaky faucets and running toilets. It is anticipated that \$6,700 will be spend by fiscal year end to assist sixty-two seniors
- ◆ ***Graffiti Clean Up Program*** - The City of Eureka, in cooperation with Shafer’s Ace Hardware is providing Graffiti Clean-up kits to those single family and multi-family residential property owners whose properties have been a target of graffiti. To be eligible, the property must be located within the city limits of Eureka. The kits are available to eligible property owners at \$5 per kit. Each kit shall consist of one quart of latex paint, a free paint color match by Shafer’s staff, a 2" paint brush, clean up cloth, drop cloth, stir stick, and wet paint sign
- ◆ ***Wheelchair Ramp Grant Program*** - The City Council in October 2007 approved new guidelines to increase grant funding per project from \$1,500 to up to \$2,500 for moderate income households and up to \$3,500 for low income households more participation is anticipated.. Currently the costs of the ramps would require extensive payment “out of pocket” by the applicant and there was only one grant given in FY 2006-7. None in FY 2005-6. Ramp construction bids have been ranging from \$2,500 to \$4,000. By increasing coverage from \$1,500 to up to \$2,500 for moderate income households, and up to \$3,500 for low income households, more participation is anticipated. The program provides much needed wheelchair/walker grants to the disabled to provide access to their owned or rented residences. Since July 1, 2007, one grant to assist a low income individual has been given, and five new applications have been mailed. Homes must be located in the City limits.

TRANSITIONAL HOUSING ACTIVITY

- ◆ ***Humboldt Housing & Homeless Coalition’s Request for Consultant Services***—The Humboldt Housing & Homeless Coalition requested and was grant \$5,500 form the City’s Low and Moderate Income Housing Fund to partially pay consultant fees for the grant writing for the 2007 HUD Supportive Housing program.

- ◆ ***Multiple Assistance Center Project*** - The Multiple Assistance Center (MAC) project involves the purchase and rehabilitation of a large building in Eureka for a homeless service and resource center. The project site is located at 139 “Y” Street in Eureka. The City purchased the site in February 2002 using CDBG grant funds. In 2001, the City was awarded a \$1 million loan from the State HOME program, and a \$500,000 State CDBG grant. Both funding opportunities were used for the construction of the MAC. The City is repaying the \$1 million loan from the State HOME program by contributing \$50,000 annually into the Low and Moderate Income Housing Fund. In October of 2007, the City Council approved a \$60,000 request for emergency administrative funding for MAC operations and in December 2007 approved another \$29,000 request for funding. The project involves a consortium of entities, including the City of Eureka, County of Humboldt, health care organizations, private non-profit agencies, and the religious community. The MAC project is providing on-site housing, job training and care of homeless persons and their families, and is intended to provide a more efficient and effective distribution of existing homeless services. The MAC accommodates approximately 75 persons.

- ◆ ***North Coast Veterans Transitional Housing Facility***—NCVRC has selected David Pierce Architect for architectural services to rehabilitate property purchased for a Veterans Transitional Housing facility. The property is located at 109 & 121 Fourth Street in Eureka. Contractor bids were opened on January 22, 2008. Redevelopment staff will continue to monitor the Community Development Block Grant funded project until it is up and running, no later than December 31, 2008. On April 1, 2008, staff submitted a FY 2008/2009 General Allocation grant application to the State CDBG Program for \$1 million to assist the Veterans in funding Phase II construction of the new Veteran’s Transitional Housing facility. Funding for \$500,000 was also requested to assist the Veterans in providing program services.

HOUSING ADVISORY BOARD ACTIVITY

- ◆ ***Housing Advisory Board***—The Board held 5 public meetings during the fiscal year 2007-2008 primarily working to administer the approximately \$2.8 million in Redevelopment Low and Moderate Income Housing funds and various other State Grant programs. Among the accomplishments, the HAB continues to upgrade the City’s housing stock by providing low interest loans to low income residents through the Housing Rehabilitation loan program, monitoring the administration of the First Time Homebuyer Program, Senior Home Repair Program, Wheelchair Ramp Grant Program, the implementation of the Lead Hazard Evaluation and Reduction Program, CaLHOME, general loan monitoring of it’s approximately 144 loan files, and other general business related to loan and grant implementation.

HOUSING PROGRAM MARKETING

- ◆ ***Marketing***—Annually the Housing Programs are marketed in the Times Standard and the Eureka Reporter as a 1/8 page advertisement. Also, the benefits of the Housing Programs are listed in the publication, "Humboldt Kid's Digest". The City will have public service announcements for advertisement of the programs. This year, the Eureka Redevelopment Agency owned property at 615 Myrtle Avenue in Eureka was advertised for sale in both papers. Flyers have also been mailed to the City's list of Agencies for program notification.