



STAFF REPORT  
EUREKA CITY COUNCIL

TITLE: Elections Code 9212 Report on Citizen's Initiative:  
Amending the City's General Plan for 21 City-Owned Parking  
Lots and the Jacobs Middle School Site.

DEPARTMENTS: Multiple

PREPARED BY: Cristin Kenyon, Development Services Director  
Autumn E. Luna, City Attorney

PRESENTED FOR: Action Information Discussion

RECOMMENDATION Receive report and direct staff on further action if needed.

---

I. BACKGROUND

An initiative ballot measure qualified for the City's next general election after receiving 10% of registered voters' signatures as required by the California Elections Code. This report was prepared by staff in response to direction from the City Council at the Council meeting of August 15, 2023. Under the California Elections Code, Council may refer a proposed initiative measure to a City department or departments for a report on the impacts and effects of the initiative.

II. INITIATIVE SUMMARY

If passed by the voters, this initiative would amend the City of Eureka's adopted General Plan and Housing Element. The proposed amendments would substantially amend the City's Housing Element, impact the ability to develop 21 City-owned public parking lots, and create a "Housing for All" overlay designation for the Jacobs Middle School Site.

A. 21 City-Owned Public Parking Lots.

If passed, the initiative would amend the City's General Plan to create an "Off-Street Public Parking (OSPP) Overlay Designation." The OSPP overlay would apply to City-owned parking lots at 8<sup>th</sup> and G, 6<sup>th</sup> and M, 5<sup>th</sup> and D, 6<sup>th</sup> and L, 3<sup>rd</sup> and D, 3<sup>rd</sup> and E, 3<sup>rd</sup> and G (two lots), 3<sup>rd</sup> and H, 3<sup>rd</sup> and I, 104 C Street, 222 1<sup>st</sup> Street, 314 1<sup>st</sup> Street, 1<sup>st</sup> and E, Opera Alley and E, 312 3<sup>rd</sup> Street, 2<sup>nd</sup> and H, Waterfront Drive and L, 1111 2<sup>nd</sup> Street, and 1103 3<sup>rd</sup> Street (two lots).

The OSPP Overlay would limit the use of these parking lots to:

1. Public parking for passenger and light commercial vehicles;

2. High-density residential above ground-floor parking or garaged public parking, where two conditions are met:
  - a. The number of public parking spaces is at least equal to the number of spaces currently available at the parking lot; and
  - b. If parking spaces are required for the occupants of the residential development, those parking spaces must be in addition to the public parking spaces; and
3. Bike parking, with space for permanently-anchored bicycle racks that can accommodate a number of bicycles equal to 5% of the number of vehicular parking spaces available in each respective parking lot.
4. The project proposed by the Wiyot Tribe Dishgamu Humboldt Community Land Trust (the Wiyot Tribe) on the City-owned parking lots at 5<sup>th</sup> & D and 6<sup>th</sup> & L.<sup>1</sup>

Locations of the 21 City-owned parking lots are shown below; the blue dotted line is the Coastal Zone boundary; additional information about the implicated parking lots can be found in Appendix A:



Of the 21 City-owned parking lots impacted by the initiative, the City has proposed that affordable housing be developed on just six of the lots (numbered above as lots one through six). These six lots are included in the City's current Housing Element and are referred to in this report as the Downtown Housing Element sites. Fifteen of the 21 City-owned parking lots

<sup>1</sup> Two of the 21 parking lots identified by the initiative are the parking lots awarded through a City RFP process to the Wiyot Tribe for the development of affordable housing. The initiative states that all uses contemplated under the RFP would be allowed on these two parking lots provided the Wiyot remain the bid awardee and developer of the two lots.

impacted by the initiative have not been slated for development, and under the City's current plans, would remain public parking lots.

B. The Jacobs Middle School Site (Jacobs Site).

The proposed initiative, if passed, would amend the City's General Plan to create the "Housing for All (HFA) Overlay Designation" that would apply to the Jacobs Site located at 674 Allard Avenue if or when that Site was transferred to a property owner subject to the City's zoning regulations. The current owner, Eureka City Schools, is not subject to City zoning regulations, nor is any state agency, such as California Highway Patrol.

The HFA Overlay – if applicable – would authorize sweeping uses on the Jacobs Site "by right", including the following:

1. High density residential (R3) as to at least 40% of the ground area;
2. Medium density residential (R2);
3. Low density residential (R1);
4. Public and quasi-public uses compatible with a residential setting;
5. All principally permitted neighborhood-serving commercial uses allowed under the Neighborhood Commercial (NC) zone and Neighborhood Market (NMO) overlay zone;
6. All principally permitted uses allowed under the Downtown (DT) zone; and
7. All principally permitted uses allowed under the Public Facilities (PF) zone.

C. Further Changes by Initiative Only. The initiative specifies it will take another vote of the people to amend or remove the changes created by the initiative.

The initiative is attached as Appendix B.

III. REPORT ON PROPOSED INITIATIVE IMPACTS AND EFFECTS PER ELECTIONS CODE 9212

A. Fiscal Impact. The City retained Pro Forma Advisors LLC to perform an economic and fiscal impact study for this report. According to the study, if the initiative passes, the resultant increase in cost will effectively block affordable housing development on the City-owned parking lots identified in the initiative:

"The most immediate and quantifiable economic and fiscal impacts will occur through the loss of the development on the six downtown sites that have been awarded for affordable housing development. Based on our hypothetical development program the impacts include:

- The loss of \$169.8 million in one-time construction related Output. This Output could support approximately 1,000 Jobs during the construction phase with an average Earning of \$64,000 per Job.

- The loss of \$7.2 million per year in retail spending in the County from new residents living in the downtown. Given that not all developments are anticipated to include retail, the annual impacts of mixed-use development has not been quantified herein.

It is important to note that the City currently has no intentions of developing the other 15 parking lots with affordable housing. However, in order to estimate the additional potential economic and fiscal impacts of the Initiative it is assumed that the hypothetical impacts of the modeled affordable housing are extrapolated to the remaining parking lot sites. This analysis includes the six Housing Element sites along with the additional 15 development sites identified in the Initiative.

Given the different size of downtown parking lots, the total downtown parking lot square feet identified in the Initiative (268,922 square feet) has been divided by the prototypical lot size (13,200) to provide order of magnitude impacts of the Initiative:

- The loss of \$566.0 million in one-time construction related Output. This Output could support approximately 3,320 Jobs during the construction phase with an average Earning of \$64,000 per Job.
- The loss of \$24.0 million per year in retail spending in the County from new residents living in the downtown. Once again, given that not all developments are anticipated to include retail, the annual impacts of mixed-use development has not been quantified herein."

The full Economic and Fiscal Impact report is attached as Appendix C.

#### B. Effect on the Internal Consistency of the City's General and Specific Plans.

The General Plan is a comprehensive planning document laying out the future of the City's development in general terms through a series of policy statements. The General Plan must be internally consistent and all local land use decisions must themselves be consistent with the General Plan. The City adopted its first General Plan in 1965, and until the most recent update in 2018, the City's General Plan was intended to stimulate low-density suburban development patterns (e.g., a strip mall setback behind a large surface parking lot). In contrast, the current 2040 General Plan de-prioritizes parking and utilizes greater intensities and building heights than have been allowed in previous versions of the General Plan (1965-2018), returning to Eureka's roots by encouraging new development that is of the same scale and density as the development Eureka experienced prior to the 1960s.

1. City Owned-Parking Lots. The General Plan describes the area where the implicated City-owned parking lots are located as the "Core Area," the traditional business center and cultural hub of the City. In laying out a vision, goals and policies for the Core Area and its associated districts and land use designations for the coming 20 years, the General Plan is focused on promoting a vibrant pedestrian environment in an area of

dense, mixed-use development. The General Plan calls for expanding the supply of housing in the Core Area through the integration of residential uses with other uses. In conflict with this vision, the initiative prohibits mixed-use development on the City-owned parcels; and, by adding a large parking mandate, the initiative reduces potential density and creates an economic barrier to housing development.

The General Plan also includes a number of policies about removing regulatory barriers to development and allowing for the flexibility necessary to respond to evolving market opportunities overtime. By significantly reducing the uses allowed on 21 City-owned parcels, imposing a large and inflexible parking requirement, and requiring another ballot initiative to amend or remove these restrictions in the future, the initiative creates a lack of flexibility contrary to the General Plan.

The General Plan calls for ongoing study of the City's parking system, and for addressing parking issues through better parking management. In contrast, the initiative would require retention of all existing parking spaces in each of the 21 City-owned parking lots, despite any new or previous data or analysis. Without a vote of the people, the initiative eliminates any flexibility to reduce, relocate or redistribute that parking in the future based on future experience.

2. Jacobs Site. The initiative would significantly increase the types of uses allowed on 60% of the Jacobs Site to allow for a broad array of residential and commercial uses in addition to the uses allowed by the site's current Public Facilities zoning, while dedicating 40% of the site to high-density residential uses. These actions "upzone" the Jacobs Site, making additional land within the City available for a diverse array of housing in an area that is relatively close to goods and services, consistent with the General Plan's housing policies.

However, if the intent of the initiative is to replace the Downtown Housing Element sites with the Jacobs Site, that swap is not consistent with the housing policies. The City owns the Downtown Housing Element sites and has made significant progress towards developing affordable housing at those sites, with identified developers, funding sources, and completed environmental review and other entitlements. In contrast, the City does not own the Jacobs Site, and the current owner (the School District) is in negotiations with California Highway Patrol (CHP) for purchase of the site for a CHP office. CHP is not required to follow local zoning whether imposed by initiative or otherwise.

The full analysis is attached as Appendix D.

C. Effect on the Use of Land, the Impact on the Availability and Location of Housing, and the Ability of the City to Meet Its Regional Housing Needs.

1. Affordable Housing. The term "affordable housing" generally means not spending more than 30% of a household's income on housing, including rent and utilities for renters, and mortgage, interest, insurance, taxes and utilities for homeowners. For purposes of

affordable housing planning and funding, State housing laws establish the following income levels:

Very Low Income	31 to 50% Area Median Income
Low Income	51 to 80% Area Median Income
Moderate Income	81 to 120% Area Median Income
Above Moderate Income	>120% Area Median Income

According to the Census, median household income in Eureka is \$46,926 (2017-2021). However, for the purpose of determining affordable housing prices, California Department of Housing and Community Development (HCD) has set the 2023 median income in Humboldt County at \$83,800 for a family of four (HCD raised Humboldt County's area median income to equal California's non-metropolitan median income). HCD uses the \$83,800 median income value to determine which Humboldt County households qualify as very-low income, low income, and moderate income as follows:

Income Category	Household Size			
	4-person	3-person	2-person	1-person
Very Low Income	\$41,250	\$37,150	\$33,000	\$28,900
Low Income	\$65,950	\$59,400	\$52,800	\$46,200
Moderate Income	\$100,550	\$90,500	\$80,450	\$70,400

As shown in the table, if a four-person household earns the median household income in Eureka of \$46,926, that household qualifies as low-income. A one-person household earning \$46,926 qualifies as moderate income. For context, the minimum wage in California will increase to \$16.00 per hour in January 2024. A person working full time (2,080 hours per year) and earning minimum wage will bring home \$33,280 in 2024.

2. Regional Housing Needs Allocation (RHNA). State Housing Element law requires that a local jurisdiction accommodate a share of the region's projected housing needs, called the Regional Housing Needs Allocation (RHNA). For the current Housing Element cycle (2019-2027), the City of Eureka has been allocated a RHNA of 952 units (i.e., a goal of constructing 952 new housing units within City limits between 2019-2027). The RHNA goal is divided into four income levels as follows:

City of Eureka 2019-27 RHNA	
Very Low Income (VLI)	231 units
Low Income (LI)	147 units
Moderate Income (MI)	172 units
Above Moderate Income (AMI)	402 units
Total	952 units

3. Housing Element Requirements. Pursuant to state Housing Element law (Government Code Section 65580 et. seq), the City's Housing Element is required to identify adequate sites for the existing and projected housing needs of all economic segments of the community, including an inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period (2019-2027) to meet the locality's housing need for the City's RHNA for each designated income level [65593(a)(3)].

The Housing Element must also include a program that sets forth a schedule of actions during the planning period [GC 65593(c)], including actions that will be taken to make sites available during the planning period to accommodate that share of the City's RHNA for each income category.

4. City of Eureka Housing Element Background. The City must demonstrate there is adequate available land in the City with adequate densities and appropriate development standards to accommodate the RHNA by income category. Because the City of Eureka is largely built out, demonstrating available land proved to be a difficult task during the development of the 2019-2027 Housing Element. Because the City could not demonstrate enough suitable, available, and appropriately zoned sites to accommodate the regional housing need by income level, the Housing Element was required to include an adequate-sites program to accommodate the remaining housing need for housing for very low- and low-income households during the planning period. The subject program is known as Housing Element Implementation Program IMP H-34 (Affordable Housing on City-owned Properties).

Implementation Program IMP H-34 currently identifies fourteen City-owned parcels to be put up for sale or lease to affordable housing developers with the goal of constructing at least 327 deed-restricted affordable housing units by 2028. Each of the fourteen parcels are assigned a minimum number of affordable units, and many are also assigned a minimum building square footage.

When the 2019-2027 Housing Element was originally adopted in December 2019, Implementation Program IMP H-34 included twelve properties, five of which (the Linc Housing and Wiyot Tribe sites) continue to be included in the current list. Changes were made because Pierson Properties & Development, LLC came forward with a proposal to swap three of the City-owned parking lot sites originally included in Implementation Program IMP H-34 (4th and G; 5th and H; and 5th and K) for the four Sunset Heights parcels, and because the City discovered two of the original sites, Cooper Gulch and Sherriff's Woodlot, which were planned for 100 affordable housing units, were Land and Water Conservation Fund sites reserved for open spaces and parks and recreation (i.e., no housing allowed). In October 2022, City Council adopted an amendment to the Housing Element to revise the sites identified in Implementation Program IMP H-34.

The Housing Element Technical Appendix details how the City intends to meet its RHNA in the form of a Residential Site Inventory listing individual sites by APN that are suitable for housing creation during the 2019-2027 planning period and allocating a specific number of housing units to each site by income category [GC 65583.2(c)]. The Residential Site Inventory includes both privately owned sites and the fourteen City-owned parcels identified in Implementation Program IMP H-34.

There are additional requirements for demonstrating compliance with the low and very-low income categories. For instance, there is an assumption in Housing Element law that sites smaller than half an acre are not adequate to accommodate lower income housing [GC 65583.2(c)(2)(A)]; 98% of parcels within Eureka are less than 0.5 acres in size. The City's ownership and thus site control of the fourteen parcels in Implementation Program IMP H-34 was a key component of HCD allowing the City to assign lower income RHNA numbers to these sites.

The City parking lot strategy was also agreeable to HCD because it furthers RHNA goals of promoting infill development, promoting an improved intraregional relationship between jobs and housing, and affirmatively furthering fair housing by adding lower income housing units in areas rich with jobs and services [GC 65584(d)(1)].

Eureka's Core Area is a job center for the region, and Housing Element law makes it clear that insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals [GC 65584(a)(3)]. For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Additional information about Affordable Housing on City Property is attached as Appendix E.

5. Changes to Housing Element Proposed by Initiative. If the initiative passes, the City would be required to adopt amendments to the City's Housing Element, and submit those changes to HCD for certification. HCD must find the new Housing Element in substantial compliance with State Housing Element law in order to certify [GC 65585(d)].

The City would first be required to make the draft amendment available for public comment for at least seven days and, if comments were received, take at least ten days to consider and incorporate comments [GC 65585(b)(1)]. After this public comment period and at least 60 days prior to adoption, the City would be required to submit the draft amendment to HCD, and HCD would have 60 days to review and provide written comments [GC 65585(b)(3)]. The City can then adopt the amendment; if HCD's



preliminary review found the amendment was inconsistent with Housing Element law, the City would also be required to adopt findings explaining the reasons the City disagrees with that determination [GC 65585(f)]. Once the amended Housing Element is locally adopted, it must be promptly submitted to HCD, and then HCD has 60 days to review and report its findings [GC 65585(g),(h)].

With any amendment to the Housing Element, the City is required to re-analyze potential and actual governmental constraints upon the development of housing for all income levels, including land use controls and any locally adopted ordinances that directly impact the cost and supply of residential development, such as the initiative's constraints on 21 parking lot parcels [GC 65583(a)(5)]. Based on recent experience updating the Housing Element, HCD will require substantial evidence and analysis for any changes to the Housing Element which will require significant City staff time and resources.

The initiative would amend Housing Element Implementation Program IMP H-34 to remove the required minimum number of affordable units and minimum building square footage from six of fourteen identified City-owned parcels, and derail the overall goal of 327 deed-restricted affordable units by 2028. The six Housing Element-identified parcels immediately effected by the initiative are two of the three parking lots awarded to Linc Housing; the two parking lots awarded to the Wiyot Tribe; and, the two-parcel parking lot where the City is working with Humboldt Transit Authority to develop a transit/housing hub.

The initiative would also remove those six parking lot parcels from the Residential Site Inventory in the Housing Element's Technical Appendix. By deleting six of the City-owned sites from the residential site inventory, the City would no longer be demonstrating adequate available land for the City's very-low income RHNA, with a deficit of 66 units.

If the City made the amendments to the Housing Element required by the initiative and no other amendments were made, HCD would not certify the new Housing Element because Implementation Program IMP H-34 and the Residential Site Inventory would no longer demonstrate adequate sites for the City's very-low-income RHNA. More broadly, by removing commitments for low- and very-low income in the jobs- and services-rich Downtown/Old Town area, the amendment could be seen as being in conflict with the City's obligation to affirmatively further fair housing.

6. The Jacobs Site. The City could attempt to further amend the Housing Element to address the inadequacies created by the initiative, such as by identifying new sites for the City's low- and very-low income RHNA numbers. Cities are allowed to identify adequate sites by a variety of methods, including, but not limited to, designation of property to allow for high density residential development [GC 65583.1(a)]. The initiative writers likely had this in mind in their proposal for the Jacobs Site.

However, to use the Jacobs Site to meet the unmet City's RHNA need created by removing the City-owned parking lots from the Housing Element inventory, the City would be required to demonstrate to HCD that the Jacobs Site is suitable and available for residential development, and has a realistic and demonstrated potential for redevelopment by 2028 (the end of the current planning period) [GC 65583(a)(3)]. Making this case becomes harder and harder the closer it gets to the end of the planning period.

At a meeting with HCD staff on July 20, 2023, City staff asked whether the Jacobs Site, which is owned by the Eureka Unified School District, could be used in the Housing Element to compensate for the loss of the City-owned parking lots. HCD staff indicated the City would have to demonstrate redevelopment with affordable housing by 2028 is a realistic and viable opportunity. This could be demonstrated, for example, if there was an adopted School Site Master Plan with plans for redevelopment with affordable housing by 2028. Given the current situation where there are no plans for affordable housing and instead the School District is in negotiations with CHP for purchase of the site for a CHP office, HCD staff does not view the Jacobs Site as an adequate replacement site at this time.

7. Changes to the Local Coastal Program. Twelve of the initiative-implicated City-owned parking lots are in the coastal zone. The City's Coastal Zoning Code is part of its Local Coastal Program, and any changes to the City's Coastal Zoning Code have to be certified by the California Coastal Commission.
8. Limitations on Affordable Housing and Funding for Housing. As noted in the Fiscal Impact Study, the parking requirement in the initiative could make affordable housing projects financially infeasible, preventing proposed projects from getting built and discouraging developers from pursuing affordable housing at the sites in the first place. Given rent limits placed on affordable housing, developers cannot raise rents to address increased costs associated with parking construction and must instead seek additional grant funding and tax credits. Given high competition for affordable housing funding in California, it is unrealistic to assume the burden of additional cost can be subsidized.

The increased cost of installing the parking could raise cost per unit to a point where the affordable housing development would no longer be eligible for state lending, and the addition of parking would decrease competitiveness for grants predicated on sustainable/smart growth principles, such as the Affordable Housing and Sustainable Communities (AHSC) grant recently awarded to Linc Housing. If the initiative results in the City's Housing Element becoming out of compliance with State Housing Element law, affordable housing projects will no longer be even eligible to apply for a variety of state funding sources that require a compliant Housing Element as a prerequisite. This could make it extremely difficult or infeasible to finance affordable housing projects.

The Fiscal Impact Analysis prepared by Pro Forma Advisors LLC, which analyzes a model affordable housing development on a 13,200 square foot parking lot in

Downtown Eureka, demonstrates that a 33-space parking requirement would make the model development effectively infeasible.

9. State Law Preemption of Local Law. It is important to note that, even if the initiative passes, City policies and regulations can be preempted (i.e., trumped) by State laws. Specifically, an applicant may request parking incentives, concessions, waivers and reductions under the State Density Bonus Law [GC 65915 et. seq] for deed-restricted affordable housing; and if the applicant qualifies, the City must comply with the request, regardless of local laws. An incentive/concession can be obtained to eliminate parking requirements if removing the parking results in identifiable and actual cost reductions to provide for affordable housing.
10. State Law Prohibitions. Separately, pursuant to State Housing Element law, the City is prohibited from conditioning approval of a housing development project in a manner that renders the housing development project infeasible for development for the use of very-low-, low-, or moderate-income households, including through the imposition of parking requirements, unless the housing development project is inconsistent with the City's Zoning Code and General Plan, and the City has a compliant Housing Element [GC 65589.5(d)]. As discussed elsewhere in this analysis, the initiative could result in the City's Housing Element becoming out of compliance with State Housing Element law, in which case, under this provision, the City cannot deny a qualifying housing project (e.g., projects with at least 2/3<sup>rd</sup>s of the square footage designated for residential use and 20% of dwelling units designated for low income households) even if the project is inconsistent with the City's General Plan and Zoning Code. This is known as "the builder's remedy" and would allow housing development projects to not only ignore the parking requirement set by the initiative, but other City code standards as well.

D. Impact on Funding for Infrastructure of All Types, Including, But Not Limited To, Transportation, Schools, Parks, And Open Space.

Various consequences may apply if the City does not have a Housing Element in compliance with State Housing Element Law. First, noncompliance results in ineligibility or delay in receiving state funds that require a compliant Housing Element as a prerequisite, including, but not limited to, the following:

- Permanent Local Housing Allocation (PLHA) Program
- Local Housing Trust Fund Program
- Infill Infrastructure Grant (IIG) Program
- Caltrans Sustainable Transportation Planning Grant
- Affordable Housing and Sustainable Communities (AHSC) Program
- Community Development Block Grant (CDBG) Program

Currently, the City has been awarded funds that could be lost if the initiative challenges the City's Housing Element compliance. Other funds, available on a cyclical basis, can only be applied for if the City remains Housing Element compliant. The City has current grant funds awarded and available to it in the amount of \$3,199,524 from CDBG and PHLA programs.

The City was eligible to apply for additional amounts of \$6,250,000 this year from these two grant sources as a result of its status as Housing Element compliant.

The Sustainable Transportation Planning Grant funded parts of several important City-related transportation plans recently as well, including the Eureka North-South Multimodal Corridor Plan (\$93,274 in grant funds); the Eureka Bike Plan (\$221,325 in grant funds); and the Broadway Multimodal Corridor Plan (\$304,000 in grant funds).

Other financial ramifications of not meeting Housing Element requirements include HCD notifying the California Office of the Attorney General, which may bring suit for violations of State Housing Element Law. Further, state law provides for court-imposed penalties for persistent noncompliance, including financial penalties. For example, Government Code Section 65585(l)(1) establishes a minimum fine of \$10,000 per month, up to \$100,000 per month. If a jurisdiction remains noncompliant, a court can multiply those penalties by a factor of six.

#### E. Impact on the Community's Ability to Attract and Retain Business and Employment.

The writers of the initiative indicate that ample public parking is highly valuable to the economic vitality of the Core Area and all 21 existing public parking lots are badly needed for Core Area businesses. In contrast, City staff question whether public parking is now and will always be the highest and best use of all 21 City-owned parcels, and, consistent with the 2040 General Plan, believe investment in parking management, affordable housing and bicycle, pedestrian, and transit infrastructure will be more supportive of Core Area businesses than maintaining the status quo.

City property can be used as a tool to attract beneficial businesses and employers to the City, as demonstrated by the City's use of City-owned sites to attract affordable housing developers. The initiative would prevent any development except for high-density residential and parking on 21 City-owned lots, removing the City's ability to sell or lease all or portions of the sites for other uses in the future, including revenue- and employment-generating uses.

#### F. Impacts on the Uses of Vacant Parcels of Land.

The initiative involves the former Jacobs Middle School Site owned by the Eureka City Unified School District (the Jacobs Site), which is approximately 14.1 acres in size and zoned Public Facilities (PF). The initiative would add a policy to the Housing Element of the City's General Plan expanding the uses allowed at the site. Public facility uses that are principally permitted in the PF zoning district would continue to be allowed, as well as low-, medium-, and high-density housing, and commercial sales and service, professional office, civic, recreational, artisan manufacturing and other uses that are currently principally permitted under the Neighborhood Commercial and Downtown zoning districts.



The policy would also require at least 40% of the total ground area of the Jacobs Site (~5.6 acres) to be dedicated to high density residential uses, exclusive of any areas dedicated to public facility uses.

To address the initiative requirement that at least 40% of the total ground area of the Jacobs Site be dedicated to high density residential uses, the City could select 40% of the site and change its land use to High Density Residential (HDR) and its zoning to Residential High (R3), which allows for high-density residential development (unlike the current land use and zoning). Because the R3 zoning district does not have a minimum residential density requirement and allows uses other than housing, the reclassification alone would not be enough to dedicate 40% of the site for high density residential uses. A Qualified Overlay Zone would have to be added to the R3 base zone to further limit the allowed uses to housing, and to impose a minimum density requirement on that housing.

The City's General Plan and Zoning Code do not currently define the minimum residential density that would need to be achieved to be considered "high-density residential," so an interpretation would have to be made. Potentially the maximum density allowed in the Residential Medium (R2) zoning district of 22 dwelling units per acre (one dwelling unit per 2,000 square feet of lot area) would be set as the density baseline above which a project is considered high-density. The R3 zoning district has a maximum residential density of 44 dwelling units per acre (one dwelling unit per 4,000 square feet of lot area).

If the City did not want to dictate which 40% portion of the site should be reserved for high-density residential, the entire site could be reclassified to a mixed-use land use designation and zoning district that allows for all the uses outlined in the initiative with a Qualified Overlay Zone specifying that at least 40% of the area must be reserved for high-density residential

development, with a definition of what qualifies as “high density.” Parameters would have to be set on the land to be reserved for high-density housing as part of the overlay, otherwise this method could result in reserving areas for high-density housing that are not the right size, shape, or orientation relative to streets and utilities to feasibly allow for high-density residential development.

The mixed-use zones do not have a maximum residential density, so the maximum number of units that could be built would be based on limits set on floor area and building height (e.g., in the Neighborhood Commercial Zone on a 6,000 square foot lot, a maximum of 18,000 sf of building floor area and 45 feet of building height is allowed, and as many residential units as will fit in that size building).

For the remaining 60% of the Jacobs Site not to be dedicated for high-density residential development, the initiative identifies a broad range of uses that are required to be authorized by right, including:

Residential Uses

Single-Family Home  
Townhomes  
Multi-family Dwellings  
Accessory Dwelling Unit  
Tiny House on Wheels  
Medical Care Housing  
Non-medical Care Housing, Large or Small  
Micro/Shared Housing

Commercial – Service and Office

Car Share Facility  
Commercial Lodging  
Day Care Facility  
Family Day Care Home, Large or Small  
Fitness, Dance, or Health Facility, Large or Small  
General Services  
Indoor Commercial Recreation  
Medical Offices and Clinics  
Offices  
Parking Lots and Structures  
Personal Service

Misc.

- General Cannabis Use
- Wireless Telecommunication Facilities
- Resource Protection and Restoration

Industrial

Manufacturing, Artisan

Commercial – Sales

Bars  
General Retail – Indoor, Small  
Mobile Vendors  
Restaurants, Cafes, & Beverage Sales  
Vehicle Sales and Rental (Indoor)

Civil and Recreation

Colleges and Trade Schools  
Instructional Services  
Emergency Shelters  
Government Facilities  
Non-Commercial Place of Assembly  
Parks and Playgrounds  
Schools, Public and Private  
Airport  
Public Agency Corporation Yard  
Public Utility (if compatible)  
Civic Institutions

- Accessory Uses
- Home Occupations
- Temporary Uses

Based on the way the initiative is written, it is unclear whether every one of these uses would be required to be allowed throughout the remaining ~8.45 acres of the site not reserved for high-density residential, or whether each use must just be allowed by right somewhere on the Jacobs Site. For instance, the initiative requires both single-family residences and public agency corporation yards to be allowed by right. It's unclear whether the City could zone some of the land Residential Low (R1) for low-density housing (e.g., single-family homes and accessory dwelling units) and retain some of the PF zone for public facilities, or if both low-density housing and public facilities would be required to be allowed across the entire site.

None of the existing zoning districts in the Inland Zoning Code allow exactly the mix of uses dictated by the initiative. Potentially an existing mixed-use land use designation and zoning district that allows for a diversity of uses could be applied, and then a Special Considerations Overlay Zone could be added to allow for deviations from the base zone that are consistent with the General Plan land use designation. For instance, the site could be reclassified with a Neighborhood Commercial (NC) land use designation and Neighborhood Commercial (NC) zoning district, and then a Special Considerations Overlay Zone could be added to allow additional uses not permitted in the NC zoning district that are consistent with the purpose and maximum intensity requirements of the NC land use designation. Or the City may need to adopt a new land use designation and zoning district to match the language of the initiative.

It is important to note that the changes to the General Plan proposed by the initiative would not, as the initiative's name suggests, guarantee that housing is built on the site. Furthermore, the extent to which the City's land use rules are required to be followed depends a great deal on who owns it.

Currently, the Jacobs Site is owned by the Eureka City Unified School District, not the City of Eureka. The City and School District are two separate entities. If the initiative passes, it will result in changes to how the City's Zoning Code and General Plan regulate use of the Jacobs Site, but the School District is exempt from the City's rules if the School District chooses to build classroom facilities on the Jacobs site (Government Code Section 53094).

Other state agencies, such as CHP, with whom the School District is now negotiating a sale of the Jacobs Site for their use as a CHP headquarters, enjoy even greater immunity from the City's land use rules. If CHP purchases the property (or any part of it) it would not have to comply with the initiative's directives vis-à-vis housing and could instead build the operations center that it has proposed in several public meetings about the site.

If someone who is obligated to comply with local land use and zoning regulations were to acquire the site (i.e., not the School District, CHP, or another state or county agency), then 40% of the total ground area of the Jacobs Site would be required to be reserved for high-density residential industrial uses, and a broad array of uses would be allowed on the remaining

60% of the site, from single-family homes to commercial mixed-use and public-facility development. However, the requirement to dedicate 40% of the site to high-density residential development does not mean that any residences would necessarily be constructed, just that 40% of the total ground area could not be redeveloped with other uses.

For example, the ball fields which take up approximately six acres (43%) of the site could be reserved for high-density residential development, and then the existing recreational use would become legally nonconforming, but could continue indefinitely, as long as the use was ongoing and did not cease for a period of six consecutive months or more (Eureka Municipal Code Section 155.424.060). No new uses could be developed on the ball fields other than high-density residential, but the land could also just remain as ball fields.

If the City owned the Jacobs Site, the City would be able to control what uses ultimately get developed at the site, within the use parameters set by the initiative. However, it is highly unlikely the City will become the owner of the Jacobs Site. The School District is in negotiations with the California Department of General Services, which represents CHP, for purchase of the site; the City has recently made a significant attempt to purchase the site from the School District which failed; and the City no longer has funds available to offer what the City previously offered, let alone what the School District is currently asking for the site.

The Eureka City Schools Board of Education voted to sell the property in May 2019, and acquisition discussions with the City picked up in 2021, which resulted in the City getting an appraisal of the property based on the site's current PF zoning. The offer price based on the appraisal was not acceptable to the Eureka School District, so the City got a second appraisal for the lower 8.25 acres based on rezoning to Residential Medium (R2), while retaining the remainder of the site as ball fields. The City then made a third offer to purchase the entire 14.1-acre site using the price per acre for the R2 zoning across the entire site, while still committing to retain almost six acres of the site as ball fields in perpetuity, resulting in a \$2.8 million offer. Eureka City Schools was not willing to sell for less than \$4 million, so the negotiations ended in October 2022.

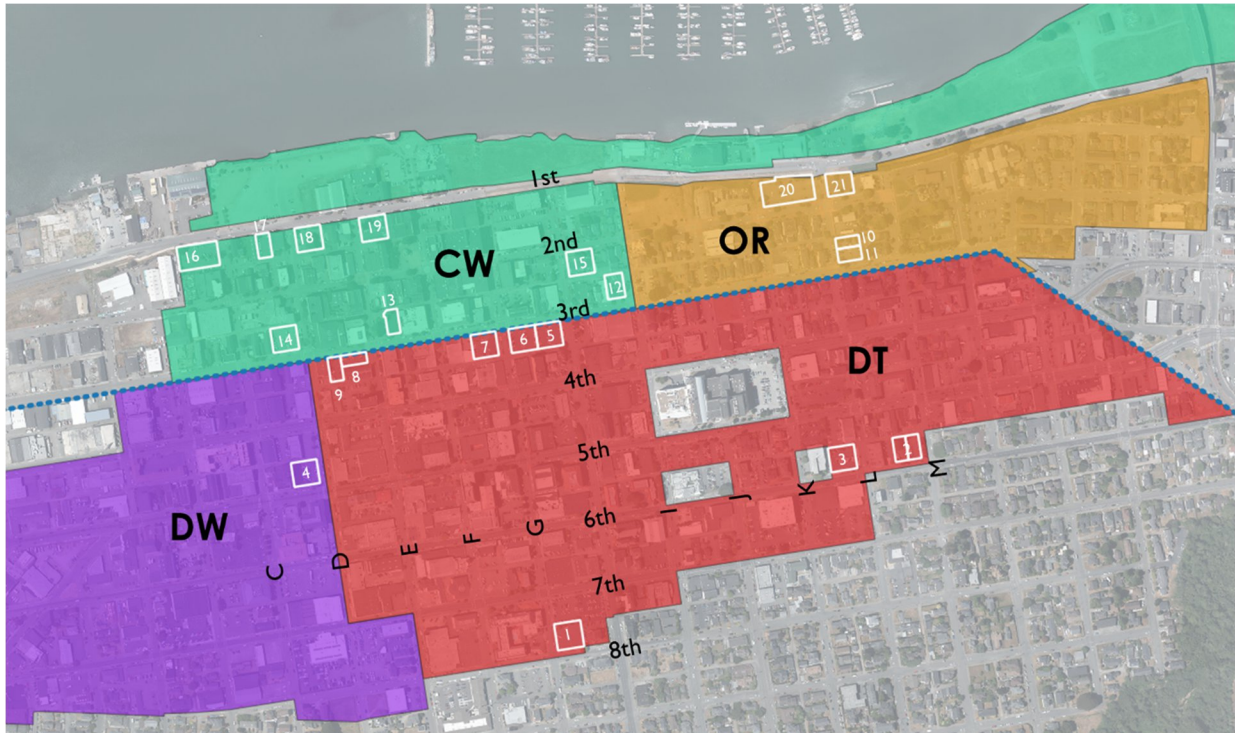
G. Impacts on Agricultural Lands, Open Space, Traffic Congestion, Existing Business Districts, and Developed Areas Designated for Revitalization.

1. Agricultural Lands and Open Space. Staff did not identify any direct impacts to agricultural lands or open space in the City of Eureka as a result of this initiative.
2. Traffic Congestion, Existing Business Districts, and Developed Areas Designated for Revitalization.

The initiative will have significant direct impacts on the City's downtown business area as well as on a planned intermodal transit center. The figure below shows the current districts impacted by the changes to zoning on 21 City-owned parking lots. DW = Downtown West; DT = Downtown; CW = Waterfront Commercial; OR = Office Residential. The blue



dotted line denotes the coastal zone boundary. Sites one through six are currently slated for housing development, while the other fifteen are not.



All 21 of the parking lots identified in the initiative are located in mixed-use zoning districts where a broad array of uses is currently allowed, including residential, commercial sales, commercial service, office, civic, and recreational uses. The initiative would limit the uses to allow only public parking and high-density residential development with ground-floor or garaged public parking on the subject parcels, significantly decreasing what types of uses are allowed.

On the six parking lots currently planned for affordable housing development, this means no mixed-use components would be allowed, such as corner stores, ground level or rooftop bars/restaurants, or child care facilities.

While the City has no current plans to surplus or develop the other fifteen parking lots implicated by the initiative, the City could choose to do so in the future. For example, the parking lots across Waterfront Drive from the Adorni Center currently have a peak occupancy rate of 4%, and this lack of sanctioned use is resulting in public safety issues. Under current regulations, the parking lots could, for example, be developed as public parkland, sports courts, a hotel, or a mixed-use building with stores on the first floor and offices or residences above. In contrast, if the initiative passes, future use will be limited to parking with high-density residential development above.

Additionally, the initiative could have a direct impact on traffic congestion in the City because of its impact on the proposed intermodal transit center – a partnership between the City and Humboldt Transit Authority that has long been planned for two City-owned parking lots in Downtown (sites numbers five and six on the chart on page two of this report). The initiative’s requirement that the parking remain on those two sites would prevent in its entirety the HTA plan to put a transit center on the first floor of the project (affordable housing is slated for the upper floors).

Additional information about the Implicated Zoning Districts is attached as Appendix F.

REVIEWED AND APPROVED BY:

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