



**AGENDA SUMMARY
EUREKA CITY COUNCIL**

TITLE: EUREKA HOUSING TRUST FUND

DEPARTMENT: Finance

PREPARED BY: Lane Millar

PRESENTED FOR: **Action** **Information only** **Discussion/Direction**

RECOMMENDATION

1. Approve resolution establishing the Eureka Local Housing Trust Fund (EHTF)
2. Approve a new City Fund, titled "Eureka Housing Trust Fund"
3. Appropriate \$500,000 from the American Rescue Plan Allocation (ARPA) to seed the Eureka Housing Trust Fund
4. Commit to \$100,000 annual contribution from Vacation Dwelling Unit (VDU) Transient Occupancy Tax (TOT) revenues.

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

DISCUSSION

During the Fiscal Year 2023-24 annual budget process, the City of Eureka allocated \$500,000 from the American Rescue Plan Allocation (ARPA) to serve as seed funding for the creation of the Eureka Housing Trust Fund (EHTF). This strategic move underscores the city's commitment to addressing the pressing need for affordable housing by establishing a dedicated source of funding designed to support housing projects that aim to increase the availability of affordable housing options within the community.

To ensure the EHTF operates effectively and transparently, staff have developed comprehensive administrative guidelines. These guidelines detail the trust fund's objectives, outline the criteria for the allocation of its resources, and establish a governance structure that emphasizes accountability. Among the key components of these guidelines are the distribution and use of EHTF assets, which include the types of projects eligible for funding and the process for applying for support, as well as the

requirement for annual evaluation and reporting to assess the impact of the fund and ensure its objectives are being met.

An important aspect of the guidelines is the commitment to prepare, at minimum, an annual Notice of Funding Availability (NOFA) for programs and activities supported by the EHTF. This approach ensures a targeted allocation of resources to areas where they can have the most significant impact.

It is anticipated that the EHTF will support the Eureka Builds It! Program, which is aimed at furthering the city's housing development goals through the creation of additional dwelling units (ADUs).

Moreover, staff are in communication with the State's Housing and Community Development Department (HCD) and anticipate a state-issued NOFA specifically supporting local and regional Housing Trust Funds. This opportunity could potentially provide an additional \$500,000 to the EHTF, doubling the initial seed funding and significantly enhancing the city's capacity to support affordable housing projects. Housing Division staff plan to return to the Eureka City Council to seek approval to apply for this state funding.

Attachments:

- I. Eureka Housing Trust Fund (EHTF) Guidelines
- II. Resolution – Eureka Housing Trust Fund

REVIEWED AND APPROVED BY:

- City Attorney
- City Clerk/Information Services
- Community Services
- Development Services
- Finance
- Fire
- Personnel
- Police
- Public Works

