



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: Affordable Housing Projects on City-Owned Properties II

DEPARTMENT: Development Services - Planning

PREPARED BY: Kristen M. Goetz, Principal Planner

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

1. Receive report; and
2. Adopt "A Resolution of the City Council of the City of Eureka authorizing the release of the Request for Proposals (RFP) for Affordable Housing Projects on City-Owned Properties II".

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

2040 General Plan's 2019-2027 Housing Element:

- IMP H-34: Affordable Housing on City-owned Properties.

DISCUSSION

The City's 2019-2027 Housing Element was originally adopted by the Eureka City Council on December 17, 2019, and certified by the California Department of Housing and Community Development (HCD) on March 16, 2020. The Housing Element was subsequently amended on October 18, 2022, and certified by HCD on November 10, 2022. The current 2019-2027 Housing Element contains seven (7) goals, 77 policies and 35 implementation programs, which were developed based on five (5) strategies, to stimulate the creation of housing within the City limits.

The City originally identified nine City-owned parking lots for potential housing, as well as several other publicly-owned sites. The ultimate goal was to develop at least 302 deed-restricted affordable units by 2028, in order to meet the goals of the 2019-2027 Housing Element. The amended Housing Element implementation program *IMP H-34: Affordable Housing on City-owned Properties*, requires the City to release Requests for Proposal (RFPs) with the goal of developing at least 330 deed-restricted affordable units on 14 City-owned properties by 2028. Additionally, this program implements the following policies of the 2019-2027 Housing Element: H-2.19 (Public Private Partnerships), H-6.1

(Safe and Stable Housing), H-6.2 (Prohibit Discrimination), H-6.3 (Non-Profit Service Providers), H-6.4 (Fair Housing Choices), and H-7.2 (End Homelessness).

Of the 14 sites identified in the amended Housing Element, three were included in a previous RFP release in 2020. The City must now release an RFP inviting development on the remaining 11 sites, unless the City has a contractual agreement with a private developer to provide affordable housing on a listed site, or has sold a City-owned parcel to a developer.

Nine of the sites either already are, or are anticipated to soon be, under contract, and the remaining five are included in this RFP.

Previous RFP (2020)

On July 10, 2020, the City released an RFP package to solicit affordable housing on the first three City-owned parking lots in IMP H-34:

- **Site #1 (Sunny and Myrtle):** Minimum Floor Area Ratio (FAR)2.0 (36,572 square foot building)
- **Site #2 (8th and G):** Minimum FAR 3.0 (44,004 square foot building)
- **Site #3 (6th and M):** Minimum FAR 3.0 (39,900 square foot building)

Three proposals were received and on October 20, 2020, City Council awarded the development for all three sites to Linc Housing. Based on the evaluation selection criteria described in the RFP, the selection committee recommended Linc Housing to the City Council because Linc Housing's experience and their response exceeded the other two responders as they addressed every RFP criterion, had a good history of other low-income housing development projects, provided evidence of significant financial capability, and included proposed design elevations for all three sites.

Sites Anticipated to be Under Contract

- **Site City-6: Sunset Heights #1 - 1200 West Harris Street (APN 008-052-027)**
 - **Site Area:** 31,000 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI
 - **Minimum FAR:** No minimum
- **Site City-7: Sunset Heights #2 – between Harris and Henderson (APN 008-052-024)**
 - **Site Area:** 41,000 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI
 - **Minimum FAR:** No minimum
- **Site City-8: Sunset Heights #3 – between Harris and Henderson (APN 008-052-025)**
 - **Site Area:** 30,000 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI
 - **Minimum FAR:** No minimum
- **Site City-9: Sunset Heights #4 – south of Henderson (APN 008-052-026)**
 - **Site Area:** 50,000 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI

- **Minimum FAR:** No minimum
- **Site City-10: City Parking Lot – 3rd and G Streets** (APN 001-136-001)
 - **Site Area:** 13,200 square feet
 - **Minimum Affordable Units:** 10 VLI and 5 LI
 - **Minimum FAR:** 1.5 (39,600-square-foot building)
- **Site City-11: City Parking Lot – 3rd and H Streets** (APN 001-136-002)
 - **Site Area:** 13,200 square feet
 - **Minimum Affordable Units:** 10 VLI and 5 LI
 - **Minimum FAR:** 1.5 (39,600-square-foot building)

Current RFP (2023)

The 2023 RFP includes the remaining five sites referenced as Sites City-4, City-5, City-12, City-13, City-14 from the Housing Element IMP H-34. Sites City-4 and City-5 are located within the inland portion of the City, and Sites City-12 through City-14 are located within the City’s coastal zone.

The City has identified the minimum number of units with specific affordability levels for each site. Cumulatively, the minimum number of affordable housing units to be built as a result of this RFP is 135, of which, at least 125 must be very-low-income (VLI) units and at least 10 must be low-income (LI) units. Deed restrictions must be recorded to ensure sustained affordability.

The five sites scheduled for affordable housing development through the issuance of this RFP are the following City-owned sites, with listed minimum required affordable units:

- **Site City-4: City Parking Lot – 5th and D** (APN 001-103-003)
 - **Site Area:** 13,200 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI
 - **Minimum FAR:** 3.0 (39,600-square-foot building)
- **Site City-5: City Hall Parking Lot – 6th and L Streets** (APN 001-192-004)
 - **Site Area:** 13,200 square feet
 - **Minimum Affordable Units:** 15 VLI and 5 LI
 - **Minimum FAR:** 3.0 (39,600-square-foot building)
- **Site City-12: Vacant Lot – First and D Streets** (APN 001-054-013)
 - **Site Area:** 9,000 square feet
 - **Minimum Affordable Units:** 5 VLI
 - **Minimum FAR:** No minimum
- **Site City-13: Vacant Lot – 1 E Street** (APN 001-045)
 - **Site Area:** 58,000 square feet
 - **Minimum Affordable Units:** 45 VLI
 - **Minimum FAR:** No minimum
- **Site City-14: Vacant Lot – First and C to D Streets** (APN 001-054-047)
 - **Site Area:** 52,000 square feet
 - **Minimum Affordable Units:** 45 VLI
 - **Minimum FAR:** No minimum

Sites City-12, City-13, and City-14 are contiguous. The RFP invites development on individual parcels, or the City will merge two or more of the Site City-12 through City-14 parcels at the request of the developer.

Off-Street Parking

Site City-4 (5th and D)

Parking required for the residential development, if any, and/or any additional parking may be provided on the site, or within 300 feet of the site with , at the developer's discretion. Off-site parking requires approval of an Administrative Adjustment, and recordation of a Parking Indenture.

Site City-5 (6th and L)

Based on the City's current zoning regulations, the proposed development may or may not be required to provide on-site parking for residents, employees, or visitors. However, the developer of Site City-5 (6th and L) must provide and reserve at least 20 off-street parking spaces (including at least two ADA accessible spaces and two EV Charging spaces which currently exist on the site) for use by City Hall staff, visitors, and vehicles.

Parking required for the residential development, if any, and/or any additional parking may be provided on the site, or within 300 feet of the site with , at the developer's discretion. Off-site parking requires approval of an Administrative Adjustment, and recordation of a Parking Indenture.

Sites City-12 through City-14 (C to F)

Based on the City's current coastal zoning regulations, one off-street parking space for each dwelling unit is required. Parking for commercial uses would be required in addition to the residential parking spaces, and vary depending on the proposed use. Generally, retail and offices uses require one off-street parking space for every 300 sf of gross floor area of the use; and restaurants and bars require one off-street parking space for every 200 sf of gross floor area of the use.

A Use Permit and Coastal Development Permit may be granted to allow off-street parking to be provided on a site within 300-feet of the parcel(s), measured by the shortest route or pedestrian access. A parking indenture must also be recorded to locate parking on another site.

The parking requirement may also be satisfied through the payment of in-lieu parking fees, at a rate of \$7,500 per space, for any or all required off-street parking spaces.

Or, projects may utilize lower parking ratios, or reduction or waiver of parking requirements for residential uses, through concessions or incentives available through Density Bonus law.

Lease or Sell Sites for Affordable Housing

Since the City owns the parking lot and parcels included in the RFP, and in an effort to provide developers as many options as possible, the RFP allows the developer to choose to either lease or purchase the site. Leasing the lots would entail the negotiation of a long-term land lease once a developer is selected, and selling the property would entail completing negotiations for price.

Staff Recommendation and Suggested Motion:

Receive a report, and Adopt “A Resolution of the City Council of the City of Eureka authorizing the release of the Request for Proposal (RFP) for Affordable Housing Projects on City-Owned Properties II”.

“I move the City Council Adopt “A Resolution of the City Council of the City of Eureka authorizing the release of the Request for Proposal (RFP) for Affordable Housing Projects on City-Owned Properties II”.

REVIEWED AND APPROVED BY:

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

Attachments:

Attachment 1. City Council Resolution

Attachment 2. Draft Request for Proposal for Affordable Housing on City-owned Properties II