

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EUREKA FINDING THE LINC HOUSING PROJECT SITES ARE EXEMPT SURPLUS LAND PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54221(f)(1)(A) BECAUSE THE PROPERTIES ARE TO BE DISPOSED OF FOR HOUSING DEVELOPMENT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 37364

WHEREAS, the City of Eureka ("City") owns real properties in fee identified as APNs 006-181-001, 001-155-005, and 001-233-0013 and more generally described as the Sunny and Myrtle Site, 8<sup>th</sup> and G Site, and 6<sup>th</sup> and M Site ("Properties") which are currently used as public parking lots; and

WHEREAS, On July 10, 2020 the City, in accordance with its adopted and certified 2019-2027 Housing Element, issued a Request for Proposals ("RFP") to solicit affordable housing projects on the Properties pursuant to the 2019-2027 Housing Element Implementation Program IMP H-34: Affordable Housing on Publicly-owned Properties, to help the City achieve its Regional Housing Needs Allocation (RHNA) as required by the State Department of Housing and Community Development (HCD); and

WHEREAS, the City received three proposals as a result of the RFP, and on October 20, 2020 the City Council declared the Linc Housing Corporation ("Developer") the preferred proposer, awarded BID# 2020-16 and authorized the City Manager to enter into a development agreement to lease the sites because the Developer was the respondent proposing the highest number of deed-restricted affordable housing units, 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; and

WHEREAS, the Developer and the City entered into a Lease and Disposition and Development Agreement ("Lease DDA") on March 15, 2021 to lease the Properties for an 85-year term to develop and manage deed-restricted affordable rental housing ("Linc Housing Scattered Sites Project"), which was amended and restated on June 21, 2022 to reflect approved project adjustments to the unit count and affordability mix to make the project competitive for grant funding, and was then amended and restated on March 30, 2023 to modify the effective and expiration dates and adjust timelines; and

WHEREAS, the Lease DDA provides that the Linc Housing Scattered Sites Project provides for the development and management of 90 rental housing units with an affordability mix as follows:

1. Sunny and Myrtle site: 31 units at 15 very-low income (30 to 50% local area medium income [AMI]), 15 low-income (50% to 80% AMI) and 1 AMI manager.
2. 8th and G site: 31 units at 15 very-low income, 15 low-income and 1 AMI manager
3. 6th and M site: 28 units at 15 very-low income, 12 low-income and 1 AMI manager; and

WHEREAS, the Lease DDA requires the Developer to execute and record against the property a Regulatory Agreement in a form provided by the City that sets forth the above income and occupancy restrictions and such other matters as deemed necessary by the City to achieve the City's goals of ensuring that the Development remains affordable for the term of the Regulatory Agreement, which will not be less than 30 years; and

WHEREAS, the Surplus Land Act (California Government Code [CGC] §54220 et seq.) requires Local Agencies, including the City, comply with the requirements of the Act before the leasing of City-owned land to any other individual or entity; and

WHEREAS, the provisions in the Lease DDA relating to the scope of development and affordability requirements for the Linc Housing Scattered Sites Project meet the requirements of CGC §37364 which authorizes a City to lease or sell real property to provide affordable housing to persons and families of low or moderate income and therefore qualifies as "Exempt Surplus Land" as described in CGC §54221(f)(1)(A); and

WHEREAS, the decision to declare property surplus, and the subsequent lease and development of the Properties for affordable housing as the Linc Housing Scattered Sites Project is a "project" pursuant to the California Environmental Quality Act (CEQA), and previous discretionary action was taken by the Design Review Committee declaring the project categorically exempt from CEQA pursuant to the Class 32 Categorical Exemption (§15332 - Infill Development Project) of CEQA Guidelines.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUREKA, the Linc Housing Project Sites are designated as Exempt Surplus Land on the following basis:

1. The above recitals are true and correct and are a substantive part of this Resolution.
2. The project is categorically exempt from CEQA pursuant to the Class 32 Categorical Exemption (§15332 - Infill Development Project) of CEQA Guidelines.

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to transmit a copy of this Resolution to the California Department of Housing and Community Development in accordance with the Surplus Land Act Guidelines.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka in the County of Humboldt, State of California, on the 20<sup>th</sup> day of June, 2023 by the following vote:

AYES: COUNCILMEMBERS  
NOES: COUNCILMEMBERS  
ABSENT: COUNCILMEMBERS

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Kim Bergel, Mayor of the City of Eureka

*Attest:*

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Pamela J. Powell, City Clerk

*Approved as to Administration:*

*Approved as to form:*

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Miles Slattery, City Manager

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Autumn Luna, City Attorney