



## AGENDA SUMMARY EUREKA CITY COUNCIL

**TITLE:** Housing Element Annual Progress Report

**DEPARTMENT:** Development Services

**PREPARED BY:** Cristin Kenyon, AICP, Development Services Director

**PRESENTED FOR:**  Action      Information only       Discussion

### **RECOMMENDATION**

Receive report.

### **FISCAL IMPACT**

No Fiscal Impact       Included in Budget       Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

**General Plan Housing Element Goal H-2:** The City government actively facilitates the creation of a range of new affordable and market rate housing units to accommodate future growth and to address the needs of all socioeconomic segments of the community.

### **DISCUSSION**

California requires all local governments (cities and counties) to adequately plan to meet the housing needs of everyone in their community. California's local governments meet this requirement by adopting housing plans (aka housing elements) as part of their "general plan" (also required by the state).

State law requires housing elements to be updated every eight years, and each update must be reviewed and approved (certified) by the California Department of Housing and Community Development (HCD) as being in substantial compliance with State Housing Element law (California Government Code Section 65580 et seq.). The City's current housing element was adopted by the City on December 3, 2019 and certified by HCD on March 16, 2020. The current housing element eight-year cycle runs through 2027.

California Government Code §65400 mandates each city and county prepare an annual progress report (APR) on the jurisdiction's progress in implementing its housing element using forms and definitions adopted by HCD. Each jurisdiction's APR must be presented to its legislative body (City Council or Board of Supervisors) for review and acceptance

and submitted to HCD and the Governor's Office of Planning and Research (OPR) by April 1<sup>st</sup> of each year. Eureka's 2023 Housing Element APR is attached.

## **Background on Housing Element Content**

### Regional Housing Needs Allocation (RHNA)

State law requires each local jurisdiction to 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 by 2028). The RHNA goal is divided into four income levels as follows:

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

As required by State law, the City's 2019-2027 Housing Element identifies adequate sites to meet the City's RHNA for each designated income level, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning cycle [65593(a)(3)]. The attached 2023 Housing Element APR reports on progress made in 2023 towards meeting the City's RHNA by income level, including permit applications submitted, building permits issued, and certificates of occupancy issued in 2023 for new housing units within the City.

HCD tracks progress towards RHNA based on building permits issued for new housing units; in 2023, building permits were issued for 29 new housing units, 21 of which were accessory dwelling units (ADUs). The housing units included 2 very-low income deed-restricted units, 10 non-deed restricted low-income units (these were all "affordable by design" ADUs under 500 square feet in size), 7 moderate-income units, and 10 above-moderate income units. Although two large affordable housing projects were constructed in the City in 2023 (Providence Mother Bernard House at 1140 4th Street and Laurel Canyon Senior Apartments at 7th and Myrtle), these projects were issued building permits in 2022, so they were counted in 2022 towards the City's RHNA.

### Goals, Policies, and Implementation Programs

Pursuant to State Housing Element law, in addition to a RHNA site inventory, the Housing Element must also include housing-related goals, policies, and implementation programs. The implementation programs must set forth a schedule of actions during the planning cycle [65593(c)], including actions that will be taken to make sites available to accommodate that share of the City's RHNA for each income category that could not be accommodated by the sites inventory and assist in the development of adequate housing [65593(c)(1),(2)]. The attached 2023 Housing Element APR includes a report on the City's progress on each of its 35 adopted housing element implementation programs.

Implementation Program IMP H-34 and 2022 Housing Element Amendment

As discussed above, the City must demonstrate there is adequate available land in the City with adequate densities and appropriate development standards to accommodate the City’s 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 sized and zoned sites to accommodate the City’s RHNA for very-low- and low-income households, the Housing Element was required to include an adequate-sites program to accommodate the remaining need during the planning period. The subject program is known as Housing Element Implementation Program IMP H-34 (Affordable Housing on City-owned Properties) and it identifies City-owned properties to be put up for sale or lease to affordable housing developers with the goal of constructing at least 332 deed-restricted affordable housing units by 2028.

When the 2019-2027 Housing Element was originally adopted in December 2019, Implementation Measure IMP H-34 included 12 properties, five of which (the three Linc Housing sites and two Wiyot Tribe Dishgamu Humboldt Community Land Trust 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 Measure IMP H-34 (4th and G; 5th and H; and 5th and K) for the four Sunset Heights parcels (four contiguous parcels between Harris and Henderson upslope of Broadway), 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). An amendment to the housing element was adopted on October 18, 2022 and certified by HCD on November 10, 2022 to revise the sites identified in Implementation Measure IMP H-34. Now 14 City-owned parcels are slated for affordable housing development under five separate projects:

<b>Housing Element Implementation Program IMP H-34</b>			
	<b>City-Owned Parcels Identified for Affordable Housing</b>	<b>Very-Low Income Dwelling Units</b>	<b>Low-Income Dwelling Units</b>
<b>Linc Housing</b>	8 <sup>th</sup> and G	15	15
	6 <sup>th</sup> and M	15	12
	Sunny and Myrtle	15	15
<b>The Wiyot</b>	5 <sup>th</sup> and D	15	5*
	City Hall Parking Lot 6 <sup>th</sup> and L	15	5*
<b>EaRTH Center</b>	SE corner 3 <sup>rd</sup> and G	20	10
	SW corner 3 <sup>rd</sup> and H		
<b>Sunset Heights</b>	#1	60	20
	#2		
	#3		

	#4		
<b>C to F Waterfront</b>	1 <sup>st</sup> and D	95	0
	1 E Street		
	1 <sup>st</sup> and C to D		
<b>TOTAL:</b>		<b>250</b>	<b>82</b>
		<b>332 affordable units by 2028</b>	

\* The Wiyot Tribe is proposing more low-income units than required by the housing element: 11 low-income units at the 6th & L Site and 10 at the 5th & D Site. The Wiyot Tribe is also proposing moderate-income units at both sites.

The City and its affordable housing developer partners made significant progress on IMP H-34 in 2023 which is discussed in the implementation program reporting in the attached 2023 Housing Element APR. The City also hosts a Talk Eureka webpage on IMP H-34 (<https://talk.eurekaca.gov/affordable-housing-on-city-owned-lots>) with a collection of articles, FAQs, and summaries for each project, as well as a dedicated forum where users can engage and ask questions about the proposed affordable housing projects.

**Attachment 1:** 2023 Housing Element Annual Progress Report (APR)