



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: Linc Housing Affordable Housing and Sustainable Communities Grant Application

DEPARTMENT: Development Services - Planning

PREPARED BY: Cristin Kenyon, Principal Planner

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

Adopt a resolution authorizing submittal of an application for the Affordable Housing and Sustainable Communities Program.

FISCAL IMPACT

 No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

- Council's Strategic Goal: Maximize all levels of housing stock within City limits
 - Strategic Initiative: Linc Project
- 2040 General Plan's 2019-2027 Housing Element's Implementation Program IMP H-34: Affordable Housing on City-owned Properties.

BACKGROUND

To help alleviate our local housing crisis, the City's 2019-2027 Housing Element includes Implementation Program *IMP H-34: Affordable Housing on City-Owned Properties*. This program involves a Request for Proposal (RFP) process whereby fourteen City-owned parcels at eight separate locations will be put up for lease or sale to affordable housing developers, with a goal of contractually requiring developers to construct at least 330 deed-restricted affordable housing units on City-owned parcels by 2028.

In July 2020, the City released an RFP for development on the first three City-owned sites at Myrtle and Sunny Avenues, 8th and G Streets, and 6th and M Streets. Linc Housing (Linc) was one of three developers to submit proposals in response to the

RFP, and the RFP selection panel unanimously recommended Linc to the City Council. At the October 20, 2020, City Council meeting, Linc was declared the preferred proposer of the RFP, and Council authorized the City Manager to proceed with a development agreement.

A Lease Disposition and Development Agreement between the City and Linc Housing was originally executed on March 15, 2021, and has since been updated and re-executed twice, once in June 2022, and once in March 2023. Linc developed initial designs for the three sites and participated in Design Review Committee meetings, securing Design Review approval in February 2021. Linc then returned to the Design Review Committee in May and June of 2022 and received approval of a more cost-efficient redesigned project.

Under the approved design, Linc proposes to develop 90 dwelling units total across the three project sites, with 87 affordable units, and three on-site manager units (one per site). Each site will also feature a community room, a courtyard with playground, and a laundry room. Linc's approved project accounts for 26% of the new deed restricted housing units required by the Housing Element's Implementation Program IMP-34.

DISCUSSION

Linc has selected the Affordable Housing and Sustainable Communities (AHSC) program as a primary funding source for development of the three project sites. The AHSC grant is administered by the California Strategic Growth Council in partnership with the California Department of Housing and Community Development (HCD), and funded from the Greenhouse Gas Reduction Fund, an account established to receive Cap-and-Trade auction proceeds. The AHSC Program aims to reduce greenhouse gas emissions by funding compact, affordable, infill housing, in conjunction with sustainable transportation improvements. This is the second time Linc is applying for AHSC; the project narrowly missed out on funding during the previous 2021-2022 grant cycle.

Linc, in coordination with the City and Humboldt Transit Authority, are looking at utilizing AHSC funding for infrastructure projects such as new neighborhood trail connections; a bicycle boulevard; sidewalk replacement; microtransit vehicles and charging stations; bus shelters; real-time bus information systems; concrete bus pads; bus bulb outs; electric car charging infrastructure; traffic calming measures; bike lockers and racks; pedestrian-scale streetlights; stormwater infiltration planters; and street trees. Linc is also anticipating using the grant to fund a workforce development program with the Westside Community Improvement Association, UPLIFT Eureka rapid rehousing and eviction prevention work, and an active transportation program with Redwood Community Action Agency and the Eureka Bike Kitchen, among other initiatives.

In order to provide information and receive feedback to narrow the scope of the AHSC application, Community Input Sessions were held on February 8 and March 8, 2023, at the Jefferson Community Center and via Zoom, and a Community Survey was released which received over 270 responses before closing on March 1, 2023.

The AHSC application is due April 4, 2023, and City Staff and Linc will share the final AHSC application scope at a subsequent Council meeting in April. If awarded, the project will not only bring affordable housing to Eureka, but also public transportation, infrastructure and public safety improvements.

Staff recommends Council adopt the resolution authorizing the application for the AHSC program in an amount not to exceed \$35,000,000.

REVIEWED AND APPROVED BY:

City Attorney

City Clerk/Information Technology

Community Services

Development Services

Finance

Fire

Human Resources

Police

Public Works

ATTACHEMENTS:

- City Council Resolution authorizing application for Affordable Housing and Sustainable Communities Program grant funds.