



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: EaRTH Center CEQA and Disposition and Development Agreement (DDA) with Danco

DEPARTMENT: Development Services

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

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

Hold a public hearing; and

Adopt a resolution finding the project exempt from CEQA and authorizing the City Manager to enter into a Disposition and Development Agreement (DDA) with Danco Communities for development of the EaRTH Center.

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

2040 General Plan Policy M-4.3 Intermodal Transportation Center. Work with Humboldt Transit Authority to explore the development of an intermodal transportation center that would provide a central focal point for all transportation modes serving Humboldt County...

2019-2027 Housing Element Policy H-2.8 Mixed-Use Residential. Promote and encourage the development of new residential units in mixed-use zones, with particular emphasis on multi-story buildings, upper floor residential units, and residential units near transit stops.

2019-2027 Housing Element Implementation Program IMP H-34: Affordable Housing on City-owned Properties.

DISCUSSION

Staff is recommending City Council authorize the City Manager to enter into a Disposition and Development Agreement (DDA) with Danco for development of the Eureka Regional Transit and Housing Center (EaRTH Center). Staff is also recommending City Council find the project exempt from CEQA pursuant to CEQA

Guidelines §15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) and §15332 (Class 32; In-Fill Development Projects). A public hearing is required on the §15183 CEQA exemption determination.

The EaRTH Center project involves construction of a mixed-use, multi-story building on a 26,400-square-foot, City-owned property currently developed with public parking lots on the south side of 3rd Street between G and H Streets. The building will be three to five stories in height with up to 99 apartment-style housing units above the first floor, all or the majority of which will be deed-restricted affordable. The ground floor will primarily be dedicated to an intermodal transit center for the Humboldt Transit Authority (HTA) with a number of individual leasable commercial tenant spaces fronting the street. The development is intended to provide a central transit hub for the City and Humboldt County as well as affordable housing required by Implementation Program Imp H-34 of the City's 2019-2027 Housing Element.

Eureka City Council entered into a Memorandum of Understanding with HTA to collaborate on the development of the EaRTH Center project on November 16, 2021. On February 1, 2022, Council declared the project site exempt from Surplus Land Act regulations pursuant to Government Code §37364, and on March 1, 2022 Council authorized the reduction or removal of public parking from the Parking Assessment District.

On February 9, 2022, Council approved entering into a pre-development agreement with Servitas for the EaRTH Center and on October 18, 2022 the City Council authorized the City Manager to negotiate an agreement with the California State University Trustees related to revenue sharing from EaRTH Center and property transfer. After a period of diligence, both Servitas and the University Trustees have left the project, and Danco, with whom the City has worked on other successful affordable housing development projects, has stepped forward.

HTA was awarded a California State Transportation Agency 2022 Transit and Intercity Rail Capital Program (TIRCP) grant with up to \$10 million for the construction of the ground-floor intermodal transit center. On May 1, 2024, HTA's Board adopted a resolution conditionally approving Danco as the developer for the EaRTH Center project, subject to the Eureka City Council confirming Danco as the developer, and conditionally authorizing commitment of TIRCP grant funds to Danco, subject to HTA's approval of the conceptual site plan for the ground floor. The project site is comprised of two 13,200-square-foot Accessor Parcel Numbers (APNs 001-136-001 and 001-136-002) that will be merged into one legal parcel, followed by a condominium subdivision to separate ownership of the affordable housing and associated amenities from HTA's ground-floor intermodal transit center.

ENVIRONMENTAL

The EaRTH Center development is a project subject to the provisions of the California Environmental Quality Act (CEQA). However, the project is exempt from CEQA pursuant to CEQA Guidelines §15183 and §15332:

CEQA Guidelines §15332 (Class 32; In-Fill Development Projects): The project qualifies for the Class 32 exemption from CEQA because: (1) the project is consistent with the applicable 2040 General Plan land use designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (2) the project will occur within city limits on a project site of no more than five acres substantially surrounded by urban uses; (3) the project site has no value, as habitat for endangered, rare or threatened species; (4) approval of the project will not result in any significant effects relating to traffic, noise, air quality, or water quality; (5) the site can be adequately served by all required utilities and public services; and (6) none of the exceptions to the categorical exemptions set forth in CEQA Guidelines §15300.2 apply. See Attachment 2 (EaRTH Center CEQA Review) for analysis on Class 32 exemption applicability.

CEQA Guidelines §15183 (Projects Consistent with a Community Plan, General Plan, or Zoning): CEQA mandates that projects which are consistent with the development density established by existing general plan policies for which an environmental impact report (EIR) was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site [Public Resources Code §21083.3(b) and CEQA Guidelines §15183(a)]. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

An EIR was certified for the City of Eureka's 2040 General Plan on October 15, 2018, in conjunction with adoption of the General Plan (State Clearinghouse #2016102025). The project qualifies for an exemption from additional environmental review pursuant to CEQA Guidelines §15183 because: (1) the project is consistent with the development density established by the 2040 General Plan for the project site; (2) there are no project specific effects which are peculiar to the project or its site, and which the General Plan EIR failed to analyze as significant effects; (3) there are no potentially significant off-site or cumulative impacts which the General Plan EIR failed to evaluate; (4) there is no substantial new information which results in more severe impacts than anticipated by the General Plan EIR; and (5) the project will undertake feasible mitigation measures specified in the General Plan EIR which will be implemented through project design, compliance with regulations and ordinances, and/or through project conditions of approval.

Pursuant to Public Resources Code §21083.3(c) and CEQA Guidelines §15183(e)(2), City Council must hold a public hearing on the §15183 exemption determination, and must make a finding at the public hearing as to whether feasible mitigation measures specified in the GP EIR will be undertaken to mitigate significant environmental effects. See Attachment 2 for analysis on CEQA Guidelines §15183 exemption applicability, including information on applicable GP EIR mitigation measures, which include 2040 General Plan policies, City regulations, and other laws and regulations which reduce project specific impacts to a less than significant level.

Attachment 1: City Council Resolution

Attachment 2: EaRTH Center CEQA Review