MEMO

DATE: 7/10/23

To: City Council

FROM: Cristin Kenyon, AICP, Development Services Director

SUBJECT: CEQA Exemption Memo for Affordable Housing Projects on City-owned Properties

II, Parking Lots at 5th and D Streets and 6th and L Streets

Project Description:

On April 4, 2023, Council reviewed and approved a draft 2023 RFP package soliciting affordable housing projects on the City-owned properties at 5th and D Streets and 6th and L Streets, referenced as Sites City-4 and City-5. City Staff is now recommending Council declare Eureka Community Partners (Brinshore Development LLC and Operative Office) the preferred proposer and authorize the City Manager to proceed with a Memorandum of Agreement to sell or lease Sites City-4 and City-5 to Eureka Community Partners for the development of affordable housing.

Both Sites City-4 and City-5 are currently paved surface parking lots. According to Eureka Community Partners' conceptual design plans, each of the two project sites will be developed with an approximately-42,000-sq.-ft., 5-story apartment building with 36 dwelling units, indoor and outdoor community spaces, bicycle and vehicular parking, and potentially limited ground-floor commercial space. The 36 units on each site (72 units total) are proposed to be comprised of 16 one-bedroom, 10 two-bedroom, and 9 three-bedroom units for low-income households, and one three-bedroom manager's unit.

Eureka Community Partners plans to hold multiple design meetings with community members and stakeholders to create final designs that are respectful of the sites' context, local architecture and community member input. Details of the conceptual design are likely to change during the public input process, but pursuant to the RFP and City's Housing Element, Eureka Community Partners will be required to develop a minimum of 15 very-low-income and 5 low-income deed-restricted units per site (40 units total), with a minimum FAR of 3.0 (equating to a minimum building floor area of 39,600 sg. ft. per site).

Existing Setting

- <u>Site City-4: 5th and D Streets Property</u> (APN: 001-103-003): Located on the northwest corner of 5th (Highway 101 North) and D Streets, the 13,200-sq.-ft. site is currently a paved public parking lot with access from Charlie Moon Way (alleyway on the north side of parking lot). In addition to the northern alley access, the site has two street frontages: 5th Street (a major arterial) on the south, with 110 feet of frontage, and D Street (a local street), on the east, with 120 feet of frontage. The western side of the site is bordered by a vacant property where the Lloyd Building was recently demolished due to earthquake damage. The site is located in the Downtown West Zoning District, near the border between Eureka's Downtown and Old Town areas, which puts many jobs and resources within comfortable walking distance. Surrounding land uses include professional offices, a theatre, a grocery store (Eureka Co-op), a hotel (Days Inn), and other commercial and retail services. The Redwood Transit System has northbound bus stops at 5th and D Streets and 5th and H Streets, and southbound at 4th and H Streets and 4th and B Streets, and 6th and C Streets. The site is also four blocks from Eureka Transit System's hub at 3rd and H Streets.
- Site City-5: 6th and L Streets Property (APN: 001-192-004): Located on the northwest corner of 6th and L Streets, the 13,200-sq.-ft. site is currently a paved parking lot serving employees of Eureka City Hall with access from L Street (east of the parking lot). The site has two street frontages: L Street (a local street) to the east, with 110 feet of frontage, and 6th Street (a minor arterial) to the south, with 120 feet of frontage. The northern side of the site is bordered by an alleyway, and the western side is bordered by Eureka City Hall, with a drive aisle between the subject property and the three-story City Hall building. The site is located in Eureka's Downtown Zoning District, near the district's southern border. Surrounding land uses include Eureka City Hall, professional offices, the Humboldt County Courthouse/Jail and offices, restaurants, a mini-mart, hotels (Carter House Inn), residences, and other commercial and retail services. 6th Street is a one-way minor arterial which connects with Broadway (101 North and South). There are Class II bike lanes along 6th and 7th Streets. Additionally, the Redwood Transit System provides bus service at 5th and K Streets (Highway 101 North) and 4th and K Streets (Highway 101 South) and there is also a Eureka Transit System (Purple Route) bus stop with a bus shelter adjacent to the project site on 6th Street.

Construction:

Project construction is anticipated to begin in 2024 and be completed by 2026. Pursuant to 2040 General Plan Policy N-1.13, operation of heavy equipment will be limited to daytime hours between 7 a.m. and 7 p.m. Construction staging and parking will be mostly contained on the project sites, but limited closures of surrounding sidewalk and street parking will likely occur. Public Works - Engineering will require an encroachment permit and approved traffic control plan for any work conducted in the right of way to ensure any impacts of closures on surrounding land uses are minimized. During project construction, contractors will be required to adhere to standard dust control measures to reduce fugitive dust generation during excavation or

earthmoving construction activities. Pursuant to the City's stormwater provisions, an Erosion and Sediment Control Plan will be prepared and adhered to during project construction, ensuring adequate best management practices (BMPs) will be installed and maintained to prevent water quality impacts. As is the City's standard practice, the City will require standard inadvertent discovery protocol for ground-disturbing activity, and will refer the project to the relevant Tribes and require tribal monitoring during construction if requested.

Operation:

The project will trigger public improvement requirements (PIRs), including any needed improvements to surrounding sidewalks, curbs and alleys. There is existing sanitary sewer, water service, and stormwater system infrastructure in the surrounding streets and alleyways at both project sites adequate to serve the new development, and Public Works – Engineering will require installation of adequate service connections consistent with City standards.

Once operational, the project will provide approximately 72 units of affordable housing with various onsite amenities in the City's Downtown and Downtown West Zoning Districts, surrounding by jobs and services and in walking distance of various bus routes, where, according to the Office of Planning and Research's Site Check tool, per capita VMT is 15% or more below the regional average. Given the two sites' proximity to major arterial roadways, to protect future residents, the City will require the installation of filters with a minimum efficiency reporting value of 13 (MERV-13) in the indoor air heating, ventilation, and air conditioning (HVAC) systems for proposed housing units, and will require the apartment buildings to incorporate acoustical insulation treatments as necessary to ensure interior noise levels within the housing units are 45 dBA or lower, consistent with City noise standards.

Because over 5,000 sq. ft. of impervious surface will be replaced on each project site, the project will be classified as a "Regulated Project" according to the Phase II Small Municipal Separate Storm Sewer System (MS4) Program and will be required to prepare a Stormwater Control Plan to ensure stormwater runoff is adequately managed consistent with the Humboldt Low Impact Development Manual.

CEQA Exemption Applicability:

The following analysis evaluates the applicability of the Affordable Housing Exemption to the project pursuant to PRC Section 21159.23 and CEQA Guidelines Section 15194. To qualify for the Affordable Housing Exemption, the project must also meet the thresholds in PRC Section 21159.21 and CEQA Guidelines Section 15192. Table 1 includes an evaluation of the project's consistency with the Affordable Housing Exemption criteria in PRC Section 21159.23 and CEQA Guidelines Section 15194. Table 2 includes an evaluation of the project's consistency with the threshold criteria in CEQA Guidelines Section 15192 and PRC Section 21159.21. As demonstrated in Tables 1 and 2, the project meets all applicable threshold criteria as well as the eligibility criteria to qualify for the Affordable Housing Exemption from CEQA.

Table 1 Affordable Housing (CEQA Guidelines Section 15194 and PCR Section 21159.23)		
Requirements	Applicability	Eligible
(a) The project meets the CEQA Guidelines Section 15192 threshold criteria.	As demonstrated in Table 2 below, the project meets the Section 15192 threshold criteria.	Yes
(b) The project site meets the following size criteria: The project site is not more than 5 acres in area.	Each of the two parcels is 0.3 acres (13,200 sq. ft.) in size (0.6 acres total).	Yes
(c) The project meets both of the following requirements regarding location: (1) The project meets one of the following location requirements relating to	g	
population density: (A) The project site is located within an urbanized area or within a census-defined place with a population density of at least 5,000 persons per square mile.	According to the 2020 Census, Eureka's population per square mile is 2,780.2 so the project does not qualify for (A).	NA
(B) If the project consists of 50 or fewer units, the project site is located within an incorporated city with a population density of at least 2,500 persons per square mile and a total population of at least 25,000 persons.	Eureka has a population density of at least 2,500 persons per square mile (2,780.2 persons/mile), and has a total population of at least 25,000 (26,129 population estimate for 2022). Each project site is anticipated to have at least 20 affordable units (40 total), with 36 shown in the conceptual design (72 total). Therefore, the project may or may not qualify for (B).	NA
(C) The project is located within either an incorporated city or a census defined place with a population density of at least 1,000 persons per square mile and there is no reasonable possibility that the project would have a significant effect on the environment or the residents of the project due to unusual circumstances or due to the related or cumulative impacts of reasonably foreseeable projects in the vicinity of the project.	The project qualifies for (C). The project is located within an incorporated City with a population density of over 1,000 persons per square mile (2,780.2 persons/mile). There are no unusual circumstances that would have a significant effect on the environment or the future residents of the project. The two project sites are both flat, rectangular corner lots with ample street frontage and alley access and are paved and developed for surface parking and surrounded by urban uses. As described throughout this analysis, the sites contain no historical or biological resources and are not subject to any significant hazards. There is also no reasonable possibility that the project would have a significant effect on the environment or the residents of the project due to the related or cumulative impacts of reasonably foreseeable	Yes

projects in the vicinity of the project. The project is located in the dense, mixed-use center of the City where City policies, standards, and implementation measures are focused on increasing density through adaptive reuse and redevelopment of underutilized sites with multistory, mixed-use buildings supporting a highintensity economic and cultural center for the surrounding region. Future projects in the vicinity of the project sites will be infill development on existing developed or previously developed urban lots without any major subdivisions. The area is zoned for residential, cultural, lodging, civic, professional office, entertainment, retail and other customerserving and employment-intensive uses, while industrial uses that could individually or cumulatively impact project residents are prohibited. As shown in 2040 General Plan Figure 2-6, both project sites are located in the area of the City with the greatest employment density (jobs per square mile), in the largest and densest City in rural Humboldt County (according to Census Quick Facts, with more persons per square mile than any other city in Humboldt), where, according to the Office of Planning and Research's Site Check tool, per capita VMT is 15% or more below the regional average. Adding housing near existing employment density will further decrease overall County VMT and greenhouse gas emissions. Infill development will also reduce development pressure on surrounding agricultural, forest and natural resource lands, and is consistent with Eureka's historic development patterns. For all these reasons, there is no reasonable possibility that the project would have a significant effect on the environment or the residents of the project and qualifies for (C).

(2) The project meets **one** of the following site-specific location requirements:

(A) The project site has been previously developed for qualified urban uses.

The project sites are both currently developed with parking lots. The lot at 5th and D Streets is a public parking lot, and the lot at 6th and L Streets is dedicated staff parking for Eureka

Yes

	City Hall. PRC Section 21072 defines qualified urban uses to include "residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses." The two parking lots qualify as public institutional uses and thus meet the definition of a "qualified urban use." Also, the sites have previously been developed with buildings. Based on available Sanborn records, the 5 th and D Property previously was developed with two dwelling units and sheds from at least 1886-1954, prior to becoming a City parking lot. According to the 1955 and 1957 Sanborn Map for the area, the 6 th and L Property was the location of a library prior to becoming parking for City Hall (which was constructed in 1959).	
(B) The parcels immediately adjacent to the project site are developed with qualified urban uses.	The project meets site-specific location requirement (A) above; therefore, no further evaluation is required. However, the parcels immediately adjacent to both sites are developed with qualified urban uses.	NA
(C) The project site has not been developed for urban uses and all of the following conditions are met: i. No parcel within the site has been created within 10 years prior to the proposed development of the site. ii. At least 75 percent of the perimeter of the site adjoins parcels that are developed with qualified urban uses. iii. The existing remaining 25 percent of the perimeter of the site adjoins parcels that have previously been developed for qualified urban uses. (d) The project meets both of the following	The project meets site-specific location requirement (A) above; therefore, no further evaluation is required.	NA
requirements regarding provision of affordable housing.		

(1) The project consists of the construction, conversion, or use of residential housing consisting of 100 or fewer units that are affordable to low-income households.	The project involves the construction of one 36-unit apartment building on each of the two separate sites, for a total of 72 units, 70 of which will be low-income. The number may change through the design process, but will not be lower than 40 or greater than 100.	Yes
(2) The developer of the project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for lower income households for a period of at least 30 years, at monthly housing costs deemed to be "affordable rent" for lower income, very low income, and extremely low-income households, as determined pursuant to Section 50053 of the Health and Safety Code.	Pursuant to the City's Housing Element, the low-income units will be deed-restricted. The initial Memorandum of Agreement, and subsequent Disposition and Development Agreement with the affordable housing developer will clarify that regardless of whether the City leases or sells the property underlying the project to the developer, the developer must record a regulatory agreement to run with the land in a form provided by the City that sets forth the income and occupancy restrictions and such other matters as deemed necessary by the City to achieve the City's goals of ensuring the housing remains affordable to, and occupied by, lower income households for a period of at least 55 years.	Yes

Notes: NA = Not Applicable

Table 2 Threshold Requireme	ents for Exemptions for Affordable Housing and Residential Infill
Projects	
(CEQA Guidelines Section 15	192; PRC Section 21159.21)

Requirements	Applicability	Eligible
(a) The project must be consistent with:	The project is consistent with the 2040 General	Yes
(1) Any applicable general plan,	Plan (adopted in 2018) which prioritizes and	
specific plan, or local coastal program,	promotes adaptive reuse and revitalization of	
including any mitigation measures	vacant and underutilized properties and	
required by such plan or program, as	encourages a mix of new residential uses near	
that plan or program existed on the date	jobs and services. Pursuant to the 2040 General	
that the application for the project	Plan, both sites have a land use designation of	
pursuant to Section 65943 of the	Downtown Commercial, where residential uses	
Government Code was deemed	are allowed and sites are permitted a maximum	
complete; and	FAR of 6 (the project will have a FAR of	
	approximately 3.2). Furthermore, the 2019-2027	
	Housing Element, adopted in December 2019	
	and amended in October 2022, requires the	
	development of the two project sites with	
	affordable housing as proposed, each with a	
	minimum of 20 affordable housing units at a	
	minimum FAR of 3.	

(2) Any applicable zoning ordinance, as that zoning ordinance existed on the date that the application for the project pursuant to Section 65943 of the Government Code was deemed complete, unless the zoning of project property is inconsistent with the general plan because the project property has not been rezoned to conform to the general plan.	The project is consistent with the City's Zoning Code (adopted in 2019). Site City-4 and Site City-5 are located in the Downtown West (DW) and Downtown (DT) Zoning Districts, respectively, which both principally permit multi-family dwellings with a minimum FAR of 1 and maximum FAR of 6 (the project will have a FAR of approximately 3.2); and a minimum height of 2-stories and maximum height of 80 ft. in the DW and 100 ft. in the DT (the project will be approximately 5-stories in height). The project is anticipated to meet all applicable objective development standards, and consistency with the Zoning Code will be reviewed and ensured as part of the building permit process.	Yes
(b) Community-level environmental review has been adopted or certified.	Pursuant to Public Resources Code Section 21159.20(b)(2), community-level environmental review includes an environmental impact report certified on a general plan. The City of Eureka 2040 General Plan Update Program EIR (State Clearinghouse #2016102025) was certified by City Council on October 15, 2018, at the same time the 2040 General Plan was adopted. Thus, a community-level environmental review has been performed.	Yes
(c) The project and other projects approved prior to the approval of the project can be adequately served by existing utilities, and the project applicant has paid, or has committed to pay, all applicable in-lieu or development fees.	Both project sites are adequately served by existing facilities as described under "Operation" above, and, as analyzed in the adopted 2040 General Plan EIR, the City has adequate utility capacity to serve existing and potential future development in the City envisioned by the General Plan, including the creation of up to 1,886 additional housing units in the City. This number of housing units is approximately double the 2019-2027 Regional Housing Needs Allocation (RHNA) of 952 units. Also, the developer will be required to pay all applicable in-lieu and/or development fees.	Yes
(d) The site of the project: (1) Does not contain wetlands, as defined in Section 328.3 of	Both project sites are currently paved parking lots with limited landscaped planters, surrounded by urban development. Neither	Yes

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Regulations. (2) Does not have any value as an ecological community upon which wild animals, birds, plants, fish, amphibians, and invertebrates depend for their conservation and protection. (3) Does not harm any species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) or by the Native Plant Protection Act (Chapter 10 – commencing with Section 1900) of Division 2 of the Fish and Game Code), the California Endangered Species Act (Chapter 1.5 – commencing with Section 2050) of Division 3 of the Fish and Game Code. (4) Does not cause the destruction or removal of any species protected by a local ordinance in effect at the time the application for the project was deemed complete.	project site contains a wetland nor provides value as an ecological community, and the project has no potential to impact any federal, state, or locally protected species. Under the proposed projects, both sites will include ample replacement landscaping, which, pursuant to the City's Zoning Code, will be at least 75% by count species native to Eureka and will not include invasive species. Also, as required by the City's Zoning Code, all exterior lighting will be shielded or recessed and will meet the International Dark Sky Association's requirements for reducing waste of ambient light ("dark sky compliant") and the CA Green Building Standards Code. Finally, because over 5,000 sq. ft. of impervious surface will be replaced on each project site, the project will be classified as a "Regulated Project" according to the Phase II Small Municipal Separate Storm Sewer System (MS4) Program and will be required to prepare a Stormwater Control Plan to ensure stormwater runoff is adequately managed consistent with the Humboldt LID Manual. Therefore, the project will have no impacts on any wetlands, ecological communities or protected species.	
(e) The site of the project is not included on any list of facilities and sites compiled pursuant to Section 65962.5 of the Government Code.	Neither project site is on any list of facilities and sites compiled pursuant to Section 65962.5 of the Government Code.	Yes
(f) The site of the project is subject to a preliminary endangerment assessment prepared by a registered environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity. In addition, the following steps have been taken in response to the results of this assessment: (1) If a release of a hazardous substance is found to exist on the site, the release	Phase 1 Environmental Site Assessments (ESAs) have been prepared by registered environmental assessors for the two project sites to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity. The Phase 1 ESA for Site City-4 (5 th and D Streets) was completed by SHN in March 2023 in general accordance with ASTM-International (ASTM) Standard Practice E1527-13 and	Yes

shall be removed, or any significant effects of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.

(2) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with state and federal requirements.

E1527-21 for the Phase I ESA process. SHN's research completed for the subject property included site reconnaissance; reviews of historical

topographic maps, street directories, Sanborn maps, and aerial photographs; review of agency records; conducting personal and telephone interviews; and completing the land use questionnaire. According to the report, SHN encountered no evidence of past land uses on the subject property that may have generated or caused the release of regulated or hazardous materials. Several sites within a 1-mile radius of the subject property are known or suspected to have stored and/or used regulated materials, and/or have had hazardous material releases, including leaking underground storage tanks. Ultimately, SHN determined all of the nearby sites pose little or no risk of impacting the subject property (due to elevation relative to the property, distance, low levels of contamination left after remediation, etc.), and identified no Recognized Environmental Conditions (RECs), and, due to the low risk, did not recommend any further action (such as a Phase II ESA or soil and groundwater management plan).

The Phase 1 ESA for Site City-5 (6th and L Streets) was completed by LACO in June 2021 in general accordance with ASTM E 1527-13, and U.S. Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR 312). LACO's research completed for the subject property included review of aerial photographs and other historical sources; review of information contained in federal, state, and local records; interviews of persons knowledgeable about current and past activities on the property and in the vicinity; interviews with regulatory authorities; and site reconnaissance. LACO encountered no evidence of past land uses on the subject property that may have generated or caused the release of regulated or hazardous materials, and did not find any potential for exposure to significant hazards from surrounding properties. LACO

	identified no RECs and, due to the low risk, did not recommend any further action.	
(g) The project does not have a significant effect on historical resources pursuant to Section 21084.1 of the Public Resources Code.	Section 21084.1 of the Public Resources Code defines a historical resource as one that is listed in, or determined to be eligible for listing in, the California Register of Historical Resources. The subject sites are parking lots not listed or eligible for listing on the California Register of Historical Resources, and not located in any historic district. The sites are also not located adjacent to any property listed on local, state or national registrars. As described under "Construction" above, inadvertent discovery protocol will be required for any archaeological and cultural resources or human remains encountered during construction ground disturbance. Also, the project will be referred to applicable Tribes, and tribal monitoring of construction ground disturbance will be required if requested by a Tribe. Therefore, significant impacts on historic resources will be avoided.	Yes
(h) The project site is not subject to wildland fire hazard, as determined by the Department of Forestry and Fire Protection, unless the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a wildland fire hazard.	The project site is classified by the California Department of Forestry and Fire Protection (CAL FIRE) as a local responsibility area and is not mapped as being subject to moderate, high or very high fire hazard. The project site is within an entirely developed urban area and is not located near wildlands. Therefore, the project site is not subject to wildland fire hazard, as determined by CAL FIRE.	Yes
(i) The project site does not have an unusually high risk of fire or explosion from materials stored or used on nearby properties.	According to the Phase I ESAs prepared for the project sites, there were no indications of current activities or storage uses at nearby properties that would have an impact on the environmental conditions of the project site. Therefore, the project sites do not have an unusually high risk of fire or explosion from materials stored or used on nearby properties.	Yes
(j) The project site does not present a risk of a public health exposure at a level that would exceed the standards established by any state or federal agency.	According to the Phase I ESAs prepared for the project sites, the project sites will not present a risk of a public health exposure at a level that would exceed the standards established by any	

	state or federal agency. Refer to the discussion under requirement (f) above for additional information.	
(k) Either the project site is not within a delineated earthquake fault zone or a seismic hazard zone, as determined pursuant to Section 2622 and 2696 of the Public Resources Code respectively, or the applicable general plan or zoning ordinance contains provisions to mitigate the risk of an earthquake or seismic hazard.	According to mapping by the California Geological Survey, the project sites are not within an earthquake fault zone (Earthquake Zones of Required Investigation (ca.gov)). The sites are also outside of liquefaction and landslide hazard zones, as mapped by Humboldt County (Humboldt County Web GIS).	Yes
(l) Either the project site does not present a landslide hazard, flood plain, flood way, or restriction zone, or the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a landslide or flood.	Both project sites are relatively flat and, as mentioned under (k), not within a landslide hazard zone. Also, neither site is in the FEMA-mapped floodplain, nor in the tsunami hazard area mapped by the California Geological Survey and the California Governor's Office of Emergency Services. Therefore, the project sites are not within a flood plain, flood way or restriction zone.	Yes
(m) The project site is not located on developed open space.	Both project sites are publicly owned and Site City-4 (property at 5 th and D Streets) is available for public use, but both sites are developed for parking purposes as paved surface parking lots, not for open space purposes.	Yes
(n) The project site is not located within the boundaries of a state conservancy.	Neither project site is located within the boundaries of a state conservancy as mapped by the California Natural Resources Agency.	Yes
(o) The project has not been divided into smaller projects to qualify for one or more of the exemptions set forth in CEQA Guidelines Sections 15193 to 15195.	Section 15378 of the CEQA guidelines defines a project under CEQA as "the whole of an action" that may result in either direct or indirect physical changes to the environment. Public Resources Code 21159.27 prohibits piecemealing (i.e., dividing a project into smaller projects) to qualify for exemptions. The primary test for determining if improper piecemealing would occur is whether a project has "independent utility," meaning that a project operates independently and can be implemented separately from other reasonably foreseeable	Yes

 actions. The proposed project meets the
definition of a "project" under CEQA and has
"independent utility" because the approval and
implementation of the project is not dependent
on the approval and implementation of any
other reasonably foreseeable actions. The
project serves a distinct purpose and function
and is not a part or phase of a larger project.
Therefore, the project has not been divided into
smaller projects to qualify for the Affordable
Housing exemption.