

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 19, 2010

Mr. David W. Tyson
City Manager
City of Eureka
531 K Street
Eureka, CA 95501-1146

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DEPARTMENT OF
COMMUNITY DEVELOPMENT

Dear Mr. Tyson:

RE: Review of the City of Eureka's Adopted Housing Element

Thank you for submitting Eureka's housing element adopted September 21, 2010 and received for review on September 29, 2010. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

As you know, the Department's September 2, 2010 review found Eureka's revised draft housing element addressed the statutory requirements of housing element law. As the adopted element is substantially the same as the revised draft, the Department is pleased to find the element in full compliance with State housing element law (Article 10.6 of the Government Code).

The Department commends Eureka's commitment to promote higher-density, mixed-use, infill development affordable to lower-income households in the Old Town and Downtown areas through programs such as 2.22 to convert upper floors of existing non-residential building to include residential units; 2.23 to encourage development of infill sites; and 2.28 to reduce parking standards to facilitate mixed-uses. These efforts will encourage compact development with a mix of uses to maximize existing land resources and facilitate a vibrant downtown area. These and other strategies also facilitate the development of housing affordable to lower-income families and workers.

The City has a remaining regional housing need of 335 units for lower-income households. Capacity identified on vacant non-residentially zoned sites at appropriate densities and sizes and Programs 2.22 and 2.28 to promote residential development in the Old Town/Down Town Districts are necessary to provide adequate sites. However, the element leaves no capacity or flexibility to account for changes in or for developments which vary in capacity from what is anticipated in the land inventory. As a result, the City must monitor and report on the continuing availability of non-residentially

zoned sites at appropriate densities and sizes and the success of Programs 2.22 and 2.28 in accommodating the housing need for lower-income households through the annual progress report, required pursuant to Government Code Section 65400. Should monitoring reveal these sites or Programs are not effective in addressing the regional housing need for lower-income households in a timely manner, the element should be amended to identify additional sites at appropriate densities and add or revise programs, as appropriate.

Maintaining adequate sites at appropriate densities to accommodate Eureka's regional housing need, including for lower-income households, throughout the planning period is required pursuant to Government Code Section 65863. In addition, this Code Section specifies no local government action shall reduce, require or permit the reduction of, the residential density or allow development at a "lower residential density" for any parcel identified in the site inventory unless the local government makes written findings, the reduction is consistent with the adopted General Plan, and the remaining sites identified in the element are adequate to accommodate the jurisdiction's share of the regional housing need. As defined by statute, "A lower residential density" refers to allowing fewer units on the site than were projected within the sites inventory of the housing element. The Department recommends the City adopt a program to monitor approved development relative to capacity estimates in the housing element (see sample program -- enclosed).

The Department is pleased to report Eureka now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks Program, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. Additional information about these and other programs is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hcompl011708.pdf.

In particular, the Housing Related Parks Program, authorized by Proposition 1C, is an innovative new program rewarding local governments for the approval of housing for lower-income households and provides grant funds to eligible local governments for every qualifying housing start, beginning calendar year 2010. More specific information about the HRP Program is available on the Department's website at <http://www.hcd.ca.gov/hpd/hrpp/>.

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The Department appreciates the hard work and dedication of Ms. Sidnie Olson and Mr. Rob Wall of the Community Development Department throughout the course of the review. We wish Eureka success in implementing its housing element and look forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Robin Huntley, of our staff, at (916) 323-3175.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosure