



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Shannon Buckley, Assistant City Manager

Date: March 12, 2024

Subject: Reimbursement of Low and Moderate Income Housing Asset Fund for Spring Street Properties to Be Utilized as Parking for New Library Project

Recommendation

1. Find that the twelve City parcels located on Spring Street between Sumner and Heald adjacent to the flood control channel (APN 374-162-039, -041, -043, -045, -047, -049, -051, -053, -055, -057, -059, and -061) are not suitable for affordable housing purposes and can best serve and promote the health, safety, and welfare of City residents by providing necessary parking for the new downtown Library project; and
2. Authorize and direct the City Manager to reimburse the Low and Moderate Income Housing Asset Fund in the amount of \$350,000.

Background

The City recently received a \$10 million grant for the construction of a new 10,000 square foot Library. As depicted on the attached Vicinity Map, the new Library facility will be located on North Main Street at the corner of West Sumner Avenue and extending to N. Spring Street.

On February 13, 2024, the City Council approved a Professional Services Agreement for conceptual design services for the new Library facility. In addition to the main Library area, the new Library facility will include one community meeting room, two study rooms, a children's area, a teen area, and a public work room with individual workstations.

The downtown location of this exciting Library project will replace the existing Altha Merrifield Memorial Library which, despite crucial structural and maintenance issues that discourage residents from fully utilizing its resources, attracts an average of over 5,800 monthly visitors and organizes 87 educational and social programs annually. The new Library facility will be a vital public resource in the Downtown area and is expected to draw many more Lake Elsinore residents and visitors.

Library Project Parking

City staff is proposing to utilize City property on Spring Street for Library parking. Without the Spring Street parcels to support the parking needs for the new facility, the Library building would have to be two-stories in order to accommodate adequate parking on-site. This would significantly increase costs. With the proposed Spring Street parking site, the Library can be designed as one-story with greater lot coverage and with cost efficiency.

Discussion

The City's Spring Street Property consists of twelve contiguous shallow parcels comprising a total of 1.9 acres adjacent to the Flood Control Channel. The City Property was acquired by the City from the Successor Agency in May 2017 following approval by the Successor Agency, the Oversight Board and the State Department of Finance. The City, in capacity as housing successor to the former Redevelopment Agency's affordable housing assets and obligations, acquired the City Property for \$350,000. The City Property is located in the Downtown Elsinore Specific Plan and is designated as Mixed Use.

Due to the configuration of the City Property and associated development constraints, staff has determined that it is not a viable affordable housing project site. There are no current affordable housing project proposals for the City Property and alternative sites are available in the downtown area and citywide for affordable housing purposes. These include the proposed downtown affordable housing projects at Riley/Heald and at Spring/Pottery/Flint. Although the City Property was acquired for affordable housing purposes, the proposed Library facility parking use is a preferred and more appropriate use of the City Property that will stimulate activity in the downtown area, provide valuable public services with a greater public benefit to the existing and future downtown residents and to residents and visitors citywide.

Fiscal Impact

Changing the proposed use of the City property from an affordable housing project site to an alternative municipal use requires that the City reimburse the Low and Moderate Income Housing Asset Fund (LMIHAF) the \$350,000 purchase price. The funds deposited into the LMIHAF will be used solely for affordable housing purposes consistent with applicable law, including Health & Safety Code 34176.1.

Attachments

Attachment 1- Library Parking Lot Site Map