

# Capitola City Council

## Agenda Report



**Meeting:** September 26, 2024

**From:** Community Development Department

**Subject:** State Grant Administration Agreement Amendment

---

**Recommended Action:** Authorize the City Manager to execute Amendment 3 to the Professional Services Agreement with Adams Ashby Group for grant administration services for 2023 Community Development Block Grant Administration in the amount of \$100,000, for a total contract value of \$240,052.

**Background:** Paul Ashby, of Adams Ashby Group, has provided grant administration services to the City since 2011, including required HOME Investment Partnership Program reporting for the Bay Avenue Senior Housing project and Community Development Block Grant (CDBG) project administration for various qualifying programs. The City initially entered into a Professional Services Agreement with the Adams Ashby Group in June of 2020 in response to CDBG COVID-19 funding.

The current contract with Adams Ashby Group was entered into on June 16, 2022 to administer the first round of CDBG-CV (corona virus) funding. On March 25, 2021, the contract was amended for an additional round of CDBG-CV funding. On February 22, 2024, the contract was amended for the second time for annual HOME reporting (\$3,700/year), administration of the 2021 CDBG Grant (\$35,000), the 5-year Permanent Local Housing Allocation (PLHA) grant administration, and the 2023 HOME Investment Partnership Program application (\$10,000) for the Dakota Apartments. The CDBG-CV grants have been closed out, but all other grant administration is current and the provisions of the original contract remain intact.

On January 31, 2024, the California Department of Housing and Community Development released the 2023 CDBG Notice of Funding Availability (NOFA). At the direction of the City Council, staff applied for the maximum amount of CDBG funding (\$3.3M) for the Jade Street Community Center renovations, including \$100,000 for Adams Ashby Group's administration of the grant.

**Discussion:** On June 23, 2024, the City was conditionally awarded the 2023 CDBG grant in the amount of \$3,300,000. Of the awarded funding, \$3,200,000 will be used for the Jade Street Community Center renovations, and \$100,000 will be allocated to Adams Ashby Group to administer the grant. The standard agreement from the state for the grant funding is pending.

The Jade Street Community Center is a crucial facility for Capitola, serving as a hub for various community programs and events. The renovation project will address significant upgrades needed to improve accessibility, modernize facilities, and enhance overall functionality. The planned improvements include a new multi-purpose room, updated kitchen facilities, expanded outdoor spaces, and enhanced ADA-compliant features. These upgrades aim to better serve the community's needs and support a wide range of activities and services.

CDBG administrative contracts may be in place for a five-year period and altered through amendments. This is the third contract amendment and reflects the inclusion of 2023 CDBG grant administration increasing the contract from \$140,052 to \$240,052. The contract also continues to cover annual reporting for the Bay Avenue HOME loan (\$4,100), administration of the 2021 CDBG Grant (\$35,000), PLHA grant administration (\$31,527), and 2023 Home application (\$10,000) for the Dakota Apartments.

**Fiscal Impact:** The \$100,000 for 2023 CDBG grant administration will be funded by the 2023 CDBG grant.

**Attachments:**

1. Contract Amendment

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager