

# Capitola City Council

## Agenda Report



**Meeting:** June 12, 2025

**From:** Community Development Department

**Subject:** Grant Administration Contract

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**Recommended Action:** Adopt a resolution authorizing the City Manager to enter into a five-year professional services agreement with Adams Ashby Group for grant administration services in an amount not to exceed \$250,000.

**Background:** The City of Capitola actively pursues and administers funding from various state and federal housing and community development programs, including the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and the Permanent Local Housing Allocation Program (PLHA). The City currently manages active public facilities and public service grants, with additional grant applications pending.

To support current and future program needs, the City issued a Request for Proposals (RFP) to identify a qualified consultant to provide comprehensive grant administration services. The RFP was published April 25<sup>th</sup> and circulated to several grant administration consultants. The RFP sought a consultant capable of supporting the City in both day-to-day administration and the pursuit of new grant opportunities. The proposed contract term is five years. Staff received one qualified proposal by the May 16<sup>th</sup> deadline.

**Discussion:** Following a competitive RFP process, staff recommends awarding a five-year contract to Adams Ashby Group. The firm was selected based on its extensive experience working with small cities on state-administered programs such as CDBG, HOME, and PLHA. Adams Ashby has a demonstrated track record in both grant application development and program implementation and is highly knowledgeable in the regulatory requirements that govern these funding sources, including labor standards and environmental review.

Adams Ashby Group is also familiar with the City's programs and priorities. Paul Ashby, of Adams Ashby Group, has provided grant administration services to the City since 2011. His work has included required HOME reporting for the Bay Avenue Senior Housing project, administration of the 2020 and 2021 CDBG Coronavirus grants, and the 2015, 2021 CDBG grants for public services (Grey Bears, Second Harvest, and Community Bridges) and 2023 CDBG improvements at the Jade Street Community Center.

Under the proposed contract, Adams Ashby Group will provide a full range of grant administration services, including:

- Preparation and submission of grant applications
- General grant administration and program implementation
- Labor compliance monitoring and reporting
- State and federal reporting
- Fund request coordination
- Environmental review
- Procurement compliance
- Monitoring of subrecipients and project partners
- Public outreach
- Recordkeeping in compliance with federal and state requirements

This contract will support the City's ongoing and future efforts to expand public services, affordable housing, and community development investments through state and federal funding opportunities.

A CDBG administrative contract may be in place for a five-year period and altered through amendments. The current contract with Adams Ashby Group was entered into on June 16, 2020; therefore, a new contract is necessary. The remainder of the existing contract includes the 2021 CDBG grant administration for public services (\$7,980), 2023 CDBG grant administration for the Jade Street Community Center renovations (\$45,000), 2021 PLHA grant administration (\$9,788), and 2023 HOME application (\$10,000) for the Dakota Apartments.

The proposed contract is for a new five-year period extending from FY 25/26 – FY 30/31. The City currently has a 2024 CDBG application under review by the state for the \$3.6 million which includes funding for the Treasure Cove Playground and Public Services (Second Harvest and Grey Bears), of which \$119,600 would be for grant administration. Announcements of the 2024 CDBG awards are anticipated in June or July of this year. The new contract will cover all annual reporting for the Bay Avenue HOME loan (\$4,100/year) and the administration for potential future grant awards. City staff intends to apply for future CDBG, HOME, and PLHA grant opportunities.

Fiscal Impact: The contract will be funded through administrative allocations from awarded grants and program income. The FY 2025-26 budget includes funding for grants which have already been awarded. Future expenditures will be incorporated into the budget upon the award of new grants. If the City does not receive additional awards, the only cost to the City will be for grant applications and required monitoring which will be paid for through special revenue program income. There is no impact to the General Fund.

Attachments:

1. Resolution
2. Standard Agreement with Scope

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

Approved By: Jamie Goldstein, City Manager