

# Capitola City Council

## Agenda Report



**Meeting:** January 25, 2024

**From:** Public Works Department

**Subject:** Community Center Renovation Project Funding

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**Recommended Action:** Adopt a resolution authorizing the acceptance of grant funds from the California Natural Resources Agency (CNRA) for the Community Center Renovation Project, authorizing the City Manager to execute the grant agreement on behalf of the City, and amending the FY 2023-24 Adopted Budget.

**Background:** On November 22, 2022, the City Council authorized the City Manager to sign a Long-Term Use Agreement (LTUA) between the City of Capitola and Soquel Union Elementary School District for the Jade Street Park Property, including the Capitola Community Center. The agreement requires the City to complete certain specific infrastructure improvements to the Community Center within four years. Additional “ancillary” improvements, such as replacement of flooring and partitions, are also specified as intended improvements to be made by the City. The City is currently under contract with Boone Low Ratliff Architects (BLRA) for the design of the remodel of the Community Center, inclusive of site analysis, preparation of conceptual design, and development of construction documents. The project received design approval from the Planning Commission on December 7, 2023.

On July 27, 2023, staff provided an update on the project budget, with a preliminary estimated construction cost of \$5M. Phase A will consist of the infrastructure improvements specified in the LTUA. These improvements are estimated at \$2.3M. Phase B will consist of the ancillary improvements specified in the LTUA. Phase B will be structured so that some, or all, of the improvements can be constructed within Phase A dependent on additional funding and bid pricing.

With support from State Assembly Member Dawn Addis, State Assembly Bill 102 was passed this summer, which allocated an additional \$1,000,000 for this project.

**Discussion:** To accept the additional funding, which will be administered by the California Natural Resources Agency (CNRA), the City Council must adopt a resolution authorizing the City Manager to accept the funding and sign a grant agreement with CNRA. The grant funding will contribute to the construction costs associated with the project.

In addition to State funding allocations, staff is in the process of preparing an application for Community Development Block Grant (CDBG) funding in a maximum amount of \$3.5M. Staff anticipates the Notices of Funding Availability for 2024 will be issued in the coming week. If unsuccessful in the current round, the City may reapply this fall. As required by the CDBG program, a public hearing on the CDBG application will be held and a resolution brought to the City Council for approval before application submittal.

**Fiscal Impact:** This will increase State Grant Funding in the FY 2023-24 Capital Improvement Program Adopted Budget by \$1,000,000. The adopted FY 2023-24 Budget allocated \$1.65M for completion of design and construction of this project, bringing total project funding to \$2.65M.

There is no match associated with this grant funding. There are no fiscal impacts associated with the recommended action.

**California Environmental Quality Act (CEQA):** This action does not constitute a “project” pursuant to Section 15378 of the California Environmental Quality Act.

### Attachments:

1. Resolution

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager