

# Capitola City Council

## Agenda Report



**Meeting:** January 30, 2025

**From:** Public Works Department

**Subject:** State Division of Boating and Waterways Grant Application for the Cliff Drive Resiliency Project

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**Recommended Action:** Adopt a resolution authorizing the submittal of an application for the Shoreline Erosion Protection Grant from the State of California Department of Parks and Recreation, Division of Boating and Waterways.

**Background:** The Cliff Drive Resiliency Project addresses severe coastal erosion threatening a 60-foot bluff along Cliff Drive, which serves as a critical evacuation route and provides access for approximately 8,000 vehicles, cyclists, and pedestrians daily. In January 2023, heavy storms caused significant damage to this area, highlighting the need for immediate action to protect public safety and critical infrastructure.

On June 27, 2024, staff presented an overview of the Cliff Drive Resiliency Project to the City Council. The report detailed the importance of the roadway, outlined the extent of storm damage, and reviewed preliminary engineering studies. At that time, staff identified the “Protect and Adapt” alternative as the preferred approach, balancing safety, multimodal transportation, and long-term sustainability.

Key components include installing soil nails, shotcrete, and rock slope protection to fortify the bluff and protect against future erosion. Roadway improvements will enhance structural integrity while accommodating pedestrians and cyclists with upgraded facilities.

**Discussion:** In Fall 2024, staff was notified that the State of California Department of Parks and Recreation, Division of Boating and Waterways (DBW), was accepting applications for the Shoreline Erosion Control Grant Program for projects to be funded in Fiscal Year (FY) 2026-27.

Given the urgency of addressing the erosion issues at Cliff Drive, staff submitted a letter of intent to DBW in November 2024, formally requesting confirmation of eligibility for the grant. The letter outlined the project’s scope and its alignment with the goals of the DBW’s program. DBW has reviewed the letter of intent and confirmed that the Cliff Drive Resiliency Project is eligible for consideration, inviting the City to submit a formal application for funding.

Staff is working closely with CSW-ST2, the project consultant, to refine the project’s scope, develop detailed cost estimates, and prepare the necessary documents for the grant application. As part of the DBW application process, a resolution of support from the City Council is required, formally authorizing the submittal of the grant application.

The State of California will evaluate grant applications as part of the budget process for FY 2026/27, with final budget decisions expected in June 2026. Typically, grant agreements for approved projects are prepared several months after the budget is finalized.

**Fiscal Impact:** Adopting the proposed resolution has no immediate fiscal impact. However, it is important to note the estimated total cost for the construction phase of the Cliff Drive Resiliency Project is approximately \$16 million.

To date, the City has successfully secured funding from the Federal Highway Administration (FHWA) and the California Coastal Commission (CCC), which have covered environmental studies, permitting, and design costs. FHWA funding also includes an allocation of \$8.5 million for construction.

To move forward with construction, the City is requesting an additional \$6 million from DBW through the Shoreline Erosion Control Grant Program. This funding would support the construction phase, allowing the City to implement the necessary infrastructure improvements to protect Cliff Drive.

While this grant request represents a significant portion of the project's construction budget, staff continues to explore additional funding sources to close any remaining funding gaps. These sources may include other state and federal programs, local grants, and potential private partnerships. If DBW funding is not awarded or if additional grants do not materialize, staff will investigate options to reduce project costs while still achieving the project's key goals and objectives.

Attachments:

1. Resolution

Report Prepared By: Jessica Kahn, Public Works Director

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

Approved By: Jamie Goldstein, City Manager