



AGENCY: City Council
MEETING DATE: September 11, 2023
DEPARTMENT: Community Development
PRESENTED BY: L. Peterson
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AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND CONDUCT PUBLIC HEARING FOR DISCLOSURE OF ACCOMPLISHMENTS AND CLOSEOUT OF ACTIVITIES FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 20-CDBG-12030 AND APPROVE RESOLUTION ACCEPTING THE FINAL PRODUCT FROM COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PLANNING GRANT 20-CDBG-12030

ISSUE:

The expenditure period for the City's 2020 Community Development Block Grant (CDBG) 20-CDBG-12030 will end on June 8, 2024. All funds are expended and the planning project is complete. Per CDBG requirements, a public hearing must be conducted before the governing body to notify the public of accomplishments funded by the grant. As an additional CDBG requirement for planning activities, Council must approve a Resolution accepting the final product(s) as complete. The 2020 grant was awarded to fund the Mill Site Planning activity and General Administration. The following is a description of accomplishments from the funded activities.

ANALYSIS:

In 2020, the City applied for funding from the CDBG program for planning for reuse of the former Mill Site and General Administration. Planning is an eligible CDBG activity and meets CDBG's low-moderate income area (LMA) National Objective. In 2021, the City was awarded \$100,000 for Mill Site Planning. The original intent of the activity was to allow for reuse and development of the former Mill Site, located in the Coastal Zone, by completing a Local Coastal Program (LCP) Amendment to rezone the site. However, drought conditions in 2021 made completion of an LCP Amendment challenging; new sources of water and/or water storage would need to be identified to support development at the site. The City requested a revision of the scope of work, which was approved by the California Department of Housing and Community Development (HCD). While still focusing on development of the former Mill Site, the new scope of work would focus on how Blue Economy opportunities could spur development, as aquaculture is an allowable use under the current zoning. The revised activity would provide engineering concepts and cost information for ocean water intake and discharge infrastructure located at the former Mill Site.

The City contracted with ASA Analysis & Communication, Inc. (ASA) to prepare the technical analysis, *Engineering Concepts and Preliminary Costs for Ocean Water Intake and Outfall Infrastructure to Facilitate Economic Development Activities on Former Georgia Pacific Mill Site*. The comprehensive study discusses regulatory criteria and permits, potential locations, types of intakes, challenges and benefits, required studies, scheduling, and cost estimates. In May 2022, ASA staff presented their findings to the public at the Blue Economy Symposium and Learning Festival. The ASA report has greatly informed the conversation around and direction of economic development within the City.

The following is a brief summary of the main points and outcomes of the study:

The permitting process is lengthy and requires coordination amongst multiple agencies. The City should contact regulating entities early in the process.

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The location for the facility is constrained to the City-owned parcel containing the Wastewater Treatment Facility. Ocean intake and outfall locations may be located within the existing Wastewater easement, or in a new location with a new easement.

There are two types of intakes: subsurface and surface. There are various types of infrastructure and construction methods that can be used. Both subsurface and surface intakes present potential drawbacks, warranting further studies and evaluation to determine which type will be the most successful considering construction risks and water quality for proposed Blue Economy uses.

Several recommended studies would help to inform the best type and location of infrastructure; these studies would provide details on such things as water quality and currents, habitat, and geotechnical analysis, among others.

Cost of a subsurface intake is estimated at roughly \$71 million, but will likely be higher due to the difficulties with construction. Cost of a surface water intake with a raw water pipe drilled through the bluffs is estimated at roughly \$43 million. Cost of surface water intake with a raw water pipe installed on the bluffs is estimated at roughly \$19 million.

The projected timeline is roughly four years from initial concept screening through design, bid, and construction. However, there are still many factors to be considered, construction of ocean water intake and discharge infrastructure on the former Mill Site is likely feasible.

RECOMMENDED ACTION:

1. Conduct a Public Hearing to disclose accomplishments and closeout of activities funded by CDBG #20-CDBG-12030.
2. Adopt a Resolution approving the final product as complete and meeting the requirements of the planning grant.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

The 2020 grant project was implemented with CDBG grant funds. The 2020 grant provided General Administration funding that was adequate to cover administrative costs; any on-going administrative tasks after grant close out may be covered by the City's CDBG grant administration funds from any active CDBG award. CDBG funding is intended to assist the low- and moderate-income populations; as over 50 percent of the population in Fort Bragg city limits qualify as low- and moderate-income per CDBG criteria, this activity is considered to be primarily benefitting low- and moderate-income persons. The 2020 grant provided funding for planning for development of the former Mill Site.

CONSISTENCY:

The State CDBG mission is to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This project is consistent with the Land Use Element of the Coastal General Plan:

- Goal LU-6 Support industrial development that is consistent with the protection, enhancement, and restoration of coastal resources.
- Goal LU-7 Support industrial development that is consistent with the protection, enhancement, and restoration of coastal resources.
- Goal LU-9 Minimize affects of aquaculture development on coastal resources.

It is also consistent with Priority Area 4: Infrastructure, outlined in Fort Bragg City Council Priority Areas and Goals in 2019:

- Goal 1: Develop Water Security through modular desalination; construction of additional

water tanks; seek out other water sources.

IMPLEMENTATION/TIMEFRAMES:

The expenditure deadline for the 2020 grant is June 8, 2024. Final Funds Requests for the grant have already been submitted to HCD. Grant closeout reports will be submitted to California HCD after the closeout public hearing is held. The City's Agreement with CDBG expires on June 8, 2024. It is unclear when CDBG will authorize closeout of the City's contract with the State because final closeout is subject to U.S. Department of Housing and Urban Development (HUD) monitoring and review of State CDBG funding allocations.

ATTACHMENTS:

1. Public Hearing Notice – English
2. Public Hearing Notice – Spanish
3. Resolution
4. *Engineering Concepts and Preliminary Costs for Ocean Water Intake and Outfall Infrastructure to Facilitate Economic Development Activities on Former Georgia Pacific Mill Site*

NOTIFICATION:

1. CDBG "Notify Me" Subscribers