

Supplemental Report to City Council Agenda Item 8d: Status of the Preservation and Reuse of City Owned Property Located at the Former Rockhaven Sanitarium – 2713 Honolulu Avenue - and Direction on Preferred Next Steps

October 26, 2021

This report is to supplement and clarify information regarding the state grant for the preservation of Rockhaven, found on page 5 of the report (page 257 of 262 of the agenda packet).

As noted in the staff report, the grant cannot be distributed until a Project Information Package (PIP) is submitted to the CNRA and there is a fully executed agreement between the City and CNRA. The CNRA reached out to staff and indicated that they are currently seeking clarification from the state on deadlines associated with this grant, as the expenditure date was not specified in the budget bill; they anticipate clarification by this coming week. Currently, the grant agreement must be encumbered/fully executed by June 1, 2022, not March 1, 2022, as originally indicated in the report. The March 1, 2024 deadline to submit reimbursement requests still stands at this time.

Assuming that physical work on the historic property is likely subject to review pursuant to the California Environmental Quality Act (CEQA), it should be noted that the City will not be able to expend any funds on construction until CEQA approval is met, but can spend funds on planning pre-CEQA approval. Should the City not be able to expend all the funds by the 2024 deadline, it will be possible to seek reappropriation of the funds in 2023. The CNRA routinely requests reappropriation of funds for a 1-2 year basis.