



Department: Administration
Cost Center: 1004
For Agenda of: 12/10/2024
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: McKenzie Taffe, Economic Development Analyst

SUBJECT: AUTHORIZE STAFF TO SUBMIT THREE GRANT APPLICATIONS FOR THE UPLIFT CENTRAL COAST CATALYST PARTNERSHIP OPPORTUNITY

RECOMMENDATION

1. Authorize staff to submit three grant applications, each requesting \$250,000, for funding under the Uplift Central Coast Catalyst Partnership Opportunity. The applications will support the following programs: 1) Childcare Grants, 2) Conference Center Project Plan, and 3) DEI Small Business Grant Program; and
2. Authorize the City Manager, or their designee, to execute all related grant documents and approve budget changes necessary to appropriate the grant amount(s) upon notification that the grant(s) have been awarded.

POLICY CONTEXT

The City of San Luis Obispo's Financial Management Manual, Section 740 - Grant Management Policy states that Council will approve all grant applications in excess of \$5,000 and delegate receipt and contract execution to the City Manager.

DISCUSSION

In early October 2024, the City received a Notice of Funding Opportunity (NOFO) from REACH for the [Uplift Central Coast Catalyst Partnership Opportunity](#). The objective of Catalyst Predevelopment Funding is to support sector-specific, exploratory, predevelopment activities that align with regional strategies developed under the California Jobs First initiative. The funding aims to foster economic resilience, environmental sustainability, and equitable growth by investing in projects that:

- Advance priorities and promote the strategies identified in [Uplift's Regional Plan Part II](#).
- Ensure that workers and disinvested communities are the primary beneficiaries.
- Leverage federal, state, and private dollars to maximize impact.

Item 5h

Catalyst Predevelopment Phase Projects can fall into one of three stages: (1) Concept: Up to \$50,000; (2) Accelerator: Up to \$250,000; (3) Launchpad: Up to \$1,000,000. Final budget amounts are subject to change based on negotiations between Uplift and awardees. With assistance from the City's grant writer, Adrienne Harris, the City submitted three Letters of Interest (LOIs) for "Accelerator" programs for the following projects that are in alignment with the grant objectives:

1. **Childcare Expansion (Attachment A):** This proposal is for up to \$250,000 to continue the City's Childcare Grant Program and for City fee waivers and zoning regulation updates, aiming to reduce licensure barriers, increase quality childcare availability, and facilitate workforce reintegration for parents by expanding childcare slots.

This work is outlined in Major City Goal 1.2:

- g. Continue to support new and expanded private childcare options through the use of grant funding and other programs.
- h. Continue to support the childcare options for school age children through the City's own programs and programs in conjunction with other partners

This work also overlaps with Economic Development Strategic Plan Tasks:

3.1.7. Continue to support new and expanded private childcare options through the use of grant funding and other programs.

3.1.8. Initiate an update to the zoning regulations to further incentivize and streamline the review and permitting of day care centers, including consideration of relaxed property development standards

2. **Conference Center Project Plan (Attachment B):** This proposal is for up to \$250,000 to create a site plan for a new conference center at the soon-to-be-vacated Downtown courthouse location, aiming to boost local economic development, provide a community venue, and attract diverse events, ultimately generating significant economic and fiscal impacts. Initial feedback from the City's Letter of Intent identified that the grant application should center arts and culture, disinvested communities, and community partners in the project.

This work is outlined in the following Economic Development Strategic Plan Task:

2.3.3. Restart discussions with partners regarding the potential of a conference facility and explore potential funding structures (i.e., public, private, or public-private partnership).

- 3. DEI Small Business Grant Program (Attachment C):** This proposal is for up to \$250,000 to continue and expand funding for the City's DEI Small Business Grant Program. This program used one-time funding to provide direct funding to businesses to increase access and availability of products and services that contribute to making San Luis Obispo a more welcoming community.

This work is outlined in our Diversity, Equity, and Inclusion Strategic Plan Tactic:

1.2.8. Research opportunities to support ongoing funding for the DEI SLO Business Grant Program.

On November 1, 2024, the City was notified that all of the above-mentioned project plans have been selected to submit full grant proposals. Additionally, the City has been in partnership with local agencies comprised of the County of San Luis Obispo, San Luis Coastal Unified School District, and Cal Poly State University for a county-wide childcare feasibility study. All four agencies are in collaboration, with Cal Poly serving as the oversight agency, in submitting for an additional grant opportunity with the Uplift Central Coast Catalyst Partnership Opportunity.

Next Steps

Staff are currently collaborating with the City's Grant Writer to complete the grant applications, which are due by December 13, 2024. To ensure timely approval, staff are submitting this Council Agenda Report concurrently with the application development process. The funding awardees will be announced in January 2025, and recipients must complete their programs and utilize all awarded funds by September 2026.

Public Engagement

This item is on the agenda for the December 9, 2024, City Council meeting. The public will have an opportunity to comment on this item at or before the meeting.

CONCURRENCE

The City departments that would be impacted by the work associated with this grant award concur with the recommendation to apply for this funding opportunity. This includes the Community Development Department, the Parks and Recreation Department, and the Office of Diversity, Equity, and Inclusion.

External partners that have been involved in applying for the grants include the Community Action Partnership of San Luis Obispo County (CAPSLO) and the County of San Luis Obispo. CAPSLO is the subcontractor of our existing Childcare grant program and will continue to serve in that role for future grant programs. The County of San Luis Obispo is a partner in the Conference Center grant application as the landholder of the Courthouse site. Both organizations concur with the recommendation to apply for this funding opportunity.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378. If the work associated with the grant funding requires environmental review, staff will not proceed with the project until a review has been completed.

FISCAL IMPACT

Budgeted: No

Budget Year: 2024-25

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

This grant funding is not included in the current budget. However, the City already has established programs for Childcare Grants and DEI Business Grants as part of prior workplans. The Childcare Grant Program was funded on a one-time basis in the 2023-25 Financial Plan, so this funding would enable it to continue and expand into the next financial plan. The DEI Business Grant Program was also funded on a one-time basis, but the initial applications exceeded available funding by more than 300%, showing capacity for additional funding.

ALTERNATIVES

1. **Council could decide not to pursue any of the grant funding.** This action is not recommended by staff because this funding would support the continued funding and expansion of important work related to Council’s Major City Goals and strategic plan objectives.
2. **Council could direct staff to submit only one or two of the grant proposals.** Council should provide direction on which grant applications should be submitted.

ATTACHMENTS

- A - Letter of Interest – Childcare Grants
- B - Letter of Interest – Conference Center Project Plan
- C - Letter of Interest – DEI Small Business Grant Program