

COASTAL CONSERVANCY

Staff Recommendation
June 6, 2024

SANTA CRUZ HOSTEL RENOVATIONS - AUGMENTATION

Project No. 22-013-01
Project Manager: Erin Gravley

RECOMMENDED ACTION: Consideration and authorization to disburse up to \$160,000 to the Santa Cruz Hostel Society to augment the Conservancy funding previously authorized on September 22, 2022 to plan and implement renovations to the Santa Cruz Hostel in the City of Santa Cruz, Santa Cruz County.

LOCATION: Beach Hill neighborhood, City of Santa Cruz, Santa Cruz County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [September 22, 2022 Staff Recommendation](#)

RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes the disbursement of one hundred sixty thousand dollars (\$160,000) to the Santa Cruz Hostel Society (“the grantee”) to augment the Conservancy funding previously authorized on September 22, 2022 for a total authorized amount of six hundred sixty-eight thousand dollars (\$668,000) to plan and implement renovations to the Santa Cruz Hostel in the City of Santa Cruz, Santa Cruz County, subject to the conditions of the September 22, 2022 authorization.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization remains consistent with Chapter 10 of Division 21 of the Public Resources Code, regarding Lower-Cost Coastal Accommodations.

2. The proposed project remains consistent with the current Conservancy Project Selection Criteria.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$160,000 augmentation to its existing grant to the Santa Cruz Hostel Society to implement improvements to the Santa Cruz Hostel (Hostel) in the City of Santa Cruz for a total grant amount of \$668,000. The original grant was authorized by the Conservancy on September 22, 2022 (see Exhibit 2). The project will make improvements to the Hostel, which is one of the few lower-cost coastal accommodations in Santa Cruz and which is located near to many popular coastal attractions including Santa Cruz Main Beach, Santa Cruz Beach Boardwalk, and the Santa Cruz Municipal Wharf. The improvements will create additional and substantially improved lower-cost accommodations for visitors wishing to enjoy coastal Santa Cruz. See Exhibit 2 for more details.

Increased costs due to inflation and an unanticipated permitting requirement have made the project more costly than originally estimated. As the Hostel remains one of the few lower-cost overnight coastal accommodations in Santa Cruz, staff recommends providing the additional funds to complete the project as proposed. Original cost estimates for the project were developed in Spring 2022. The permitting process delayed the project, resulting in increased project costs due to inflation and increased costs of construction. In addition, the budget has increased due to additional water system upgrades required by the City of Santa Cruz for issuance of the project's building permit. This work includes upgrading the water meter and water service line to accommodate the renovations to the cottages.

Construction of the project is expected to commence in May 2024 and be completed in its entirety by the end of 2024. The first elements of the project underway are the upgrades to communal kitchen facilities and the conversion of an existing storage shed to a private-room cottage. The other project elements, including renovating shared bathrooms to private bathrooms and ADA-improvements to Hostel walking paths, are expected to commence in Fall 2024 after the Hostel's busy summer season concludes. As part of the project, the grantee completed an Outreach Plan intended to increase the number of visitors from the Central Valley and has allocated its own funds to begin implementation of the Outreach Plan in Winter 2024, which will include drafting advertisements, including in Spanish and Hmong, to be distributed over radio, digital media, and print media in Fresno County and targeting outreach to groups such as Girl Scouts, Boy Scouts, and Boys and Girls Clubs in the Central Valley who could make use of the Hostel's low-cost group accommodations.

Site Description: See Exhibit 2.

Grant Applicant Qualifications: See Exhibit 2.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA:

The proposed project remains consistent with the Conservancy’s Project Selection Criteria, last updated on September 23, 2021, as described in the September 22, 2022 staff recommendation (Exhibit 2).

PROJECT FINANCING

Coastal Conservancy (proposed authorization)	\$160,000
Coastal Conservancy (previous authorization)	\$508,000
Santa Cruz Hostel Society	\$115,334
Project Total	\$783,334

The anticipated source of Conservancy funding is an appropriation to the Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68, Public Resources Code Sections 80000- 80173). Chapter 9 of Proposition 68 (Section 80120-80121) allocates funds to the Conservancy to enhance and protect coastal and ocean resources, and, in particular, to grant funds to public agencies and nonprofit organizations for lower-cost coastal accommodations (Public Resources Code Section 80120 (b)). Consistent with the purposes of this funding source, the project includes creation of additional accommodations and renovations to restroom and kitchen facilities to improve the Hostel’s lower-cost overnight coastal accommodations. The project will be carried out in accordance with Chapter 10 of Division 21 regarding lower-cost coastal accommodations (see “Consistency with Conservancy’s Enabling Legislation” section below).

Santa Cruz Hostel Society will provide an additional \$16,673 to the project to address the increased costs necessitating this augmentation, which augments their previously committed contribution of \$98,661. In addition, the Santa Cruz Hostel Society’s Board of Directors is contributing a significant number of work hours to the development, planning, and implementation of the project.

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy’s Enabling Legislation as described in the September 22, 2022 staff recommendation (Exhibit 2).

CONSISTENCY WITH CONSERVANCY'S [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 2.7 Explore the Coast Overnight**, the proposed project will create an additional private cottage at the Santa Cruz Hostel for lower cost overnight accommodations.

CEQA COMPLIANCE:

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15301, which exempts the repair, maintenance, and minor alteration of existing facilities when the project involves “negligible or no expansion of existing or former use.” The project has been revised slightly to include water system upgrades as required by the building permit, but remains categorically exempt under Section 15301.