



DATE: March 19, 2024
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT Adopt a Resolution Authorizing the City Manager to Accept and Appropriate \$2,500,000 in State Funds for Construction of the Stack Center Phase II

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to accept \$2,500,000 in State funds for construction of the Stack Center Phase II.

SUMMARY

Community members and elected officials have long held the dream of building a new South Hayward Youth and Family Center at the corner of Tennyson and Ruus Roads, referred to as the Stack Center. For the past ten years, the City and its partners have worked to raise funds and define the vision for this Center.

The City has received a grant from the State’s Department of Housing and Community Development for \$2,500,000 for the construction of the Stack Center Phase II. Staff recommends that the Council authorize the City Manager to accept and appropriate these grant funds for the Stack Center construction.

BACKGROUND

Below is a list of major milestones for the Stack Youth and Family Center Project over the past ten years:

- In July 2014, the County Board of Supervisors allocated \$9.6 million from District 2’s share of one-time residual property tax funds for the Stack Center.
- In 2015, the City, Alameda County, and the Hayward Area Recreation and Park District (HARD) formed the Stack Center Governance Group to guide the project and obtain the necessary resources.
- In June 2015, the County Board of Supervisors approved the acceptance of a \$5 million grant from the Kaiser Regional Foundation. This total funding amount of \$14.6 million was reduced by approximately \$600,000 to help fund Mia’s Dream Park, which is located on parcels abutting the Stack Center project site.
- In September 2016, the Stack Center Governance Group issued a Request for Qualifications for Facility Operator and Administrator Services.

- On March 27, 2018, Council authorized the City Manager to execute a facility operator agreement with La Familia and Eden Youth and Family Center (EYFC).
- In June 2018, the City issued a Request for Proposals (RFP) for Phases I and II of the project: a community analysis, creation of a building program, and preliminary design. The City received eight proposals. The Stack Center Governance Group evaluated each proposal and ranked RDC as the highest.
- On February 5, 2019, Council authorized the City Manager to execute a professional services agreement with RDC for Phases I and II work and accept \$500,000 from Alameda County to cover the cost of the agreement.
- On June 16, 2020, Council authorized the City Manager to execute a professional services agreement with RDC for architecture and engineering services and accept \$2,870,000 from Alameda County to cover the cost of the agreement.
- On July 31, 2021, the partners held an open house at the Future Center and launched the fundraising campaign.
- On January 5, 2022, Council accepted a grant of \$1 million in State of California general funds for Phase I construction.
- On July 5, 2022, Council authorized the City Manager to execute a professional services agreement with Kitchell for construction management services for the Stack Center in an amount not to exceed \$520,000.
- On October 25, 2022, Council adopted resolutions authorizing the City Manager to accept \$1,500,000 in federal grant funds and to execute grant agreements for federal and state funds for the Stack Center.
- On December 6, 2022, Council adopted a resolution authorizing the City Manager to accept \$8,558,902 in state library grant funds for construction of the Stack Center and to execute associated grant agreements.
- On March 7, 2023, Council adopted a resolution authorizing the City Manager to negotiate and execute an amendment to the agreement with AEI Consultants for environmental investigation services to support the Stack Center project by increasing the Not-to-Exceed amount of the agreement from \$59,950 to \$200,000.
- On June 20, 2023, Council adopted a resolution approving the plans and specifications and call for bids for The Stack Center – Phase I project.
- On December 12, 2023, Council adopted a resolution awarding a construction contract to Rodan Builders, Inc, for The Stack Center-Phase I project.
- On February 8, 2024, the City held a groundbreaking and mural unveiling ceremony to celebrate the start of the first phase of construction.

DISCUSSION

In Spring 2022, the City and its partners discussed splitting the Stack Center project into two or more phases to use grant funds in the near term rather than prolonging construction while the City secured funding for the full project. On May 3, 2022, Council approved the approach of phasing the construction and directed staff to prepare documents for Phase I construction.

Phase I scope includes outdoor improvements such as two parking areas, the Community Event Plaza and two tot yards for the childcare center. The indoor improvements within the MJCC will include the classroom spaces to convert them into a childcare center with child-appropriate restrooms.

Phase I includes demolishing the building that is currently occupied by Alameda County of Education’s (ACOE) program for students who have not been successful in traditional school settings. Staff is working with ACOE to identify temporary locations during construction. Once Phase I is complete, Kidango’s affordable childcare programming will move to the MJCC, which will allow the City to demolish the existing Kidango building as part of Phase II construction.

To date, Council has accepted four state and federal grants as shown in the table below. The State Department of Housing and Community Development grant provides an additional \$2,500,000 towards the Stack Center Phase II construction. Staff is requesting Council adopt a resolution to accept these grant funds and appropriate them towards the project.

State and Federal Grants	Grant Amount	Phase
Clean California - Caltrans	\$2,647,000	Phase I
State of CA Natural Resources Agency	\$1,000,000	Phase I
Federal Dept of Housing & Urban Development	\$1,500,000	Phase I
State Library Building Forward Infrastructure	\$8,558,902	Phase II
State’s Housing and Community Development	\$2,500,000	Phase II
Total State and Federal Grants	\$16,205,902	
Other Funding Sources		
Alameda County (including \$5 M from Kaiser)	\$14,000,000	Phase I & II
City ARPA Funds	\$2,000,000	Phase I
City General Funds	\$100,000	Phase I
La Vista Developer Contribution	\$1,500,000	Phase I & II
Total Funding including Grants	\$33,805,902	

The estimated cost and funding gap for the full project is shown on the next page. The cell highlighted in yellow indicates the funding gap for Phase II, which is the largest construction phase. Phase II includes the demolition of the existing Eden Youth and Family Center, construction of the full core and shell of the new building, and the build out of the first-floor spaces. The first-floor spaces include classroom spaces, the tech lab, the literacy lab, the makers' space, a multipurpose events space that will be wired to host hybrid Council meetings, a café, and three community meeting rooms.

Construction Phase	Estimate Cost	Funding Gap
Design and Permits	\$5,500,000	\$0
Phase I – MJCC and South Campus Outdoor Elements	\$8,403,000	\$0
Phase II – Core and Shell & First Floor Spaces	\$34,232,000	\$14,329,098
Phase III – Second Floor Health Clinic Spaces	\$5,306,000	\$5,306,000
Phase IV – North Campus Outdoor Elements	\$5,255,000	\$5,255,000
Total Estimate Cost and Funding Gap	\$58,696,000	\$24,890,098

FISCAL IMPACT

The State Department of Housing and Community Development grant provides an additional \$2,500,000 towards the Stack Center Phase II construction. To accept these grant funds, staff is requesting the Council adopts a resolution to accept and appropriate these grant funds towards the project. There is no match required for this grant, so accepting this grant will have no impact on y the General Fund or any other City fund.

STRATEGIC ROADMAP

This agenda item supports the Strategic Roadmap Priorities of “Invest in Infrastructure” and “Enhance Community Safety and Quality of Life”. Specifically, this item relates to the implementation of the following project(s):

- N9: Break ground on the Stack Center and continue fundraising for project needs.
- Q21: Work with partners to design programming for the future Stack Center Community Event Plaza

NEXT STEPS

If approved, the City Manager will be authorized to accept grant funds, and appropriate them to the Stack Center. Staff will prepare a work session for Council on the full Stack Center project and funding gap in the spring of 2024.

Prepared by: Irene Perez, Management Analyst
 Mary Thomas, Assistant to the City Manager

Recommended by: Regina Youngblood, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager