



## **AGENDA SUMMARY EUREKA CITY COUNCIL**

**TITLE:** Community Connection EV Charging Grant Award

**DEPARTMENT:** City Manager

**PREPARED BY:** Miles Slattery

**PRESENTED FOR:**           Action            Information only            Discussion

### **RECOMMENDATION**

1. Reject the Charging and Fueling Infrastructure (CFI) Discretionary Grant due to insufficient funding for a match; and
2. Direct staff to pursue upcoming Charging and Fueling Infrastructure (CFI) Discretionary Grant Notice of Funding Opportunity (NOFO) while ensuring the necessary match requirement through other non-federal grants.

### **FISCAL IMPACT**

No Fiscal Impact            Included in Budget            Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

- Effective Governance and Communication

### **DISCUSSION**

On June 8th, 2023, the Public Works Department applied for a grant through the Federal Highway Administration Department of Transportation's Charging and Fueling Infrastructure Discretionary Grant opportunity. The proposed project aimed to create 14 new electric vehicle (EV) charging sites.

In January of 2024 the City was notified that the application was successful in the amount of \$1,905,200 for environmental, design and construction. The funding agency requires a City match of twenty percent (20%) or \$476,300 (\$400,000 hard match and \$76,000 staffing match).

When staff initially applied for the CFI Grant, the source of funding for the required match was planned to be the City's non-streets infrastructure funding. However, that funding was significantly reduced in order to address the Fiscal Year 2024-25 deficit

and has since been allocated for this fiscal year. Once notified of the award, staff researched and pursued non-Federal grant funding between January 2024 and August 2024. Staff was not able to secure the necessary hard match funding of \$400,000.

The City has until July 2026 to secure the necessary hard match funding. Staff has researched both non-Federal grant funding and potential budget allocations from next (2025-26) fiscal year. The grants that have been researched are all pending and there is no guarantee that the City will be successful in the competitive process, and, based on financial projections and the pending lease revenue bond in FY 2025-26, it would be irresponsible to assume \$400,000 would be available to provide a local match.

The Federal Highway Administration Department of Transportation passes CFI funding through our local Caltrans division to assist in documentation review and funding reimbursement. Staff has reached out to both the FHAW and Caltrans, to discuss the City's situation. They have both made it clear that the City would have to reimburse FHWA for \$1,905,200 in Federal funding if the match is not satisfied. They have also stated that the City can reject the offer for the funding, no problem. There would be zero repercussions. They also stated that the City could apply for CFI funding in the future and be selected. Rejecting the grant award now would have no bearing on a future grant competition.

Staff recommends that Council rejects the CFI Discretionary Grant and direct staff to pursue upcoming CFI Discretionary Grant NOFO while ensuring the necessary match requirement through other non-federal grants. The CFI grant program has \$2.5 billion allocated for a five-year program. This year is only the second year of the program.

**REVIEWED AND APPROVED BY:**

- City Attorney  
City Clerk/Information Technology
- Community Services
- Development Services  
Finance
- Fire
- Human Resources
- Police
- Public Works