



# County of Monterey

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: 25-536

August 11, 2025

Introduced: 7/3/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a presentation on development options for the 1281 Broadway, Seaside Community Benefits Office Replacement Project; and
- b. Provide direction to staff for the scoping and financing options for the Project as staff begins the Fiscal Year (FY) 2025-26 Capital Improvement Program.

### RECOMMENDATION:

It is recommended that the Capital Improvement Committee:

- a. Receive a presentation on development options for the 1281 Broadway, Seaside Community Benefits Office Replacement Project; and
- b. Provide direction to staff for the scoping and financing options for the Project as staff begins the Fiscal Year (FY) 2025-26 Capital Improvement Program.

### SUMMARY:

The 1281 Broadway, Seaside Community Benefits Office Replacement Project (Project) was identified in the 5-year Capital Improvement Program (CIP) as a priority and funded project by the Board of Supervisors in Fiscal Years 2023, 2024 and 2025 to continue with the design of a proposed four-story replacement facility and associated parking garage to include space for the Department of Social Services (DSS), Monterey County Free Libraries (MCFL), District Attorney (DA) Family Justice Center, space for community meetings and relocation if needed of the existing Casa de Noche Buena Shelter to an offsite location. Since the Project's initial funding allocation in the FY 2023 CIP for the planning and programming phase, a total of \$5.3 million has been allocated to the project to complete design, environmental, permitting and cost estimating. From July 2024 through November 2024, staff continued to work with architectural and engineering consultants to complete construction design documents which were 75% complete. Approximately \$1.8 million is remaining to complete 100% design, environmental and permitting.

On November 12, 2024, the County Administrative Office's (CAO) Budget and Analysis Division presented funding options for priority County CIP projects including the 1281 Broadway Community Benefits Replacement Project, which was estimated to cost \$112 million. During this meeting, the project was not prioritized for funding and staff were directed to review alternative lower cost design options focused on either renovating the existing facility or construction of a smaller scale facility.

This report provides background on project planning and design efforts to date and discusses seven (7) development options and associated costs for the Capital Improvement Committee's consideration and direction. All seven (7) development options allow for the existing Casa de Noche Buena shelter to remain in its current location.

Public Works, Facilities and Parks (PWFP) staff seeks direction from the Capital Improvement Committee to move forward with redesign of the Project in FY 2025-26. Staff anticipates the remaining re-design, environmental due diligence, permitting and final cost estimate to be completed by June 30, 2026, when staff will return to the Board to review funding options for the construction phase.

**DISCUSSION:**

***Existing Site Description***

The existing 1.74-acre County owned site at 1281 Broadway includes two buildings: a 13,000 sq ft, two story wood frame and tile roof facility built in 1975 that is currently occupied by DSS, and a 5,400 sq ft modular facility that is currently occupied by Casa de Noche Buena family shelter. Casa de Noche Buena operators completed a \$2,000,000 major renovation in 2019 and a 10-year deed restriction was recorded with the County of Monterey in 2020 for continued use of the site for the shelter operations.

The DSS Community Benefits facility serves residents throughout the County of Monterey and provides access to various services including CalWORKs, CalFresh, Medi-Cal, General Assistance and Cal Learn as well as access to an onsite Child Support Services Officer three days a week. A staff of 60 to 70 employees address an average of 19,920 active cases per month, serving 33,680 individual case members monthly.

Casa de Noche Buena is operated by Community Human Services (CHS), a public nonprofit and Joint Powers Authority serving the County of Monterey, and Gathering for Women, a nonprofit charitable organization. CHS and Gathering for Women are both tax exempt pursuant to Internal Revenue Code section 501(c)(3). The facility serves up to 35 residents in a home-like setting and has a long waiting list for occupancy.

***FY2023 Facility Assessments and Planning Phase***

In June 2022, the Board of Supervisors (Board) approved the FY 2022-23 Capital Improvement Program, which allocated \$250,000 for preliminary planning and programming for the 1281 Broadway, Seaside Community Benefits Office Replacement Project.

As part of the preliminary planning phase, PWFP staff engaged a project architect and engineering team from Nichols, Melburg & Rosetto (NMR) to conduct a comprehensive facility assessment and begin space programming with County staff. NMR reviewed the overall site plan, floor plan, building envelope, accessibility, structure, mechanical, electrical and plumbing systems. NMR determined that the facility had deficits in all aspects of its functional planning and building systems and did not have enough space for DSS to operate efficiently.

From July 2022 through June 2023, NMR conducted preliminary programming, scoping and estimating for the project which culminated in the preliminary design for a 3-story facility and associated parking to serve DSS and the MCFL Seaside Branch and provide flexible community meeting space. The preliminary cost estimate was \$68 million.

***FY2024 and FY2025 Design and Permitting Phase***

On June 12, 2023, the Board approved the FY 2023-24 Capital Improvement Plan which allocated an additional \$2.95 million for continued design, engineering, environmental and permitting tasks for the 1281 Broadway, Seaside Community Benefits Office Replacement Project. PWFP engaged architectural consultant NMR to continue design services through permitting.

From July 2023 to June 2024, PWFP staff worked in collaboration with staff at DSS and MCFL to complete programming and design activities. During this process, a request emerged from the DA to incorporate space for a family justice center within the facility. With the added space program, a need also emerged to accommodate possible relocation of the shelter due to onsite parking requirements.

The new building design concepts included community spaces, meeting rooms and outdoor public spaces for community programming. The Community Service Center was to serve as a one-stop location for customers to secure public benefits, employment services, adult services, and family and children's services. The Seaside Branch Library was to include spaces for children's programming and family activities. The Family Justice Center was to provide a safe and convenient location for victim advocate services. Flexible workspaces were programmed for WIC nutrition classes, DSS eligibility assessments, Health Department services and Behavioral Health services. Multipurpose community spaces and meeting rooms were to be available for community-based organizations, resource classes, and hosting public forums. The facility was designed to serve as a center for a broad spectrum of community engagement and wellbeing.

During the January 18, 2024, Capital Improvement Committee meeting, PWFP staff presented a status report on the design of a 64,500 sq ft four-story replacement building and an adjacent 250-space parking structure to accommodate the DSS, DA Family Justice Center and the MCFL Seaside Branch. This proposed design indicated that to meet parking requirements for the added department and community programs, the adjacent Casa de Noche Buena shelter would need to be relocated. Therefore, the project also included programming and space planning with the Casa de Noche Buena Shelter staff for an eventual offsite shelter location. The total estimated cost for that design including the shelter relocation was \$112 million.

On February 28, 2024, a town hall meeting was held at the Oldemeyer Community Center in Seaside. During this meeting, proposed development concepts were presented by PWFP staff, NMR, and representatives from various County Departments. Casa de Noche Buena participated in the meeting.

In June 2024, the Board approved the Capital Improvement Program for FY 2024-25, which increased the total funding allocation to \$5.3 million to complete design, permitting and cost estimating tasks for the 1281 Broadway, Seaside Community Benefits Office Replacement Project.

On October 8, 2024, PWFP staff provided a presentation to the Board regarding prioritization for funding of the top capital projects including the 1281 Broadway, Seaside Community Benefits Office Replacement Project. The design was 75% complete and the estimated cost was \$112 million.

On November 12, 2024, the County Administrative Office (CAO) presented a report regarding financing options for priority capital improvement projects identified by the Board. The 1281

Broadway, Seaside Community Benefits Office Replacement Project was not selected for priority funding during this meeting. Staff were directed to develop alternative facility development options that were less costly and did not displace the adjacent Casa de Noche Buena shelter.

### ***Alternative Facility Development Options***

Staff has since worked with design consultants to develop seven alternative facility development options. All seven options allow for the existing Casa de Noche Buena shelter operations to remain in place. Staff also conferred with consultants from the Gensler Facility Master Plan team to review estimated financing costs for each option which are summarized below (see Attachment A). The cost comparison assumed that 80% of DSS' annual interest payments for DSS-occupied space on a Lease Revenue Bond could be reimbursed, or 80% of gross lease costs could be reimbursed.

**Option One** - Renovate the existing two-story 13,000 sq ft facility to accommodate existing DSS services at a total estimated project cost of \$16.7 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, the average monthly cost is estimated to be \$6.96/sq ft or a cumulative cost of \$21,700,361 (See Attachment A for details).

- **Pros:** This option would extend the useful life of the facility, address required code upgrade and repair needs and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option does not meet the current or future space needs of DSS and would not include space for MCFL or the DA Family Justice Center.

**Option Two** - Develop a 30,352 sq ft, two-story facility by renovating and adding on to the existing facility at a total estimated project cost of \$42.9 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$8.17/sq ft or a cumulative cost of \$59,490,364 (See Attachment A for details).

- **Pros:** This option would meet the DSS current and future 10-year needs, include a 1,000 sq ft MCFL satellite library space and 2,000 sq ft shared community space and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option has a less efficient use of space and does not optimize the public serving lobby space due to physical constraints of the existing facility structure and would not accommodate the DA Family Justice Center

**Option Three** - Demolition of the existing facility and the development of a new two-story 28,018 sq ft facility that provides space for DSS and an MCFL satellite library at a total estimated project cost of \$43.8 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$8.73/sq ft or a cumulative cost of \$58,726,718. This average monthly cost per square footage is higher because of the higher initial cost per square footage compared to Option Two. (See Attachment A for details).

- **Pros:** This option provides for more efficient use of space to meet DSS' current and 10-year space needs with a lower cumulative cost compared to Option Two which would renovate

and add on to the existing facility and Casa de Noche Buena shelter operations can remain in place.

- **Cons:** This option would not accommodate the DA Family Justice Center.

**Option Four** - Demolition of the existing facility and the development of a new three-story 46,500 sq ft facility with underground parking that provides space for DSS, MCFL, and a shared community space at a total estimated project cost of \$75.1 million (excluding financing). This option represents the initial vision of the project before adding the DA Family Justice Center. After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$10.02/sq ft or a cumulative cost of \$111,803,944,682 (See Attachment A for details).

- **Pros:** This option would meet the DSS current and future 10-year needs and provide a full library space and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option would require a parking requirement variance from the City of Seaside to use 64 offsite parking spaces. This option would not accommodate the DA Family Justice Center.

**Option Five** - Provides for a long-term lease of a 13,900 sq ft facility located at 915 Hilby Avenue, Seaside, to accommodate existing DSS services. If DSS moves to this location, the County would need to identify the future use of the 1281 Broadway facility. The cumulative 20-year cost for DSS to lease the 915 Hilby Avenue facility assuming an 80% DSS reimbursement rate is estimated to be .80/sq ft or \$2,668,800 (See Attachment A for details).

- **Pros:** Cost effective alternative to Option One that provides the same square footage as the existing 1281 Broadway facility without the \$16.4 million (excluding financing) renovation cost and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option does not meet DSS' current and future 10-year space needs and would not provide space for MCFL and DA Family Justice Center services.

**Option Six** - Provides for a long-term lease at 915 Hilby Avenue, Seaside, to include tenant improvements, renovation and parking adequate to meet DSS 10-year space needs. The County would execute a long-term lease with the property owner prior to renovation so that the owner has the option to use the County's lease and the property as collateral to seek development funding. After factoring an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$2.00/sq ft or a cumulative cost of \$12,566,400 (See Attachment A for details).

- **Pros:** Meets DSS' current and future 10-year space needs and would not require the County to invest in up front renovation costs and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** Requires the identification of off-site parking and would not provide space for MCFL and DA Family Justice Center services.

**Option Seven** - Acquisition and remodel of an available nearby building at 2959 Monterey Salinas Highway (State Route 68) in Monterey for an estimated \$28.9 million (excluding financing). This

building provides nearly 75,500 square feet which can accommodate DSS and other County functions as identified in the Facility Master Plan. After factoring a 2% up front cost of financing, as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$3.27/sq ft or a cumulative cost of \$59,341,828 (See Attachment A for details).

- **Pros:** Cost effective alternative to the currently designed \$112 million (excluding financing) 64,500 sq ft four-story replacement building and adjacent 250-space parking structure at 1281 Broadway, Seaside, designed to accommodate DSS, the DA Family Justice Center and the MCFL Seaside Branch. Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This facility is not located in the City of Seaside and lacks adequate public transportation required for clients to easily access services.

PWFP Staff seeks the Capital Improvement Committee's support to move forward with redesign of the Project based on one of the seven options discussed above using the remaining \$1.8 million of funding that has been previously allocated for the project. Staff anticipates the design, environmental, permitting and final cost estimate to be completed by June 30, 2026. Staff will return to the Board to review funding options for the construction phase.

#### OTHER AGENCY INVOLVEMENT:

Key personnel from PWFP, DSS, MCFL, DA and Casa de Noche Buena have contributed significant staff hours to the development of space programming and site development to date. PWFP conferred with DSS, MCFL and the CAO's Office regarding the most recent facility development options. This item is anticipated to be brought to the Board of Supervisors at one of their next available meetings by the fall of 2025.

#### FINANCING:

The Capital Improvement Committee's direction will guide staff in the development of the FY 2025-2026 CIP Five-Year Plan. Staff would use the estimated remaining \$1.8 million of funding that has been previously allocated for the project to resume design activities for the project. There is no financial impact at this time. PWFP staff reviewed available financing opportunities with the CAO's Budget and Analysis Division that could be available for the construction phase of the seven development options presented in this report. Available financing options include using debt financing, grants, Fund 404, or any combination of these options. Staff estimates that DSS can finance up to 80% of the cost associated with DSS occupied space under a lease option or 80% of the annual interest on a revenue bond and depreciation. The added cost to the County will vary based on the selected development option (See Attachment A: 1281 Broadway Options Annual Cost Comparison)

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Attachment:

Attachment A - 1281 Broadway Options Annual Cost Comparison