

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

October 18, 2011

Agenda Item: 6.3

Subject: Approval to Participate in the State Capital Outlay Grant Financing Program for Building 1800, Chabot College

Background: In recent years the State's cash flow problems have led to delays in reimbursing districts for claims submitted for State-funded capital outlay projects. A new pilot grant financing program established by the State Chancellor's Office provides funding to the district of 90% of the estimated first year cost of construction.

These funds are placed in a separate interest bearing account. The remaining 10% is retained by the State until the project has reached an agreed completion point. At that time the District will submit a letter requesting release of the remaining 10% funding. The 10% would then be remitted to the District. The District will retain all interest earnings and the State Chancellor's Office will reduce the retention payment by the amount of the interest earnings based on the terms of the grant. If interest earnings exceed all retention amounts, the District will then remit the difference as unused funds that will be returned to the program. Participation in the Capital Outlay Grant Financing Program will assist the District with the project cash flow.

Recommended Action: That the Board of Trustees approves the District to Participate in the State Capital Outlay Grant Financing Program for Building 1800 at Chabot College.

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Submitted: Jeffrey M. Kingston/Date

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Approved: Joel L. Kinnamon/Date

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