

STAFF REPORT



ITEM NO. **30**
CITY OF OCEANSIDE

DATE: July 12, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL OF A LOAN AGREEMENT WITH CASA DE AMPARO IN THE AMOUNT OF \$100,000 OF FY 2006-07 COMMUNITY DEVELOPMENT BLOCK GRANT CONTINGENCY FUNDS FOR ACQUISITION OF MODULAR UNITS AND FURNISHINGS FOR A CHILD DEVELOPMENT CENTER AT IVEY RANCH PARK**

SYNOPSIS

Staff recommends that the City Council approve a loan agreement with Casa de Amparo in the amount of \$100,000 of FY 2006-07 Community Development Block Grant contingency funds for the acquisition of modular units and furnishings for a child development center at Ivey Ranch Park; authorize the City Manager to sign and execute the loan agreement with Casa de Amparo; and amend the FY 2006-07 Action Plan of the 2005-2010 Consolidated Plan for Housing and Community Development to add this activity.

BACKGROUND

Casa de Amparo was founded in 1978 and incorporated in 1979 as a non-profit public benefit corporation for the primary purpose of providing programs for the care of abused children, and an educational program for those who are, or could be, affected by family violence. The specific goal of Casa de Amparo is to develop effective programs for child abuse prevention, intervention, and treatment, and to educate victims and the general public about family violence. Casa de Amparo has served more than 5,000 abused, neglected or abandoned children and their families since its inception.

Casa de Amparo manages a residential Crisis Center providing housing, care and supportive services for children and youth age 0 up to age 18. This 24-hour emergency shelter offers food, clothing, medical care, therapy and schooling for the children until an alternative home can be found. Casa de Amparo is currently working on plans for a new and expanded shelter. The City has regularly allocated Community Development Block Grant (CDBG) public services funds to Casa de Amparo for the Crisis Center.

Casa de Amparo manages a child development center that provides therapeutic daycare and preschool for children 18 months to five years who are at risk of abuse, neglect or domestic violence, and counseling and case management services for their families. Casa de Amparo provides family support services with specialized counseling,

education and supervised family visitation, which offers a safe place for children and families that have been referred by the court system to visit and receive support. The child development center is currently located at the Melba Bishop Recreation Center. Casa de Amparo declared its intention five years ago to find a new location for the center with expanded space for both the child development center and family services.

The City Council has approved a lease agreement with Casa de Amparo to use a portion of Ivey Ranch Park for the child development center. The Planning Commission has approved a conditional use permit and plans for the project. Casa de Amparo has completed predevelopment work for the project and is ready to sign a contract to acquire modular units that will meet licensing requirements of the Department of Social Services. The City of Carlsbad has allocated FY 2006-07 CDBG funds for the project.

ANALYSIS

Casa de Amparo is prepared to move forward on construction of a new child development center at Ivey Ranch Park, and has requested \$100,000 of CDBG funds from the City of Oceanside. Development of childcare facilities to serve abused and neglected children is an eligible activity under CDBG regulations. The City's policy for allocation of more than \$50,000 of CDBG funds for a capital improvement project is to extend the funds as a loan, and Casa de Amparo has agreed to sign a loan agreement for the amount; the loan will be forgiven over ten years.

The new child development center at Ivey Ranch Park will complement and not interfere with other non-profit organizations already located there, including the Ivey Ranch Park Association and Canine Companions for Independence, and will still leave ample open space at the park. Casa de Amparo has signed a lease with the City for use of land at Ivey Ranch Park, which is owned by the City. Completion of the project will make space at Melba Bishop Recreation Center available for other programs and activities to serve residents of the North San Luis Rey Valley neighborhoods.

FISCAL IMPACT

The estimated available balance in the CDBG contingency fund as of June 30, 2006 is \$119,143. Staff is recommending a budget transfer from CDBG contingency (237.607900.5377) to Casa de Amparo Child Care Relocation (237.709357.5374). The allocation of CDBG funds to Casa de Amparo will have no impact on the City General Fund. The loan agreement stipulates that the loan will be forgiven over ten years, as long as the modular units are used for activities deemed eligible under CDBG regulations. Casa de Amparo receives state and county funding and private donations for operation of the child development center.

COMMISSION OR COMMITTEE REPORT

The 2006 CDBG ad hoc Application Review Committee completed its work and submitted recommendations to the City Council in March 2006. The ad hoc Committee does not review mid-year allocations of CDBG funds. Since the allocation of funds constitutes a substantial change to the FY 2006-07 CDBG Action Plan, a public hearing

and approval by the City Council is required under HUD regulations and by the City's CDBG citizen participation plan

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

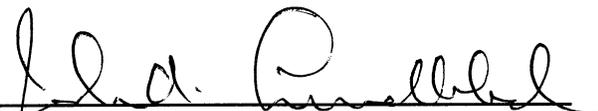
CITY ATTORNEY'S ANALYSIS

The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall approve, modify or deny the project. The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve a loan agreement with Casa de Amparo in the amount of \$100,000 of FY 2006-07 Community Development Block Grant contingency funds for the acquisition of modular units and furnishings for a child development center at Ivey Ranch Park; authorize the City Manager to sign and execute the loan agreement with Casa de Amparo; and amend the FY 2006-07 Action Plan of the 2005-2010 Consolidated Plan for Housing and Community Development to add this activity.

PREPARED BY:


John A. Lundblad
Management Analyst

SUBMITTED BY:


Barry E. Martin
Interim City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant to the City Manager



Margery M. Pierce, Director, Neighborhood Services



Nita McKay, Director, Financial Services



Doug Eddow, Real Property Manager

ATTACHMENTS

Loan Documents with Casa de Amparo

A LOAN AGREEMENT BETWEEN THE CITY OF OCEANSIDE and
Casa de Amparo
FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

THIS LOAN AGREEMENT (the "Agreement") is entered into by and between the City of Oceanside, a municipal corporation of the State of California, hereinafter "CITY", and Casa de Amparo, hereinafter "BORROWER".

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (41 USC 5301-5320) as amended (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the ACT to be used by the BORROWER as provided in its "Scope of Work", attached hereto as Exhibit "A" and incorporated herein by reference.
3. BORROWER represents that it shall perform the work as set forth in the Scope of Work pursuant to the "Budget", attached hereto to as Exhibit "B" and incorporated herein by reference.
4. CITY shall provide Community Development Block Grant ("CDBG") funds to the BORROWER in the amount set forth in the Budget, and pursuant to the terms of this agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

A. BORROWER'S OBLIGATIONS

1. Use of Funds BORROWER agrees to use all federal funds provided by CITY to BORROWER pursuant to the provisions of this Agreement, the Scope of Work, and Budget for said program. BORROWER's failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to BORROWER under Section B hereof.

BORROWER agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

BORROWER agrees to repay the loan in the amount of One Hundred Thousand dollars (\$100,000) in accordance with the terms and conditions of the promissory note, which is executed herewith along with the security agreement (the "Loan Documents").

BORROWER shall not use any funds received pursuant to this Agreement for the

purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement as set forth in the Certification Regarding Lobbying, attached hereto as Exhibit "C".

2. Scope of Work. BORROWER represents that the Scope of Work includes an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the CITY to effectively monitor performance under the Agreement.

3. Budget. BORROWER represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to CDBG funds pursuant to 24 CFR 502, which includes requirements for compliance with the following in addition to other requirements:

- a. If BORROWER is a governmental entity, Office of Management and Budget ("OMB") Circular Nos. A-87, A-128 (24 CFR Part 44), and with certain sections of 24 CFR Part 85; or
- b. If BORROWER is not a governmental entity, OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations" or OMB Circular No. A-21, "Cost Principles for Educational Institutions", as applicable, certain Attachments to OMB Circular No. A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations", and with certain sections of 24 CFR Part 84.

These items shall be in sufficient detail to provide a sound basis for the CITY to effectively monitor performance under the Agreement.

4. Records and Reports. The BORROWER shall maintain the following records and reports to assist CITY in maintaining its record keeping requirements:

- a. Records:
 - (1) Documentation of the income level of persons and/or families participating in or benefiting by the BORROWER'S program.
 - (2) Documentation of the number of persons and/or families participating in or benefiting by the BORROWER's program.
 - (3) Documentation of all CDBG funds received from CITY.
 - (4) Documentation of expenses as identified in the Budget.

(5) Any such other related records as CITY shall require.

b. Reports:

(1) Quarterly Performance Reports due October 15, January 15, and April 15 while the project is underway

(2) An annual Performance Report due July 30 while the project is underway

(3) A final performance report due thirty (30) days after the completion of the project

(3) Any other reports as CITY shall reasonably require.

5. Program Income. Transfers of grant funds by the CITY to the BORROWER shall be adjusted according to the principles described in 24 CFR 507.504 (c). The CITY may require remittance of all or part of any program income balances held by the BORROWER when this Agreement expires or received after this Agreement's expiration.

6. Uniform Administrative Requirements. The BORROWER shall comply with applicable uniform administrative requirements as described in 24 CFR 570.502(b).

7. Separation of Accounts. All funds received by BORROWER from CITY pursuant to this Agreement shall be maintained separate and apart from any other funds of BORROWER or of any principal or member of BORROWER.

8. Retention of Records. All accounting records and evidence pertaining to all costs of BORROWER and all documents related to this Agreement shall be kept available at BORROWER'S office or place of business for the duration of the loan agreement and thereafter for five (5) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the five (5) years until resolution or disposition of such appeals, litigation claims, or exceptions.

9. Compliance with Applicable Laws. BORROWER agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants). BORROWER also agrees to comply with all other applicable Federal, State and local laws, regulations, and policies governing the funds provided under this contract. The BORROWER shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The BORROWER shall ensure that the requirements of the National Environmental Policy Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

10. Construction Provisions. The terms and conditions of this section shall be applicable whenever any funds under this Agreement are used for construction purposes. Borrower agrees that the provisions of the Davis-Bacon Act, as amended, the Contract Work Hours and Safety Standards Act (CHWSSA), and the Copeland "Anti-Kickback Act" shall be a part of all construction contracts awarded by BORROWER pursuant to this Agreement, and all subcontracts thereto. SUBRECIPIENT agrees to include the following language in any Notice Inviting Bids (advertisement) and in any construction contracts issued by SUBRECIPIENT for the project, and all subcontracts thereto: "This project is funded in whole or in part with federal funds; Davis-Bacon prevailing wage requirements and reporting requirements will be enforced. If State funds are involved then the higher of the two wage rates will be enforced."

a. Inspections.

During normal business hours and, in the event of emergency, at any time, BORROWER shall permit CITY staff, inspectors and consultants to (1) enter upon the property and all portions thereof, (2) inspect the property and the materials to be used in connection with the project, and (3) examine all contracts, books, records, the Plans and Specifications (once the same have been prepared) and any shop drawings or other construction plans relating to the project, whether in the possession of the BORROWER, the General Contractor, or BORROWER's contractors, subcontractors, representatives or consultants, and make copies of any such items at BORROWER's expense.

b. Disbursement Payments

Cost shall be deemed to have been "incurred" by the project at the following times as to direct costs: when the labor has been performed or the materials have been delivered on site and incorporated into the project, payment therefor has been requested by the contractor, and such contractor or supplier is entitled thereto.

c. Construction Related Liens

BORROWER shall promptly discharge or cause to be discharged any mechanics' or materialman's liens or claims of lien filed or otherwise asserted against the property, the project, or any funds due the General Contractor or any other party with whom BORROWER may have a direct contract, or any stop notices received by the CITY, and BORROWER shall cause any proceedings for enforcement of the same to be promptly dismissed; except that BORROWER shall have the right to contest in good faith and with diligence the validity of any such lien or claim of lien. In the case of stop notices, BORROWER shall immediately provide to the CITY a bond from a surety acceptable to the CITY in its sole discretion and in form and amount sufficient to release such stop notice and otherwise in form and substance acceptable to the CITY. The CITY shall not be required to make any further disbursements until such mechanics' liens and all stop notices have been fully released or discharged or bonded against to the CITY's satisfaction.

If BORROWER fails to promptly discharge or contest liens, claims or stop notices and provide the bond, there is an adverse conclusion to any such contest and BORROWER does not cause any final judgment or decree to be fully satisfied and the lien or stop notice to be discharged, then, in either event, the CITY may, but shall not be required to, procure the release and discharge of any such lien or stop notice and any judgment or decree thereon, and in furtherance thereof, may, in its sole discretion, effect any settlement or compromise or furnish any security or indemnity as may be required.

11. Nondiscrimination Policy.

a. Provision of Program Services.

(1) BORROWER shall not on the ground of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with CDBG funds.

(2) BORROWER shall not under any program or activity funded in whole or in part with CDBG funds, on the ground of race, color, creed, religion, ancestry, national origin, sex, disability, age, marital/familial status, or status with regard to public assistance:

- (a) Deny any facilities, services, financial aid or other benefits.
 - (b) Provide any facilities, services, financial aid or other benefits that are different or are provided in a different form from that provided to others.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits.
 - (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit.
 - (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) BORROWER, in determining the site or location of housing or facilities provided in whole or in part with CDBG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the

ground of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, marital/familial status, or status with regard to public assistance, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.

- (4) Notwithstanding anything to the contrary in Sections A.11.a.(1)-(3), nothing contained herein shall be construed to prohibit any BORROWER from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination

- (1) BORROWER shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability, age, marital/familial status, or status with regard to public assistance. BORROWER shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. BORROWER agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- (2) BORROWER shall, in all solicitations or advertisements for employees placed by or on behalf of BORROWER, state that all qualified applications will receive consideration for employment without regard to race, color, creed, religion, ancestry, national origin, sex, disability, age, marital/familial status, or status with regard to public assistance.
- (3) BORROWER shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by CITY's contracting officers advising the labor union or workers' representative of BORROWER'S commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

- (4) BORROWER shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) BORROWER shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the related rules, regulations, and orders.
- (6) In the event of BORROWER'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and BORROWER may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) BORROWER shall include the provisions of Section A.10.b., "Employment Discrimination", paragraphs (1) through (6) in every sub-contract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each sub-contractor or vendor. BORROWER shall take such action with respect to any sub-contract or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for non-compliance; Provided, however, that in the event BORROWER becomes involved in, or is threatened with, litigation with a sub-contractor or vendor as a result of such direction by the CITY, BORROWER may request the United States to enter into such litigation to protect the interests of the United States.
- (8) BORROWER shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 USC 6101 et seq.) or with respect to any otherwise qualified disabled individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the Americans with Disabilities Act. BORROWER shall also provide ready access to and use of all CDBG fund assisted buildings to physically handicapped persons in compliance with the standards established in the Architectural Barriers Act of 1968 (42 U.S.C 4151 et seq.).

c. Remedies.

In the event of BORROWER'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and

BORROWER may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.

12. Ineligibility of BORROWER or Contractors. BORROWER shall not use CDBG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the BORROWER or such contractor under the provisions of 24 CFR Part 24.

13. Conflict of Interest. In the procurement of supplies, equipment, construction, and services by BORROWER, the conflict of interest provisions in Attachment O of OMB circular No. A-110 and 24 CFR 570.611 shall apply.

14. Condition for Religious Organizations. BORROWER shall comply with all applicable conditions prescribed by HUD for the use of CDBG funds by religious organizations if BORROWER is a religious organization.

15. Suspension and Termination. In accordance with 24 CFR 85.43, suspension or termination may occur if BORROWER materially fails to comply with any term of this Agreement and/or the award, and the Agreement and/or the award may be terminated for convenience in accordance with 24 CFR 85.44.

16. Reversion of Assets. Upon the termination or expiration of the term of this Agreement, the BORROWER shall transfer to the CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the BORROWER'S control that was acquired or improved in whole or in part with CDBG funds in excess of twenty-five thousand dollars (\$25,000.00) shall either be:

a. Used to meet one of the national objectives stated in 24 CFR 570.901 until five (5) years after termination or expiration of this Agreement, or for such longer period of time as determined to be appropriate by the CITY; or

b. Disposed of in a manner that results in the CITY's being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.16.a. of this Agreement.

17. Licensing. BORROWER agrees to obtain and maintain all licenses, registrations, accreditation, and inspections from all agencies governing its operations. BORROWER shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditation and inspections from all agencies governing BORROWER'S operations hereunder.

18. Inspection of Records. CITY and the United States Government and/or their representatives shall have access for purposes of monitoring, auditing, and examining BORROWER'S activities and performance, to books, documents and papers, and the right to examine records of BORROWER'S sub-contractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States Government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of BORROWER are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in Federal or State law. In the event BORROWER does not make the above-referenced documents available within the City of Oceanside, California, BORROWER agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

19. Independent Contractor. BORROWER'S relationship to the CITY shall be that of an independent contractor. BORROWER shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the City Manager. The BORROWER shall not be authorized to communicate directly with, nor in any way direct the actions of, any bidder or the construction contractor for this project without the prior written authorization by the City Manager. BORROWER shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. BORROWER shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.

20. Workers' Compensation. Pursuant to Labor Code section 1861, the BORROWER hereby certifies that the BORROWER is aware of the provision of section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the BORROWER will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

21. Liability Insurance.

- a. BORROWER shall, throughout the duration of this Agreement maintain comprehensive general liability insurance, and property damage insurance, or commercial general liability insurance, covering all operations of BORROWER, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

- b. BORROWER shall maintain liability insurance in all the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined General Liability Insurance	\$1,000,000
General Aggregate	\$2,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence	\$1,000,000
General limit project specific aggregate	\$2,000,000

<u>Automobile Liability Insurance</u>	\$1,000,000
---------------------------------------	-------------

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of BORROWER under this Agreement.

- c. If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the BORROWER to restore the required limits. The BORROWER shall also notify the CITY's Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the BORROWER'S work.
- d. All insurance companies affording coverage to the BORROWER for the purposes of this Section shall be required to add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed in accordance with this Agreement. Insurance coverage provided to the CITY of as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents and employees shall be excess only and not contributing with insurance provided pursuant to this Section.
- e. All insurance companies affording coverage to the BORROWER shall be insurance organizations authorized by the Insurance Commissioner of the State Department of Insurance to transact business of insurance in the State or be rated as A-VI or higher by A.M. Best Company, Inc.
- f. BORROWER shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

- g. BORROWER shall provide substitute certificate of insurance no later than thirty (30) days prior to the policy expiration date. Failure by the BORROWER to provide such substitution and extend the policy expiration date shall be considered a default by BORROWER and may subject each BORROWER to a suspension or termination of work under the Agreement.
- h. All insurance companies affording coverage shall provide thirty (30) days written notice to the City of Oceanside should the policy be canceled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- i. Maintenance of insurance by the BORROWER as specified in this Agreement shall in no way be interpreted as relieving the BORROWER of any responsibility whatsoever, and the BORROWER may carry, at its own expense, such additional insurance as it deems necessary.

22. BORROWER'S Indemnification of CITY. BORROWER shall indemnify and hold harmless the CITY and its officers, agents, and employees against all claims for damages to persons or property arising out of the conduct of the BORROWER or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except only for those claims arising from the sole negligence or sole willful conduct of the CITY, its officers, agents, or employees.

BORROWER'S indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the CITY, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. Further, BORROWER at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees.

23. Assignment and Delegation. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the BORROWER'S duties be delegated, without the express written consent of the CITY. Any attempt to assign or delegate this Agreement without the express written consent of the CITY shall be void and of no force or effect. Consent by the CITY to one assignment shall not be deemed to be consent to any subsequent assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

24. Timing Requirements. Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the City Manager within the time period stated in the Scope of Work.

B. CITY OBLIGATIONS

1. The Loan. CITY hereby agrees to grant a Loan to BORROWER and BORROWER hereby agrees to borrow from the CITY the sum of One Hundred

Thousand dollars (\$100000) to provide working capital to increase and/or enhance access to services provided by BORROWER.

2. The Note. The Loan shall be evidenced by a promissory note of even date herewith, signed by the BORROWER (the "Note"), payable to the order of the CITY. The Note and the books of Lender shall constitute sufficient evidence of the indebtedness of BORROWER to CITY.

3. Repayment Schedule. The Loan shall be repayable according to the terms of the Note executed in connection herewith.

4. Relationship of the Parties. BORROWER and CITY intend and agree that the relationship created under this Agreement shall be solely that of debtor and creditor. Nothing contained in this Agreement shall ever be construed as creating a joint venture, partnership, tenancy-in-common, joint tenancy, or co-ownership relationship between BORROWER and CITY. CITY shall never be deemed to have acquired any equity or ownership interest in the assets of BORROWER by virtue of any provision contained in this Agreement.

5. Payment of Funds. Payment shall be made to BORROWER through the submission of periodic invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that BORROWER is in compliance with the terms and conditions of this Agreement. Direct construction costs shall be deemed to have been incurred based upon the following: when the labor has been performed or the materials have been delivered on site and incorporated into the project; the payment has been requested by the contractor or supplier thereof; and such contractor or supplier is entitled to payment.

6. Audit of Account. CITY shall include an audit of the account maintained by BORROWER pursuant to Section A.8. of this Agreement in CITY's annual audit of all CDBG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS:

1. Termination of Agreement. CITY or BORROWER may terminate this Agreement by giving written notice to the other party thirty (30) days prior to effective date of termination. Additionally, the CITY shall have the right, in accordance with 24 CFR 85.43, to terminate this Agreement immediately or withhold payment of any invoice for failure of the BORROWER to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the BORROWER shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice. If the CITY finds that the BORROWER has violated the terms and conditions of this Agreement, the BORROWER may be required to:

- a. immediately repay all monies received from the CITY under this Agreement (plus interest at five percent [5%] per annum); and/or
- b. transfer possession of all materials and equipment purchased with LOAN to the CITY.

In the case of early termination, a final payment may be made to the BORROWER upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

2. Notices. All notices, demands, requests, consents, or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

TO CITY:
City of Oceanside
Neighborhood Services Department
Attn: CDBG Manager
300 N. Coast Hwy
Oceanside, CA 92054

TO BORROWER:
Casa de Amparo
Modular Buildings for Ivey Ranch CDC
Attn: Kathy Karpe
3355 Mission Avenue, Suite 238
Oceanside CA 92054-1303

Either party may change its address by notice to the other party as provided herein. Communications shall be deemed to have been given and received on the first to occur of (a) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (b) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

3. Entire Agreement. This Agreement comprises the entire integrated understanding between CITY and BORROWER concerning work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

4. Interpretation of the Agreement. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY. The BORROWER shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein. Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

5. Agreement Modification. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

6. Dispute Resolution. Any controversy or claim arising out of or relating to this agreement, or concerning the breach or interpretation thereof, shall be settled first by submission of the matter to mediation the cost of which shall be borne equally by the parties.

7. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the BORROWER and the CITY.

IN WITNESS WHEREOF the parties hereto for themselves, their executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed by setting hereunto their signatures this _____ day of _____, 2006.

Casa de Amparo

By *S. Delphenich*
Signature

S. Delphenich, Exec. Dir.
Print Name/Title

Signature

Print Name/Title

95-3315571
Federal Employer I.D. Number

(Notary acknowledgments of BORROWER must be attached.)

CITY OF OCEANSIDE

By _____
Barry E. Martin, Interim City Manager

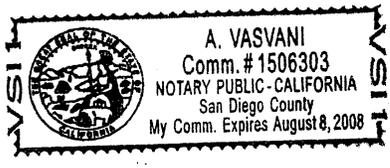
Robert Hamilton, ASST.
Approved as to form: City Attorney

ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of San Diego } ss.

On 06/20/06 before me, A. Vasvani, Notary Public
(DATE) (NOTARY)
personally appeared SHARON K. DELDENIGH
SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in his/her/their authorized capacity(ies), and that by ~~his/her/their~~ signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

NOTARY'S SIGNATURE

Effective January 1, 2006, the California certificate of acknowledgment must be in the form set forth in Civil Code section 1189, rather than "substantially" in the form set forth therein. The form set forth in Civil Code section 1189 did not change, but variations in the California form are no longer permitted. (The law regarding acknowledgments to be used with documents to be filed in other states has not changed (Civil Code § 1189(c)).

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER
- _____ TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____
- _____
- _____

DESCRIPTION OF ATTACHED DOCUMENT

_____ TITLE OR TYPE OF DOCUMENT

_____ NUMBER OF PAGES

_____ DATE OF DOCUMENT

_____ OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER



**Exhibit A
Scope of Work**

CONTRACT PERIOD: July 1, 2006 – June 30, 2007

BORROWER NAME AND ADDRESS:

Casa de Amparo
3355 Mission Avenue, Suite 238
Oceanside CA 92054-1303

PROJECT NAME:

Modular Buildings for Ivey Ranch CDC

PROJECT ADDRESS:

105 Rancho del Oro Drive
Oceanside CA

PROJECT DIRECTOR:

Kathy Karpe

TARGET POPULATION:

Children at risk of abuse and/or neglect (LMC)

PROJECT DESCRIPTION:

Acquisition of modular units for new child development center at Ivey Ranch Park

PROJECT OBJECTIVES:

1. Perform successful procurement, contracting and other project activities in a timely manner
2. Keep project within established budget and monitor acquisition and/or construction activity for successful completion of work within stipulated specifications
3. Perform and report on all monitoring required under Davis Bacon and Related Acts (DBRA) to ensure that the project conforms to wage determination regulations of the U.S. Department of Labor

PAYMENT REQUEST:

BORROWER's Project Manager shall submit Applications for Payment to the Neighborhood Services Department - Community Development Block Grant Program Manager (CONTRACT MANAGER).

CITY shall make four progress payments on account of the Contract Price and on the basis of BORROWER's Applications for Payment. Progress payments will be made respectively as recommended by CONTRACT MANAGER at such times as 25%, 50%, 75% and 100% of the work has been completed. Substantial completion shall be 100% of the work completed. Percentages of work completed shall be determined by the

CONTRACT MANAGER.

For construction projects: prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as CONTRACT MANAGER shall determine. CONTRACTOR agrees that no progress payments shall be paid until such time as all payrolls submitted to US Escrow for labor standards compliance auditing are current and substantially correct. A retainage of 10% of the total initial contract price shall be retained. Upon final completion and acceptance of the work, CITY shall pay the remainder of the Contract Price as recommended by the CONTRACT MANAGER.

PAYMENT SCHEDULE

Payment 1	Upon completion of 25%
Payment 2	Upon completion of 50%
Payment 3	Upon completion of 75%
Payment 4	Upon completion of 100%
10% Retention	Up to 60 days from substantial completion

PERFORMANCE REPORTS

I. FINAL EVALUATION REPORT

Within 30 days following contract termination, the BORROWER shall submit a final evaluation report that includes:

1. A brief narrative description of the project and accomplishments during the program year.
2. An analysis of the program objectives, progress toward meeting those objectives, and an explanation of any problems or delays that occurred.
3. Other funds and resources that were leveraged with CDBG funds, volunteer and in-kind resources that were used on the project, and collaboration or support by other organizations or businesses.
4. An inventory of equipment valued at \$300 or more that was purchased, in whole or in part, with CDBG funds.

**Exhibit C
Certificate Regarding Lobbying**

The undersigned certifies, to the best of his or her knowledge and belief that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any renewal, amendment, or modification or any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering in to this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Signature of Authorized Representative
Casa de Amparo

6-20-06
Date

237-C D B G EST CARRY FORWARD APPROP 6/30/06

ACCT #	DESCRIPTION	2005-06 BUDGET	7/1- 6/14/06 EXPENDITRS	ESTMTD EXP-6/30/06	(BAL LEFT) DIFFERENCE	TO CNTNGNCY	CARRY FORWARD
294651	H&N-Code Enforcement-237	115,000.00	115,000.00	0.00	0.00		
295259	H&N-Lby Lk CC-Jb Trng Ctr	14,923.00	9,347.08	1,000.00	4,575.92		4,575.92
297690	H&N-Grants Administration	130,000.00	130,000.00	0.00	0.00		
297695	H&N-Section 108 Debt Service	252,049.00	252,048.75	0.00	0.25		
298753	H&N-SUN 2004 Pub Imprv	96,233.00	982.00	0.00	95,251.00		95,251.00
298755	H&N-Nbrhood Rvltztn Plan	85,761.00	22,952.14	3,000.00	59,808.86		59,808.86
298756	H&N-Nbrhd Srvc Coord	68,807.00	7,540.22	30,000.00	31,266.78		31,266.78
298757	H&N-Osd SUN 2003-Pub Imp	32,926.00	0.00	0.00	32,926.00		32,926.00
298766	H&N-Crwn Hghts Residnt Trng	22,500.00	7,500.00	7,500.00	7,500.00		7,500.00
298768	H&N-C Montecito Revitalztn	51,380.00	7,519.75	7,500.00	36,360.25		36,360.25
298769	H&N-Crwn Hgts - Nbrhd Imprv	68,492.00	0.00	0.00	68,492.00		68,492.00
526529	Lbr-Adelante	11,725.00	9,093.40	2,631.60	0.00		
526589	Lbr-Literacy Programs	11,600.00	11,634.22	0.00	-34.22		
556346	P&R-Teen Programs	21,750.00	18,922.50	2,827.50	0.00		
556347	P&R-4 Kids Sake Afterschl	15,000.00	11,294.29	3,705.71	0.00		
607900	Contingency Fund	11,701.00	0.00	0.00	11,701.00	11,701.00	
614824	Fraternity Hse -Expanded Caregvr	15,000.00	12,272.76	2,727.24	0.00		
614902	Abi Dsabl Advcy-A-DA-HIRED	8,000.00	7,700.00	300.00	0.00		
614904	N C Hlth Svc-Comm Hlth Scrn	15,625.00	10,593.02	5,031.98	0.00		
614905	Cmnty Ambstrs-Food 4 Life	9,975.00	8,520.96	1,454.04	0.00		
614909	Snr Ctz Assc - Project Care	17,500.00	12,685.95	4,814.05	0.00		
614914	Interfaith Cm Ser - N Cstl Ser Cntr	14,750.00	14,367.50	382.50	0.00		
614915	Fr Insd Out - Project Care	7,750.00	7,400.00	350.00	0.00		
614917	MHS-Family Recovery Center	17,725.00	9,000.00	8,725.00	0.00		
614918	NAACP / BK/Stay In School	8,250.00	1,980.42	6,269.58	0.00		
614919	Intgrtn Ltna - Cmnty Srv	8,375.00	8,558.27	0.00	-183.27		
615051	Camp Fire: No Camp Barrio Ole	14,750.00	14,750.00	0.00	0.00		
615100	Boys/Girls Club : Gangbusters	17,038.00	14,198.40	2,839.60	0.00		
615102	Boys/Girls Club:Libby LK Site	10,812.00	9,010.80	1,801.20	0.00		
615106	Boys/Girls Club - 55	9,350.00	7,791.84	1,558.16	0.00		
615350	Brother Benno Center	16,750.00	16,750.00	0.00	0.00		
615495	N C Lifeline Youth Devlpmt	8,000.00	8,000.00	0.00	0.00		
615571	Casa De Amparo-Food Prog	19,325.00	14,493.75	4,831.25	0.00		
615580	Pregncy Res Ctr - Support	11,050.00	11,050.00	0.00	0.00		
615585	Senior Nutrition Program	33,250.00	29,164.33	4,085.67	0.00		
615594	Vsta Cmm Clinic-Teen Reach	14,000.00	9,498.94	4,501.06	0.00		
618030	Project OZ-Hmless Youth Shltr	8,950.00	6,412.22	2,537.78	0.00		
618130	WRC-Alternatives To Abuse	9,750.00	7,314.00	2,436.00	0.00		
704826	CIP SS-Lutheran Caring Neighbors	26,206.00	18,598.41	5,000.00	2,607.59		2,607.59
704833	CIP SS-WRC-Imprvmt To Emergr	15,000.00	15,000.00	0.00	0.00		
704834	CIP SS-QCS-Lby Lk Chld Cr Fclty	368,287.00	171,782.08	196,504.92	0.00		
705059	CIP SS-Ivy Rch Park Assoc	136,634.00	0.00	0.00	136,634.00		136,634.00
705128	CIP SS-MHS/FRC Chld Dvlp Ctr	63,882.00	63,881.99	0.01	0.00		
708795	CIP SS-Interfaith CC - Freezer	12,000.00	11,796.74	0.00	203.26	203.26	
708796	CIP SS - Cmp Fire-Cbnts CC	8,500.00	8,305.00	0.00	195.00	195.00	
709363	CIP SS-Faith Based Hsng Devlpmt	35,000.00	34,940.00	0.00	60.00	60.00	
709364	CIP SS-Ivey Rch Fumigat & Rpr	7,500.00	7,500.00	0.00	0.00		
709365	CIP SS-OZ N Cst Fumigat & Rpr	10,000.00	10,000.00	0.00	0.00		
844046	CIP P&R-Sunshine Brks Pwr Lft	18,491.00	12,622.07	0.00	5,868.93		5,868.93
845065	CIP P&R - Snr Ctr - Lightg Retrofit	47,000.00	0.00	0.00	47,000.00		47,000.00
845066	CIP P&R - Snr Ctr - HVAC	6,500.00	0.00	0.00	6,500.00		6,500.00
845067	CIP P&R - Balderama Youth Ctr	180,000.00	63,016.58	10,000.00	106,983.42	106,983.42	
845658	CIP P&R - Libby Lk	70,000.00	0.00	70,000.00	0.00		
875406	CIP G-ADA City Wide Projects	59,022.00	4,630.00	0.00	54,392.00		54,392.00
875462	CIP G-PW Crwn Hgts Ally Utility	137,000.00	0.00	0.00	137,000.00		137,000.00
875463	CIP G-PW Sidewalks E'side	120,000.00	0.00	0.00	120,000.00		120,000.00
		<u>2,626,844.00</u>	<u>1,267,420.38</u>	<u>394,314.85</u>	<u>965,108.77</u>	119,142.68	846,183.33
294763	H&N Rehab Loans & Grants	277,600.00	191,871.65		85,728.35		
294772	H&N-Hsng Program Devl	200,000.00	200,000.00		0.00		
		<u>477,600.00</u>	<u>391,871.65</u>		<u>85,728.35</u>		
TOTAL CDBG		<u>3,104,444.00</u>	<u>1,659,292.03</u>		<u>1,050,837.12</u>		