

# STAFF REPORT



ITEM NO. 15  
CITY OF OCEANSIDE

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DATE: August 1, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **CONSIDERATION OF A REQUEST FROM IVEY RANCH PARK ASSOCIATION FOR THE ALLOCATION OF \$47,600 OF ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDS FOR COMPLETION OF STATE AND FEDERAL ENVIRONMENTAL REVIEW DOCUMENTS FOR A CHILD DEVELOPMENT CENTER**

## SYNOPSIS

Staff recommends that the City Council consider Amendment 1 in the amount of \$47,600 of Community Development Block Grant Program funds to the contract with Ivey Ranch Park Association for completion of state and federal environmental review documents for a new child development center and, if approved, authorize the City Manager to execute the amendment.

## BACKGROUND

On January 17, 2001, the City Council appropriated \$35,000 from the Community Development Block Grant (CDBG) Contingency Fund to the Ivey Ranch Park Association (IRPA) for predevelopment activity for a new child development center at the Ivey Ranch Park site, 110 Rancho del Oro Drive. No contract between the City and IRPA was signed for use of these funds and the opportunity expired September 30, 2001.

On April 17, 2002, the City Council allocated \$136,634 of FY 2002-03 CDBG capital funds to the IRPA for development of a childcare center at their Ivey Ranch Park site (02-D294-1). For a variety of reasons the organization has not been able to move forward on this project and is now working on development of an equestrian center as the organization's priority capital project. The IRPA still intends to develop a childcare center on their site. No contract between the City and IRPA was signed for the CDBG capital funds for the child development center. On June 20, 2007, the City Council deobligated this allocation of CDBG funds.

In August 2002 the IRPA requested an extension of the \$35,000 grant. On December 11, 2002, the City Council approved a loan agreement (02-D777-1) in the amount of

\$35,000 of FY 2002-03 CDBG capital funds to the IRPA for installation of playground equipment, grading and predevelopment activities for the proposed child development center. Project goals and objectives included obtaining a Conditional Use Permit and building permits for the center, and completion of a grading plan for the project. A portion of the funds were used to pay for predevelopment and project management expenses that IRPA had accumulated since June 2001. The playground was completed and opened in 2003; other objectives set forth in the agreement, including completion of a Conditional Use Permit and obtaining grading and building permits for the child development center, were not completed.

The IRPA proceeded with planning during 2006 for the proposed child development center and completed some components of required environmental reviews for a center. The studies included a Stormwater Management Assessment, Noise Study, and Cultural Resources Study as well as preliminary work for federal and state environmental compliance. As noted above, there was no contract with the IRPA for use of the CDBG funds allocated to the Association in 2002. While agreeing to the June 20, 2007, deobligation of the \$136,634, the IRPA requested that the City allocate \$67,957.25 of CDBG funds to complete all state (California Environmental Quality Act – CEQA) and federal (National Environmental Protection Act – NEPA) environmental reviews for the child development center. The specific request was for:

*Runoff Assessment Report (Tait Consulting)	\$5,967.25
*Noise Study (Pacific Noise Control)	\$2,990.00
*CEQA Consulting (Lightfoot Planning Group)	\$7,500.00
*Cultural Resources (Affinis Corporation)	\$3,900.00
CEQA / NEPA and Environmental Study (Helix)	\$47,600.00

On June 20, 2007, the City Council approved the allocation to IRPA of \$20,357 of Community Development Block Grant contingency funds (07-D0358-1) to cover the four items (marked with \*) that had already been completed; the contract for this allocation has been prepared and sent to the IRPA for signature. The City Council further directed staff to return to the City Council for consideration of the allocation of the additional \$47,600 by an amendment to the contract.

The City has provided CDBG public services and capital improvement grants to IRPA in previous years. The City Council allocated \$7,500 in FY 2005-06 to IRPA for fumigation and roof repair, and \$68,321 for improvements to buildings and grounds during FY 2007-08. IRPA leases the buildings and land from the City through a property use agreement.

HUD manages CDBG entitlement grants as part of its Community Planning and Development program and has reminded all entitlement cities of the importance of “timeliness of use” of federal funds. CDBG funds which are not used in a timely manner can be recaptured by HUD and returned to the U.S. Treasury. Once the City Council has allocated funds to a capital project, the funds are obligated and cannot be used for any other activity or project; any projects that do not move forward impact the City’s timeliness of use report, which HUD checks at least twice a year. The HUD Los

Angeles Field Office recently conducted its regular compliance monitoring of the City's CDBG program and noted in the *Detailed Monitoring Report* that CDBG-funded projects "obligated but still open after three years should be carefully reviewed as such projects will have a negative impact on timeliness."

## **ANALYSIS**

On June 20, 2007, the City Council approved the allocation of \$20,357 to Ivey Ranch Park Association to cover the costs of planning and environmental review work already completed for a new child development center. The IRPA has requested an additional \$47,600 to complete all state and federal environmental review requirements for the center so that the IRPA may apply for state and/or federal funds to build and operate the center. The IRPA is also planning to expand the existing equestrian center with a new barn and three new arenas in the central portion of Ivey Ranch Park; this equestrian project will require separate environmental review.

The City has prepared and issued a contract for the \$20,357 of Community Development Block Grant funds allocated to the IRPA by the City Council on June 20, 2007. Any additional funds allocated to the IRPA will require an amendment to this contract. The scope of work in the contract includes a requirement that the IRPA provide the City with copies of all planning and environmental review documents paid for with CDBG funds, and that all work be completed by June 30, 2008. Should the City Council approve the additional funding, staff recommends that any additional or future environmental costs be solely the responsibility of IRPA.

The request by the IRPA is for an eligible activity under CDBG National Objectives and in the local Consolidated Plan for Housing and Community Development.

## **FISCAL IMPACT**

The CDBG Contingency account (237.607900) has approximately \$349,735 available for allocation as of June 20, 2007. The allocation of \$47,600 (237.705059) to Ivey Ranch Park Association for environmental studies will reduce the CDBG Contingency account by that amount.

## **COMMISSION OR COMMITTEE REPORT**

The FY 2007-08 CDBG ad hoc Application Review Committee completed its work and submitted recommendations to the City Council in March 2007. Neither the ad hoc Committee nor any City commission reviews mid-year allocation of CDBG funds.

## **CITY ATTORNEY'S ANALYSIS**

The City Council is authorized to hold a public hearing in this matter. Consideration of this matter should be based on the testimony and evidence presented at the hearing. After conducting the hearing, the City Council shall adopt, modify or deny the

recommendations contained in this report.

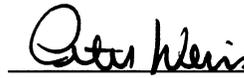
**RECOMMENDATION**

Staff recommends that the City Council consider Amendment 1 in the amount of \$47,600 of Community Development Block Grant Program funds to the contract with Ivey Ranch Park Association for completion of state and federal environmental review documents for a new child development center and, if approved, authorize the City Manager to execute the amendment.

PREPARED BY:

SUBMITTED BY:

  
for John A. Lundblad  
Management Analyst

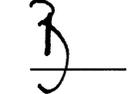
  
Peter A. Weiss,  
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Margery M. Pierce, Director, Neighborhood Services

Paul Bussey, Interim Director, Financial Services

**CITY OF OCEANSIDE**  
**AMENDMENT 1 TO**  
**FY 2006-07 COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT**

**PROJECT: PREPARATION OF ENVIRONMENTAL REVIEW DOCUMENTS**

THIS AMENDMENT TO FY 2006-07 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT (hereinafter "Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and IVEY RANCH PARK ASSOCIATION hereinafter designated as "SUBRECIPIENT."

**RECITALS**

WHEREAS, CITY and SUBRECIPIENT are the parties to that certain Community Development Block Grant Program Agreement dated \_\_\_\_\_ (Document Number 07-D0358-1), hereinafter referred to as the "Agreement", wherein SUBRECIPIENT agreed to complete certain activities related to a new child development center, as set forth therein;

WHEREAS, SUBRECIPIENT has identified additional costs for completion of California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) review of a proposed child development center at Ivey Ranch Park;

WHEREAS, SUBRECIPIENT has declared that SUBRECIPIENT does not have adequate funds to complete such environmental review; and

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or modifications to the Budget and Scope of Work of the Agreement in order to complete all required environmental review and preparation of related CEQA and NEPA documents.

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. CITY shall provide an additional \$47,600 to SUBRECIPIENT for completion of all environmental review of the proposed child development center and preparation of related documents.
2. SUBRECIPIENT shall provide copies of all documents and reports to CITY that are prepared with funding provided by CITY.

**Amendment 1 to Agreement with Ivey Ranch Park Association**

3. EXCEPT AS EXPRESSLY SET FORTH IN THIS AMENDMENT, THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT AND IS HEREBY RATIFIED AND REAFFIRMED.

**SIGNATURES**

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

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

IVEY RANCH PARK ASSOCIATION

CITY OF OCEANSIDE

By: J. D. Dineen EXECUTIVE DIRECTOR  
Name/Title

By: \_\_\_\_\_  
Peter A. Weiss, Interim City Manager

By: \_\_\_\_\_  
Name/Title

APPROVED AS TO FORM:

95-3775156  
Employer ID No.

Paul J. Hamilton, ASST.  
City Attorney

**NOTARY ACKNOWLEDGMENTS OF SUBRECIPIENT MUST BE ATTACHED.**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of San Diego

On 7-24-07 before me, M. Reyes, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

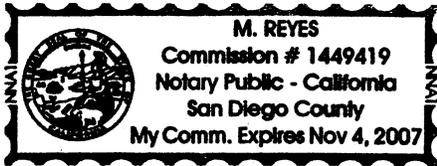
personally appeared T. Danielly  
Name(s) of Signer(s)

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 signature(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.



Place Notary Seal Above

M. Reyes  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

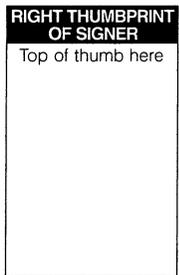
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

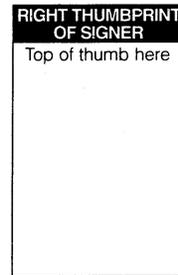
- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_