



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-681

**Agenda Date:** 4/9/2025

**Agenda #:** 11.

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DATE: April 9, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

**TITLE: RESOLUTION OF THE CITY OF OCEANSIDE APPROVING AN APPLICATION FOR GRANT FUNDS FOR THE COAST HIGHWAY CORRIDOR PROJECT FROM THE SAN DIEGO ASSOCIATION OF GOVERNMENTS AND ACCEPTING THE TERMS OF THE GRANT AGREEMENT**

### **RECOMMENDATION**

Staff recommends that the City Council adopt a resolution authorizing the City to apply for a grant funding opportunity for construction of the Coast Highway Corridor from the San Diego Association of Governments (SANDAG) Smart Growth Incentive Program grant, in the amount of \$3,500,000, and accept the terms of the draft grant agreement; authorizing a City match amount of \$1,000,000; and authorizing the City Manager to execute all necessary grant documents.

### **BACKGROUND AND ANALYSIS**

The SANDAG Board of Directors allocates funds under the TransNet local sales tax program to support local transportation-related infrastructure projects in the San Diego region. The TransNet Extension Ordinance contains provisions to fund the Smart Growth Incentive Program (SGIP), for which funding began on April 1, 2008. The SGIP encompasses projects that better integrate transportation and land use and recognizes the comprehensive effort to integrate smart growth place-making, access to transit, and environmental justice.

In April 2009, the City Council adopted the Coast Highway Vision and Strategic Plan (CHVSP), outlining a set of Livable Communities and Smart Growth principles and recommendations including transforming the North Coast Highway Corridor into a pedestrian friendly and transit-oriented area. To accomplish the efforts, the City Council approved an Environmental Impact Report (EIR) in 2019 studying the impacts of the proposed project.

On January 25, 2023, the City Council awarded a Professional Services Agreement to Kimley-Horn for design services to prepare construction documents for the project, which includes improving a 3.5-mile corridor from Neptune Way to Oceanside Boulevard, a reduction from two lanes to one lane in each direction, separated by raised median, and new street configuration, new bicycle lanes, buffers, mid-block cross-walks and a series of traffic roundabouts.

On January 6, 2025, SANDAG issued a call for projects from local jurisdictions in San Diego County that wished to apply for a portion of the TransNet SGIP funds for use on climate action planning, planning, and capital improvement projects meeting certain criteria. As the Coast Highway Corridor design project nears completion of the construction documents, City staff are identifying construction funding opportunities, and the City intends to apply for Cycle 6 of the TransNet SGIP funds.

While the grant application does not require a match, matching points are awarded based on a scale from zero (0) to five (5) points per application, zero being that no matching funds are identified, and five for a match of 20-25% of the total project cost. Thus, providing matching funds should increase the total score of the application and the possibility of receiving the award.

If a grant award is made by SANDAG to fund the project, the City commits to providing the matching fund as listed, authorizes staff to accept the grant funds, and execute the grant agreement (attachment 2), with no exceptions in substantially the same form as provided with the call for projects, and complete the project(s) as proposed.

Kimley-Horn is finalizing the construction documents for the project. The grant funds are intended to be applied to phase 1 of a 3-phase project, enabling City staff to continue pursuing grants for future construction activities. Phase 1 proposes to construct the first portion of traffic improvements from Sportfisher Drive to Topeka Street to implement a road diet consisting of 1-lane reduction, curb and ramp improvements, bulb-outs, and the addition of a roundabout at Civic Center Drive.

**FISCAL IMPACT**

The proposed costs for phase 1 of construction are \$4,400,000, and a total of \$1,000,000 has been identified as matching funds. There is \$1,077,150 available in account the Coast Highway Corridor Design account 902162122562.5703.10600 and therefore sufficient funds are available for City matching.

Description	Account Number	Amount	Available Balance
SANDAG TransNet SGIP Grant Matching	Coast Highway Corridor Design 902162122562.5703.10600	\$1,000,000	\$1,077,150

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Victor Velasco, Principal Civil Engineer  
Reviewed by: Brian K. Thomas, City Engineer

Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Draft Grant Agreement
3. Resolution