ITEM NO. 14

STAFF REPORT

CITY OF OCEANSIDE

DATE: January 14, 2009

TO: Chairman and Members of the Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **RESOLUTION ACCEPTING THE FISCAL YEAR 2007-2008 AGENCY ANNUAL REPORT**

SYNOPSIS

Staff recommends that the Community Development Commission (CDC) adopt a resolution accepting the Fiscal Year (FY) 2007-08 Agency Annual Report which includes: the State Controller's Office (SCO) Report, as well as the 2008 Blight Progress Report, 2008 Loan Report, and the 2008 Property Report; State Department of Housing and Community Development (HCD) Report; and the FY 2007-08 Agency Annual Audit.

BACKGROUND

California Health and Safety Code requires redevelopment agencies to report on a regular basis the goals, accomplishments and finances of the Agency to the CDC and to the State. One requirement is the adoption of a Redevelopment Implementation Plan and subsequent updates to the Plan. On December 5, 2007, the Community Development Commission adopted the update to the 2005-2009 Implementation Plan.

ANALYSIS

In addition to the Implementation Plan updates, the Redevelopment Agency is required to report annually to the CDC, SCO and HCD on or before December 31 of each year. The City Council/CDC members were sent the required reports on December 28, 2008, to satisfy this requirement. The SCO report contains Redevelopment and Housing Department accomplishments and financial data, the 2008 Blight Progress Report, 2008 Loan Report and 2008 Property Report (Exhibit 1). The HCD Report (Exhibit 2) details the amount of Redevelopment Tax Increment received, deposits to the low-and moderate-income housing fund, expenditures of low-and moderate-income housing funds, and redevelopment and housing activities and achievements. An Annual Audit Report of Agency financial statements is also a requirement of the Annual Report process. An independent audit was conducted by Diehl, Evans & Company, LLP, a certified public accountant, which includes the FY 2007-08 financial statements for both Redevelopment Funds and Low and Moderate Housing Funds (Exhibit 3).

FISCAL IMPACT

None.

COMMISSION OR COMMITTEE REPORT

The Redevelopment Advisory Committee will review the FY2007-2008 Annual Report and resolution at its January 14, 2009, meeting. Their recommendation will be presented to the Commission in writing prior to the CDC meeting.

CITY ATTORNEY ANALYSIS

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

RECOMMENDATION

Staff recommends that the Community Development Commission adopt a resolution accepting the FY 2007-08 Agency Annual Report which includes: the State Controller's Office (SCO) Report, including the 2008 Blight Progress Report; 2008 Loan Report; and the 2008 Property Report; State Department of Housing and Community Development (HCD) Report; and the FY 2007-08 Agency Annual Audit.

PREPARED BY:

Tracey Bohlen
Development Project Coordinator

SUBMITTED BY:

Peter A. Weiss
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Jane McVey, Economic and Community Development Director
Kathy Baker, Redevelopment Manager

ATTACHMENTS:
1. Resolution

EXHIBITS:
1. State Controllers Report for FY 2007-08
2. Housing and Community Development Report for FY 2007-2008
3. FY 2007-08 Agency Annual Audit Report

RESOLUTION NO.

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF OCEANSIDE ACCEPTING THE 2007/2008 ANNUAL REPORT AND DIRECTING STAFF TO FORWARD ANNUAL REPORT TO THE STATE CONTROLLER

WHEREAS, pursuant to Sections 33080.1 and 33080.2 of the California Health and Safety Code, the Executive Director has prepared and submitted the 2007-2008 Annual Report to the Community Development Commission for its review and approval; and

WHEREAS, the Community Development Commission has received and reviewed the 2007-2008 Annual Report.

NOW, THEREFORE, the Community Development Commission of the City of Oceanside does resolve as follows:

SECTION 1. The Community Development Commission hereby accepts the 2007-2008 Annual Report as received and directs that a copy of the Annual Report be forwarded to the Office of the State Controller.

PASSED AND ADOPTED by the Community Development Commission of the City of Oceanside, California, this 14th day of January, 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

CHAIRMAN

ATTEST:

APPROVED AS TO FORM:

SECRETARY

GENERAL COUNSEL

CITY OF OCEANSIDE
FINANCIAL SERVICES DEPARTMENT

December 23, 2008

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section-redevelopment Unit
P. O. Box 942850
Sacramento, CA 94250

Dear Sir or Madam:

Enclosed please find the following items for the City of Oceanside Community Development Commission:

- Confirmation of Redevelopment Agency On-Line Filing of Annual HCD Report.
- State Controller's Annual Report of Financial Transactions.
- A copy of the Statement of Indebtedness.
- Census Form.
- 2008 Blight Progress Report
- 2008 Loan Report
- 2008 Property Report
- Two copies of the Independent Financial Audit.

Should you need any additional information please contact me at (760) 435-3850.

Sincerely,

David Crowe
Senior Management Analyst
(760) 435-3850

300 NORTH COAST HIGHWAY • OCEANSIDE, CA 92054 • PH (760) 435-3830 • FAX (760) 439-9011

REDEVELOPMENT AGENCIES
FINANCIAL TRANSACTIONS REPORT

COVER PAGE

Oceanside Community Development Commission

Fiscal Year: **2008** ID Number: **13983759800**

Submitted by:

Signature

SENIOR MANAGEMENT ANALYST
Title

DAVID CROWE
Name (Please Print)

12/23/08
Date

Per Health and Safety Code section 33080, this report is due within six months after the end of the fiscal year. The report is to include two (2) copies of the agency's component unit audited financial statements, and the report on the Status and Use of the Low and Moderate Income Housing Fund (HCD report). To meet the filing requirements, all portions must be received by the California State Controller's Office.

To file electronically:

1. Complete all forms as necessary.
2. Transmit the completed output file using a File Transfer Protocol (FTP) program or via diskette.
3. Sign this cover page and mail to either address below with 2 audits and the HCD report.

Report will not be considered filed until receipt of this signed cover page.

To file a paper report:

1. Complete all forms as necessary.
2. Sign this cover page, and mail complete report to either address below with 2 audits and the HCD report.

Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year 2008

Members of the Governing Body

	Last Name	First Name	Middle Initial
Chairperson	Wood	Jim	
Member	Chavez	Rocky	
Member	Feller	Jack	
Member	Sanchez	Esther	
Member	Kern	Jerome	
Member			
Member			
Member			
Member			
Member			

Mailing Address

Street 1	Financial Service Department				
Street 2	300 North Coast Highway				
City	Oceanside	State	CA	Zip	92054-
Phone	(760) 435-3839	☐ Is Address Changed?			

Agency Officials

	Last Name	First Name	Middle Initial	Phone
Executive Director	Weiss	Peter		(760) 435-3066
Fiscal Officer	Ferro	Teri		(760) 435-3839
Secretary	Riegal Wayne	Barbara		(760) 435-3010

	Report Prepared By	Independent Auditor
Firm Name		Diehl, Evans & Co LLP
Last	Crowe	Fuertez
First	David	Daphnie
Middle Initial		
Street	300 North Coast Highway	5 Corporate Park, Suite 100
City	Oceanside	Irvine
State	CA	CA
Zip Code	92054-	92606-5165
Phone	(760) 435-3853	(949) 399-0600

Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Fiscal Year 2008

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

1. Wyndham Timeshare Resort-Completed and open in January 2008. This 168 unit timeshare and hotel project features a restaurant, commercial/retail space, public and semi-public use space and two levels of underground parking.

2. Ocean Village-Construction completed in spring 2008 on this mixed-use development consisting of 33 townhaomes and 10,000 square feet of commercial space.

3. Oceanside Terraces-Construction completed in spring 2008 on this mixed-use project that includes retail and restaurant space on the first floor, office space on the second floor, 38 condominiums on the third through sixth floors and underground parking. Anticipated completion date is spring 2008.

4. Oceanside Museum of Art-Through Redevelopment Bond funds, the expansion and construction of a new 16,000 square foot building adjacent to the existing Oceanside Museum of Art was completed.

5. The Redevelopment Agency worked with MainStreet Oceanside to establish the Sunset Market in the downtown which opened in August 2007. The market includes three music venues, arts and crafts, food vendors and fresh fruits, vegetables and plants.

6. Downtown Holiday Decorations-The Redevelopment Agency added new lighted holiday decorations along Mission Avenue from interstate 5 to Coast Highway, lights to the palm trees at the entrance to the City at Highway 76 and North Coast

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Square Footage Completed

	New Construction	Rehabilitated
Commercial Buildings		
Industrial Buildings		
Public Buildings		
Other Buildings		
Total Square Footage	0	0

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads F=Bus/Transit

Achievement Information (Unaudited)

Highway and at Mission Avenue and Interstate 5. The Agency also added a 28 foot Christmas tree in the public plaza area at the OceanPlace Entertainment Center, and hosted its first "annual" tree lighting ceremony, in conjunction with MainStreet Oceanside and the City Parks and Recreation Division.

7. Sea Cliff-Construction is complete on Phase I andalmost complete on Phase II of a 96 unit condominium project overlooking the San Luis Rey River and the Pacific Ocean.

8. Commercial Facade Program-The commercial facade program continues to be one of the more successful tools for changing the appearance of the central business district. Completion of the commercial facade program for the buildings at 804 Pier View Way, 400 Mission Avenue, 608 Mission Avenue and 405 North Coast Highway.

9. Hibiscus Condominiums-Construction is complete on a 4 unit condominium project at 130-132 South Pacific Street.

10. Nevada Manor-Construction is complete on this 15 unit condominim development on the 300 blick of North Nevada Street.

11. Neptune Residences-Construction is complete on 2 single-family homes at 802 and 804 North Cleveland Street.

12. Oak Manor II-Construction is complete on a 2 unit condominium project at Oak and South Meyers streets.

13. Claire Villa-Construction is complete on 4 single-family homes at the corner of Freeman Street and Neptune Way.

14. Sombrilla Condos-Construction is complete on 4 three-story units at 313 South Myers Street.

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Audit Information

Fiscal Year 2008

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?	Yes
Indicate Financial Audit Opinion	Unqualified
If Financial Audit is not yet Completed, What is the Expected Completion Date?	
If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given	
Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?	Yes
Indicate Compliance Audit Opinion	Unqualified
If Compliance Audit is not yet Completed, What is the Expected Completion Date?	

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year **2008** **Project Area Name** **Downtown Project Area**

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

1. Oceanside Beach Resort Hotel-Completed the Environmental Impact Report,entitlements, Disposition and Development Agreement, and Lease Agreement with the developer, S.D. Malkin Properties, Inc.

2. CityMark-Project approved by the Commission for the development of a 5-block area of the downtown consisting of 233 condominium units, 123 hotel rooms and 49,000 square feet of commercial space. Processed entitlements, modifications to architecture were made.

3. Zone Amendment-The Redevelopment Agency processed a Zone Amendment and Local Coastal Plan Amendment to add definitions to the Redevelopment Area Zoning Ordinance including fractional timeshares and condo-hotels. The Zone Amendment is expected to be finalized by the Coastal Commission in January 2009.

Forwarded from Prior Year ?	Yes
Enter Code for Type of Project Area Report	P
P = Standard Project Area Report / A = Administrative Fund	
L = Low and Moderate Income Housing Fund / M = Mortgage Revenue Bond Program	
O = Other Miscellaneous Funds or Programs / S = Proposed (Survey) Project Area	
Does the Plan Include Tax Increment Provisions?	Yes
Date Project Area was Established *(MM-DD-YY)*	11/19/1975
Most Recent Date Project Area was Amended	
Did this Amendment Add New Territory?	
Most Recent Date Project Area was Merged	
Will this Project Area be Carried Forward to Next Year?	Yes
Established Time Limit :	
Repayment of Indebtedness *(Year Only)*	2028
Effectiveness of Plan *(Year Only)*	2018
New Indebtedness *(Year Only)*	2018
Size of Project Area in Acres	375
Percentage of Land Vacant at the Inception of the Project Area *Health and Safety Code Section 33320.1 (xx.x%)*	50.0
Percentage of Land Developed at the Inception of the Project Area *Health and Safety Code Section 33320.1 (xx.x%)*	50.0
Objectives of the Project Area as Set Forth in the Project Area Plan *(Enter the Appropriate Code(s) in Sequence as Shown)*	RCP

R = Residential I = Industrial C = Commercial P = Public O = Other

Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year **2008**

Project Area Name	Downtown Project Area
Frozen Base Assessed Valuation	47,581,472
Increment Assessed Valuation	931,766,849
Total Assessed Valuation	979,348,321

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year 2008

Project Area Name Downtown Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail				Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
County				$0		
Cities			188,907	$188,907		
School Districts				$0		
Community College District				$0		
Special Districts				$0		
Total Paid to Taxing Agencies	$0	$0	$188,907	$188,907	$0	$0
Net Amount to Agency				$9,381,208		
Gross Tax Increment Generated				9,570,115		

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	Certificates of Participation
Year of Authorization	1995
Principal Amount Authorized	34,300,000
Principal Amount Issued	34,300,000
Purpose of Issue	Refund COPs
Maturity Date Beginning Year	1995
Maturity Date Ending Year	2015
Principal Amount Unmatured Beginning of Fiscal Year	$4,055,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,275,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$2,780,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	Certificates of Participation
Year of Authorization	2005
Principal Amount Authorized	20,170,000
Principal Amount Issued	20,170,000
Purpose of Issue	Refund 1995 COP
Maturity Date Beginning Year	2006
Maturity Date Ending Year	2020
Principal Amount Unmatured Beginning of Fiscal Year	$20,045,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	130,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$19,915,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	City/County Debt
Year of Authorization	2001
Principal Amount Authorized	9,749,324
Principal Amount Issued	9,749,324
Purpose of Issue	Consolidation
Maturity Date Beginning Year	2015
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	$9,340,807
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	347,349
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	133,835
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$9,554,321
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2002
Principal Amount Authorized	22,030,000
Principal Amount Issued	22,030,000
Purpose of Issue	Projects
Maturity Date Beginning Year	2003
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	$20,085,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	655,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$19,430,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2008

Project Area Name Downtown Project Area

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2003
Principal Amount Authorized	17,800,000
Principal Amount Issued	17,800,000
Purpose of Issue	Projects
Maturity Date Beginning Year	2005
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	$17,510,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	570,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$16,940,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2003
Principal Amount Authorized	7,740,000
Principal Amount Issued	7,740,000
Purpose of Issue	Refunding
Maturity Date Beginning Year	2005
Maturity Date Ending Year	2019
Principal Amount Unmatured Beginning of Fiscal Year	$6,495,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	435,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$6,060,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year	**2008**
Project Area Name	**Downtown Project Area**

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2004
Principal Amount Authorized	13,510,000
Principal Amount Issued	13,510,000
Purpose of Issue	Refund 1994 TAB
Maturity Date Beginning Year	2006
Maturity Date Ending Year	2024
Principal Amount Unmatured Beginning of Fiscal Year	$12,860,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	315,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$12,545,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year 2008

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross *(Include All Apportionments)*	7,656,092		1,914,023		$9,570,115
Special Supplemental Subvention					$0
Property Assessments	22,500			888,586	$911,086
Sales and Use Tax					$0
Transient Occupancy Tax					$0
Interest Income	995,926	272,497	148,888	1,153,959	$2,571,270
Rental Income	46,500				$46,500
Lease Income		2,399,758			$2,399,758
Sale of Real Estate					$0
Gain on Land Held for Resale					$0
Federal Grants				13,378,666	$13,378,666
Grants from Other Agencies					$0
Bond Administrative Fees					$0
Other Revenues	173,188			659,557	$832,745
Total Revenues	$8,894,206	$2,672,255	$2,062,911	$16,080,768	$29,710,140

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2008

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	1,134,874		200,788	16,279,629	$17,615,291
Professional Services	1,882,698				$1,882,698
Planning, Survey, and Design					$0
Real Estate Purchases					$0
Acquisition Expense					$0
Operation of Acquired Property					$0
Relocation Costs					$0
Relocation Payments					$0
Site Clearance Costs					$0
Project Improvement / Construction Costs	835,428				$835,428
Disposal Costs					$0
Loss on Disposition of Land Held for Resale					$0

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2008

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					$0
Rehabilitation Costs					$0
Rehabilitation Grants					$0
Interest Expense		4,173,682			$4,173,682
Fixed Asset Acquisitions					$0
Subsidies to Low and Moderate Income Housing					$0
Debt Issuance Costs					$0
Other Expenditures Including Pass-Through Payment(s)					$0
Debt Principal Payments:					
Tax Allocation Bonds and Notes		1,975,000			$1,975,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds		1,405,000			$1,405,000
City/County Advances and Loans		133,835			$133,835
All Other Long-Term Debt					$0
Total Expenditures	$3,853,000	$7,687,517	$200,788	$16,279,629	$28,020,934
Excess (Deficiency) Revenues over (under) Expenditures	$5,041,206	($5,015,262)	$1,862,123	($198,861)	$1,689,206

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2008

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt		347,348			$347,348
Proceeds of Refunding Bonds					$0
Payment to Refunded Bond Escrow Agent					$0
Advances from City/County					$0
Sale of Fixed Assets					$0
Miscellaneous Financing Sources (Uses)					$0
Operating Transfers In	26,762	4,318,763			$4,345,525
Tax Increment Transfers In					$0
Operating Transfers Out	4,318,763	26,762			$4,345,525
Tax Increment Transfers Out					$0
(To the Low and Moderate Income Housing Fund)					
Total Other Financing Sources (Uses)	($4,292,001)	$4,639,349	$0	$0	$347,348

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2008

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$749,205	($375,913)	$1,862,123	($198,861)	$2,036,554
Equity, Beginning of Period	$32,388,056	$1,682,696	$6,403,760	$36,147,373	$76,621,885
Prior Period Adjustments	-1,269,572			169,801	($1,099,771)
Residual Equity Transfers					$0
Equity, End of Period	$31,867,689	$1,306,783	$8,265,883	$36,118,313	$77,558,668

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year 2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debits							
Cash and Imprest Cash	22,151,180	861,157	4,179,009	14,417,216			$41,608,562
Cash with Fiscal Agent		4,422,143					$4,422,143
Tax Increments Receivable	222,989		55,747				$278,736
Accounts Receivable	500			38,674			$39,174
Accrued Interest Receivable	125,665						$125,665
Loans Receivable			54,810	22,367,826			$22,422,636
Contracts Receivable				28,320			$28,320
Lease Payments Receivable							$0
Unearned Finance Charge							$0
Due from Capital Projects Fund							$0
Due from Debt Service Fund			3,976,517				$3,976,517
Due from Low/Moderate Income Housing Fund							$0
Due from Special Revenue/Other Funds							$0

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year 2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Investments							$0
Other Assets	1,365						$1,365
Investments: Land Held for Resale	9,492,993						$9,492,993
Allowance for Decline In Value of Land Held for Resale							$0
Fixed Assets: Land, Structures, and Improvements						20,013,231	$20,013,231
Equipment						29,401,683	$29,401,683
Amount Available In Debt Service Fund					178		$178
Amount to be Provided for Payment of Long-Term Debt					87,224,143		$87,224,143
Total Assets and Other Debits	$31,994,692	$5,283,300	$8,266,083	$36,852,036	$87,224,321	$49,414,914	$219,035,346

(Must Equal Total Liabilities, Other Credits, and Equities)

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year 2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits							
Accounts Payable	127,003		200	141,077			$268,280
Interest Payable							$0
Tax Anticipation Notes Payable							$0
Loans Payable							$0
Other Liabilities				592,646			$592,646
Due to Capital Projects Fund							$0
Due to Debt Service Fund							$0
Due to Low/Moderate Income Housing Fund		3,976,517					$3,976,517
Due to Special Revenue/Other Funds							$0
Tax Allocation Bonds Payable					54,975,000		$54,975,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds					22,695,000		$22,695,000
All Other Long-Term Debt					9,554,321		$9,554,321
Total Liabilities and Other Credits	$127,003	$3,976,517	$200	$733,723	$87,224,321		$92,061,764

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year 2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities							
Investment In General Fixed Assets						49,414,914	$49,414,914
Fund Balance Reserved	9,494,358		4,028,327	22,367,826			$35,890,511
Fund Balance Unreserved-Designated							$0
Fund Balance Unreserved-Undesignated	22,373,331	1,306,783	4,237,556	13,750,487			$41,668,157
Total Equities	$31,867,689	$1,306,783	$8,265,883	$36,118,313		$49,414,914	$126,973,582
Total Liabilities, Other Credits, and Equities	$31,994,692	$5,283,300	$8,266,083	$36,852,036	$87,224,321	$49,414,914	$219,035,346

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year	2008	
Operating Transfers In		$4,345,525
Tax Increment Transfers In		$0
Operating Transfers Out		$4,345,525
Tax Increment Transfers Out		$0

STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2008-2009 TAX YEAR

Cover Page

Name of Redevelopment Agency **Oceanside Redevelopment Agency**

Name of Project Area **Downtown Redevelopment Project**

Balances Carried Forward From:		Line	Current: Total Outstanding Debt	Current: Principal/Interest Due During Tax Year
Fiscal Period - Totals	(From Form A, Page 1 Totals)	(1)	$ 128,995,618.03	$ 17,890,714.92
(Optional) **Post Fiscal Period - Totals**	(From Form B Totals)	(2)	$ 0.00	$ 0.00
Grand Totals		(3)	$ 128,995,618.03	$ 17,890,714.92
Available Revenues From Calculation of Available Revenues, Line 7		(4)	$ 3,252,289.97	
Net Requirement		(5)	$ 125,743,328.06	

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:
Pursuant to Section 33675(b) of the Health and Safety Code, I hereby certify that the above is a true and accurate Statement of Indebtedness for the above named agency.

Teri Ferro — Name
Director of Financial Services — Title
Teri Ferro — Signature
9-29-08 — Date

STATEMENT OF INDEBTEDNESS
FILED FOR THE 2008-2009 TAX YEAR

Form A

Name of Redevelopment Agency: **Oceanside Redevelopment Agency**

Name of Project Area: **Downtown Redevelopment Project**

For Indebtedness Entered into as of June 30, 2008

Debt Identification	Original Data					Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
0 A) Redevelopment Loan Consolidation	6/20/2001	5,423,815	25 yr	8-10%	19,650,356	30,869,369.85	
B) AB265 - Low & Moderate Income Housing 20% set Aside	3/21/1989	4,991,937	31yr	0.00%		3,976,517.00	203,250
C) #03-R3961-1 2003 Refunding of 93 TAB	9/03/2003	7,740,000	15 yr	5.3%	2,532,287	7,437,275.00	667,775
D) #04-R561-3 04 Tax Allocation Refunding Bond	9/04/2004	13,510,000	20 yr	3.45%	8,118,114	18,772,982.00	853,479
E) Obligated Administration & Capital Projects	7/01/2005	1,620,642	1 yr			9,623,561.98	12,895,836
F) Redevelopment Loan fr Water Dept (Corp Yard)	6/01/2001	738,324	24 yr	6%	706,373	1,023,325.00	60,196
G) #02-RE069-3 Subordinate 2002 TAB Downtown Development Project	2/02/2002	22,030,000	24 yr	5.43%	17,957,550	30,662,912.20	1,717,419
H) #03-R632-1 Series 2003 TAB Escrow Bond	12/03/2003	17,800,000	22 yr	5.3%	13,641,369	26,629,675.00	1,492,760
I)							
J)							
ub Total, his Page						$ 128,995,618.03	$ 17,890,714.92
otals Forward rom All Other Pages							
rand otals						$ 128,995,618.03	$ 17,890,714.92
vailable Revenues rom Calculation of Available Revenues						$ (3,252,289.97)	
et equirement						$ 125,743,328.06	

urpose of Indebtedness:

A) Consildation of O/S loans and interest due to City of Oceanside

B) Low & Moderate Income Set-Aside requirement

C) Refunding of 93 TAB, Refund 1986 2nd Lien Tax Allocation Bond

D) Refunding of 94 TAB, Refund 1987

E) 2005-2206 Administration & Capital Projects Budget

(F) Repayment of Prior Year Loan From Water Dept Corp Yard Project

(G) Funding for current and upcoming projects in downtown pier area

(H) Funding for upcoming projects in downtown redevelopment area

(I)

(J)

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: Oceanside Redevelopment Agency

Name of Project Area: Downtown Redevelopment Project

Tax Year 2008-2009

Reconciliation Dates: From July 1, 2007 To June 30, 2008

Debt Identification: SOI, page and line: Prior Yr	Current Yr	Brief Description	A: Outstanding Debt All Beginning Indebtedness	B: Adjustments Increases (Attach Explanation)	C: Adjustments Decreases (Attach Explanation)	D: Amounts Paid Against Indebtedness, from: Tax Increment	E: Amounts Paid Against Indebtedness, from: Other Funds	F: Remaining Balance (A+B-C-D-E)
Pg Line	Pg 1 Line A	Redevelopment Loan Consolidatior	25,074,171	5,795,199				30,869,370
Pg Line	Pg 1 Line B	AB265 - Low & Moderate Income Housing 20% set Aside	4,179,767	1,905,165		2,108,415		3,976,517
Pg Line	Pg 1 Line C	#03-R3961-1 2003 Refunding of 93 TAB	8,105,050			667,775		7,437,275
Pg Line	Pg 1 Line D	#04-R561-3 04 Tax Allocation Refunding Bond	19,626,461			853,479		18,772,982
Pg Line	Pg 1 Line E	Obligated Administration & Capital Projects	12,895,836	9,623,562	10,607,818	2,288,018		9,623,562
Pg Line	Pg 1 Line F	Redevelopment Loan fr Water Dept (Corp Yard)	1,083,521			60,196		1,023,325
Pg Line	Pg 1 Line G	#02-RE069-3 Subordinate 2002 TAB Downtown Development Project	32,380,331			1,717,419		30,662,912
Pg Line	Pg 1 Line H	#03-R632-1 Series 2003 TAB Escrow Bond	28,122,435			1,492,760		26,629,675
OTAL - THIS PAGE			131,467,572	17,323,926	10,607,818	9,188,062		128,995,618
OTALS FORWARD				70,769.66		70,769.66		
GRAND TOTALS			$131,467,572	$17,394,695	$10,607,818	$9,258,831	$0	$128,995,618

NOTE: Column A must equal the previous year Statement of Indebtedness Outstanding Debt. Column F must equal this year's SOI Outstanding Debt column. Use the page and line number that the indebtedness is listed on in each year as appropriate, and a brief description. Ignore any indebtedness fully repaid in the previous year, as it had a zero ending balance. All new indebtedness entered into since the previous SOI is to be listed below the previous indebtedness. Enter "new" in the "Prior Yr" page and line column for each new indebtedness.

ev. 5/2/94

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: Oceanside Redevelopment Agency

Name of Project Area: Downtown Redevelopment Project

Tax Year 2008-2009

Reconciliation Dates: From July 1, 2007 To June 30, 2008

Debt Identification: SOI, page and line: Prior Yr	Current Yr	Brief Description	A Outstanding Debt All Beginning Indebtedness	B Adjustments Increases (Attach Explanation)	C Adjustments Decreases (Attach Explanation)	D Amounts Paid Against Indebtedness, from: Tax Increment	E Amounts Paid Against Indebtedness, from: Other Funds	F Remaining Balance (A+B-C-D-E)
'g 1 ine J	Pg 2 Line A	Redevelopment Service Fee & County Admin Fee	-	70,770		70,770		
'g ine	Pg Line							
g ine	Pg Line							
g ine	Pg Line							
g ine	Pg Line							
g ine	Pg Line							
g ine	Pg Line							
g ne	Pg Line							
g ne	Pg Line							
g ne	Pg Line							
g ne	Pg Line							
g ne	Pg Line							
TAL - THIS PAGE				70,769.66		70,769.66		

NOTE: Column A must equal the previous year Statement of Indebtedness Outstanding Debt. Column F must equal this year's SOI Outstanding Debt Column.

COMMENT

Reconciliation Statement - Description of Adjustments

Agency: **Oceanside Redevelopment Agency**
Project Area: **Downtown Redevelopment Project**

Reconciliation Sheet page and line:	Description of Adjustment	Amount
Pg 1 Line B	Revised Debt Agreement - increased length of time to repay debt	$ 5,795,199
Pg 1 Line B	Current Years 20% Set-Aside	$ 1,905,165
Pg 1 Line E	Col. B Current year CIP Obligations & Admin.	$ 9,623,562
Pg 1 Line E	Col. C Prior Year CIP Obligations not completed to date, adj. to current	($ 10,607,818)
Pg 2 Line A	Current Year County Admin and Services Fee's	$ 70,770
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line	Grand Total	$ 6,786,878

AV_REV

CALCULATION OF AVAILABLE REVENUES

AGENCY NAME **Oceanside Redevelopment Agency**

PROJECT AREA **Downtown Redevelopment Project**

TAX YEAR 2008-2009

RECONCILIATION DATES: JULY 1, 2007 TO JUNE 30, 2008

1.	Beginning Balance, Available Revenues (See Instructions)	$ 2,914,527.39
	Adjustments:	$ -
2.	Tax Increment Received - Gross All Tax Increment Revenues, to including any Tax Increment passed through to other local taxing agencies	$ 9,570,115.47
3.	All other Available Revenues Received (See Instructions)	$ 26,478.44
4.	Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1 - 3) above	$ -
5.	Sum of Lines 1 through 4	$ 12,511,121.30
6.	Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	$ 9,258,831.33
7.	Available Revenues, End of Year (5 - 6) **FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS**	$ 3,252,289.97

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefor omitted from Available Revenues at year end.

Item 4. above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues".

Supplement to the Annual Report of Community Redevelopment Agencies

Redevelopment Agency ID Number:	1398375 9800
Name of Redevelopment Agency:	OCEANSIDE COMMUNITY DEVELOPMENT COMMISSION

Mark the appropriate box below to indicate the ending date of your agency's fiscal year. Report data for that period only.

☐ September 2007 ☐ December 2007 ☒ June 2008

Return this form to the **California State Controller's Office**. If you have any questions regarding this form please contact:

U.S. Bureau of the Census, Shannon Doyle, 1-800-242-4523

A. Personnel Expenditures

Report your government's total expenditures for salaries and wages during the year, including amounts paid on force account construction projects.

Z00	**$** 2,182,731

B. Mortgage Revenue Bond Interest Payments

Report your government's total amount of interest paid on mortgage revenue bonds during the year.

U20	**$**

BLIGHT PROGRESS REPORT
Fiscal Year 2007-08

Prepared By: Redevelopment Agency of the City of Oceanside
Date: December 15, 2008

This report is prepared pursuant to Health and Safety Code Section 33080.1(d).

The following is a list of activities completed during Fiscal Year 2007-08 to alleviate blight in the Downtown Redevelopment Project Area and the related expenditures.

ACTIVITY	COST
Oceanside Museum of Art Expansion	$931,153
Downtown Resort Hotel	$258,880
Walkable Communities creating a pedestrian friendly downtown.	$201,575
North Coast Hwy. Gateway Landscape	$157,343
Waterfront Improvement Project	$115,183
Commercial Façade Improvement Program: Completion of 4 storefronts.	$56,600
Resort Hotel Acquisition and Relocation expenses	$43,945
Downtown Streetscape Project including hard costs for the Sunset Market bringing visitors to the downtown	$29,838
Total Amount	**$1,794,517**

PROPERTY REPORT
Fiscal Year 2007-08

Prepared By: Redevelopment Agency of the City of Oceanside
As of June 30, 2008

This report is prepared pursuant to Health and Safety Code Section 33080.1(g).

The following is a list of properties owned by the Redevelopment Agency and the current uses. The Agency owns a total of 31 individual parcels.

APN	Site	Current Use
14304045	Riverside Drive W of I-5 N of SLR River	Parking Lot
14702038	900 Block North Coast Hwy.	Vacant
14702039	Coast Hwy N of I-5 Offramp	Oceanside Welcome Center
14702040	Coast Hwy N of I-5 Offramp	Oceanside Welcome Center
14707610	Pacific Street S of Pier View Way	Vacant
14707611	Myers Street N of Mission Avenue	Vacant
14707612	Pacific Street N of Mission Avenue	Vacant
14708802	312-314 Pier View Way	Commercial Building
14716008	Surfrider Way E of Railroad Tracks	Surfrider Way Parking Lot
14716010	Surfrider Way W of Railroad Tracks	Surfrider to Breakwater Parking Lot
14716107	Cleveland St S of Surfrider Way	Vacant
14716111	Cleveland Street N of Pier View Way	Pier View Way Parking Lot
14726101	Myers Street S of Mission Avenue	Vacant
14726102	Myers Street S of Mission	Vacant
14726103	Myers Street S of Mission Avenue	Vacant
14726104	109 North Myers Street	Residential
14726109	Pacific Street N of Seagaze Drive	Vacant
14726110	Pacific Street S of Mission Avenue	Vacant
14726111	Pacific Street S of Mission Avenue	Vacant
14726112	Pacific Street S of Mission Avenue	Vacant
14726403	The Strand S of Seagaze Drive	Strand Beach Park
14726404	The Strand S of Seagaze Drive	Strand Beach Park
14726405	The Strand S of Seagaze Drive	Strand Beach Park
14726406	The Strand S of Seagaze Drive	Strand Beach Park
14727115	Cleveland St S of Mission Ave	Vacant
14735016	Myers Street S of Seagaze Drive	Myers & Seagaze Parking Lot

APN	Site	Current Use
14735016	Myers Street S of Seagaze Drive	Myers & Seagaze Parking Lot
14735022	Cleveland Street S of Seagaze Drive	Vacant
14736040	Cleveland Street S of Sportfisher Way	R/W (Alley)
15007722	Railroad Tracks WS S of Tyson Street	Vacant
15007725	Railroad Tracks WS S of Tyson Street	Vacant
15026322	Railroad Tracks WS S of Elm Street	Vacant
15026323	Railroad Tracks WS N of Wisconsin Ave	Wisconsin Parking Lot

HOUSING DEPARTMENT PROPERTIES OWNED BY THE CDC AS OF JUNE 30, 2008

Project Name	Ownership Information		Address	Property Purchase	Acres	Occup.	Affordability Level Low - L, Very Low - VL, Moderate - M	# Units	Funding Sources Including 20%, Inclusionary, HOME, Tax Credits, and Other	Funding Amount
	Land	Structures								
Lil Jackson Sr. Apts.	CDC	So. Cal Presbyterian Homes	Lake Blvd.	Feb-03	5.03	Rental	VL	80	Inclusionary, HOME, 20% RDA	$4.1 m
La Mision Village	CDC	Oceanside Housing Partners LP	3232 Mission Ave.	Dec-04	3.1	Rental	L	80	Inclusionary, HOME, 4% Tax Credits, MHP	$6.2 m
Libby Lake Village	CDC	Habtitat for Humanity	4700 North River Rd.	Feb-99	2.69	For-sale	VL	20	Inclusionary	$2.7 m
Cape Cod Villas	Oceanside Senior Housing Partners LP	Oceanside Senior Housing Partners LP	1710 Maxson St.	Feb-07	0.77	Rental	VL	36	Inclusionary, 4% Tax Credits	$4.8 m
Mission Avenue Parcel	CDC	Jesepo no structures	Mission Ave.	Aug-06	14.47	Rental	VL, L	TBD*	Inclusionary, 20% RDA, 9% & 4% Tax Credits, MHP	$7.9 m
Country Club Apts.	Wakeland Housing and Develop. Corp.	Wakeland Housing and Develop. Corp	201 Country Club Ln.	Apr-08	2.58	Rental	VL	90	Inclusionary, 4% Tax Credits	$9.8 m
Shadow Way Apartments	Wastach Advantage Group	Wasatch Advantage Group	4707 Yuma Ave.	Feb-09	10.05	Rental	VL, L	144	Inclusionary, HOME, 20% RDA, 4% Tax Credits	$5.6 m

LOAN REPORT
Fiscal Year 2007-08

Prepared By: Redevelopment Agency of the City of Oceanside
Date: December 15, 2008

This report is prepared pursuant to Health and Safety Code Section 33080.1(e).

Confirmation of Redevelopment Agency On-Line Filing of Annual HCD Report

To: State Controller
Division of Accounting and Reporting
Local Government Reporting Section
P.O.Box. 942850
Sacramento, CA 94250

This notice is automatically generated by HCD's On-Line Reporting System. The purpose is to inform and verify to the SCO that the redevelopment agency electronically filed the annual HCD report and HCD, by this notice, electronically received the annual HCD report.

Below identifies the reporting redevelopment agency, authorized person who filed the report, and the date and time HCD received the agency's annual report:

Redevelopment Agency:	**OCEANSIDE**
Agency Administrator:	**Tracey Bohlen**
Date:	**12/30/2008**
Time:	**01:56 pm**

Note to Redevelopment Agency:

Send this notice and a copy of the agency's independent auditor's report and financial statement to the SCO at the above address. ***It is not necessary to submit a paper copy of HCD's reporting schedules to either the SCO or HCD.***

California Redevelopment Agencies-Fiscal Year 2007/2008
Project Area Contributions to Low and Moderate Income Housing Funds
Sch A Project Area Summary Report
OCEANSIDE

Project Area	100% of Tax Increment	20% Set Aside Requirement	Tax Increment Allocated	Amount Exempted	Deferral Repayment	Tax Incr. Deposited to Hsng Fund	Percent of Tax Incr Dep	Repayment Deferrals	Other Income	Total Deposited to Housing
DOWNTOWN PROJECT	$9,570,115	$1,914,023	$1,914,023	$0	$0	$1,914,023	20%	$203,250	$148,888	$2,266,161
Agency Totals:	$9,570,115	$1,914,023	$1,914,023	$0	$0	$1,914,023	20%	$203,250	$148,888	$2,266,161

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

12/30/08

California Redevelopment Agencies- Fiscal Year 2007/2008
Project Area Contributions to Low and Moderate Income Housing Fund
Sch A Project Area Financial Information

Agency OCEANSIDE
Address 300 NORTH COAST HIGHWAY
OCEANSIDE CA 92054

Project Area DOWNTOWN PROJECT

Type: Inside Project Area Status: Active Resolution Date: 13-DEC-06
Plan Adoption: 1975 Plan Expiration Year: 2018

Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Deferred	Total Deposited	%	Cumulative Def.
$9,570,115	$1,914,023	$1,914,023	$0	$0	$1,914,023	20%	$4,340,267

Repayment	$203,250
Category	
Interest Income	$148,888
Total Additional Revenue	$148,888
Total Housing Fund Deposits for Project Area	$2,266,161

Agency Totals For All Project Areas:

Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Deferred	Total Deposited	%	Cumulative Def.
$9,570,115	$1,914,023	$1,914,023	$0	$0	$1,914,023	20%	$4,340,267

Total Additional Revenue from Project Areas:	$148,888
Total Deferral Repayments:	$203,250
Total Deposit to Housing Fund from Project Areas:	$2,266,161

California Redevelopment Agencies - Fiscal Year 2007/2008
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial Summary
OCEANSIDE

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encum-brances	* Unen-cumbered Balance	Unen-cumbered Designated	Unen-cumbered Not Dsgntd
$2,223,993	$2,266,161	$0	$200,788	$4,289,366	$3,976,517	$8,265,883	$0	$4,289,366	$4,289,000	$366

Expenses	Planning and Administration Costs	Property Acquisition	Total
2007/2008	$192,365	$8,423	$200,788

*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2007/2008
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
OCEANSIDE

		Beginning Balance	$2,223,993
		Adjustment to Beginning Balance	$0
		Adjusted Beginning Balance	$2,223,993
Total Tax Increment From PA(s)	$2,117,273	Total Receipts from PA(s)	$2,266,161
		Other Revenues not reported on Schedule A	$0
		Sum of Beginning Balance and Revenues	$4,490,154

Expenditure

Item	Subitem	Amount	Remark
Planning and Administration Costs			
Administration Costs		$192,365	
	Subtotal of Planning and Administration Costs	**$192,365**	
Property Acquisition			
Operation of Acquired Property		$8,423	
	Subtotal of Property Acquisition	**$8,423**	
	Total Expenditures	**$200,788**	

Net Resources Available	**$4,289,366**
Indebtedness For Setasides Deferred	**$4,340,267**

Other Housing Fund Assets

Category	Amount	Remark
Loan Receivable for Housing Activities	**-$363,750**	
Total Other Housing Fund Assets	**-$363,750**	

Total Fund Equity	**$8,265,883**

2003/2004	$1116278			
2004/2005	$1319480			
2005/2006	$1667113	sum of 4 Previous Years' Tax Increment for 2007/2008	Prior Year Ending Unencumbered Balance	Excess Surplus for 2007/2008
2006/2007	$1807499	$5910370	$2,223,993	$0

California Redevelopment Agencies - Fiscal Year 2007/2008
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
OCEANSIDE

Sum of Current and 3 Previous Years' Tax Increments	$6,911,365
Adjusted Balance	$4,289,366
Excess Surplus for next year	$0
Net Resources Available	$4,289,366
Unencumbered Designated	$4,289,000
Unencumbered Undesignated	$366
Total Encumbrances	$0
Unencumbered Balance	$4,289,366
Unencumbered Balance Adjusted for Debt Proceeds	$0
Unencumbered Balance Adjusted for Land Sales	$0
Excess Surplus Expenditure Plan	No
Excess Surplus Plan Adoption Date	

Site Improvement Activities Benefiting Households

Income Level	Low	Very Low	Moderate	Total
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Health and Safety Hazard	0	0	0	0

Land Held for Future Development

Site Name	Num Of Acres	Zoning	Purchase Date	Estimated Start Date	Remark

Use of the Housing Fund to Assist Mortgagors

Income Adjustment Factors

Requirements Completed

Home $

Hope $

Non Housing Redevelopment Funds Usage: Home funds, 4% and 9% Tax Credits, and Inclusionary Funds are used to develop housing in addition to LMIHF monies.

Resource Needs

LMIHF Deposits/Withdrawls

Document Name	Document Date	Custodian Name	Custodian Phone	Copy Source

LMIHF Deposits/Withdrawls

Document Name	Document Date	Custodian Name	Custodian Phone	Copy Source
Rev/Exp Reports	30-JUN-08	Caroline Salvaterria	(760) 435-3373	Housing Department

Achievements

Description

Project Area: **OUTSIDE PROJECT AREA**

FUTURE UNIT CONSTRUCTION

Contract Name	Execution Date	Estimated Completion Date	Very Low	Low	Moderate	Total
Country Club Apts - Wakeland Housing	09/01/08	09/01/10	90	0	0	90
Libby Lake Village - Habitat	06/01/07	12/01/09	20	0	0	20
Lil Jackson Sr. - So. Cal. Presbyterian Homes	10/01/08	10/01/09	80	0	0	80
Mission Ave Apts - CDC	09/01/08	09/01/10	180	20	0	200
Shadow Way Apts - Wastach Group	09/01/08	09/01/10	130	14	0	144

Project Area Name: **OUTSIDE PROJECT AREA**

Project Name: **Cape Cod Villas**
Address: **1710 Maxson Street Oceanside 92054**
Owner Name: **Oceanside Senior Housing Partners**

PROJECT FUNDING SOURCE

Funding Source	Amount
Other Local Funds	$4,800,000

Project Name: **Country Club Apts**
Address: **201 Country Club Lane Oceanside 92054**
Owner Name: **Wakeland Housing & Develop Corp.**

PROJECT FUNDING SOURCE

Funding Source	Amount
Other Local Funds	$9,800,000

Project Name: **Josepho Property**
Address: **Mission Avenue Oceanside 92054**
Owner Name: **CDC**

PROJECT FUNDING SOURCE

Funding Source	Amount
Redevelopment Funds	$4,800,000
Other Local Funds	$3,100,000

Project Name: **La Mision Village**
Address: **3210 & 3232 Mission Avenue Oceanside 92054**
Owner Name: **Oceanside Housing Partners LP**

PROJECT FUNDING SOURCE

Funding Source	Amount
Other Local Funds	$6,200,000

Project Area Name: **OUTSIDE PROJECT AREA**

Project Name: **Libby Lake Village**
Address: **4700 North River Rd. Oceanside 92054**
Owner Name: **CDC - Habtitat for Humanity**

UNIT INVENTORY

Other Provided without LMIHF		Unit	Very Low	Low	Moderate	Above Mod	Became Ineligible	Total
New Construction								
Non-Agency	Owner	Non-Elderly	20	0	0	0	0	20
		Unit Total	20	0	0	0	0	20

PROJECT FUNDING SOURCE

Funding Source	Amount
Other Local Funds	$2,700,000

Project Name: **Lil Jackson Sr. Apts**
Address: **Lake Blvd. Oceanside 92054**
Owner Name: **CDC - So Cal Presbyterian Homes**

PROJECT FUNDING SOURCE

Funding Source	Amount
Redevelopment Funds	$2,100,000
Other Local Funds	$2,000,000

Project Name: **Shadow Way Apartments**
Address: **4707 Yuma Ave. Oceanside 92054**
Owner Name: **Wasatch Advantage Group**

PROJECT FUNDING SOURCE

Funding Source	Amount
Other Local Funds	$5,600,000

OCEANSIDE COMMUNITY DEVELOPMENT COMMISSION

COMPONENT UNIT FINANCIAL STATEMENTS

WITH REPORT ON AUDIT BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

For the Year Ended June 30, 2008

Oceanside Community Development Commission
Component Unit Financial Statements
For the year ended June 30, 2008

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*A PROFESSIONAL CORPORATION

November 17, 2008

INDEPENDENT AUDITORS' REPORT

The Board of Directors of the
Oceanside Community Development Commission
Oceanside, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oceanside Community Development Commission (the Commission), a component unit of the City of Oceanside, California (the City), as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

OTHER OFFICES AT:

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In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2008 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Commission has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required as part of the basic financial statements.

The other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. The budgetary comparison schedule and related note have been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Diehl, Evans and Company, LLP

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Oceanside Community Development Commission
Statement of Net Assets
June 30, 2008

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 2)	$ 41,608,561
Restricted cash and investments with fiscal agent (Note 2)	4,422,143
Receivables:	
Accounts	11,000
Notes (Note 3)	22,422,636
Interest	125,665
Taxes	638,900
Other	28,174
Due from other governments	28,320
Prepaid items	1,365
Land and buildings held for resale (Note 6)	9,492,993
Total current assets	78,779,757
Noncurrent assets:	
Capital assets (Note 5):	
Nondepreciable assets	23,237,920
Depreciable assets, net	17,315,236
Total capital assets, net	40,553,156
Total assets	119,332,913
LIABILITIES	
Current liabilities:	
Accounts payable	155,710
Interest payable	1,306,332
Accrued liabilities	112,569
Due to other governments	166,764
Deposits	425,882
Long-term debt - due within one year (Note 7)	3,557,365
Total current liabilities	5,724,622
Noncurrent liabilities:	
Long-term debt - due in more than one year (Note 7)	83,666,955
Total liabilities	89,391,577
NET ASSETS	
Invested in capital assets, net of related debt	17,858,156
Restricted for:	
Debt service	4,422,143
Community development	60,095,170
Unrestricted	(52,434,133)
	$ 29,941,336

See independent auditors' report and notes to basic financial statements.

Oceanside Community Development Commission
Statement of Activities
For the year ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary government:					
Governmental activities:					
Community development	$ 19,434,587	$ 3,207,892	$ 14,595,668	$ -	$ (1,631,027)
Interest on long-term debt	4,117,338	-	-	-	(4,117,338)
Total governmental activities	$ 23,551,925	$ 3,207,892	$ 14,595,668	$ -	(5,748,365)
General revenues:					
Taxes:					
Property taxes					9,930,279
Investment earnings					1,730,275
Other revenues					606,187
Total general revenues and transfers					12,266,741
Change in net assets					6,518,376
Net assets - beginning of year, as restated (Note 10)					23,422,960
Net assets - end of year					$ 29,941,336

See independent auditors' report and notes to basic financial statements.

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Oceanside Community Development Commission
Balance Sheet
Governmental Funds
June 30, 2008

	Housing Assistance Program Special Revenue	Debt Service
ASSETS		
Cash and investments	$ 14,417,216	$ 861,157
Restricted cash and investments	-	4,422,143
Receivables:		
Accounts	10,500	-
Interest	-	-
Taxes	-	-
Other	28,174	-
Notes	22,367,826	-
Due from other governments	28,320	-
Advances to other funds	-	-
Prepaid items	-	-
Land and buildings held for resale	-	-
TOTAL ASSETS	$ 36,852,036	$ 5,283,300
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	$ 47,035	$ -
Accrued liabilities	94,042	-
Deposits	425,882	-
Due to other governments	166,764	-
Advances from other funds	-	3,976,517
TOTAL LIABILITIES	733,723	3,976,517
FUND BALANCES:		
Reserved for:		
Land and buildings held for resale	-	-
Advances to other funds	-	-
Noncurrent assets	22,367,826	-
Prepaid items	-	-
Low and moderate income housing	-	-
Debt service	-	4,422,143
Unreserved, designated for:		
Future capital projects	-	-
Unreserved - undesignated	13,750,487	(3,115,360)
TOTAL FUND BALANCES	36,118,313	1,306,783
TOTAL LIABILITIES AND FUND BALANCES	$ 36,852,036	$ 5,283,300

See independent auditors' report and notes to basic financial statements.

Low and Moderate Housing Capital Projects	Redevelopment Area Capital Projects	Total
$ 4,179,009	$ 22,151,179	$ 41,608,561
-	-	4,422,143
-	500	11,000
-	125,665	125,665
55,747	222,989	278,736
-	-	28,174
54,810	-	22,422,636
-	-	28,320
3,976,517	-	3,976,517
-	1,365	1,365
-	9,492,993	9,492,993
$ 8,266,083	$ 31,994,691	$ 82,396,110
$ 200	$ 108,475	$ 155,710
-	18,527	112,569
-	-	425,882
-	-	166,764
-	-	3,976,517
200	127,002	4,837,442
-	9,492,993	9,492,993
3,976,517	-	3,976,517
54,810	-	22,422,636
-	1,365	1,365
4,234,556	-	4,234,556
-	-	4,422,143
-	22,373,331	22,373,331
-	-	10,635,127
8,265,883	31,867,689	77,558,668
$ 8,266,083	$ 31,994,691	$ 82,396,110

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Oceanside Community Development Commission
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets
June 30, 2008

Fund balances for governmental funds		$ 77,558,668
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources. Therefore, capital assets were not reported in the Governmental Funds Balance Sheet:		
Capital assets	$ 49,414,915	
Accumulated depreciation	(8,861,759)	
		40,553,156
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.		(1,306,332)
Long-term liabilities are not due and payable in the current period. Therefore, long-term liabilities were not reported as a liability in the Governmental Funds Balance Sheet:		
Bonds payable	(54,975,000)	
Certificates of participation	(22,695,000)	
Advances from City of Oceanside	(9,554,320)	
		(87,224,320)
Long-term assets that are not available for current use. Amounts are not reported in the governmental funds.		360,164
Net Assets of Governmental Activities		$ 29,941,336

See independent auditors' report and notes to basic financial statements.

Oceanside Community Development Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2008

	Housing Assistance Program Special Revenue	Debt Service
REVENUES:		
Taxes	$ -	$ -
Licenses and permits	122,294	-
Intergovernmental	13,378,666	-
Charges for services	355,292	-
Lease revenue	-	2,399,758
Interest and rental	1,153,959	272,497
Developers fees	411,000	-
Other revenues	659,557	-
TOTAL REVENUES	16,080,768	2,672,255
EXPENDITURES:		
Current:		
Community development	16,279,629	-
Capital improvements	-	-
Debt service:		
Principal	-	3,513,835
Interest	-	4,173,682
TOTAL EXPENDITURES	16,279,629	7,687,517
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(198,861)	(5,015,262)
OTHER FINANCING SOURCES (USES):		
Transfers in (Note 4)	-	4,318,763
Transfers out (Note 4)	-	(26,762)
Advances received	-	347,348
TOTAL OTHER FINANCING SOURCES (USES)	-	4,639,349
NET CHANGE IN FUND BALANCES	(198,861)	(375,913)
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED	36,317,174	1,682,696
FUND BALANCES AT END OF YEAR	$ 36,118,313	$ 1,306,783

See independent auditors' report and notes to basic financial statements.

Low and Moderate Housing Capital Projects	Redevelopment Area Capital Projects	Total Governmental Funds
$ 1,914,023	$ 7,656,092	$ 9,570,115
-	-	122,294
-	-	13,378,666
-	104,085	459,377
-	-	2,399,758
148,888	1,042,425	2,617,769
-	22,500	433,500
-	69,103	728,660
2,062,911	8,894,205	29,710,139
200,788	1,817,817	18,298,234
-	2,035,183	2,035,183
-	-	3,513,835
-	-	4,173,682
200,788	3,853,000	28,020,934
1,862,123	5,041,205	1,689,205
-	26,762	4,345,525
-	(4,318,763)	(4,345,525)
-	-	347,348
-	(4,292,001)	347,348
1,862,123	749,204	2,036,553
6,403,760	31,118,485	75,522,115
$ 8,265,883	$ 31,867,689	$ 77,558,668

Oceanside Community Development Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2008

Net change in fund balances - total governmental funds		$ 2,036,553
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalizable capital outlays exceeded depreciation in the current period:		
Current year additions	$ 1,445,442	
Current year depreciation	(546,614)	
		898,828
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. These amounts are the net effect of these differences in the treatment of long-term debt:		
Principal payments		3,513,835
Advances received		(347,348)
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. The following amount represents the changes in accrued interest from prior year.		56,344
Some revenues are not reported in the governmental funds because they are not available in the current year. These funds were already reported as revenues in the Statement of Activities.		360,164
Change in Net Assets of Governmental Activities		$ 6,518,376

See independent auditors' report and notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of the Oceanside Community Development Commission (the Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity:

The Oceanside Community Development Commission (the Commission) was established on July 16, 1980, and includes all activities previously performed by the Oceanside Redevelopment Agency and the Oceanside Housing Authority. The Oceanside Redevelopment Agency was originally established on November 19, 1975, pursuant to the State of California Health and Safety Code entitled "Community Redevelopment Law". Its purpose is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational and public facilities. The Oceanside Housing Authority was originally established on February 24, 1971, and dissolved April 9, 1975, due to inactivity. It was reactivated on April 9, 1980, pursuant to the State of California Health and Safety Code. This department is responsible for all assisted housing projects within the City of Oceanside (the City).

B. Basis of Accounting and Measurement Focus:

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements:

The Commission's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental type activities for the Commission.

See independent auditors' report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Accounting and Measurement Focus (Continued):

Government-Wide Financial Statements (Continued):

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Commission's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Commission in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Governmental Fund Financial Statements:

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues Expenditures and Changes in Fund Balances for all major governmental funds. An accompany schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The Commission has presented all funds as major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Commission, are property taxes and other taxes. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term liabilities which are recognized as expenditures only when payment is due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Accounting and Measurement Focus (Continued):

Governmental Fund Financial Statements (Continued):

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The Commission reports the following major governmental funds:

The Housing Assistance Program Special Revenue Fund is used to account for the operation of the City's low and moderate income housing program. Financing is provided by HUD (Section 8), Community Development Block Grants, and service fees on mortgage revenue bonds.

The Debt Service Fund is used to account for the payment of interest and principal on debt of the Commission.

The Low and Moderate Housing Capital Projects Fund is used to account for the required 20% set-aside of property tax increments that is legally restricted for increasing or improving housing for low and moderate income households.

The Redevelopment Area Capital Projects Fund is used to account for administrative costs and capital improvements funded by long-term debt issued by the Community Development Commission.

C. Use of Restricted and Unrestricted Net Assets:

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Commission's policy is to apply restricted net assets first.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the special revenue and capital projects funds. Unexpended and unencumbered appropriations of these governmental funds automatically lapse at the end of the fiscal year.

E. Cash, Cash Equivalents and Investments:

The Commission pools its available cash for investment purposes with the City of Oceanside. The Commission considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

Highly liquid investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

F. Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Diego (the County) bills and collects the property taxes and remits them to the Commission in installments during the year. Commission property tax revenues are recognized when levied.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property assessed value not more than two percent per year. The Commission received tax revenue based on the incremental increase in taxable valuation in the redevelopment area above the base year valuation.

G. Land and Buildings Held for Resale:

Land and buildings held for resale is carried at the lower of cost or market, but not greater than the net realizable value. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the Commission's current operations.

See independent auditors' report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Capital Assets:

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at $100,000, all other capital assets are set at $10,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50 - 60 years
Improvements other than buildings	30 - 50 years
Machinery and equipment	5 - 20 years

Interest accrued during capital assets construction, if any, on an asset financed by governmental fund types is not capitalized as part of the asset cost.

I. Long-Term Debt:

Government-Wide Financial Statements:

Long-term debt and other financed obligations are reported as liabilities in the appropriate funds.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable premium or discount.

Fund Financial Statements:

The fund financial statements do not present long-term debt. Therefore, it is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

J. Net Assets:

Government-Wide Financial Statements:

The net assets reported on the Statement of Net Assets consist of the following three categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Net Assets (Continued):

Government-Wide Financial Statements (Continued):

The Statement of Net Assets Categories (Continued):

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets".

Fund Financial Statements:

Fund Equity - Reservations of fund balances of governmental funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

K. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates and assumptions.

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments at June 30, 2008 are classified in the accompanying financial statements as follows:

Unrestricted:	
Cash and investments pooled with the City of Oceanside	$ 41,608,561
Restricted:	
Cash and investments with fiscal agent	4,422,143
	$ 46,030,704

See independent auditors' report.

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the Commission's Investment Policy:

The table below identifies the investment types that are authorized for the Commission by the California Government Code (or the Commission's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Commission's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Commission, rather than the general provisions of the California Government Code or the Commission's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States (U.S.) Treasury Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	25%
Banker's Acceptances	180 days	20%	5%
Time Deposits	1 year	15%	None
Repurchase Agreements	30 days	30%	None
Reverse Repurchase Agreements	60 days	15%	None
Commercial Paper	270 days	15%	5%
Corporate Medium Term Notes	5 years	15%	5%
Local Agency Investment Fund (LAIF)	N/A	None	None

N/A - Not Applicable

* - Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

See independent auditors' report.

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Commission's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Enterprise Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

N/A - Not Applicable

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission's investments held by bond trustee consist of money market mutual funds in the amount of $4,422,143, which are rated AAA by Standard and Poor.

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Disclosures Related to Interest Rate Risk, Credit Risk and Custodial Credit Risk:

The Commission's cash and investments are pooled with the City of Oceanside's cash and investments. Additional disclosures regarding $41,608,561 pooled cash and investments related to interest rate risk, credit risk and custodial credit risk are available in the City of Oceanside's Comprehensive Annual Financial Report.

3. NOTES RECEIVABLE:

At June 30, 2008, the Commission had notes receivable reported in the following funds:

Housing Assistance Program Special Revenue Fund	$	22,367,826
Low and Moderate Housing Capital Projects Fund		54,810
Total	$	22,422,636

At June 30, 2008, the Commission's Housing Assistance Program Special Revenue Fund was owed $22,367,826 for various low or noninterest bearing loans to property owners for the rehabilitation of property within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. These notes are considered long-term and an amount equal to the outstanding balance is reserved in fund balance.

3. NOTES RECEIVABLE (CONTINUED):

At June 30, 2008, the Commission's Low and Moderate Housing Capital Projects Fund was owed $54,810 for various low and moderate income housing loans for a home buyer program. These notes are considered long-term and an amount equal to the outstanding balance is reserved in fund balance.

4. INTERFUND TRANSACTIONS:

Long-Term Advances:

At June 30, 2008, the City had the following interfund long-term advances:

Advances From	Advances To	Amount
Low and Moderate Housing Capital Projects Fund	Debt Service Fund	$ 3,976,517

The Low and Moderate Income Housing Fund advanced funds to the Debt Service Fund to fund redevelopment projects. The loan is payable from tax increment revenues.

Transfers:

Transfers in and out for the year ended June 30, 2008 are as follows:

Transfer From	Transfer To	Amount
Debt Service Fund	Redevelopment Area Capital Projects Fund	$ 26,762
Redevelopment Area Capital Projects Fund	Debt Service Fund	4,318,763
		$ 4,345,525

The transfer from the Debt Service Fund to the Redevelopment Area Capital Projects Fund was for funding of specific projects.

The transfer from the Redevelopment Area Capital Projects Fund to the Debt Service Fund was for debt service payments.

See independent auditors' report.

5. CAPITAL ASSETS:

A summary of changes in the capital assets at June 30, 2008 is as follows:

	Balance at July 1, 2007	Additions	Deletions	Balance at June 30, 2008
Capital assets, not being depreciated:				
Land	$ 20,013,231	$ -	$ -	$ 20,013,231
Construction in progress	1,835,820	1,388,869	-	3,224,689
Total capital assets, not being depreciated	21,849,051	1,388,869	-	23,237,920
Capital assets, being depreciated:				
Buildings and structures	25,976,582	-	-	25,976,582
Machinery and equipment	143,840	56,573	-	200,413
Total capital assets, being depreciated	26,120,422	56,573	-	26,176,995
Less accumulated depreciation for:				
Buildings and structures	(8,175,657)	(545,165)	-	(8,720,822)
Machinery and equipment	(139,488)	(1,449)		(140,937)
Total accumulated depreciation	(8,315,145)	(546,614)	-	(8,861,759)
Total capital assets, being depreciated, net	17,805,277	(490,041)	-	17,315,236
Capital assets, net	$ 39,654,328	$ 898,828	$ -	$ 40,553,156

Depreciation expense of $546,614 was charged to community development.

See independent auditors' report.

6. LAND AND BUILDINGS HELD FOR RESALE:

Land and buildings held for resale are recorded in the Redevelopment Area Capital Projects Fund at the lower of cost or market, but not greater than net realizable value. The available fund balance is reserved in amount equal to the carrying value of land and buildings held for resale because such assets are not available to finance current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2008, was $9,492,993.

7. LONG-TERM LIABILITIES:

A. Governmental Activities Long-Term Debt:

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year	Due in More Than One Year
Bonds payable	$ 56,950,000	$ -	$ (1,975,000)	$ 54,975,000	$ 2,050,000	$ 52,925,000
Certificates of participation	24,100,000	-	(1,405,000)	22,695,000	1,485,000	21,210,000
Advances from City	9,340,807	347,348	(133,835)	9,554,320	22,365	9,531,955
Total	$ 90,390,807	$ 347,348	$ (3,513,835)	$ 87,224,320	$ 3,557,365	$ 83,666,955

Bonds Payable:

At June 30, 2008, bonds payable consisted of the following:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year	Due in More Than One Year
2002 Tax Allocation Refunding Bonds	$ 20,085,000	$ -	$ (655,000)	$ 19,430,000	$ 685,000	$ 18,745,000
2003 Tax Allocation Refunding Bonds	6,495,000	-	(435,000)	6,060,000	450,000	5,610,000
Subordinate 2003 Tax Allocation Bonds	17,510,000	-	(570,000)	16,940,000	595,000	16,345,000
2004 Tax Allocation Refunding Bonds	12,860,000	-	(315,000)	12,545,000	320,000	12,225,000
Totals	$ 56,950,000	$ -	$ (1,975,000)	$ 54,975,000	$ 2,050,000	$ 52,925,000

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Bonds Payable (Continued):

2002 Tax Allocation Refunding Bonds - Original Issue $22,030,000

The 2002 Tax Allocation Refunding Bonds were issued to finance the Commission's projects in the Downtown Redevelopment Project pursuant to the Redevelopment Plan, to provide for fund reserves, and pay for the costs of the bond issuance.

The bonds mature annually through 2020, in amounts ranging from $685,000 to $1,240,000. Interest rates vary from 3.0% to a maximum of 5.5% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. At June 30, 2008, the outstanding balance of these bonds was $19,430,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 685,000	$ 1,033,088	$ 1,718,088
2010	715,000	1,000,694	1,715,694
2011	750,000	965,900	1,715,900
2012	785,000	928,463	1,713,463
2013	825,000	888,213	1,713,213
2014 - 2018	4,790,000	3,746,581	8,536,581
2019 - 2023	6,225,000	2,258,419	8,483,419
2024 - 2026	4,655,000	411,557	5,066,557
Totals	$ 19,430,000	$ 11,232,915	$ 30,662,915

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Bonds Payable (Continued):

2003 Tax Allocation Refunding Bonds - Original Issue $7,740,000

The 2003 Tax Allocation Refunding Bonds were issued to defease the Commission's outstanding $7,725,000 Downtown Redevelopment Project, 1993 Tax Allocation Refunding Bonds, to acquire a municipal bond issuance policy and to pay costs of issuance.

The bonds mature annually through 2019, in amounts ranging from $450,000 to $670,000. Interest rates vary from 2.0% to a maximum of 4.0% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2014, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2014, are subject to redemption in whole or in part on September 1, 2013, and each interest date thereafter. At June 30, 2008, the outstanding balance of these bonds was $6,060,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 450,000	$ 219,500	$ 669,500
2010	460,000	205,850	665,850
2011	485,000	189,250	674,250
2012	505,000	169,450	674,450
2013	525,000	148,850	673,850
2014 - 2018	2,965,000	430,975	3,395,975
2019	670,000	13,400	683,400
Totals	$ 6,060,000	$ 1,377,275	$ 7,437,275

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Bonds Payable (Continued):

Subordinate 2003 Tax Allocation Bonds - Original Issue $17,800,000

The Subordinate 2003 Tax Allocation Bonds were issued to finance the Commission's undertakings in the Downtown Redevelopment Project pursuant to the Redevelopment Plan, to fund a reserve account, to pay costs of issuance and to fund capitalized interest on the 2003 Escrow Term Bonds.

The bonds mature annually through 2026, in amounts ranging from $595,000 to $1,425,000. Interest rates vary from 2.0% to a maximum of 5.2% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. At June 30, 2008, the outstanding balance of these bonds was $16,940,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 595,000	$ 894,939	$ 1,489,939
2010	620,000	865,505	1,485,505
2011	655,000	834,350	1,489,350
2012	685,000	801,220	1,486,220
2013	720,000	766,058	1,486,058
2014 - 2018	4,180,000	3,229,326	7,409,326
2019 - 2023	5,435,000	1,945,601	7,380,601
2024 - 2026	4,050,000	352,676	4,402,676
Totals	$ 16,940,000	$ 9,689,675	$ 26,629,675

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Bonds Payable (Continued):

2004 Tax Allocation Refunding Bonds - Original Issue $13,510,000

The 2004 Tax Allocation Refunding Bonds were issued to defease the Commission's outstanding $14,935,000 Downtown Redevelopment Project, 1994 Tax Allocation Refunding Bonds outstanding, to acquire a municipal bond issuance policy and to pay costs of issuance.

The bonds mature annually through 2024, in amounts ranging from $320,000 to $1,550,000. Interest rates vary from 2.5% to a maximum of 4.5% and are payable semiannually on March 1 and September 1, commencing March 1, 2005. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2015, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2015, are subject to redemption in whole or in part on September 1, 2014, and each interest date thereafter. At June 30, 2008 the outstanding balance of these bonds was $12,545,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 320,000	$ 528,954	$ 848,954
2010	340,000	517,354	857,354
2011	340,000	503,754	843,754
2012	355,000	489,854	844,854
2013	370,000	476,279	846,279
2014 - 2018	2,000,000	2,158,437	4,158,437
2019 - 2023	5,785,000	1,416,313	7,201,313
2024 - 2025	3,035,000	138,037	3,173,037
Totals	$ 12,545,000	$ 6,228,982	$ 18,773,982

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Certificates of Participation:

At June 30, 2008, certificates of participation (COP) payable consisted of the following:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year	Due in More Than One Year
1995 Refunding COP	$ 4,055,000	$ -	$ (1,275,000)	$ 2,780,000	$ 1,350,000	$ 1,430,000
2005 Refunding COP	20,045,000	-	(130,000)	19,915,000	135,000	19,780,000
Totals	$ 24,100,000	$ -	$ (1,405,000)	$ 22,695,000	$ 1,485,000	$ 21,210,000

1995 Refunding Certificates of Participation - Original Issue $34,300,000

The 1995 Refunding Certificates of Participation were issued by the Commission to refund the 1991 Refunding Certificates of Participation, which was used for the City's Civic Center Project. The certificates consist of serial certificates in the amount of $14,555,000 due in annual installments of $1,350,000 to $1,430,000. Interest rates range from 4.0% to 6.07% and is payable semiannually on February 1 and August 1. Certificates maturing before August 1, 2015, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2015, are subject to redemption prior to maturity on August 1, 2005, and each interest payment date thereafter. A portion of these certificates was defeased with proceeds from the issuance of the 2005 Refunding Certificates of Participation. At June 30, 2008, the outstanding balance of the remaining certificates was $2,780,000.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 1,350,000	$ 119,150	$ 1,469,150
2010	1,430,000	39,325	1,469,325
Totals	$ 2,780,000	$ 158,475	$ 2,938,475

See independent auditors' report.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Certificates of Participation (Continued):

2005 Refunding Certificates of Participation - Original Issue $20,170,000

The 2005 Refunding Certificates of Participation were issued by the Commission to partially refund the 1995 Refunding Certificates of Participation, which was used for the City's Civic Center Project and to pay the costs of issuance. The certificates consist of serial certificates in the amount of $20,170,000 due in annual installments of $135,000 to $2,350,000. Interest rates range from 3% to 5% and are payable semiannually on February 1 and August 1. Certificates maturing before August 1, 2016, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2016, are subject to redemption in whole or in part on August 1, 2015, and each interest date thereafter. At June 30, 2008, the outstanding balance of these certificates was $19,915,000.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 135,000	$ 799,288	$ 934,288
2010	135,000	795,238	930,238
2011	1,650,000	768,463	2,418,463
2012	1,705,000	716,006	2,421,006
2013	1,765,000	653,000	2,418,000
2014 - 2018	9,940,000	2,157,126	12,097,126
2019 - 2020	4,585,000	232,124	4,817,124
Totals	$ 19,915,000	$ 6,121,245	$ 26,036,245

Advances from the City:

The Commission entered into a loan agreement with the City to restructure unpaid loans made to the Commission in 1986 and 1989 to fund downtown redevelopment projects. The loan represents the unpaid principal portion of $2,000,000 and $1,443,011 of the 1986 and 1989 loans, respectively, and the accumulated unpaid interest on those loans. Annual interest of 10% is deferred and added to the outstanding balance until December 2017. Annual payments ranging from $2,850,000 to $3,115,000 will begin in December 2018. As of June 30, 2008, the outstanding balance of the loan was $8,918,297.

7. LONG-TERM LIABILITIES (CONTINUED):

A. Governmental Activities Long-Term Debt (Continued):

Advances from the City (Continued):

The annual debt service requirements on this loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2019 - 2023	$ 7,467,757	$ 7,862,243	$ 15,330,000
2024 - 2028	11,786,178	3,753,192	15,539,370
	19,253,935	$ 11,615,435	$ 30,869,370
Less: Deferred interest added to principal	(10,335,638)		
Balance	$ 8,918,297		

On June 1, 2001, the Commission entered into a loan agreement with the City whereby the City agreed to advance $738,321. The loan is payable in semiannual payments of $30,098 on June 1 and December 1, at a 6% interest rate. As of June 30, 2008, the outstanding balance of the loan was $636,023.

The annual debt service requirements on this loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	$ 22,365	$ 37,831	$ 60,196
2010	23,727	36,469	60,196
2011	25,172	35,024	60,196
2012	26,705	33,491	60,196
2013	28,331	31,865	60,196
2014 - 2018	169,736	131,244	300,980
2019 - 2023	228,111	72,869	300,980
2024 - 2025	111,876	8,513	120,389
Totals	$ 636,023	$ 387,306	$ 1,023,329

See independent auditors' report.

8. RESERVES AND DESIGNATIONS OF FUND BALANCES:

The Commission may set up reserves of fund equity to segregate fund balances which are appropriable for expenditure in future periods, or which are legally set aside for a specific future use. The following reserves and designations are reported on the governmental funds balance sheet:

A. Reserved for Land and Buildings Held for Resale:

This reserve is provided to indicate that land and buildings held for resale is not available as a resource to meet expenditures of the current year.

B. Reserved for Advances to Other Funds:

This reserve is provided to indicate that advances to other funds are not available as a resource to meet expenditures of the current year.

C. Reserved for Noncurrent Assets:

This reserve is provided to indicate amounts for noncurrent assets that are not available as a resource to meet expenditures of the current year.

D. Reserved for Prepaid Items:

This reserve is provided to indicate that prepaid items are not available as a resource to meet expenditures of the current year.

E. Reserved for Low and Moderate Income Housing:

This reserve is provided to indicate that amounts set-aside for tax increment monies received by the Commission are to be used for projects/programs benefiting low and moderate income households.

F. Reserved for Debt Service:

This reserve is provided to indicate amounts are to be used for future debt service, including amounts held in accordance with bond indenture or similar covenants.

G. Designated for Future Capital Projects:

This designation is provided to indicate future use of funds for future capital projects.

9. OTHER REQUIRED DISCLOSURES:

The unrestricted net assets had a deficit balance of $52,794,297 at June 30, 2008 because long-term debt is in excess of capital assets owned by the Commission. The Commission issues debt for construction and/or acquisition of assets, which it then turns over to the City or to private parties within the redevelopment project area. The debt will be repaid with future property tax increment revenue.

10. RESTATEMENT OF NET ASSETS/FUND BALANCES:

A. Government-Wide Financial Statements:

Restatement of Net Assets:

Beginning net assets balances in the government-wide financial statements were restated as follows:

	Governmental Activities
Net assets (deficit) as previously reported	$ 24,522,730
Fund statements adjustments (see below)	(1,099,770)
Net assets as restated	$ 23,422,960

B. Governmental Fund Financial Statements:

Restatement of Fund Balances:

Beginning fund balances in the governmental fund financial statements were restated as follows:

	Housing Assistance Program Special Revenue Fund	Redevelopment Area Capital Projects Fund
Fund balances as previously reported	$ 36,147,373	$ 32,388,056
To record pass-through tax increments for prior years	-	(1,269,571)
To reclassify developer fees recorded in incorrect funds	169,801	-
Fund balances as restated	$ 36,317,174	$ 31,118,485

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

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Oceanside Community Development Commission
Budgetary Comparison Schedule
Housing Assistance Program Special Revenue Fund
For the year ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, July 1 (as restated)	**$ 36,317,174**	**$ 36,317,174**	**$ 36,317,174**	**$ -**
Resources (inflows):				
Licenses and permits	120,509	120,509	122,294	1,785
Intergovernmental revenues	14,258,091	15,402,791	13,378,666	(2,024,125)
Charges of services	310,886	219,196	355,292	136,096
Interest and rentals	62,240	62,240	1,153,959	1,091,719
Developer fees	-	177,025	411,000	233,975
Other revenues	549,568	182,500	659,557	477,057
Tota resources (inflows)	15,301,294	16,164,261	16,080,768	(83,493)
Charges to appropriations (outflows):				
Housing and neighborhood services	16,335,784	36,221,825	16,279,629	19,942,196
Total charges to appropriations (outflows)	16,335,784	36,221,825	16,279,629	19,942,196
Excess of resources over (under) charges to appropriations	(1,034,490)	(20,057,564)	(198,861)	19,858,703
Fund balance, June 30	**$ 35,282,684**	**$ 16,259,610**	**$ 36,118,313**	**$ 19,858,703**

See independent auditors' report and note to required supplementary information.

1. BUDGETARY INFORMATION:

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements.

- During May of even numbered fiscal years, the Executive Director submits to the Board of Directors a proposed biennial operating budget for the two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted at Board of Directors meetings to obtain taxpayer comments prior to and after May.

- Prior to July 1, the budget is legally adopted through passage of an appropriation resolution.

The Executive Director is authorized to transfer funds appropriated within the same department. Revisions that alter the total appropriations of any department or fund must be approved by the Board of Directors.

Budgets are adopted for the special revenue and capital project funds on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted and as further amended by the Board of Directors. All annual appropriations lapse at year-end.

Formal budgetary integration is employed as a management control device during the year for the governmental fund types other than the debt service funds. Expenditures may not legally exceed appropriations at the activity level.

SUPPLEMENTARY INFORMATION

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Oceanside Community Development Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Low and Moderate Housing Capital Projects Fund - Major Fund
For the year ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, July 1	**$ 6,403,760**	**$ 6,403,760**	**$ 6,403,760**	**$ -**
Resources (inflows):				
Taxes	1,729,220	1,729,220	1,914,023	184,803
Interest and rentals	-	-	148,888	148,888
Total resources (inflows)	1,729,220	1,729,220	2,062,911	333,691
Charges to appropriations (outflows):				
Community development	188,460	210,177	200,788	9,389
Total charges to appropriations (outflows)	188,460	210,177	200,788	9,389
Excess of resources over (under) charges to appropriations	1,540,760	1,519,043	1,862,123	343,080
Fund balance, June 30	**$ 7,944,520**	**$ 7,922,803**	**$ 8,265,883**	**$ 343,080**

See independent auditors' report.

Oceanside Community Development Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Redevelopment Area Capital Projects Fund - Major Fund
For the year ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, July 1 (as restated)	**$ 31,118,485**	**$ 31,118,485**	**$ 31,118,485**	**$ -**
Resources (inflows):				
Taxes	6,828,522	6,828,522	7,656,092	827,570
Charges for services	60,000	60,000	104,085	44,085
Interest and rentals	39,200	39,200	1,042,425	1,003,225
Developer fees	90,000	90,000	22,500	(67,500)
Other revenues	-		69,103	69,103
Transfers in	2,488,000	2,488,000	26,762	(2,461,238)
Total resources (inflows)	9,505,722	9,505,722	8,920,967	(584,755)
Charges to appropriations (outflows):				
Community development	2,437,781	1,416,223	1,817,817	(401,594)
Capital improvements	18,202,366	19,194,160	2,035,183	17,158,977
Transfers out	4,552,979	5,190,153	4,318,763	871,390
Total charges to appropriations (outflows)	25,193,126	25,800,536	8,171,763	17,628,773
Excess of resources over (under) charges to appropriations	(15,687,404)	(16,294,814)	749,204	17,044,018
Fund balance, June 30	**$ 15,431,081**	**$ 14,823,671**	**$ 31,867,689**	**$ 17,044,018**

See independent auditors' report.

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November 17, 2008

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors of the
Oceanside Community Development Commission
Oceanside, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oceanside Community Development Commission (the Commission), a component unit of the City of Oceanside, California (the City), as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

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Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws and regulations identified in the Guidelines For Compliance Audits of California Redevelopment Agencies, issued by the State Controller and as interpreted in the Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

a. Pursuant to California Health and Safety Code Section 33080.4, a blight progress report, a loan report and a property report must be provided and submitted to the Commission's legislative body within six months following the Commission's fiscal year end date of June 30, 2007. The Commission submitted the reports on January 23, 2008.

b. Health and Safety Code Section 33080.1 requires Redevelopment Agencies to submit independent auditor's reports on financial statements and legal compliance, the Annual Report of Financial Transactions of Community Redevelopment Agencies and the Housing Activities Report to the Board of Directors within six months following the Commission's fiscal year end date of June 30, 2007. The Commission submitted the reports on January 23, 2008.

c. Pursuant to California Health and Safety Code Section 33334.3(d), a written determination showing that planning and administrative expenditures made from the housing fund were necessary for the production, improvement, or preservation of low- and moderate income housing must be prepared annually. For fiscal year ended June 30, 2008, a written determination was not prepared for planning and administrative expenditures made from the housing fund.

This report is intended solely for the information and use of the Commission Directors and management of the Commission and the State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specific parties.

Diehl, Evans and Company, LLP

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2007/2008

SCHEDULE HCD E
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2007/2008

* Not [illegible]