

**STAFF REPORT****CITY OF OCEANSIDE**

DATE: January 23, 2008

TO: Chairman and Members, Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **ADOPTION OF A RESOLUTION ACCEPTING THE 2006/2007
COMMUNITY DEVELOPMENT COMMISSION ANNUAL REPORT**

SYNOPSIS

All Redevelopment Agencies are required to report annually to the California State Controller. Staff has prepared the Community Development Commission Annual Report for submittal to the State Controller's Office (SCO) and State Housing and Community Development Department (HCD). The California Health and Safety Code requires that the Redevelopment Agency present the Annual Report to its legislative body for adoption. Staff is recommending that the Community Development Commission (CDC) adopt a resolution accepting the Annual Report and direct staff to forward the document to the State Controller.

BACKGROUND

Once a Redevelopment Agency is established the California Health and Safety Code has additional periodic requirements of each agency. One such requirement is the adoption of a Redevelopment Implementation Plan and subsequent updates to the Plan. In November 2004 the Community Development Commission adopted the third update to the Implementation Plan (Exhibit 1).

In addition to the Implementation Plan updates, the Redevelopment Agency is required to report annually to the SCO and HDC. This report contains several components related to redevelopment and affordable housing activities for the fiscal year. It is a compilation of Redevelopment activities and achievements, a statement of income and expenditures, assets and other debts; as well as expenditures of low and moderate income housing funds. Financial statements with a report by an independent certified public accountant are also included. A copy of the report submitted to the SCO for fiscal year 2006/2007 is attached as Exhibit 2. A copy of the 2006/2007 Financial Statements and Auditor's Reports is included as Exhibit 3.

FISCAL IMPACT

None.

COMMISSION OR COMMITTEE REPORT

The Redevelopment Advisory Committee will have reviewed the 2006/2007 Annual Report and resolution at its January 23, 2008 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.

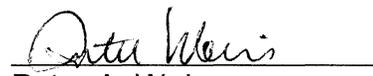
RECOMMENDATION

Staff recommends that the Commission adopt a resolution accepting the Community Development Commission 2006/2007 Annual Report and direct staff to submit the report to the State Controller.

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Development Coordinator

SUBMITTED BY:


Peter A. Weiss
Executive Director

REVIEWED BY:

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



ATTACHMENTS:

1. Resolution

EXHIBITS:

1. Five Year Implementation Plan
2. State Controllers Report Fiscal Year 2006/2007
3. Exhibit 4 - Basic Financial Statements & Auditor's Report 2006/2007

RESOLUTION NO.

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF OCEANSIDE ACCEPTING THE 2006/2007 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 2006-2007 Annual Report to the Community Development Commission for its review and approval; and

WHEREAS, the Community Development Commission has received and reviewed the 2006-2007 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 2006-2007 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 23rd day of January, 2008, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

CHAIRMAN

ATTEST:

APPROVED AS TO FORM:

SECRETARY



GENERAL COUNSEL

2005-2009 Implementation Plan
Oceanside Downtown Redevelopment Project

11/17/04

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2005-2009 IMPLEMENTATION PLAN

OCEANSIDE DOWNTOWN REDEVELOPMENT PROJECT

CITY OF OCEANSIDE

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I. INTRODUCTION

This document contains the five-year Implementation Plan for the period of 2005–2009 for the Oceanside Downtown Redevelopment Project, administered by the Oceanside Community Development Commission (Commission). The Implementation Plan is being prepared and adopted in accordance with California Health & Safety Code Section 33490, which outlines the purpose and requirements of the Implementation Plan as follows:

- Agencies were required to adopt their first five-year Implementation Plan(s) for existing Projects Areas by December 1994.
- Each Implementation Plan must state the Agency's goals and objectives for the Project Area, identify specific programs and expenditures over the next five years, and describe how these goals and objectives, programs, and expenditures will alleviate blight.
- The Implementation Plans must identify approaches to increase, improve, and preserve the supply of low- and moderate-income housing. The Implementation Plans must further incorporate a plan to meet mandated housing production and affordability requirements.
- Each Implementation Plan can be adopted only after conducting a noticed public hearing.

Redevelopment Plan: Oceanside Downtown Redevelopment Project

The Redevelopment Plan for the Oceanside Downtown Redevelopment Project (Project Area) adopted on November 19, 1975, proposed to eliminate blight and prevent deterioration in the Project Area. The purpose of the Redevelopment Plan was to provide the Commission with the powers, duties, and obligations to implement and further the program generally formulated in the Redevelopment Plan for the redevelopment, rehabilitation, and revitalization of the Project Area. The Redevelopment Plan set forth, in general terms, what the Commission hoped to accomplish within the Project Area, how it intended to implement the program to achieve the desired objective, and the controls to be imposed upon development within the area.

The Plan's purpose was not to detail and present a specific plan or specify future projects for the revitalization of the area, nor did it attempt to solve all the concerns of the community relating to the Project Area. Rather, the Redevelopment Plan presented a process and framework within which specific projects could be established, specific solutions proposed and by which tools would be provided to the Commission to implement the program.

II. BLIGHTING CONDITIONS

The blighting conditions cited for the establishment of the Project Area were identified in the "Report to City Council on the Proposed Redevelopment Plan for the Downtown Redevelopment Project." (Report to City Council) dated November 12, 1975. In general, the physical economic and social blighting conditions cited in the Report to City Council continue to be found in the Project Area. A number of factors characterize the magnitude and effect of these blighting conditions within the Project Area.

Physical blighting conditions in the Area fall into the following general categories: (1) deterioration and dilapidation of buildings; (2) inadequate area parking; (3) incompatible land uses; (4) shape and inadequate size of parcels, (5) the condition and location of existing public infrastructure; (6) beach erosion; and (7) the potential of toxic and hazardous materials. Examples of specific physical blighting conditions found within the Project Area are related to vacant or underutilized land, mixture of industrial uses adjacent to residential uses, seismic and structural reinforcement, toxic contamination, access for the disabled, building code violations, age and obsolescence of improvements, lack of off-street parking, and the lack of tourist amenities and accommodations.

The blighted economic conditions still found in the Project Area are characterized by (1) a historic lack of commercial investment by property owners and by businesses in the area; (2) a high commercial vacancy factor; and (3) a lack of a permanent residential base capable of supporting a viable commercial district. This economic blight is demonstrated by lagging retail sales activity, insufficient business formation, lack of tourist accommodations and activities, inadequately maintained properties, and limited shopping opportunities.

Conditions of social blight in the Project Area continue to be characterized by demographics which show a higher than average incidence of vice and crime, transiency, and populations requiring special needs.

The Project Area also has serious infrastructure deficiencies that require major street reconstruction, storm drain and sewer improvements, water capacity improvements, underground utility projects, public parking improvements, and improvements to the pier/beach/Strand area.

The Redevelopment Plan was developed to correct existing deficiencies and to capitalize on the Project Area's assets. Since the adoption of the Redevelopment Plan the Commission has worked progressively toward reversing the effects of urban blight and preventing the continued deterioration of the Project Area. The Commission has completed several projects and continues to participate in ongoing projects and programs to mitigate specific blight conditions identified in the original Report to Council and the Redevelopment Plan.

III. COMPLETED PROJECTS AND CONTRIBUTION TO BLIGHT ALLEVIATION

The Commission has completed numerous projects in the Downtown Redevelopment Project Area since the Redevelopment Plan was adopted in 1975. These have included both assistance toward private development activities and installation and improvement of public infrastructure and facilities. Agency activities in the Project Area are briefly reviewed below and described in greater detail on Table 1.

- *Private Projects:* The Commission has actively pursued a number of private development opportunities including the Ocean Place Entertainment Center, Pacific Village Homes, the Sunshine Brooks Cultural Center, and the Star Theatre. The Agency provided land assembly and financial assistance to these projects. In addition the Agency has assisted smaller commercial development with financial assistance toward façade improvement.

As shown on Table 1, the Commission's activities in support of private developments in the Project Area have made a substantial contribution to the alleviation of blighting conditions. The Agency's consolidation of small and irregularly shaped lots has made development feasible where it otherwise would not have occurred. Moreover, in assisting new development, the Commission has helped to stem the outflow of businesses from the Project Area. These new developments will have a positive economic impact on adjoining land uses.

- *Public Improvements:* To attract new private development in the Project Area, the Commission has provided extensive public improvements. Agency projects have included street improvements, undergrounding of utilities, improved street lighting, landscaping, signage, and railroad underpass. These activities contribute to the alleviation of inadequate public improvements and enhance the potential for new private development.

**TABLE 1
COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PRIVATE DEVELOPMENT PROGRAM</i>		
Ocean Place Entertainment Center	100,000 sq.ft. mixed-use entertainment center anchored by 16-screen cinema.	Increases pedestrian traffic in the commercial core, improves commercial activity, attracts additional investment to the Project Area.
Sunshine Brooks Cultural Center	Commission implemented a rehabilitation program in order to place a vacant un-reinforced structure in use.	Attracts additional investment to the Project Area by transforming a blighted socially significant historic structure into a cultural amenity.
Pacific Village Homes	37 single-family row home units on Cleveland Street, south of Surfrider Way.	Provided stability to the Project Area by enhancing the area's permanent residential base.
Comfort Suites	64-room hotel on North Coast Highway.	Encourages visitors to the area. Enhances the area as a desirable location. Improves commercial activity.
Pacific Beach Homes	5-unit condominium project on South Pacific Street.	Provides stability to the Project Area by enhancing the area's permanent residential base.
Guest House Inn	Remodel of 82-room motel on North Coast Highway.	Encourages visitors to the area, enhancing the area as a desirable location and improving commercial activity.
La Quinta Inn	38-room hotel on North Coast Highway.	Encourages visitors to the area. Enhances the area as a desirable location. Improves commercial activity.
Ocean Village Single Family homes	2 residential units on Tremont Street.	Provides stability to the Project Area by enhancing the area's permanent residential base.

TABLE 1 (CONT'D)

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PRIVATE DEVELOPMENT PROGRAM, (CONT'D):</i>		
Santorini Villas	8 single-family residences on Neptune Way and N. Tremont Street.	Provides stability to the Project Area by enhancing the area's permanent residential base.
Neptune Point	18-unit condominium project on Neptune Way and Myers Street.	Provides stability to the Project Area by enhancing the area's permanent residential base.
Sea Breeze Cottages	41-unit residential project located on the 600-700 block of N. Cleveland Street.	Provides stability to the Project Area by enhancing the area's permanent residential base.
Trend West Resorts, Inc	140-room vacation resort timeshare (vacation club) project.	Encourages visitors to the area. Enhances the area as a desirable location. Improves commercial activity.
Motel 6	106-room motel on the 900 block of North Coast Highway.	Encourages visitors to the area. Enhances the area as a desirable location. Improves commercial activity.
Summit Village, Phase I	58-unit multi-family project on Summit Street.	Provides stability to the Project Area by enhancing the area's residential base.
<i>PUBLIC IMPROVEMENT PROGRAM:</i>		
Street Lighting and Lighting Conversion	Design and implementation of a conversion program to produce enhanced lumen output.	Improves public safety and deters crime by increasing lighting.
Beach Access Way	Provided pedestrian access way from Pacific Street to The Strand at Ash Street.	Improves public infrastructure and increases accessibility for visitors to the beach.
Surfrider Way Under grounding of Utilities	Under grounding of utilities from North Coast Highway to Pacific Street.	Removes a visually blighting influence and enhances the area as a desirable location.

TABLE 1 (CONT'D)
COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PUBLIC IMPROVEMENT PROGRAM, (CONT'D):</i>		
North Coast Highway Streetscape	Installation of curb, gutter, sidewalk, landscaping, and street light improvements.	Improves public infrastructure, enhancing the potential for new private development.
Walkable Communities – Phase I	Installation of decorative paving, replacement of deteriorated sidewalks, added lighting, and landscape on Mission Avenue, Pier View Way, Tremont Street, and Cleveland Street.	Improves public infrastructure enhancing the potential for new private development.
Railroad Undercrossing	A pedestrian railroad undercrossing at Pier View Way, from Cleveland Street and Myers Street, for pedestrians and bicyclists.	Improves public infrastructure, pedestrian and bicyclist safety, and accessibility to the beach and the business center.
Signage and landscaping on Mission Avenue, west of I-5	Installed landscaped median and entry signage on Mission Avenue, west of 1-5.	Improves public infrastructure, and visually enhances the entrance to the Project Area, increasing the potential for new private development.
Low-Moderate housing for seniors	A newly constructed low-moderate housing project located at Canyon Drive and Bush Street. The entire project is 186 units with 168 units of low-moderate income senior units.	Provides quality secure and affordable housing for seniors.

IV. GOALS AND OBJECTIVES

The overall specific goal of the Commission is the continued elimination and prevention of the spread of blight and deterioration in the Project Area as described in Section II above, the Redevelopment Plan, and the Report to the City Council.

The Commission envisions the Downtown Project Area as the center for government, financial, cultural, commercial, and tourism activities integrated in an urban residential village providing a diversity of housing for all income levels. A significant amount of blight remains to be addressed. Therefore the specific goals and objectives of the Commission over the next five years shall include the following:

Goals:

- To eliminate blight and to capitalize on the area's assets;
- To develop a Plan and Program to establish downtown Oceanside as a business and visitor center for commerce, recreation, tourism, entertainment, and residential uses for the existing community and visitors;
- To provide necessary public improvements to encourage the desired private developments;
- To reduce the concentration and incidence of crime in downtown;
- To provide housing opportunities that benefit the Project Area, for all economic segments of the community including development of projects within and outside the Project Area that benefit the Project Area;
- To reposition downtown to attract a beach oriented destination resort hotel.

Objectives:

- Remove the impediments to land disposition and development through the assembly of land into reasonably sized and shaped parcels;
- Create and implement incentive programs for existing property owners and businesses to reinvest in their properties;
- Attract and support catalyst projects to spur additional reinvestment in the Project Area;
- Create a program to provide viable housing options that benefit the Project Area, span a range of incomes, and promote affordable housing;
- Enhance principal streets and improve traffic circulation;

- Remediate environmental constraints and hazards affecting development;
- Enhance the public transit system and transit center;
- Abate incompatible nonconforming uses and signs, and nuisance uses;
- Improve existing public infrastructure (e.g. streets, parking, sidewalks, parkways, lighting, landscaping, and signage in the public right of way);
- Acquire and dispose of nonconforming property;
- Enhance pedestrian links between the beach/pier area and harbor;
- Create more viable business opportunities through the replacement of functionally obsolete businesses;
- Expand and improve parking access to the harbor east parking lot;
- Enhance the north harbor gateway to the Project Area;
- Develop and implement a program to create a more pedestrian-friendly downtown.

V. UPDATED ASSESSMENT OF CURRENT BLIGHTING CONDITIONS

The Commission has taken important steps toward the alleviation of blighting conditions in the Project Area. Nevertheless, many of the blighting conditions identified when the Redevelopment Plan was adopted are still present in the Project Area, and continue to impair private investment and development activity. In particular, there continues to exist non-conforming uses including an adult entertainment business, non-conforming signs, functionally obsolete motels, sub-standard housing, marginal retail, and other blighted conditions. As a result, a number of important developments and improvements still need to be implemented in order to achieve the Commission's goals and objectives.

VI. PROPOSED PROGRAMS AND CONTRIBUTION TO BLIGHT ALLEVIATION

This section identifies programs and possible projects for the Project Area for the next five years. Explanation is also provided as to how these goals, programs, and projects will alleviate blight. Planned Commission expenditures are reviewed in the following section.

To accomplish the goals and objectives described above (Section IV), the Commission proposes to undertake the following proposed programs for the Redevelopment Area.

As outlined in Table 2, the work program is divided into two sets of activities: (1) projects designed to assist private development throughout the Project Area; and (2) public infrastructure and facilities identified as Project Area-wide activities.

- ***Private Projects:*** The Commission plans a combination of new private development and rehabilitation on various sites in the Project Area. Potential programs and projects include:
 - Facilitating construction of a four-star resort hotel with conference facilities, and time-share units;
 - Providing funding assistance to property owners and businesses in the commercial district to improve the façade of their business;
 - Provide funding to support the goal of low and moderate income housing programs and rehabilitation assistance to provide housing opportunities within and outside the Project Area, that benefit the Project Area;
 - Increasing the supply of visitor lodging through the elimination of functionally obsolete motels and hotels and the development of new hotels and motels.
- ***Public Improvement Program:*** The Agency plans several public improvements for the Project Area over the next five years. Proposed programs include:
 - Enhancing the public rights-of-way in the core downtown business district through new paving, lighting, landscaping, sidewalks, street furniture and signage;

- Improving the traffic circulation in the area. Creating a more walkable and pedestrian area through “bump outs”, evaluation of one-way couplets, and other programs;
- Addressing illegal and non-conforming uses through code enforcement activities;
- Improving the entry gateways into the project area by undergrounding utility lines and improving the streetscapes;
- Development of additional parking lots or parking structures.

These programs and potential projects are identified in this Implementation Plan in a five-year implementation format. This work program is based on available resources and perceived market opportunities. These programs are identified as near term opportunities to capitalize on the Project Area’s assets and to assist in the elimination of blight. However, over the term of the plan, economic conditions and marketing trends may require new implementation programs or an adjustment to priorities.

TABLE 2

**PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PRIVATE DEVELOPMENT PROGRAM:</i>		
Oceanside Beach Hotel	240 plus room luxury resort hotel and conference facility.	Encourages visitors to the area. Enhances the Project Area as a desirable location. Improves commercial activity.
Pac Bell Building	7-story mixed-use project with 32 live/work units, and 824 sq. ft. of retail.	Provides stability to the Project Area by enhancing its residential base, as well as providing additional commercial space.
Cleveland Street Residences	6 townhomes on Cleveland Street and Surfrider Way.	Provides stability to the Project Area by enhancing the area's permanent residential base.
Fairfield Time Share Resort	A project with 136 time-share units and 32 hotel rooms.	Encourages visitors to the area. Enhances the Project Area as a desirable location. Improves commercial activity.
Ocean Village Townhomes	A mixed-use project with 33 townhomes and 10,000 sq.ft. of commercial space.	Provides stability to the Project Area by enhancing its residential base, as well as providing additional commercial space.
Oceanside Terraces	A mixed-use project with 38 condominiums and 19,800 sq. ft. of retail space.	Provides stability to the Project Area by enhancing its residential base, as well as providing additional commercial space.
Coastal Town Lofts	28-unit townhome project at the 400 block of South Cleveland Street.	Provides stability to the Project Area by enhancing its residential base.
Neptune Villas	A 12-lot single-family home project in the 700 block of North Tremont Street.	Provides stability to the Project Area by enhancing its residential base.

TABLE 2 (CONT'D)

**PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
PRIVATE DEVELOPMENT PROGRAM: (CONT'D)		
Windward Villas	14 homes on Windward Way, between Tremont Street and Cleveland Street.	Provides stability to the Project Area by enhancing its residential base.
North Tremont Condominiums	3-story, 2 condominium project on North Tremont Street and Surfrider Way.	Provides stability to the Project Area by enhancing its residential base.
Nevada Manor	15-unit condominium project on the 300 block of North Nevada.	Provides stability to the Project Area by enhancing its residential base.
Windward Residences	4 residential units on Windward Way.	Provides stability to the Project Area by enhancing its residential base.
Alvarez Duplex	2 residential units on the 300 block of Surfrider Way.	Provides stability to the Project Area by enhancing its residential base.
Casa de La Torre	3-story duplex on the 600 block of South Myers Street.	Provides stability to the Project Area by enhancing its residential base.
Neptune Residences	2-unit residences on North Cleveland Street.	Provides stability to the Project Area by enhancing its residential base.
Sombrilla Condos	4-unit condominiums to be located on 300 block of South Myers Street.	Provides stability to the Project Area by enhancing its residential base.
Renaissance Terrace Condominiums	A 96-unit condominium project.	Provides stability to the Project Area by enhancing its residential base.

TABLE 2 (CONT'D)
PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PRIVATE DEVELOPMENT PROGRAM: (CONT'D)</i>		
The Belvedere	A mixed-use project with 26,280 sq. ft. of retail/commercial and office space, 51 work/live lofts, and 66 residential units.	Provides stability to the Project Area by enhancing its residential base, as well as providing additional commercial and office space.
<i>PUBLIC DEVELOPMENT PROGRAM:</i>		
Downtown Revitalization	A multi-phase program to help invigorate downtown by bringing people to the area to work, shop, entertain, and spend leisure time in a pleasant environment.	Increases pedestrian traffic in the commercial core, improves public safety, deters crime, and enhances the area as a desirable business location.
Commercial District Façade Rehabilitation	Assist property owners in improving the façade of their business through the provision of funds for planning and construction improvements.	Improves commercial activity in the core commercial business district by aiding the private sector in improving street facades and complementing planned streetscape improvements.
Acquisition/disposition of property and relocation assistance	Acquire and assemble developable parcels.	Removes/demolishes blighted properties, where necessary, to provide for appropriate new development.
North Coast Highway Signage and Landscaping	Design new landscaping and signage. Refurbish existing landscaping on Coast Highway from Harbor Drive to the intersection of Highway 76 and Coast Highway. Refurbish entry sign, new landscaping. Install in 2005.	Provides increased accessibility to the beach and business center and visually enhancing the Project Area increasing the potential for new private development.

TABLE 2 (CONT'D)

**PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PUBLIC DEVELOPMENT PROGRAM, (CONT'D):</i>		
Street Enhancement	Enhance public rights-of-way in the core downtown business district by providing enhanced lighting, new paving, landscaping, sidewalks, street furniture, and signage.	Replaces inadequate public improvements and provides a catalyst for new development by implementing off-site improvements. Increases public safety and deters crime.
Beach area/Pier area improvements	Enhance public areas in the beach and pier vicinity by installing additional lighting, landscaping, signage, and renovating bathroom and amphitheatre facilities.	Replaces inadequate public improvements. Increases business activity in commercial sub-districts.
Walkable Communities, Phase II	Proposed bump-outs, narrowing Mission Avenue to two lanes from Nevada Street, west, to Coast Highway; angled parking on Mission Avenue and review of one-way couplets on Seagaze and Pier View Way, east of Coast Highway.	Increases pedestrian traffic in the commercial core; increased safety on key traffic flow routes.
Construct Off-site Improvements	Coordinate with private development to construct off-site improvements including, but not limited to, street improvements; sidewalks; lighting; underground utilities; and drainage.	Creates public/private partnerships to replace outdated public improvements.
Underground Utility Lines	Bury overhead electrical and phone lines.	Removes visually blighting influences. Enhances area as a desirable location.

TABLE 2 (CONT'D)

**PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PUBLIC DEVELOPMENT PROGRAM: (CONT'D):</i>		
Abatement of Non-conforming Uses	Discontinue use of inappropriate commercial and industrial uses adjacent to the railroad right-of-way.	Eliminates general blighting characteristics of specific properties to be identified.
Downtown Drainage Improvements	Improve drainage in the downtown Project Area to renovate existing old and substandard drainage system.	Eliminates standing water in core downtown area.
Community Enhancement and Preservation, Security, Safety & Cleanliness	Enforce current standards and regulations for trash, abandoned vehicles, vacant property, signage, etc., and provide a secure environment by funding a study for a Business Improvement District(BID).	Removes visually blighting influences. Improves security and enhances area as a desirable location.
Parking Garage I	Build public parking garage at Cleveland Street and Seagaze Drive.	Provides additional public parking to serve the Project Area.
Parking Garage II	Build second public parking garage at Cleveland Street and Civic Center Drive.	Provides additional public parking to serve the Project Area.
Enhance Public Parking Facilities	Provide additional public parking facilities in the Project Area.	Replaces inadequate public improvements and provides a catalyst for new development by implementing off-site improvements. Improves public safety and deters crime.

TABLE 2 (CONT'D)

**PLANNED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

Project/Program	Project/Program Description	Contribution to Blight Removal
<i>PUBLIC DEVELOPMENT PROGRAM: (CONT'D)</i>		
Low/Moderate Income Housing Program	Provide subordinate financing to moderate income homebuyers who need assistance to purchase a home.	Provides stability to neighborhoods benefiting the Project Area by increasing the percentage of owner-occupied homes.
New Construction Housing Program	Provide assistance toward the construction of multi-family rental complexes for low-income households, such as the Lake Boulevard Senior Housing Project and the Libby Lake project.	Creates additional housing opportunities for low-income households by increasing the supply of affordable housing, including areas within and outside the Project Area that benefit the Project Area.
Rental Housing Rehabilitation Program	Provide assistance towards the rehabilitation of rental properties for low income households.	Eliminates health and safety hazards, stabilizes rents, and enhances the community by improving and preserving the supply of affordable housing for low-income households.
Project Administration	General overhead and administrative functions; includes personnel costs and debt services.	Provides centralized, long range planning and support staffing for Project Area development.

VII. PROPOSED EXPENDITURES

Redevelopment agencies are required to identify their proposed expenditures over the next five years for purposes of alleviating blight. Agency expenditures for the programs identified in this five-year plan will be derived from the following key sources:

- (1) Sale of tax allocation bonds supported by Project Area tax increment revenues.
- (2) Tax increment revenues over and above the amounts required to cover debt service on any tax allocation bonds.
- (3) Revenues from other sources
- (4) Housing set-aside funds, which must be used for low- and moderate-income housing. (The status of the Agency's Housing Funds, possible housing developments, and potential expenditures are reviewed in the next section.)
- (5) Proceeds from land sales to private developers for purposes of implementing specific redevelopment projects.

Items (1), (2), and (4) above are derived from Project Area property taxes. Tax revenues are expected to represent the major funding source for Agency programs. The 2003-2004 annual revenues from the Project Area total \$6,208,511. However, a substantial share of this figure is encumbered by existing obligations, such as administrative payments to the County, the 20% housing set-aside, and debt service on outstanding bond issues.

As noted in the table below, ending balance for fiscal year 2003-2004 was approximately \$3,388,590. Ending balance is the amount available for new programs after administrative costs, and debt service payments.

TABLE 3 REVENUES AND EXPENDITURES FOR 2003-2004 2005-2009 IMPLEMENTATION PLAN CITY OF OCEANSIDE	
Beginning balance (not escrowed)	\$1,542,929
Gross Tax Increment	\$5,723,752
Add: Interest Income	\$ 34,467
Add: Lease Income	\$ 34,450
Add: Other Revenue	<u>\$ 415,842</u>
Total Revenues	\$6,208,511
(Less) Administration/Professional Services/Planning	(\$ 627,955)
(Less) Acquisition/Project Improvement Costs	(\$ 143,416)
(Less) Low and Moderate Income Housing Subsidies	(\$1,116,278)
(Less) Other Expenditures	(\$0)
(Less) Debt Service	<u>(\$2,475,201)</u>
Total Expenditures	(\$4,362,850)
Total Ending Balance for FY 2003-2004	\$3,388,590

The Commission projects the tax increment to rise 2% annually over the next five years, plus new projects. Future individual projects requiring Commission assistance will be evaluated on their contribution to the elimination of blight and the Commission's ability to participate based on available tax increment revenues.

The Commission has \$18,000,000 in escrowed bond proceeds available as of June 30, 2004, for future agency activities.

The actual amounts and timing of Commission expenditures will depend on the availability of funding. The Commission will continue to leverage its limited financial resources with other funding sources in order to implement its redevelopment programs. These sources may include, among others, advances or payments from developers and property owners, loans from the City, low-income tax credits, and financial participation by other public agencies. In some cases, it may be prudent for the Commission to aggregate funds to certain minimum levels before investing in programs and projects identified in this Implementation Plan.

VIII. HOUSING PRODUCTION PLAN

A. Introduction

Redevelopment agencies are required to include a housing production plan in each five-year Implementation Plan. The housing plan must specify the Agency's intended approaches to increase, improve, and preserve the supply of low- and moderate-income housing.

This section is organized as follows:

- First, a brief description is presented of the City's Housing Element.
- Next, the two principal housing mandates of California Community Redevelopment Law which apply to the Downtown Project Area are reviewed: set-aside funds, and replacement housing rule. This review includes an assessment of the Agency's present situation with respect to each requirement. The inclusionary requirement under California Redevelopment Law does not apply to the Project Area.
- Lastly, specific targets for housing production are identified for the ten-year and five-year time horizons.

B. Review of Existing Housing Plans

Housing Element: The City of Oceanside Housing Element was adopted in October 1999. The City is currently in the process of updating its Housing Element. The Housing Element presents information on City demographic and housing characteristics identifies principal housing needs in the community, assesses opportunities and constraints to meeting housing needs, and identifies specific housing goals, policies, and programs. The Housing Element adopted in 1999 identified four objectives to address Oceanside's Comprehensive Housing Goal of ensuring that decent safe, and sanitary housing is available to all current and future residents of Oceanside at a cost that is within the reach of the diverse economic segments that comprise the City.

The four objectives identified in the Housing Element are as follows: (1) The City shall strive to produce opportunities for decent and affordable housing in a pleasant environment for all Oceanside's citizens; (2) The City shall ensure that housing is developed in areas with adequate access to employment opportunities, community facilities, and public services; (3) The City shall encourage development of a variety of housing opportunities, with special emphasis on providing: a) a broad range of housing types, with varied levels of amenities and number of bedrooms; b) sufficient rental stock for all segments of the community, including families with children; and c) housing which meets the special needs of the elderly and the handicapped; (4) The City shall protect, encourage, and where feasible provide housing opportunities.

The adoption of this Implementation Plan is expected to occur prior to the update of the Housing Element. Therefore, calculations regarding how housing set-aside funds should be targeted are based upon housing needs identified in the City's 1999 - 2004 Housing Element.

The Commission will amend and/or update the Implementation Plan during the mandatory Mid-Term Update process to reflect outcomes of the Housing Element update.

C. Affordable Housing Development Strategy

In March 2004, the City Council approved the Comprehensive Affordable Housing Development Strategy. The strategy outlines the priorities and policies for the development of affordable housing. These policies include an affordable housing expenditure plan to be utilized as a guide for the expenditure of City financial resources to assist the development of affordable housing. The guiding principles include topics such as addressing Oceanside's housing needs, compliance with City standards and procedures, sound investment and financial management of City resources, efficient program design, location, and the need to consider mixed use projects. The strategy includes land banking, ground leasing, a guide for the production of renter v. owner units, income targeting, senior v. family housing based on need, demand and the economics of a specific project, new construction and acquisition/rehabilitation; geographic targeting, eligible borrowers/developers, density and zoning to meet housing needs, definition of affordable housing expense and term of affordability.

D. Housing Set-Aside Strategy

State Redevelopment Law requires that 20% of the tax increment generated in each Project Area be used for the purposes of increasing or improving the community's supply of very low, low, and moderate-income housing. One exception to this requirement pertains to Redevelopment Plans adopted before 1977, where those Project Areas are allowed to defer housing set-aside deposits until 1996-1997 (or beyond) to fund existing project, programs, and activities; the deferral can last as long as there are existing obligations.

The Commission previously did not have revenues available to satisfy the Net Housing Set-Aside Requirement due to pre-existing debt obligations and/or pre-existing programs, projects, and activities. Based upon these pre-existing conditions, reduction of the required annual deposits to the Housing Fund continued through fiscal year 1995-1996, resulting in a current cumulative deficit in the Housing Fund of approximately \$4,466,267. Per the provisions of the Low and Moderate Income Housing Deficit Reduction Plan (adopted October 1989), the Commission approved a plan to reduce this deficit that began in 2003-2004.

State law also mandates that redevelopment agencies use housing set-aside monies in a timely manner, or otherwise forfeit these funds to other public agencies with housing responsibilities. Specifically, the law stipulates that agencies may not retain "Excess Surplus" in their set-aside housing funds. "Excess Surplus" is defined as the amount of an agency's Housing Fund in excess of \$1,000,000, or an amount greater than the sum of the excess of the aggregate contribution of the prior four-year period. This calculation is performed annually and reported to the State Department of Housing and Community Development on Schedule "C" of the Commission's annual report. The Commission's 2002-2003 Schedule HCD-C report to the

State, as summarized below, illustrates that the Commission has an excess surplus in its Housing Fund of \$2,287,141 as of FY 2002-2003.

Four Prior and Current Reporting Years	Total Tax Increment Deposits to Housing Fund	Sum of Tax Increment Deposits Over Prior Four FY's	Current Reporting Year First Day Adjusted Balance	Current Reporting Year First Day Excess Surplus Balances
1998-1999	\$575,768			
1999-2000	\$624,757			
2000-2001	\$749,301			
2001-2002	\$856,504			
2002-2003		\$2,806,330	\$5,093,471	\$2,287,141

The Commission's total balance of housing set-aside funds is approximately \$2,077,987 (August 31, 2004). Given this surplus of set-aside funds, new housing activity is proposed to commence as described in Section VII. F.

E. Housing Fund Targeting

Under California Health and Safety Code Section 33334.4, the Commission must target set-aside expenditures in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 2014, and then again through the termination of the Redevelopment Plan. These tests do not have to be met on an annual basis.

- Housing Need - The income proportionality test requires that the Commission target set-aside expenditures to the relative percentage of unmet need for very low, low, and moderate income units, as defined in the City's most recently approved Housing Element. Based on the City's 1999-2004 Housing Element, the Commission's minimum required allocation for very low and low income expenditures, and maximum moderate income housing expenditures are:

Very Low Income	At least 37%
Lower Income	At least 24%
Moderate Income	No more than 39%

The Commission is entitled to expend a disproportionate amount of funds for very low income households, and to subtract a commensurate amount from the low and/or moderate income thresholds. Similarly, the Commission can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate income households. In no event can the expenditures targeted to moderate income households exceed the established threshold amount.

In order to meet the income targeting standards, the Commission proposes that this Implementation Plan allocate 37% of the Housing Fund project and program expenditures to

very low income households, 24% of the fund to low income households, and no more than 39% of the funds to moderate income households.

- Expenditures on Senior Citizen Projects - The age restriction proportionality test requires that the maximum percentage of set-aside funds that an agency can allocate to senior housing is limited to the percentage of residents within the City that are 65 years of age and older, as reported by the most recent census of the U.S. Census Bureau.

As shown below, according to Census 2000, 13.6% of the City's population is aged 65 years or older.

City of Oceanside Senior Test:

Under 65 Year Old	139,170	86.4%
65 Years and Older	21,859	13.6%

Source: U.S. Census, Census 2000

In order to meet the age restriction proportionality test requirements, the Agency proposes that this Implementation Plan allocate at least 86.4% of the Housing Fund project and program expenditures to non-age-restricted housing.

F. Replacement Obligation

State law also requires the replacement of low and moderate income housing when an agency causes the removal of such housing as part of its redevelopment activities. Redevelopment agencies are required to cause the development of replacement dwelling units, for low or moderate-income households, in numbers equal to those eliminated within four years of removal.

The Commission anticipated the displacement of up to four housing units as a result of the development of the Ocean Beach Resort. The Commission provided replacement dwelling units through the development of the Old Grove Apartments, which opened in December 2003.

G. Inclusionary Housing

State law incorporates inclusionary housing requirements where defined percentages of housing are reserved for low and moderate income households. Where the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units in a Project Area must be affordable to low and moderate income households. Of the 15% reserved, 40% must be restricted to very low-income households.

The inclusionary housing production requirement does not apply to Redevelopment Plans adopted before 1976. The Oceanside Downtown Redevelopment Project, adopted in 1975, is therefore exempt from this obligation.

H. Proposed Housing Program

State law has specific requirements for agencies to outline proposed housing activities at varying levels of detail for five years, ten years, and the life of the Redevelopment Plan. Accordingly, this section addresses the Commission's housing goal, and identifies planned housing production, both market-rate and affordable for all three time periods.

- Commission Goals: The Commission has identified one key housing goal for its Project Area: To provide housing opportunities that benefit the Project Area, for all economic segments of the community including development of projects outside the Project Area that benefit the Project Area.
- Housing Funds and Expenditures: Agencies are required to identify: (1) available balances in Low/Moderate Income Housing Funds(s); (2) estimated annual deposits to the Housing Fund over the next five years; and (3) estimated annual Housing Fund expenditures over the same period.

As noted earlier, the balance of the Agency's set-aside fund as of August 31, 2004 is \$2,077,987. The Commission currently deposits a total of about \$1.1 million per year in its Housing Fund. Since set-asides are a function of property tax revenues, the actual amount of future deposits will depend on factors such as market conditions and the timing of new taxable development. An estimate of five-year set-aside funds can be formulated based on a projected annual increase of 2% plus new projects. Using this assumption, the Commission can expect a total of about \$6.5 million into its Housing Funds over the next five years. In combination with the existing balance, the Commission would therefore have an estimated total of \$8.6 million in set-aside funds available, not including the cumulative deficit of \$4,466,267 for which there is a Housing Deficit Reduction Plan in place with payments commencing in 2003-04. This Deficit Reduction Plan, assuming the current payment schedule, would result in an additional \$729,000 of revenue into the Housing Set Aside Fund over the next five years.

- Housing Program: The Commission intends to concentrate its efforts on increasing the percentage of owner-occupied homes, providing stabilized rents, improving and preserving low- and moderate income rental housing stock, and eliminating serious health and safety hazards in rental units affordable to low- and moderate income families, including areas within and outside the Project Area that benefit the target area. Subject to availability, Commission funds will be targeted to new construction and rehabilitation projects both inside and outside of the redevelopment project area, as described below.
- Redevelopment Low to Moderate Income Homeownership Program – Up to \$500,000 in set-aside funds to provide subordinate financing to moderate-income homebuyers who need assistance to purchase qualified housing within the Project Area. Each assisted property shall be deed restricted, whereby the Commission will take an equity position to secure the subsidy.

- Redevelopment Rental Rehabilitation Program – Up to \$400,000 in set-aside funds to provide loans for code repairs and certain exterior improvements on existing multi-family rental properties currently occupied by or vacant units targeted to tenants with incomes below 80% of the County median income, adjusted for family size.
- New Construction Program – Up to \$600,000 toward the new construction of 10-200 units of multi-family rental complexes targeted to low-income families, seniors, and special needs populations. It is very likely that the new dwelling units created through the program will not be located in the redevelopment area.

Table 5 forecasts the appropriations likely to be spent by the Agency from 2005 through 2009. As indicated on Table 3, the Agency’s five-year program calls for the expenditure of over \$4,000,000 from the Agency’s set-aside fund.

The Agency proposes to use its housing funds in an expedient and cost-efficient manner for development of affordable housing. The actual timing and expenditure for these funds will depend on the subsidy requirements for specific development proposals, the level of developer interest, and the availability of other public funding sources.

Housing Fund Appropriations: As presented below, an estimate of housing set-aside fund appropriations were also projected over the next five years. These estimates are as follows:

TABLE 5 HOUSING SET-ASIDE APPROPRIATIONS 2005-2009 IMPLEMENTATION PLAN CITY OF OCEANSIDE			FIVE YEAR PLAN
Estimated Housing Set-Aside Funds 2005-2009			\$6,550,037
Estimated Housing Need Appropriations:			
Very Low	At least 37%		\$2,423,513
Low	At least 24%		\$1,572,008
Moderate	No more than 39%		<u>\$2,554,514</u>
Total			\$6,550,037
Estimated Senior Citizen Projects Appropriations:			
Under 65 Years Old	86.4%		\$5,659,231
65 Years and Older	No more than 13.6%		<u>\$ 890,806</u>
Total			\$6,550,037

TABLE 6

**FORECAST OF PROPOSED HOUSING APPROPRIATIONS, 2005-2009
2005-2009 IMPLEMENTATION PLAN
CITY OF OCEANSIDE**

	<u>2004 / 05</u>	<u>2005 / 06</u>	<u>2006 / 07</u>	<u>2007 / 08</u>	<u>2008 / 09</u>
I. Revenue					
Beginning Balance	2,051,250	988,341	995,280	983,641	996,058
Tax Increment (20%)	1,075,769	1,105,103	1,300,520	1,499,165	1,569,480
(Hsg Deficit Redctn)	86,250	95,250	105,000	203,250	239,250
Interest Income (3%)	29,746	29,797	29,772	28,132	27,482
Total Revenue	3,243,015	2,218,492	2,430,572	2,714,188	2,832,270
II. Expenditures					
Debt Service					
Administration (10% TI & Rdctn)	119,176	123,015	143,529	173,055	183,621
Est Expenditures	2,135,497	1,100,197	1,303,401	1,545,076	1,649,469
Total Expenditures	2,254,673	1,223,212	1,446,930	1,718,131	1,833,090
III. Ending Balance	988,341	995,280	983,641	996,058	999,179

IX. SUMMARY

This Implementation Plan for the Oceanside Downtown Redevelopment Project sets forth specific projects and activities planned over the next five years. The Agency has selected projects and activities subject to two criteria:

- 1) They will assist in the alleviation of existing blighting conditions.
- 2) They can reasonably be achieved with the funding resources that are anticipated to be available.

The Commission's redevelopment programs include: financing of public improvements and infrastructure required for new development; developer solicitation and financial participation in new private developments; rehabilitation assistance to property owners, and subsidies for low- and moderate-income housing projects through the 20% set aside, including areas within and outside the Project Area that benefit the Project Area.

The activities and programs described in this plan have been selected in order to alleviate conditions of blight, encourage desired private development, establish downtown Oceanside as a business and visitor center, and improve housing opportunities for Oceanside residents.

During the five-year term of this Implementation Plan, other public and private programs may be judged both feasible and worthwhile. It is particularly likely that new development opportunities will arise once the proposed projects begin to have a positive effect on the community. It will be necessary for the Commission to respond quickly to evaluate such opportunities and, if appropriate, to incorporate them into the overall program. The Commission will elect to amend this Plan at any time following a noticed public hearing. In addition, the Commission will hold a public hearing on the Plan, and its implementation, between the second and third year of the Plan.



CITY OF OCEANSIDE

FINANCIAL SERVICES DEPARTMENT

December 27, 2007

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
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.
- 2007 Blight Progress Report
- 2007 Loan Report
- 2007 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

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year	2007	
Members of the Governing Body		
	Last Name	First Name
Chairperson	Wood	Jim
Member	Chavez	Rocky
Member	Feller	Jack
Member	Sanchez	Esther
Member	Kern	Jerome
Member		
Mailing Address		
Street 1	Financial Services Department	
Street 2	300 North Coast Highway	
City	Oceanside	State CA Zip 92054-
Phone	(760) 435-3839	Is Address Changed?

Agency Officials					
	Executive Director	Last Name	First Name	Middle Initial	Phone
		Weiss	Peter		(760) 435-3066
	Fiscal Officer	Bussey	Paul		(760) 435-3839
	Secretary	Riegal Wayne	Barbara		(760) 435-3010
	Report Prepared By				
	Firm Name	Independent Auditor			
	Last	Diehl, Evans & Co. LLP			
	First	Fuertez			
	Middle Initial	Daphnie			
	Street	300 North Coast Highway			
	City	Oceanside			
	State	CA			
	Zip Code	92054-			
	Phone	(760) 435-3853			
		2121 Alton Pkwy., #100			
		Irvine			
		CA			
		92606-4906			
		(949) 399-0600			

Oceanside Community Development Commissions Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Fiscal Year 2007

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. Completion of the commercial facade program for the storefront at 124 North Freeman Street.			
2. Pac-Bell Reuse Project - Construction completed on 32 live/work units and 824 square feet of commercial space.			
3. Windward Residences - Construction completed on four single-family homes at 209-211 Windward Way.			
Myers Condos - Construction complete on a 7-unit condominium project at 221 South Myers St.			
	Total Square Footage	0	0

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**

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

Oceanside Community Development Commission Redevelopment Agencies Financial Transactions Report

Audit Information	
Fiscal Year	2007
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 2007

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. Wyndham Timeshare Resort (formally known as Fairfield Timeshare) - Construction continued and is nearing completion on this 168 unit timeshare and hotel project featuring restaurant and commercial/retail space, public and semi-public use space and two levels of underground parking. Opening is anticipated in January 2008.
2. Oceanside Beach Hotel - The Redevelopment Agency continued in negotiations with S.D. Malkin Properties, Inc., the developer of the Oceanside Beach Hotel.
3. Ocean Village - Construction continues on this mixed-use development consisting of 33 townhomes and 10,000 square feet of commercial space. Completion is anticipated spring 2008.
4. Oceanside Terraces - Construction continues and is nearing completion on this mixed-use project that will include retail and

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)

2004

Size of Project Area in Acres

375

Percentage of Land Vacant at the Inception of the Project Area

50.0

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

50.0

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

RCP

(Enter the Appropriate Code(s) in Sequence as Shown)

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

**Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report**

Pass-Through / School District Assistance

Fiscal Year	2007	Project Area Name	Downtown Project Area
Amounts Paid To Taxing Agencies Pursuant To:			
	H & S Code Section 33401	Tax Increment Pass Through Detail H & S Code Section 33676	Other Payments H & S Code Section 33445
		H & S Code Section 33607	H & S Code Section 33445.5
		Total	
County	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Community College District	\$0	\$0	\$0
Special Districts	\$0	\$0	\$0
Total Paid to Taxing Agencies	\$0	\$0	\$0

Net Amount to Agency \$8,968,323

Gross Tax Increment Generated 8,968,323

Oceanside Community Development Commissions
Redevelopment Agencies Financial Transactions Report
 Agency Long-Term Debt

Fiscal Year	2007
Project Area Name	Downtown Project Area
Forward from Prior Year	
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	\$5,265,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,210,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$4,055,000
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	2007	Project Area Name	Downtown Project Area
Forward from Prior Year		Yes	
Bond Type		City/County Debt	
Year of Authorization	2001		
Principal Amount Authorized	9,401,975		
Principal Amount Issued	9,401,975		
Purpose of Issue		Consolidation	
Maturity Date Beginning Year	2015		
Maturity Date Ending Year	2025		
Principal Amount Unmatured Beginning of Fiscal Year			\$8,705,547
Adjustment Made During Year			
Adjustment Explanation			
Interest Added to Principal			
Principal Amount Issued During Fiscal Year	655,131		
Principal Amount Matured During Fiscal Year	19,871		
Principal Amount Defeased During Fiscal Year			
Principal Amount Unmatured End of Fiscal Year			\$9,340,807
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	2007
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	\$20,715,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	630,000
Principal Amount Deceased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$20,085,000
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	2007
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	<u>\$17,620,000</u>
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	110,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	<u>\$17,510,000</u>
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 2007

Project Area Name Downtown Project Area

	Yes
Forward from Prior Year	
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	\$6,920,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	425,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$6,495,000
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	2007
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	\$13,165,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	305,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$12,860,000
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	2007					Total
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 <i>(Include All Apportionments)</i>	7,160,824			1,807,499		\$8,968,323
Special Supplemental Subvention						\$0
Property Assessments	249,165			3,100,813	3,437,460	\$6,787,438
Sales and Use Tax		195,968				\$195,968
Transient Occupancy Tax	835,178		2,767,829	95,921	1,127,927	\$4,826,855
Interest Income	31,900					\$31,900
Rental Income						\$0
Lease Income						\$0
Sale of Real Estate						\$0
Gain on Land Held for Resale					14,713,584	\$14,713,584
Federal Grants						\$0
Grants from Other Agencies						\$0
Bond Administrative Fees						\$0
Other Revenues	183,290				821,123	\$1,004,413
Total Revenues	\$8,656,325	\$2,767,829	\$5,004,233	\$20,100,094	\$36,528,481	

**Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year	Project Area Name	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
2007	Downtown Project Area					
	Administration Costs	1,122,429		172,140	17,790,427	\$19,084,996
	Professional Services	328,664				\$328,664
	Planning, Survey, and Design					\$0
	Real Estate Purchases			7,944,500		\$7,944,500
	Acquisition Expense					\$0
	Operation of Acquired Property					\$0
	Relocation Costs					\$0
	Relocation Payments					\$0
	Site Clearance Costs					\$0
	Project Improvement / Construction Costs	2,287,181				\$2,287,181
	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	Project Area Name	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
2007	Downtown Project Area					
	Decline in Value of Land Held for Resale					\$0
	Rehabilitation Costs					\$0
	Rehabilitation Grants					\$0
	Interest Expense		4,605,937			\$4,605,937
	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		1,470,000			\$1,470,000
	Revenue Bonds, Certificates of Participation, Financing Authority Bonds		1,335,000			\$1,335,000
	City/County Advances and Loans		19,871			\$19,871
	All Other Long-Term Debt					\$0
	Total Expenditures	\$3,738,274	\$7,430,808	\$8,116,640	\$17,790,427	\$37,076,149
	Excess (Deficiency) Revenues over (under) Expenditures	\$4,918,051	(\$4,662,979)	(\$3,112,407)	\$2,309,667	(\$547,668)

Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Project Area Name	Fiscal Year	Downtown Project Area					Total
		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other		
Proceeds of Long-Term Debt	2007		655,132				\$655,132
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		14,512,233	4,183,925				\$18,696,158
Tax Increment Transfers In							\$0
Operating Transfers Out		4,183,925	14,512,233				\$18,696,158
Tax Increment Transfers Out							\$0
<i>(To the Low and Moderate Income Housing Fund)</i>							
Total Other Financing Sources (Uses)		\$10,328,308	(\$9,673,176)	\$0	\$0		\$655,132

**Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year	Project Area Name	2007					Total
		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other		
	Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$15,246,359	(\$14,336,155)	(\$3,112,407)	\$2,309,667		\$107,464
	Equity, Beginning of Period	\$14,978,981	\$16,018,851	\$9,516,167	\$11,689,370		\$52,203,369
	Prior Period Adjustments	2,162,716			22,148,336		\$24,311,052
	Residual Equity Transfers						\$0
	Equity, End of Period	\$32,388,056	\$1,682,696	\$6,403,760	\$36,147,373		\$76,621,885

**Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debits

Fiscal Year	2007	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		23,465,718	1,086,119	2,131,901	25,644,946			\$52,328,684
Cash with Fiscal Agent			4,776,344					\$4,776,344
Tax Increments Receivable		180,929		45,232				\$226,161
Accounts Receivable		66,889			2,309			\$69,198
Accrued Interest Receivable		59,695						\$59,695
Loans Receivable					9,176,928			\$9,176,928
Contracts Receivable				54,810	2,094,316			\$2,149,126
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund		0						\$0
Due from Debt Service Fund				4,179,767				\$4,179,767
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	2007	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					1,311			\$1,311
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							27,956,242	\$27,956,242
Amount Available In Debt Service Fund						303		\$303
Amount to be Provided for Payment of Long-Term Debt						90,390,504		\$90,390,504
Total Assets and Other Debits		\$33,266,224	\$5,862,463	\$6,411,710	\$36,919,810	\$90,390,807	\$47,969,473	\$220,820,487

*(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	2007	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		817,482		371	142,378			\$960,231
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities		60,686		7,579	630,059			\$698,324
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund		0	4,179,767					\$4,179,767
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						56,950,000		\$56,950,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds						24,100,000		\$24,100,000
All Other Long-Term Debt						9,340,807		\$9,340,807
Total Liabilities and Other Credits		\$878,168	\$4,179,767	\$7,950	\$772,437	\$90,390,807		\$96,229,129

**Oceanside Community Development Commission
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2007	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							47,969,473	\$47,969,473
Fund Balance Reserved		13,672,760	4,776,344	6,403,760	9,178,239			\$34,031,103
Fund Balance Unreserved-Designated		18,715,296						\$18,715,296
Fund Balance Unreserved-Undesignated			-3,093,648		26,969,134			\$23,875,486
Total Equities		\$32,388,056	\$1,682,696	\$6,403,760	\$36,147,373		\$47,969,473	\$124,591,358
Total Liabilities, Other Credits, and Equities		\$33,266,224	\$5,862,463	\$6,411,710	\$36,919,810	\$90,390,807	\$47,969,473	\$220,820,487

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

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

Fiscal Year	2007
Operating Transfers In	\$18,696,158
Tax Increment Transfers In	\$0
Operating Transfers Out	\$18,696,158
Tax Increment Transfers Out	\$0

**REDEVELOPMENT AGENCIES
FINANCIAL TRANSACTIONS REPORT
COVER PAGE**

Oceanside Community Development Commission

Fiscal Year: **2007**

ID Number: **13983759800**

Submitted by:



Signature

SR MANAGEMENT ANALYST

Title

DAVID CROWE

Name (Please Print)

12/27/07

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

**CITY OF OCEANSIDE REDEVELOPMENT AGENCY
FINANCIAL TRANSACTIONS REPORT – FY 2006/2007**

Achievements Completed During FY 2006/07

- 1.** Completion of the commercial façade program for the storefront at 124 North Freeman Street
- 2.** Pac-Bell Reuse Project – Construction completed on 32 live/work units and 824 square feet of commercial space.
- 3.** Windward Residences - Construction completed on four single-family homes at 209-211 Windward Way.
- 4.** Myers Condos – Construction complete on a 7-unit condominium project at 221 South Myers St.

**CITY OF OCEANSIDE REDEVELOPMENT AGENCY
FINANCIAL TRANSACTIONS REPORT – FY 2006/2007**

Activities for the Project Area During FY 2006/2007

1. Wyndham Timeshare Resort (formally known as Fairfield Timeshare) – Construction continued and is nearing completion on this 168 timeshare and hotel project featuring restaurant and commercial/retail space, public and semi-public use space and two levels of underground parking. Opening is anticipated in January 2008.
2. Oceanside Beach Hotel – The Redevelopment Agency continued in negotiations with S.D. Malkin Properties, Inc., the developer of the Oceanside Beach Hotel.
3. Ocean Village – Construction continues on this mixed-use development consisting of 33 townhomes and 10,000 square feet of commercial space. Completion is anticipated spring 2008.
4. Oceanside Terraces - Construction continues and is nearing completion on this mixed-use project that will include retail and restaurant space on the first floor, office space on the second floor, and 38 condominiums on the third through the sixth floors, and underground parking. Anticipated completion date is spring 2008.
5. Nevada Manor – Construction continues on this 15-unit condominium development on the 300 block of North Nevada Street. Anticipated completion date is summer 2007.
6. North Tremont Condominiums – A 3-story, 2-unit condominium project at North Tremont Street and Surfrider Way is in the plan check process.
7. Neptune Residences – Building permits were issued in April 2005 for the construction of 2 single-family homes at 802 and 804 North Cleveland Street.
8. Oak Manor II – Approved in December 2004 for the development of a 2-unit condominium project at Oak and South Myers streets.
9. Claire Villa – Construction continues on 4 single-family homes at the corner of Freeman Street and Neptune Way.
10. Hibiscus Condominiums – Construction continues and is nearing completion on a 4-unit condominium project at 130-132 South Pacific Street.
11. Sombrilla Condos – Construction has begun for 4 three-story units at 313 South Myers Street.

- 12.** Waterfront Improvements (formally known as Pier/Beach Area Improvements)
Contract awarded to Roberts Wallace and Todd for the beach area under the pier that will include improvements to the restroom facilities, drainage issues, and electrical, sound system and aesthetic upgrades for the amphitheater area. Two community meetings and one City Council workshop were held to gather input from the public.
- 13.** Commercial Façade Program – The commercial façade program continues to be one of the more successful tools for changing the appearance of the central business district. Approvals for participation in the program was granted to the following businesses: 608 Mission Avenue; 406 North Coast Hwy; 400 Mission Avenue
- 14.** Sea Cliff – Construction began on a 96-unit condominium project overlooking the San Luis Rey River and the Pacific Ocean.
- 15.** Oceanside Museum of Art – City Council approved \$1.25 million in Redevelopment Bond funds to assist in the expansion and construction of a new building adjacent to the existing Oceanside Museum of Art.
- 16.** CJK International- grading is underway on a 101- room hotel on Carmelo Drive.
- 17.** 502 South The Strand – two single family units under construction.
- 18.** Portola – Mixed-use project with 15 condominiums approved by the Commission in May 2006.
- 19.** Belvedere – Mixed-use project with 66 condominiums, 51 live/work lofts and 6,000 square feet of commercial space approved by the Commission in February 2005. A time extension was approved in February 2007.
- 20.** CityMark – Application received for the development of a 5-block area of the downtown consisting of 231 condominium units, 124 hotel rooms and 48,000 square feet of commercial space. Currently in Environmental Impact Report process. Anticipate Commission approval of project in early 2008.

**STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2007-2008 TAX YEAR**

Name of Redevelopment Agency Oceanside Redevelopment Agency
 Name of Project Area Downtown Redevelopment Project

	Line	Balances Carried Forward From:		Current	
		Total	Outstanding Debt	Total	Principal/Interest Due During Tax Year
Fiscal Period - Totals (Optional)	(1)	\$	131,467,570.62	\$	17,890,714.92
Post Fiscal Period - Totals	(2)	\$	0.00	\$	0.00
Grand Totals	(3)	\$	131,467,570.62	\$	17,890,714.92
Available Revenues From Calculation of Available Revenues, Line 7	(4)	\$	2,914,527.39		
Net Requirement	(5)	\$	128,553,043.23		

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,
 hereby certify that the above is a true and accurate Statement
 of indebtedness for the above named agency.

PAUL BUSSEY, INTERIM FINANCIAL SERVICES DIRECTOR
 Name Paul Bussey Title
 Signature [Signature] Date 9-25-07

**STATEMENT OF INDEBTEDNESS
FILED FOR THE 2007-2008 TAX YEAR**

Name of Redevelopment Agency: Oceanside Redevelopment Agency
 Name of Project Area: Downtown Redevelopment Project

or Indebtedness Entered into as of June 30, 2007

Debt Identification	Date	Original Data				Current	
		Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
0							
development Loan Consolidation	6/20/2001	5,423,815	25 yr	8-10%	19,650,356	25,074,171.00	
B265 - Low & Moderate							
come Housing 20% set Aside	3/21/1989	4,991,937	31yr	0.00%		4,179,767.00	203,250
J3-R3961-1							
003 Refunding of 93 TAB	9/03/2003	7,740,000	15 yr	5.3%	2,532,287	8,105,049.50	667,775
004-R561-3							
1986 Tax Allocation Refunding Bond	9/04/2004	13,510,000	20 yr	3.45%	8,118,114	19,626,461.00	853,479
Capital Administration							
development Loan for Water Dept	7/01/2005	1,620,642	1 yr			12,895,836.12	12,895,836
Corp Yard)							
001-RE069-3 Subordinate 2002 TAB	6/01/2001	738,324	24 yr	6%	706,373	1,083,521.00	60,196
owntown Development Project							
J3-R632-1	2/02/2002	22,030,000	24 yr	5.43%	17,957,550	32,380,330.50	1,717,419
eries 2003 TAB Escrow Bond	12/03/2003	17,800,000	22 yr	5.3%	13,641,369	28,122,434.50	1,492,760
Total,							
Page							
Forward						\$ 131,467,570.62	\$ 17,890,714.92
All Other Pages							
able Revenues						\$ 131,467,570.62	\$ 17,890,714.92
Calculation of Available Revenues						\$ (2,914,527.39)	
irement						\$ 128,553,043.23	

Use of Indebtedness:

- (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**

Debt Identification:		Reconciliation Dates: From July 1, 2006 To June 30, 2007						
		A	B		C		D	E
Page and line:	Current Yr	Outstanding Debt All Beginning Indebtedness	Increases (Attach Explanation)	Decreases (Attach Explanation)	Tax Increment	Amounts Paid Against Indebtedness, from:	Other Funds	Remaining Balance (A+B-C-D-E)
Pg 1								
Line A	Redevelopment Loan Consolidation	25,074,171						25,074,171
Pg 1	AB265 - Low & Moderate							
Line B	Income Housing 20% set Aside	4,284,767	1,802,294					4,179,767
Pg 1	#03-R3961-1							
Line C	2003 Refunding of 93 TAB	8,774,662						8,105,050
Pg 1	#04-R561-3							
Line D	04 Tax Allocation Refunding Bond	20,479,240						19,626,461
Pg 1	Obligated Administration & Capital Projects							
Line E	Redevelopment Loan for Water Dept (Corp Yard)	13,419,001	12,895,836	10,496,250				12,895,836
Pg 1	#02-RE069-3 Subordinate 2002 TAB							
Line G	Downtown Development Project	34,099,268						1,083,521
Pg 1	#03-R632-1							
Line H	Series 2003 TAB Escrow Bond	29,170,042						32,380,331
- THIS PAGE		136,444,868	14,698,130	10,496,250				28,122,435
S FORWARD			69,170.00					
ND TOTALS		\$136,444,868	\$14,767,300	\$10,496,250	\$9,248,348	\$0		\$131,467,571

Column A must equal the previous year Statement of Indebtedness Outstanding Debt. Column B 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.

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	Current Years 20% Set-Aside	\$ 1,802,294.22
Pg 1 Line E	Col. B Current year CIP Obligations & Admin.	\$ 12,895,836.00
Pg 1 Line E	Col. C Prior Year CIP Obligations not completed to date, adj. to current	(\$ 10,496,249.88)
Pg 2 Line A	Current Year County Admin and Services Fee's	\$ 69,170.00
Pg Line		
Pg Line	Grand Total	\$ 4,271,050.34

CALCULATION OF AVAILABLE REVENUES

AGENCY NAME Oceanside Redevelopment Agency

PROJECT AREA Downtown Redevelopment Project

TAX YEAR 2007-2008

RECONCILIATION DATES: JULY 1, 2006 TO JUNE 30, 2007

1. Beginning Balance, Available Revenues (See Instructions)	<u>\$ 2,929,468.00</u>
Adjustments:	<u>\$ -</u>
2. Tax Increment Received - Gross All Tax Increment Revenues, to including any Tax Increment passed through to other local taxing agencies	<u>\$ 9,011,471.11</u>
3. All other Available Revenues Received (See Instructions)	<u>\$ 221,936.00</u>
4. Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1 - 3) above	<u>\$ -</u>
5. Sum of Lines 1 through 4	<u>\$12,162,875.11</u>
6. Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	<u>\$ 9,248,347.72</u>
7. Available Revenues, End of Year (5 - 6)	<u><u>\$ 2,914,527.39</u></u>

FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS

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
For the Fiscal Year Ended June 30, 2007**

Redevelopment Agency ID Number:	13983759800
Name of Redevelopment Agency:	OCEANSIDE COMMUNITY DEVELOPMENT COMMISSION

The U.S. Bureau of the Census requests the following information about the fiscal activities of your government for the 2006-2007 fiscal year (defined from July 1, 2006 through June 30, 2007). Governments furnishing this information will no longer receive Census Bureau Form F-32, Survey of Local Government Finances. If you have any questions please contact:

**U.S. Bureau of the Census
Gina E. Broxterman
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	\$ 2,339,341
-----	--------------

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 2006-07

Prepared By: Redevelopment Agency of the City of Oceanside
Date: December 19, 2007

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 2006-07 to alleviate blight in the Downtown Redevelopment Project Area and the related expenditures.

ACTIVITY	COST
Beautification Project on North Coast Highway and Highway 76 that included new landscaping and walkways	\$759,823
Waterfront Improvement Project	\$385,982
Commercial Façade Improvement Program: Completion of storefronts.	\$50,527
Oceanside Museum of Art Expansion	\$328,664
Downtown Streetscape Project including hard costs for the Sunset Market bringing visitors to the downtown	\$38,524
Downtown Resort Hotel	\$367,322
Resort Hotel Acquisition and Relocation expenses	\$2,368
Walkable Communities creating a pedestrian friendly downtown.	\$10,391
Total Amount	\$1,943,601

LOAN REPORT
Fiscal Year 2006-07

Prepared By: Redevelopment Agency of the City of Oceanside
Date: December 18, 2007

No Outstanding Loans to report.

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

PROPERTY REPORT

Fiscal Year 2006-07

Prepared By: Redevelopment Agency of the City of Oceanside
As of June 30, 2007

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 REDEVELOPMENT AGENCY
AS OF JUNE 30, 2007**

Project Name	Address	Property Purchase	Acres	Occup.	Units	Funding Sources	Status
Lil Jackson Sr. Apts.	Lake Blvd.	Feb-03	5.03	Rental	80	20% RDA, Inclusionary	Environmental review in process. est. 4/08 start date
La Mision Village	3232 Mission Ave.	Dec-04	3.1	Rental	80	Inclusionary, HOME	Construction in process, est. 4/08 completion
Libby Lake Village	4700 North River Rd.	Feb-99	2.69	For-sale	20	Inclusionary	Entitlements approved 9/07, est. 6/08 start date
Cape Cod Villas	1710 Maxson St.	Feb-07	0.77	Rental	36	Inclusionary	Purchased 2/07. Rehab near completion.
Josepho Parcel	Mission Ave.	Aug-06	14.47	Rental	TBD*	Inclusionary, 20% RDA	RFQ submittals under review. Development team selection in Dec. 07/Jan 08
Country Club Apts.	201 Country Club Ln.	Apr-08	2.58	Rental	90	Inclusionary	In negotiations for purchase, est. 4/08 purchase close (10-year ownership)

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 RDA

Agency Administrator: Tracey Bohlen

Date: 12/28/2007

Time: 11:36 am

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.*

PROPERTY REPORT
Fiscal Year 2006-07

Prepared By: Redevelopment Agency of the City of Oceanside
 Date: June 30, 2007

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 REDEVELOPMENT AGENCY
AS OF JUNE 30, 2007**

Project Name	Address	Property Purchase	Acres	Occup.	Units	Funding Sources	Status
Lil Jackson Sr. Apts.	Lake Blvd.	Feb-03	5.03	Rental	VL 80	20% RDA, Inclusionary	Environmental review in process. est. 4/08 start date
La Mision Village	3232 Mission Ave.	Dec-04	3.1	Rental	L 80	Inclusionary, HOME	Construction in process, est. 4/08 completion
Libby Lake Village	4700 North River Rd.	Feb-99	2.69	For-sale	VL 20	Inclusionary	Entitlements approved 9/07, est. 6/08 start date
Cape Cod Villas	1710 Maxson St.	Feb-07	0.77	Rental	VL 36	Inclusionary	Purchased 2/07. Rehab near completion.
Josepho Parcel	Mission Ave.	Aug-06	14.47	Rental	L-100 200 TBD*	VL-100 Inclusionary, 20% RDA	RFQ submittals under review. Development team selection in Dec. 07/Jan 08
Country Club Apts.	201 Country Club Ln.	Apr-08	2.58	Rental	VL 90	Inclusionary	In negotiations for purchase, est. 4/08 purchase close (10-year ownership)

BLIGHT PROGRESS REPORT

Fiscal Year 2006-07

Prepared By: Redevelopment Agency of the City of Oceanside
Date: December 19, 2007

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 2006-07 to alleviate blight in the Downtown Redevelopment Project Area and the related expenditures.

ACTIVITY	COST
Beautification Project on North Coast Highway and Highway 76 that included new landscaping and walkways	\$759,823
Waterfront Improvement Project	\$385,982
Commercial Façade Improvement Program: Completion of storefronts.	\$50,527
Oceanside Museum of Art Expansion	\$328,664
Downtown Streetscape Project including hard costs for the Sunset Market bringing visitors to the downtown	\$38,524
Downtown Resort Hotel	\$367,322
Resort Hotel Acquisition and Relocation expenses	\$2,368
Walkable Communities creating a pedestrian friendly downtown.	\$10,391
Total Amount	\$1,943,601

California Redevelopment Agencies-Fiscal Year 2006/2007
 Project Area Contributions to Low and Moderate Income Housing Funds
 Sch A Project Area Summary Report
 OCEANSIDE RDA

Project Area	100% of Tax Increment	20% Set Aside Requirement	Tax Increment Allocated	Amount Exempted	Deferral	Tax Incr. Deposited to Hsng Fund	Percent of Tax Incr Dep	Repayment Deferrals	Other Income	Total Deposited to Housing
DOWNTOWN PROJECT	\$8,968,323	\$1,793,665	\$1,807,499	\$0	\$0	\$1,807,499	20.15%	\$0	\$3,301,735	\$5,109,234
Agency Totals:	\$8,968,323	\$1,793,665	\$1,807,499	\$0	\$0	\$1,807,499	20.15%	\$0	\$3,301,735	\$5,109,234

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

**California Redevelopment Agencies- Fiscal Year 2006/2007
 Project Area Contributions to Low and Moderate Income Housing Fund
 Sch A Project Area Financial Information**

Agency OCEANSIDE RDA
Address 300 NORTH COAST HIGHWAY
 OCEANSIDE CA 92054

Project Area DOWNTOWN PROJECT							
Type: Inside Project Area		Status: Active		Resolution Date: 06-DEC-06			
Plan Adoption: 1975		Plan Expiration Year: 2018					
Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Deferred	Total Deposited	%	Cumulative Def.
\$8,968,323	\$1,793,665	\$1,807,499	\$0	\$0	\$1,807,499	20.15%	\$4,543,517
				Repayment	\$0		
				Category			
				Interest Income	\$95,921		
				Debt Proceeds	\$105,000		
				Other Revenue	\$3,100,814		
				Total Additional Revenue	\$3,301,735		
				Total Housing Fund Deposits for Project Area	\$5,109,234		

Agency Totals For All Project Areas:

Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Deferred	Total Deposited	%	Cumulative Def.
\$8,968,323	\$1,793,664.6	\$1,807,499	\$0	\$0	\$1,807,499	20%	\$4,543,517
					Total Additional Revenue from Project Areas	\$3,301,735	
					Total Deferral Repayments.	\$0	
					Total Deposit to Housing Fund from Project Areas.	\$5,109,234	

California Redevelopment Agencies - Fiscal Year 2006/2007
Sch A/B Project Area Program Information
OCEANSIDE RDA

Project Area: **OUTSIDE PROJECT AREA**

FUTURE UNIT CONSTRUCTION

Contract Name	Execution Date	Estimated Completion Date	Very Low	Low	Moderate	Total
Cape Cod Villas	02/01/07	06/01/08	36	0	0	36
Country Club Apts	12/01/07	12/01/08	90	0	0	90
Josepho Property	08/01/06	08/01/12	100	100	0	200
La Mission Village	12/01/04	04/01/08	0	80	0	80
Libby Lake Village	02/01/99	06/01/11	20	0	0	20
Lil Jackson Sr. Apts	02/01/03	04/01/10	80	0	0	80

California Redevelopment Agencies - Fiscal Year 2006/2007
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial Summary
 OCEANSIDE RDA

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encumbrances	* Unencumbered Balance	Unencumbered Designated	Unencumbered Not Designated
\$5,231,399	\$5,109,234	\$0	\$8,116,640	\$2,223,993	\$4,179,767	\$6,403,760	\$0	\$2,223,993	\$0	\$2,223,993

Expenses	Planning and Administration Costs	Property Acquisition	Total
2006/2007	\$172,140	\$7,944,500	\$8,116,640

*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 2006/2007
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 OCEANSIDE RDA**

	Beginning Balance	\$5,231,399
	Adjustment to Beginning Balance	\$0
	Adjusted Beginning Balance	\$5,231,399
Total Tax Increment From PA(s)	\$1,807,499	Total Receipts from PA(s)
		\$5,109,234
	Other Revenues not reported on Schedule A	\$0
	Sum of Beginning Balance and Revenues	\$10,340,633

Expenditure			
Item	Subitem	Amount	Remark
Planning and Administration Costs			
Administration Costs		\$172,140	
	Subtotal of Planning and Administration Costs	\$172,140	
Property Acquisition			
Land Purchases		\$7,944,500	
	Subtotal of Property Acquisition	\$7,944,500	
	Total Expenditures	\$8,116,640	

Net Resources Available **\$2,223,993**

Indebtedness For Setasides Deferred **\$4,543,517**

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

Total Fund Equity **\$6,403,760**

2002/2003	\$1003622			
2003/2004	\$1116278			
2004/2005	\$1319480	sum of 4 Previous Years' Tax	Prior Year Ending Unencum	Excess Surplus for
		Increment for 2006/2007		2006/2007
2005/2006	\$1667113	\$5106493	\$384,750	\$0

California Redevelopment Agencies - Fiscal Year 2006/2007
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 OCEANSIDE RDA

Sum of Current and 3 Previous Years' Tax Increments	\$5,910,370
Adjusted Balance	\$2,223,993
Excess Surplus for next year	\$0
Net Resources Available	\$2,223,993
Unencumbered Designated	\$0
Unencumbered Undesignated	\$2,223,993
Total Encumbrances	\$0
Unencumbered Balance	\$2,223,993
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
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Land Held for Future Development

Site Name	Num Of Acres	Zoning	Purchase Date	Estimated Start Date	Remark
Cape Cod Villas	.77	Residential	02/01/2007	03/01/2007	Rehab almost completion
Josepho Property	14.47	Residential	08/01/2006	08/01/2008	RFQ submittals under review. development team selection in Jan 2008
Country Club Apts	2.58	Residential	04/01/2008	08/01/2008	Contract to go to CDC in Jan 08. Est. April 2008 escrow close date
Lake Blvd	5.03	Residential	02/01/2003	04/01/2008	EIR in process. 04/08 start date for construction
La Mision Village	3.1	Residential	12/01/2004	04/01/2008	Construction in process. 04/08 completion
Libby Lake Village	2.69	Residential	02/01/1999	06/01/2008	Entitlements approved June 2008 constructon start date

Use of the Housing Fund to Assist Mortgageors

Income Adjustment Factors

Requirements Completed

Home

\$

Hope

\$

California Redevelopment Agencies - Fiscal Year 2006/2007
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
OCEANSIDE RDA

Non Housing Redevelopment Funds Usage

Resource Needs

LMIHF Deposits/Withdrawals				
Document Name	Document Date	Custodian Name	Custodian Phone	Copy Source
Revenue & Exp Report	30-JUN-07	Caroline Salvaterra	(760) 435-3373	Housing Dept.

Achievements

Description

Completion of the Commercial Facade Program for 124 N. Freeman Street **Pac-bell Reuse Project -**
Completion of 32 live/work lofts and 824 sf of commercial space
Completion of the North Coast Highway landscaping and Beautification **Construction commenced on the**
expansion of the Oceanside Museum of Art **Waterfront Improvement Project held three**
community meetings and one City Council workshop to develop a master plan to enhance waterfront areas
Downtown Resort hotel submitted development plans for a 289 hotel rooms, 47 fractional timeshares,
underground parking garage, visitor serving commercial and large meeting space on a 2.5 acre parcel owned by
the Agency

**California Redevelopment Agencies - Fiscal Year 2006/2007
Sch D General Project Information
OCEANSIDE RDA**

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	\$7,953,282

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

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	\$1,800,000
Other Local Funds	\$1,200,000

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: 2006/2007

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: 2006/2007

**OCEANSIDE COMMUNITY
DEVELOPMENT COMMISSION**

**COMPONENT UNIT
FINANCIAL STATEMENTS**

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

For the Year Ended June 30, 2007

**Oceanside Community Development Commission
Component Unit Financial Statements
For the year ended June 30, 2007**

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*A PROFESSIONAL CORPORATION

November 23, 2007

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, 2007, 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, 2007, 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.

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2007 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 management's discussion and analysis and 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. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the management's discussion and analysis and express no opinion on it. 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

**Oceanside Community Development Commission
Management's Discussion and Analysis
For the year ended June 30, 2007**

This discussion and analysis of the Oceanside Community Development Commission's financial performance provides an overview of the fiscal year ended June 30, 2007. Please read it in conjunction with the accompanying basic financial statements and the notes to those financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the Oceanside Community Development Commission (Commission) using the integrated approach as prescribed by GASB Statement No. 34.

The Commission is a blended component unit of the City of Oceanside (City). Accordingly, the financial operations of the Commission have also been included in the general purpose financial statements of the City.

The Government-wide Financial Statements present the financial picture of the Commission from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and any business type activities separately. These statements include all assets of the Commission as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for the governmental-type categories of activities. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

REPORTING THE COMMISSION AS A WHOLE

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the Commission as a whole and about its activities. These statements include *all* assets and liabilities of the Commission using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of timing of cash flows.

These two statements report the Commission's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is a measurement of the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net assets indicate whether its *financial health* is improving or deteriorating.

Governmental activities - Most of the Commission's basic services are reported in this category, including Community Development and Debt Service. Property Taxes, lease revenue and interest income finance these activities.

See independent auditors' report.

**Oceanside Community Development Commission
Management's Discussion and Analysis, Continued
For the year ended June 30, 2007**

REPORTING THE COMMISSION'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the Commission as a whole. Some funds are established pursuant to State Law or by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds-The Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Commission's general governmental operations and the basic services it provides. Governmental fund information determines the level of financial resources available to finance the Commission's programs. The differences of results in the Governmental Fund financial statements and those in the Government-wide financial statements are explained in a reconciliation following the Governmental Fund financial statement.

THE COMMISSION AS A WHOLE

The net assets for the Commission as recorded in the Statement of Net Assets for the fiscal year ended June 30, 2007 were:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Net Assets:			
Invested in Capital Assets Net of Related Debt	\$ 15,554,328	\$ 4,985,624	\$ 10,568,704
Restricted for: Debt Service	4,776,344	7,313,305	(2,536,961)
Restricted for: Community Development	58,753,414	60,495,570	(1,742,156)
Unrestricted	<u>(54,561,356)</u>	<u>(59,826,867)</u>	<u>5,265,511</u>
Total Net Assets	<u>\$ 24,522,730</u>	<u>\$ 12,967,632</u>	<u>\$ 11,555,098</u>

Total net assets increased \$11.5 million primarily due to investment in capital assets during the year.

See independent auditors' report.

**Oceanside Community Development Commission
Management's Discussion and Analysis, Continued
For the year ended June 30, 2007**

THE COMMISSION AS A WHOLE (CONTINUED)

Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Assets as summarized below:

	Net (Expenses) Revenue		Increase
	2007	2006	(Decrease)
Governmental Activities:			
General government	\$ -	\$ (4,274)	\$ 4,274
Community development activities	(1,993,984)	(3,051,555)	1,057,571
Interest on long term debt	(4,561,746)	(4,390,504)	(171,242)
General revenues and transfers	18,110,828	15,414,206	2,696,622
Increase in net assets	11,555,098	7,967,873	3,587,225
Beginning net assets	12,967,632	4,999,759	7,967,873
Total Net Assets	\$ 24,522,730	\$ 12,967,632	\$ 11,555,098

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in FY 2006-07 by \$2,169,739. Advances Payable debt increased due to the addition of interest and was offset by decreases in Bonds Payable and Certificates of Participation that resulted from scheduled principal retirement. The following table recaps these changes:

	Balance 7/1/2006	Incurred/ Issued	Satisfied/ Matured	Balance 6/30/2007
Governmental Activities:				
Bonds payable	\$ 58,420,000	\$ -	\$ (1,470,000)	\$ 56,950,000
Certificates of Participation	25,435,000	-	(1,335,000)	24,100,000
Advances payable	8,705,546	655,132	(19,871)	9,340,807
Total	\$ 92,560,546	\$ 655,132	\$ (2,824,871)	\$ 90,390,807

Note 7 provides a detailed description of all outstanding liabilities.

See independent auditors' report.

**Oceanside Community Development Commission
Management's Discussion and Analysis, Continued
For the year ended June 30, 2007**

CASH MANAGEMENT

To obtain flexibility in cash management, the Commission participates in the City's pooled cash system (Reference Note 2 in the Notes to Basic Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investor and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report, separate reports of the City or the City's component units or need any additional financial information, contact the Office of the Financial Services Director at 300 North Coast Highway, Oceanside, California, 92054, or phone (760) 435-3832.

See independent auditors' report.

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, 2007

ASSETS	Governmental Activities
Current assets:	
Cash and investments (Note 2)	\$ 52,328,684
Restricted cash and investments with fiscal agent (Note 2)	4,776,344
Receivables:	
Accounts	66,889
Notes (Note 3)	9,231,738
Interest	59,695
Taxes	226,161
Other	2,309
Due from other governments	2,094,316
Prepaid items	1,311
Land and buildings held for resale (Note 6)	9,492,993
Total current assets	78,280,440
Noncurrent assets:	
Capital assets (Note 5):	
Nondepreciable assets	21,849,051
Depreciable assets, net	17,805,277
Total capital assets, net	39,654,328
Total assets	117,934,768
LIABILITIES	
Current liabilities:	
Accounts payable	960,231
Interest payable	1,362,676
Accrued liabilities	141,029
Due to other governments	168,351
Deposits	388,944
Long-term debt - due within one year (Note 7)	3,401,081
Total current liabilities	6,422,312
Noncurrent liabilities:	
Long-term debt - due in more than one year (Note 7)	86,989,726
Total liabilities	93,412,038
NET ASSETS	
Invested in capital assets, net of related debt	15,554,328
Restricted for:	
Debt service	4,776,344
Community development	58,753,414
Unrestricted	(54,561,356)
	\$ 24,522,730

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

Oceanside Community Development Commission
Statement of Activities
For the year ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Primary government:					
Governmental activities:					
Community development	\$ 20,411,637	\$ 3,704,069	\$ 14,713,584	\$ -	\$ (1,993,984)
Interest on long-term debt	4,561,746	-	-	-	(4,561,746)
Total governmental activities	\$ 24,973,383	\$ 3,704,069	\$ 14,713,584	\$ -	(6,555,730)
General revenues:					
Taxes:					
Property taxes					8,968,323
Other					195,968
Investment earnings					2,386,030
Developer fees					5,679,839
Other revenues					880,668
					<u>18,110,828</u>
					Change in net assets 11,555,098
					Net assets - beginning of year, as restated (Note 10) <u>12,967,632</u>
					Net assets - end of year <u>\$ 24,522,730</u>

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, 2007

	<u>Housing Assistance Program Special Revenue</u>	<u>Debt Service</u>
ASSETS		
Cash and investments	\$ 25,644,946	\$ 1,086,119
Restricted cash and investments	-	4,776,344
Receivables:		
Accounts	-	-
Interest	-	-
Taxes	-	-
Other	2,309	-
Notes	9,176,928	-
Due from other governments	2,094,316	-
Advances to other funds	-	-
Prepaid items	1,311	-
Land and buildings held for resale	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 36,919,810</u>	<u>\$ 5,862,463</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 142,378	\$ -
Accrued liabilities	72,764	-
Deposits	388,944	-
Due to other governments	168,351	-
Advances from other funds	-	4,179,767
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>772,437</u>	<u>4,179,767</u>
FUND BALANCES:		
Reserved for:		
Land and buildings held for resale	-	-
Advances to other funds	-	-
Noncurrent assets	9,176,928	-
Prepaid items	1,311	-
Low and moderate income housing	-	-
Debt service	-	4,776,344
Unreserved, designated for:		
Future capital projects	-	-
Unreserved - undesignated	26,969,134	(3,093,648)
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>36,147,373</u>	<u>1,682,696</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,919,810</u>	<u>\$ 5,862,463</u>

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

Low and Moderate Housing Capital Projects	Redevelopment Area Capital Projects	Total
\$ 2,131,901	\$ 23,465,718	\$ 52,328,684
-	-	4,776,344
-	66,889	66,889
-	59,695	59,695
45,232	180,929	226,161
-	-	2,309
54,810	-	9,231,738
-	-	2,094,316
4,179,767	-	4,179,767
-	-	1,311
-	9,492,993	9,492,993
<u>\$ 6,411,710</u>	<u>\$ 33,266,224</u>	<u>\$ 82,460,207</u>
\$ 371	\$ 817,482	\$ 960,231
7,579	60,686	141,029
-	-	388,944
-	-	168,351
-	-	4,179,767
<u>7,950</u>	<u>878,168</u>	<u>5,838,322</u>
-	9,492,993	9,492,993
4,179,767	-	4,179,767
54,810	-	9,231,738
-	-	1,311
2,169,183	-	2,169,183
-	-	4,776,344
-	22,895,063	22,895,063
-	-	23,875,486
<u>6,403,760</u>	<u>32,388,056</u>	<u>76,621,885</u>
<u>\$ 6,411,710</u>	<u>\$ 33,266,224</u>	<u>\$ 82,460,207</u>

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Oceanside Community Development Commission
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets
June 30, 2007

Fund balances for governmental funds \$ 76,621,885

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	\$ 47,969,473	
Accumulated depreciation	<u>(8,315,145)</u>	39,654,328

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.

(1,362,676)

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	(56,950,000)	
Certificates of participation	(24,100,000)	
Advances from City of Oceanside	<u>(9,340,807)</u>	<u>(90,390,807)</u>

Net Assets of Governmental Activities

\$ 24,522,730

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, 2007

	Housing Assistance Program Special Revenue	Debt Service
REVENUES:		
Taxes	\$ -	\$ -
Licenses and permits	122,833	-
Intergovernmental	14,713,584	-
Charges for services	735,600	-
Lease revenue	-	2,400,835
Interest and rental	1,127,927	366,994
Developers fees	2,579,025	-
Other revenues	821,125	-
	<u>20,100,094</u>	<u>2,767,829</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Community development	17,790,427	-
Capital improvements	-	-
Debt service:		
Principal	-	2,824,871
Interest	-	4,605,937
	<u>17,790,427</u>	<u>7,430,808</u>
TOTAL EXPENDITURES		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,309,667</u>	<u>(4,662,979)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in (Note 4)	-	4,183,925
Transfers out (Note 4)	-	(14,512,233)
Advances received	-	655,132
	<u>-</u>	<u>(9,673,176)</u>
TOTAL OTHER FINANCING SOURCES (USES)		
NET CHANGE IN FUND BALANCES	2,309,667	(14,336,155)
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED	<u>33,837,706</u>	<u>16,018,851</u>
FUND BALANCES AT END OF YEAR	<u>\$ 36,147,373</u>	<u>\$ 1,682,696</u>

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

Low and Moderate Housing Capital Projects	Redevelopment Area Capital Projects	Total Governmental Funds
\$ 1,807,498	\$ 7,356,791	\$ 9,164,289
-	-	122,833
-	-	14,713,584
-	303,802	1,039,402
-	-	2,400,835
95,921	867,078	2,457,920
3,100,814	65,443	5,745,282
-	63,211	884,336
<u>5,004,233</u>	<u>8,656,325</u>	<u>36,528,481</u>
8,116,640	1,164,967	27,072,034
-	2,573,307	2,573,307
-	-	2,824,871
-	-	<u>4,605,937</u>
<u>8,116,640</u>	<u>3,738,274</u>	<u>37,076,149</u>
<u>(3,112,407)</u>	<u>4,918,051</u>	<u>(547,668)</u>
-	14,512,233	18,696,158
-	(4,183,925)	(18,696,158)
-	-	<u>655,132</u>
-	<u>10,328,308</u>	<u>655,132</u>
(3,112,407)	15,246,359	107,464
<u>9,516,167</u>	<u>17,141,697</u>	<u>76,514,421</u>
<u>\$ 6,403,760</u>	<u>\$ 32,388,056</u>	<u>\$ 76,621,885</u>

**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, 2007**

Net change in fund balances - total governmental funds \$ 107,464

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. 9,233,704

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 2,824,871
Advances received (655,132)

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.

44,191

Change in Net Assets of Governmental Activities

\$ 11,555,098

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 February 20, 1974, 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.

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 City 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.

See independent auditors’ report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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.

See independent auditors’ report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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. 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.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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.

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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, 2007 are classified in the accompanying financial statements as follows:

Unrestricted:

Cash and investments pooled with the
City of Oceanside \$ 52,328,684

Restricted:

Cash and investments with fiscal agent 4,776,344

\$ 57,105,028

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
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.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
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

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments were stated at fair value using the aggregate method in all funds and component units.

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 \$4,776,344, which are rated AAA by Standard and Poor.

See independent auditors' report.

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 \$52,328,684 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, 2007, the Commission had notes receivable reported in the following funds:

Housing Assistance Program Special Revenue Fund	\$ 9,176,928
Low and Moderate Housing Capital Projects Fund	<u>54,810</u>
Total	<u>\$ 9,231,738</u>

At June 30, 2007, the Commission’s Housing Assistance Program Special Revenue Fund was owed \$9,176,928 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.

See independent auditors’ report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

3. NOTES RECEIVABLE (CONTINUED):

At June 30, 2007, 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, 2007, the City had the following interfund long-term advances:

<u>Advances To</u>	<u>Advances From</u>	<u>Amount</u>
Low and Moderate Housing Capital Projects Fund	Debt Service Fund	<u>\$ 4,719,767</u>

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, 2007 are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Debt Service Fund	Redevelopment Area Capital Projects Fund	\$ 14,512,233
Redevelopment Area Capital Projects Fund	Debt Service Fund	<u>4,183,925</u>
		<u>\$ 18,696,158</u>

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.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

5. CAPITAL ASSETS:

A summary of changes in the capital assets at June 30, 2007 is as follows:

	<u>Balance at</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2007</u>
Capital assets, not being depreciated:				
Land	\$ 12,068,731	\$ 7,944,500	\$ -	\$ 20,013,231
Construction in progress	<u>-</u>	<u>1,835,820</u>	<u>-</u>	<u>1,835,820</u>
 Total capital assets, not being depreciated	 <u>12,068,731</u>	 <u>9,780,320</u>	 <u>-</u>	 <u>21,849,051</u>
Capital assets, being depreciated:				
Buildings and structures	25,976,582	-	-	25,976,582
Machinery and equipment	<u>143,840</u>	<u>-</u>	<u>-</u>	<u>143,840</u>
 Total capital assets, being depreciated	 <u>26,120,422</u>	 <u>-</u>	 <u>-</u>	 <u>26,120,422</u>
Less accumulated depreciation for:				
Buildings and structures	(7,630,492)	(545,165)	-	(8,175,657)
Machinery and equipment	<u>(138,037)</u>	<u>(1,451)</u>	<u>-</u>	<u>(139,488)</u>
 Total accumulated depreciation	 <u>(7,768,529)</u>	 <u>(546,616)</u>	 <u>-</u>	 <u>(8,315,145)</u>
 Total capital assets, being depreciated, net	 <u>18,351,893</u>	 <u>(546,616)</u>	 <u>-</u>	 <u>17,805,277</u>
 Capital assets, net	 <u>\$ 30,420,624</u>	 <u>\$ 9,233,704</u>	 <u>\$ -</u>	 <u>\$ 39,654,328</u>

Depreciation expense of \$546,616 was charged to community development.

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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, 2007, 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, 2007:

	Balance July 1, 2006 (As Restated)	Additions	Deletions	Balance June 30, 2007	Due Within One Year	Due in More Than One Year
Bonds payable	\$ 58,420,000	\$ -	\$ (1,470,000)	\$ 56,950,000	\$ 1,975,000	\$ 54,975,000
Certificates of participation	25,435,000	-	(1,335,000)	24,100,000	1,405,000	22,695,000
Advances from City	<u>8,705,546</u>	<u>655,132</u>	<u>(19,871)</u>	<u>9,340,807</u>	<u>21,081</u>	<u>9,319,726</u>
Total	<u>\$ 92,560,546</u>	<u>\$ 655,132</u>	<u>\$ (2,824,871)</u>	<u>\$ 90,390,807</u>	<u>\$ 3,401,081</u>	<u>\$ 86,989,726</u>

Bonds Payable:

At June 30, 2007, bonds payable consisted of the following:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due Within One Year	Due in More Than One Year
2002 Tax Allocation Refunding Bonds	\$ 20,715,000	\$ -	\$ (630,000)	\$ 20,085,000	\$ 655,000	\$ 19,430,000
2003 Tax Allocation Refunding Bonds	6,920,000	-	(425,000)	6,495,000	435,000	6,060,000
Subordinate 2003 Tax Allocation Bonds	17,620,000	-	(110,000)	17,510,000	570,000	16,940,000
2004 Tax Allocation Refunding Bonds	<u>13,165,000</u>	<u>-</u>	<u>(305,000)</u>	<u>12,860,000</u>	<u>315,000</u>	<u>12,545,000</u>
Totals	<u>\$ 58,420,000</u>	<u>\$ -</u>	<u>\$ (1,470,000)</u>	<u>\$ 56,950,000</u>	<u>\$ 1,975,000</u>	<u>\$ 54,975,000</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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 \$655,000 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, 2007, the outstanding balance of these bonds was \$20,085,000.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 655,000	\$ 1,062,419	\$ 1,717,419
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 - 2017	4,560,000	3,989,007	8,549,007
2018 - 2022	5,895,000	2,596,725	8,491,725
2023 - 2026	<u>6,040,000</u>	<u>719,038</u>	<u>6,759,038</u>
Totals	<u>\$ 20,085,000</u>	<u>\$ 12,295,334</u>	<u>\$ 32,380,334</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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 \$435,000 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, 2007, the outstanding balance of these bonds was \$6,495,000.

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 435,000	\$ 232,775	\$ 667,775
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 - 2017	2,845,000	540,125	3,385,125
2018 - 2019	1,315,000	53,100	1,368,100
Totals	<u>\$ 6,495,000</u>	<u>\$ 1,610,050</u>	<u>\$ 8,105,050</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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 \$570,000 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, 2007, the outstanding balance of these bonds was \$17,510,000.

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 570,000	\$ 922,761	\$ 1,492,761
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 - 2017	3,975,000	3,437,119	7,412,119
2018 - 2022	5,150,000	2,240,142	7,390,142
2023 - 2026	<u>5,260,000</u>	<u>616,400</u>	<u>5,876,400</u>
Totals	<u>\$ 17,510,000</u>	<u>\$ 10,612,436</u>	<u>\$ 28,122,436</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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 \$315,000 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, 2007 the outstanding balance of these bonds was \$12,860,000.

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 315,000	\$ 538,479	\$ 853,479
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 - 2017	1,945,000	2,235,475	4,180,475
2018 - 2022	4,790,000	1,647,029	6,437,029
2023 - 2025	<u>4,455,000</u>	<u>306,562</u>	<u>4,761,562</u>
Totals	<u>\$ 12,860,000</u>	<u>\$ 6,767,461</u>	<u>\$ 19,627,461</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

7. LONG-TERM LIABILITIES (CONTINUED):

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

Certificates of Participation:

At June 30, 2007, certificates of participation (COP) payable consisted of the following:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due Within One Year	Due in More Than One Year
1995 Refunding COP	\$ 5,265,000	\$ -	\$ (1,210,000)	\$ 4,055,000	\$ 1,275,000	\$ 2,780,000
2005 Refunding COP	<u>20,170,000</u>	<u>-</u>	<u>(125,000)</u>	<u>20,045,000</u>	<u>130,000</u>	<u>19,915,000</u>
Totals	<u>\$ 25,435,000</u>	<u>\$ -</u>	<u>\$ (1,335,000)</u>	<u>\$ 24,100,000</u>	<u>\$ 1,405,000</u>	<u>\$ 22,695,000</u>

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 \$1,275,000 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. At June 30, 2007, a certificate was partially defeased by the 2006 Refunding Certificates of Participation and the outstanding balance of these certificates was \$4,055,000.

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,275,000	\$ 194,075	\$ 1,469,075
2009	1,350,000	119,150	1,469,150
2010	<u>1,430,000</u>	<u>39,325</u>	<u>1,469,325</u>
Totals	<u>\$ 4,055,000</u>	<u>\$ 352,550</u>	<u>\$ 4,407,550</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

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 \$130,000 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, 2007, the outstanding balance of these certificates was \$20,045,000.

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 130,000	\$ 803,588	\$ 933,588
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 - 2017	9,555,000	2,537,875	12,092,875
2018 - 2020	<u>6,735,000</u>	<u>504,375</u>	<u>7,239,375</u>
Totals	<u>\$ 20,045,000</u>	<u>\$ 6,924,833</u>	<u>\$ 26,969,833</u>

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. The loan is payable in years 2015 through 2025 from tax increment revenue. As of June 30, 2007 the outstanding balance of the loan was \$8,683,703.

The City of Oceanside's Water Fund advanced funds to the Commission for operational purposes. As of June 30, 2007 the outstanding balance of the loan was \$657,104.

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 appropriate for expenditure in future periods, or which are legally set aside for a specific future use.

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.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

9. OTHER REQUIRED DISCLOSURES:

The unrestricted net assets had a deficit balance of \$54,561,356 at June 30, 2007 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:

	<u>Governmental Activities</u>
Net assets (deficit) as previously reported	\$ (11,343,420)
To recognize developer fees that were incorrectly reported as unearned revenues	22,148,336
To reclassify transient occupancy tax revenues recorded in incorrect funds	127,831
To reclassify debt service payments recorded in incorrect funds	<u>2,034,885</u>
Net assets as restated	<u>\$ 12,967,632</u>

See independent auditors' report.

Oceanside Community Development Commission
Notes to Basic Financial Statements, Continued
June 30, 2007

10. RESTATEMENT OF NET ASSETS/FUND BALANCES (CONTINUED):

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 <u>Revenue Fund</u>	Debt Service <u>Fund</u>	Redevelopment Area Capital <u>Projects Fund</u>
Fund balances as previously reported	\$ 11,689,370	\$ 7,313,305	\$ 14,978,981
To recognized developer fees that were incorrectly reported as unearned revenues	22,148,336	-	-
To reclassify transient occupancy tax revenues recorded in incorrect funds	-	-	127,831
To reclassify debt service payments recorded in incorrect funds	-	-	2,034,885
To reclassify advances from the City of Oceanside as long-term liabilities	<u>-</u>	<u>8,705,546</u>	<u>-</u>
Fund balances as restated	<u>\$ 33,837,706</u>	<u>\$ 16,018,851</u>	<u>\$ 17,141,697</u>

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, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, July 1 (as restated)	\$ 33,837,706	\$ 33,837,706	\$ 33,837,706	\$ -
Resources (inflows):				
Licenses and permits	120,509	120,509	122,833	2,324
Intergovernmental revenues	14,772,457	15,043,614	14,713,584	(330,030)
Charges of services	336,084	269,320	735,600	466,280
Interest and rentals	63,390	63,390	1,127,927	1,064,537
Developer fees	-	21,665,091	2,579,025	(19,086,066)
Other revenues	1,110,622	730,704	821,125	90,421
Tota resources (inflows)	16,403,062	37,892,628	20,100,094	(17,792,534)
Charges to appropriations (outflows):				
Housing and neighborhood services	16,821,788	38,397,845	17,790,427	20,607,418
Total charges to appropriations (outflows)	16,821,788	38,397,845	17,790,427	20,607,418
Excess of resources over (under) charges to appropriations	(418,726)	(505,217)	2,309,667	(38,399,952)
Fund balance, June 30	\$ 33,418,980	\$ 33,332,489	\$ 36,147,373	\$ (38,399,952)

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

Oceanside Community Development Commission
Note to Required Supplementary Information
June 30, 2007

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, July 1	\$ 9,516,167	\$ 9,516,167	\$ 9,516,167	\$ -
Resources (inflows):				
Taxes	1,557,855	1,557,855	1,807,498	249,643
Interest and rentals	-	-	95,921	95,921
Developer fees	-	3,100,814	3,100,814	-
Total resources (inflows)	<u>1,557,855</u>	<u>4,658,669</u>	<u>5,004,233</u>	<u>345,564</u>
Charges to appropriations (outflows):				
Community development	<u>178,986</u>	<u>8,153,986</u>	<u>8,116,640</u>	<u>37,346</u>
Total charges to appropriations (outflows)	<u>178,986</u>	<u>8,153,986</u>	<u>8,116,640</u>	<u>37,346</u>
Excess of resources over (under) charges to appropriations	<u>1,378,869</u>	<u>(3,495,317)</u>	<u>(3,112,407)</u>	<u>382,910</u>
Fund balance, June 30	<u>\$ 10,895,036</u>	<u>\$ 6,020,850</u>	<u>\$ 6,403,760</u>	<u>\$ 382,910</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, July 1 (as restated)	\$ 17,141,697	\$ 17,141,697	\$ 17,141,697	\$ -
Resources (inflows):				
Taxes	6,263,553	6,263,553	7,356,791	1,093,238
Charges for services	-	-	303,802	303,802
Interest and rentals	50,150	50,150	867,078	816,928
Developer fees	90,000	90,000	65,443	(24,557)
Other revenues	-	-	63,211	63,211
Transfers in	2,198,000	2,198,000	14,512,233	12,314,233
Total resources (inflows)	8,601,703	8,601,703	23,168,558	14,566,855
Charges to appropriations (outflows):				
Community development	2,245,404	1,829,277	1,164,967	664,310
Capital improvements	1,519,000	14,559,117	2,573,307	11,985,810
Transfers out	4,472,234	4,472,234	4,183,925	288,309
Total charges to appropriations (outflows)	8,236,638	20,860,628	7,922,199	12,938,429
Excess of resources over (under) charges to appropriations	365,065	(12,258,925)	15,246,359	27,505,284
Fund balance, June 30	\$ 17,506,762	\$ 4,882,772	\$ 32,388,056	\$ 27,505,284

See independent auditors' report.



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November 23, 2007

**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, 2007, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 23, 2007. 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, 2006. The Commission submitted the reports on January 24, 2007.
- 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, 2006. The Commission submitted the reports on January 24, 2007.

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