

# STAFF REPORT



# ITEM NO. 17

## CITY OF OCEANSIDE

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**DATE:** January 24, 2007

**TO:** Chairman and Members, Community Development Commission

**FROM:** Economic Development and Redevelopment Department

**SUBJECT:** **ADOPTION OF A RESOLUTION APPROVING THE 2005/2006 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. The California Health and Safety Code requires that the Redevelopment Agency to present the Annual Report to its legislative body for adoption. Staff is recommending that the Community Development Commission (CDC) adopt a Resolution approving 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 California State Controller. This report contains several components related to redevelopment and affordable housing activities for the fiscal year. A copy of the report to be submitted to the State Controller for fiscal year 2005/2006 is attached as Exhibit 2. A copy of the 2005/2006 Financial Statements and Auditor's Reports is also included as Exhibit 3.

### FISCAL IMPACT

None.

**COMMISSION OR COMMITTEE REPORT**

The Redevelopment Advisory Committee will have reviewed the 2005/2006 Annual Report and resolution at its January 24, 2007 meeting. Their recommendation will be presented to the Commission in writing prior to the CDC meeting.

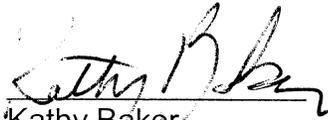
**CITY ATTORNEY ANALYSIS**

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

**RECOMMENDATION**

Staff recommends that the Commission adopt a resolution approving the Community Development Commission 2005/2006 Annual Report and direct staff to submit the report to the State Controller.

PREPARED BY:



Kathy Baker  
Redevelopment Manager

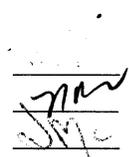
SUBMITTED BY:



Barry E. Martin  
Interim Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager  
Nita McKay, Financial Services Director  
Jane McVey, Economic Development and Redevelopment Director



ATTACHMENTS/EXHIBITS:

- Exhibit 1 - Resolution
- Exhibit 2 - Five Year Implementation Plan
- Exhibit 3 - State Controllers Report Fiscal Year 2005/2006
- Exhibit 4 - Basic Financial Statements & Auditor's Report 2005/2006

1 RESOLUTION NO.

2 A RESOLUTION OF THE COMMUNITY DEVELOPMENT  
3 COMMISSION OF THE CITY OF OCEANSIDE APPROVING  
4 THE 2005/2006 ANNUAL REPORT AND DIRECTING STAFF  
5 TO FORWARD ANNUAL REPORT TO THE STATE  
6 CONTROLLER

7 WHEREAS, pursuant to Sections 33080.1 and 33080.2 of the California Health and  
8 Safety Code, the Executive Director has prepared and submitted the 2005-2006 Annual Report  
9 to the Community Development Commission for its review and approval; and

10 WHEREAS, the Community Development Commission has received and reviewed the  
11 2005-2006 Annual Report.

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

14 SECTION 1. The Community Development Commission hereby accepts the 2005-2006  
15 Annual Report as received and directs that a copy of the Annual Report be forwarded to the  
16 Office of the State Controller.

17 PASSED AND ADOPTED by the Community Development Commission of the City of  
18 Oceanside, California, this 24<sup>th</sup> day of January, 2007, by the following vote:

19 AYES:

20 NAYS:

21 ABSENT:

22 ABSTAIN:

23 \_\_\_\_\_  
CHAIRMAN

24  
25 ATTEST:

APPROVED AS TO FORM:

26  
27 \_\_\_\_\_  
28 SECRETARY

  
GENERAL COUNSEL

2005-2009 Implementation Plan  
Oceanside Downtown Redevelopment Project

11/17/04

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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
<b>PRIVATE DEVELOPMENT PROGRAM</b>		
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**

<b>Project/Program</b>	<b>Project/Program Description</b>	<b>Contribution to Blight Removal</b>
<b><i>PRIVATE DEVELOPMENT PROGRAM, (CONT'D):</i></b>		
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.
<b><i>PUBLIC IMPROVEMENT PROGRAM:</i></b>		
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 Undergrounding of Utilities	Undergrounding 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
<b>PUBLIC IMPROVEMENT PROGRAM, (CONT'D):</b>		
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
<b>PRIVATE DEVELOPMENT PROGRAM:</b>		
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**

<b>Project/Program</b>	<b>Project/Program Description</b>	<b>Contribution to Blight Removal</b>
<b><i>PRIVATE DEVELOPMENT PROGRAM: (CONT'D)</i></b>		
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
<b>PRIVATE DEVELOPMENT PROGRAM: (CONT'D)</b>		
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.
<b>PUBLIC DEVELOPMENT PROGRAM:</b>		
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
<b>PUBLIC DEVELOPMENT PROGRAM, (CONT'D):</b>		
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
<b><i>PUBLIC DEVELOPMENT PROGRAM: (CONT'D):</i></b>		
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
<b><i>PUBLIC DEVELOPMENT PROGRAM: (CONT'D)</i></b>		
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.

<b>TABLE 3</b> <b>REVENUES AND EXPENDITURES FOR 2003-2004</b> <b>2005-2009 IMPLEMENTATION PLAN</b> <b>CITY OF OCEANSIDE</b>	
Beginning balance (not escrowed)	\$1,542,929
<b>Gross Tax Increment</b>	<b>\$5,723,752</b>
<b>Add: Interest Income</b>	<b>\$ 34,467</b>
<b>Add: Lease Income</b>	<b>\$ 34,450</b>
<b>Add: Other Revenue</b>	<b>\$ 415,842</b>
<b>Total Revenues</b>	<b>\$6,208,511</b>
(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	(\$2,475,201)
<b>Total Expenditures</b>	<b>(\$4,362,850)</b>
<b>Total Ending Balance for FY 2003-2004</b>	<b>\$3,388,590</b>

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 or 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:

<b>TABLE 5 HOUSING SET-ASIDE APPROPRIATIONS 2005-2009 IMPLEMENTATION PLAN CITY OF OCEANSIDE</b>		<b>FIVE YEAR PLAN</b>
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>
<b>I. Revenue</b>					
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
<b>Total Revenue</b>	<b>3,243,015</b>	<b>2,218,492</b>	<b>2,430,572</b>	<b>2,714,188</b>	<b>2,832,270</b>
<b>II. Expenditures</b>					
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
<b>Total Expenditures</b>	<b>2,254,673</b>	<b>1,223,212</b>	<b>1,446,930</b>	<b>1,718,131</b>	<b>1,833,090</b>
<b>III. Ending Balance</b>	<b>988,341</b>	<b>995,280</b>	<b>983,641</b>	<b>996,058</b>	<b>999,179</b>

## **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, 2006

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:

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

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

Sincerely,

David Crowe  
Senior Management Analyst  
(760) 435-3850

**REDEVELOPMENT AGENCIES  
FINANCIAL TRANSACTIONS REPORT  
COVER PAGE**

**Oceanside Community Development Commission**

Fiscal Year:           **2006**

ID Number:           **13983759800**

Submitted by:

  
\_\_\_\_\_  
Signature

SR. MANAGEMENT ANALYST  
Title

DAVID CROWE  
Name (Please Print)

12/27/06  
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.

**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.

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

**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

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

**General Information**

Fiscal Year **2006**

Members of the Governing Body			
	Last Name	First Name	Middle Initial
Chairperson	Wood	Jim	
Member	Chavez	Rocky	
Member	Feller	Jack	
Member	Sanchez	Esther	
Member	Mackin	Shari	
Member			

**Mailing Address**

Street 1

Street 2

City  State  Zip

Phone   Is Address Changed?

Agency Officials			
	Last Name	First Name	Phone
Executive Director	Martin	Barry	(760) 435-3066
Fiscal Officer	McKay	Nita	(760) 435-3839
Secretary	Riegal Wayne	Barbara	(760) 435-3010

Report Prepared By			
	Last Name	First Name	Phone
Firm Name	Caporicci & Larson		
Last	Crowe	Pun	
First	David	Kenneth	
Middle Initial			
Street	300 North Coast Highway	3184-D Airway Avenue	
City	Oceanside	Costa Mesa	
State	CA	CA	
Zip Code	92054-	95825-	
Phone	(760) 435-3853	(877) 862-2200	

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

**Achievement Information (Unaudited)**

Fiscal Year **2006**

**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 storefronts at 404 Pier View Way, 520 North Coast Highway and 213-217 North Tremont Street.
- 2) Parking Structure - Construction was completed in April 2006 on this joint project between the Community Development Commission and the North County Transit District on a 450 space parking garage West of Cleveland Street and North of the Oceanside Transit Center.
- 3) Completion of Windward Villas, 14 single-family homes on Windward Way at the site of an existing historic building formerly used as a roller rink.

**Square Footage Completed**

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

	New Construction	Rehabilitated
Commercial Buildings	<input type="text"/>	<input type="text"/>
Industrial Buildings	<input type="text"/>	<input type="text"/>
Public Buildings	<input type="text"/>	<input type="text"/>
Other Buildings	<input type="text"/>	<input type="text"/>
<b>Total Square Footage</b>	<b>0</b>	<b>0</b>

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 2006

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.

Fiscal Year 2006

Project Area Report

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) Fairfield Timeshare Resort- Construction is underway 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. Construction is anticipated to be completed in fall 2007.
- 2) Oceanside Beach Hotel-The Redevelopment Agency completed an Agreement and M.O.U. 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. Construction is anticipated to be completed in spring/summer 2007.
- 4) Oceanside Terraces-Construction continues on this mixed-use project that will include retail and restaurant space on the first floor, office space on the second floor, 38

Forwarded from Prior Year ?

Enter Code for Type of Project Area Report

P = Standard Project Area Report

L = Low and Moderate Income Housing Fund

O = Other Miscellaneous Funds or Programs

A = Administrative Fund

M = Mortgage Revenue Bond Program

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Date Project Area was Established (MM-DD-YY)

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?

Established Time Limit :

Repayment of Indebtedness (Year Only)

Effectiveness of Plan (Year Only)

New Indebtedness (Year Only)

Size of Project Area in Acres

Percentage of Land Vacant at the Inception of the Project Area

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

Percentage of Land Developed at the Inception of the Project Area

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

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

(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

Project Area Report

cal Year 2006

Project Area Name

Downtown Project Area

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

airfield Timeshare Resort-Construction is underway on this 168 unit timeshare and hotel project featuring restaurant commercial/retail space, public and semi-public use space and two levels of underground parking. Construction is anticipated to be completed in fall 2007.

Oceanside Beach Hotel-The Redevelopment Agency completed an Agreement and M.O.U. With S. D. Malkin Properties, Inc., the developer of the Oceanside Beach Hotel.

Ocean Village-Construction continues on this mixed-use development consisting of 33 townhomes and 10,000 square feet of commercial space. Construction is anticipated to be completed in spring/summer 2007.

Oceanside Terraces-Construction continues on this mixed-use project that will include retail and restaurant space on first floor, office space on the second floor, 38 condominiums on the third through sixth floors and underground parking. Anticipated completion date is fall 2007.

ac-Bell Lofts-Construction continues on 32 live/work units and 824 square feet of commercial space. Construction anticipated to be completed in early 2007.

evada Manor-Construction began on this 15-unit condominium development on the 300 block of North Nevada Street. Anticipated completion date is fall 2007.

Windward Residences-Construction nearing completion on four single-family homes at 209-211 Windward Way.

Opulence Residences-Construction began on 2 single-family homes at 802 and 804 North Cleveland Street.

Oak Manor II-Construction began on a 2-unit condominium project at Oak and South Myers Streets.

Sea Cliff Condominiums (formerly known as Renaissance Terraces)-construction began on a 96-unit condominium project located on the South side of the San Luis Rey River.

Approval of a 101-room hotel for a parcel adjacent to the Trendwest timeshare site located on Carmelo Dr.

Libiscus Condominiums-Currently under construction on a 4-unit condominium project at 130-132 South Pacific Street.

Beach Area Improvements-Contract awarded to Roberts, Wallace and Todd to assess the condition of beach structures, the possibility of adding restroom capacity, community outreach, cost estimates and eventual improvements to the restroom facilities, drainage issues, and electrical, sound system and aesthetic upgrades for the theater area.

North Coast Highway 101 Gateway Landscaping-Work began on this project that includes improvements to the North Coast Highway 101 corridor and enhancements to the San Luis Rey Bridge consisting of landscaping, granite banding, irrigation system, up-lighting of palm trees and sidewalk to aid pedestrians en route to the Marina Welcome Center, and aesthetic rail treatment, ornamental lighting and banners along the San Luis Rey River.

Oceanside Community Development Commission  
Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year 2006

Project Area Name

Downtown Project Area

Frozen Base Assessed Valuation

47,742,102

Increment Assessed Valuation

649,276,461

Total Assessed Valuation

697,018,563

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year

2006

Project Area Name

Downtown Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail			Other Payments		
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
County				\$0		
Cities				\$0		
School Districts				\$0		
Community College Districts				\$0		
Special Districts				\$0		
<b>Total Paid to Taxing Agencies</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Amount to Agency</b>				\$7,235,679		
<b>Gross Tax Increment Generated</b>				7,235,679		

plus

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="0"/>
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	\$6,410,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,145,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$5,265,000
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

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	Certificates of Participation
Year of Authorization	2005
Principal Amount Authorized	20,170,000
Principal Amount Issued	20,170,000
Purpose of Issue	Refund 1995 COP
Maturity Date Beginning Year	2006
Maturity Date Ending Year	2020
Principal Amount Unmatured Beginning of Fiscal Year	\$20,170,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$20,170,000
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

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	City/County Debt
Year of Authorization	2001
Principal Amount Authorized	8,725,610
Principal Amount Issued	8,725,610
Purpose of Issue	Consolidation
Maturity Date Beginning Year	2015
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	\$8,118,571
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	605,706
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	18,730
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$8,705,547
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

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year **2006**

Project Area Name **Downtown Project Area**

Forward from Prior Year	
Bond Type	City/County Debt
Year of Authorization	2005
Principal Amount Authorized	1,333
Principal Amount Issued	1,333
Purpose of Issue	City Advance
Maturity Date Beginning Year	2015
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	\$1,333
Adjustment Made During Year	-1,333
Adjustment Explanation	Not a valid long term debt
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$0
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

Agency Long-Term Debt

Fiscal Year:   
 Project Area Name:

Forward from Prior Year	
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	\$21,325,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	610,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$20,715,000
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

**Redevelopment Agencies Financial Transactions Report**

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	Tax Allocation Bonds
Year of Authorization	2003
Principal Amount Authorized	17,800,000
Principal Amount Issued	17,800,000
Purpose of Issue	Projects
Maturity Date Beginning Year	2005
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	\$17,725,000
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	105,000
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	\$17,620,000
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

**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

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text"/>
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	\$7,335,000
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	415,000
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	\$6,920,000
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

**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

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text"/>
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	\$13,510,000
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	345,000
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	\$13,165,000
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

**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 2006

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>	5,568,566		1,667,113		\$7,235,679
Special Supplemental Subvention					\$0
Property Assessments	191,990				\$191,990
Sales and Use Tax					\$0
Transient Occupancy Tax	191,093				\$191,093
Interest Income	164,268	477,211	118,487		\$759,966
Rental Income	35,307	5,899			\$41,206
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues	57,231				\$57,231
<b>Total Revenues</b>	<b>\$6,208,455</b>	<b>\$483,110</b>	<b>\$1,785,600</b>	<b>\$0</b>	<b>\$8,477,165</b>

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2006

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	968,843		121,642		\$1,090,485
Professional Services	361,961				\$361,961
Planning, Survey, and Design				\$0	\$0
Real Estate Purchases			25,000		\$25,000
Acquisition Expense				\$0	\$0
Operation of Acquired Property				\$0	\$0
Relocation Costs				\$0	\$0
Relocation Payments				\$0	\$0
Site Clearance Costs				\$0	\$0
Project Improvement / Construction Costs	811,676				\$811,676
Disposal Costs				\$0	\$0
Loss on Disposition of Land Held for Resale				\$0	\$0

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

**Statement of Income and Expenditures - Expenditures**

Fiscal Year 2006

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		4,436,723			\$4,436,723
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	290,291				\$290,291
<b>Debt Principal Payments:</b>					
Tax Allocation Bonds and Notes		1,475,000			\$1,475,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds		1,145,000			\$1,145,000
City/County Advances and Loans		18,730			\$18,730
All Other Long-Term Debt					\$0
<b>Total Expenditures</b>	\$2,432,771	\$7,075,453	\$146,642	\$0	\$9,654,866
<b>Excess (Deficiency) Revenues over (under) Expenditures</b>	\$3,775,684	(\$6,592,343)	\$1,638,958	\$0	(\$1,177,701)

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2006

Project Area Name Downtown Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					\$0
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		6,216,530			\$6,216,530
Tax Increment Transfers In					\$0
Operating Transfers Out	6,216,530				\$6,216,530
Tax Increment Transfers Out					\$0
<i>(To the Low and Moderate Income Housing Fund)</i>					
<b>Total Other Financing Sources (Uses)</b>	<b>(\$6,216,530)</b>	<b>\$6,216,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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

**Balance Sheet - Assets and Other Debits**

Fiscal Year	2006	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
<b>Assets and Other Debits</b>								
Cash and Imprest Cash	5,822,934	546,266	5,176,589					\$11,545,789
Cash with Fiscal Agent		19,757,353						\$19,757,353
Tax Increments Receivable	229,155							\$229,155
Accounts Receivable								\$0
Accrued Interest Receivable	13,407							\$13,407
Loans Receivable								\$0
Contracts Receivable			54,810					\$54,810
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund								\$0
Due from Debt Service Fund			4,284,768					\$4,284,768
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	2006	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		303						\$303
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								\$0
Equipment								\$0
Amount Available in Debt Service Fund						450,870		\$450,870
Amount to be Provided for Payment of Long-Term Debt						92,109,677		\$92,109,677
<b>Total Assets and Other Debits</b>		<b>\$15,558,792</b>	<b>\$20,303,619</b>	<b>\$9,516,167</b>	<b>\$0</b>	<b>\$92,560,547</b>	<b>\$0</b>	<b>\$137,939,125</b>

*(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	2006	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
<b>Liabilities and Other Credits</b>								
Accounts Payable		570,313						\$570,313
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities		9,498	8,705,546					\$8,715,044
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund			4,284,768					\$4,284,768
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						58,420,000		\$58,420,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds						25,435,000		\$25,435,000
All Other Long-Term Debt						8,705,547		\$8,705,547
<b>Total Liabilities and Other Credits</b>		<b>\$579,811</b>	<b>\$12,990,314</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,560,547</b>		<b>\$106,130,672</b>

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

**Balance Sheet - Liabilities and Other Credits**

Fiscal Year	2006	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
<b>Equities</b>								
Investment In General Fixed Assets								\$0
Fund Balance Reserved	9,492,993	7,313,305	9,516,167					\$26,322,465
Fund Balance Unreserved-Designated								\$0
Fund Balance Unreserved-Undesignated	5,485,988							\$5,485,988
<b>Total Equities</b>	<b>\$14,978,981</b>	<b>\$7,313,305</b>	<b>\$9,516,167</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,808,453</b>
<b>Total Liabilities, Other Credits, and Equities</b>	<b>\$15,558,792</b>	<b>\$20,303,619</b>	<b>\$9,516,167</b>	<b>\$0</b>	<b>\$92,560,547</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,939,125</b>

Oceanside Community Development Commission

Redevelopment Agencies Financial Transactions Report

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

Fiscal Year 2006

Operating Transfers In	\$6,216,530
Tax Increment Transfers In	\$0
Operating Transfers Out	\$6,216,530
Tax Increment Transfers Out	\$0

**Oceanside Community Development Commission  
Redevelopment Agencies Financial Transactions Report  
Statement of Income and Expenditures**

**Revenues - Consolidated**

Fiscal Year 2006

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross	\$5,568,566	\$0	\$1,667,113	\$0	\$7,235,679
Special Supplemental Subvention	\$0	\$0	\$0	\$0	\$0
Property Assessments	\$191,990	\$0	\$0	\$0	\$191,990
Sales and Use Tax	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax	\$191,093	\$0	\$0	\$0	\$191,093
Interest Income	\$164,268	\$477,211	\$118,487	\$0	\$759,966
Rental Income	\$35,307	\$5,899	\$0	\$0	\$41,206
Lease Income	\$0	\$0	\$0	\$0	\$0
Sale of Real Estate	\$0	\$0	\$0	\$0	\$0
Gain on Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Federal Grants	\$0	\$0	\$0	\$0	\$0
Grants from Other Agencies	\$0	\$0	\$0	\$0	\$0
Bond Administrative Fees	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$57,231	\$0	\$0	\$0	\$57,231
<b>Total Revenues</b>	<b>\$6,208,455</b>	<b>\$483,110</b>	<b>\$1,785,600</b>	<b>\$0</b>	<b>\$8,477,165</b>

**Oceanside Community Development Commission  
 Redevelopment Agencies Financial Transactions Report  
 Statement of Income and Expenditures**

**Expenditures - Consolidated**

Fiscal Year 2006

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Administration Costs	\$968,843	\$0	\$121,642	\$0	\$1,090,485
Professional Services	\$361,961	\$0	\$0	\$0	\$361,961
Planning, Survey, and Design	\$0	\$0	\$0	\$0	\$0
Real Estate Purchases	\$0	\$0	\$25,000	\$0	\$25,000
Acquisition Expense	\$0	\$0	\$0	\$0	\$0
Operation of Acquired Property	\$0	\$0	\$0	\$0	\$0
Relocation Costs	\$0	\$0	\$0	\$0	\$0
Relocation Payments	\$0	\$0	\$0	\$0	\$0
Site Clearance Costs	\$0	\$0	\$0	\$0	\$0
Project Improvement / Construction Costs	\$811,676	\$0	\$0	\$0	\$811,676
Disposal Costs	\$0	\$0	\$0	\$0	\$0
Loss on Disposition of Land Held for Resale	\$0	\$0	\$0	\$0	\$0

**Oceanside Community Development Commission  
Redevelopment Agencies Financial Transactions Report  
Statement of Income and Expenditures**

**Expenditures - Consolidated**

Fiscal Year 2006

	A	B	C	D	E
	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Decline in Value of Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Rehabilitation Costs	\$0	\$0	\$0	\$0	\$0
Rehabilitation Grants	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$4,436,723	\$0	\$0	\$4,436,723
Fixed Asset Acquisitions	\$0	\$0	\$0	\$0	\$0
Subsidies to Low and Moderate Income Housing Fund	\$0	\$0	\$0	\$0	\$0
Debt Issuance Costs	\$0	\$0	\$0	\$0	\$0
Other Expenditures Including Pass Through Payment(s)	\$290,291	\$0	\$0	\$0	\$290,291
Debt Principal Payments:					
Tax Allocation Bonds and Notes	\$0	\$1,475,000	\$0	\$0	\$1,475,000
Revenue Bonds and Certificates of Participation	\$0	\$1,145,000	\$0	\$0	\$1,145,000
City/County Advances and Loans	\$0	\$18,730	\$0	\$0	\$18,730
U.S., State and Other Long-Term Debt	\$0	\$0	\$0	\$0	\$0
<b>Total Expenditures</b>	\$2,432,771	\$7,075,453	\$146,642	\$0	\$9,654,866
<b>Excess (Deficiency) Revenues Over (Under) Expenditures</b>	\$3,775,684	(\$6,592,343)	\$1,638,958	\$0	(\$1,177,701)

**Oceanside Community Development Commission  
 Redevelopment Agencies Financial Transactions Report  
 Statement of Income and Expenditures  
 Other Financing Sources (Uses) - Consolidated**

Fiscal Year 2006

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Proceeds of Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Proceeds of Refunding Bonds	\$0	\$0	\$0	\$0	\$0
Payment to Refunded Bond Escrow Agent	\$0	\$0	\$0	\$0	\$0
Advances from City/County	\$0	\$0	\$0	\$0	\$0
Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$0
Miscellaneous Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
Operating Transfers In	\$0	\$6,216,530	\$0	\$0	\$6,216,530
Tax Increment Transfers In			\$0		\$0
Operating Transfers Out	\$6,216,530	\$0	\$0	\$0	\$6,216,530
Tax Increment Transfers Out <i>(To the Low and Moderate Income Housing Fund)</i>	\$0	\$0			\$0
<b>Total Other Financing Sources (Uses)</b>	<b>(\$6,216,530)</b>	<b>\$6,216,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

**Statement of Income and Expenditures  
Other Financing Sources (Uses) - Consolidated**

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
	A	B	C	D	E
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses</b>	(\$2,440,846)	(\$375,813)	\$1,638,958	\$0	(\$1,177,701)
<b>Equity Beginning of Period</b>	\$17,419,626	\$15,807,689	\$7,877,209	\$4,675,751	\$45,780,275
<b>Prior Year Adjustments</b>	\$201	(\$8,118,571)	\$0	(\$4,675,751)	(\$12,794,121)
<b>Residual Equity Transfers</b>	\$0	\$0	\$0	\$0	\$0
<b>Other (Explain)</b>	\$0	\$0	\$0	\$0	\$0
<b>Equity, End of Period</b>	\$14,978,981	\$7,313,305	\$9,516,167	\$0	\$31,808,453

**CITY OF OCEANSIDE REDEVELOPMENT AGENCY  
FINANCIAL TRANSACTIONS REPORT – FY 2005/2006**

**Achievements Completed During FY 2005/06**

- 1. Completion of the commercial façade program for the storefronts at 404 Pier View Way, 520 North Coast Highway and 213-217 North Tremont Street**
- 2. Parking Structure – Construction was completed in April 2006 on this joint project between the Community Development Commission and the North County Transit District on a 450-space parking garage west of Cleveland Street and north of the Oceanside Transit Center.**
- 3. Completion of Windward Villas, 14 single-family homes on Windward Way at the site of an existing historic building formerly used as a roller rink.**

**CITY OF OCEANSIDE REDEVELOPMENT AGENCY  
FINANCIAL TRANSACTIONS REPORT – FY 2005/2006**

**Activities for the Project Area During FY 2005/2006**

- 1. Fairfield Timeshare Resort – Construction is underway 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. Construction is anticipated to be completed in fall 2007.**
- 2. Oceanside Beach Hotel – The Redevelopment Agency completed an Agreement and MOU 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. Construction is anticipated to be completed in spring/summer 2007.**
- 4. Oceanside Terraces - Construction continues 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 fall 2007.**
- 5. Pac-Bell Lofts – Construction continues on 32 live/work units and 824 square feet of commercial space. Construction is anticipated to be completed in early 2007.**
- 6. Nevada Manor – Construction began on this 15-unit condominium development on the 300 block of North Nevada Street. Anticipated completion date is fall 2007.**
- 7. Windward Residences – Construction nearing completion on four single-family homes at 209-211 Windward Way.**
- 8. Neptune Residences – Construction began on 2 single-family homes at 802 and 804 North Cleveland Street.**
- 9. Oak Manor II – Construction began on a 2-unit condominium project at Oak and South Myers streets.**
- 10. Sea Cliff Condominiums (formerly known as Renaissance Terraces) – construction began on a 96-unit condominium project located on the south side of the San Luis Rey River.**
- 11. Approval of a 101-room hotel for a parcel adjacent to the Trendwest timeshare site located on Carmelo Dr.**

- 12. Hibiscus Condominiums – Currently under construction on a 4-unit condominium project at 130-132 South Pacific Street.**
- 13. Pier/Beach Area Improvements – Contract awarded to Roberts Wallace and Todd to assess the condition of beach area structures; the possibility of adding restroom capacity, community outreach, cost estimates and eventual improvements to the restroom facilities, drainage issues, and electrical, sound system and aesthetic upgrades for the amphitheater area.**
- 14. North Coast Highway 101 Gateway Landscaping – Work began on this project that includes improvements to the North Coast Highway 101 corridor and enhancements to the San Luis Rey Bridge consisting of landscaping, cobblestone banding, irrigation system, up-lighting of palm trees and sidewalk to aid pedestrians en route to the California Welcome Center, and aesthetic rail treatment, ornamental lighting and banners along the San Luis Rey Bridge.**

of Redevelopment Agency  
of Project Area

OCEANSIDE REDEVELOPMENT AGENCY  
DOWNTOWN REDEVELOPMENT PROJECT

Line	Balance Carried Forward From:	Current	
		Total Outstanding Debt	Principal/Interest Due During Tax Year
(1)	(From Form A, Page 1 Totals)	136,444,868	17,873,134
(2)	(From Form B Totals)		
(3)		136,444,868	17,873,134
(4)		2,929,468	
(5)		133,515,400	

I certify that the above is a true and accurate Statement of Indebtedness for the above named agency.

Signature of Chief Financial Officer:  
Nita McKay, Financial Services Director

Name: Nita McKay  
Title: Financial Services Director

Signature: *Nita McKay*  
Date: 10-27-06



# OCEANSIDE REDEVELOPMENT AGENCY

## Explanation of 2005-2006 Adjustments

**Page 1**

**Line B**

**Current year 20% Set-Aside**

**Line E**

**Current Year Admin & Capital Project Budget**

Reconciliation Dates: From July 1, 2005 To June 30, 2006

Line Pg	Current Yr	Debt Identification: Brief Description	A		B		C		D		E		F
			Outstanding Debt All Beginning Indebtedness		Increases (Attach Explanation)	Adjustments Decreases (Attach Explanation)	Tax Increment	Other Funds	Amounts Paid Against Indebtedness, from:	Remaining Balance (A+B-C-D-E)			
Line A	1	Redevelopment Loan Consolidation	25,074,171										25,074,171
Line B	1	AB265 - Low & Moderate Income Housing 20% Set Aside	4,380,017		1,667,113								
Line C	1	#03-R396-1	9,443,737										
Line D	1	#04-R561-3	21,380,907							669,075			8,774,662
Line E	1	04 Tax Allocation Refunding Bond & Capital Projects	1,620,642		13,419,001					901,667			20,479,240
Line F	1	Redevelopment Loan from Water Dept (Corp Yard)	1,203,913							60,196			1,143,717
Line G	1	#02-R069-3 Subordinate 2002 TAB Downtown Redevelopment Project	35,821,862							1,722,594			34,099,268
Line H	1	#03-R632-1	30,215,074							1,045,033			29,170,042
Line I	1	Series 2003 TAB-Escrow Bond 2005-2006 ERAF payment made in FY 05-06	-		520,774					520,774			-
Line J	1	Redevelopment Service Fee & County Admin Fee	-		62,495					62,495			-
THIS PAGE			129,140,323		15,669,383					8,364,838			136,444,868
FORWARD													
TOTALS			129,140,323		15,669,383					8,364,838			136,444,868

This form is to reconcile the previous Statement of Indebtedness to the current one being filed. However, since the reconciliation period is limited by law to a July 1 - June 30 fiscal year period, only those items included on the SOI Form A is to be included on this document. To assist in following each item of indebtedness form one SOI to the next, use page and line number references from each SOI that the item of indebtedness is listed on. If the indebtedness is new to this fiscal year, enter "new in the "Prior Yr" page and line columns. Column F must equal the current SOI, Form A Total Outstanding Debt column

## CALCULATION OF AVAILABLE REVENUES

AGENCY NAME Oceanside Redevelopment Agency

PROJECT AREA Downtown Redevelopment Project

TAX YEAR 2006-2007

RECONCILIATION DATES: JULY 1, 2005 TO JUNE 30, 2006

1. Beginning Balance, Available Revenues (See Instructions)	<u>3,475,358</u>
2. Tax Increment Received - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies	<u>7,801,508</u>
3. All other Available Revenues Received (See Instructions)	<u>17,440</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>11,294,306</u>
6. Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	<u>8,364,838</u>
7. Available Revenues, End of Year (5-6)	<u>2,929,468</u>

**FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS,  
COVER PAGE, LINE 4**

### 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 therefore 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, 2006**

Redevelopment Agency ID Number:	13983259800
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 2005-2006 fiscal year (defined from July 1, 2005 through June 30, 2006). Governments furnishing this information will no longer receive Census Bureau Form F-32, Survey of Local Government Finances. Please return this form to the California State Controller's Office. If you have any questions please contact:

**U.S. Bureau of the Census  
Elizabeth A. Bethoney  
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	\$ 586,280
-----	------------

**B. Mortgage Revenue Bond Interest Payments**

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

U20	\$
-----	----

FILE COPY



# CITY OF OCEANSIDE

FINANCIAL SERVICES DEPARTMENT

December 27, 2006

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:

- FY 2006 Blight Progress Report.
- FY 2006 Loan Report.
- FY 2006 Property Report.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'David Crowe', is written over a horizontal line.

David Crowe  
Senior Management Analyst  
(760) 435-3850

**BLIGHT PROGRESS REPORT**  
**Fiscal Year 2005-06**

Prepared By: Redevelopment Agency of the City of Oceanside  
Date: December 18, 2006

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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 2005-06 to alleviate blight in the Downtown Redevelopment Project Area and the related expenditures.

<b>ACTIVITY</b>	<b>COST</b>
Commercial Façade Improvement Program: Completion of 3 storefronts.	\$ 75,000
Beautification Project on North Coast Highway and Highway 76 that included new landscaping and walkways	\$1.1 million
Participated in the funding and opening of a 450-space parking garage	\$2.4 million

**LOAN REPORT**  
**Fiscal Year 2005-06**

Prepared By: Redevelopment Agency of the City of Oceanside  
Date: December 18, 2006

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No Outstanding Loans to report.

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

**PROPERTY REPORT**  
**Fiscal Year 2005-06**

Prepared By: Redevelopment Agency of the City of Oceanside  
Date: December 18, 2006

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 - Land assembly in process
14702039	Coast Hwy N of I-5 Offramp	Oceanside Welcome Center
14702040	Coast Hwy N of I-5 Offramp	Oceanside Welcome Center
14707601 to 03	Hotel Site N. of Mission Ave Block – 3 Parcels	Resort Hotel Site
14707610 to 12	Hotel Site N. of Mission Ave Block – 3 Parcels	Resort Hotel Site
14726101 to 12	Hotel Site S. of Mission Ave Block – 12 Parcels	Resort Hotel Site
14708802	312-314 Pier View Way	Commercial Building Play Girl Club
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	Parking Lot
14716111	Cleveland Street N of Pier View Way	Pier View Way Parking Lot
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	Parking Garage Entrance
14735016	Myers Street S of Seagaze Drive	Myers & Seagaze Parking Lot
14735016	Myers Street S of Seagaze Drive	Myers & Seagaze Parking Lot
14735022	Cleveland Street S of Seagaze Drive	Railroad ROW
14736040	Cleveland Street S of Sportfisher Way	Railroad ROW
15007722	Railroad Tracks WS S of Tyson Street	Railroad ROW
15007725	Railroad Tracks WS S of Tyson Street	Railroad ROW
15026322	Railroad Tracks WS S of Elm Street	Railroad ROW
15026323	Railroad Tracks WS N of Wisconsin Ave	Wisconsin Parking Lot

### Housing Services Property Report

ADDRESS	DATE ACQUIRED	ACRES	TYPE OF PROJECT		UNITS
Lake Blvd.	Feb-03	5.03	New Const	Rental	80
3232 Mission Ave.	Dec-04	3.1	New Const	Rental	80
4700 North River Rd.	Feb-99	2.69	New Const	For-sale	20
1710 Maxson St.	Feb-07	0.77	Acq/Rehab	Rental	36
Mission Ave.	Aug-06	14.5	New Const	Rental	TBD
201 Country Club Ln.	May-07	2.58	Acq/Rehab	Rental	90

# Oceanside Community Development Commission

Oceanside, California

*Basic Financial Statements  
and Independent Auditors' Reports*

*For the year ended June 30, 2006*

# City of Oceanside Community Development Commission

## Basic Financial Statements

For the year ended June 30, 2006

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oceanside Community Development Commission (Commission), a component unit of the City of Oceanside, California (City), as of and for the year ended June 30, 2006, as listed in the foregoing table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Commission as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with generally accepted accounting principles in the United States.

As described in Note 1 to the basic financial statements, the Commission adopted the Governmental Accounting Standards Board Statements No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, No. 46, *Net Assets Restricted by Enabling Legislation*, and No. 47, *Accounting for Termination Benefits*.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Required Supplementary Information, such as Management's Discussion and Analysis and budgetary comparison information as listed in the foregoing table of contents are not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

*Caporicci & Larson*

San Diego, California  
September 15, 2006

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

**Oakland**

180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**

9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**

777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**

4858 Mercury, Suite 106  
San Diego, California 92111

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2006

This discussion and analysis of the Oceanside Community Development Commission's financial performance provides an overview of the fiscal year ended June 30, 2006. 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.

## DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in FY 2005-06 by \$2,620,000. 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:

	<u>Balance</u> <u>7/1/2005</u>	<u>Incurred/</u> <u>Issued</u>	<u>Satisfied/</u> <u>Matured</u>	<u>Balance</u> <u>6/30/2005</u>
<b>Governmental Activities:</b>				
Bonds Payable	\$ 59,895,000	\$ -	\$ (1,475,000)	\$ 58,420,000
Certificates of Participation	26,580,000	-	(1,145,000)	25,435,000
Advances Payable	<u>7,576,216</u>	<u>1,129,330</u>	-	<u>8,705,546</u>
<b>Total</b>	<u>\$ 94,051,216</u>	<u>\$ 1,129,330</u>	<u>\$ (2,620,000)</u>	<u>\$ 92,560,546</u>

Note 6 provides a detailed description of all outstanding liabilities.

## 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 the 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.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Oceanside Community Development Commission  
Statement of Activities and Changes in Net Assets  
For the year ended June 30, 2006

Functions/Programs	Expenses	Program Revenue			Total Program Revenue	Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 4,274	\$ -	\$ -	\$ -	\$ -	\$ (4,274)
Community development	17,727,309	596,264	14,079,490	-	14,675,754	(3,051,555)
Interest on long-term debt	4,390,504	-	-	-	-	(4,390,504)
Total governmental activities	22,122,087	596,264	14,079,490	-	14,675,754	(7,446,333)
<b>Total primary government</b>	<b>\$ 22,122,087</b>	<b>\$ 596,264</b>	<b>\$ 14,079,490</b>	<b>\$ -</b>	<b>\$ 14,675,754</b>	<b>(7,446,333)</b>

<b>General revenues:</b>	
Property taxes	7,426,772
Interest and rentals	969,494
Developer fees	4,215,183
Other revenues	15,894
<b>Transfers</b>	<b>2,786,863</b>
<b>Total general revenues and transfers</b>	<b>15,414,206</b>
<b>Change in net assets</b>	<b>7,967,873</b>
<b>Net assets - beginning of year, as restated (Note 9)</b>	<b>(19,311,293)</b>
<b>Net assets - end of year</b>	<b>\$ (11,343,420)</b>

**FUND FINANCIAL STATEMENTS**

**Governmental Fund Financial Statements**

**Oceanside Community Development Commission**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2006**

---

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 43,497,823</b>
<p>Amounts reported for governmental activities in the Statement of Net Assets were reported differently because:</p>	
<p>Capital assets used in governmental activities are not current financial resources. Therefore, were not reported in the Governmental Funds Balance Sheet.</p>	
Nondepreciable assets	12,068,731
Depreciable asset, net	18,351,893
Total capital assets	<u>30,420,624</u>
<p>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.</p>	
	<u>(1,406,867)</u>
<p>Long-term liabilities are not due and payable in the current period. Therefore, were not reported in the Governmental Funds Balance Sheet.</p>	
Long-term liabilities - due within one year	(2,805,000)
Long-term liabilities - due in more than one year	(81,050,000)
Total long-term liabilities	<u>(83,855,000)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$ <u>(11,343,420)</u></b>

**Oceanside Community Development Commission**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2006**

---

Net Change in Fund Balances - Total Governmental Funds \$ 5,833,812

Amounts reported for governmental activities in the Statement of Activities are different because:

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds. (546,614)

Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets. 2,620,000

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 change in accrued interest from prior year. 60,675

Change in Net Assets of Governmental Activities \$ 7,967,873

# Oceanside Community Development Commission

## Notes to Basic Financial Statements

For the year ended June 30, 2006

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Oceanside Community Development Commission (Commission) was established on July 16, 1980, and includes all activities previously performed by the Commission and the Oceanside Housing Commission. The Commission 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 Commission 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 division is responsible for all assisted housing projects within the City of Oceanside (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 and Changes in Net Assets. These statements present summaries of governmental type activities for the Commission.

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

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

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

**Oceanside Community Development Commission**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. 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.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market 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.

The Commission participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as interest rates change.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosure (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for deposit and investment risks are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - ◆ Overall
  - ◆ Custodial Credit Risk
  - ◆ Concentration of Credit Risk
- Foreign Currency Risk

***E. 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 (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 tax rate not more than two percent per year. The Commission receives tax revenue based on the incremental increase in taxable valuation in the redevelopment area above the base year valuation.

***F. Land Held for Resale***

Land held for resale is carried at the lower of cost or estimated 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.

**Oceanside Community Development Commission**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***K. Interfund Transactions***

During the course of operations, numerous transactions occur between individual funds for goods provided or service rendered. These receivables and payable are classified as "due from other funds" or "due to other funds" on the balance sheet.

Quasi-external transactions are accounted for as revenues, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***L. Implementation of New GASB Pronouncements***

In fiscal year 2006, the Commission adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*
- GASB Statement No. 46 *Net Assets Restricted by Enabling Legislation*
- GASB Statement No. 47 *Accounting for Termination Benefits*

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries.

GASB Statement No. 46 addresses selected issues and amends GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The Statement enhances the usefulness and comparability of net asset information and clarifies the meaning of legal enforceability. The Statement also specified accounting and financial reporting requirements for restricted net assets.

GASB Statement No. 47 provides accounting guidance for state and local governmental employers regarding benefits (such as early-retirement incentives and severance benefits) provided to employees that are terminated. The Statement requires recognition of the cost of involuntary termination benefits in the period in which a government becomes obligated to provide benefits to terminated employees.

**Oceanside Community Development Commission**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**3. NOTES RECEIVABLE**

At June 30, 2006, the Commission had the following notes receivable:

Housing Assistance Program Fund	\$	9,014,958
Low & Moderate Housing Fund		<u>54,810</u>
<b>Total</b>	<b>\$</b>	<b><u><u>9,069,768</u></u></b>

At June 30, 2006, the Commission's Housing Assistance Program Special Revenue Fund was owed \$9 for various low or non interest 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.

Notes receivable in the General Improvement Capital Projects Fund in the amount of \$54,810 are for low and moderate income housing loans. These notes are considered long-term and an amount equal to the outstanding balance is reserved in fund balance.

**4. CAPITAL ASSETS**

The following is a summary of changes in the capital assets during the fiscal year:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Land	\$ 12,068,731	\$ -	\$ -	\$ 12,068,731
Buildings and structures	25,976,582	-	-	25,976,582
Equipment	<u>143,840</u>	<u>-</u>	<u>-</u>	<u>143,840</u>
	38,189,153	-	-	38,189,153
Less accumulated depreciation	<u>(7,221,915)</u>	<u>(546,614)</u>	<u>-</u>	<u>(7,768,529)</u>
<b>Total</b>	<b><u><u>\$ 30,967,238</u></u></b>	<b><u><u>\$ (546,614)</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 30,420,624</u></u></b>

**5. LAND HELD FOR RESALE**

Land held for resale is recorded in a capital projects fund at the lower of cost or estimated net realizable value. The available fund balance is reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the Commission's current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2006 was \$9,492,993.

**Oceanside Community Development Commission**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Bonds Payable, Continued**

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

For the Years Ending June 30,	Principal	Interest	Total
2007	\$ 630,000	\$ 1,088,938	\$ 1,718,938
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
2012-2016	4,340,000	4,216,289	8,556,289
2017-2021	5,590,000	2,912,945	8,502,945
2022-2026	7,350,000	1,104,001	8,454,001
<b>Total</b>	<b>\$ 20,715,000</b>	<b>\$ 13,384,274</b>	<b>\$ 34,099,274</b>

**2. 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 \$405,000 to \$670,000. Interest rates vary from 2.0% to a maximum of 4.0% and are payable semi-annually 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. At June 30, 2006, the outstanding balance of these bonds was \$6,920,000.

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

For the Years Ending June 30,	Principal	Interest	Total
2007	\$ 425,000	\$ 244,613	\$ 669,613
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
2012-2016	2,735,000	644,676	3,379,676
2017-2019	1,930,000	118,000	2,048,000
<b>Total</b>	<b>\$ 6,920,000</b>	<b>\$ 1,854,664</b>	<b>\$ 8,774,664</b>

Oceanside Community Development Commission  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2006

6. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Bonds Payable, Continued

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

For the Years Ending June 30,	Principal	Interest	Total
2007	\$ 305,000	\$ 547,779	\$ 852,779
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
2012-2016	1,885,000	2,309,288	4,194,288
2017-2021	3,840,000	1,832,565	5,672,565
2022-2025	5,820,000	537,068	6,357,068
<b>Total</b>	<b>\$ 13,165,000</b>	<b>\$ 7,315,241</b>	<b>\$ 20,480,241</b>

Certificates of Participation

Certificates of participation payable at June 30, 2006, consisted of the following:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006	Due within one year	Due in more than one year
1995 Refunding Certificates of Participation	\$ 6,410,000	\$ -	\$ (1,145,000)	\$ 5,265,000	\$ 1,210,000	\$ 4,055,000
2005 Refunding Certificates of Participation	20,170,000	-	-	20,170,000	125,000	20,045,000
<b>Total</b>	<b>\$ 26,580,000</b>	<b>\$ -</b>	<b>\$ (1,145,000)</b>	<b>\$ 25,435,000</b>	<b>\$ 1,335,000</b>	<b>\$ 24,100,000</b>

1. 1995 Refunding Certificates of Participation - Original Issue \$34,300,000

The certificates were issued by the Commission to refund the 1991 Refunding Certificates of Participation, which was used for the City's Civic Center Project. The Commission will be repaying the Certificates from certain lease revenue received from the City. The certificates consist of serial certificates in the amount of \$14,555,000 due in annual installments of \$750,000 to \$1,430,000, and term certificates of \$10,515,000 and \$9,230,000 due August 1, 2015 and 2019 respectively. Interest rates range from 4% to 6.07% and are 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, 2006 and each interest payment date thereafter. At June 30, 2006, the certificates was partially defeased by the 2006 Refunding Certificates of Participation and the outstanding balance of these certificates was \$5,265,000.

Oceanside Community Development Commission  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2006

6. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation, Continued

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

For the Years Ending June 30,	Principal	Interest	Total
2007	\$ 125,000	\$ 807,738	\$ 932,738
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
2012-2016	9,200,000	2,897,431	12,097,431
2017-2020	8,795,000	860,825	9,655,825
<b>Total</b>	<b>\$ 20,170,000</b>	<b>\$ 7,732,571</b>	<b>\$ 27,902,571</b>

B. Defeasance of Debt

The Commission issued new debt to defease, or partially defease, existing debt. A summary of the transaction is as follows:

- In September 2003, the Commission issued \$7,740,000 in Tax Allocation Bonds to refund the 1993 Tax Allocation Refunding Bonds. The amount of the total outstanding principal refunded was \$7,725,000. A summary of: the sources and uses of funds, cash flow and economic gain are as follows:

*Sources and Uses of Funds*

Sources of Funds:

Principal amount of certificates	\$ 7,740,000
Net premium	133,424
1993 DSRF release	932
City payment of 9/1/03 P & I	523,040
<b>Total Sources of Funds</b>	<b>\$ 8,397,396</b>

Uses of Funds:

Deposit to refunding escrow	\$ 8,099,039
Deposit to delivery costs fund	298,357
<b>Total Uses of Funds</b>	<b>\$ 8,397,396</b>

Oceanside Community Development Commission  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2006

6. LONG-TERM DEBT, Continued

B. Defeasance of Debt, Continued

*Cash Flows*

Debt Service 1994 TABs	Debt Service 2004 TABs	Reduction (Increase) of Debt Service	Present Value of Reduction (Increase) of Debt Service @ 4.43%
\$ 25,414,527	\$ 21,628,113	\$ 3,786,414	\$ 2,505,784

*Economic Gain*

Present Value of Reduction (Increase) of Debt Service	\$ 2,505,784
Plus Refunding Funds on Hand	1,826,792
Less Prior Funds on Hand	<u>(1,823,230)</u>
Net Present Value of Economic Gain	<u>\$ 2,509,346</u>

- In May 2005, the City issued \$20,170,000 in Certificates of Participation to refund the 1995 Refunding Certificates of Participation. The amount of the total outstanding principal refunded was \$19,745,000. A summary of the sources and uses of funds, cash flow and economic gain are as follows:

*Sources and Uses of Funds*

Sources of Funds:

Par Amount of Certificates	\$ 20,170,000
Net Original Issue Premium	385,222
City Contribution	<u>544,594</u>
Total Sources of Funds	<u>\$ 21,099,816</u>

Uses of Funds:

Deposit to refunding escrow	\$ 20,557,947
Cost of Issuance	<u>541,869</u>
Total Uses of Funds	<u>\$ 21,099,816</u>

# Oceanside Community Development Commission

## Notes to Basic Financial Statements, Continued

For the year ended June 30, 2006

### 9. PRIOR PERIOD ADJUSTMENTS

#### A. Government-Wide Financial Statements

As of July 1, 2005, the Commission recorded miscellaneous accounting corrections in the Housing Assistance Program Special Revenue Fund and Redevelopment Capital Projects Fund. Accordingly, the net assets as of July 1, 2005, have been restated as follows:

	Net Assets as Previously Reported	Prior Period Adjustments	Net Assets as Restated
<b>Governmental Activities:</b>			
Net assets	<u>\$ (19,314,933)</u>	<u>\$ 3,640</u>	<u>\$ (19,311,293)</u>

#### B. Fund Financial Statements

	Net Assets as Previously Reported	Prior Period Adjustments	Net Assets, as restated
<b>Governmental Fund Type:</b>			
Housing Assistance Program Special Revenue	\$ 4,674,418	\$ 3,439	\$ 4,677,857
Redevelopment Area Capital Projects	<u>17,419,626</u>	<u>201</u>	<u>17,419,827</u>
<b>Total governmental funds</b>	<u>\$ 4,674,418</u>	<u>\$ 3,640</u>	<u>\$ 4,677,857</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Oceanside Community Development Commission  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2006

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

Housing Assistance Program Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
<b>Fund balance as restated, July 1</b>	<u>\$ 4,677,857</u>	<u>\$ 4,677,857</u>	<u>\$ 4,677,857</u>	<u>\$ -</u>
Resources (inflows):				
Licenses and permits	120,509	120,509	122,890	2,381
Intergovernmental	14,043,675	14,293,675	14,079,490	(214,185)
Charges for services	295,039	230,083	418,282	188,199
Interest and rentals	52,740	52,740	168,415	115,675
Developers fees	-	7,457,213	4,023,193	(3,434,020)
Other revenues	570,688	249,055	13,662	(235,393)
Transfers in	<u>773,839</u>	<u>2,830,139</u>	<u>2,828,505</u>	<u>(1,634)</u>
Amount available for appropriation	<u>15,856,490</u>	<u>25,233,414</u>	<u>21,654,437</u>	<u>(3,578,977)</u>
Charges to appropriations (outflows):				
Community development	<u>15,656,939</u>	<u>25,120,217</u>	<u>14,642,924</u>	<u>10,477,293</u>
Total charges to appropriations	<u>15,656,939</u>	<u>25,120,217</u>	<u>14,642,924</u>	<u>10,477,293</u>
Excess of resources over (under) charges to appropriations	<u>199,551</u>	<u>113,197</u>	<u>7,011,513</u>	<u>(14,056,270)</u>
<b>Fund balance, June 30</b>	<u><u>\$ 4,877,408</u></u>	<u><u>\$ 4,791,054</u></u>	<u><u>\$ 11,689,370</u></u>	<u><u>\$ (14,056,270)</u></u>

**SUPPLEMENTARY INFORMATION**

**Oceanside Community Development Commission**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Redevelopment Agency Redevelopment Area Capital Projects Fund**  
**For the year ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
<b>Fund balance as restated, July 1</b>	<b>\$ 17,419,827</b>	<b>\$ 17,419,827</b>	<b>\$ 17,419,827</b>	<b>\$ -</b>
Resources (inflows):				
Taxes	5,262,033	5,262,033	5,759,659	497,626
Charges for services	-	-	55,092	55,092
Interest and rentals	85,000	85,000	199,482	114,482
Developer fees	177,600	177,600	191,990	14,390
Other revenues	-	-	2,232	2,232
Amount available for appropriation	<u>22,944,460</u>	<u>22,944,460</u>	<u>23,628,282</u>	<u>683,822</u>
Charges to appropriations (outflows):				
Public safety	485,511	496,863	-	496,863
Community development	1,167,162	965,810	1,003,231	(37,421)
Capital improvements	274,304	12,564,304	1,387,898	11,176,406
Transfers out	<u>4,553,915</u>	<u>-</u>	<u>6,258,172</u>	<u>(6,258,172)</u>
Total charges to appropriations	<u>6,480,892</u>	<u>14,026,977</u>	<u>8,649,301</u>	<u>5,377,676</u>
Excess of resources over (under) charges to appropriations	<u>(956,259)</u>	<u>(8,502,344)</u>	<u>(2,440,846)</u>	<u>6,061,498</u>
<b>Fund balance, June 30</b>	<b><u>\$ 16,463,568</u></b>	<b><u>\$ 8,917,483</u></b>	<b><u>\$ 14,978,981</u></b>	<b><u>\$ 6,061,498</u></b>



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of the Oceanside Community Development Commission (Commission), a component unit of the City of Oceanside (City), as of and for the year ended June 30, 2006, and have issued our report thereon dated September 15, 2006. We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements of the Commission are free of material misstatements, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Controller's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and the State Controller. However, this report is a matter of public record and its distribution is not limited.

San Diego, California  
September 15, 2006

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

**Oakland**  
180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**  
9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**  
777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**  
4858 Mercury, Suite 106  
San Diego, California 92111