SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



OCEANSIDE REGION
Municipal Service Review | Government Code 56430

Affected Agencies
City of Oceanside
Oceanside Small Craft Harbor District
Morro Hills Community Services District

Draft Report
May 2024

Project Team:
Michaela Peters, Analyst II, Project Manager
Dieu Ngu, GIS Analyst
Stephen Abbott, Fire Services Consultant
Brian Brady, Water-Wastewater Services Consultant

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Michael Gossman, Assistant City Manager
Manuel Gonzalez, Parks and Recreation Director
Lindsay Leahy, Water Utilities Director
Jill Moya, Finance Director
David Parsons, Fire Chief

Oceanside Small Craft Harbor District
Joseph Ravitch, Harbor Manager
Heidi Garcia, Program Specialist
Chair Liz Rhea, Harbor and Beaches Advisory Committee

Morro Hills Community Services District
Thomas Harrington, Board President
Jeanine Roskos, Board Member

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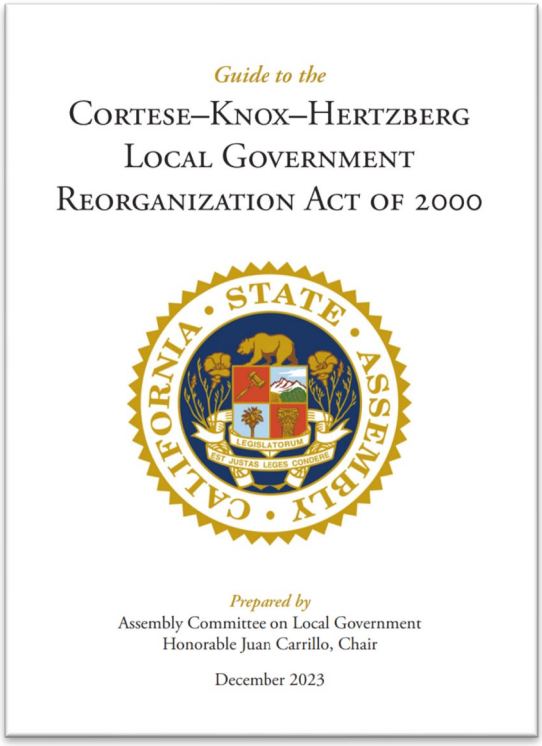
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CHAPTER ONE
INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 as political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.[1] LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation was engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to address the needs of California's growing and diversifying population more effectively with an emphasis on promoting governmental efficiencies.



Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities outlined under Government Code (G.C.) Section 56301. This statute reads:

> *"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions. One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the*

[1] Reference California Government Code Section 56000 et. seq.

present and future needs of each county and its communities."

LAFCO decisions are legislative and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers to condition regulatory and planning approvals so long as not establishing any terms that directly impact land use density or intensity, property development, or subdivision requirements.

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.[2] LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements. LAFCOs also oversee special district actions to activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize LAFCOs to initiate jurisdictional changes to form, consolidate, and/or dissolve special districts consistent with community needs.

Overseeing Local Governments' Boundaries + Service Areas…
LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and most special districts in California with limited exceptions.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform –

Informing + Telegraphing Future Boundary and Service Changes…
LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate community needs.

[2] CKH defines "special district" to mean any agency of the State formed under general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

among other activities – sphere determinations. The Legislature mandates, notably, that all sphere changes as of 2001 be accompanied by municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions as footnoted.[3] An increasingly important role involving sphere determinations relates to their consideration by regional councils of governments in allocating housing need assignments for counties, towns, and cities.

Starting January 1, 2008, LAFCOs are prompted to review and update all local agencies' spheres every five years as needed. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities now and into the future. The five mandated planning factors are summarized in short form below.

Gatekeeping Growth + Services...
Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineate where local agencies may seek future annexations or outside service approvals with LAFCOs.

1. Present and planned land uses, including agricultural and open space.

2. Present and probable need for public facilities and services in the area.

3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

[3] Exceptions, where jurisdictional boundary changes do not require consistency with the affected agencies' spheres, include annexations of State correctional facilities or annexations to cities involving city-owned lands used for municipal purposes.

4. Existence of any social or economic communities of interest in the area.

5. If the city or special district provides water, wastewater, or fire protection, the need for those services in any disadvantaged unincorporated communities in the sphere.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH's enactment in 2001 and represent comprehensive studies on the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations to obtain and furnish information to contribute to the overall orderly development of local communities.

State Check-Ins…
Municipal service reviews fulfill the Legislature's interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform potential future actions ranging from sphere determinations to reorganizations.

LAFCOs' municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor's Office of Planning and Research in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate. All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing specific service factors listed under G.C. Section 56430. This includes infrastructure needs or deficiencies, growth and population trends, and financial standing. The mandated service factors are summarized below in short form with additional details footnoted.[4]

1. Growth and population projections for the affected area.

2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.

[4] Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of "disadvantaged unincorporated community" is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the *statewide* annual median household income; the latter amount currently totaling $53,735 (*emphasis*).

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.

4. Financial ability of agencies to provide services.

5. Status and opportunities for shared facilities.

6. Accountability for community service needs, including structure and operational efficiencies.

7. Matters relating to effective or efficient service delivery, as required by policy.

1.4 LAFCO Decision-Making

LAFCOs are generally governed by an appointed 11-member board, comprising three county supervisors, three city council members, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members serve four-year terms and are divided between "regulars" and "alternates." Appointments are made locally among category ranks. All members are statutorily directed to exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests.

Appointments + Duties...
State law prescribes the appointment process for LAFCOs with county, city, and district members all appointed from among their elected ranks. Public members are appointed by the other appointed officials serving on LAFCOs. All members are tasked to independently discharge their responsibilities for the good of the region.

LAFCOs have sole authority in administering their legislative responsibilities and decisions are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

1.5 Prescriptive Funding

CKH prescribes local agencies to fully fund LAFCOs' annual operating costs. Counties are generally responsible for funding one-third of LAFCO's annual operating costs with the remaining one-third portions allocated to the cities and independent special districts. The allocations to cities/towns and special districts are calculated based on a standard formula using total revenues as reported by the State Controller's Office unless an alternative method has been approved by most of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

Most of San Diego LAFCO's ("Commission") existing policies and procedures were established in the 1970s and subsequently updated in the 2000s in step with CKH's enactment. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with discretion to address local conditions. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals (L-106).

2.2 Commission Information

San Diego LAFCO is governed by a 13-member "Commission" comprised of county, city, special district, and public members. The Commission is further distinguished between eight regular or voting members and five alternates. All Commissioners are appointed elected officials, except for the two public members. The Commission holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 8:00 A.M in Room 302 and live streamed at www.sdlafco.org. Video recordings of past meetings are also online.

The Commission roster as of May 2024 follows.



Stephen Whitburn
Chair
City of San Diego



Baron Willis
Vice Chair
Alpine Fire Protection



Jim Desmond
Past Chair
County of San Diego



Joel Anderson
Commissioner
County of San Diego



Kristi Becker
Commissioner
City of Solana Beach



Jo MacKenzie
Commissioner
Vista Irrigation



Dane White
Commissioner
City of Escondido



Harry Mathis
Commissioner
General Public



David Drake
Alternate
Rincon Del Diablo



John McCann
Alternate
City of Chula Vista



Nora Vargas
Alternate
County of San Diego



Marni von Wilpert
Alternate
City of San Diego

2.3 Administration Information

San Diego LAFCO's administrative office is located in the Bankers Hill (West Park) section of San Diego at 2550 Fifth Avenue, Suite 725. Street parking is readily available. While LAFCO is open to the public Monday through Friday during normal business hours (8:00 A.M. to 5:00 P.M.), appointments to discuss proposals, studies, or other matters are encouraged to ensure staff availability and can be scheduled ahead by calling 619.321.3380. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO's programs and activities is also available online by visiting www.sdlafco.org. LAFCO is also available on most social media platforms.

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CHAPTER TWO
EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review for the Oceanside region in northwestern San Diego County. The report has been prepared by LAFCO staff consistent with the scope of work approved by the Executive Officer and related delegations made by the Commission under L-106. The report's underlying aim is to produce an independent assessment of municipal services in the region over the next five plus years relative to the Commission's regional growth management duties and interests. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services in the Oceanside region and within the service areas of the three affected local agencies directly subject to the Commission's oversight. The information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes and out-of-agency services, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions over the next five-year period.

Scheduled MSR Check-In on the Oceanside Region…

The purpose of this report is to produce an independent "snapshot" of the level and range of municipal services in the Oceanside region by the three local agencies directly under the LAFCO oversight. This includes addressing governance and related accountability topics per statute. The Commission will draw on the information generated in this report to inform future regulatory and planning actions as detailed.

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content by the Executive Officer to serve as an ongoing monitoring program on municipal services in the Oceanside region. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks approximately every five years consistent with the timetable set by the Legislature and memorialized under local policy. This will allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Other key premises, assumptions, and benchmarks underlying the preparation of this report follow.

Defining Scope | Affected Agencies Covered

The report explicitly evaluates three affected local agencies providing one or more municipal services in the Oceanside region under the Commission's oversight. The three affected agencies – and in order of their formation dates – are the City of Oceanside, Oceanside Small Craft Harbor District (SCHD), and Morro Hills Community Services District (CSD). Other local agencies that provide one or more municipal services in the region include – but are not limited to – Mission Resource Conservation District, Tri-City Healthcare District, and North County Transit District. These other agencies are subject to review as part of separate reports under the Commission's rolling study schedule.

Who's Covered in the MSR...
The report's scope is specific to reviewing the municipal services provided in the Oceanside region by (a) City of Oceanside, (b) Oceanside Small Craft Harbor District, and (c) Morro Hills Community Services District.

Defining Scale | Municipal Services Covered

The report is scaled to review most – but not necessarily all – of the municipal service functions provided by the three affected agencies in the Oceanside region. As allowed under the adopted policy, the Executive Officer has scaled the review to target the municipal service functions and classes most germane to the local agency's core purposes and influence on growth and development. Scaling also considers LAFCO's available resources. An example of this scaling in this report involves targeting the analysis of the City of Oceanside to focus only on potable water, wastewater, integrated fire protection, parks and recreation, and community development. Other key municipal service functions provided by Oceanside – including airport, library, police, recycled water, solid waste, streets, and stormwater – are cursorily noted with the expectation of expanded analysis in future reports.

What's Covered in the MSR...
The report has been scaled to evaluate most – but not necessarily all – municipal functions and classes provided by the three agencies with deference to targeting services with the most direct effects on growth and development.

Looking Back | Determining the Reporting Period + Data Collection Window

The reporting period for collecting data to inform the Commission's core analysis and related projections on demographics, service capacities and demands, and financial standing in the Oceanside region has been set to cover the five-year fiscal period from 2018 to 2022 with limited exceptions. This data collection window – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections, i.e., data from the last five years is most pertinent in projecting trends over the next five years.

The Informing Years...
The report draws on data collected from the affected agencies and other documented sources – including relevant State databases – over five years between 2018 and 2022.

Looking Forward | Setting the Reporting Timeframe + Coverage of Future Actions

The reporting timeframe has been oriented to cover the next five-year period through 2029 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews and will directly inform all related sphere of influence, boundary, and out-of-agency service actions within the Oceanside region over the next 60 months. Any sphere, boundary, and/or out-of-agency proposals during the reporting timeframe deemed inconsistent with the analysis provided in this report will be disfavored unless otherwise supported by additional analysis – whether in the form of an addendum or new report.

Coverage Going Forward...
The reporting timeframe covers the next five years with the analysis directly informing Commission decisions with respect to any sphere, boundary, or out-of-agency proposals to 2029.

Calculating Population + Housing

Recent and current residential population and housing estimates in the report draw on data generated by Esri and their mapping analyses of census tracts that overlay the three affected agencies in the Oceanside region. This approach is consistent with recent practice in preparing municipal service reviews given the ability of Esri's mapping software to readily synchronize with both city and special district

boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend over the last 60 months, i.e., growth over the last five years is generally expected to hold over the next five years.

Macro-Level Focus

The report focuses on central service outputs with respect to quantifying the availability, demand, and adequacy of the municipal functions and classes provided by the three affected agencies within the Oceanside region. A prominent example involves focusing on annual system-wide demands (e.g., water, wastewater, etc.) generated during the five-year report period as opposed to specific service areas or zones. This approach informs macro-level determinations, and when applicable, the addendum notes the need for more micro-level analysis as part of separate addendums or future municipal service reviews.

Agencywide Deliverables...
The report largely focuses on agency-wide capacities and demands as opposed to service adequacies within specific areas or zones within the affected agencies.

Benchmarking Infrastructure Needs and Deficiencies

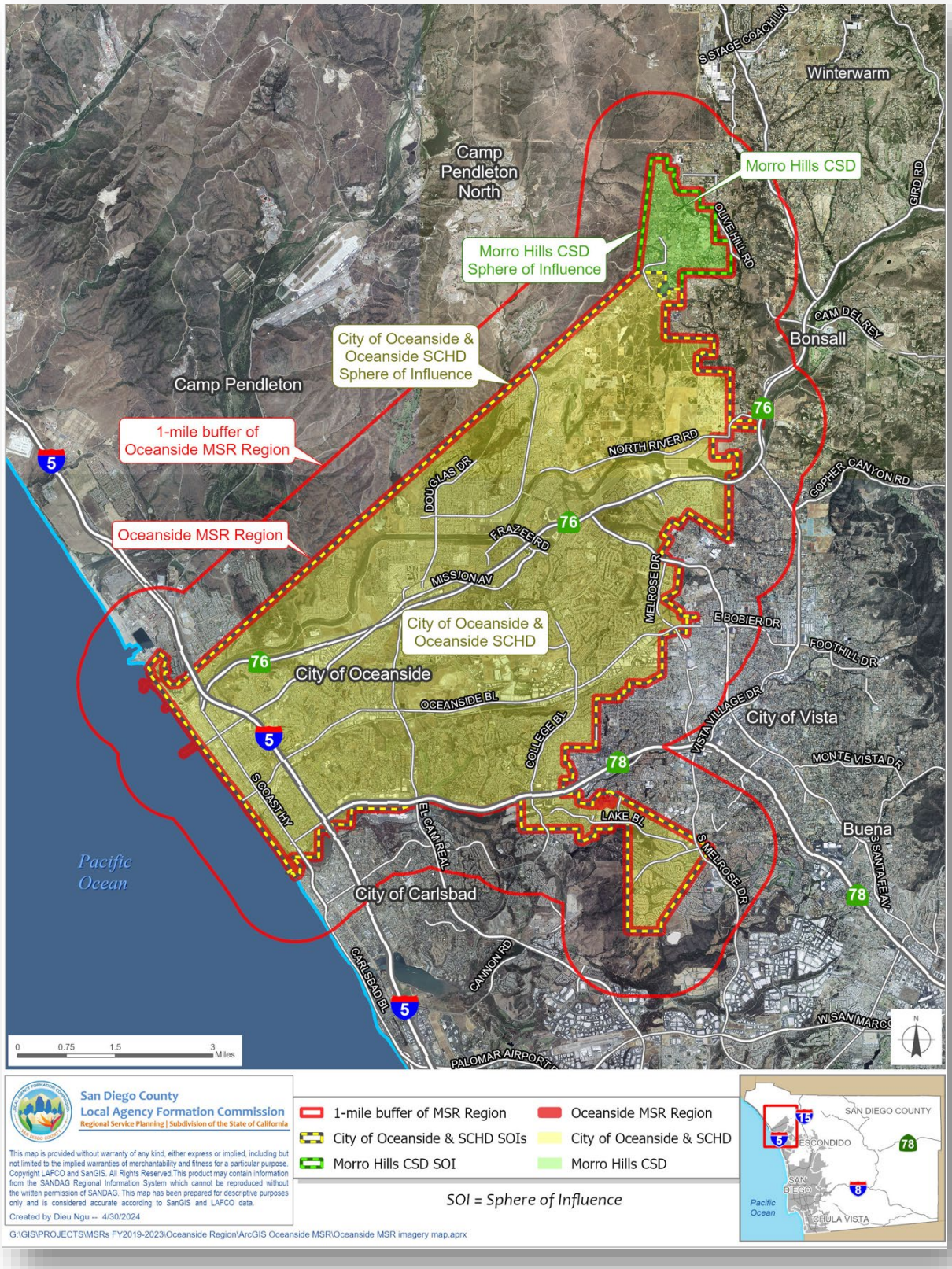
Similar to the preceding factor, the report and its analysis focus on average system demands generated by the three affected agencies within the Oceanside region during the reporting period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities. Exceptions where final year demands are prioritized in the analysis are noted accordingly.

Protecting Against Outliers...
The report largely focuses on evaluating available capacities with five-year demand averages as opposed to focusing on final-year relationships.

Benchmarking Fiscal Standing

Several diagnostic tools are used to assess and make related determinations in the report regarding the financial standing of the affected agencies in the Oceanside region. This includes an emphasis on using audited financial statements whenever practical in analyzing liquidity, capital, margin, and capital asset management with an emphasis on overall trends. This also includes drawing on industry standards as well as regional comparisons in assigning value (i.e., good, average, or poor).

Map No. ES-1


Camp Pendleton North
Camp Pendleton
Morro Hills CSD
Morro Hills CSD Sphere of Influence
City of Oceanside & Oceanside SCHD Sphere of Influence
1-mile buffer of Oceanside MSR Region
Oceanside MSR Region
City of Oceanside & Oceanside SCHD
City of Oceanside
City of Vista
City of Carlsbad
Winterwarm
Bonsall
Buena
Pacific Ocean
S STAGE COACH LN
OLIVE HILL RD
GIRD RD
CAM DEL REY
NORTH RIVER RD
COPPER CANYON RD
DOUGLAS DR
FRAZEE RD
MISSION AV
MELROSE DR
E BOBIER DR
FOOTHILL DR
OCEANSIDE BL
COLLEGE BL
VISTA VILLAGE DR
MONTE VISTA DR
S COAST HY
EL CAMINO REAL
LAKE BL
S MELROSE DR
S SANTA FE AV
CANNON RD
CARLSBAD BL
PALOMAR AIRPORT
W SAN MARCOS
0 0.75 1.5 3 Miles
San Diego County Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Created by Dieu Ngu -- 4/30/2024
1-mile buffer of MSR Region
City of Oceanside & SCHD SOIs
Morro Hills CSD SOI
Oceanside MSR Region
City of Oceanside & SCHD
Morro Hills CSD
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
SAN DIEGO
CHULA VISTA
Pacific Ocean
G:\GIS\PROJECTS\MSRs FY2019-2023\Oceanside Region\ArcGIS Oceanside MSR\Oceanside MSR imagery map.aprx

2.0 REPORT ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.[5] This includes addressing the mandatory service and governance factors required by the Legislature whenever San Diego LAFCO performs a municipal service review. The Executive Summary is proceeded by individual agency profiles (Chapter Three) of the three affected local agencies covered in this report that provide one or more municipal service functions in the Oceanside region. The profiles transition between narrative descriptions of the background and development of these agencies' service areas to quantifying specific data-driven categories. This includes quantifying demographic trends, service capacities, and financial standing.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review is approximately 48 square miles in total size. The geographic area has been purposefully designated by the Executive Officer to cover all three affected local agencies' jurisdictional boundaries and existing spheres of influence in the Oceanside region along with the surrounding 1.0-mile buffer zone to capture immediately adjacent areas. An illustration of the geographic area is provided in Map No. ES-1 on the preceding page.

4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

The Oceanside region serves as a historical flagship community anchoring northern San Diego County with a current estimated population approaching 180,000 - making it the third largest municipal footprint behind only San Diego and Chula Vista. The City of Oceanside is the economic and social epicenter. It accounts for nearly all residents and jobs in the region. This also includes serving as a daily host to an additional 70,000 residents, workers, and visitors associated with Marine Corps Base Camp Pendelton to the immediate north. Oceanside SCHD overlaps all of Oceanside with service functions focused on the approximate 100-acre Oceanside Harbor and its role as a micro hub for marine and pleasure activities serving locals and tourists.

[5] The Executive Summary purposefully distinguishes between "conclusions," "determinations," and "recommendations." Conclusions refer to general policy takeaways. Determinations address specific legislative factors. Recommendations address specific actions that are drawn from the determinations.

The physical setting of the Oceanside region largely reflects a traditional suburban layout. Smaller single-family and multi-family residential lots dominate the older blue-collar developments in Oceanside west of I-5 paired with local serving commercial corridors and headlined by Old Coast Highway. Densities gradually decrease eastward towards increasingly larger single-family residences via a series of subdivisions constructed between the 1950s and 2000s. The suburban layout cedes at South Morro Hills, which serves as Oceanside's unofficial greenbelt and remains – at least to date – largely agricultural with rural single-family residential uses. Morro Hills CSD lies immediately to the east of Oceanside's unofficial greenbelt and has already experienced its own transition away from historical agricultural uses to now mostly upscale residential estates.

A review of the Oceanside region relative to San Diego LAFCO's growth management tasks and interests produces seven central themes or conclusions. These conclusions collectively address core policy considerations and related growth and development factors present in the region. The conclusions also address potential sphere of influence changes among the three affected local agencies. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2018 and 2022 with limited exceptions and detailed within each of the agency profiles provided in the next chapter.

- **No. 1 | Introductory Municipal Service Review**
  This report represents the first comprehensive municipal service review dedicated to the Oceanside region and three affected local agencies under LAFCO oversight – City of Oceanside, Oceanside SCHD, and Morro Hills CSD. (Earlier municipal service reviews covering one or more of the affected agencies were part of countywide reports prepared in 2007 and 2009). The report consequently serves as a dual introduction. This is marked by introducing the affected agencies and their constituents in real-time to an otherwise unfamiliar and relatively detailed outside planning process. The introduction similarly introduces the Commission to the affected agencies and their service functions at depths previously unvisited with the underlying goal of establishing baseline information to track and measure going forward.

- **No. 2 | Pivot to Slower Growth - the Good (Community Empowerment)**
  The City of Oceanside – the epicenter of the region's economic and social well-being – has experienced a significant slow-down in growth starting in 2000 with the annual population change averaging 0.4% through the end of the five-year

report period – or the net addition of two persons each day. This period change marks a five-fold decrease over the prior 20-year span in which Oceanside averaged the net addition of 12 persons each day. This relatively seismic pivot towards slower growth appears largely attributed to changing resident demographics and the accompanying community empowerment to organize opposition to otherwise unwanted developments; the latter reflected in a successful 2020 ballot referendum overturning the City Council's 2019 approval of a 585-unit residential project in South Morro Hills (North River Farms).

- **No. 3 | Pivot to Slower Growth – the Bad (Housing Affordability)**
  The City of Oceanside's pivot towards slower growth starting in 2000 has contributed to a sizable acceleration in housing prices over the last 20 years and through the end of the five-year report period with the median home sale increasing from $195,800 to $784,800 – an average annual change of 14%. This period change marks a 50% rise over the prior 20-year span in which median home sales experienced an average annual rise of 10%. The acceleration of home prices in Oceanside – among other outcomes – has noticeably impacted the market's ability to construct new affordable workforce housing at the traditional entry levels – i.e., starter homes. This dynamic is reflected in the most recently completed housing element cycle (2013 to 2021) where only 23% of Oceanside's assigned housing share at moderate or lower levels received building permits. Permits issued through the first quarter of the current housing cycle (2021-2029) suggest housing affordability at the moderate or lower categories will similarly fall substantively short of goals, albeit at improved levels with current projections showing the attainment level reaching 36%.

- **No. 4 | Variations in Fiscal Health + Navigating Related Stresses**
  A prominent schism exists among the three affected agencies in the Oceanside region involving their fiscal well-being and navigating financial stresses. The City of Oceanside has steadied its financial position after several years of operating shortfalls in the General Fund in large part to successfully making the case to voters in 2018 to approve a seven-year one-half cent sales tax. Measure X reset Oceanside's overall sales tax rate to 8.25% with the additional revenue broadly earmarked to improve City infrastructure and public safety. Measure X has been a clear success; it has reversed shortfalls into surpluses and underlies a significant two-thirds increase in General Fund reserves ($66.5 to $112.5 million) over the reporting period. Nonetheless, the extension of the one-half cent sale tax beyond its current sunset date in 2026 remains a pronounced

variable in Oceanside's near-term health and is expected to be taken up by voters in late 2024. While Oceanside's fiscal health largely ties to the present and near-term status of Measure X, the other two agencies' standing is comparatively more opaque, although for entirely different reasons. Oceanside SCHD, similar to its parent governing body, has steadied its actual expense-to-revenue relationship through incremental budgeting true-ups. These budgeting actions have contributed to a helpful increase of nearly one-fourth in SCHD's unassigned fund balance ($3.7 to $4.6 million) over the reporting period. However, the budgeting true-ups have not addressed decades of deferred or otherwise neglected maintenance. This qualifier is illustrated in capital assets (docks, pilings, piers, etc.) having surpassed their expected useful lives by more than two-fold and serves as a critical stress test for SCHD going forward. Unlike the other two agencies in the region, Morro Hills CSD has maintained a positive actual revenue-to-expense relationship through the reporting period without any hardships; at least that are known. The CSD operates entirely within the confines of the annual collection of its 1% property tax share, which netted $0.090 million at the end of the reporting period. Although CSD has been effective in keeping expenses in line with annual revenues – which is also reflected in an unassigned fund balance increasing by more than four-fifths ($0.142 to $0.267 million) during the period – less is known regarding pending costs. Specifically, no pavement rating has been performed on CSD's 6.0-mile roadway system nor has a capital improvement plan been prepared. These factors directly contribute to a subtle – but real and emerging – stress test.

- **No. 5 | Adequate Municipal Service Capacities with a Qualifier…**
  All three affected agencies in the Oceanside region have established sufficient and excess capacities involving their core municipal functions to meet both current and anticipated demands through the report's timeframe – at least on a macro level and irrespective of any micro limitations for specific areas. This overall sufficiency is reflected with the region's principal service provider – City of Oceanside – and its available resources involving water and wastewater, which traditionally represent the services most closely affiliated with either supporting or hindering new development. Markedly, and based on current demand-to-capacity ratios for the reporting period, it is estimated the water and wastewater systems can accommodate buildout populations of 970,000 and 275,000, respectively. A material qualifier applies, nevertheless, to Oceanside's other services that are dependent on General Fund monies and the uncertain status of Measure X and its critical revenue enhancement beyond the current

sunset date in 2026. This latter variable suggests added caution in the interim for LAFCO in considering boundary actions and their potential impact – advantageous and disadvantageous – on the Oceanside General Fund.

- **No. 6 | City of Oceanside's Role as an Urban Center + LAFCO Support**
  The City of Oceanside is favorably positioned to plan and accommodate additional growth and become a focal urban center for North County. This opportunity ties to Oceanside's role as a full-service municipality and the controls it provides paired with its physical location along existing major transportation corridors as well as planned expansions – including the modernization of rail (Metrolink and Amtrak) linking Oceanside throughout Southern California. This opportunity further ties and can be supported by LAFCO's own interests and duties to facilitate orderly and city-centered growth.

- **No. 7 | Proceeding with Limited Sphere Updates + Telegraphing Potential Changes with Special Study Areas**
  It would be appropriate for LAFCO to proceed with limited sphere of influence updates for all three affected regions in the Oceanside region and defer consideration of more comprehensive actions to the next municipal service cycle. The approach would involve proceeding with affirming all three agencies current designations without changes. It would also involve establish one or more specific special study areas to all three agencies to memorialize areas the Commission would allow to come forward over the next five-year period without requiring a new municipal service review. A key example includes establishing dual study areas for Oceanside and Oceanside SCHD and their matching spheres to include an approximate 150 acre area immediately to the southwest near Sunset Drive and Melrose Way that qualifies as a DUC under local policy.

4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO and/or one or more of the three affected agencies in the Oceanside region based on information generated as part of this report. The recommendations are ordered in sequence to their placement in Section 5.0 (Written Determinations). Recommendations for LAFCO action are dependent on a subsequent directive from the Commission and through the annually adopted work plan.

1. As a long-term principle, LAFCO should prioritize and direct growth in the region to the City of Oceanside – including development that would otherwise occur in the surrounding unincorporated areas – and its appropriate role to serve as an urban center in San Diego County.

2. LAFCO should coordinate with SANDAG to develop current buildout estimates within the Oceanside region – including potential lot-splitting as allowed under Senate Bill 9 (Weiner) and incorporate the information into the next scheduled municipal service review.

3. LAFCO should coordinate with the County of San Diego to identify and map active wells and septic systems within the Oceanside region and incorporate the information into the next scheduled municipal service review.

4. Should Measure X's ½ cent sales tax expire during the timeframe of the report, all jurisdictional changes involving the City of Oceanside shall demonstrate de minimis impacts on the City General Fund unless overriding policy considerations are made by the Commission on a case-by-case basis.

5. It is appropriate for LAFCO to defer the identification and evaluation of mutual water companies in the Oceanside region as otherwise prompted in the LAFCO statute to a future informational report.

6. The City of Oceanside should revisit its arrangement with Oceanside SCHD involving the payment plan associated with the SCHD patrol vessel to account for the City's usage of the capital asset outside of the Oceanside Harbor.

7. Morro Hills CSD should explore options to contract with the City of Oceanside or the County of San Diego to provide road maintenance services at a pre-agreed hourly rate to help protect the CSD from variables – costs and availability – associated with the current practice to utilize private contractors as needed.

8. As the City of Oceanside proceeds to implement the initial phases of its novel Re-Beach program, it would be pragmatic to explore opportunities to enlist other local agencies in consolidating efforts - functional or political - given inescapable impacts and interests in beach restorations along the greater coastline. LAFCO should assist if Oceanside and/or other stakeholders wish to explore a political model to organize sand nourishment on a larger scale.

9. Efforts should be taken by Oceanside SCHD to publicly distinguish its role as a stand-alone governmental entity separate from the City of Oceanside.

10. Oceanside SCHD should formalize its existing relationship with the City of Oceanside through an official memorandum of understanding to clearly outline roles and responsibilities as well as associated costs in utilizing City staff, supplies, and resources in carrying out District duties.

11. Oceanside SCHD informally deactivated its previously authorized and active patrol and rescue municipal function in 2009 in step with these responsibilities being assumed by the City of Oceanside. SCHD's legal authorization to provide patrol and rescue – however – remains active under State law. To clarify service expectations and mitigate potential liabilities, SCHD should formally request divestiture approval under Government Code 56824.10.

12. LAFCO is aware there is community interest in exploring the reorganization of Oceanside SCHD into an independent agency to provide direct constituent influence on decision-making. It would be appropriate for the Commission to consider authorizing a future governance study to assess alternatives – functional and political – for the benefit of both agencies and their shared constituents.

13. It appears appropriate for LAFCO to proceed with limited spheres of influence updates for both the City of Oceanside and Oceanside SCHD to affirm the existing designations with one or more common special study areas.

    (a) One special study area has been identified to date and spans nearly 150 acres covering DUC lands located immediately southwest of the agencies near Sunset Drive and Melrose Way; it also currently lies within the Vista sphere. Establishing this special study area would provide LAFCO the opportunity to discuss the potential annexation of the DUC lands with both Vista and Oceanside and in doing so help facilitate the delivery of elevated municipal services to the community consistent with State law.

14. It appears merited for LAFCO to partner with the Morro Hills CSD in sponsoring or otherwise supporting a legislative change to the principal act to reduce the number of Board members from five to three consistent with existing special provisions in State law.

15. The Morro Hills CSD Board should revisit conditions on Sleeping Indian Road and its most recent traffic assessments and the analysis therein that appears to support a significant increase in the speed limit.

16. It would be advantageous for Morro Hills CSD to explore interest among adjacent landowners that presumably benefit and use the road system to annex and have direct participation in Board decision-making while concurrently expanding the CSD property tax base.

17. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for Morro Hills CSD to affirm the existing designation with the addition of a special study area. The special study area represents the notional expansion of the CSD to capture adjacent lands that presumably use and benefit from the roadway system.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 as part of the municipal service review on the Oceanside region. These determinations serve as independent statements based on information collected, analyzed, and presented in this report The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the organization, delivery, and funding of municipal functions and associated classes among the three affected agencies specific to the Commission's growth management responsibilities and interests.

Report's Brass Tacks...
These determinations address the specific factors required in the statute and represent statements of reasonable facts or deductions made by LAFCO based on information analyzed between 2018 and 2022. The sum total of these determinations informs a comprehensive assessment of the availability, demand, and performance of municipal services in the Oceanside region through the LAFCO lens.

5.1 Growth Projections & Related Demographics

1. With respect to full-time resident population totals within the Oceanside region, LAFCO independently makes the following statements.

   (a) The total resident population in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries is estimated at 174,615

at the end of the five-year report period. This amount represents 4% of the overall resident population estimate in San Diego County.

(b) The total resident population in Oceanside SCHD's core service area – Oceanside Harbor – is 151 at the end of the five-year report period and entirely associated with the 86 permitted liveaboards.

(b) The total resident population in the Morro Hills CSD jurisdictional boundary is estimated at 1,001 at the end of the five-year report period. This amount represents less than 0.1% of the overall resident population estimate in San Diego County.

2. With respect to full-time resident population trends within the Oceanside region, LAFCO independently makes the following statements.

(a) The total change in the resident population within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries during the five-year report period is estimated at 2.0% - or 0.4% annually. This estimate – which translates to an average increase of 522 residents annually or 1.4 daily – falls one-fifth below the countywide growth rate of 0.6% and reflects a more recent gravitation towards slower growth in Oceanside.

(b) LAFCO defers from making any estimates on resident population changes within Morro Hills CSD during the five-year report period. This deferral is appropriate given earlier census information is not readily available for the two affected block groups underlying the jurisdictional boundary.

3. It is reasonable to assume recent population growth trends for the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries will continue forward through the timeframe of this report. This assumption generates a shared population projection of 178,165 by 2027 via the average net addition of 2.0 residents each day over the succeeding 60 months.

4. It is reasonable to assume Morro Hills CSD's resident population growth in the near term will generally match the recent countywide rate of 0.6% annually. This assumption supports a population projection for the CSD of 1,031 by 2027. It is relatedly reasonable to assume the majority of the additional population will be generated from accessory dwelling unit construction.

5. The Oceanside region's physical setting near existing and planned public transportation corridors coupled with ready access to urban-supporting services suggest substantive growth will occur given the insistent demand for housing in the greater San Diego metropolitan area.

6. Proportionally directing more growth towards the City of Oceanside – and by extension, Oceanside SCHD - merits policy consideration by LAFCO and other regional planning bodies. This policy orientation relatedly serves as additional justification for the Commission to facilitate or otherwise accommodate jurisdictional changes to Oceanside that would otherwise occur in the county.

7. With respect to housing supply and related growth issues within the Oceanside region, LAFCO independently makes the following statements.

   (a) It is estimated the housing stock within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries experienced a net increase of 1,625 units – or 325 annually – during the five-year reporting period. This results in an overall (historical) unit-to-resident ratio of 1.0 to 2.6.

   (b) It is estimated the unit-to-resident ratio within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries generated during the five-year report period has been 1.6 to 1.0. This ratio marks a two-fifth improvement over the historical ratio of 2.6.

   (c) It is estimated the total housing stock within the Morro Hills CSD jurisdictional boundary tallies 396. This results in an overall (historical) unit-to-resident ratio of 2.5.

   (d) LAFCO defers from making any estimates on additional housing construction within the Morro Hills CSD jurisdictional boundary during the five-year report period. This deferral is appropriate given earlier census information is not readily available for the two affected block groups underlying the jurisdictional boundary.

8. With respect to housing costs and related growth issues within the Oceanside region, LAFCO independently makes the following statements.

(a) It is estimated the average five-year mean housing cost (mortgage and rent) within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries tallies $2,248. This represents a one-fifth increase over the prior five-year average.

(b) It is estimated households in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries are spending 28% of their pre-tax income just on rent or mortgage payments. This estimate increases to 33% when adding basic utilities.

(c) The average home value in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries has separately increased by 60% over the five-year report period from $522,082 to $831,328. This generates a home price-to-income ratio estimate of 8.6.

(d) It is estimated the average five-year mean housing cost (mortgage and rent) within the Morro Hills CSD's jurisdictional boundary tallies $2,939. This represents a 14% increase over the prior five-year average.

(e) It is estimated households in the Morro Hills CSD jurisdictional boundary are spending 24% of their pre-tax income just on rent or mortgage payments. This estimate increases to 29% when adding basic utilities.

(f) The average home value in the Morro Hills CSD jurisdictional boundary has increased by 58% over the five-year report period from $550,771 to $872,987. This generates a home price-to-income ratio estimate of 6.0.

9. LAFCO should coordinate with SANDAG to develop current buildout estimates within the Oceanside region and incorporate the information into the next scheduled municipal service review. This should include assessing potential impacts tied to the recent passage of Senate Bill 9 (Weiner) and allowance for additional lot splitting.

10. A review of demographics shows substantive distinctions in the Oceanside region between residents within the City of Oceanside and Oceanside SCHD versus residents within the Morro Hills CSD with respect to age, income, and education. These distinctions are detailed as follows:

(a) It is estimated residents within the City of Oceanside and Oceanside SCHD and their matching boundaries finished the five-year report period with a median age of 39 and an average household income of $97,238. The portion of residents 25 or older with four-year degrees totals 37%.

(b) It is estimated residents within the Morro Hills CSD boundary finished the five-year report period with a median age of 43 and an average household income of $146,289. The portion of residents 25 or older with four-year degrees totals 52%.

11. Based on recent annual counts, the number of homeless in the City of Oceanside and Oceanside SCHD and their matching boundaries has increased during the five-year report period from 483 to 514 – a difference of 6%. The most recent count also shows 62% – or 318 – of the total being unsheltered and residing in cars, public places, or the street.

12. At the end of the five-year report period, there was one counted homeless in the City of Oceanside and Oceanside SCHD and their matching boundaries for every 340 housed residents. This reflects a relative-intensity in homelessness of 4% over the prior 60-month ratio of 1-to-355.

13. The number of shelter beds (emergency, transitional, etc.) in Oceanside at the end of the five-year report period tallies 378. This capacity generates a baseline shortage of (136) beds to accommodate all counted homeless.

14. No information readily exists to estimate homelessness in Morro Hills CSD.

5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities and Relevant Information on Water, Wastewater, and Fire Protection Services.

1. None of the three affected agencies in the Oceanside region – City of Oceanside, Oceanside SCHD, and Morro Hills CSD – have lands within their existing boundaries or spheres of influence qualifying as disadvantaged unincorporated communities – or DUCs – under LAFCO policy.

2. Camp Pendelton lies immediately adjacent to all three affected agencies' boundaries and spheres of influence in the Oceanside region. These adjacent

lands qualify as DUCs under LAFCO policy with water, wastewater, and fire protection services currently provided by internal Marine Corps operations. The adequacy of these services has not been analyzed.

3. Approximately 150 acres of additional DUC lands under LAFCO policy lie immediately adjacent to the City of Oceanside and Oceanside SCHD and their matching boundaries. These additional DUCs are located to the immediate southeast of the agencies near Sunset Drive and Melrose Way; they are also within the Vista sphere of influence.

    (a) Given annexation to Vista remains uncertain and potentially improbable, LAFCO should consider the merits of the above-referenced DUCs to the Oceanside sphere as a special study area.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The following statements apply to the City of Oceanside and address the availability, adequacy, and performance of the five targeted municipal service functions underlying Oceanside's growth and development evaluated in this report: (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development.

    (a) With respect to the City of Oceanside's potable water function:

        i. Oceanside's potable water services extend throughout the jurisdictional boundary except for rural and agricultural uses in the South Morro Hills area. Oceanside self-attests it does not provide any out-of-agency potable water services at the end of the reporting period.

        ii. Oceanside's potable water service operates as an enterprise and the total per household net revenue at the end of the five-year report period is estimated at $190.

        iii. Approximately 90% of Oceanside's potable water supplies retailed during the five-year report period have been imported through the County Water Authority. The remaining 10% are local and involve pumped subterranean flows from the San Rey Luis River.

iv. Oceanside's average potable water demand during the five-year report period equals 62.6 acre-feet daily. This amount translates to estimated daily averages for each resident and household of 118 gallons and 348 gallons, respectively.

v. Oceanside's overall potable water demands have increased by 8% during the five-year report period with the majority of the rise attributed to changes between the fourth and fifth years. The reasons for the accelerated demands at the end of the period are unclear.

vi. The average potable water demand generated during the five-year report period for the entire distribution system (annual and daily) is estimated to equal 12% of Oceanside's maximum available supplies based on infrastructure capacities. This measurement estimate rises to 22% when applying Oceanside's average peak-day demands.

vii. It is estimated Oceanside's available potable water storage capacity can accommodate up to 2.5 days of normal usage based on average demands generated over the five-year report period without requiring recharge This amount falls below the industry standard of maintaining no less than 3.0 days of potable supply.

viii. LAFCO should coordinate with the County of San Diego to identify active groundwater wells within Oceanside and incorporate the information into the next scheduled municipal service review.

(b) With respect to the City of Oceanside's wastewater function:

i. Oceanside's wastewater function and related classes (collection, treatment, and discharge) extends throughout most of the jurisdictional boundary except for rural and agricultural uses in the City's South Morro Hills neighborhood.

ii. Oceanside maintains two grandfathered out-of-agency wastewater service agreements that involve collecting, treating, and discharging flows from Rainbow MWD and portions of the City of Vista. Oceanside attests to no other out-of-agency wastewater services.

iii. Oceanside's wastewater services operates as an enterprise and the total per household net revenue at the end of the five-year report period is estimated at $279.

iv. Oceanside's wastewater service is divided between two distinct service areas based on directing flows to one of two City-owned treatment facilities: San Luis Rey and La Salina. The current split in wastewater customers between these two facilities is estimated at 75-25.

v. Oceanside's average wastewater demand during the five-year report period within the La Salina service area equals 2.5 million gallons daily. This measurement has decreased by (7.3%)

vi. Oceanside's average wastewater demand during the five-year report period within the San Luis Rey service area equals 7.9 million gallons daily. This measurement has increased by 3.5%.

vii. The combined average day flow generated in Oceanside's two wastewater service areas during the five-year report period equals 10.5 million gallons with an overall period change of 0.7%.

viii. The combined average day wastewater flow within Oceanside during the five-year report period on a per capita measurement is estimated at 60 gallons. This translates to an average household wastewater demand estimate of 177 gallons.

ix. Oceanside's two treatment facilities at San Luis Rey and La Salina are operating with excess daily capacities of no less than 42% of their permitted allowances under normal conditions based on average demands during the five-year report period.

x. It is estimated Oceanside's excess daily discharge capacity via the Oceanside Ocean Outfall is 37% based on average demands during the five-year report period. This available capacity translates to 6.1 million gallons and serves as a relatively fixed cap with respect to accommodating future growth and development.

xi. It is estimated Oceanside has available wastewater infrastructure – including outfall capacity – to accommodate up to 34,223 additional households assuming the demand-to-capacity ratio for the five-year report period holds. This translates to a wastewater-system buildout population estimate of 275,592.

xii. LAFCO should coordinate with the County of San Diego Environmental Health to identify active septic systems in Oceanside and incorporate this data into the next scheduled municipal service review.

(c) With respect to the City of Oceanside's integrated fire protection, emergency medical, and ambulance functions:

i. Oceanside's General Fund monies have covered 98% of the integrated fire protection function and related classes' actual expenses during the five-year period. The total per capita General Fund expense at the end of the five-year report period is $206.

ii. Personnel serves as the primary infrastructure resource for Oceanside's integrated fire services with total budgeted positions rising by 14% to 136 full-time equivalents through the end of the five-year report period The ending amount translates to 0.8 fire personnel for every 1,000 residents.

v. Actual onsite demands for Oceanside's integrated fire services during the five-year report period have increased by one-fifth from 44 to 47 per day. This latter amount equals one onsite response every 30 minutes over 365 days over 60 months.

vi. Calls resulting in ambulance transport in Oceanside have averaged 26 daily during the five-year report period with an overall increase of 15%. The average translates to more than one-half of all onsite fire service responses now requiring ambulance transport.

vii. Oceanside's integrated fire service capacities appear sufficiently sized to readily accommodate demands through the timeframe of the report. This statement is reflected in – and among other measurements – Oceanside's ability to respond exclusively to 82% of all onsite incidents

within its boundary during the five-year report period while concurrently absorbing an 18% increase in demands.

(d) With respect to the City of Oceanside's parks and recreation function:

i. Oceanside's General Fund has covered 95% of its parks and recreation function and related classes' (aquatics, parks and open space, and community recreation classes) actual expenses during the five-year report period. The total per capita General Fund expense at the end of the period is estimated at $32.

ii. Oceanside's aquatics and parks and open space classes have experienced substantive capacity expansions during the five-year report. These expansions are marked by completing two planned capital improvements that collectively elevate the El Corazon complex as a regional recreational hub.

iii. Although Oceanside's community recreation class did not experience a capacity expansion during the five-year report period, ongoing adaptions continue to better align resources with needs with an increasing focus on seniors. This includes starting and expanding a senior nutrition program and establishing senior art ("zine") classes.

iv. Oceanside's 414 acres of parkland acreage at the end of the five-year report period translates to 2.4 acres for every 1,000 residents. This ratio is more than one-fifth – or the equivalent of 110.3 acres – below the minimum municipality standard of 3.0 acres of parkland for every 1,000 residents in State law (Quimby Act).

v. Oceanside maintains a joint-use agreement with Oceanside Unified School District that provides the City access to an additional 115 acres of parkland. This agreement – and among other benefits – bridges the existing gap under the Quimby Act and raises Oceanside's parkland ratio to 3.0 acres for every 1,000 residents.

vi. Oceanside General Plan includes a policy directive to "strive" to achieve 5.0 acres of parkland acreage for every 1,000 residents. Oceanside

would need to add 460 acres to meet this marker based on the estimated population at the end of the five-year report period.

(e) With respect to the City of Oceanside's community development function:

i. Oceanside's General Fund has covered 8% of the community development function and associated classes' (planning, building, code enforcement, engineering, and housing assistance) actual expenses during the five-year report. The total General Fund per capita expense at the end of the period is estimated at $70.

ii. The average annual volume of development application filings transacted through Oceanside and its planning class has been 183 with an overall change of (5%) in the five-year report period. Resources have trailed demands with the annual ratio of submittals-to-actions rising three-fourths from 2.5 to 4.3. The period average is 3.0.

iii. The average annual volume of permit issuances transacted by Oceanside and its building class has been 4,395 with an overall change of 97% in the five-year report period. Additional analysis is needed to provide a meaningful comparison between resources and demands relative to turnaround.

iv. The average annual number of case openings by Oceanside and its code enforcement class has been 5,425 with an overall change of (11%) in the five-year report period. Resources have kept pace with demands with the average annual ratio of case openings to case closures of 1.0 with minimal changes during the period.

v. The average annual volume of filings received by Oceanside and its engineer class involving landscape plans and grading permits has been 71 with an overall change of 47% in the five-year report period. Resources have trailed demands with an annual ratio of submittals to actions increasing three-fold from 1.2 to 4.7. The period average is 2.2.

vi. The housing voucher program administered by Oceanside and its housing assistance class finished the five-year report period with 1,341 participants - an amount that has remained relatively fixed with nearly

4,800 on a waiting list. It is estimated the time to transition from waitlist to participant is approximately 10 years based on recent trends. Additional analysis is needed to assess and compare the turnaround relative to other jurisdictions.

2. The following statements apply to the Oceanside SCHD and address the availability, adequacy, and performance of its two active municipal functions as categorized by LAFCO: marina and dredging.

   (a) With respect to Oceanside SCHD's marina function:

      i. SCHD's marina function and related classes (wharf, pier, harbor basins, boat launch, beach and camping, streets and sidewalks, and parking classes) serve as the agency's core public-facing activity. It also accounts for 100% of all budgeted and actual resources transacted during the five-year report period.

      ii. SCHD's marina services operate as an enterprise with actual revenue averaging $8.3 million during the five-year report period with four-fifths coming from boat slip fees. Actual expenses have averaged $9.9 million resulting in a total margin of (20%).

      iii. The wharf class involves operating approximately 350,000 square feet of commercial spaces along Oceanside Harbor. SCHD reports a 100% lease occupancy rate at the end of the five-year report period. There have been no substantive class changes.

      iv. The pier class involves operating an approximate 50-foot pier at the center of Oceanside Harbor. The pier is dedicated to fishing and can accommodate up to 12 users. SCHD does not track usage. There have been no substantive class changes during the five-year report period.

      v. The harbor basin class involves operating 26 piling docks and 954 boat slips with 890 dedicated to monthly permittees. All 890 leasable boat slips are taken with a total waiting list of 210 at the end of the five-year report period. There have been no substantive class changes.

vi. The boat launch class involves operating a single concrete pad with four boarding floats. The boat launch can accommodate up to six vessels at any one time. SCHD does not track usage. There have been no changes to this class during the five-year report period.

vii. The beach and camping class involves operating Harbor Beach and its related amenities – including 24-hour public restrooms. Vehicle camping is allowed year-round in the Harbor Beach parking lot with a five-night limit in any 30-day period. SCHD does not actively track usage. There have been no substantive changes to this class during the five-year report period.

viii. The parking class involves operating 15 surface lots with a combined capacity of 1,690 spaces. Exactly three-fourths – or 1,277 – of all parking spaces are unreserved with two-thirds of this portion being free with specified hour limitations. SCHD does not actively track usage. There have been no changes to this class during the five-year report period.

ix. Relative to overall considerations, the marina function appears to be performing satisfactorily in balancing community needs with available resources through the end of the five-year report period. This statement is reflected in – and among other measurements – constant demand for its two primary revenue sources: boat slip permittees and commercial leases.

x. Notwithstanding the preceding statement, the ability of SCHD to continue to balance community needs and available resources underlying the marina function is increasingly stressed due to years of under-prioritized maintenance and improvements. This historical practice has left an estimated $28.0 million in needed improvements to stabilize core infrastructure in the Oceanside Harbor over the next 15 years; an amount more than three times greater than the average annual revenue collection during the five-year report period.

(b) With respect to the Oceanside SCHD's dredging function:

i. SCHD's dredging function and related classes (channel clearing and beach restoration classes) has been limited to an advisory role with the U.S. Army Corps of Engineers.

ii. SCHD does not own, lease, or otherwise have any infrastructure or equipment in support of dredging. Further, SCHD has not budgeted, collected, or expended any resources in support of the dredging function during the five-year report period.

iii. SCHD indirectly supports its dredging function administratively via its budgeted marina function by advising with the U.S. Army Corps of Engineers and their annual commitment to clear the Oceanside Harbor inlet given its shared use by Camp Pendelton.

iv. The annual dredging performed by the U.S. Army Corps of Engineers generally takes place in late spring and takes two to four weeks to complete at an approximate cost of $3.5 million. This amount equals more than one-third of SCHD's average actual expenses during the five-year report period.

v. The average yearly volume of sand dredged from the inlet during the five-year report period has been 257,019 cubic yards, which translates to covering approximately 160 acre-feet.

vi. Sand dredged by the U.S. Corps of Engineering as part of the annual channel clearing is pumped onto the north end of Harbor Beach as part of a sand replenishment program. Oceanside – and not SCHD – covers the costs to replenish the sand along Harbor Beach and further south as volume permits.

vii. Despite the annual replenishment performed by the U.S. Corps of Engineering, Oceanside estimates Harbor Beach is currently losing 2.4 feet a year to drift erosion.

3. The following statements apply to Morro Hills CSD and address the availability, adequacy, and performance of its lone active municipal function: streets.

(a) With respect to the street function:

i. CSD's street function and related classes (signage, drainage, and traffic) tie to maintaining a 6.0-mile roadway network via routine paving, patching, and signage upkeep. CSD also periodically prepares traffic assessments to help inform calming measures.

ii. CSD's street function operates as a non-enterprise and is dependent on all-purpose revenues given all deliverables (i.e., roads) do not readily tie to collecting user fees.

iii. CSD's allocation of the 1% in property taxes – averaging $0.091 million over the five-year report period – serves as the dominant funding resource for the street function and defines capacity limitations.

iv. There have been no expansions to CSD's roadway network in terms of scale since the late 1960s. No expansions are anticipated within the report's timeframe.

v. CSD's focus over the last two decades and through the five-year report period has been to maintain existing service levels and explore traffic calming measures. These latter efforts are marked by periodically contracting with engineers to prepare traffic assessments on volume and speed conditions within the CSD. The last two assessments were completed in 2008 and 2021.

vi. No significant infrastructure needs or deficiencies were identified in either of CSD's 2008 and 2021 traffic assessments with one material exception. This exception dates to the 2008 assessment and recommendation based on traffic conditions that the speed limit along one of CSD's three primary roads – Sleeping Indian Road – should be increased from 35 to 45 mph. This recommendation has not been addressed despite data in the most recent assessment confirming the merit and need to raise the speed limit.

4. Additional information is needed to determine the number of mutual water companies and associated infrastructure conditions in the Oceanside region as prompted under the LAFCO statute. The Commission defers this analysis to a future informational report.

5.4 Agencies' Financial Ability to Provide Services

1. All three affected agencies in the Oceanside region operate with significantly different financial means and resources in providing municipal services.

2. The following determinations are specific to the City of Oceanside.

   (a) The City of Oceanside's average actual annual costs during the five-year report period tallies $492.9 million with an ending amount of $570.8 million. The overall period change is 31%. It is estimated the average total actual per capita cost over the 60-month period is $2,850.

      i. Actual annual General Fund expenses for Oceanside are on the rise and marked by the annual per capita share increasing by 25% from $947 to $1,179 over the five-year report period year.

   (b) Measure X's ½ cent sales tax starting in April 2019 has been a success in balancing the City of Oceanside's General Fund. Markedly, Measure X has reversed prior actual General Fund deficits and has generated a positive actual annual per capita revenue-to-expense difference of $63 or 6%. Measure X's scheduled expiration in 2026 merits attention with Oceanside expected to sponsor an extension in November 2024.

   (c) The City of Oceanside's average actual annual revenues during the five-year report period tallies $530.5 million with an ending amount of $620.6 million. The overall period change is 38%. It is estimated the average total actual per capita cost over the reporting period is $3,067.

      i. Actual annual General Fund revenues for Oceanside are on the rise and marked by the annual per capita share rising by 32% from $903 to $1,223 over the five-year report period year.

(d) The City of Oceanside's spendable reserves within its General Fund totals $96.8 million at the end of the five-year report period and is equal to five months of operating expenses.

i. Oceanside met its adopted General Fund reserve policy to maintain no less than amounts equal to 12% of operating expenses in four of the five years covering the reporting period. The lone exception involved FY2020 and attributable to COVID-19 impacts.

(e) The City of Oceanside's audited net position covering all City funds has increased over the five-year report period by one-fourth from $909.6 million to $1.136 billion. This change tracks with a per capita measurement and its estimated 23% increase from $5,275 to $6,507.

i. Oceanside's audited and accrued unrestricted fund balance less pension and related liabilities at the end of the five-year report period is sufficient to cover 12.0 months of total actual expenses.

ii. Oceanside's liquidity levels are considered high as measured by a days' cash ratio – or burn rate – of 691 at the end of the five-year report period. This measurement improved by one-fifth and positions Oceanside to readily cover short-term obligations without concern.

iii. Oceanside's capital levels are considered average as measured by an otherwise moderate debt ratio of 24% at the end of the five-year report period. This measurement has improved by one-fifth and positions Oceanside with up to three-fourths of its assets to leverage toward financing big-ticket improvements going forward.

iv. Oceanside's average annual total margin – or bottom line – during the reporting period has been 14% with positive closings in all five years. This measurement shows Oceanside has been effective in the bottom-line management of its resources throughout the reporting period.

v. Oceanside's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by 39%. This deficiency merits attention going forward.

(f) The City of Oceanside's total employer pension contribution paid to CalPERS at the end of the five-year report period totals $30.2 million and equals 37% of payroll – an increase of more than one-fifth.

i. Oceanside's total funded pension ratio at the end of the five-year report period is 74% and reflects an overall change of less than (1%). This ratio is considered average relative to other local agencies.

(g) The City of Oceanside's pay-as-you-go annual OPEB expense totals $1.063 million at the end of the five-year report period. This amount represents a net increase of $0.552 million – or 108% – over the preceding 60 months.

i. Oceanside's accrued liability for OPEB totals $9.706 million at the end of the five-year report period. This amount represents a net increase of $3.917 million – or 68% – over the preceding 60 months.

3. The following determinations are specific to the Oceanside SCHD.

(a) Oceanside SCHD's total actual expense at the end of the five-year report period equals $8.750 million with 80% covering staff support services with Oceanside. Overall, the variance between actual and budgeted expenses during the reporting period falls slightly higher at 3.3%.

(b) Oceanside SCHD's total actual revenue at the end of the five-year report period equals $8.963 million with 74% generated from boat slip fees. Overall, the variance between actual and budgeted revenues during the reporting period is slightly lower at (3.5%).

(c) Oceanside SCHD finished the five-year report period with an unassigned fund balance of $4.600 million. This amount is sufficient to cover 6.3 months of actual costs.

(d) Oceanside SCHD's audited net position has increased during the five-year report period by one-tenth from $13.360 to $14.931 million. This change parallels the difference in the per capita measurement and its own 10% increase from $78 to $86.

i. SCHD's liquidity levels are considered relatively high as measured by a days' cash ratio – or burn rate – of 256 at the end of the five-year report period. Although this measurement experienced an overall decline of (one-fifth) over the preceding 60 months, it continues to position the SCHD to readily cover short-term obligations without concern.

ii. SCHD's capital levels are considered high as measured by a low debt ratio of 4% at the end of the five-year report period. This measurement incorporates a three-fifths improvement over the preceding 60 months and positions SCHD with significant capital resources to finance big-ticket improvements going forward.

iii. SCHD's average annual total margin during the five-year report period has been 5% with positive closing amounts in all five years. This measurement shows the SCHD has been effective in bottom-line management of its resources throughout the reporting period.

iv. SCHD's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by nearly three-fold – i.e., more than 300%. This measurement undercuts the otherwise positive liquidity and capital levels and underscores the need for capital improvements.

(e) Oceanside SCHD does not have any recorded pension or other post-employment benefit obligations.

4. The following determinations are specific to the Morro Hills CSD.

(a) LAFCO staff requested but did not receive copies of budget materials or quarterly financial reports covering the five-year report period from Morro Hills CSD. These materials are also not available on the CSD website, although they should be.

(b) Morro Hills CSD finished the five-year report period with an unassigned fund balance of $0.267 million. This amount is sufficient to cover 134 months of recent actual costs.

(c) Morro Hills CSD's audited net position mirrors asset holdings and has increased during the five-year report period by more than one-fourth from $0.454 million to $0.579 million.

(d) Analysis of the standard fiscal measurement categories – liquidity, capital margin, and asset management – regarding Morro Hills CSD has limited value given the agency's relatively stagnant fiscal activity during the five-year report period. The lone exception involves CSD's total margin ratios and its value as a bottom-line accounting measurement tool.

i. CSD's overall average total margin during the reporting period has been 39% with positive year-end amounts achieved in four of the five years. This measurement shows the CSD has ultimately been effective in bottom-line management of its available resources.

(e) Morro Hills CSD does not have any recorded pension or other post-employment benefit obligations.

5.5 Status and Opportunities for Shared Facilities & Resources

1. The City of Oceanside and – albeit to a lesser degree – Oceanside SCHD have established responsive shared facilities and resources with other agencies and organizations in fulfilling their responsibilities to provide specified municipal functions to their common constituents.

2. The City of Oceanside and Oceanside SCHD mutually benefit from their existing relationship specific to their joint economic and social interest in promoting the Oceanside Harbor. The relationship harmonizes the planning and use of the Oceanside Harbor while helping to economize costs for the mutual benefit of the agencies' shared constituency.

3. The City of Oceanside has been proactive in economizing all of the five targeted municipal service functions evaluated in this report through various collaborations and partnerships.

(a) The City of Oceanside maintains nine interconnections that can be used to cross-share potable water with neighboring agencies during short-term emergencies or planned shutdowns involving the San Diego Aqueduct.

Three of these connections are with Rainbow MWD, two are with Carlsbad MWD, three are with Vista ID, and one is with Camp Pendleton.

(b) The City of Oceanside and Rainbow MWD mutually benefit from a cost-sharing arrangement involving wastewater dating back to 1973 marked by economizing public facilities and avoiding duplicative infrastructure. Through this arrangement, Rainbow contributed to Oceanside's share of construction costs for the Oceanside Ocean Outfall while providing an ongoing compensated relationship for the City to collect, treat, and discharge up to 1.5 million daily gallons of flows from Rainbow.

(c) The City of Oceanside is part of a joint-powers authority known as "North Comm" and includes the Cities of Vista, San Marcos, Solana Beach, Encinitas, and Carlsbad as well as the North County FPD. This arrangement provides efficiencies for the member agencies and their constituents by providing coordinated dispatching emergency communication services for public safety within the member agencies' boundaries.

(d) The City of Oceanside maintains a joint-use agreement with Oceanside Unified School District to cross-share public resources for mutual citizenry benefit involving parks and recreation. This agreement – pertinently – bridges the existing gap for Oceanside in meeting the statewide ratio standard of making available 3.0 acres of parklands for every 1,000 residents. The agreement conversely provides the District with facility maintenance from Oceanside as well as access to City swimming facilities.

(e) The City of Oceanside and Carlsbad share community development resources in establishing a joint-power authority to cooperatively advance and guide the State's otherwise stalled restoration of the Buena Vista Lagoon – an approximate 220-acre freshwater body located in between the two municipalities. The Buena Vista Lagoon is California's first designated ecological reserve dating back to 1968 and its restoration has stalled over several years due to a lack of community consensus on the next steps.

4. Oceanside SCHD makes effective use of Oceanside's Harbor and Beaches Advisory Committee in vetting and developing consensus in guiding resources at the Oceanside Harbor. This includes creating a regular opportunity for wharf tenants, slip permittees, and liveaboards to identify volunteer opportunities for

the mutual benefit of all Harbor users.

5. Oceanside SCHD continues to effectively partner in an advisory role with the U.S. Corps of Engineering in organizing the Corps' annual dredging of the Oceanside Habor. This partnership provides SCHD and its constituents the equivalent of an annual $3.5 million benefit that would otherwise necessitate an approximate one-third increase to the operating budget.

6. Notwithstanding other statements, additional cost-sharing resources between the City of Oceanside and Oceanside SCHD merit consideration involving SCHD's patrol boat; the latter having been purchased by SCHD in 2016 for $0.500 million through funds advanced by the City as part of a long-term payment plan. Since the patrol boat is commonly used by Oceanside outside the Oceanside Harbor, it seems appropriate for SCHD to receive a proportional credit against its annual repayments based on actual City usage going forward.

7. It would be beneficial for Morro Hills CSD to explore a service agreement with the City of Oceanside to provide contract road maintenance at a pre-agreed hourly rate. This type of arrangement could help protect the CSD from variables – costs and availability – associated with current practice to utilize private contractors as needed.

5.6 Local Accountability and Government Restructure Options

1. All three affected agencies in the Oceanside region are led by responsive officials – elected and appointed – and illustrated by holding regular meetings, timely posting of agendas and minutes online, and being accessible to the public – including readily responding to LAFCO inquiries throughout the preparation of this report. These measurables help maintain public trust to ensure constituents' ongoing financial investment via property taxes, special assessments, and/or user charges are warranted.

2. The City of Oceanside is the principal local agency in the region with elevated responsibilities given its decisions – directly and indirectly – materially affect and influence the other two local agencies. The City Council has met these elevated responsibilities during the five-year report period by practicing measured decision-making processes that actively draw on the input of 15 standing committees along with empowering a capable senior management team.

3. The City of Oceanside has taken a leadership role recently in the greater San Diego metropolitan region to restore and retain sand along City beaches. Recent measures taken up during the five-year report period include establishing and filling a Coastal Zone Administrator position to oversee Oceanside's "Re-Beach" program to design and implement a phased project estimated to total up to $50.0 million and in doing so mitigate the significant threat of sand losses to Oceanside's beach-centric economic and social welfare.

   (a) As the City of Oceanside proceeds to implement the initial phases of its otherwise novel Re-Beach program, it would be pragmatic to explore opportunities to enlist local coastal agencies in consolidating efforts - functional or political - given inescapable impacts and interests in beach restorations. LAFCO should offer its assistance should Oceanside and/or other stakeholders wish to explore a political model to organize sand nourishment on a larger scale.

4. Additional efforts should be taken by Oceanside SCHD to distinguish its role as a stand-alone governmental entity separate from the City of Oceanside. This includes developing stand-alone contracting arrangements with Oceanside outlining specific services and costs therein with respect to the existing use of City staff, supplies, and resources in carrying out District duties. Establishing a dedicated website is also merited to provide the public with direct and easy access to SCHD information that is otherwise obscured on the Oceanside site.

5. Oceanside SCHD informally deactivated its previously authorized and active patrol and rescue municipal function starting in 2009 by de-budgeting its Harbor Patrol in line with the City of Oceanside assuming these responsibilities. SCHD's legal authorization to provide patrol and rescue – however – remains active under State law. Accordingly, to clarify service expectations and mitigate potential liabilities, it would be prudent for SCHD to request LAFCO approval to divest this municipal function under Government Code 56824.10.

6. Oceanside SCHD's role as a dependent special district of the City of Oceanside benefits both agencies and their joint economic and social interest in Oceanside Harbor. This relationship, most notably, harmonizes the planning and use of the Oceanside Harbor while helping to economize costs for the mutual benefit of the agencies' shared constituency.

7. LAFCO is aware there is community interest in exploring the reorganization of Oceanside SCHD into an independent agency to provide direct community influence on decision-making. Accordingly, and based on available resources, it would be appropriate for the Commission to consider authorizing a future governance study to assess available alternatives – functional and political – for the benefit of both agencies and their shared constituents.

8. The accumulated depreciation ratio for Oceanside SCHD at the end of the five-year report period is concerning in showing capital assets (docks, pilings, etc.) have exceeded their useful life by more than three-fold. This poor ratio is the result of decades of deferred maintenance and has left the CSD increasingly vulnerable to significant infrastructure failures.

9. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for both the City of Oceanside and Oceanside SCHD to affirm the existing designations with the addition of a common special study area. The special study area – which is currently within Vista's sphere – spans nearly 150 acres and covers DUC lands located immediately southwest of the agencies near Sunset Drive and Melrose Way. Establishing the special study area provides LAFCO the opportunity to discuss the potential annexation of the DUC lands with both Vista and Oceanside and in doing so help facilitate the delivery of elevated municipal services to the community consistent with State law.

10. There appears to be some interest in Morro Hills CSD to expand its powers to include police protection for the benefit of directly enforcing traffic laws within the jurisdictional boundary. For purposes of managing community expectations, LAFCO's consideration of this type of proposal would be largely premised on CSD expanding its financial resources to support this additional function and presumably through a voter-approved tax. It would also merit consultation with the County Sheriff to help avoid unintended consequences.

11. Morro Hills CSD's Board of Directors is entirely appointed due to a series of uncontested elections. This propensity for uncontested elections and the presumed disinterest of local registered voters to serve leaves CSD increasingly vulnerable in making mid-term appointments when members resign – which has been a common occurrence during the five-year report period.

(a) It appears merited for LAFCO to partner with the Morro Hills CSD in sponsoring or otherwise supporting a legislative change to the principal act to reduce the number of Board members from five to three consistent with existing special provisions in State law.[6]

12. Morro Hills CSD's decision to not act on a 2008 recommendation by an outside traffic consultant to raise the speed limit on Sleeping Indian Road from 35 to 45mph appears arbitrary and inconsistent with the Board's duty to its constituents to set speeds accepted as reasonable to a majority of road users. A review of a more recent traffic assessment performed in 2021 justifies the speed limit on Sleeping Indian Road to be set now to 55mph.

    (a) The Morro Hills CSD Board should revisit the preceeding topic and ensure an objective and data-supported speed limit is set to Sleeping Indian Road.

13. Morro Hills CSD's jurisdictional boundary to some extent appears disorderly along its northern and eastern perimeter with these adjacent non-jurisdictional lands that otherwise make use of the CSD roadway system.

    (a) It would be advantageous for the CSD to explore interest among these adjacent landowners to annex and have direct participation in the Board's decision-making while concurrently expanding the CSD property tax base.

14. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for Morro Hills CSD to affirm the existing designation with the addition of a special study area. The special study area represents the notional expansion of the CSD to capture adjacent lands that presumably use and benefit from the roadway system.

5.7 Environmental Justice (Adopted Policy)

Pending.

[6] Reference to California Government Code Section 61040.1.

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CHAPTER THREE | AGENCY PROFILES

A. CITY OF OCEANSIDE

1.0 OVERVIEW

Oceanside Pier
Intersection of South Mission and Ammunition Roads

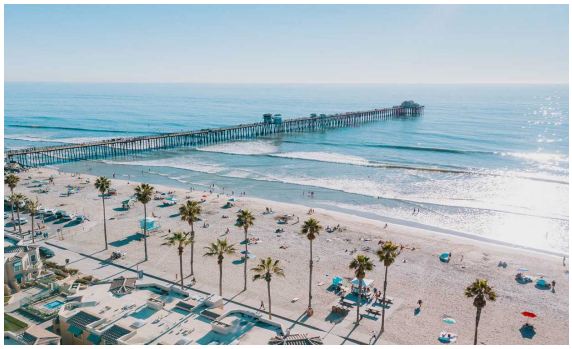


Photo Credit: visitoceanside.org

The City of Oceanside is a charter-law municipality incorporated in July 1888. Oceanside's incorporation was the third in San Diego County's history. It was also a direct extension of the growth and commerce established in the late 1790s with the construction of the Mission San Luis Rey and amplified with the arrival of the railroads by the early 1880s. Camp Pendleton's nearby establishment as a permanent U.S. Marine Corps base in the early 1940s further influenced growth in Oceanside and continues to serve as a prominent social and economic anchor. Oceanside's jurisdictional boundary spans 42 square miles with an elevation range between (30) to 895 feet above sea level with the latter recorded along Indian Trail Way in the South Morro Hills neighborhood. Three-fourths of Oceanside's jurisdictional boundary is under private ownership. Slightly more than one-fourth of all private lands – tallying 3,701 parcels and 5,303 acres – remain undeveloped without any assessed structures or improvements.

Oceanside's governance is provided through a council-manager format with an at-large-elected mayor and four district-elected councilmembers. The average tenure on the City Council among current members is approximately seven years with the longest tenure belonging to Mayor Esther Sanchez at 22 years. In 2020, the City Council adopted term limits, which prescribe no person can serve more than three terms – whether as Councilmember or Mayor. Oceanside has established 15 standing committees to help inform decision-making. Three City Managers have served Oceanside during the five-year report period with the present incumbent – Jonathan Borrego – appointed at the end of the five-year report period in 2022. Budgeted staffing has modestly increased by 3.7% from 966 to 1,002 full-time equivalent positions. Nearly one-half – or 45.2% – of all Oceanside's budgeted positions are allocated to public safety and divided between 129.4 with fire and 324.0 with police.

Oceanside is a full-service municipality and provides most public services directly with limited overlap from outside special districts. Key service functions directly provided by Oceanside and detailed in this report involve water, wastewater, integrated fire protection and emergency medical, parks and recreation, and community development. Other pertinent services directly provided by Oceanside include police protection, streets, library, and storm drainage. Oceanside also operates the dependent Oceanside Small Craft Harbor District. A few independent special districts separately overlap Oceanside's jurisdictional boundary and provide specialized regional services and include the North County Transit District, Tri-City Healthcare District, and Mission Resource Conservation District.

Full Service Municipality…
Oceanside is one of only a few full-service municipalities in San Diego County and directly provides the following services detailed in this report: water; wastewater; fire protection + emergency medical; parks + recreation; and community development. Budgeted staffing has increased from 966 to 1,002 – a difference of 3.7% – with nearly one-half of the total tied to public safety.

Oceanside's actual General Fund expenses at the end of the five-year report period tallies $205.827 million. This ending total represents an overall increase of 26.8% during the reporting period and translates to an average day expenditure of $0.564 million to carry out most day-to-day City activities. The annual per capita General Fund expense has similarly changed during the period from $947 to $1,179, which reflects a change of 25.5%. Actual General Fund revenues at the end of the period tally $213.628 million and reflect an overall change of 38.0% with property, sales, and transient taxes generating close to $0.60 for every $1.00 collected by Oceanside. The total spendable General Fund balance at the end of the period totals $112.6 million and is equivalent to covering 7.5 months of recent actual expenses.

Measure X Effect …
Oceanside voters approved Measure X and its ½ cent sales tax in 2018 with an effective date of April 2019. Since going into effect, Measure X has reversed prior actual General Fund deficits and has generated a positive actual annual per capita revenue-to-expense difference of $63 or 6%.

LAFCO independently estimates the full-time resident population within Oceanside's jurisdictional boundary is 174,615 at the end of the five-year report period. This estimate makes Oceanside the third-largest populated municipality in San Diego County. It is also projected the estimate of full-time residents in Oceanside represents an overall increase of 8,061 since the 2010 census – or 671.8

Positive Housing Gains…
Oceanside experienced an average gain of 522 new residents each year over the five-year report period. Oceanside also experienced an average annual gain of 325 new housing units. These amounts show a positive net relationship with Oceanside adding one home for every 1.6 new residents, which marks an improvement over the historical ratio of one unit for every 2.6 residents.

annually and 1.4 daily – with a resulting annual growth rate of 0.4%, which falls moderately – or (one-third) – below the corresponding countywide rate of 0.6%. The estimated population is directly supported by 68,147 housing units, which has increased since 2010 with 3,905 new units, or 325 per year.

33% of Income Goes to Housing …
LAFCO estimates the adjusted housing cost for Oceanside residents to include both rent or mortgage as well as basic utilities equals one-third of household income at the end of the period.

With respect to other housing factors, the median household income among Oceanside residents is $97,238 based on the current five-year period average, which finishes above the countywide average of $88,240. Oceanside residents are currently spending 27.7% of their household income on rent or mortgage payments. LAFCO estimates the adjusted housing cost with basic utilities equals 32.7%. The average home value in Oceanside has separately increased by 59.2% over the reporting period from $522,082 to $831,328.[1] This separately generates a home price-to-income ratio of 8.6.

2.0 BACKGROUND

2.1 Community Development

San Luis Rey de Francia Mission
San Luis Rey, Oceanside (1798)

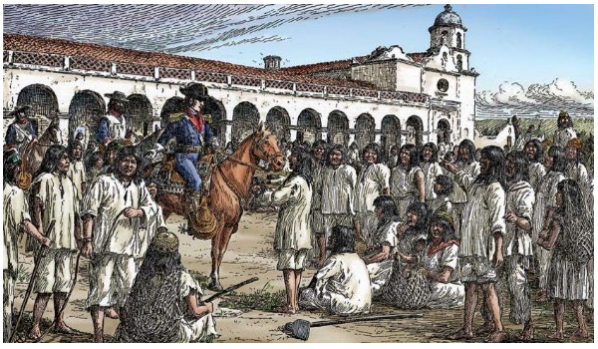


Photo Credit: California Missions

The City of Oceanside's present-day development dates to the 1700s with the Payomkawichum – or Luiseños – establishing permanent villages along the Santa Margarita and San Luis Rey Rivers in conjunction with Spain's construction of the Mission San Luis Rey de Francia in 1769. These villages generally continued uninterrupted into the next century when rule of California transitioned from Spain to Mexico and Governor Alvarado granted "Rancho Margarita y Las Flores" to Pio Pico and his brother, Andreas, in 1841. The rancho changed hands several times over the next several decades with allowances made to increasing numbers of migrants from the east to settle and begin making basic improvements to the land and establishing various crops and livestock activities. In 1883, the area established rail connectivity with San Diego and its harbor with

[1] The average home values in Oceanside during the five-year report period is based on Zillow analytics (www.zillow.com).

subsequent track extensions splitting and heading either east towards Escondido, northeast towards San Bernardino, and north towards Los Angeles.

Initial Oceanside Pier
Oceanside, California (1890)



Photo Credit: San Diego History Center

Once rail came to the area in the early 1880s, homesteaders – like Andrew Jackson Meyers – arrived and began building year-round homes and local-serving storefronts immediately south of Rancho Margarita y. Las Flores. Going to the "ocean side" became a regional moniker for rancho families living inland and quickly formalized into the newfound title of "Oceanside." John Chauncey Hayes emerged as a prominent figure in Oceanside's transition towards cityhood through his land holding company and began acquiring and reselling lots between $50 and $100 with loans provided by his own bank.[2] The framework for current-day downtown was established soon afterward with early businesses in Oceanside settling along Hill Street (Coast Highway) and the construction of an initial pier out to the Pacific Ocean completed by 1888.

2.2 Incorporation Proceedings

Interest in incorporating Oceanside paralleled Andrew Jackson Meyers' recording of the first survey map with the County of San Diego in 1883. At the time of the recording, it was estimated Oceanside's permanent population was approaching 300. The incorporation of National City in 1887 and the announcement by Escondido to do the same presumably provided momentum for community leaders to petition the Board of Supervisors and a vote on cityhood was held in May 1888. The vote to incorporate Oceanside passed 74 to 53 with the effective date set as July 3, 1888. A five-member board of trustees was also voted to serve as the inaugural City Council and consisted of C.W Maxson, John Schuyler, J.V. Hicks, F.S Trumbower, and Daniel Horne.

2.3 Notable Post-Incorporation Activities and Events

A summary of notable activities or events following Oceanside's incorporation involving the community or City government follows.

[2] The adjusted price of lots sold in 1885 for $50 to $100 translates to $1,500 to $3,000 in 2022.

Oceanside establishes an all-volunteer fire company in 1888. The first dedicated fire station is built in 1929 at the corner of Third and Nevada Streets.

1880s

In late 1888, Oceanside enters into a lease agreement with Myers Waterworks to provide water service through horse-drawn cart deliveries from the San Luis Rey River. Several municipal wells are also established starting in 1900 and continued to provide supplies to Oceanside.

The United States' census count in 1890 estimates 427 residents in Oceanside.

Oceanside High School (formerly Oceanside-Carlsbad) is established in early 1906 near the current campus on Mission Drive.

1900s

Oceanside transitions law enforcement from an elected Marshall's Office to a municipal police department starting in 1906.

The United States' census count in 1920 estimates 1,161 residents in Oceanside.

The Metropolitan Water District of Southern California is formed in 1928 to develop an aqueduct to convey supplies from the Colorado River. Oceanside later annexes into "MET" in 1944.

Several local hospitals begin operating in Oceanside starting with the Cottage Hospital on Second Street (Mission Ave) in 1930. The Oceanside Hospital on Freeman Street follows in 1933 and is later relocated in 1938 to Fourth (Civic Center Drive) and Summit.

1930s

Oceanside's first formal City Hall is designed by Irving J. Gill and built in 1934 on Pier View Way. City Hall is later reconstituted into a new Civic Center in 1989 to anchor the redevelopment of Oceanside's downtown.

The Oceanside-Carlsbad Junior College was established in September 1934 as part of the Oceanside High campus with an inaugural enrollment of 120 students. With the aid of a voter-approved bond, a new stand-alone campus was opened in September 1964 as Mira Mesa College with a corresponding enrolment amount of 1,800.

The first paid fire protection personnel are hired in 1939 and the company transitions to a municipal fire department.

1940s

The United States' census count in 1940 estimates 4,651 residents in Oceanside.

The United States purchases Rancho Santa Margarita y Las Flores for $4.2 million in 1942 and proceeds to convert the approximate 1250,000-acre site into Marine Corps Camp Pendleton.

Oceanside becomes a charter member agency of the San Diego County Water Authority in 1944 and is eligible to receive wholesale supplies via MET.

State Highway 101 is rerouted away from Hill Street (Coast Highway) in 1953.

Tri-City Healthcare District is formed in 1957.

1960s

The United States census in 1960 estimates 24,971 residents in Oceanside.

Oceanside Small Craft Harbor District is formed in 1960.

North County Transit District (NCTD) is formed in 1975 with operations commencing a year later. NCTD gradually assumes bus services for Oceanside along with other North County cities (Carlsbad, Vista, San Marcos, and Escondido). In 2008, the "Sprinter" is established and provides light-rail commuter services between Oceanside to Escondido.

1980s

The United States' census count in 1980 estimates 76,698 residents in Oceanside.

The United States' census count in 2000 estimates 161,029 residents in Oceanside.

2010s

Oceanside transitions to a charter-law municipality in July 2010 following voters' approval of Proposition K. The transition exempts Oceanside from prevailing wage requirements for public work projects.

Oceanside's City Council in June 2016 authorizes the initiation of an update to the General Plan (1986). Work continues.

Voters approve Measure X in November 2018 to increase Oceanside's sales tax by ½ cents to 8.25% for seven years beginning April 2019. Revenue is dedicated to public safety and roads and managed by an oversight committee.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

The City of Oceanside's existing boundary totals 42.2 square miles and spans 26,991 acres. This equals 1.0% of all of San Diego County. Slightly more than one-half of Oceanside is fixed and either adjacent to the Pacific Ocean or the Cities of Carlsbad and Vista. The remainder of the Oceanside perimeter lies adjacent to unincorporated lands with one-half of this amount adjoining the United States Marine Corps Camp Pendleton. This leaves one-quarter of Oceanside's perimeter open to future expansion assuming Camp Pendleton remains under federal control. The elevation ranges between (30) to 895 feet above sea level with the latter point recorded along Indian Trail Way in the South Morro Hills neighborhood.

On the Podium (Bronze)...
Oceanside's jurisdictional boundary is 42 square miles in total size and makes it the third largest-sized municipality in San Diego County. The jurisdictional boundary is whole and does not include any unincorporated "islands."

With regard to historical changes, it is estimated Oceanside's jurisdictional boundary has nearly quintupled in size since incorporation in 1888. A total of twelve annexations have been approved and recorded by LAFCO since its own creation by the Legislature in 1963 and collectively account for 11.3% of the presently City limits. The largest annexation approved by LAFCO occurred in 1966 and involved the addition of 978 acres involving the South Morro Hill area. The last approved annexation occurred in 1988 involving 876 acres as part of the "North Oceanside Reorganization."

The total assessed value (land and structure) within Oceanside has increased during the five-year report period by 31.6% from $20.909 to $27.516 billion. The period-ending amount translates to a per-acre value ratio of $1.019 million as well as a per capita value of $0.158 million based on the estimated full-time population of 174,615. Oceanside's share of the 1.0% property tax collected within the jurisdictional boundary is approximately 19.0% – or 0.19 cents for every $1.00 – and generated $49.0 million in 2021-2022.

Increasing Values...
Assessed property values in the City of Oceanside have increased by 32% during the five-report period. Oceanside's share of the 1% property tax (AB8) is 19% and generated $49.0 million in 2022.

Oceanside's jurisdictional boundary is currently divided into 62,771 parcels spanning 23,048 acres.[3] More than four-fifths – 84.6% – of the parcel acreage is under private ownership with close to three-fourths of this portion already developed or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remaining private acreage in Oceanside is undeveloped and consists of 3,741 vacant parcels that collectively total 5,303 acres.

Infill Opportunities…
73% of all privately owned acreage in Oceanside has been developed to date – though not necessarily at the highest density. The remaining 27% of the private acreage in Oceanside remains undeveloped and totals 5,303 acres.

Oceanside's jurisdictional boundary is shown on Map A-1. A summary of key boundary characteristics underlying the jurisdictional boundary follows in Table A-3.1.

City of Oceanside
Jurisdictional Boundary Characteristics
Table A – 3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	26,991 acres
Total Jurisdictional Parcels and Acreage	62,771 parcels totaling 23,048 acres
… Publicly Owned Parcels and Acreage	688 parcels totaling 7,487 acres
… Privately Owned Parcels and Acreage	62,083 parcels totaling 19,505 acres
… Undeveloped Privately-Owned Parcels and Acreage	3,741 parcels totaling 5,303 acres
Total Number of Registered Voters	102,066
Total Assessed Value (Land and Structures)	$27.5 billion

3.2 Sphere of Influence

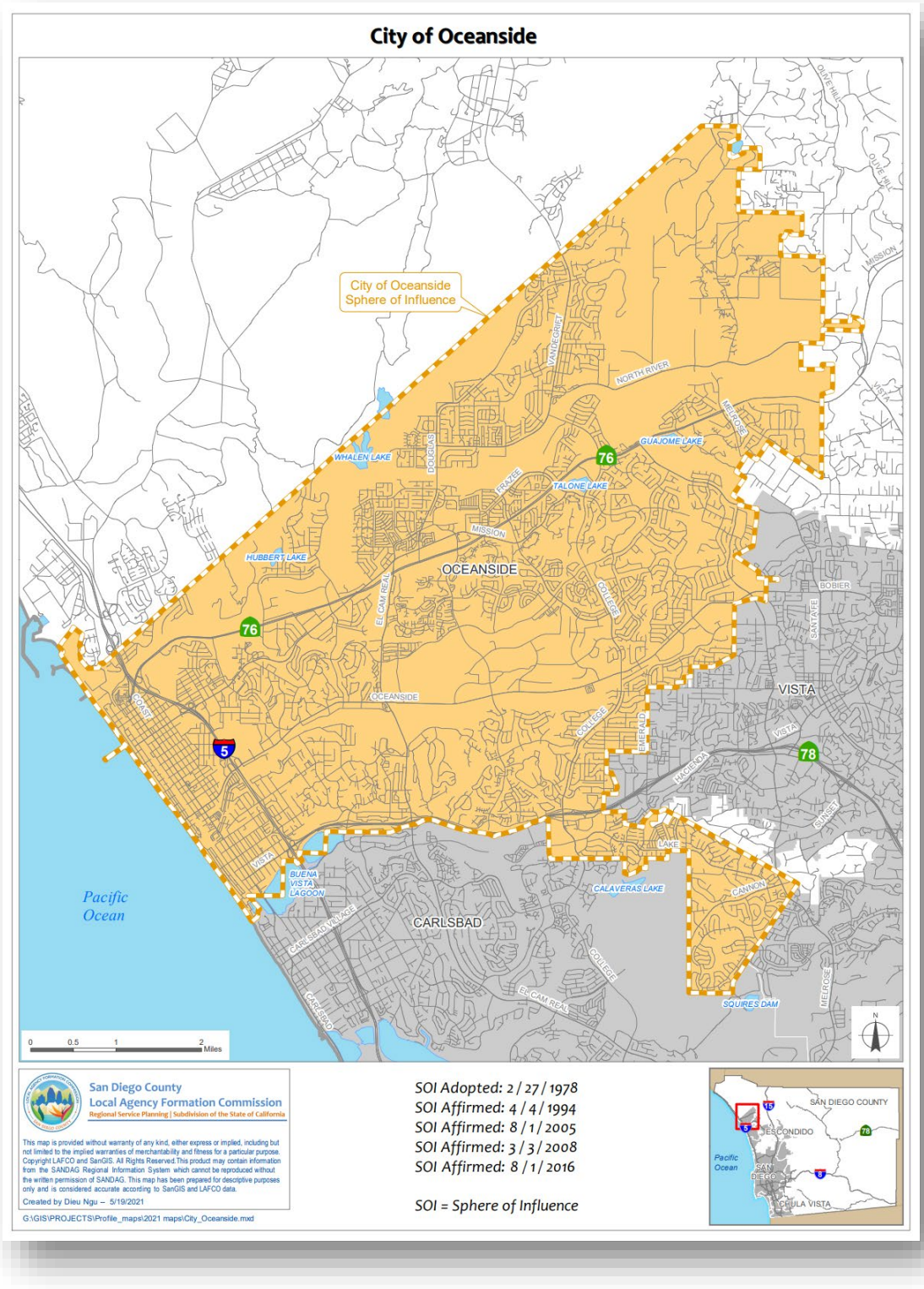
Oceanside's sphere of influence was established by San Diego LAFCO in February 1978 with a larger-than-agency designation to accommodate additional expansion to the east. Seven subsequent proposals were approved by LAFCO that have annexed nearly all of the unincorporated territory included in the initial sphere. The remaining unincorporated territory within the sphere involves one contiguous area that is 19.5 acres in size and located along the intersection of Sunset Drive and Busch Drive. LAFCO most recently reviewed and updated the sphere

Minimal Difference Between Sphere and Jurisdiction…
LAFCO established Oceanside's sphere of influence in February 1978. The sphere was last updated in August 2018 and is nearly coterminous with the jurisdictional boundary except for 19 unincorporated parcels totaling 19.5 acres.

[3] The remaining 3,943 jurisdictional acres within Oceanside consists of public rights-of-way and waterways.

with no changes in August 2016. There are also no assigned special study areas. The current sphere is shown below in Map No. A-1.

Map No. A-1



3.3 Relationship to General Plan

Oceanside's General Plan was last updated in 1986 and covers all lands within the current sphere of influence set by the Commission. Consistent with State statute, the General Plan serves as Oceanside's core policy document in meeting the City's long-term vision for the future. Twelve elements comprise the General Plan with several adopted in the 1970's and carry-forwarded into the General Plan update while others were adopted afterwards. All twelve elements and their adoption year plus any subsequent amendments are outlined below.

1986 Gameplan…
Oceanside's General Plan was last comprehensively updated in Oceanside 1986. The Land Use Element includes all lands within Oceanside's assigned sphere of influence except for the 19.5 unincorporated acres added by LAFCO.

- Land Use – Adopted in 1986 (five amendments)
- Recreational Trails – Adopted in 1996
- Housing – Adopted 2021
- Environmental Resource Management – Adopted in 1975
- Community Facilities – Adopted in 1990
- Public Safety – Adopted in 1975
- Noise – Adopted in 1974
- Hazardous Waste Management – Adopted in 1990
- Military Reservation – Adopted in 1981
- Circulation – Adopted in 2012
- Economic Development – Adopted 2019
- Energy Climate – Adopted May 2019

A comprehensive update to the Oceanside General Plan was initiated in 2020 with community outreach involving virtual sessions due to COVID-19. Oceanside's current timeline contemplates the project being completed in Spring 2024.

3.4 College and School District Boundaries

Oceanside's jurisdictional boundary and sphere of influence lies within five college and school districts: Mira Mesa College; Oceanside Unified; Bonsall Unified; Carlsbad Unified; and Vista Unified. A summary of key characteristics for each of these districts follows in Table A – 3.4a and – among other features – shows all districts experiencing declines in student enrollment over the reporting period.[4]

[4] Budget data for Bonsall Unified School District is only available for Fiscal Years 2019-2022.

City of Oceanside
Public School District Information
Table A – 3.4a | Source: Oceanside, Bonsall, Carlsbad, and Vista School Districts

	Mira Costa	Oceanside Unified	Bonsall Unified	Carlsbad Unified	Vista Unified
District Type	College	School	School	School	School
% within Oceanside	15.3%	100%	8.6%	2.4%	24.0%
Superintendent	Sunita Cookie	Julie Vitale	Joe Clevenger	Ben Churchill	Matthew Doyle
Grades	13th – 14th	K-12th Grade	K-12th Grade	K-12th Grade	K-12th Grade
Campuses	4	23	5	14	29
Enrollment in FY18	17,377	20,459	2,930	11,326	24,708
Enrollment in FY22	13,648	18,671	2,209	11,027	22,092
… Change	(21.5%)	(8.7%)	(24.6%)	(2.6%)	(10.6%)
Budget FY18	$277,524,554	$257,732,728	$26,138,641	$109,459,742	$247,554,059
Budget FY22	$298,703,242	$245,542,519	$28,168,786	$139,918,561	$298,824,608
… Change	7.6%	(4.7%)	7.8%	27.8%	20.7%

4.0 DEMOGRAPHICS

4.1 Population and Housing

Adding 1.4 Persons Daily…
It is estimated there are 174,615 fulltime residents in Oceanside at the end of the reporting period with the average day addition of 1.4 new residents over the preceding 60 months. It is projected the fulltime population will increase consistent with recent trends and reach 178,165 by 2027.

The City of Oceanside's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 174,615 at the end of the five-year report period. This amount represents 4.4% of the countywide population total. It is also estimated the full-time population in Oceanside has risen overall by approximately 4.8% from 166,554 in 2010 and the associated census reset. This translates to an annual increase of 522 or 0.4%, which is one-fifth lower than the corresponding countywide growth rate of 0.6% over the same period. The current estimate produces a population density of 6.5 residents for every acre and underlies the overall dense suburban character of the jurisdictional boundary. It is projected the current growth rate will continue into the near term and result in the full-time population reaching 178,165 by 2027. Table A - 4.1a summarizes past, present, and future estimates.

City of Oceanside
Resident Population
Table A - 4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	2027 Estimate	Annual Change
City of Oceanside	166,554	172,004	174,615	178,165	0.4%
San Diego County	3,095,305	3,244,893	3,315,082	3,414,325	0.6%

LAFCO separately estimates there are 68,147 residential housing units within Oceanside at the end of the five-year report period. This amount represents an overall increase of 3,905 – or 6.1% – since 2010 for an annual change of 325. This produces a ratio of adding one new housing unit for every 1.61 new residents. This most recent ratio– notably – marks a significant improvement relative to the preceding five-year ratio of one housing unit for every 2.98 residents. Other notable housing characteristics during the reporting period follow and are shown in Table A-4.1b.

Improving Housing Stock…
Oceanside has averaged 325 new housing units each year during the review period. In comparison to population growth, this results in Oceanside adding one new home for every 1.6 new residents, which marks an 85% improvement over the five-year ratio average of one unit for every 3.0 residents.

- More than one-half – or 55.4% – of housing units in Oceanside are owner-occupied. The remainder of the housing units are divided between 38.1% being renter-occupied and 6.5% being vacant.

- The five-year average household size in Oceanside has been 2.98. The ending average household size is 2.56.

- The five-year average mean housing cost (mortgage or rent) in Oceanside is $2,248. This represents a 24.5% increase over the prior five-year average.

- Oceanside households are spending 27.7% of their income on rent or mortgage payments. Adjusting for ancillary expenses – e.g., utilities and the like – it is projected households' real housing costs equal 32.7% of their monthly income.

City of Oceanside
Housing Characteristics
Table A-4.1b | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
2010 Housing Units	64,242	1,164,781
2022 Housing Units	68,147	1,238,794
… % Change	6.1%	6.4%
Household Size (5-year avg 2012-16)	2.95	2.87
Household Size (5-year avg 2017-21)	2.98	2.81
… % Change	1.0%	(2.1%)
Monthly Housing Cost (5-year avg 2012-16)	$1,805.10	$1,578.00
Monthly Housing Cost (5-year avg 2017-21)	$2,247.92	$1,971.00
… % Change	24.5%	24.9%
2010 Vacancy Rate	8.0%	6.7%
2022 Vacancy Rate	6.5%	5.9%
… % Change	(19.3%)	(11.9%)

4.2 Age Distribution

The median age of residents in Oceanside is 38.6 based on the current five-year period average. This amount reflects an increase of 1.8% from 37.9 over the preceding five-year period. The current median age in Oceanside also remains slightly higher than the countywide average of 36.3. Residents in the prime working age group defined as ages 25 to 64 – and the prime tax-generating income group – make up more than one-half of the total Oceanside population at 53.0%.

Slightly Older…
Residents in Oceanside tend to be slightly older with a median age of 38.6 relative to the countywide average of 36.3. The median age in Oceanside has also increased over the period by 2%.

City of Oceanside
Age Distribution
Table A-4.2 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Median Age (5-year average 2012-2016)	37.9	35.3
Median Age (5-year average 2017-2021)	38.6	36.3
… % Change	1.8%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	53.1%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	53.0%	54.1%
… % Change	(0.2%)	0.7%

4.3 Income Characteristics

The median household income in Oceanside is $97,238 based on the current five-year period average. This amount shows households are receiving significantly more pay over the report period with the median income experiencing an overall increase of approximately 42.4% from the preceding period average of $68,307; a difference that is more than double the corresponding change in inflation measured for the San Diego region over the same period.[5] Similarly, the current median household income in Oceanside is above the current countywide median of $88,240 at 10.2%. Other material measurements show the poverty rate decreased by two-fifths from 13.5% to 9.3% and ending closer to the countywide sum of 11%.

Sizeable Boost in Income…
Oceanside residents' average median household income – while increasing during the report period – finished at $97,238 and above the countywide average of $88,240.

City of Oceanside
Income Characteristics
Table A-4.3 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Median Household Income (5-year average 2012-2016)	$68,307	$66,529
Median Household Income (5-year average 2017-2021)	$97,238	$88,240
… % Change	42.4%	32.6%
Resident Poverty Rate (5-year average 2012-2016)	13.5%	14.0%
Resident Poverty Rate (5-year average 2017-2021)	9.3%	10.7%
… % Change	(31.3%)	(23.6%)

4.4 Other Socioeconomic Indicators

Unemployment levels within Oceanside remain comparatively low at 5.6% based on the current five-year period average. This amount is one-sixth – or (15.2%) – below the countywide rate of 6.6%. Unemployment levels – nonetheless – have increased by one-third – 33.4% – from the previous five-year average of 4.2%. Slightly more than one out of every five residents in Oceanside currently collect retirement income and reflects an overall rise of 17.4% over the prior five-year average. Education levels as measured by four-year college graduates have modestly increased during the

Blue Collar Workforce…
Approximately one-third of adults in Oceanside hold four-year college degrees at the end of the report period. This ratio paired with the relatively high median home income suggests a predominantly blue-collar workforce.

[5] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

report period but remain somewhat low at 37.4% given the relatively high median income levels. The non-English speaking percentage of the population has sizably decreased during this period from 11.6% to 11.1%; an overall difference of (4.3%).

City of Oceanside
Other Socioeconomic Indicators
Table A-4.4 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Unemployment Rate (5-year average 2012-2016)	4.2%	7.8%
Unemployment Rate (5-year average 2017-2021)	5.6%	6.6%
… % Change	33.4%	(15.4%)
Collecting Retirement (5-year average 2012-2016)	21.8%	17.7%
Collecting Retirement (5-year average 2017-2021)	25.2%	21.2%
… % Change	17.4%	19.8%
Non-English First Language (5-year average 2012-2016)	11.6%	15.0%
Non-English First Language (5-year average 2017-2021)	11.1%	13.1%
… % Change	(4.3%)	(12.6%)
Adults with Four-Year Degrees (5-year average 2012-2016)	31.5%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	37.4%	40.3%
… % Change	18.6%	10.4%

4.5 Unhoused Needs and Capacities

Increasing Homeless Population…
At the end of the reporting period, there was one counted homeless person in Oceanside for every 340 housed residents – up from 355 housed residents 60 months prior.

The City of Oceanside participates in annual point-in-time counts for unhoused or homeless administered by the region's Continuum of Care "CoC" provider – or San Diego Regional Task Force on the Homeless. The count is performed by volunteers during the last week of January in all 18 cities as well as several unincorporated communities in San Diego County. Counts performed during the five-year review period show the average number of homeless in Oceanside has been 471. The total number of homeless at the end of the period totals 514 and reflects the overall rising trend. The most recent count also shows 61.9% – or 318 – of the total being unsheltered and residing in cars, public places, or the street. The remaining 196 homeless counted at the end of the period are sheltered and reside in an emergency shelter, homeless shelter, or transitional housing provided by various governmental and non-profit agencies. [6] (See Table A - 4.5a.)

[6] Due to the COVID-19 pandemic the County of San Diego's regional Continuum of Care "CoC" provider applied for and was granted an exception from conducting the 2021 annual Point-in-Time Count for the regions unsheltered homeless by the Department of Housing and Urban Development (HUD).

City of Oceanside
Point-in-Time Homeless Counts
Table A – 4.5a | Source: Regional Taskforce on Homeless in San Diego County + SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Sheltered	157	202	154	145	196	171.8	24.8%
Unsheltered	326	290	242	n/a	318	294.0	(2.5%)
Total	**483**	**492**	**396**	**n/a**	**514**	**471.3**	**6.4%**

More Need than Capacity…
At the end of the report period, there is a shortage of (136) beds to accommodate all counted homeless in Oceanside.

Oceanside presently partners with nearly two dozen local non-profit organizations that provide one or more homeless support services within City limits. Key services include providing emergency shelter and ancillary drug, mental health, and/or family crisis counseling.[7] The number of beds (emergency, transitional, safe-haven shelters, etc.) in Oceanside at the end of the reporting period totals 378.

4.6 Environmental Justice

Pollution Burdens + At-Risk Factors…
LAFCO's consideration of environmental justice factors draws from the California EPA and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

Consideration of environmental justice draws on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two composite percentile rankings for territory within the City of Oceanside and overlapping adjacent areas – including inhabited portions within the Cities of Carlsbad and Vista – are generated based on a weighted calculation involving all underlying census tracts. This involves pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below and detailed in Table A – 4.6a.

- Oceanside's composite **pollution burdens** ranking falls in the 34-percentile relative to the rest of California. Four pollution burden measurements exceed the 50 percentile and are considered relatively high. These four measurements comprise (a) two exposures involving traffic impacts and drinking water contaminants as well as (b) two environmental effects involving hazardous waste

[7] State law requires all municipalities allow for the operation of emergency shelters.

and impaired water bodies. One of these four measurements – impaired water bodies – exceeds the 66 percentile and is considered significant and associated with the Loma Alta Creek, which is under a clean-up order from the State via the Clean Water Act with additional details footnoted.[8]

- Oceanside's composite **at-risk population** ranking falls in the 28-percentile relative to the rest of California. One at-risk population measurement exceeds the 50 percentile and is considered relatively high. This measurement involves housing burdens. This means a proportionally high number of households are both low income (making less than 80% of the HUD median family income) and severely burdened by housing costs (paying 50% plus of income to housing).

City of Oceanside + Immediately Adjacent Lands
Pollution Burdens and Susceptible Population
Table A – 4.6a | Source: California Environmental Protection Agency and SD LAFCO

Factor	City of Oceanside + Surrounding Lands
No. of Census Tracts	43
Pollution Burden	**Weighted Percentile**
… Comparative Percentile	34.69
Exposures | Air Quality - Ozone	37.68
Exposures | Air Quality - Fine Particulate Matter:	36.16
Exposures | Air Quality - Diesel Particulate Matter:	41.20
Exposures | Pesticide Uses:	41.37
Exposures | Toxic Releases:	15.45
Exposures | Traffic Impacts:	**52.26**
Exposures | Drinking Water Contaminants:	**52.70**
Exposures | Lead Risk in Housing:	30.44
Effects | Cleanup Sites:	37.36
Effects | Groundwater Threats:	45.37
Effects | Hazardous Waste:	**57.11**
Effects | Impaired Water Bodies:	**68.63**
Effects | Solid Waste Sites and Facilities:	40.16
Sensitive Population	**Weighted Percentile**
… Comparative Percentile	28.30
Sensitive Population | Asthma:	16.72
Sensitive Population | Low Birth Weight:	34.60
Sensitive Population | Cardiovascular Disease:	25.74
Socioeconomic Factor | Education:	38.90
Socioeconomic Factor | Linguistic Isolation:	13.90
Socioeconomic Factor | Poverty:	49.44
Socioeconomic Factor | Unemployment:	14.70
Socioeconomic Factor | Housing Burden:	**53.89**

[8] The referenced clean-up order is by the State Regional Water Quality Control Board. The order is part of a regional order assigned to the "Carlsbad Watershed Management Area." The Loma Alta Creek is one of six hydrologic areas in the affected watershed. The Loma Alta Creek drains through a slough into the Pacific Ocean. According to the clean-up order, portions of the Loma Alta Creek have been subject to human modifications; namely, the construction of concrete-lined channels. These alterations, among others, have contributed to the degradation and fragmentation of riparian habitat corridors and a reduction in the value of critical ecosystem services previously offered by the natural channel and wetlands.

1) Several census tracts within Oceanside extend outwards and capture adjacent areas within the Cities of Carlsbad and Vista as well as unincorporated Bonsall.

5.0 ORGANIZATION

5.1 Governance

The City of Oceanside operates as a charter-law municipality and draws on its own locally adopted charter or "home rule." Oceanside established its charter status under Proposition K in 2010, which was placed on the ballot by the City Council with 53.8% percent of voters casting ballots in favor of the transition. The main feature of the Oceanside Charter involves exempting City contracts from requiring either labor agreements or prevailing wages unless legally required.

Governance is provided through a council-manager system with the Council establishing policies and the City Manager empowered with administrative discretion to carry out the policies. Decision-making authority under this system is equally distributed among Oceanside's five-member City Council with the four councilmembers now elected by electoral district.[9] Regular meetings are typically held on the first and third Wednesday of each month. Council meetings are shown live on a local public broadcast channel (Channel 19) and available for subsequent viewing by visiting the Oceanside YouTube channel. Table A – 5.1a details current City Council members and their respective backgrounds.

Bimonthly Meetings...
The City of Oceanside's Council regularly meets on two Wednesdays of each month at 5:00 p.m. in the Council Chambers located at 300 N. Coast Highway in Oceanside.

City of Oceanside
Current City Council Roster
Table A-5.1a| Source: City of Oceanside

Member	Position	Years on Council	Background
Esther Sanchez	Mayor	22.5	Attorney (retired)
Ryan Keim	Deputy Mayor	3.5	Law Enforcement
Eric Joyce	Council member	1	Educator
Rick Robinson	Council member	1	Fire Protection (retired)
Peter Weiss	Council member	4.5	City Manager (retired)
		Average Experience on the Council: 6.5 Years	

Other elected Oceanside officials are the City Clerk and City Treasurer.

[9] In 2018, the City of Oceanside transitioned to a district-based voting system to elect its City Council members, replacing the previous at-large election system.

Oceanside utilizes 15 standing committees to help inform decision-making on topics of elevated interest to the City Council. The Planning Commission is the most active of the standing committees having held 149 meetings during the reporting period. The next two most active standing committees involve Library and Housing with each group holding more than 50 meetings during the reporting period. Another five committees – Utilities, Arts, Harbor and Beaches, Manufactured Homes, and Public Safety – have held at least 30 times. The remaining committees have held less than 30 meetings over the period. Summarizes of all 15 committees follow.

Most Active Committees…
Oceanside's Planning Commission has been the most active standing committee by holding an average of 29 meetings annually during the five-year report period. The next two most active committees – Library and Housing – both met an average of 10 to 11 times each year.

- The Arts Commission makes advisory recommendations to the City Council on the development and promotion of performing and fine arts as well as ancillary cultural enhancement opportunities. It includes nine regular voting members and two alternate members. This Committee has held 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Citizen Investment Oversight Committee makes advisory recommendations to the City Treasurer on investments and related policies. It includes seven members with six appointed by the Council and the seventh being the Treasurer. This Committee has held a total of 18 meetings during the review period for an annual average of 3.6 meetings a year.

- The Downtown Advisory Committee makes advisory recommendations to the Community Development Commission to facilitate best development practices specific to the downtown area and related topics. The composition includes nine members. This Committee has held a total of 25 meetings during the review period for an annual average of 5.0 meetings a year.

- The Economic Development Commission makes advisory recommendations to the City Council on economic growth opportunities with a focus on jobs. The composition includes 11 members. This Committee has held a total of 11 meetings during the review period for an annual average of 2.2 meetings a year.

- The Harbor and Beaches Advisory Committee makes advisory recommendations to the City Council and Harbor Board of Directors on commercial and public uses within and along the harbor. The composition includes nine regular voting members. This Committee has held a total of 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Historic Preservation Advisory Commission makes advisory recommendations to the City Council on identifying, protecting, and enhancing historical areas and sites. The composition includes seven regular voting members. This Committee has held a total of 23 meetings during the review period for an annual average of 4.6 meetings a year.

- The Housing Commission makes advisory recommendations to the City Council on policies in support of low-income housing and related resources for the homeless. The composition includes nine regular voting members. The Commission has held a total of 51 meetings during the review period for an annual average of 10.2 meetings a year.

- The Library Board of Trustees is delegated policy-making powers to set rules and regulations involving library services. The composition includes five members. The Trustees have held a total of 57 meetings during the review period for an annual average of 11.4 meetings a year.

- The Manufactured Home Fair Practices Commission approves potential rent increases for mobile home park spaces. The composition includes five regular voting members and two alternates. The Commission has held a total of 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Measure X Citizens Oversight Committee reviews expenses transacted with monies collected as part of Oceanside's voter-approved half-cent sales tax program. The composition includes seven regular members plus the City Manager serving as a non-voting member. The Committee has held a total of 11 meetings during the review period for an annual average of 2.2 meetings a year.

- The Parks and Recreation Commission makes advisory recommendations to the City Council involving the acquisition, development, operation, and maintenance of recreation and leisure resources. The composition involves nine regular voting members and two alternate members. The Commission has held

a total of 31 meetings during the review period for an annual average of 6.2 meetings a year.

- The Planning Commission is delegated powers to approve and/or disapprove discretionary development projects ranging from conditional use permits to zoning changes and related environmental compliance. Commission actions are appealable to the City Council. The composition involves seven regular voting members. The Commission has held a total of 149 meetings during the review period for an annual average of 29.0 meetings a year.

- The Public Safety Commission makes advisory recommendations to the City Council on police and fire services and related resources. The composition involves nine regular voting members. The Commission has held a total of 31 meetings during the review period for an annual average of 6.2 meetings a year.

- The Rehabilitation Loan Review Committee makes advisory recommendations to the Community Development Commission on housing rehabilitation loan applications. The composition involves three regular voting members. The Committee has held a total of 6 meetings during the review period.

- The Utilities Commission makes advisory recommendations to the City Council on water, wastewater, and drainage service activities. The composition involves seven regular voting members and two alternate members. The Commission has held a total of 36 meetings during the review period.

5.2 Administration

The City of Oceanside appoints an at-will City Manager to oversee all municipal activities and make individual department hires. The current City Manager – Jonathan Borrego – was appointed in March 2022. Two other City Managers have served Oceanside during the five-year review period (Michelle Lawrence and Deanna Lorson). A full-time City Attorney is also appointed by the City Council, with the incumbent – John P. Mullen – having served through the reporting period.

Oceanside's City Hall
300 N Coast Hwy, Oceanside, CA 92054



Photo Credit: Google Map

Oceanside's organizational chart divides the City government into 10 departments (human resources, public works, parks and recreation, police, fire, development services, housing and neighborhood, library, financial services, and water utitlies). All department heads report directly to the City Manager. The total number of budgeted positions at the end of the report period is 1,002 full-time equivalent employees with an overall change of 3.7% during the corresponding 60-month period.

City of Oceanside
Budgeted Staffing Levels
Table A -5.2a | Source: City of Oceanside

Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Trend
Budget Staffing	966.0	967.0	984.0	985.0	1,002.0	980.8	3.7%
Per 1,000 Residents	0.96	0.97	0.98	0.95	1.0	0.97	4.2%

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year.

6.0 MUNICIPAL SERVICE FUNCTIONS

Targeted Service Functions...
This regional MSR focuses on five specific service functions underlying Oceanside's growth: (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development.

The City of Oceanside directly provides a full range of municipal services within its jurisdictional boundary with limited dependency on outside special districts. This report and succeeding analysis focus on five specific service functions underlying Oceanside's growth and development that are of particular interest to LAFCO. These five targeted service functions involve (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development. Other municipal services provided by Oceanside – and specifically recycled water, solid waste, roads, library, and storm control – are cursorily addressed as an appendix with the expectation of expanding the analysis in future reports. A notable omission involves police protection, which is expected to be evaluated separately by LAFCO as part of a future countywide study.

A summary analysis of the five targeted service functions with respect to resources and capacities, actual demands, and performance measurements follows.

6.1 Potable Water Service

Potable Water Accounts for 7% of Oceanside's Total Staffing…
Oceanside's potable water service involves retail class only and extends throughout most of the jurisdictional boundary with limited exceptions in area of North River and Wilshire Roads. Budgeted staffing at the end of the reporting period equals 95.0 fulltime equivalent positions.

Oceanside's potable water service function represents the City's largest business (enterprise) activity and involves retail class only. Oceanside established its potable water function following incorporation in 1888 by first entering into a lease agreement with Myers Waterworks, which utilized a horse-drawn cart to deliver supplies from the San Luis Rey River. Oceanside assumed the function directly by the early 1900s by building its own distribution system paired with establishing the first in a series of municipal wells within the Mission Basin portion of the San Luis Rey River Watershed. Oceanside later established access to imported supplies in 1944 by annexing into the San Diego County Water Authority as one of the nine original members.[10] The potable water function is operated as a dedicated division within Oceanside's Water Utilities Department. Budgeted staffing totals 95 full-time equivalent employees at the end of the report period. This amount reflects an overall addition of 15 full-time positions over the preceding 60 months. Overall, budgeted staffing dedicated to water service equals 6.9% of the Oceanside total in 2022.

Prominent characteristics underlying Oceanside's potable water system follow.

- The potable water system at the end of the five-year reporting period spans 662 miles of distribution mains and lines and covers 28 connected pressure zones.

- The distribution system has expanded by 71 miles – or 12.0% – during the reporting period.

- Topography in the distribution system ranges from 10 to 720 feet above sea level and is managed through nine public pump stations and twelve public storage reservoirs.

- The water service area generally aligns with the incorporated boundary with the notable exception of excluding portions of the South Morro Hills neighborhood. Oceanside reports it does not have any active out-of-agency service customers.

[10] Annexation secured Oceanside's access to wholesale supplies imported from the Colorado River and later the Sacramento Bay Delta. As further detailed, imported wholesale water (treated and untreated) currently represents close to 90% of Oceanside's potable supplies. The remainder comes from local groundwater.

- The total number of active connections at the end of the reporting period is 44,458 and represents an overall increase of 0.9% during the preceding 60 months. The total number of equivalent metered units – which converts each meter to an equivalent dedicated use, household, etc. – is 58,289.

An expanded description of the potable water service function's capacities, demands, and performances follows.

Resources + Current Capacities

Oceanside's potable water function and its retail class activities operate as an enterprise and intended to be self-sufficient without relying on the City General Fund. Actual operating revenues generated during the five-year report period have averaged $74.111 million annually with more than nine-tenths – or 94.2% – drawn from monthly service charges in the form of usage and availability fees.[11] (The estimated average single-family household monthly water bill is presently $100.24.[12]) Actual annual operating expenses during the reporting period have averaged $63.038 million with one-half – or 51.1% – tied to purchasing wholesale water supplies from the County Water Authority. Oceanside's potable water function has generated an overall annual operating margin of 14.9% over the five years covering this reporting period.

Net Revenue Generation of $190 Per Home...
Oceanside's potable water function operates as an enterprise and has generated an average annual operating margin of 15% during the five-year report period. The total per household net revenue generation at the end of the report period is $190.

A breakdown of key funding considerations underlying the potable water function is shown below in Table A – 6.1a.

[11] Usage is billed based on unit totals in 748-gallon intervals and tiered for residential accounts to apply a higher rate once customers exceed a baseline threshold during the month. (The monthly baseline threshold triggering higher usage rates for multi-family units is 5,236 gallons or 175 gallons daily and 9,924 gallons or 330 daily gallons for single-family units.) Fixed availability fees covers' infrastructure access to Oceanside's distribution system along with related pass-throughs from the Authority and Metropolitan Water District.

[12] Average monthly household demand within Oceanside is estimated at 348 gallons. This amount is based on an estimated per capita demand of 118 gallons generated during the abbreviated review period and multiplied by 2.95.

City of Oceanside
Potable Water Service Function
Five Year Report Period: FY18 to FY22
Table A – 6.1a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Operating Revenues	
… Average Annual	$74.111 million
… Overall Trend	9.7%
Actual Operating Expenses	
… Average Annual	$63.038 million
… Overall Trend	6.7%
Average Annual Operating Net	$11.074 million
… Average Operating Margin	14.94%
Per Equivalent Metered Unit (EMU) Revenue in FY22	$189.98

In concert with funding resources, Oceanside's portable water function and its capacities are dependent on physical infrastructure – namely supply, treatment, and distribution as well as the ancillary storage facilities – and are summarized as follows.

- Approximately 90% of Oceanside's potable water supplies retailed during the reporting period have been imported through the City's membership agreement with the County Water Authority and access therein to the Colorado River (via the Colorado Aqueduct) and Sacramento Bay Delta (via the State Water Project).[13] Oceanside has direct access to wholesale supplies from the County Water through five active transmission connections. Three of these connections provide treated water directly to Oceanside's distribution system with a combined daily receiving capacity of 82.9 million gallons or 254.4 acre-feet. The other two connections provide untreated water directly to Oceanside's Robert Weese Water Filtration Plant (Reese WFP) with a combined daily receiving capacity of 67.9 million gallons or 208.4 acre-feet.[14] Oceanside's remaining 10% of potable supplies retailed during the reporting period are local and drawn from subterranean flows within the San Rey Luis River. Eight active wells currently access the groundwater for subsequent treatment at Oceanside's

[13] Oceanside's membership agreement allows the City to purchase for subsequent retailing an unrestricted amount of wholesale water based on availability through the County Water Authority's own wholesale relationships with the Metropolitan Water District of Southern California and Imperial Irrigation District. These relationships provide member agencies access to the Colorado River (via the Colorado Aqueduct) and Sacramento Bay Delta (via the State Water Project). The County Water Authority has also expanded its wholesale portfolio recently to include desalinated seawater from the Pacific Ocean. This source, however, is not available to Oceanside given its northern location.

[14] One of the two untreated connections can be adjusted to deliver treated supplies direct to Oceanside's distribution system.

Mission Bay Groundwater Purification Facility (Mission Bay GPF). The eight wells combined daily capacity is 14.4 million gallons or 44.2 acre-feet.

City of Oceanside
Available Potable Water Supplies
Table A – 6.1b | Source: Oceanside and SD LAFCO

Direct Source	Maximum Day Source Capacity	Maximum Annual Source Capacity
a) County Water Authority – Treated … Colorado River, Bay Delta, Desal	82.9 million gallons or 254.4 acre-feet	30.3 billion gallons or 92,856 acre-feet
b) County Water Authority – Untreated … Colorado River, Bay-Delta	67.9 million gallons or 208.4 acre-feet	24.8 billon gallons or 76,066 acre-feet
c) Mission Basin Groundwater … San Luis Rey River	14.4 million gallons or 44.2 acre-feet	5.3 billion gallons or 16,133 acre-feet
TOTAL	165.2 million gallons or 507.0 acre-feet	60.4 billion gallons or 185,055 acre-feet

- Oceanside's own potable water treatment capacities are sourced to two separate facilities – Weese WFP and Mission Bay GPF. Weese WFP processes all untreated water purchased from the County Water Authority. This facility was constructed in 1983 with a current rated maximum day capacity of 25.0 million gallons or 76.7 acre-feet. Mission Bay GPF processes all groundwater drawn from the San Luis River Watershed. This facility was constructed in 1992 with a current rated maximum day capacity of 6.3 million gallons or 19.3 acre-feet. Overall, the combined capacities at Weese and Mission Bay plus treated water readily available from the County Water Authority provides a maximum day total of 350.4 acre-feet and represents 69.1% of Oceanside's available source supply.

- Treated potable water directly enters Oceanside's distribution system and gravity flows through most of the 28 pressure zones with aid from nine booster stations. Pressure in the distribution system is directly maintained by 12 above-ground reservoirs with service dates ranging from 1956 (Fire Mountain) to 1995 (Wire Mountain). The combined storage capacity is 50.5 million gallons or 155.0 acre-feet and represents 44.2% of Oceanside's available treated supply.

Actual Demands

Oceanside's average annual demand for potable water service during the five-year report period has been 7.449 billion gallons or 22,856 acre-feet. These annual amounts translate to daily averages of 20.4 million gallons and 62.6 acre-feet, respectively. The daily demands are further refined into an average per capita amount of 118 gallons which translates into a household consumption rate of 348 gallons.[15] The average peak-day demand – i.e., the highest single-day demand during the year – over the first four years tallied 113.7 feet and represents a peaking factor of 1.8. (The peak-day demand for the fifth year is not available.)

Average Household Demand in Oceanside is 348 Gallons...
Oceanside's average annual potable water demand during the report period has been 22,856 acre-feet. The average per resident usage over the 60 months has been 118 gallons and translates to an average household usage of 348 gallons.

With respect to overall trends, Oceanside has experienced a total change of 8.0% in potable water demands during the reporting period. The estimated per capita demand also increased – albeit at a lower rate compared to overall usage – from 119 to 126 gallons and marks a 5.9% difference. Nonetheless, and excluding the final year, water demands in Oceanside decreased over the preceding 48-month period by (3.7%). (Reasons for the acceleration in demands between the fourth and fifth years have not been assessed by Oceanside.) Overall system demands and trends generated during the reporting period are shown below in Table A – 6.1c.

Demands Rising...
Overall water demands in Oceanside have increased by 8.0% during the report period with a sizable jump occurring between the fourth and fifth year.

City of Oceanside | Potable Water Demands
Table A – 6.1c | Source: Oceanside and SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Annual Total … acre-feet	22,730	23,046	22,068	21,880	24,558	22,856	8.0%
Average Day Total … acre-feet	62.3	63.1	60.5	60.0	67.2	62.6	8.0%
Average Day Per Capita … gallons	119	120	114	113	126	118	5.9%
Peak Day Total … acre-feet	115.2	116.8	111.9	110.9	n/a	113.7*	(3.7%)
Peak Day Factor...	1.849	1.851	1.849	1.848	n/a	1.850*	0.05%

*Denotes a four-year period average (2018-2021)

[15] Household estimate based on a per unit average of 2.95 residents.

Performance Measurements

Oceanside's potable water system is operating with sufficient and excess capacities in supply, treatment, and storage to accommodate current demands based on usage generated during the five-year report period (2018-2022). These capacities are similarly expected to accommodate anticipated demands over the next five-year period with variables – including resiliency during different hydrological periods – having been appropriately evaluated and currently being employed by Oceanside in its Urban Water Management Plan, which was updated during the report period in June 2021.

Room to Grow: Eight-Fold Capacity Available…
Oceanside has sufficient potable water infrastructure and related capacities to meet current and near-term demands under normal conditions. This statement is highlighted by average demands equaling no more than 12% of the City's accessible supplies under recent conditions.

The following statements summarize and quantify existing and projected relationships between Oceanside's potable water capacities and demands now and going forward through 2027. This includes referencing California's Waterworks Standards (Title 22) and its requirements, among other benchmarks, that all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system wide. LAFCO's focus – notably – is premised on assessing demands-to-capacities under normal conditions. It also addresses water quality and rates.

With Respect to Supplies:

- The average potable water demands generated during the reporting period for the entire distribution system (annual and daily) equals 12.3% of Oceanside's maximum available treated supply based on current infrastructure capacities.

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system equals 22.4% of Oceanside's maximum available treated supply based on current infrastructure capacities.

With Respect to Potable Treatment:

- The average day potable water demand generated during the reporting period for the entire distribution system represents 65.2% of Oceanside's available combined capacities at its two treatment facilities (Weese and MBGPF). This measurement decreases to 32.4% when accounting for treated supplies available from the County Water Authority.

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system represents 118.4% of Oceanside's available combined capacities at its two treatment facilities (Weese and MBGPF). This measurement decreases to 32.4% when accounting for treated supplies available from the County Water Authority.

With Respect to Potable Storage:

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system equals 73.4% of Oceanside's existing online storage capacity.

- Online storage capacity can accommodate up to 2.5 days of average day demands generated over the reporting period without recharge.

With Respect to Water Quality:

- A review of records maintained by the State Water Quality Control Board shows there have been no violations or enforcement orders issued for drinking water standards to Oceanside during the reporting period.

- Oceanside's most recent water quality report covers 2021. No excessive primary or secondary contaminants were reported.

With Respect to Potable Water Rates:

- Oceanside ratepayers are billed two sets of monthly charges for potable water: (a) fixed availability fees and (b) variable usage fees with the former including pass-throughs from the County Water Authority and Metropolitan

Water District. Rates have increased for most customers (single-family) by 6.4% during the report period.

- Oceanside's average monthly potable water service charge for most customers (single-family) at the end of the reporting period is $100.

With Respect to Contingencies:

- Oceanside maintains nine interconnections that can be used to share supplies during short-term emergencies or planned shutdowns. Three of these connections are with Rainbow Municipal Water District (MWD), two are with Carlsbad MWD, three are with Vista Irrigation District, and one is with U.S. Marines Camp Pendleton.

With Respect to Accommodating New Growth:

- Based on the current demand-to-capacity relationship established during the reporting period, Oceanside has available water infrastructure to accommodate up to 269,523 *additional households* or equivalent dwelling units (*emphasis added*). This translates to a water-system buildout population estimate of 0.970 million.[16]

6.2 Wastewater Services

Wastewater Accounts for 5% of Oceanside's Total Staffing…
Oceanside's wastewater service function is fully self-contained and involves three classes – collection, treatment, and discharge – and covers most of the jurisdictional boundary except rural and agricultural uses to the northeast. Budgeted staffing dedicated to wastewater activities at the end of the reporting period equals 74 full-time equivalent positions.

Oceanside's wastewater service function's origins date to the early 1900s with the construction of gravity drains to collect and discharge raw sewage and other runoff into nearby water bodies most frequently involving the Loma Alta Slough. The collection system expanded in conjunction with both development and increasing regulatory requirements leading to the construction of Oceanside's first facility – La Salina Wastewater Treatment Plant (WTP) – in 1949 to provide primary treatment of wastewater collected within the City's downtown and coastal neighborhoods. A second facility – San Luis Rey WTP – was constructed in 1972 to serve Oceanside's central and neighborhoods

[16] Buildout water system assumes a per capita daily demand of 118 gallons with 2.95 persons per home.

east of Interstate 5. The wastewater function and its three classes – collection, treatment, and discharge – operate as a dedicated division within Oceanside's Water-Utilities Department. Budgeted staffing totals 73.7 full-time equivalent employees at the end of the report period. This staffing amount reflects a reduction of one full-time position over the preceding 60 months. Overall, budgeted staffing for wastewater equals 5.3% of the Oceanside total at the end of the period.

Prominent characteristics underlying Oceanside's wastewater system follow.

- LAFCO estimates the resident service population for Oceanside at the end of the reporting period at 171,063. This amount is divided between the La Salina WTP and San Luis Rey WTP service areas at 42,763 and 128,300, respectively.

- The wastewater system spans 595 miles of collection lines at the end of the reporting period. The collection system has not expanded during the period.

- Close to four-fifths of the collection system – 460 miles – operates on gravity. The remainder of the collection system – 135 miles – involves force mains and is assisted by 33 public lift stations.

- Oceanside's collection system receives untreated flows from Rainbow MWD by contract as well as raw flows from portions of the City of Vista associated with its Sunridge and Peacock neighborhoods.

- Oceanside's total number of active connections to the wastewater system within its two service areas (La Salina and San Luis Rey) is 42,619 at the end of the reporting period. The estimated equivalent dwelling unit total is 55,879.[17]

- Over nine-tenths of Oceanside's active connections are classified as residential (single-family and multi-family). The total change in active connections during the reporting period is 0.7%.

- The collection system spans most of Oceanside except agricultural and rural residential uses in the northeastern section of the City. The exact number of active septic systems on file with the County Department of Environmental Health and Quality (DEHQ) (permitted or unpermitted) is unknown. However,

[17] Estimate premised on one connection equaling 0.7627 equivalent dwelling unit consistent with the potable water system.

DEHQ oversees the layout review, installation, and repairs of septic systems which presently represent a total of thirty-one[18].

- LAFCO estimates the average single-family residential customer in Oceanside at the end of the reporting period is billed $47 monthly for wastewater services.

An expanded description of Oceanside's wastewater service function in terms of capacities, demands, and key performance measurements follows.

Resources + Current Capacities

Oceanside's wastewater service function and its three class activities – collection, treatment, and discharge – operate as an enterprise and intended to be self-sufficient without relying on the City General Fund. Actual operating revenues generated during the five-year report period have averaged $49.923 million annually with more than nine-tenths – or 92.8% – attributed to monthly service charges in the form of usage, availability, and capital improvement fees.[19] (The estimated average single-family household monthly wastewater bill is presently $47.) Actual operating expenses have averaged $34.355 million annually with the largest component – 45.2% – tied to operations and maintenance. Oceanside's wastewater function has generated an overall annual operating margin of 31.2% during the reporting period. A breakdown of key funding considerations underlying the wastewater function is shown in Table A – 6.2a.

Net Revenue Generation of $279 Per Home…
Oceanside's wastewater service function operates as an enterprise and has generated an average annual operating margin of 31% during the five-year report period. The total per household (equivalent dwelling unit) net revenue generation at the end of the reporting period is $279.

[18] DEHQ does not maintain a record for Oceanside's active septic systems but rather, they track septic system installations and repairs from 2002 to present-day, anything prior to 2002 they do not have a records.

[19] Oceanside's wastewater rates are billed monthly and divided between three distinct fees. The first fee involves a flat availability charge currently in the amount of $19.56 for each dwelling unit or its equivalent assignment for non-residential uses (commercial, etc.). The second fee involves a fixed capital improvement charge in the current amount of $7.28 per connection. The third fee involves a variable usage charge based on 75% of the average potable water usage over the last two winter periods with most users (residential) paying $19.79 for every 748 gallons. The collective effect of these three fees at the end of the report period is a total monthly charge of $47.

City of Oceanside
Wastewater Function
Five Year Report Period: FY18 to FY22
Table A – 6.2a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Operating Revenues	
… Average Annual	$49.923 million
… Overall Trend	8.3%
Actual Operating Expenses	
… Average Annual	$34.355 million
… Overall Trend	31.3%
Average Annual Operating Net	$15.568 million
… Average Operating Margin	31.18%
Per Equivalent Dwelling Unit (EMD) Revenue in FY22	$278.60

In concert with available funding resources, Oceanside's wastewater function and related capacities are largely dependent on physical infrastructure and headlined by treatment and discharge facilities and their permitted allowances. Summarizes follow and are further illustrated in Table A – 6.2b.

- The San Luis Rey WTP serves most wastewater customers in Oceanside via its central and eastern neighborhoods and receives flows from Rainbow MWD and portions of the City of Vista.[20] The treatment processes include preliminary, primary, and activated sludge secondary treatment. The permitted average monthly flow is currently 13.5 million gallons with 1.5 million gallons contractually allocated to Rainbow MWD.[21] San Luis Rey WTP can separately accommodate on a temporary basis peak-hourly flows up to 39.2 million gallons by sending flows into an emergency pond.

- The La Salina WTP serves the coastal and downtown neighborhoods in Oceanside.[22] It treats wastewater to the secondary level by conventional biological treatment followed by clarification. The permitted average monthly flow is currently 5.5 million gallons. The La Salina WTP does not have emergency ponds.

[20] Physical location is 3950 North River Road, Oceanside (92058).
[21] The State permit (NPDES No. CA0107433) covering the San Luis Rey WTP provides an average monthly flow allowance of 13.5 mgd. The San Diego Water Board authorizes San Luis Rey WTP with an additional allocation to reach the 15.4 mgd level.
[22] Physical location is 1330 South Trait Street, Oceanside (92054).

City of Oceanside
Wastewater Treatment Capacities
Table A - 6.2b (Source: Oceanside and SD LAFCO)

Facility	Collection Zone	Daily Permitted Capacity
San Luis Rey WTP	Central + East Oceanside Rainbow MWD City of Vista	13.5 million gallons *
La Salina WTP	Downtown + Coastal Oceanside	5.5 million gallons
	TOTAL	19.0 million gallons

* San Luis Rey WTP can also expand to accommodate instantaneous peak-day flows of up to 39.2 million gallons through the use of an emergency pond.

* Both San Luis Rey WTP and La Salina WTP operate under the same permit – No. CA0107433 – issued by the California Regional Water Quality Control Board – San Diego Region. The permit is expiring on March 21, 2025.

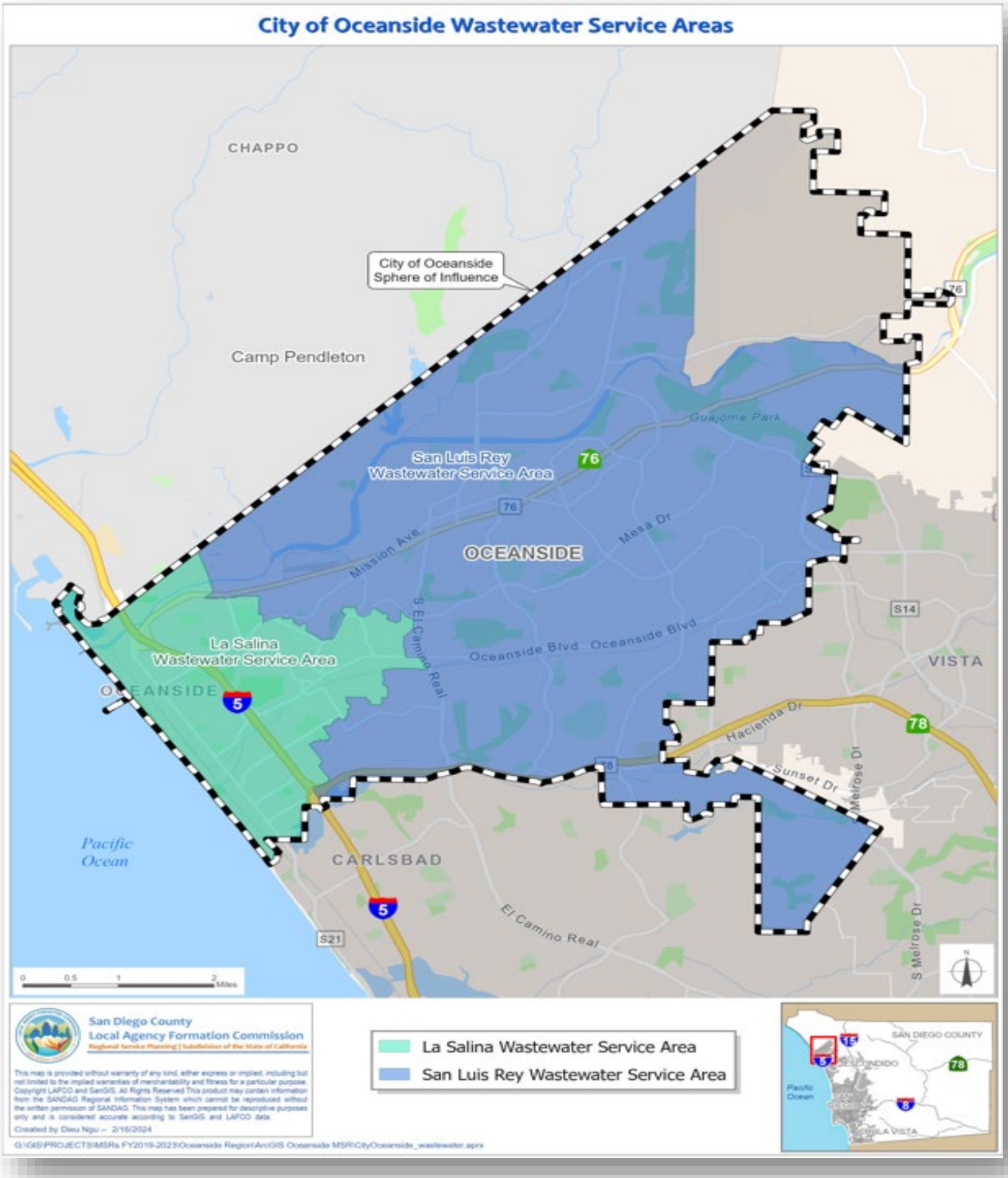
An illustration showing the approximate collection zones between Oceanside's San Luis Rey and La Salina WTPs is provided on the following page in Map No. A-2.

- San Luis Rey and La Salina WTPs both discharge secondary treated effluent to the Pacific Ocean through common connectivity to the Oceanside Ocean Outfall. (Fallbrook Public Utility District and Marine Corps Base - Camp Pendleton also contract with Oceanside to utilize this outfall through agreements with the City.) The "OOO" is a 36-inch steel pipe that extends approximately two miles offshore at a depth of 100 feet below sea level. The overall permitted average monthly flow rate for the OOO by the State Water Quality Control Board is 22.6 million gallons daily. Of this permitted average daily flow amount, 16.5 million gallons is retained by Oceanside to discharge secondary treated wastewater generated from the San Luis Rey and La Salina WTPs as well as waste brine (concentrated salt solution) generated from the Mission Basin GPF. Oceanside contracts the remaining permitted flow – 6.2 million gallons daily – to Fallbrook and Camp Pendelton. (See Table A – 6.2c.)

City of Oceanside
Wastewater Discharge Capacities
Table A 6.2c | Source: Oceanside and SD LAFCO)

Facility	Discharge Point	Daily Permitted Capacity
Oceanside Ocean Outfall	Pacific Ocean	22.6 million gallons * … 16.445 million gallons to Oceanside … 6.155 million gallons to Fallbrook + Pendelton

Map No. A-2


City of Oceanside Wastewater Service Areas
CHAPPO
City of Oceanside Sphere of influence
Camp Pendleton
San Luis Rey Wastewater Service Area
OCEANSIDE
La Salina Wastewater Service Area
VISTA
CARLSBAD
Pacific Ocean
Mission Ave
Mesa Dr
Oceanside Blvd
S El Camino Real
Hacienda Dr
Sunset Dr
S Melrose Dr
El Camino Real
Guajome Park
76
78
5
S14
S21
San Diego County Local Agency Formation Commission
La Salina Wastewater Service Area
San Luis Rey Wastewater Service Area
SAN DIEGO COUNTY

Actual Demands

With respect to the San Luis Rey service area, the average annual wastewater demands generated during the five years has been approximately 2.9 billion gallons. This macro-overview of Oceanside's largest service area represents a daily average flow of 7.850 million gallons. Average daily demands have changed by 3.5% during the period. It is estimated the portion of average wastewater flow generated from Rainbow MWD and the City of Vista accounts for 11.5% of the total demand and is divided between 9.5% and 2.0%, respectively.

Overall Demands in the San Luis Rey Service Area on the Rise…
Oceanside's average daily wastewater flow generated during the reporting period within the San Luis Rey service area has been 7.9 million gallons. The average day flows have increased by 3.5% from the 60-month marker.

Supplementary micro measurements of recent wastewater demands for the San Luis Rey service area are summarized below and further reflected in Table A – 6.2d

- Average daily dry-weather wastewater flows over the five years have been 7.790 million gallons. This flow is typically recorded between May and October and assists in measuring household demands entering the collection system. Daily dry-weather flows tallied 7.940 million gallons at the term of the period and reflect a net change of 2.6% from the 60-month marker.

- Average daily wet-weather wastewater flows over the five years have been 7.930 million gallons. This flow is typically recorded between November and April and assists in measuring the amount of inflow and infiltration entering the collection system. Daily wet-weather flows tallied 7.980 million gallons at the term of the period and reflect a net change of 4.3% from the 60-month marker.

- Average daily peak-day wastewater flows over the five years have been 11.9 million gallons. This latter amount produces a peak factor relative to average day demands of 1.5.

City of Oceanside: San Luis Rey Service Area
Recent Wastewater Demands
Table A 6.2d | Source: City of Oceanside + SDLAFCO

Year	Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2018	7.67	7.69	7.65	13.62
2019	7.83	7.58	8.12	13.45
2020	7.89	7.79	8.0	14.23
2021	7.93	7.98	7.89	9.49
2022	7.94	7.89	7.98	8.91
Average	7.85	7.79	7.93	11.94
Trend	3.5%	2.6%	4.3%	(34.6%)

Notes: all in millions of gallons per day (MGD)

With respect to the La Salina service area, the average annual wastewater demands generated during the five years has been approximately 0.928 billion gallons. This macro-overview of system demands for the smaller of the two service areas represents a daily average flow of 2.542 million gallons. Average daily demands have decreased by (7.3%) during the period.

Overall Demands in the La Salina Service Area on the Decline...
Oceanside's average daily wastewater flow generated during the report period within the La Salina service area has been 2.542 million gallons. The average day flows have decreased by (7.3%) from the 60-month marker.

Supplementary micro measurements of recent wastewater demands for the La Salina service area are summarized below and further reflected in Table A – 6.2e.

- Average daily dry-weather wastewater flows over the five years have been 2.552 million gallons. This flow typically is recorded between May and October and assists in measuring household demands entering the collection system. Daily dry-weather flows tallied 2.540 million gallons at the term of the period and reflect a net change of (9.0%) from the 60-month marker.

- Average daily wet-weather wastewater flows over the five years have been 2.478 million gallons. This flow typically records between November and April and assists in measuring inflow and infiltration entering the collection system. Daily wet-weather flows tallied 2.330 million gallons at the term of the period and reflect a net change of (13.1%) from the 60-month marker.

- Average daily peak-day wastewater flows over the five years have been 4.44 million gallons. This latter amount produces a peak factor relative to average day demands of 1.7.

City of Oceanside: La Salina Service Area
Recent Wastewater Demands
Table A – 6.2e | Source: City of Oceanside + SDLAFCO

Year	Average Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2018	2.74	2.79	2.68	4.32
2019	2.66	2.66	2.76	5.65
2020	2.41	2.41	2.35	5.67
2021	2.36	2.36	2.27	3.23
2022	2.54	2.54	2.33	3.35
Average	2.542	2.552	2.478	4.44
Trend	(7.3%)	(9.0%)	(13.1%)	(22.5%)

Notes: all in millions of gallons per day (MGD)

Performance Measurements

Oceanside is currently operating with sufficient and excess wastewater capacities within both of its wastewater service areas in accommodating demands generated during the five-year report period under *normal conditions* (emphasis) This statement is substantiated by average day flows over the 60 months equaling 58.1% and 46.2% of the permitted treatment capacities at Oceanside's San Luis Rey and La Salina WTPs, respectively. The combined average day flows treated at both facilities similarly equals only 63.2% of its retained discharge capacity to the Pacific Ocean via the OOO. Notwithstanding these conclusions, more information on peak-day flows is needed to complete the analysis.

Room to Grow: Excess Capacity of Two-Fold Available…
Oceanside's two treatment facilities are both operating with excess capacity of no less than 42% of their permitted allowance under normal conditions based on average flow demands generated during the five-year report period. Similarly, the combined treated flows under normal conditions equals less than one-third of Oceanside's allocated discharge capacity.

With respect to other performance measurements, the following items are noted.

- A review of the records maintained by the State Water Quality Control Board shows there have been seven violations by Oceanside during the five-year report period involving the mishandling and/or spilling of wastewater with six involving the La Salina WTP system. The largest incident involved the unauthorized release of 1.2 million gallons due to a pump failure off Haymar Road causing spillage into Bena Vista Creek. The last violation during the reporting period occurred on April 10, 2020.

- Capital improvements are guided by a Sewer System Management Plan, which was adopted by the City Council and most recently updated in October 2015.

- Oceanside currently cleans approximately 1,750,000 feet of pipe each year. This amount represents about 72% of the current collection system and means the entire collection system is on pace to be cleaned every two-and-a-half years.

- Based on the current demand-to-capacity relationship established during the reporting period, Oceanside has available wastewater infrastructure to accommodate up to 34,223 *additional* households or equivalent dwelling units (*emphasis added*) within its two service areas. This translates to a total wastewater system buildout population estimate of 0.276 million.[23]

6.3 Integrated Fire Protection, Emergency Medical, + Ambulance Services

Fire Protection et al. Accounts for 14% of Oceanside's Total Staffing…
Oceanside's integrated fire protection, emergency medical, and ambulance functions are categorized by LAFCO as structural, paramedic – advanced life support (ALS), and direct, respectively, with the former including several ancillary subclasses – including lifeguard. Budgeted staffing at the end of the reporting period covering these integrated functions equals 136.0 full-time equivalent positions.

Oceanside established formal fire protection service in 1929 and in doing so replacing an all-volunteer company that emerged following the City's incorporation in 1888. By the late 1930s, Oceanside had opened its first dedicated fire station at the corner of Nevada Street and Pier View Way as well as hired its first full-time firefighters. This one station singularly served Oceanside until a second station was opened in 1953 followed by a third in 1963. (A total of five additional fire stations were subsequently added by Oceanside in step with the eastward expansion of the City with the last – eighth – opening in 2012.) Oceanside proceeded to establish and integrate ambulance and emergency medical functions in 1971 all under its Fire Department with the latter evolving to paramedic services by the end of the same decade.

LAFCO categorizes Oceanside's fire protection function as structural with three ancillary subclasses: prevention; hazardous materials; and lifeguard. Ambulance and emergency medical functions are separately categorized by LAFCO as direct and paramedic–advanced life support, respectively. A description of the integrated function's – and its classes – capacities, demands, and performances follow.

[23] Buildout of wastewater system assumes a per capita daily demand of 59.9 gallons with 2.95 persons per home.

Resources + Current Capacities

Oceanside's integrated fire protection, emergency medical, and ambulance functions' resources are predominately supported by the City General Fund and marked by covering 98.0% of actual expenses during the five-year report period. (This includes all-purpose monies collected by Measure X.[24]) The remainder of the funding resources are tied to service charges (ambulance), donations, and grant monies. Close to four-fifths – or 78.3% – of all actual expenses during the reporting period have covered labor costs and marked by funding 129.4 full-time equivalent employees in 2021-2022. The integrated functions account overall for 18.8% of all City General Fund monies expended by Oceanside over the preceding 60-month period. See Table A – 6.3a for additional details.

Resource Equivalency Need on the General Fund is $206 Per Capita…
Oceanside's General Fund monies have covered 98% of the integrated fire protection, emergency medical, and ambulance functions' actual expenses during the five-year report period. The total per capita General Fund expense at the end of the report period totals $206.

City of Oceanside
Integrated Fire Protection, Emergency Medical, + Ambulance Functions
Five Year Report Period: FY18 to FY22
Table A – 6.3a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Total Expenses	
… Average Annual	$34.184 million
… Overall Trend	21.8%
Actual General Fund Expenses	
… Average Annual	$33.485 million
… Overall Trend	14.6%
Average Annual Actuals Covered by General Fund	98.0%
Average Annual Portion of General Fund	18.4%
Per Capita - General Fund Expenses in FY22	$206.17

In concert with available funding, Oceanside's integrated fire protection, emergency medical, and ambulance functions are primarily dependent on human resources through its own staffing arrangements and marked by a memorandum of understanding – or MOU – with the Oceanside Firefighters' Association. The current MOU specifies an average 56-hour work week – otherwise known as a traditional "Kelly" schedule – for all fire suppression personnel. This means suppression personnel

[24] Measure X is a voter-approved ½ cent sales tax with revenues used to enhance public safety, improve road conditions, bolster public infrastructure, and aid in homelessness. All Measure X expenditures are reviewed by a Citizen Oversight Committee. Measure X is presently set to sunset in April 2026.

(firefighters) work a 24-hour shift followed by 24 hours, alternating for 8 days and followed by either 4 or 6 consecutive full days off resulting in an average of 8 working days in a 24-day work cycle. The entry annual pay for a first-year firefighter/paramedic at Oceanside under the MOU is $81,804.

Overall budgeted staffing at the end of the reporting period tallies 136.0 full-time equivalent employees and represents a change of 17 positions – or 14.3% – over the prior 60 months. Staffing is divided between public safety and non-public safety with the former consisting of both dual-role (cross-trained firefighters-paramedics) and single-role (emergency medical technicians) personnel. Total public safety personnel budgeted at the end of the reporting period equals 127.0 with the remaining amount – 9.0 positions – involving non-public safety. Additional details are in Table A – 6.3b

City of Oceanside
Budgeted Staffing - Fire, Emergency Medical + Ambulance
Table 6.3b | Source: City of Oceanside

Category	FY 2018	FY 2022	Average	Trend
Public Safety: Dual Role (Firefighters + Paramedics)	111	112	111.5	0.9%
Public Safety Single Role (Emergency Medical Techs)	0	15	7	100%
Non-Public Safety	8	9	8.5	12.5%
Total	119	136	127	14.3%
Per 1,000 Residents *	.68	.80	.73	17.6%

Oceanside's current Fire Chief – David Parsons – has served in the position since the end of the reporting period in 2022 and oversees three divisions: administration; operations; and community risk reduction. Operations serve as the largest division and allocated 94% of all budgeted personnel through the end of the period. Actual services are delivered out of eight fire stations in concert with contract dispatch and data services from North County Dispatch JPA. (Administration operates out of City Hall.) Oceanside's adopted minimum staffing standard for fire engines and trucks is three. The minimum staffing standard for ambulances is two. Current station details follow and are shown in Map No. A-3.

- **Station No. 1** is located in downtown Oceanside at 714 Pier View Way west of Interstate 5. It was built in 1929. Station No. 1 typically responds to the highest number of dispatched calls averaging 9.2 incidents daily. This average represents 19.3% of the daily total demand during the report period. Oceanside assigns five public safety personnel every 24 hours. [25]

[25] Station No. 1 operates a Type 1 paramedic engine and a paramedic ambulance and is staffed with a captain, engineer, two firefighter-paramedics, and a single-role EMT.

- **Station No. 2** is located in southern Oceanside at 1740 South Ditmar Street west of Interstate 5. It was built in 1952. Station 2 typically responds to the second-fewest number of dispatched calls averaging 3.7 incidents daily. This amount represents 7.8% of the daily total demand during the report period. Oceanside assigns three public safety personnel every 24 hours.[26]

- **Station No. 3** is located in the El Corazon neighborhood in central Oceanside at 3101 Oceanside Boulevard east of Interstate 5. It was built in 2021 as a replacement for the original structure built in 1962. Station No. 3 typically responds to the third-most dispatched calls averaging 7.0 incidents daily. This amount represents 14.7% of the daily total demands during the reporting period. Oceanside assigns seven public safety personnel every 24 hours.[27]

- **Station No. 4** is located near Tri-City Medical Center in southern Oceanside at 3990 Lake Boulevard south of Highway 78. It was built in 1990. Station No. 4 typically responds to the second-most dispatched calls averaging 7.3 incidents daily. This amount represents 15.3% of the daily total demands during the period. Oceanside assigns five public safety personnel every 24 hours.[28]

- **Station No. 5** is located in the San Luis Rey neighborhood in north Oceanside at 4841 North River Road north of Highway 76. It was built in 1973. Station 5 responds to the fifth-most dispatched calls averaging 5.8 incidents daily. This amount represents 12.2% of the daily total demands during the period. Oceanside assigns three public safety personnel every 24 hours.[29]

- **Station No. 6** is located near Guajome Park at 895 North Santa Fe south of Highway 76. It was built in 1996. Station No. 6 typically responds to the fewest number of dispatched calls averaging 3.6 incidents daily. This amount represents 7.7% of the daily total demands during the reporting period. Oceanside assigns five public safety personnel every 24 hours. [30]

- **Station No. 7** is located near the Oceanside Municipal Airport at 3350 Mission Avenue in central Oceanside south of Highway 76. It was built in 2007. Station

[26] Station No. 2 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.
[27] Station No. 3 operates a Type 1 paramedic engine, a paramedic ambulance, and a basic life support EMT ambulance and is staffed with a captain, engineer, two firefighter-paramedics, and three single-role EMTs.
[28] Station No. 4 operates a Type 1 paramedic engine, a paramedic ambulance, and cross-staffs a Type 3 brush fire engine with a captain, engineer, two firefighter-paramedics, and a single-role EMT.
[29] Station No. 5 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.
[30] Station No. 6 operates a Type 1 paramedic engine, a paramedic ambulance, and cross-staffs a Type 3 brush fire engine with a captain, engineer, two firefighter paramedics, and two single-role EMT.

No. 7 responds to the fourth-most number of dispatched calls averaging 5.9 incidents daily. This amount represents 12.3% of the daily total demands during the period. Oceanside assigns 10 public safety personnel every 24 hours. [31]

- **Station No. 8** is located near Mira Costa College at 1935 Avenida Del Oro in eastern Oceanside. The building is leased and used as Station No. 8 since 2012. Station No. 8 has the sixth-most number of dispatched calls averaging 5.1 incidents daily. This amount represents 10.8% of the daily total demands during the reporting period. Oceanside assigns three public safety personnel every 24 hours. [32]

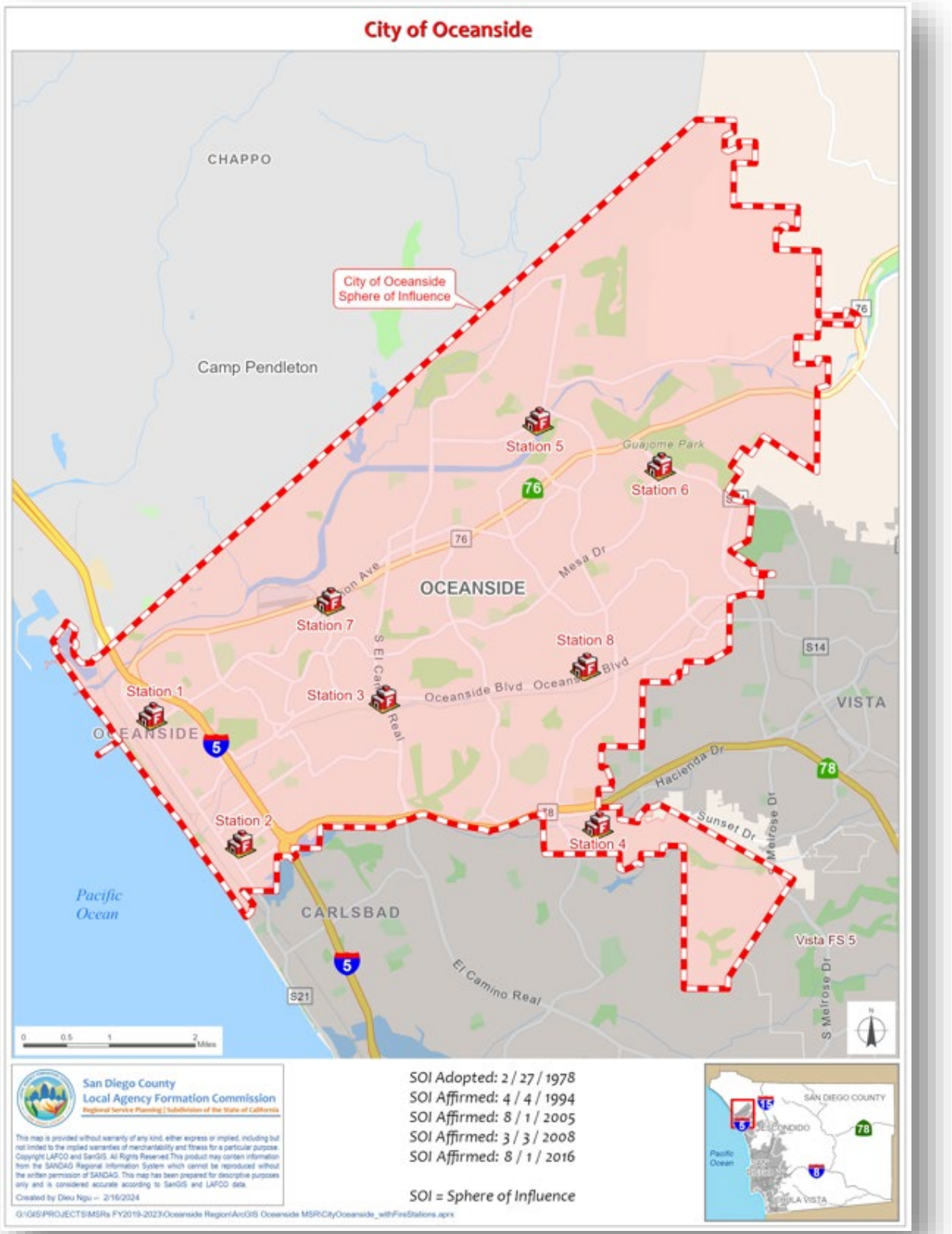
Specific to the placement of ambulance resources, Oceanside operates four ALS ambulances and three BLS ambulances on a 24-hour basis. ALS ambulances are staffed with a firefighter/paramedic and a single-role EMT. Each BLS ambulances are staffed with two single-role EMTs. Ambulance services are delivered out of Stations 1, 3, 4, 6, and 7. Overall resource assignments are shown in Table A – 6.3b.

City of Oceanside:
Fire Stations' Assignments as of FY2022
Table A – 6.3b | Source: Oceanside

Factor	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
24 hr. Staffing	5	3	7	5	3	5	10	3	41
Fire Engines	1	1	1	1	1	1	1	1	8
Ambulances	1	0	2	1	0	2	1	0	7
Brush Engines	0	0	0	1	0	1	1	0	3
Truck Company	0	0	0	0	0	0	1	0	1
Command Vehicles	0	0	0	0	0	0	1	0	1
Other Vehicles	0	0	1	0	0	0	12	0	13

[31] Station No. 7 operates a Shift Battalion Chief, a Type-1 paramedic engine, a Truck company, a basic life support EMT ambulance, and cross-staffs a Type 3 brush fire engine and is staffed with a battalion chief, 2 captains, 2 engineers, 3 firefighter-paramedics, and two single-role EMTs.
[32] Station No. 8 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.

Map No. A-3


City of Oceanside
CHAPPO
City of Oceanside
Sphere of Influence
Camp Pendleton
Station 5
Guajome Park
Station 6
76
OCEANSIDE
Mesa Dr
Station 7
Station 8
S El Camino Real
Station 1
Station 3
Oceanside Blvd
VISTA
S14
5
Hacienda Dr
78
Station 2
Station 4
Sunset Dr
Melrose Dr
Pacific
Ocean
CARLSBAD
Vista FS 5
S21
El Camino Real
S Melrose Dr
San Diego County
Local Agency Formation Commission
SOI Adopted: 2 / 27 / 1978
SOI Affirmed: 4 / 4 / 1994
SOI Affirmed: 8 / 1 / 2005
SOI Affirmed: 3 / 3 / 2008
SOI Affirmed: 8 / 1 / 2016
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
VISTA

Oceanside supplements its own fire protection, emergency medical, and ambulance resources by maintaining reciprocal automatic aid agreements with surrounding jurisdictions.[33] Most notably, Oceanside is a signatory to the San Diego North Zone Auto Aid Agreement along with Marine Corps Base Camp Pendleton, North County and Valley Center FPDs, and Cities of Vista, Carlsbad, Encinitas, Del Mar, Solana Beach, San Marcos, and Escondido. All agencies under the North Zone Auto Aid Agreement deploy resources based on which unit is closest or upon request, including processing time. Additional details on the volume of automatic aid agreement transactions are provided in the proceeding section on demands.

Oceanside's lifeguard service – which is subclass under the fire protection function – covers 3.7 miles of beach from Oceanside Harbor to South Oceanside. Actual services are administered from the lifeguard headquarters at the base of Oceanside Pier, which operates seven days a week throughout the year.

Actual Demands

Overall service demands for Oceanside's integrated fire protection, emergency medical, and ambulance functions during the five-year report period are headlined by receiving an annual average of 18,509 dispatched calls – which equals 50.0 daily. Approximately 8% of all dispatched calls assigned to Oceanside were canceled and results in onsite arrivals averaging 17,035 annually or 46.7 daily. Overall, annual onsite incident demands increased during the 60 months with an overall change of 17.7%. The peak demand was recorded in 2022 with an average onsite response of 52.3 incidents daily.

> **Demands are Rising…**
> Oceanside's actual onsite demands during the reporting period have increased by 18% from 44 to 47 per day; this latter tally equals one onsite response every 30 minutes.

A breakdown of actual onsite arrivals shows Oceanside responded exclusively to 81.9% of all fire protection and emergency medical incidents during the reporting period within its jurisdictional boundary.[34] Table A – 6.3c summarizes annual calls and onsite arrivals – including agency responders – as well as trends during the period.

[33] Automatic aid is particularly valuable in responding to larger incidents where multiple fire units and/or specialized rescue and fire suppression equipment are needed, as well as handling calls that cross jurisdictional boundaries, where units from an adjoining jurisdiction are the closest, most appropriate resource. Measuring automatic aid response includes identifying the percentage of an agency's total call volume where an outside agency was dispatched and determining the type of service the outside agency provided.

[34] With data provided from several dispatch agencies, unable to differentiate between auto aid responses with one Escondido resource arriving at scene against those handled exclusively by auto aid resources.

City of Oceanside
Fire Protection and EMS Demands
Table A - 6.3c | Source: City of Oceanside + SDLAFCO

Category	FY2018	FY2019	FY2020	FY2021	FY2022	Average	Trend
Total Dispatched Incidents	17,779	17474	17738	18778	20776	18,509	16.86%
Total Cancelled Calls	1562	1,292	1,343	1,482	1,690	1,474	8.19%
Total Onsite Responses	16,217	16,182	16,395	17,296	19,086	17,035	17.69%
… Average Daily Responses	44.4	44.3	44.9	47.4	52.3	46.7	17.69%
… Responded by Oceanside	13,560	13,531	13,372	13,940	15,373	13,955	13.37%
… Responded by Oceanside + Others	1,790	1,779	2,042	2,352	2,551	2,103	42.51%
… Responded by Other Only	867	873	981	1,005	1,163	978	34.14%
… % Automatic Aid Received	21.05%	21.37%	23.31%	24.77%	25.72%	23.24%	22.19%
… % Automatic Aid Provided	17.84%	16.73%	16.55%	15.88%	16.46%	16.69%	-7.74%

As shown above, almost one-fifth of all onsite incidents within Oceanside during the reporting period necessitated auto-aid from one or more outside agencies. This dependency on auto-aid also increased during the 60 months by 22.19%. Comparatively, Oceanside provided an amount of auto-aid equal to 16.7% of all assigned incidents and represents a (7.74%) change over the span of the reporting period.

Increasing Auto-Aid Benefits…
Oceanside's auto-aid demands has benefited the City over the report period with nearly a 40% difference in the overall average between receiving auto-aid versus providing auto-aid.

With respect to the overall portion of demands necessitating transport to area hospitals, and as detailed in Table A - 6.3d, Oceanside averaged 9,411 ambulance trips per year during the reporting period. This amount produces a daily average of 25.8 ambulance trips with an overall change of just over one-seventh or – 14.9%. More than four-fifths – or 85.1% – of all ambulance transports were in Oceanside's jurisdictional boundary. The trend of ambulance demands in the jurisdictional boundary has relatedly increased by one-sixth or 16.9%.

Calls Resulting in Ambulance Trips Also on the Rise…
Actual onsite demands for ambulance transport in Oceanside have averaged 25.8 daily during the reporting period with an overall change of 14.9%.

City of Oceanside:
Ambulance Transport Demands Only
Table A – 6.3d | Source: City of Oceanside + SDLAFCO

Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Trend
Total Dispatched Incidents	14,953	14,602	14,251	15,048	16,909	15,153	13.08%
Total Cancelled Calls	5,819	5,736	5,016	5,722	6,414	5,741	10.23%
Total Onsite Incidents	9,134	8,866	9,235	9,326	10,495	9,411	14.90%
… within Oceanside	7,643	7,445	7,936	8,103	8,936	8,013	16.92%
… outside Oceanside	1,491	1,421	1,299	1,223	1,562	1,399	4.76%

Oceanside's lifeguards provide comprehensive services necessitating emergency response, code enforcement, and public education. Oceanside averaged just over 4 million beach visits annually over the five-year report period with an average annual demand of 1,953 rescues. Drownings have increased by 100% over the reporting period – with an average of 1 per year - although have all been unguarded, meaning that no lifeguard was present in the swimming area at the time of drowning. Enforcement actions – ranging from corrective action for minor infractions to arrest for more serious offenses – have decreased by 5.9%. (See Table A – 6.3e.)

City of Oceanside
Lifeguard Service Demands Only
Table A – 6.3e | Source: United States Lifesaving Association + SD LAFCO

Category	FY2018	FY2019	FY2020	FY2021	FY2022	Average	Trend
Beach Attendance (est.)	4,744,673	4,346,048	4,184,423	3,671,203	3,078,624	4,004,994	-35.1%
Water Rescues	2,500	1,921	1,601	1,552	2,190	1,953	-12.4%
Preventative Actions	111,515	80,096	91,496	71,734	22,164	75,401	-80.1%
Medical Aids	4,229	3,315	3,431	1,909	1,886	2,954	-55.4%
Boat Rescues	20	19	16	10	39	21	95.0%
Drowning Fatalities	0	2	1	2	0	1	100%
- Unguarded	0	2	1	2	0	1	100%
- Guarded	0	0	0	0	0	0	0%
Enforcement	81,864	56,473	96,792	68,681	86,690	78,100	5.9%

Performance Measurements

Oceanside's capacities as measured by staffing and equipment appear sufficiently sized to readily accommodate existing demands within its jurisdictional boundary through the timeframe of this report. This sufficiency is quantified and highlighted with Oceanside having the resources to respond exclusively to more than four-fifths – or 81.9% – of all onsite incidents within its jurisdictional boundary during the five-year reporting period. This self-sufficiency has also shown resiliency given the ability to concurrently absorb an 18% increase in actual onside demands over the reporting period from an average of 44 to 47 each day; the latter equaling attending one onsite response every 30 minutes.

Sufficient + Resilient Capacities…
Key measurements generated over the five-year report period show Oceanside has established sufficient resources to meet current and near-term demands and is headlined by being able to exclusively respond to more than four-fifths of all onside incidents.

Other key performance measurements drawn from the report period follow:

- Oceanside's most recent evaluation of structural fire protection capabilities from the Insurance Services Office (ISO) was completed in 2020 and resulted in a Class 2/2x designation, which represents the second-highest available rating.

- As noted in Table A – 6.3d, and consistent with earlier trends, demand for ambulance services increased by 16.9% during the report period. Oceanside has proactively aligned resources to accommodate the increasing demand for ambulance services by successfully sponsoring Measure X in 2018, which was approved by voters and applies a seven-year ½ cent sales tax beginning in 2019 with proceeds directly augmenting ambulance staffing by funding 15 new public safety EMTs. Oceanside has also drawn on Measure X monies to increase the number of ambulances daily from four to six beginning in 2019.[35]

- As noted in Table A – 6.3c, during the five-year measurement period, automatic aid received by Oceanside increased by 22.2% while automatic aid given by Oceanside decreased by (7.7%). Oceanside has begun to address the imbalance by availing its EMT ambulance to automatic aid beginning in 2023.

6.4 Parks and Recreation Services

Parks and Recreation Accounts for 2% of Oceanside's Total Staffing…
Oceanside's park and recreation function is divided into three overlapping classes for purposes of this report: (a) aquatics; (b) parks and open space; and (c) community recreation. Budgeted staffing at the end of the report period covering all three classes equals 21.2 fulltime equivalent positions.

The City of Oceanside's parks and recreation service function dates to the time of incorporation in 1888 with an initial focus on providing beach-related amenities beginning with clearing the shoreline from disregarded pier materials for general public benefit. This function has evolved to include a traditional parks network divided between neighborhood and community sites along with an increasing emphasis on providing open space and trails. The function is divided by LAFCO into three overlapping classes – aquatics, parks and open space, and community recreation – and managed through Oceanside's Park and Recreation Department. (The Parks and Recreation Department was reorganized as a standalone City department beginning in 2021 and underlies the reason for the abbreviated report period applied to this

[35] A component of this program included the evaluation of call triage and priority medical dispatch, wherein 9-1-1 calls were evaluated at the dispatch level based on medically approved screening criteria, and resources were then dispatched based on the level of call acuity. Widely recognized for improving efficiency in resource utilization, this medical priority dispatch system (MPDS) has since been adopted on a Zone-wide basis within the San Diego County North Zone Operational Area. MPDS has been in existence for some time within the City of San Diego and County-wide adoption of policies for implementing such practices is forthcoming.

function.) A description of the parks and recreation service function's capacities, demands, and performances within these three classes follows.

Resources, Current Capacities + Demands

Resources for Oceanside's parks and recreation function and its three overlapping classes are primarily supported by the City General Fund and marked by covering more than nine-tenths of actual expenses during the abbreviated two-year report period. (Information covering the first three years of the report period is not readily available due to the internal reorganization of the Parks and Recreation Department as a stand-alone department beginning in 2021.) The remainder of the funding resources are primarily tied to service charges, donations, and grant monies. The three classes overall account for 2.4% of all City General Fund monies expended by Oceanside over the preceding 24-month period. Close to three-fifths – or 56.4% – of actual expenses spanning all three classes have covered labor costs and marked by funding 21.2 full-time equivalent employees and another 152 extra-help personnel (lifeguards, camp counselors, etc.) at the end of the reporting period. (See Table A – 6.4a.)

Resource Equivalency on the Oceanside General Fund is $32 Per Capita…
General Fund monies have covered 95% of the City of Oceanside's park and recreation function expenses over the abbreviated report period (FY21 to FY22). The total per capita General Fund expense at the end of the report period totals $32.

City of Oceanside
Parks and Recreation Function + Associated Classes
Abbreviated Report Period: FY21 to FY22
Table A – 6.4a | Source: City of Oceanside + SD LAFCO

Categories	(a) Aquatics, (b) Parks and Open Space, and (c) Community Recreation
Actual Total Expenses	
… Average Annual	$5.142 million
… Overall Trend	49.2%
Actual General Fund Expenses	
… Average Annual	$4.864 million
… Overall Trend	37.7%
Average Annual Actuals Covered by General Fund	94.6%
Average Annual Portion of General Fund	2.40%
Per Capita - General Fund Expenses in FY22	$32.27

Specific capacities and resources available within each of the function's three classes follow along with summaries of recent demands.

Aquatics Class:

Oceanside began providing aquatic class activities in the 1950s with the opening of the first of three municipal swimming pools. The original facility – Brooks Swim Center – is located in north-western Oceanside and comprises a seven-lane outdoor heated pool that extends approximately 100 feet in length. A second facility – Marshall Swim Center – was added in the early 1960s in southwestern Oceanside. It comprises a six-lane outdoor heated pool that extends approximately 75 feet in length. The third facility – William Wagner Aquatic Center – was added in 2021 in central Oceanside. It includes multiple outdoor pools and is headlined by an approximate 164-foot pool (olympic size) used for school and regional competitions. All three aquatic facilities are accessible to the public via an entrance fee ranging from $3 to $5. Annual memberships are also available at $350 (individual) to $500 (family).

City of Oceanside
Parks + Recreation Function: Aquatic Class
Table A – 6.4b | Source: City of Oceanside

Site	Location	Pools	Lanes	Restrooms	Lockers	Built
Brooks Swim Center	130 Brooks Street	1	7	Yes	No	1950s
Marshall Swim Center	1404 Marshall Street	1	6	Yes	No	1960s
Wagner Aquatic Center	3306 Senior Center Drive	2	18	Yes	Yes	2020s

With respect to actual service demands, and as reflected in Table A – 6.4c, the average number of swim classes annually offered by Oceanside during the five-year report period has been 299. This amount generates a per capita ratio of 1.7 rentals for every 1,000 residents.[36] The average annual class offering adjusts upward to 375 – or 2.1 classes for every 1,000 residents – less pandemic-associated closures in FY2020 and FY2021. Annual class offerings overall have increased during the report period by three-fifths from 287 in FY2018 to 488 in FY2022 and largely attributed to the opening of the Wagner Aquatic Center. The total annual class participation nearly doubled during the reporting period and in doing so outpaced the expanded class offerings with the average number of participants increasing for every class from 5.4 to 6.2.

[36] LAFCO estimates the five-year average population within the City of Oceanside at 172,962.

City of Oceanside:
Parks + Recreation Function: Aquatics Class Demands
Table A - 6.4c | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Swim Class Offerings	287	349	170	199	488	299	70.0%
Swim Class Participants	1,542	1,710	917	1,278	3,029	1,695	96.4%
…Average Participants Per Class	5.4	4.9	5.4	6.4	6.2	5.7	15.5%

Parks and Open Space Class:

Oceanside began providing general park and open space class activities immediately upon incorporation in 1888 with the ongoing maintenance and improvement of the municipal beaches forming its shoreline against the Pacific Ocean. Oceanside expanded this class in the late 1920s with the development of the City's first of eventual 13 community parks, Parnassus Circle – which was later renamed Buddy Todd Park. The other community parks were subsequently developed over the next 100 years with the most recent addition involving the first of several planned phases of El Corazon Park beginning in 2022. Oceanside also maintains 16 neighborhood parks that have been largely developed incrementally as part of individual subdivision approvals starting in the 1970s. In all, and as shown in Table A – 6.4d, Oceanside maintains 30 park and open space resources (beaches, community, and neighborhood) that collectively total 413.6 acres at the end of the reporting period with 78.0 acres – or 14.5% of the total – added during the 60 months.

City of Oceanside
Parks + Recreation Function: Parks + Open Space Class (General Uses)
Table A – 6.4d | Source: City of Oceanside + SDLAFCO

Site	Type	Acres	BB Courts	BB Diamonds	Multi-Purpose Fields	Restrooms
Beaches	Beach	60.0	No	No	No	Yes
Buddy Todd Park	Community	19.0	Yes	No	Yes	Yes
Capistrano Park	Community	14.0	Yes	Yes	Yes	Yes
El Corazon Park	Community	78.0	No	No	Yes	Yes
Joe Sepulveda Park	Community	19.0	Yes	Yes	No	No
John Landes Park	Community	10.9	Yes	Yes	Yes	Yes
Libby Lake Park	Community	27.6	No	No	No	No
Luiseno Park	Community	10.0	No	No	Yes	Yes
Buchanan Park	Community	29.0	No	No	Yes	Yes
Marshall Park	Community	4.0	No	No	Yes	Yes
MLK Jr. Park	Community	15.0	No	Yes	Yes	Yes
Oak Riparian Park	Community	26.7	No	Yes	Yes	Yes
Rancho Park	Community	16.5	No	No	Yes	Yes
Ron Ortega Park	Community	15.3	No	Yes	No	Yes
Alamosa Park	Neighborhood	7.0	No	No	Yes	Yes
Buccaneer Park	Neighborhood	6.4	Yes	No	Yes	Yes

Cesar Chavez Park	Neighborhood	0.1	Yes	No	No	No
Fireside Park	Neighborhood	4.0	Yes	Yes	Yes	Yes
Heritage Park	Neighborhood	4.0	No	No	No	Yes
Ivey Ranch Park	Neighborhood	11.1	No	No	No	No
Carrasco Park	Neighborhood	3.4	No	No	Yes	No
Lake Park	Neighborhood	10.0	No	Yes	No	Yes
Lion's Club Park	Neighborhood	0.5	No	No	Yes	No
Marlando Park	Neighborhood	6.0	No	No	Yes	No
Palisades Park	Neighborhood	6.4	No	Yes	Yes	No
Oceanside Park	Neighborhood	4.0	No	Yes	Yes	No
Spring Creek Park	Neighborhood	3.0	No	No	Yes	No
Seagaze Park	Neighborhood	0.6	No	No	No	No
Tyson Street Park	Neighborhood	1.6	No	No	Yes	Yes
Women's Club Park	Neighborhood	0.5	No	No	No	No
	Acreage Totals:	413.6				

In addition to the 30 general parks and open space resources summarized above, Oceanside also offers specialty sports parks dedicated to golf, skateboarding, and biking. Oceanside's two municipal golf courses – Oceanside (1972) and Goat Hill (1952) – are both 18-holes and collectively add another 219.5 acres of publicly accessible park/recreation acres. Oceanside's lone dedicated skatepark – Alex Road – was opened in 2013 and is approximately 0.5 acres in size. Oceanside also operates five other skateboard facilities – Landes, Libby, Lake, MLK, and Melba Bishop – that have been added to existing park sites between 2003 and 2008. Oceanside's San Luis Rey River Trail separately provides bicyclists 18 miles (round-trip) of paved trails along the San Luis Rey River and is free of any stop signs or signals.

With respect to actual service demands, and as reflected in Table A – 6.4e, the average annual rentals for Oceanside's baseball/softball fields (diamonds) – which historically generate the most rentals among the City's parks and open space class – during the five-year report period has been 36. This amount generates a per capita ratio of 0.21 rentals for every 1,000 residents. The average annual diamond rental total adjusts upward to 49 – or 0.29 rentals for every 1,000 residents – less pandemic-associated closures in FY2020 and FY2021. Overall, diamond rentals for Oceanside have decreased during the report period by two-fifths from 58 in FY2018 to 34 in FY2022. Conversely, rental demands for both multi-use fields (soccer, etc.) and tennis courts have increased during the report period with the former becoming the largest rental source within Oceanside's parks and open-space class during the final year in FY2022.

City of Oceanside:
Parks + Recreation Function: Parks + Open Space Class Demands
Table A – 6.4e | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Diamond Field Rentals	58	56	27	6	34	36.2	(41.4%)
Multi-Use Field Rentals	38	49	28	6	45	33.2	18.4%
Tennis – Pickleball Court Rentals	9	12	18	2	19	12.0	111.1%
Roller Hockey Rink Rentals	25	16	4	1	15	12.2	(40.0%)

Community Recreation Class:

Oceanside's community recreation class activities began in the late 1910s with the original construction of the Oceanside Pier Amphitheater to accommodate civic and performance arts ranging from outdoor ceremonies to local theatre and movies. Oceanside expanded the class activities beginning in the 1950s to include the first of four community centers with the opening of the City's first multi-use gymnasium – now the Junior Seau Community Center – next to the Pier Amphitheater. Oceanside's other three community centers – Landes, Balderrama, and Melba – subsequently opened between 1963 and 1974 with the latter providing the City's second multi-use gymnasium. Oceanside also established the first of two senior-oriented facilities in the early 1990s with the opening of the Country Club Senior Center. A second senior center – El Corazon – opened in 2009. Residents 65 years of age or older can receive transportation to and from the senior centers through the *Go Oceanside* program. A full listing of community recreation class facilities follows in Table A – 6.4f.

City of Oceanside
Parks and Recreation Function: Community Recreation Class
Table A – 6.4f | Source: City of Oceanside

Site	Type	Acres	Primary Use	Restrooms	Built
Pier Amphitheater	Performance Arts	1.0	Amphitheater	Yes	1910s
Junior Seau Center	Community Center	1.0	Gymnasium	Yes	1950s
Landes *	Community Center	10.9	After School Program	Yes	1960s
Balderrama *	Community Center	3.9	Community Auditorium	Yes	1970s
Melba *	Community Center	17.6	Gymnasium	Yes	1970s
Country Club	Senior Center	3.0	Daily Lunch	Yes	1990s
El Corazon *	Senior Center	78.0	Wellness	Yes	2009

* Acre amounts include adjacent parklands

Specific demands associated with the community recreation class have not been developed at the time of the draft report's publication.

Performance Measurements

The City of Oceanside's park and recreation function and its three service classes continue to evolve and expand – albeit not necessarily uniformly – in line with community needs. The aquatics and parks and open space classes experienced substantive capacity expansions during the five-year report period via the completion of two planned capital improvements further cementing the El Corazon complex in mid-city Oceanside as a local and regional recreational hub. The William Wagner Aquatics Center opened in 2021 after a three-year construction effort and effectively two-folded Oceanside's previous aquatic class capacity by doubling the number of public swimming pools and lanes available to the community. The community responded affirmatively with swim class offerings and swim class participants increasing during the reporting period by 70 and 96%, respectively. Separately, the first of several planned phases of the El Corazon Community Park came online in 2022. It involves 78.0 acres and singularly has expanded Oceanside's previous park and open space class capacity by 15%. No capacity expansions involving the third and final class – community recreation – were added during the reporting period although existing programs at the two senior centers continue to adjust resources with needs. Examples include starting and expanding a senior nutrition program as well as establishing senior art ("zine") classes through awarded grant monies during the reporting period.

With regards to other material performance measurements:

- Oceanside's 413.6 acres of parkland acreage at the end of the reporting period translates to 2.4 acres for every 1,000 residents. This ratio is more than one-fifth – or the equivalent of 110.3 acres – below the minimum municipality standard of 3.0 acres of parkland for every 1,000 residents in State law (Quimby Act).

- The Oceanside General Plan establishes a policy directing the City to "strive" to achieve 5.0 acres of parkland acreage for every 1,000 residents (Community Facilities Element, Parks and Recreation Policy No. 1.3). Oceanside's parkland acreage of 413.6 at the end of the reporting period falls more than one-half – or the equivalent of 459.5 acres – below the City's adopted policy goal.

- Oceanside maintains memorandums of understanding with local schools (public and private) to make available to the public an additional 115 acres of parkland acreage via nearly two dozen sites in the City. These agreements – pertinently – bridge the existing gap under the Quimby Act and raise

Oceanside's parkland ratio to 3.0 acres for every 1,000 residents. These agreements separately close the gap by one-fifth under the Oceanside General Plan from 459.5 to 344.5 acres.

6.5 Community Development

The City of Oceanside's community development service function is most closely tied to implementing the City General Plan and blueprint role therein to concurrently shape the physical footprint as well as quality of life within the jurisdictional boundary. This function spans two Oceanside departments – Development Services and Housing and Neighborhood – and is collectively divided by LAFCO into five distinct classes: planning; building; code enforcement; engineering; and housing assistance. A description of the community development service function's capacities, demands, and performances within these five classes follows.

Community Development Accounts for 10% of Oceanside's Total Staffing…
Oceanside's community development function is divided into five broad classes for purposes of this report: (a) planning; (b) building; (c) code enforcement; (d) engineering; and (e) housing assistance. Budgeted staffing at the end of the report period covering all five classes equals 98.5 fulltime equivalent positions.

Resources, Current Capacities, + Demands

Oceanside's community development function and its five distinct class activities draw on multiple funding sources to offset demands on the City General Fund. Four of the classes – planning, building, code enforcement, and engineering – operate within the Development Services Department and are primarily funded by a combination of service charges, license and permit fees, fines and penalties, and intergovernmental monies. These revenue sources have funded nearly three-fourths of actual expenses within these four classes over the five-year report period with the remainder covered by the City General Fund. These four classes overall account for 4.8% of all City General Fund monies expended by Oceanside over the preceding 60-month period. Separately, close to four-fifths of funding for the fifth class involving housing assistance is covered by federal community development block grants monies with the remainder supported by the City General Fund; an amount equaling 2.8% of all City General Fund expenses during the 60 months. (See Table A – 6.5a.)

Resource Equivalency on the Oceanside General Fund is $70 Per Capita…
Oceanside's community development service function and its five classes collectively account for 8.0% of City General Fund expenditures during the five-year report period. The total per capita General Fund expense for community development function at the end of the report period totals $70.

City of Oceanside
Community Development Function
Five Year Report Period: FY18 to FY22
Table A – 6.5a | Source: City of Oceanside + SD LAFCO

Categories	Planning, Building, Code Enforcement + Engineering	Housing Assistance
Actual Total Expenses … Average Annual … Overall Trend	 $31.628 million (3.5%)	 $31.555 million 21.8%
Actual General Fund Expenses … Average Annual … Overall Trend	 $8.825 million 39.1%	 $5.057 million (76.0%)
Average Actuals Covered by General Fund	27.9%	16.1%
Average Annual Portion of General Fund	4.8%	2.8%
Per Capita - General Fund Expenses in FY22	$61.61	$8.80

Specific capacities and resources available within each of the community development function's five classes follow along with summaries of recent demands.

Planning Class:
Oceanside's planning class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve preparing advanced planning documents, processing current development proposals, coordinating interagency reviews, and performing environmental analyses.[37] Notable deliverables associated with the planning class include processing development applications, preparing five-year updates to the housing element, and staffing the Planning Commission. Most development applications require approval at notice hearings either by the Planning Commission and/or the City Council. Budgeted staffing dedicated to planning class activities totaled 13.2 full-time equivalent employees at the end of the report period. This amount reflects an overall budgeted staffing change of 10.9% over the preceding 60-month period.

Submittals Outpacing Completions…
The annual number of application submittals during the reporting period has outpaced available resources in the planning class by three to one

Concerning actual service demands, and as reflected in Table A – 6.5b, the average annual number of planning applications received by Oceanside during the five-year report period has been 182.8. The overall change in the annual number of applications received during the 60 months has been (4.8%). The largest portion of application filing involves

[37] This includes interpreting and implementing the Oceanside General Plan, which was last comprehensively updated in 2002 and includes three optional elements: community facilities; hazardous waste management; and military reservation.

entitlements and represents more than two-thirds of the average annual total. The average annual number of planning applications acted on – irrespective of outcome – has been 64 during the reporting period; the collective result is a 3.0 to 1 ratio of submittals to completions (actions).

City of Oceanside:
Community Development Function: Planning Demands
Table A – 6.5b | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Planning Applications Received	**188**	**210**	**163**	**174**	**179**	**182.8**	**(4.8%)**
… General Plan Amendment	-	1	2	1	1	1.0	100.0%
… Zoning Change	1	2	2	-	3	1.6	200.0%
… Subdivision Map	5	6	5	6	7	5.8	40.0%
… Parcel Map	11	10	4	-	5	6.0	(54.5%)
… Other	108	124	93	106	105	107.2	(2.8%)
Approvals (action)	76	78	73	52	41	64.0	(46.1%)
Denials (action)	-	-	1	-	1	0.4	100.0%
Application to Action Ratio	2.47 to 1	2.69 to 1	2.20 to 1	3.35 to 1	4.26 to1	2.99 to 1	72.5%

Building Class:

Oceanside's building class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve performing building plan reviews, processing permit applications, and conducting onsite inspections for residential and commercial buildings during all stages of construction, repair, and/or renovation.[38] Notable deliverables are headlined by issuing building permits (major, minor, and miscellaneous) to authorize applicants with the legal authority to complete construction work. Budgeted staffing dedicated to building class activities totals 19.13 full-time equivalent employees at the end of the reporting period. This amount reflects an overall budgeted staffing change of 1.6% over the preceding 60-month period.

Concerning actual service demands, and as reflected in Table A – 6.5c, the average annual number of building permits issued by Oceanside during the five-year report period has been 4,395. This amount reflects an overall increase during the preceding 60 months of 97.0%. The average annual number of building permits issued is further distinguished between minor and major with the former issued over the counter and the

Jump in Building Permit Volume…
Oceanside has experienced a significant increase in total building permit volume during the reporting period with issuances almost doubling from the equivalent of 9 per day in 2018 to 18 per day in 2022. The aggregate value of building permits has also increased by more than one-third from $328.6 million to $445.7 million in 2022.

[38] This includes interpreting Title 24 of the California Code of Regulations, which concurrently serves as the adopted code standards for Oceanside and covers all construction regulations – including building, housing, plumbing, and electrical.

latter requiring inter-agency reviews. Minor permits commonly involve repairs, non-structural alterations, and electrical and account for 8.2% of the average annual issuances during the reporting period. Major permits commonly involve new construction, structural alterations, and demolitions and account for the remaining 85.6% of the average annual issuances.

City of Oceanside:
Community Development Function: Building Demands
Table A – 6.5c | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Building Permits Issued	3,307	3,204	3,591	5,360	6,514	4,395.2	97.0%
… Valuation *	$328.572	$236.368	$169.501	$296.045	$445.665	$295.230	35.6%
… Major Permits	315	434	314	358	372	358.6	18.1%
… Minor Permits	2,744	2,511	2,936	4,689	5,939	3,763.8	116.4%
… Miscellaneous Permits	248	259	341	313	203	272.8	(18.1%)

* Amount in Millions

Code Enforcement Class:

Oceanside's code enforcement class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve addressing blight and nuisance issues affecting private property uses and structures as well as other quality-of-life matters within Oceanside – including vehicle abatement, noise pollution, and homeless encampment.[39] Notable deliverables are headlined by investigating citizen complaints and issuing violation notices and fines. Budgeted staffing dedicated for code enforcement class activities totals 15.1 full-time equivalent employees at the end of the reporting period.

Concerning actual service demands, and as shown in Table A – 6.5d, the average annual number of code enforcement cases opened by Oceanside during the five-year report period has been 5,425 – or 14.9 daily – with a spike occurring in 2020 at 6,410. Overall, the annual number of code enforcement cases opened has declined over the preceding 60 months by (11.1%). Conversely, the average annual number of code enforcement cases closed – irrespective of the year initiated – has been 5,360.[40] Oceanside finished the reporting period with a nearly matching average annual ratio of case openings to case closures at 1.01 to 1.0.

Keeping Up with Demands…
Oceanside finished the reporting period with a nearly matching average annual ratio of code enforcement case openings to case closures at 1.01 to 1.

[39] This relatedly includes interpreting and implementing potential violations under the Zoning Ordinance.
[40] Additional information is needed to distinguish between cases closed through voluntary compliance versus enforcement.

City of Oceanside:
Community Development Function: Code Enforcement Demands
Table A - 6.5d | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Cases Opened	5,344	5,609	6,410	5,008	4,753	5,424.8	(11.1%)
Cases Closed	5,320	5,753	6,078	4,938	4,709	5,359.6	(11.5%)
Openings to Closures Ratio	1.00 to 1	0.97 to 1	1.06 to 1	1.01 to 1	1.01to 1	1.01 to 1	1.0%

Engineering Class:

Oceanside's code enforcement class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve inspecting public and private construction projects, administering civil engineering and land surveying contracts, and providing capital project design services to other City divisions and departments. This relatedly includes engineering class staff interpreting and implementing Oceanside's Engineers' Design and Processing Manual, which was adopted in 1991 and outlines City guidelines and requirements ranging from subdivision maps to utility design standards. Notable deliverables are maked by processing and approving landscaping plans and grading permits. Budgeted staffing dedicated to engineering class activities totals 25.3 full-time equivalent employees at the end of the reporting period. This amount reflects an overall budgeted staffing change of 6.2% over the preceding 60-month period.

Concerning actual service demands, and as shown below in Table A – 6.5e, the average annual number of landscaping plans received by Oceanside for processing during the five-year report period has been 28.8 – or close to one every two weeks. The overall change in the annual number of submitted plans over the preceding 60 months has been 105.0%. The average annual number of landscape plan actions (approvals or denials) by Oceanside – irrespective of the year initiated – has been 14.2 – or close to one every four weeks. Separately, the average annual number of grading permits received by Oceanside has been 42 – or nearly one every week - with an overall trend of 15.8%. The average annual number of actions taken on grading permits – irrespective of the year initiated – has been 25, which is close to one every two weeks. Oceanside finished the reporting period with more than a double average in the annual ratio of the number of new submittals versus actions for landscape plans and grading permits at 2.2 to 1 and 2.3 to 1, respectively.

Annual Submittals are Outpacing Completions by Two-Fold…
The annual number of landscape plans and grading permits received by Oceanside during the reporting period have outpaced available resources in the engineering class by more than two-to-one (i.e., more than two new submittals are received for each filing completed).

City of Oceanside:
Community Development Function: Engineering Demands
Table A – 6.5e | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Landscape Plans Received	20	20	30	33	41	28.8	105.0%
… Actions: Approvals or Denials	16	13	13	19	10	14.2	(37.5%)
Grading Permit Applications Received	38	37	54	37	44	42.0	15.8%
… Actions: Approvals or Denials	31	25	39	22	8	25.0	(74.2%)
Ratio of Filings to Actions							
… Landscape Plans	1.25 to 1	1.53 to 1	2.31 to 1	1.74 to 1	4.1 to 1	2.19	228.0%
… Grading Permits	1.23 to 1	1.48 to 1	1.39 to 1	1.68 to 1	5.5 to 1	2.27	347.2%
… Total	**1.23 to 1**	**1.50 to 1**	**1.62 to 1**	**1.71 to 1**	**4.7 to 1**	**2.15**	**282.1%**

Housing Assistance Class:

Oceanside's housing assistance class activities are organized as a stand-alone division under the Housing and Neighborhood Services Department. Principal activities involve administering rental assistance programs, coordinating homeless services with local non-profit providers, and overseeing a mobile home rent control ordinance.[41] Notable deliverables include processing rental assistance applications and issuing "Section 8" housing vouchers. (Related measurables include performing initial and annual housing inspections.) Budgeted staffing dedicated to housing assistance class activities totals 19 full-time equivalent employees at the end of the reporting period.[42] This amount reflects an overall budgeted staffing change of 5.5%.

High Demand for Housing Assistance Leading to Long Wait Times…
Oceanside's Section 8 housing voucher program finished the reporting period with 1,341 participants - an amount leaving more than 4,800 on a waiting list. The current wait time for most to transition from the waitlist to participant is nearly 10 years.

Concerning actual service demands, and as shown below in Table A – 6.5f, the average annual number of rental assistance voucher (Section 8) participants administered by Oceanside during the five-year report period has been 1,396. The overall change in the annual number of voucher participants over the preceding 60 months has been (3.5%). A rolling waiting list is maintained by Oceanside with the current number of listees totaling 4,861 – which is more than three times greater than the number of actual participants. The corresponding average monthly rental subsidy cost has increased during the 60 months from $1,010 to $1,264, which reflects an overall change of 25.1% and above the corresponding change in inflation over the same period.[43] The overall average

[41] Oceanside's Mobile Home Rent Control Ordinance was implemented in 1985 and limits annual rent increases to the lesser of 8% or 75% of the annual consumer price index. At the end of the reporting period, there are 17 mobile home parks in Oceanside subject to the ordinance with a combined total of 2,018 spaces.
[42] Oceanside has dedicated housing assistance staff including several staff offering some hours of assistance to the program.
[43] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

subsidy separately equals 60.5% of the corresponding median rent in Oceanside during the reporting period.

City of Oceanside:
Community Development Function: Housing Assistance Demands
Table A 6.5f | Source: City of Oceanside, ACS, + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Section 8 Participants	1,390	1,398	1,414	1,435	1,341	1,396	(3.5%)
Monthly Average Subsidy	1,010	1,073	1,155	1,211	1,264	$1,143	25.1%
… Median Monthly Rental	1,815	1,815	1,803	1,934	2,065	$1,886	13.8%
… Subsidy as Percent of Median Rent	55.6	59.11	64.1	62.6	61.2	60.5%	10.1%
Section 8 Waiting List	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Performance Measurements

Big Picture Focus on Housing…
Providing housing is a central legislative consideration prescribed to LAFCO in its task to facilitate all communities' social and economic welfare through orderly growth and development. Oceanside's ability to accommodate housing at all levels through the State's RHNA, accordingly, process serves as a key and cascading performance measurement in assessing the community development function and related classes.

An increasing emphasis on assessing community development performance pertinent to LAFCOs' legislative interest is the ability of land use authorities (i.e., counties and cities) to sync housing opportunities with household incomes. This emphasis is reflected in the State of California requiring all counties and cities to sufficiently plan to meet the housing needs of everyone in their respective communities as stand-alone elements of general plans. Towards this end, these agencies' housing elements must identify adequate sites zoned and available within an eight-year housing cycle to meet their regional housing needs assessment (RHNA) at all prescribed income levels (very low, low, moderate, and above moderate relative to area median income or AMI). Additional statewide considerations follow.

- All housing elements must be internally consistent with the general plans and approved by the State's Department of Housing and Community Development or "HCD." Recent legislation tasks local agencies to submit annual reports to HCD on housing elements implementation beginning April 2018.

- Immediate repercussions for not receiving HCD approval include limitations on State funding programs as well as increased exposure to lawsuits and the potential therein for court orders that reduce and/or suspend local control over building and development activities.

Oceanside's Housing Element for the most recently completed RHNA cycle (April 2013 to April 2021) was certified by HCD in October 2013 and covers the first three and half years of the five-year reporting period. This fifth cycle assigned Oceanside an overall RHNA sum of 6,210 units with three-fifths – or 61.5% – categorized as very low-, low-, and moderate-income levels. At the end of the fifth cycle, Oceanside self-reported overall attainment of 40.6% of its RHNA assignment as measured by issuing building permits for 2,520 new housing units. Two-thirds – or 65.4% – of all Oceanside building permits during the fifth cycle are tied to accommodating above-moderate income housing with the balance spread among the three other income categories (i.e., very low, low, and moderate).

Mixed Results in Fifth Cycle…
Oceanside's housing element for the most recently completed fifth cycle (2013-2021) earned certification by HCD and in doing so outlined an otherwise reasonable path to accommodating its RHNA allocation of 6,210 new housing units via the City's Zoning Ordinance. Actual building – however - fell short with only 41% of the RHNA units being permitted by the end of the cycle.

As shown in Tables A-6.5g and A-6.5h, Oceanside's overall attainment levels fall short of the overall average generated among all land use jurisdictions in San Diego County, which collectively met 58.5% of RHNA assignments as measured by building permit issuances – albeit with 88.5% accommodating above-moderate income housing. However, and specific to the most critical need categories, Oceanside's attainment rate for addressing very low and low housing units finished at 19.5% and above the 19.2% rate among all land use authorities in San Diego County.

Regional Comparison Amplifies Mixed Results in Fifth Cycle…
Oceanside's overall RHNA attainment of 41% for the fifth cycle falls below the combined attainment of 59% for all land use authorities in San Diego County. However, and specific to the most critical categories, Oceanside's very low and low attainment rate is 20% and above the combined 19% rate for San Diego County.

City of Oceanside:
Community Development Function: RHNA Results
Fifth Cycle: April 2013 to April 2021
Table A – 6.5g | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	1,549	1,178	1,090	2,393	6,210
New Building Permitted	336	197	338	1,649	2,520
Ending Attainment	21.7%	16.7%	31.0%	68.9%	40.6%

San Diego County:
Community Development Function: Most Recent RHNA Results
Fifth Cycle: April 2013 to April 2021
Table A – 6.5h | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	36,450	27,700	30,610	67,220	161,980
New Building Permitted	5,305	7,012	3,920	78,528	88,765
Ending Attainment	14.6%	25.3%	12.8%	116.8%	58.5%

* San Diego County AMI in 2021: $95,100
- Very Low: 50% or less of AMI ($47,550 or lower)
- Low: 50% to 80% of AMI ($47,550 to $76,080)
- Moderate: 80% to 120% of AMI ($76,080 to $114,120)
- Above Moderate: 120% or more of AMI ($114,120 or more)

Oceanside's Housing Element for the current RHNA cycle (April 2021 to April 2029) was certified by HCD in November 2023 and captures the final year and a half covering the reporting period. This sixth cycle assigns Oceanside an overall RHNA sum of 5,443 units with three-fourths – or 74.1% – categorized as very low-, low-, and moderate-income levels. This latter grouping represents a 20.5% increase over the prior cycle. With respect to progress with one-fourth of the sixth cycle complete, Oceanside self-reports an overall attainment of 20.7% of its RHNA assignment as measured by issuing building permits for 1,124 new housing units. Close to four-fifths – or 77.7% – of all Oceanside building permits issued during the sixth cycle at the close of the reporting period tie to accommodating above-moderate income housing with the balance spread among the three other income categories (i.e., very low, low, and moderate). Should the current progress hold over the balance of the cycle, Oceanside will accommodate 82.6% of its overall RHNA assignment – or 4,496 new housing units. However, this progression is top-heavy with excess attainment in meeting above moderate needs while very low and low needs fall significantly short. Oceanside's Table A – 6.5i below summarizes Oceanside and San Diego County's RHNA assignments and implementation to date for the current cycle ending in April 2029.

Mixed Results Continue Going Forward in Sixth Cycle…
Progress through the end of the reporting period suggests Oceanside is on pace to finish the sixth cycle with permitting 83% of its RHNA allocation of 5,443 units. The projection, however, is top heavy with a surplus of above-moderate units being permitted while permitting only 3% of Oceanside's very low and low unit assignments.

City of Oceanside:
Community Development Function: Current RHNA Cycle
Sixth Cycle: April 2021 to April 2029
Table A – 6.5i | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	1,268	718	883	2,574	5,443
New Building Permitted	23	33	209	859	1,124
Current Attainment (1/4th of Cycle)	1.8%	4.6%	23.7%	33.4%	20.7%
Projected Attainment at Cycle End	7.2%	18.4%	94.8%	133.6%	82.8%

7.0 FINANCES

7.1 Budget and Actuals

With respect to expenses, the City of Oceanside's total adopted annual budgets covering all of its municipal activities and planned costs have averaged $488.235 million during the five-year report period. The most recent budget amount falls 11.9% above the five-year average tally at $546.794 million with the largest apportionment covering day-to-day expenses via the General Fund at $188.184 million. Most of the remaining total budgeted expenses are apportioned among the Enterprise (water, wastewater, etc.) and Special Funds (transportation, community block grants, etc.) as detailed in Table A – 7.1a.

Budgeting Oceanside Costs…
Oceanside's total adopted budget at the end of the five-year report period covering costs is $546.7 million with the single largest apportionment dedicated to the General Fund. Overall, Oceanside's total budgeted costs – i.e., the expected expense to run all City activities – have increased by 41% over the reporting period.

City of Oceanside
Total Budgeted Expenses
Table A – 7.1a | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	145.238	151.741	172.861	170.156	188.184	165.636	29.57
Special	41.736	40.314	46.445	50.429	62.638	48.312	50.08
Debt Service	12.438	12.630	12.393	7.989	8.174	10.725	(34.28)
Capital Project	4.698	5.275	19.666	19.343	21.130	14.022	349.77
Enterprise	121.528	121.997	252.540	205.690	185.115	177.374	52.32
Internal Services	61.908	65.865	71.836	76.318	78.171	70.820	26.27
Other	0.0	0.0	0.0	3.346	3.383	1.346	n/a
* Total	$387.546	$397.822	$575.740	$533.271	$546.794	$488.235	41.09%

* Amounts in millions

Oceanside's overall actual expenses during the five-year report period have averaged $492.886 million and slightly above – specifically 3.5% – budgeted expectations. The most recent actual amount expended by Oceanside is 16.2% above the five-year average tally at $570.791 million with the largest expense covering day-to-day operations in the General Fund at $205.827 million. The overall average per capita expense during the report period is $2,850 with starting and ending amounts of $2,542 and $3,268; an increase of 28.6%. A breakdown of all actual expenses booked by Oceanside during the reporting period follows in Table A - 7.1b.

Oceanside's Actual Costs...
Oceanside's total actual costs incurred at the end of the five-year report period is $570.8 million with an overall period variance rate relative to budgeted amounts of 31.1%. The average total actual per capita cost over the 60-month period is $2,850.

City of Oceanside
Total Actual Expenses
Table A – 7.1b | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	162.309	156.028	183.681	168.133	205.827	175.196	26.8
Special	45.953	50.127	43.180	55.173	68.480	52.583	49.0
Debt Service	9.203	9.339	9.765	12.2313	12.266	10.561	33.3
Capital Project	9.140	12.038	17.204	33.1133	14.009	17.101	53.3
Enterprise	133.235	139.075	176.898	175.3223	189.505	162.807	42.2
Internal Services	60.696	66.789	68.752	69.121	80.703	69.212	33.0
Other	14.984	6.752	4.619	0.775	0.0	5.426	n/a
* Total	$435.521	$440.148	$504.100	$513.868	$570.791	$492.886	31.1%
Expenses Per Capita:	$2,542	$2,557	$2,915	$2,957	$3,269	$2,850	28.6%

* Amounts in millions

With respect to revenues, Oceanside's total adopted annual budgets covering all of its municipal activities and expected incomes have averaged $479.651 million during the five-year report period. The most recent budget amount lies 14.2% above the five-year average tally at $547.903 million. All-purpose revenues via the General Fund represent one-third of the total budgeted amount with 39.8% therein expected from property taxes. All budgeted revenues are detailed in Table A – 7.1c.

Budgeting Oceanside Revenues...
Oceanside's total adopted budget at the end of the five-year report period covering all revenues is $547.9 million with one-third sourced to all-purpose income via the General Fund. Overall, Oceanside's total budgeted revenues – i.e., the expected income to support all City activities – have increased by 25% over the report period.

City of Oceanside
Total Budgeted Revenues
Table A – 7.1c | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	145.990	152.856	173.480	170.848	187.396	166.114	28.36
Special	59.820	46.144	46.038	53.981	66.643	54.525	11.41
Debt Service	12.806	12.723	12.476	7.378	7.538	10.584	(41.14)
Capital Project	6.490	8.549	21.544	14.234	23.501	14.864	262.11
Enterprise	148.315	155.727	161.164	161.861	179.387	161.291	20.95
Internal Services	64.103	65.487	71.054	73.261	79.383	70.658	23.84
Other	0.0	0.0	0.0	4.021	4.055	1.615	n/a
*** Total**	**$437.522**	**$441.487**	**$485.756**	**$485.585**	**$547.903**	**$479.651**	**25.23%**

* Amounts in millions

Oceanside's overall actual revenues during the five-year report period have averaged $530.519 million and measurably above – and specifically by 10.4% – budgeted expectations. The most recent actual amount of revenue collected by Oceanside is 17.0% above the five-year average tally at $620.623 million with the largest income source tied to the General Fund at $213.628 million. The overall average per capita expense during the report period is $3,067 with starting and ending amounts of $2,626 and $3,554; an increase of 35.4%.

Oceanside's Actual Revenues...
Oceanside's total actual revenues collected at the end of the five-year report period is $620.6 million with an overall period variance rate relative to budgeted amounts of 38.0%. The average total actual per capita cost over the 60-month period is $3,067.

A breakdown of all actual revenues collected follows in Table A – 7.1d.

City of Oceanside
Total Actual Revenues
Table 7.1d | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	154.769	165.906	186.139	192.069	213.628	182.502	38.0
Special	44.774	52.722	45.576	53.699	73.905	54.136	65.1
Debt Service	9.278	9.462	9.064	7.395	11.818	9.403	27.4
Capital Project	14.704	12.301	47.867	17.136	26.202	23.642	78.2
Enterprise	161.524	166.826	194.648	199.941	210.983	186.784	30.6
Internal Services	61.099	67.213	70.255	71.904	80.163	70.127	31.2.
Other	3.682	3.285	4.916	3.809	3.924	3.926	6.6
*** Total**	**$449.830**	**$477.715**	**$558.475**	**$545.953**	**$620.623**	**$530.519**	**38.0**
Revenues Per Capita:	$2,626	$2,775	$3,228	$3,142	$3,554	$3,067	35.4%

* Amounts in millions

7.2 General Fund Activities

Sizing General Fund Costs...
Actual annual General Fund expenses are increasing and marked by the annual per capita share rising by 25% from $947 to $1,179 over the five-year report period year.

A closer review of the City of Oceanside's General Fund and its role to transact most public-facing municipal services shows actual annual expenses over the five-year report period are rising with an overall increase of 26.8%. The average annual actual expense has been $175.196 million with the final year amount tallying $205.827 million, which is 17.5% above the period mean and underlies the upward trajectory in costs. In terms of uses, more than one-half of all actual General Fund expenses during the reporting period ties to funding public safety with fire and police collectively accounting for 51.8% of all outlays. The overall annual actual General Fund expense on a per capita basis has separately increased during the report period from $947 to $1,179 – a change of 24.5%.

Sizing General Fund Revenues...
Actual annual General Fund revenues are increasing and marked by the annual per capita share rising by 32% from $903 to $1,223 over the five-year report period year.

Actual annual revenues within the Oceanside General Fund are also increasing during the report period, and materially at a rate two-fifths higher than the corresponding rise in expenses. The average annual actual revenue has been $182.502 million with the final year amount tallying $213.628 million, which is 14.5% above the period mean and substantiates the upward trajectory in income. A key factor underlying this dynamic involves the implementation of Measure X's ½ cent sales tax beginning in earnest in 2019-2020. This sales tax has directly contributed to an 8.0% expansion in General Fund revenues over the last three years of the reporting period with an aggregate value of $15.941 million. Aside from the more recent enhancement tied to Measure X, property tax monies remain by far Oceanside's most valuable revenue source and has accounted for $0.38 for every $1.00 in General Fund income received during the reporting period. Overall annual actual General Fund expense on a per capita basis has separately increased from $903 to $1,223 – a change of 35.4%.

A summary of actual General Fund expenses and revenues during the reporting period follows in Table A – 7.2a.

City of Oceanside
Actual General Fund Expenses and Revenues
Table A – 7.2a | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Expenses	$162.309	$156.028	$183.681	$168.133	$205.827	$175.196	26.8%
Revenues	$154.769	$165.906	$186.139	$192.069	$213.628	$182.500	38.0%
… Property Tax	…61.606	…64.970	…68.425	…72.749	…76.746	…68.899	…24.6
… Sales/Use Tax	…22.672	…24.155	…23.815	…27.016	…30.755	…25.683	…35.7
… Hotel Tax (TOT)	…7.944	…8.510	…7.360	…9.282	…14.842	…9.587	…86.8
… Measure X	…0.0	…2.737	…13.236	…16.360	…18.230	…10.113	…n/a
… Other	…62.613	…65.534	…73.303	…66.662	…73.055	…68.218	…16.7
Per Capita Expense:	$947	$906	$1,062	$967	$1,179	$1,012	24.5%
Per Capita Revenue:	$903	$964	$1,076	$1,105	$1,223	$1,054	35.4%

* Amounts in millions

With respect to available reserves, Oceanside's General Fund at the end of the reporting period totals $112.552 million in spendable monies. This final year amount is more than one-fourth above the five-year average tally of $88.370 million and tracts with the overall increase in the fund balance of 69.2%. The unrestricted portion of the balance available to use for any purposes tallies $96.821 million and is equivalent to covering 5.6 months of operating expenses. Oceanside Policy No. 200-08 specifies the City maintains a minimum amount of unrestricted reserves as committed monies equal to 12% of its adopted General Fund operating expenditures. Oceanside achieved this policy threshold in four of the five years spanning the reporting period with the notable exception of 2019-2020. A breakdown of the General Fund spendable balance follows in Table A – 7.2b.

Covering Unanticipated Events…
Oceanside's spendable reserves within its General Fund totals $96.8 million at the end of the five-year report period and equal to five plus months of operating expenses Oceanside separately maintained its reserve policy of no less than 12% of General Fund operating expenditures as committed monies in all years except in 2019-2020.

City of Oceanside
General Fund: Spendable Fund Balance
Table A – 7.2b | Source: City of Oceanside + SDLAFCO

Designation	2018	2019	2020	2021	2022	Average	Trend
Restricted	9.994	10.538	11.148	18.614	15.731	13.202	57.4
Committed	22.304	20.414	20.425	21.917	23.815	21.775	6.8
Assigned	33.134	44.580	49.143	47.732	55.894	46.097	68.7
Unassigned	1.107	1.547	0.222	16.477	17.112	7.293	1445.5
*** Total**	**$66.539**	**$77.079**	**$80.939**	**$104.740**	**$112.552**	**$88.370**	**69.2%**
*** Unrestricted**	**$56.545**	**$66.541**	**$69.790**	**$86.126**	**$96.821**	**$75.165**	**71.2%**

* Amounts in millions

7.3 Financial Statements

The City of Oceanside contracts with an outside accounting firm to prepare an annual report to review of its financial statements under established governmental accounting standards. This includes auditing Oceanside's statements for verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Oceanside's short and long-term fiscal health based on an accrual accounting method, i.e., recording revenues and expenses ahead of actual payment. All outside audits prepared during the five-year report period have been performed by Lance, Soll & Lunghard, LLP (Sacramento).

Oceanside's most recent financial statements for the five-year report period were issued for 2021-2022. These statements show Oceanside experienced a sizeable improvement over the prior fiscal year as the overall net position covering all activities and related associations – including the Oceanside Small Craft Harbor District – increased by 24.9% from $909.6 million to $1.136 billion. Adjusting to pre GASB 68 and GASB 75 reporting standards and the listing of agencies' proportionate share of pension and other post-employment benefit liabilities, Oceanisde overall net position increases to $1.270 billion.[44] The accompanying letter to management did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2021-2022)	
Assets	$1,642,567,965
Liabilities	$391,978,651
Deferred Outflow/Inflow	$551,366,436
Net Position	**$1,136,279,166**
Adjusted Net Position (less retiree obligations)	$1,270,702,825

Agency Assets

Oceanside's audited overall assets at the end of the report period totals $1.642 billion. This amount is 16.4% higher than the average ending amount of $1.411 billion documented during each of the five report years and underlies the upward and improving track during the period. Assets classified as current with the expectation they could be liquidated within a year tally $735.7 million – or 44.8% of the total – and largely tie to cash and investments. Assets classified as non-current and not

> **Measuring Oceanside's Assets…**
> Oceanside's assets have increased by 31% during the five-year report period from $1.259 to $1.643 billion. This change tracks with a per capita measurement and its 29% increase from $7,300 to $9,407.

[44] The adjustment to the net position is calculated by LAFCO and not part of the audited financial statements.

readily liquid make up the remainder and total $906.9 million and predominately involve capital assets tied to property, infrastructure, and equipment. Further, two-thirds of all Oceanside's capital assets – and specifically $564.550 million – belong to its enterprise functions and largely tie therein to the water and wastewater systems. Overall, Oceanside's total audited assets have increased by $383.9 million – or 30.5% – over the corresponding 60-month period. Specific year-end asset totals for Oceanside are shown below in Table A – 7.3a.

City of Oceanside
Audited Assets
Table A – 7.3a | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current *	482.414	505.114	575.232	614.251	735.651	582.532	52.5%
Non-Current *	776.212	793.222	792.361	875.021	906.917	828.747	16.8%
**Total ** **	**1,258.626**	**1,298.336**	**1,367.592**	**1,489.272**	**1,642.568**	**1,411.279**	**30.5%**
Per Capita	$7,300	$7,498	$7,857	$8,547	$9,407	$8,125	28.9%

* Amounts in millions
** Amounts in billions

Agency Liabilities

Oceanside's overall audited liabilities at the end of report period totals $392.0 million. This amount is 6.4% lower than the average ending amount of $419.0 million documented during the five-year period and underlies the downward and improving track during the period – a trend attributed to recent actuarial reports lessening pension liability. Liabilities classified as current with the expectation they will become due within a year represent $100.2 million – or 25.6% of the total – and largely ties to accounts payable. Liabilities classified as non-current and considered long-term obligations make up the bulk and largely divided between debt financing (loans) retiree obligations. Long-term debts incurred during the report period are footnoted[45]. Overall, Oceanside's total audited liabilities have decreased by ($18.6 million) – or (4.5%) – over the corresponding 60-month period. Specific year-end liability totals are shown below in Table A – 7.3b.

Measuring Oceanside's Liabilities…
Oceanside's liabilities have decreased by (5%) during the five-year report period from $410.6 to $392.0 million. This change tracks with a per capita measurement and its (6%) decrease from $2,381 to $2,245.

[45] Oceanside's long-term debt incurred during the report period is attributed to the City's governmental and business-type activities bonds, which include the City's pension obligation refunding bonds, lease revenue bonds as well as their water revenue bonds. This includes the City's direct borrowing and placement bonds which are highlighted by the City's loans obtained for the San Luis Wastewater Treatment Plan Interim Expansion as well as the loan for the City's Pure Water and Upper/Lower Recycled Water Distribution System Project.

City of Oceanside
Audited Liabilities
Table A-7.3b | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current *	35,514	55,755	64,282	89,635	100,157	69,069	182.0%
Non-Current *	375,053	323,978	357,288	401,448	291,822	349,917	(22.2%)
Total *	**410,567**	**379,7327**	**421,570**	**491,082**	**391,979**	**418,986**	**(4.5%)**
Per Capita	$2,381	$2,193	$2,422	$2,818	$2245	$2,412	(5.73%)

* Amounts in millions

Net Position

Oceanside's overall audited net position at the end of the report period totals $1.136 billion and represents the difference between the City's total assets and total liabilities along with adjusting for deferred resources (i.e., pension outflows and inflows). The most recent year-end equity amount is 12.5% higher than the average year-end sum of $0.953 million during the five-year report period and quantifies the upward trajectory. Most of the net position – $766.9 million or 67.5% – ties to capital asset holdings. The remainder is divided between restricted and unrestricted monies with the latter further discussed in the proceeding paragraph. Overall, Oceanside's audited net position increased by $0.111 million – or 24.9% – over the corresponding 60-month period. Adjusting to exclude Oceanside's proportional share of net pension and other-post employment benefits – which are relatively new reporting standards for financial statements under GASB 68 and 75 – the net position increases by another 8.7% to $1.136 billion. Specific year-end net position totals for Oceanside are shown below in Table A – 7.3c.

Truing Up Oceanside's Assets and Liabilities…
Oceanside's audited net position covering all City funds has increased over the five-year report period by 25% from $909.6 million to $1.136 billion. This change tracks with a per capita measurement and its 23% increase from $5,275 to $6,507.

City of Oceanside
Audited Net Position
Table A – 7.3c | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Investments *	708.893	734.524	716.503	756.999	766.852	736,754	8.2%
Restricted *	144.649	169.120	282.658	131.248	123.025	170,140	(15.0%)
Unrestricted *	56.045	58.450	(3.937)	157.166	246.402	102,825	339.7%
Total **	**0.910**	**0.962**	**0.995**	**1.045**	**1.136**	**1.010**	**24.9%**
Per Capita	$5,275	$5,556	$5,717	$5,999	$6,507	$5,813	23.5%
Total Adjusted **	0.910	1.196	1.245	1.302	1.271	1.235	9.6%

"Total Adjusted" excludes GASB 68 and 75 reporting requirements
* Amounts in millions
** Amounts in billions

With respect to the unrestricted portion of the net position, it tallies $246.4 million at the end of the report period represents the accrued spendable portion of the fund balance and is only subject to discretionary designations (commitments and assignments). The adjusted amount less pension and related retiree liabilities tallies $380.8 million and represents a more accurate accounting of available fund balance monies. This adjusted amount equals 12.0 months of Oceanside's total citywide operating expenses – less enterprise operations – based on year-end actuals.[46] This equivalent in unrestricted monies represents a one-month improvement compared to the ratio at the start of the reporting period.

Measuring Unrestricted Monies' Equivalency…
Oceanside's audited unrestricted fund balance less pension and related liabilities at the end of the report period is sufficient to cover one full year – 12.0 months – of total actual expenses.

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO's review of the audited financial statement issuances by the City of Oceanside covering the five-year report period shows the City experiencing mostly positive results and related trends within the four central fiscal measurement categories – liquidity, capital, margin, and asset management – utilized in this document. Summaries follow.

Liquidity (Short-Term Outlook)

Oceanside's average annual current ratio during the reporting period tallies 9-to-1 and shows the City having $9 in available cash resources (current assets) for every $1.00 in near-term accounts payable and related debts (current liabilities) over the 60 months. The final year ratio remains relatively robust at 7-to-1 but nonetheless reflects an overall period decline of (45.9%) that ties to a corresponding rise in booking unearned revenues. A separate liquidity measurement shows Oceanside's average annual days' cash ratio during the report period being 618 and sufficent to cover

The Burn Rate…
Oceanside's days' cash ratio – or burn rate – at the end of the report period tallies 691 and can cover more than 98 weeks of baseline costs covering General and Enterprise Fund activities.

[46] Oceanside's total expenses in 2021-2022 is $345.7 million.

88 weeks of baseline expenses. The final year amount tally of 691 underlies an overall period improvement of 21.3%. These two measurements collectively indicate healthy and otherwise strong cash flow as well as the ability to absorb unexpected costs and/or shortfalls in revenues over the short-term.

City of Oceanside
Measuring Liquidity
Table A – 7.4a | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current Ratio	13.6 to 1	9.1 to 1	8.9 to 1	6.9 to 1	7.3 to 1	9.2 to 1	(45.9%)
Days' Cash	570	568	593	669	691	618	21.3%

The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities agency-wide on a dollar-to-dollar basis. Higher is better.

The days' cash provides a more micro measurement of near-term financial health by comparing available cash and equivalents against the average daily operating expenses within the general fund and enterprise funds less depreciation.

Capital (Long-Term Outlook)

Oceanside's average annual debt-to-net position during the reporting period equals 35.0% and means slightly more than one-third of the City's overall monetary value or worth over the 60 months ties to long-term liabilities. The final year tally is 25.7% and underlies a lower and improving condition in which Oceanside is proportionally reducing its exposure to risks associated with holding long-term liabilities and the potential therein for changing conditions that increase costs (e.g., interest rates). A separate capital measurement shows Oceanside's average annual debt ratio over the reporting period has been 29.9%. This measurement lowered and improved to 23.9% at the end of the reporting period and means more than three-fourths of Oceanside's assets are free from debt financing. These two measurements collectively indicate Oceanside is well-positioned to maintain good cash flow into the near future given its existing low debt levels paired with the concurrent ability to use capital to assume new debt.

Future Cash Flow Considerations...
Oceanside's debt ratio at the end of the report period tallies 23.9% and means more than three-fourths of the City's assets are free from debt financing.

City of Oceanside
Measuring Capital
Table A – 7.4b | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Debt to Net Assets Ratio	41.2%	33.7%	35.9%	38.4%	25.7%	35.0%	(37.7%)
Debt Ratio	32.6%	29.2%	30.8%	33.0%	23.9%	29.9%	(26.8%)

The debt-to-net position ratio measures long-term financial health by quantifying existing debt load as a percentage of the total net position. Lower is better.

The debt ratio measures long-term financial health by quantifying the percentage of assets that are subject to debt financing and the variables associated therein. Lower is better.

Margin (Net Income)

The Bottom Line…
Oceanside's average annual total margin during the five-year report period has been 14% and benchmarked by low and high tallies of 9% and 21%, respectively, and considered exceptionally good.

Oceanside's average annual general fund operating margin during the report period tallies 2.2% with positive percentages generated in three of the five years reviewed. This measurement focuses on financial transactions within the General Fund and its day-to-day function in matching all-purpose revenues with all-purpose services and their expenses – like administration, public safety, and parks and recreation. The overall positive operating margin generated during the report period paired with an improving trend shows operational efficiencies within Oceanside's core functions. Expanding out, Oceanside's average annual total margin – which measures all City financial transactions – has been 14.2% with positive percentages generated in all five years reviewed. This measurement also improved during the period and shows the operational efficiencies in fiscal decision-making extend beyond the General Funds.

City of Oceanside
Measuring Margin
Table A – 7.4c | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
GF Operating Margin	(5.2%)	(1.1%)	2.4%	11.8%	3.3%	2.2%	163.3%
Total Margin	15.6%	13.8%	8.6%	12.1%	20.8%	14.2%	33.6%

The general fund operating margin measures an agency's profitability levels within its general fund and core function to deliver most public-facing municipal services. Higher is better.

The total margin measures an agency's profitability levels relative to matching all revenues and all expenses. Higher is better.

Asset Management

Oceanside's average annual age of all capital assets during the reporting period totals 24.4. The fifth and final year totals 25.0 and underlies ongoing aging during the period of Oceanside's capital assets, which are categorized either as general government (public safety, public works, community development, etc.) or enterprise (water, wastewater, etc.). A separate measurement via the accumulated depreciation ratio shows the general remaining usefulness of Oceanside's capital assets exceeds the expected lifespan with a period average ratio of 126.7%. The fifth and final year ratio totals 139.0% and signals cumulative and ongoing deferrals by Oceanside in purchasing and/or replacing capital assets.

Infrastructure Usage...
Oceanside's accumulated depreciation ratio at the end of the report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by 39%.

City of Oceanside
Measuring Asset Management
Table A – 7.4d | Source: City of Oceanside CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Assets' Age (Accounting)	23.7	24.5	2401	24.6	25.0	24.4	5.5%
Accumulated Depreciation Ratio	120.3%	123.6%	123.3%	127.4%	139.0%	126.7%	15.6%

The accounting age of capital assets provides a macro index of the average age of core and depreciating facilities, equipment, buildings, and related infrastructure and their current replacement schedule. Lower is better.

The accumulated depreciation ratio provides a more contextual measurement of the general remaining usefulness of core and depreciating facilities, equipment, buildings, and related infrastructure relative to their expected lifespan. Lower is better.

7.5 Employee Pension Obligations

The City of Oceanside provides a defined pension benefit to its employees through investment risk-pool contracts with the California Public Employees Retirement System (CalPERS). These pension contracts provide employees with specified post employment benefits based on the date of hire and placement in one of two broad category types: miscellaneous and public safety. Additional pension details based on actuarial valuations for Oceanside issued by CalPERS as part of its annual reporting process during the five-year report period follows with respect to enrollees, formulas, contributions, and funded status.

Pension Enrollees and Funding Formulas

The annual valuations issued at the end of the five-year report period identifies 3,482 total participants in Oceanside's pension program with CalPERS. This total represents an overall increase of 367 new enrollees during the 60-month period and divided between miscellaneous and public safety employee categories. The total is also divided between enrollee status and produces an active-to-retiree employee ratio of 0.59 to 1.0. Additional details on pension enrollee information during the report period is provided in Table A – 7.5a.

Pension Participants...
Oceanside finished the five-year report period with 3,482 total enrollees within its pension program with CalPERS. Three-fourths of all enrollees are either retired or separated/transferred and no longer contributing to the pension program.

City of Oceanside
Pension Enrollee Information
Table A – 7.5a | Source: CalPERS and SD LAFCO

Type	2018	2019	2020	2021	2022	Trend
Active	878	876	889	879	905	3.1%
Transferred or Separated	867	916	938	961	1,034	19.3%
Retired	1,370	1,414	1,466	1,507	1,543	12.6%
Total Enrollees	3,115	3,208	3,293	3,347	3,482	11.8%
Active to Retiree Ratio	0.64 to 1	0.62 to 1	0.61 to 1	0.58 to 1	0.59 to 1	(7.8%)

More than seven-tenths – or 71.3% – of all pension enrollees are categorized as miscellaneous and receive one of three defined pension payments based on their date of hire, which ranges in formula value from a high of 2.7% at 55 (prior to January 1, 2011) to a low of 2.0% at 62 (after January 1, 2013). Oceanside's remaining enrollees are categorized as public safety and receive one of two defined pension payments: 3.0% at 50 (prior to January 1, 2013) and 2.7% at 57 (after January 1, 2013).

Annual Contributions

Oceanside's total annual pension contribution covering both its miscellaneous and public safety plans at the end of the report period tallies $30.193 million. This contribution covers both miscellaneous and public safety categories and equals 37.3% of the covered payroll total for the

Real Time Pension Costs...
Oceanside's total employer pension contribution paid to CalPERS at the end of the five-year report period totals $30.2 million and equals 37% of payroll.

corresponding fiscal year. The most recent contribution amount also reflects an overall increase in payments made by Oceanside to CalPERS of 31.7% over the preceding 48-month period in which information is readily available.

City of Oceanside
Employer Pension Contributions
Table A – 7.5b | Source: CalPERS + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Total Contribution *	n/a	22.533	23.980	20.906	30.193	24.403	34.0%
Annual Payroll *	n/a	73.686	75.661	77.006	80.926	76.820	9.8%
.. Percent of Payroll	n/a	30.6%	31.7%	27.1%	37.3%	31.7%	21.9%

* Amounts in millions

Funding Status

Oceanside's total and composite unfunded liability at the end of the report period tallies ($300.570 million). This amount covers both miscellaneous and public safety categories reflects the accrued pension monies owned to all employees and not covered by the market value of existing assets and translates to a composite funded ratio of 74.3%. Overall, Oceanside's funded ratio – i.e., the percentage of market assets compared to projected liabilities – has decreased by (0.7%) during the last four years of the report period based on available data published by CalPERs. The monetary value of the corresponding increase in Oceanside's pension liabilities is $44.845 million.

More Funding Needed...
Oceanside's total funded pension ratio at the end of the five-year report period is 74.3% and reflects an overall (0.7%) change over the preceding 48 months in which information is readily available from CalPERs.

City of Oceanside
Pension Funding Status
Table A – 7.5c | Source: CalPERS

Category	2018	2019	2020	2021	2022	Trend
Market Value of Assets *	n/a	757.724	783,473	948.646	869.976	14.8%
Pension Liabilities **	n/a	1,013.449	1,053.165	1,113.725	1,170,446	15.5%
Unfunded Liability	n/a	(255.725)	(269.693)	(165.079)	(300.570)	(17.5%)
… Funded Status		74.8%	74.4%	85.2%	74.3%	(0.7%)

* Amounts in millions
** Amounts in billions

7.6 Other Post-Employment Benefit Obligations

The City of Oceanside independently administers its own healthcare plan made available to eligible retirees as a other post-employment benefit (OPEB). Oceanside's OPEB plan provides healthcare insurance for all eligible retirees – less members belonging to the Oceanside Firefighters Association (OFA) – and their covered dependents through the City's group health insurance plans, which cover both active and retired employees. Non-OFA retirees under the age of 65 are eligible to join various plan options similar to active employees. Upon attaining age 65, Medicare-eligible non-OFA retirees must join one of three plan options and assign their Medicare benefits to the plan chosen. The ability to participate in Oceanside's group insurance health plans by self-paying the premium extends for a period equal to the number of years of service at retirement. Non-OFA retirees with at least 15 years of service may continue to self-pay for this coverage as long as Oceanside continues to offer this benefit. Benefit provisions are established through negotiations between Oceanside and the non-OFA employee associations and are renegotiated periodically.

Additional OPEB plan details follow.[47]

- Eligible non-OFA retirees and their covered dependents receiving benefits contribute 100% of their premium costs. While Oceanside does not directly contribute toward the cost of premiums for non-OFA retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the non-OFA retirees, call an "implicit subsidy."

- Oceanside is currently funding its OPEB obligation on a pay-as-you-go basis, meaning only the cost associated with current retirees is paid for by the City. This also means Oceanside does not have OPEB assets.

- Oceanside's OPEB plan has 94 total retirees enrolled at the end of the five-year report period. This amount represents a net increase of 27 – or 40.3% – since 2018. Oceanside also finished the period with 850 active employees and/or their beneficiaries currently receiving healthcare benefits.

- Oceanside's pay-as-you go annual OPEB expense totals $1.063 million at the end of the five-year report period. This amount represents a net increase of $0.552 million – or 107.9% – since 2018.

[47] OPEB information is drawn from the City of Oceanside's Annual Comprehensive Financial Reports, Fiscal Years 2018-2022.

- Oceanside's accrued liability for OPEB totals $9.706 million at the end of the five-year report period. This amount represents a net increase of $3.917 million – or 67.7% – since 2018.

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B. OCEANSIDE SMALL CRAFT HARBOR DISTRICT

1.0 OVERVIEW

Oceanside Small Craft Harbor District (SCHD) is a dependent special district associated with the City of Oceanside. Formation proceedings were completed in January 1960 and done so to establish community access to additional public funding to construct and operate the planned development of the Oceanside Harbor. Materially, SCHD was created as an independent special district at the time of formation before transitioning in 1995 to dependent as part of a series of coordinated boundary changes approved by LAFCO. Accordingly, SCHD's jurisdictional boundary matches Oceanside and spans 42.2 square miles and covers approximately 27,000 acres. Additionally, and like Oceanside, nearly three-fourths of SCHD's jurisdictional boundary is under private ownership with one-third of this amount – or 5,303 acres and divided into 3,701 parcels – remaining entirely undeveloped without any assessed structures or improvements.

Oceanside Harbor
View of North Basin



Photo Credit: Google Maps

Decision-making is governed by the Oceanside City Council with Councilmembers concurrently serving as the SCHD Board and holding regular joint meetings. The Board also utilizes Oceanside's nine-member Harbor and Beaches Advisory Committee to help inform decisions – including budget and capital improvements. Actual administrative services of SCHD are delegated to Oceanside's Harbor Division and its head – Habor Manager Joseph Ravitch – within the Public Works Department. Budgeted staffing for the Habor Division has stayed relatively flat and finished with 17.4 full-time equivalent positions at the end of the reporting period.[1]

SCHD operates as a limited-purpose agency under the Small Craft Harbor District Act and is one of three such agencies currently operating under this principal act in California. SCHD presently provides two active municipal functions tied to the

[1] An Oceanside Lifeguard Unit via the Fire Department now provides safety and patrol services to the Oceanside Harbor and ended the reporting period with a budget of 10.0 full-time positions.

Oceanside Harbor: (a) marina and (b) dredging. The marina is the principal activity and includes several connected classes marked by providing a municipal wharf, fishing pier, harbor basins (docks and slips), and beach and camping. The dredging function is limited and involves channel clearing and beach replenishment classes and is done in an advisory capacity via coordination with the U.S. Army Corps. A third function – patrol and rescue – is also authorized but has become recently inactive, although not through formal action by LAFCO.

Public-Facing Activities…
SCHD's core activities involve its marina function and operations of the Oceanside Harbor, which is 100 acres in size and headlined by accommodating 954 total boat slips at the end of the five-year report period.

With respect to financial standing, SCHD's actual yearly expense at the end of the five-year report period in 2022 tallies $8.750 million. This ending amount lies below the average annual period expense tally of $9.945 million and underlies the overall decrease trend of (39.0%). Nearly three-fourths of SCHD's actual annual expenses over the reporting period involve making two distinct payments to Oceanside covering staff support services and the lease of the Oceanside Harbor complex.[2] Actual yearly revenue collected at the end of the reporting period tallies $8.963 million with three-fifths generated from boat slip rentals. This most recent collection amount lies above the annual period average of $8.314 million and underlies the overall increase trend of 16.3%. The total unassigned cash balance on hand at the end of the reporting period totals $4.600 million and is equivalent to covering 6.3 months of recent actual operating expenses.[3]

Improving $ Relationship…
SCHD's actual annual expenses over the five-year report period have exceeded actual annual revenues by (one-fifth). Trends, however, are improving over the reporting period with actual expenses decreasing by (39.0%) and actual revenues increasing by 16.3%.

LAFCO independently estimates the full-time resident population within the coterminous SCHD/Oceanside's jurisdictional boundaries is 174,615 at the end of the five-year reporting period. This includes an estimated 151 live-aboard boat residents in the Harbor. The median household income among all SCHD/Oceanside residents is $97,238 based on the current five-year period average and above the countywide average of $88,240. Residents are currently spending 27.7% of their household

151 Liveaboard Residents…
SCHD's resident population mirrors Oceanside's and totals 174,615 at the end of the five-year report period. Specific to the Oceanside Harbor, there are 86 live-abords slips with an estimated population of 151.

[2] The per capita expense has similarly changed during the reporting period from $83 to $50 or (39.7%).
[3] SCHD audited net position at the reporting period's end totals $14.931 million with the unrestricted portion at $4.850 million.

income on rent or mortgage payments. LAFCO estimates the adjusted housing cost to also include utilities equals 32.7%. The average home value in SCHD/Oceanside has separately increased by 59.2% over the period from $522,082 to $831,328 The average home value has separately increased by 59.2% from $522,082 to $831,328.[4]

2.0 BACKGROUND

2.1 Community Development

Oceanside SCHD's jurisdictional boundary purposefully now parallels the City of Oceanside and a detailing of the shared community's present-day development is provided as part of the City profile. Notwithstanding this reference, the development of SCHD's core service area – Oceanside Harbor – dates back to the late 1940s with civic leaders proposing the creation of a man-made recreational harbor near the Beachlake Trailer Park at the shallow mouth of the San Luis Rey River. Mayor Erwin Sklar and the Chamber of Commerce served as leading proponents for the project with the latter producing marketing materials in support of developing a pleasure harbor to provide an attractive alternative to existing anchorages in Newport and San Diego.

Pre-Oceanside Habor (Beachlake Trailer Park)
Circa 1950s



Photo Credit: Visit Oceanside

Marketing for the creation of the Oceanside Harbor advanced into the 1950s with local leaders taking several trips to Washington D.C. to solicit lawmakers to support the project. These efforts proved successful with the Department of Defense eventually agreeing by the end of the decade to make available approximately 70 acres from Camp Pendleton on the north side of the San Luis Rey River mouth for the project once it was determined there would be no interference with the Marine Corps' own Del Mar Harbor.

Early Development of Oceanside Harbor
Circa 1960s



Photo Credit: Visit Oceanside

[4] The average home values in Oceanside during the five-year report period is based on Zillow analytics (www.zillow.com).

This created momentum for the project to secure another 30 acres on the south side of the San Luis Rey River mouth through a purchase agreement with Beachlake Trailer Park. At the same time, State legislation was added beginning in 1959 to allow cities and certain special districts to finance harbor improvements with revenue bond funds.

2.2 Formation Proceedings

Oceanside SCHD's formation was sponsored by the City of Oceanside with the explicit intention of providing a separate and dedicated means for the community to fund, organize, and operate a planned pleasure harbor without encumbering City resources. Formation proceedings were also focused on an Oceanside-only proposal after civic leaders declined an offer to join a separate regional effort underway at the same time to form the Carlana Habor District, which was expected to cover a 100-square mile area from Carlsbad to Solana Beach. (Voters proceeded to reject the formation of the Carlana Habor District in October 1960.) Oceanside voters approved SCHD's formation in January 1960 along with an approximate $4.5 million revenue bond to cover initial development.

2.3 Notable Post Formation Activities + Events

A summary of notable activities undertaken by Oceanside SCHD and/or affecting the District's jurisdictional boundary post-formation in 1960 are as follows.

1960s

SCHD holds its first meeting on February 11, 1960. Initial functions initiated by the Board with the adoption of its first budget include port, pier, and police.

SCHD receives a $1.8 million grant from the Department of Defense in March 1960 as its contribution to the Oceanside Harbor project. (Grant mitigates beach erosion impacts associated with Camp Pendelton's jetty operations at Del Mar Harbor.) A separate $1.0 million low-interest loan from the State is also awarded to SCHD at the same time.

Oceanside's first "Harbor Days" festival is held in September 1960. The annual festival starts at the Del Mar Harbor (Camp Pendelton) and transitions to the Oceanside Harbor following its completion and eventually becomes the City's largest event with attendance regularly reaching 50,000 to 80,000.

SCHD enters into a 50-year lease agreement with the City of Oceanside in November 1961 involving the Oceanside Harbor complex. The first six years of the lease involve SCHD making an annual payment of $1 with the remainder set to equal 10% of the net revenue of the District.

1960s

Construction on the Oceanside Harbor complex is completed and opens to the public in June 1963. Initial development cost is approximately $7.0 million and provides approximately 500 small craft slips.

Construction on a waterfront shopping center – initially cited as Lighthouse Village – along Oceanside Harbor commences in January 1964. The shopping center opens as the Harbor Village with an initial tenant anchor being the Harbor Light Restaurant.

The City of Oceanside completes construction on 1950 North Harbor Drive in 1965. The two-story building is leased to SCHD for subleasing, which has been occupied since construction by the Yacht Club.

1970s

The U.S. Coast Guard stations the 82-foot Point Hobart vessel at the Oceanside Harbor beginning in 1969 to patrol and perform search and rescue operations covering the coastline north to Dana Point. (The Coast Guard decommissions Point Hobart in July 1999 with its replacement stationed in Monterey.)

SCHD adopts the "Oceanside Small Craft Harbor Precise Plan" in July 1979 to guide short (to 1985) and long-term (post-1985) planning of the Harbor.

The City of Oceanside completes construction on 315 Harbor Drive South in 1981. The two-story building is leased to SCHD for subleasing, which presently is occupied by Helgren Fishing Charters.

1980s

SCHD adopts its "Blue Book" in 1983 to provide rules and regulations for Habor permittees and done so to curb illegal living aboard vessels and a rise in vessels in deteriorating condition. The most recent update to the Blue Book is approved in 2018.

San Diego LAFCO performs its first independent review of SCHD in conjunction with establishing a sphere of influence in January 1986. At the time of the action, LAFCO documents SCHD's core infrastructure consisting of

a docking system with 915 boat-slips, two police rescue vessels, nine restrooms, and 1700 public parking spaces.

SCHD purchases a two-story hotel – Villa Marina and later Oceanside Marina Suites –located on District land at Harbor Village in May 1994 for $1.1 million following the prior operator's filing for bankruptcy.

1990s

LAFCO approves a series of annexations to SCHD to add the remainder of incorporated territory to the District in 1995 and in doing so transitions to a dependent district with the Oceanside City Council assuming Board duties.

SCHD and the City of Oceanside agree to amend their lease agreement involving the Oceanside Harbor complex in May 2003. The amendment establishes a prescribed percentage of net revenue to be paid by SCHD less a minimum of $250,000 through 2069. The percentage after 2016 is 10%.

2000s

SCHD divests its patrol and rescue function with the Habor Patrol Unit merging into the City of Oceanside in July 2009.

2020s

Oceanside takes action in August 2022 to eliminate the Police Department's Harbor Unit and transition water patrols and rescue services to the Fire Department's Lifeguard Unit.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

Oceanside SCHD's jurisdictional boundary is coterminous with the City of Oceanside and spans 42.2 square miles and covers 26,991 acres. Slightly more than one-half of the SCHD jurisdictional boundary is land-locked and either adjacent to the Pacific Ocean or the Cities of Carlsbad and Vista. The remainder of the SCHD perimeter lies adjacent to unincorporated lands with one-half of this amount next to the United States Marine Corps Camp Pendleton. This leaves one-quarter of SCHD's jurisdiction open to future expansion. The elevation ranges between (30) to 895 feet above sea level with the latter point recorded along Indian Trail Way in the South Morro Hills neighborhood.

Physical Footprint...
Oceanside SCHD's jurisdictional boundary matches the City of Oceanside and spans 42 square miles or 26,991 acres.

Key characteristics underlying the jurisdictional boundary follow in Table 3.1a with more details provided as part of the Oceanside profile.

Oceanside SCHD
Jurisdictional Boundary Characteristics
Table B - 3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	26,991 acres
Total Jurisdictional Parcels and Acreage	62,771 parcels totaling 23,048 acres
… Publicly Owned Parcels and Acreage	688 parcels totaling 7,487 acres
… Privately Owned Parcels and Acreage	62,083 parcels totaling 19,505 acres
… Undeveloped Privately-Owned Parcels and Acreage	3,741 parcels totaling 5,303 acres
Total Number of Registered Voters	102,066
Total Assessed Value (Land and Structures)	$27.5 billion

SCHD's jurisdictional boundary is shown on Map B-1.

3.2 Sphere of Influence

Oceanside SCHD's sphere of influence was established by San Diego LAFCO in January 1986 with subsequent updates performed in 2005, 2007, and 2013. The sphere is coterminous with the City of Oceanside's sphere and categorized as a larger-than-agency designation with all of the jurisdictional lands covered, plus certain non-jurisdictional territory. The non-jurisdictional territory within the sphere is limited and involves one contiguous 19.5-acre area located along the intersection of Sunset Drive and Busch Drive. No special study areas are assigned to the SCHD sphere by LAFCO.

Limited Expansion Expectations…
LAFCO's sphere of influence for Oceanside SCHD is purposefully aligned with the City of Oceanside and includes all jurisdictional lands plus one non-jurisdictional area near Sunset Drive and Busch Drive totaling 19.5 acres.

SCHD's sphere of influence is shown on Map B-1.

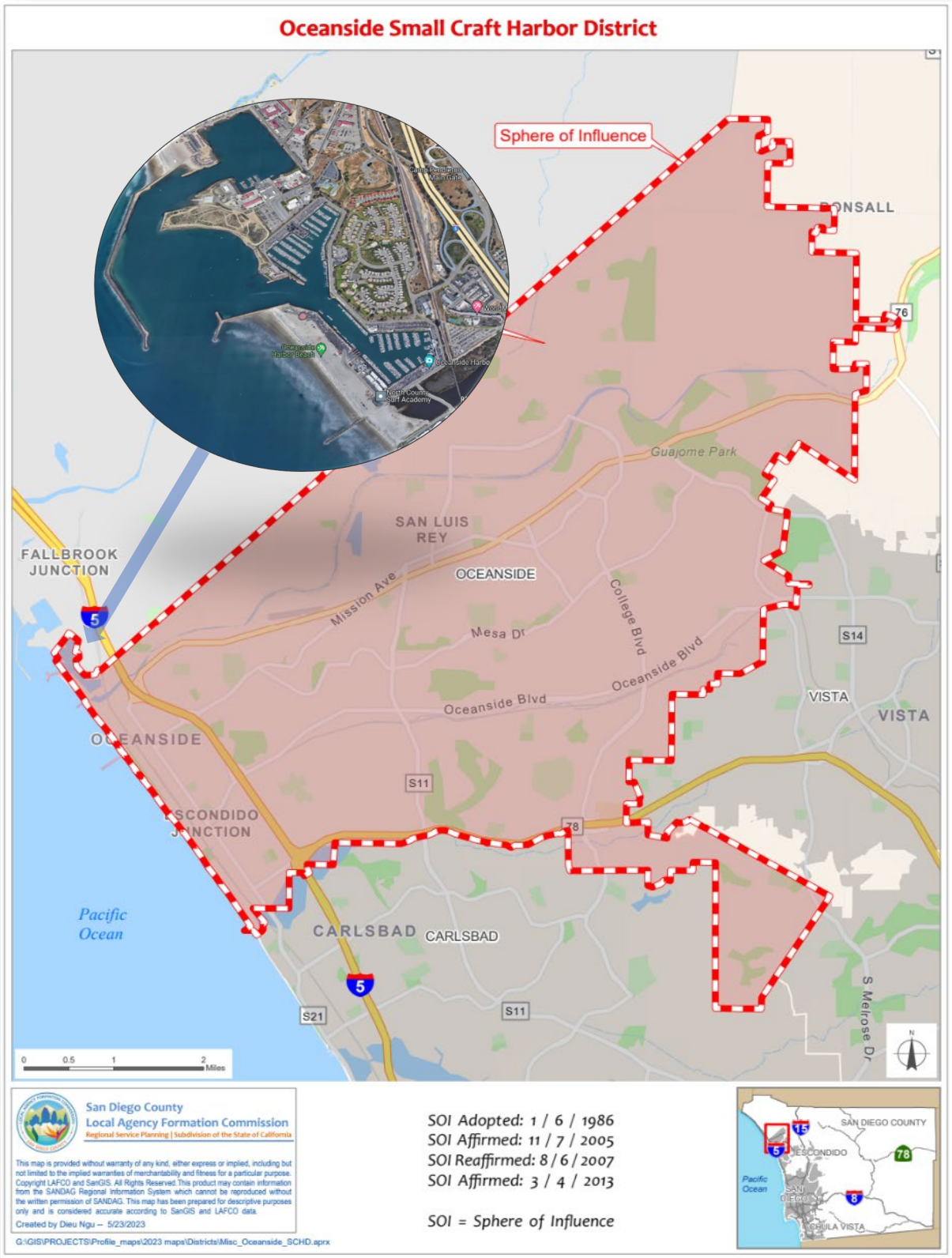
3.3 Boundary Relationship to General Plans

See the discussion provided in the City of Oceanside profile.

3.4 Relationship to College and School District Boundaries

See the discussion provided in the City of Oceanside profile.

Map No. B-1


Oceanside Small Craft Harbor District
Sphere of Influence
BONSALL
Guajome Park
SAN LUIS REY
FALLBROOK JUNCTION
OCEANSIDE
Mission Ave
Mesa Dr
College Blvd
Oceanside Blvd
Oceanside Blvd
VISTA
VISTA
OCEANSIDE
S11
ESCONDIDO JUNCTION
78
Pacific Ocean
CARLSBAD
CARLSBAD
S21
S11
S Melrose Dr
S14
76
5
0 0.5 1 2 Miles
San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Created by Dieu Ngu -- 5/23/2023
G:\GIS\PROJECTS\Profile_maps\2023 maps\Districts\Misc_Oceanside_SCHD.aprx
SOI Adopted: 1 / 6 / 1986
SOI Affirmed: 11 / 7 / 2005
SOI Reaffirmed: 8 / 6 / 2007
SOI Affirmed: 3 / 4 / 2013
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

4.0 DEMOGRAPHICS

4.1 Population and Housing

Oceanside SCHD's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 174,615 at the end of the five-year report period. This amount represents 4.4% of the countywide population total. It is also estimated the full-time population in SCHD has risen overall by approximately 4.8% from 166,554 in 2010 and the associated census reset. This translates to an annual increase of 522 or 0.4%, which is one-fifth lower than the corresponding countywide growth rate of 0.6% over the same period. The current estimate produces a population density of 6.5 residents for every one acre and underlies the overall dense suburban character of the jurisdictional boundary. It is projected the current growth rate will continue into the near term and result in the full-time population reaching 178,165 by 2027 as reflected in Table B-4.1a.

Positive – Albeit Modest – Growth…
It is estimated there are 174,615 fulltime residents in Oceanside SCHD at the end of the report period with the average day addition of 1.4 new residents over the preceding 60 months. It is projected the fulltime population will increase, consistent with recent trends and reach 178,165 by 2027.

Oceanside SCHD
Resident Population
Table B-4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	2027 Estimate	Annual Change
Oceanside SCHD	166,554	172,004	174,615	178,165	0.4%
San Diego County	3,095,305	3,244,893	3,315,082	3,414,325	0.6%

It is separately estimated by LAFCO there are 68,147 residential housing units within Oceanside SCHD at the end of the five-year report period. This amount represents an overall increase of 3,905 – or 6.1% – since 2010 for an annual change of 325. The overall ratio of new residents to new housing during the reporting period is 1.61 to 1.0. This most recent ratio– notably – marks a significant improvement relative to the preceding five-year ratio of one housing unit for every 2.98 residents.

Housing to Population…
Oceanside SCHD experienced the average annual construction of 325 new housing units over the reporting period. This results in SCHD experiencing the addition of one new home for every 1.6 new residents, which marks a 37% improvement over the historical ratio of one unit for every 2.6 residents.

Additional characteristics underlying SCHD's jurisdictional boundary follow in Table B-4.1b with additional details provided in the City of Oceanside profile.

Oceanside SCHD
Housing Characteristics
Table B- 4.1b: | Source: Esri and San Diego LAFCO

Factor	Oceanside SCHD	San Diego County
2010 Housing Units	64,242	1,164,781
2022 Housing Units	68,147	1,238,794
… % Change	6.1%	6.4%
Household Size (5-year average 2012-2016)	2.95	2.87
Household Size (5-year average 2017-2021)	2.98	2.81
… % Change	1.02%	(2.09%)
Monthly Housing Cost (5-year average 2012-2016)	$1,805.11	$1,578.00
Monthly Housing Cost (5-year average 2017-2021)	$2,247.94	$1,971.00
… % Change	24.53%	24.90%
2010 Vacancy Rate	8.0%	6.7%
2022 Vacancy Rate	6.5%	5.9%
… % Change	(19.3%)	(11.9%)

4.2 Age Distribution

The median age of residents in Oceanside SCHD is 38.6 based on the current five-year period average. This amount reflects an increase of 1.8% from 37.9 over the preceding five-year period. The current median age in SCHD also remains higher than the countywide average of 36.3. Additional age characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.3 Income Characteristics

The median household income in Oceanside SCHD is $97,238 based on the current five-year period average. This amount shows households are receiving significantly more pay over the report period with the median income experiencing an overall increase of approximately 42.4% from the preceding period average of $68,307; a difference that is more than double the corresponding change in inflation measured for the San Diego region over the same period.[5] Additional income characteristics relevant to SCHD are provided in the City of Oceanside profile.

[5] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

4.4 Other Socioeconomic Indicators

Unemployment levels within Oceanside SCHD are comparatively low at 5.6% based on the current five-year period average. This amount is nearly one-sixth – or (15.2%) – below the corresponding countywide average rate of 6.6%. Unemployment levels – however – have increased by more than one-third – 33.4% – from the previous five-year average of 4.2%. Additional socioeconomic characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.5 Unhoused Needs and Capacities

Counts performed during the five-year review period show the average number of homeless within Oceanside SCHD has been 471. The total number of counted homeless at the end of the period totals 514 with 61.9% – or 318 – being unsheltered and residing in cars, public places, or the street. The remaining 196 homeless counted in SCHD at the end of the abbreviated period are sheltered and reside in an emergency shelter, homeless shelter, or transitional housing. Additional homeless characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.6 Environmental Justice

Population Burdens + At-Risk Factors…
LAFCO's consideration of environmental justice factors in Oceanside SCHD draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

LAFCO's consideration of environmental justice factors relative to Oceanside SCHD's jurisdictional boundary draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics. Two composite percentile rankings are generated based on a weighted calculation involving all underlying census tracts within SCHD. This involves pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below with additional details provided in the City of Oceanside profile.

- SCHD's composite **pollution burdens** ranking falls in the 34 percentile relative to the rest of California. Four pollution burden measurements exceed the 50 percentile and are considered relatively high. These four measurements

comprise (a) two exposures involving traffic impacts and drinking water contaminants as well as (b) two environmental effects involving hazardous waste and impaired water bodies. One of these four measurements – impaired water bodies – exceeds the 66 percentile and is considered significant and associated with the Loma Alta Creek, which is under a clean-up order from the State via the Clean Water Act with additional details footnoted.[6]

- SCHD's composite **at-risk population** ranking falls in the 28-percentile relative to the rest of California. One at-risk population measurement exceeds the 50 percentile and is considered relatively high. This measurement involves housing burdens. This means a proportionally high amount of households are both low income (making less than 80% of the HUD median family income) and severely burdened by housing costs (paying more than 50% of income to housing costs).

5.0 ORGANIZATION

5.1 Governance

Oceanside SCHD operates as a dependent special district under Division 8 of California's Habor and Navigation Code (Sections 7000 to 7340.). The principal act – Small Craft Harbor Act – is codified under Part 7 and established by the Legislature in 1959 to provide local communities the ability to create and/or manage portions of the Pacific Ocean or inland waters for public benefit and usage. It establishes eligibility for special districts created therein to provide a broad range of municipal harbor functions and ancillary classes. Materially, and as an alternative to the baseline standard of having an elected board, the principal act specifies when the territory included within any subject district lies entirely within a single city, the legislative body of such city shall be ex officio the board of directors of the district.[7]

[6] The referenced clean-up order is by the State Regional Water Quality Control Board. The order is part of a regional order assigned to the "Carlsbad Watershed Management Area." The Loma Alta Creek is one of six hydrologic areas in the affected watershed. The Loma Alta Creek drains through a slough into the Pacific Ocean. According to the clean-up order, portions of the Loma Alta Creek have been subject to human modifications; namely, the construction of concrete-lined channels. These alterations, among others, have contributed to the degradation and fragmentation of riparian habitat corridors and a reduction in the value of critical ecosystem services previously offered by the natural channel and wetlands.

[7] Reference to Section 7046.

SCHD is currently authorized by LAFCO to provide three broad municipal functions contemplated under its principal act – (a) marina and (b) dredging, and (c) patrol and rescue – along with ancillary classes as specified in Table 5.1a below as well as detailed in Section 6.0. However, while authorized to provide all three municipal functions, only SCHD's marina and dredging functions are active; the patrol and rescue function is inactive with the City of Oceanside assuming these services since 2009.

Clarifying Oceanside SCHD's Patrol and Rescue Function…
Oceanside SCHD's patrol and rescue function has become dormant beginning in 2009, but remains officially "active." This dynamic suggests formal action should be taken to divest the function and in doing so remedy potential liability issues.

Oceanside SCHD
Authorized Functions and Ancillary Classes
Table B-5.1a | Source: SD LAFCO + Harbor and Navigation Code

Function	Ancillary Classes
Marina	Acquisition, Reconstruction, Repair, and Operation of Wharves, Docks, Boat Slips, Ferry Slips, Berths, Warehouses, Streets, Roads, Drives Parkways, Approaches, Aquatic Playgrounds, Beach Parks, Bathing Beaches, Other Recreation Facilities, Fueling, Loading, Shipping and Reshipping, and Sanitation.
Dredging	Acquisition, Reconstruction, Repair and Maintenance of Channels, Shipways, Anchorage Places, Jetties, Breakwaters, Bulkheads, Seawalls and Turning Basins.
Patrol and Rescue	Inactive (Unofficially)

Consistent with the principal act, the Oceanside City Council serves as the Oceanside SCHD Board of Directors and holds concurrent meetings. The Board's decision-making – materially – draws on the deliberations of the nine-member Harbor and Beaches Advisory Committee. The Committee meets six times a year on the third or fourth Monday of February, May, June, August, October, and November starting at 5:00 P.M. in the City Council Chambers. Summary minutes are prepared for all Committee meetings; audio and video recordings are not provided. A current listing of the Board and Committee follows in Tables B-5.1b and B-5.1c.

Oceanside SCHD - Current Board Roster
Table B-5.1b | Source: City of Oceanside

Member	Position	Years on Council	Background
Esther Sanchez	Board President	22.5	Attorney (retired)
Ryan Keim	Deputy Board President	3.5	Police Officer
Eric Joyce	Board member	1	Educator
Rick Robinson	Board member	1	Fire Protection (retired)
Peter Weiss	Board member	4.5	Local Government (retired)
			Average Experience: 6.5 Years

Harbor and Beaches Advisory Committee
Current Committee Roster
Table B-5.1c | Source: Oceanside SCHD

Member	Position	Years on Board	Background
Liz Rhea	Chair	10	Consulting
Mark Mallaby	Committee Member	1	Corporate
Ernie Prieto	Vice Chair	2	Non-Profit
Carolyn Krammer	Committee Member	7	Community Activist
James Gardner	Committee Member	10	Local Business Owner
Gigi Gleason	Committee Member	4	Non-Profit
Joe Yaglinski	Committee Member	4	Live-Aboard
Les George	Committee Member	6	Public Safety
Vacant	n/a	n/a	n/a
			Average Experience: 5.5 Years

5.2 Administration

Oceanside SCHD appoints an at-will and full-time Harbor Manager to oversee all District functions. The current Habor Manager – Joseph Ravitch – was appointed in May 2023. Ted Schiafone served as the Harbor Manager for the duration of the reporting period before taking a similar position with the City of Morro Bay. The total number of budgeted positions allocated to SCHD at the end of the report period is 17.4 full-time equivalent employees with more than one-half tied to maintenance positions. Overall, budgeted staffing for SCHD has remained constant over the preceding 60-month period. Budgeted staff levels and related categories follows in Table B-5.2a.

Oceanside SCHD Administration Office
1540 Harbor Dr S, Oceanside, CA 92054



Photo Credit: Google Maps

Oceanside SCHD
Budgeted Staffing Levels
Table B-5.2a | Source: Oceanside SCHD

Category	FY 2018	FY 2022	Average	Trend
Management	1.1	2.2	1.7	100.0%
Maintenance	11.2	11.2	11.2	0.0%
Administrative Support	5.0	4.0	4.5	(25.0%)
Total	17.3	17.4	17.4	0.6%

6.0 MUNICIPAL SERVICES

Oceanside SCHD currently provides two active municipal service functions as categorized by LAFCO – (a) marina and (b) dredging – within its approximate 100-acre service area encompassing the Oceanside Harbor and shown on the following page as Map 2. (A third authorized function – patrol and rescue – has been inactive since 2009 with the City of Oceanside assuming the services directly.[8]) A summary analysis of the two active service functions and their ancillary classes follows with respect to resources, capacities, demands, and performance during the five-year report period.

Oceanside Harbor
Main Entrance via Harbor Drive



Photo Credit: Google Maps

6.1 Marina Function + Ancillary Classes

Oceanside SCHD's marina function dates to its formation and represents the agency's primary service activity in terms of volume and comprises several distinct classes underlying the public-facing operations of the Oceanside Harbor. These class activities are headlined by the construction, repair, and ongoing operation of a municipal wharf, fishing pier, harbor basins (docks and slips), beach and camping, streets and sidewalks, and parking. 100% of all budgeted costs during the reporting period have been expended on the marina function and related – albeit standalone – classes.

Public-Facing Function…
Oceanside SCHD's marina function and distinct classes serve as the agency's public-facing service and are marked by the ongoing operation (construction, repair, and amenities) of the Oceanside Harbor. 100% of all budgeted + actual resources during the reporting period have gone to this function.

A pictorial map of the Oceanside Harbor is provided on the following page.

[8] The City of Oceanside transitioned land and water-based public safety services within the SCHD at the end of the reporting period in 2022 from its Police Department via a dedicated Harbor Unit to the Fire Department via a dedicated Lifeguard Unit. A total of 10 positions within the Lifeguard Unit are assigned to the Haror with coverage spanning 24 hours a day, seven days a week. Land and water public safety services include boat operations and towing, rescue swimmers, fire suppression, emergency medical services, hazardous materials response, and vessel inspections.

Map No. B-2



Map Provided by Oceanside SCHD

Resources, Capacities + Related Demands

Oceanside SCHD's marina function operates as an enterprise and is organized to be fully self-sufficient via resources generated directly by marina users. Actual revenues generated during the five-year report period have annually averaged $8.292 million. Actuals collected at the end of the reporting period tallies $9.198 million and underlies a period change of 23.0% and is attributed to beginning to receive lease monies generated at the wharf. More than four-fifths of the average actual tally – or 82.7% – is drawn from monthly slip rentals. Actual expenses during the reporting period have annually averaged $9.945 million. The final year tallies $8.750 million and underlies a period change of (39.0%). Nearly two-thirds – or 64.9% – of actual expenses ties to paying rent to Oceanside, which in turn – among other items – covers staff support.

Self-Supporting Resources…
Oceanside SCHD's marina function is intended to be entirely self-funded with actual annual revenue averaging $8.3 million during the five-year report period with 83% coming from boat slips. Actual annual expenses have averaged $9.945 million with 65% covering staff support costs with the City of Oceanside and the assignment of 17.4 full-time-equivalent positions.

With respect to available capacities and demands underlying SCHD's marina function and the provision of a municipal wharf, fishing pier, berthing basins (docks and slips), launch ramp, beaching and camping, streets and sidewalks, and parking:

- Wharf:
  SCHD maintains and operates a municipal wharf in coordination with Oceanside's Real Estate Division (Public Works Department) that frames the Oceanside Harbor complex. The wharf's leasable commercial spaces span approximately 350,000 square feet and are largely divided between four broad categories: recreation; marine services; food and beverage; and hotel. The largest lease at the end of the reporting period totals 90,544 square feet involving the Oceanside Marina Inn – Pacific Suites. Nearly all leases pay a uniform minimal rental rate plus a percentage of net revenue. SCHD finished the reporting period with a 100% occupancy rate.

- Fishing Pier:
  SCHD maintains an approximate 50-foot length municipal pier at the Oceanside Harbor. The pier was originally built in 1963 and most recently rebuilt in 1987. The L-shape pier is dedicated to recreational fishing and made of redwood planking that extends over shallow muddy waters with a wrap-around railing at 44 inches in height. It is located in the center of Oceanside Harbor overlooking the inlet to the Pacific Ocean and divides the north and south berthing basins. Up to a dozen anglers can use the pier at any given time with bass, jacksmelt, and opaleye being common catches. SCHD does not require fishing permits.

- Berthing Basins (Boat Slips + Docks):
  SCHD's basins are divided into two distinct berths – north and south – which were established as part of the original construction of the Oceanside Harbor in 1963. A third basin was tentatively planned by SCHD beginning in the late 1970s via expansion into the adjacent Del Mar Marina (Camp Pendleton) but has not materialized to date.[9] Additional details follow.

  - The combined number of boat slips in Oceanside Harbor totals 954 at the end of the reporting period. This amount has remained unchanged during the preceding 60 months. 890 boat slips are dedicated to permittees.

[9] The Del Mar Marina was constructed in 1942 as a wartime measure. It lies immediately upcoast from the SCHD boundary and designed to serve landing crafts as well as training operators of amphibious vehicles. These uses continue today.

- 64 boat slips are dedicated to wharf leases and guests. All slips are single with water and electric hook-ups included. Permittees are limited to staying overnight on their boards no more than three (3) times per week.

- All permittees consent to the Habor Manager or their designee to have inspection access to help ensure vessels comply with SCHD rules and regulations, including seaworthiness and appearances. Permittees retain their permits after selling their registered vessel so long as they purchase and register a new vessel within 90 days. Permittees may also transfer permits with the prior approval of the Harbor Manager.

- All permittees pay monthly rent based on their slip size and number of vessel feet. Slip rents have increased uniformly by 11.1% over the reporting period with a typical offshore `boat of 40 feet paying $700.00 per month at the end of the period. A listing of rents follows in Table B-6.1a.

Oceanside SCHD's Boat Slip Monthly Per Foot Charges
Table B-6.1a | Source: Oceanside SCHD

Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'
2018	14.40	15.70	15.70	15.70
2019	14.40	15.70	15.70	15.70
2020	15.30	16.70	16.70	16.70
2021	15.30	16.70	16.70	16.70
2022	16.00	17.50	17.50	17.50
Average	**15.08**	**16.46**	**16.46**	**16.46**

Postscript: SCHD's monthly rates were raised beginning in January 2024 approximately 18%.

- There are 26 total piling docks divided between 11 (A-J and Z) in the north basin and 15 (K-X) in the south basin. Both basins are accessed through locked gangways with each having sewer pumpout stations. Both basins also have dedicated full bathrooms and laundry facilities that are accessible to permittees through electronic fobs. A fuel dock is located in the south basin.

- SCHD policies allow for a maximum of 10% of the available permitted boat slips to liveaboards. The current number of liveaboards at the end of the reporting period is 86 and has remained unchanged during the preceding 60 months. Eligibility is limited to vessels that are no less than 32 feet in length and occupied by owners and their immediate family members. Liveaboards must have permanent toilets and holding tanks as well as maintain records showing regular pumpouts.

- Guest slips total 18 and are available to the public on a first-come basis with a maximum stay of 30 days unless approved by the Harbor Manager.

- Both permittees and liveaboards have remained at full capacity during the reporting period. Waiting list tallies follow in Tables B-6.1b and B-6.1c.

Oceanside SCHD's Boat Slip Waiting Lists
Table B-6.1b | Source: Oceanside SCHD

Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'	Other Sizes	TOTAL
2018	6	44	55	23	18	146
2019	17	73	72	19	19	200
2020	29	73	75	18	19	214
2021	63	72	92	20	19	266
2022	58	63	68	19	18	226
Average	34.6	65.0	72.4	19.8	18.6	210.4

Oceanside SCHD's Liveaboards Waiting Lists
Table B-6.1c | Source: Oceanside SCHD

Year	2018	2019	2020	2021	2022	Average
List A	13	11	10	11	11	11
List B	69	83	94	103	108	94
Total	82	94	104	114	119	103

- Launch Ramp:
  SCHD maintains one municipal boat launch. The ramp includes four boarding floats that can accommodate up to six vessels at any one time. The ramp is part of the south basin off of North Pacific Street.[10] SCHD does not track launches.

- Beach + Camping:
  SCHD maintains one municipal beach – Harbor Beach. The beach is approximately 0.5 miles in length and totals approximately 3.0 acres – making it the largest in Oceanside. The beach is open year-round and patrolled by three Oceanside lifeguard towers, which are typically staffed between Memorial Day and Labor Day. Onsite amenities include two covered picnic table areas, 24 fire rings, and a childrens' playground. Public restrooms are open 24-hours. Vehicle camping is available year-round and there is a five-night limit in any 30-day period. Tents, popouts, slideouts, and awnings are not allowed.

[10] Parking is available in the adjacent lot (11b) with the capacity to accommodate 110 auto/trailer spaces with daily fees between $35 (May to September) and $30 (October to April).

- Streets and Sidewalks:
  SCHD maintains approximately 2.0 miles of municipal right-of-way roads along Harbor Drive – North and South – as well as a short section of Pacific Street. These streets have varying widths but accommodate only one travel lane in each direction. There are no medians or signalized intersections. Two entry/exit points exist. The primary outlet is at Habor Drive and directly connects to Interstate 5 to the east. The secondary outlet involves Pacific Street and its bridge segment spanning south across the San Luis Rey River. SCHD separately maintains approximately 2.8 miles of municipal sidewalks located along the periphery of the two berthing basins. Heavy usage during summer months occurs along Habor Dive South and is associated with pedestrians using the free parking in Lot 1 and walking the 2,000-foot distance to Habor Beach.

- Parking:
  SCHD maintains 15 public parking lots collectively providing 1,690 total vehicle spaces. This total amount is divided between 413 reserved and 1,277 unreserved parking lot spaces. Reserved parking within the lots is largely dedicated to leaseholders and their customers as well as boat slip renters. Additional information follows in Table B-6.1d.

Oceanside SCHD's Public Parking Capacities
Table B-6.1d | Source: Oceanside SCHD

Lot	Reserved	Unreserved	Total
No. 1	23	427	450
No. 2	44	112	156
No. 3	43	119	162
No. 4	43	67	110
No. 5	71	87	158
No. 6	40	63	103
No. 7 (paid)	57	60	117
No. 8 – North + South	0	55	55
No. 9	0	24	24
No. 10 (paid)	0	51	51
No. 11 (paid)	0	35	35
No. 11 – A + B (paid)	0	178	178
No. 12 (paid)	0	91	91
TOTAL	413	1,277	1,690

Overall Performance: Measuring Capacities and Demands

Oceanside SCHD's primary municipal function – marina – encompasses several connected service classes underlying the day-to-day operations of the Oceanside Harbor. The marina function's organization as an enterprise fund creates an otherwise unique task for SCHD as a local governmental agency to generate retail-type revenues sufficient to continue to attract and retain business, most notably in the form of its primary income sources involving boat slips and commercial lessees. Although demands for these primary revenue generators have remained relatively steady through the five-year report period as measured by their respective waiting lists and vacancy rates, the outlook going forward appears less certain. This uncertainty ties to six decades of continued ocean and saltwater exposure to infrastructure that has remained and largely paired with expanding usage marked by boat slips nearly doubling from 520 to 954. Decades of delayed and/or deferred maintenance have left core infrastructure increasingly vulnerable to breakdowns and/or failure.

Reconciliation on the Horizon…
Two things appear equally true with respect to measuring the performance of Oceanside SCHD's marina function:

1) SCHD's marina function appears to be performing satisfactorily through the end of the five-year report period as measured by constant demand for its two primary revenue sources: boat slip permittees and commercial wharf leases.

2) Performance of the marina function has under-prioritized regular maintenance, and as a result has left its core infrastructure (docks, pilings, etc.) in need of an estimated $28.0 million to stabilize over the next 15 years; an amount more than 3 times greater than the average annual revenue collection during the reporting period.

An outside engineer recently completed an assessment at the end of the reporting period estimating the total costs to stabilize and maintain core Harbor infrastructure (docks, gangways, gates, pilings, etc.) over the next 15-year period at $28.0 million; an amount more than three times greater than SCHD's annual average actual revenue. SCHD subsequently responded to the outside engineer's estimate in December 2023 with a series of actions to enhance revenues and cover most of the estimated maintenance costs. The enhancements are mostly to be borne by slip permittees and marked by raising monthly fees by approximately 18% and adding individual billing meters for water and electricity. The next municipal service review covering SCHD should review the effects of implementing these revenue enhancements and the relationship on demands – positive, negative, or neutral – among boat slip users.

6.2 Dredging Function + Ancillary Classes

Oceanside SCHD's dredging function also dates to its formation and the creation of the Oceanside Harbor to provide sufficient depth and protection for boats' berthing and passage within the Harbor. This function involves two related classes involving channel clearing and beach restoration with the latter directly tied to the former. These services are presently limited to an advisory role to the U.S. Army Corps of Engineers.

Maritime-Facing Function…
Oceanside SCHD's dredging function and two related classes – channel clearing and beach restoration – serve as the agency's core maritime service and performed in a coordinating role with the U.S. Army Corps of Engineers.

Resources, Capacities + Related Demands

Oceanside's SCHD's dredging function operates as a non-enterprise and is accordingly dependent on non-user revenues to fund activities. No resources – notably – have been budgeted by SCHD for the dredging function and its two intertwined classes – channel clearing and beach restoration – during the reporting period. Instead, this function is incidentally supported as part of SCHD's marina function and involves administratively advising and coordinating with the U.S. Army Corps of Engineers and their annual dredging commitment to clear the inlet shared with Camp Pendleton.[11] The Corps commitment to perform annual dredging has been historically premised on keeping the inlet to a depth of no less than 30 feet and in doing so limiting risks to boats to shoaling effects - the concurrent shallowing of water and intensifying of waves. More recently, however, the amount of accumulated sand in the inlet has been decreasing as a result of southward drift. The annual dredging generally takes place in late spring and takes approximately two to four weeks to complete at a cost of approximately $3.5 million. The average yearly volume of sand dredged from the inlet during the reporting period has been 257,019 cubic yards, which translates to covering approximately 160 acre-feet.

Annual totals for each of the five years in the reporting period follow in Table B-6.2a.

[11] The annual dredging program is a cost-share by the U.S. Corps of Engineers and Navy.

U.S. Army Corps of Engineering – Annual Dredging
Table B-6.2a | Source: Oceanside SCHD

Year	Cubic Yards	Acre-Feet Equivalent
2018	184,323	114.25
2019	228,108	141.39
2020	245,382	152.10
2021	349,703	216.76
2022	277,670	172.11
Average	257,109	159.37

More Sand Needed…
Despite the annual replenishment performed by the U.S. Corps of Engineering, it is estimated Harbor Beach is currently losing 2.4 feet a year to erosion.

Sand dredged by the U.S. Corps of Engineering as part of the annual channel clearing is pumped onto the north end of Harbor Beach. The City of Oceanside – and not SCHD – separately covers the costs to replenish the sand along Harbor Beach and further south as the Oceanside Pier as volume permits. Pertinently, to date, only the annual dreading of the Oceanside Harbor provides sand replenishment for any beaches in Oceanside. A recent feasibility analysis prepared for Oceanside in 2021 to address sand replenishment and retention options along its coastline estimates Harbor Beach is now eroding by (2.4 feet) annually *despite* the annual dredging program *(emphasis added)*.

Overall Performance: Measuring Capacities and Demands

Managing Expectations…
Oceanside SCHD should revisit its dredging function and consider the dual merits of either establishing stand-alone capacities to clear the inlet as well as replenish/retain sand on Harbor Beach or pursuing divestiture in managing community expectations and any associated liabilities.

Oceanside's SCHD's dredging function operates passively with capacities at the end of the five-year report period constrained to providing advisory input to the U.S. Corps of Engineers as part of their annual activities involving the Oceanside Harbor. While this passive role provides benefit to constituents by having a representative voice in the Corps' decision-making, it nonetheless differs from expectations set at formation for SCHD to directly clear channels. It is also apparent the level of clearing and associated sand replenishment provided annually by the Corps is not keeping up with current erosion losses along Harbor Beach. These factors suggest SCHD revisit its dredging function to either establish stand-alone capacities to clear the inlet as well as replenish and retain sand along Harbor Beach or pursue divestiture in managing community expectations.

7.0 FINANCES

7.1 Budget and Actuals

With respect to planning annual expenses, Oceanside SCHD's total adopted budgeted costs have averaged $9.618 million during the five-year report period. The most recent budgeted amount falls (11.4%) below the five-year average of $8.522 million with four-fifths of this recent tally going to cover staff support services with the City of Oceanside. Most of the remaining budgeted expense planned at the end of the reporting period involves making a lease payment to Oceanside for the Harbor complex. A summary of budgeted expenses follows in Table B-7.1a.

Budgeting Costs...
Oceanside SCHD's total budgeted expense at the end of the five-year report period is $8.522 million with 83% covering planned staff support services with the City of Oceanside. Overall, SCHD's total budgeted costs – i.e., the expected expense to run all Harbor activities – have increased by 15% over the reporting period.

Oceanside SCHD
Total Budgeted Expenses
Table B-7.1a | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Maintenance + Ops	657,343	3,341,064	894,669	4,187,523	791,863	1,974,492	20.5
Internal Charges	6,300	442,364	22,000	9,000	33,623	102,657	433.7
Capital Outlay	-	-	-	-	133,103	26,621	0.0
Debt Service	363,103	135,926	132,053	135,103	-	153,237	(63.3)
Transfers	6,196,682	6,237,298	6,696,325	707,711	7,088,904	6,665,264	14.4
Other	159,900	159,900	474,365	474,365	474,365	348,579	196.7
Personnel	-	1,736,052	-	-	-	347,210	n/a
Total (millions)	**$7.383**	**$12.053**	**$8.2193**	**$11.9133**	**$8.522**	**$9.618**	**15.4%**

Oceanside SCHD's overall actual expenses during the five-year report period have averaged $9.945 million and slightly below – specifically 3.4% – budgeted expectations. The most recent actual amount expended by SCHD tallies $8.750 million and underlies an overall trend decrease of (39.0%) during the reporting period. Of this most recent year's amount, exactly nine-tenths involved payments going to Oceanside for staff support ($6.996 million) and the lease at Oceanside Harbor ($0.836 million). The overall average actual per capita expense during the reporting period is $57.30 with starting and ending amounts of $83.15 and $50.11; a decrease of (39.7%).

Actual Costs...
Oceanside SCHD's total actual expense at the end of the five-year report period equals $8.750 million with 80% covering staff support services with the City of Oceanside. Overall, the variance between actual and budgeted expenses during the reporting period falls slightly higher at 3.3%.

A breakdown of all actual expenses for the reporting period follows in Table B-7.1b.

Oceanside SCHD
Total Actual Expenses
Table B-7.1b | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Maintenance + Ops	731,967	1,243,119	1,174,518	3,664,477	1,056,064	1,574,029	44.3
Debt Service	17,685	15,161	13,008	10,760	8,502	13,023	(51.9)
Transfers	6,029,821	3,655,649	6,157,376	6,721,848	6,995,727	6,452,084	16.0
Other	7,296,784	394,744	367,685	500,264	645,614	1,841,018	(91.2)
Internal Charges	1,280	5,268	9,704	7,668	43,970	13,578	3335.2
Capital Outlay	258,452	-	-	-	-	51,690	(100.0)
Total (millions)	**$14.336**	**$8.014**	**$7.722**	**$10.905**	**$8.750**	**$9.945**	**(39.0%)**
Per Capita Value	$83.15	$46.28	$44.36	$62.58	$50.31	$57.30	(39.7%)

With respect to planning revenues, Oceanside SCHD's total adopted budgeted revenues have averaged $8.607 million during the five-year report period. The most recent budgeted amount falls (0.4%) below the five-year average of $8.576 million with more than two-thirds expected from monthly boat slip fees. Most of the remaining budgeted revenue planned at the end of the reporting period involves commercial leases and parking fees. A summary of budgeted expenses over the reporting period follows in Table B-7.1c.

Budgeting Revenues...
Oceanside SCHD's total budgeted revenue at the end of the five-year report period is $8.576 million with 68% tying to boat slip fees. Overall, SCHD's total budgeted revenues – i.e., the expected monies generated in running all Harbor activities – have increased by 16% over the reporting period.

Oceanside SCHD
Total Budgeted Revenues
Table B-7.1c | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Boat Slip Fees	5,200,000	5,192,000	5,538,000	5,761,000	5,868,000	5,511,800	12.8
Commercial Leases	1,186,000	1,254,000	1,332,000	4,383,000	1,431,000	1,917,200	20.7
Parking	914,000	997,000	1,033,000	1,059,000	1,059,000	1,012,400	15.9
Interest	15,000	15,000	15,000	15,000	15,000	15,000	0.0
Transfer – Wait List	-	71,000	89,000	92,000	92,000	68,800	n/a
Inspection Fees	-	19,000	24,000	29,000	15,000	17,400	
Other	108,000	66,000	27,000	27,000	41,000	538,000	(62.0)
Private Foundations	-	-	-	-	55000	11,000	n/a
Total (millions)	**$7.423**	**$7.614**	**$8.058**	**$11.366**	**$8.576**	**$8.607**	**15.5%**

Oceanside SCHD's overall actual revenues during the five-year report period have averaged $8.314 million and slightly below – specifically 3.4% – budgeted expectations. The most recent actual amount collected by SCHD tallies $9.142 million and underlies an overall trend increase of 16.3% during the reporting period. Drilling down on the final year amount, three-fourths involved monthly boat slip fees ($6.639 million) with the balance largely tying to parking ($1.160 million) and commercial leases ($1.147 million). The overall average per capita actual revenue during the reporting period is $47.86 with starting and ending amounts of $44.69 and $51.33; an increase of 14.9%. A breakdown of all actual revenues for the reporting period follows in Table B-7.1d.

Actual Revenues...
Oceanside SCHD's total actual revenue at the end of the five-year report period equals $8.963 million with 74% generated from boat slip fees. Overall, the variance between actual and budgeted revenues during the reporting period is slightly lower at (3.5%).

Oceanside SCHD
Total Actual Revenues
Table B-7.1d | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Boat Slip Fees	6,514,862	7,024,358	6,771,433	7,197,044	6,638,791	6,829,298	1.9
Parking Fees	996,412	697,014	839,880	1,159,952	1,159,617	1,024,575	16.4
Service Charges	45,691	37,638	30,839	30,220	30,453	34,968	(33.4)
Commercial Leases	-	-	-	-	1,146,615	229,323	n/a
Fines and Penalties	116,845	116,762	113,589	135,300	116,256	119,750	(0.5)
Other	16,917	42,413	21,934	37,237	50,609	33,822	199.2
Interest Earnings	15,007	184,517	189,192	3,808	(179,008)	42,703	(1292.8)
Total (millions)	**$7.706**	**$8.373**	**$7.967**	**$8.564**	**$8.963**	**$8.314**	**16.3%**
Per Capita Value	$44.69	$48.36	$45.77	$49.15	$51.33	$47.86	14.9%

7.2 Fund Balance

Oceanside SCHD's fund balance at the end of the five-year report period tallies $4.600 million. This amount represents the unassigned cash available to SCHD for any purposes and finishes one-fifth above the annual ending fund balance average of $3.779 million. The combination of the two amounts reflects an overall upward trend over the 60 months of 24.0%. The average annual ending fund balance is separately sufficient to cover 4.9 months of the average operating expense incurred during the reporting period while finishing at 6.3 months. The ending fund balances relative to covering equivalent monthly operating expenses for the reporting period follows in Table B-7.2a.

Sizing the Fund Balance Up...
Oceanside SCHD finished the five-year report period with an unassigned fund balance of $4.600 million, sufficient to cover 6.3 months of actual costs.

Oceanside SCHD
Unassigned Fund Balance + Monthly Coverage Equivalents
Table B-7.2a | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Ending Fund Balance	3,710,187	3,969,280	4,059,036	2,557,432	4,600,359	3,779,259	24.0
Actual Operating Costs	1,4076,257	8,008,673	7,712,587	10,897,349	8,705,907	9,990,155	(38.2)
Months Covered	3.16	5.95	6.32	2.82	6.34	4.92	100.5

7.3 Financial Statements

Oceanside SCHD contracts with an outside accounting firm to prepare an annual report to review the agency's financial statements in accordance with established governmental accounting standards. These audited statements provide quantitative measurements in assessing SCHD's short and long-term fiscal health based on an accrual accounting method, i.e., recording revenues and expenses ahead of actual payment. All outside audits prepared during the five-year report period have been performed by Lance, Soll & Lunghard, LLP or LSL (Sacramento).

SCHD's most recent financial statements for the five-year report period cover 2021-2022 and were completed on January 31, 2023. These statements show SCHD experienced a relatively substantive improvement over the prior fiscal year as the overall net position covering all activities and related associations increased by 11.8% from $13.7 million to $14.9 million. The accompanying letter to management did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends during the reporting period follows for assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2022)
amounts in millions

Assets	$32.274
Liabilities	$1.420
Deferred Outflow/Inflow	($15.924)
Net Position	**$14.931**

Agency Assets

SCHD's audited overall assets at the end of the reporting period totals $32.3 million. This amount is 72.4% higher than the average ending amount of $18.7 million documented during each of the five report years and underlies the upward and improving track during the period. Assets classified as current with the expectation they could be liquidated within a year tally $6.8 million – or 21.0% of the total – and predominately tie to

Assets on the Rise …
SCHD's assets have increased by 115% during the five-year report period from $15.0 to $32.3 million with the change largely tied to now booking future commercial lease receivables. The per capita value of total assets at the end of the reporting period is $122.

cash and investments. Assets classified as non-current make up the remainder at $25.5 million. It is this portion of assets that underlie the overall increase during the reporting period and is marked by booking $15.215 million in future commercial lease receivables at the Oceanside Harbor.[12] Overall, SCHD's total audited assets have increased by $17.2 million – or 114.6% – over the corresponding 60-month period. Specific year-end asset totals for SCHD are shown below in Table B-7.3a.

Oceanside SCHD
Audited Assets
Table B-7.3a | Source: SCHD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	6,171,271	6,549,969	7,060,817	5,699,545	6,774,347	6,451,190	9.8
Non-Current	8,871,317	8,393,516	8,044,133	10,511,368	25,499,757	12,264,018	187.4
Total (millions)	**$15.042**	**$14.943**	**$15.105**	**$16.211**	**$32.274**	**$18.715**	**114.6%**
Per Capita Value	87.25	86.30	86.78	93.03	121.83	95.04	39.7

Agency Liabilities

SCHD's overall audited liabilities at the end of the reporting period totals $1.420 million. This amount is (8.5%) below the average ending amount of $1.551 million documented during the reporting period and underlies the downward and improving track during the period. Liabilities classified as current with the expectation they will become due within a year represent $0.953 million – or 67.0% of the total – and largely ties to payable deposits. Liabilities classified as non-current and considered long-term obligations make up the remainder of the balance. These non-current liabilities are predominately divided between a cash advancement from Oceanside in 2016 for the purchase of a patrol vessel operated by OPD as well as debt financing of a 30-year loan from 1994 with the Department of Boating and Waterways. Overall, SCHD's total audited liabilities have decreased by ($0.262 million) – or (15.6%) – over the corresponding 60-month period largely the result of paying down the two aforementioned obligations. Specific year-end liability totals for SCHD are shown below in Table 7.3b.

Liabilities on the Decline…
SCHD's liabilities have decreased by (16%) during the five-year report period from $1.7 to $1.4 million with the change largely tied to paying down long-term debts – including a 2016 cash advancement from Oceanside in the amount of $0.5 million to purchase a new patrol vessel. The per capita value of total liabilities at the end of the reporting period is $8.

[12] SCHD also booked a new $3.5 million capital asset in 2021 to replace one of the District's docks with new pilings (J-Dock).

Oceanside SCHD
Audited Liabilities
Table B-7.3b | Source: SCHD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	727,499	528,759	649,769	1,337,142	953,812	893,396	31.1
Non-Current	955,000	837,066	713,492	589,982	466,214	712,351	(51.2)
Total (millions)	**$1.682**	**$1.367**	**$1.363**	**$1.927**	**$1.420**	**$1.551**	**(15.6%)**
Per Capita Value	$9.76	$7.89	$7.83	$11.06	$8.13	$8.93	(16.7%)

Net Position

SCHD's overall audited net position at the end of the reporting period totals $14.930 million and represents the difference between total assets and total liabilities along with adjusting for deferred resources. This most recent year-end amount lies 6.8% above the average year-end sum of $13.979 million generated during the five-year report period and underlies the upward and improving trend. Most of the net position – $10.080 million or 67.5% – ties to capital asset holdings. The remainder involves unrestricted monies. Overall, SCHD's audited net position has increased by $1.571 million – or 11.8% – over the corresponding 60-month period and is a byproduct of the concurrent rise in assets and decline in liabilities. Specific year-end net position totals for Oceanside SCHD are shown below in Table 7.3c.

Truing Up Assets and Liabilities…
Oceanside SCHD's audited net position has increased during the five-year report period by 11.8% from $13.360 to $14.931 million. This change parallels the difference in the per capita measurement and its 10.4% increase from $78 to $86.

Oceanside SCHD
Audited Net Position
Table B-7.3c | Source: SCHD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Assets	8,276,317	7,893,516	7,230,641	10,206,368	10,080,107	8.737	21.8
Restricted	-	-	-	-	-	-	-
Unrestricted	5,083,772	5,684,144	6,511,048	4,077,421	4,850,484	5.241	(4.6)
Total (millions)	**$13.360**	**$13.578**	**$13.742**	**$14.284**	**$14.931**	**$13.979**	**11.8%**
Per Capita Value	$77.49	$78.42	$78.94	$81.97	$85.51	$80.47	10.4%

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO's review of the audited financial statement issuances by Oceanside SCHD covering the five-year report period shows the agency experiencing mixed results and related trends within the four central fiscal measurement categories – liquidity, capital, margin, and asset management – utilized in this document. Summaries follow.

Liquidity (Short-Term Outlook)

Oceanside SCHD's average annual current ratio during the reporting period tallies 8.6-to-1 and shows the agency having $8.60 in available cash resources (current assets) for every $1.00 in near-term accounts payable and related debts (current liabilities) over the 60 months. The final year ratio remains relatively robust at 7-to-1 but reflects an overall period decline of (16.3%). A separate liquidity measurement shows Oceanside SCHD's average annual days' cash ratio during the reporting period being 294 and sufficient to cover 42 weeks of baseline expenses and considered good. However, similar to the current ratio, the final year amount tally of 256 days' cash and its adjusted coverage of 36.6 weeks underlies an overall period decline of (20.9%). These two measurements collectively indicate SCHD's otherwise healthy liquidity levels are steadily decreasing and create some uncertainty with regard to the agency's ability to absorb unexpected costs and/or shortfalls in revenues going forward.

Two-Sided Burn Rate...
Oceanside SCHD's days' cash ratio – or burn rate – finished the five-year report period relatively strong at 256. It also experienced an overall (21%) decline with decreases incurring in four of the five years.

Oceanside SCHD
Measuring Liquidity
Table B-7.4a | Source: SCHD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current Ratio	8.4 to 1	12.4 to 1	10.9 to 1	4.3 to 1	7.1 to 1	8.6 to 1	(16.3%)
Days' Cash	3,022	1,702	2,048	2,362	1,921	2,211	(36.4%)

- The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities on a dollar-to-dollar basis. Higher is better.

- The days' cash provides a micro measurement of near-term financial health by comparing available cash and equivalents against the average daily operating expenses less depreciation. Higher is better.

Capital (Long-Term Outlook)

Oceanside SCHD's average annual debt-to-net position during the five-year report period equals 5.2% and quantifies the agency is carrying relatively low levels of long-term debts. The final year tally is 3.1% and underlies a lower and improving condition in which SCHD has reduced its exposure to risks associated with holding long-term debts that increase costs – like rises in interest rates by more than one-half over the reporting period. A separate capital measurement shows SCHD's average annual debt ratio over the reporting period has been 9.1%. This measurement has also been lowered and improved to 4.4% at the end of the reporting period which means the majority balance of SCHD's assets – specifically 95.6% – are free from debt financing. These two measurements collectively show SCHD is well-positioned to maintain good cash flow into the near future given its low debt levels paired with the concurrent ability to use capital to assume new debt as needed.

Low Credit Balances with High Credit Lines…
Oceanside SCHD's debt ratio decreased by three-fifths during the five-year reporting period before finishing at 4.4%; an amount that positions SCHD with significant capital resources to finance big-ticket improvements going forward.

Oceanside SCHD
Measuring Capital
Table B-7.4b | Source: SCRD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Debt to Net Assets Ratio	7.1%	6.2%	5.2%	4.1%	3.1%	5.2%	(56.3%)
Debt Ratio	11.2%	9.1%	9.0%	11.9%	4.4%	9.1%	(60.7%)

- The debt-to-net position ratio measures long-term financial health to quantify existing debt load as a percentage of the total net position. Lower is better.
- The debt ratio measures long-term financial health to quantify the percentage of assets that are subject to debt financing and the variables associated therein – interest rates, supply costs, etc. Lower is better.

Margin (Net Income)

Oceanside SCHD's average annual operating margin during the five-year report period tallies 4.5% with positive percentages generated in four of the five years reviewed. This measurement covering direct day-to-day activities with all purposes revenues and expenses finished the reporting period at 9.1% and underlies nearly a one-half improvement.

Decent Bottom Line…
Oceanside SCHD's average annual total margin during the five-year report period has been 5% with positive finishing amounts in all five years.

SCHD's average annual total margin – which measures both direct and indirect financial transactions – has been 4.9% with positive finishes in all five years. This more macro measurement also improved during the reporting period by one-seventh, and its higher-finish signals indirect costs and revenues are helping – and not hurting – SCHD's day-to-day activities.

Oceanside SCHD
Measuring Margin
Table B-7.4c | Source: SCRD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Operating Margin	6.4%	0.6%	(0.2%)	6.4%	9.1%	4.5%	43.1%
Total Margin	6.3%	2.6%	2.1%	6.3%	7.2%	4.9%	14.0%

- The operating margin measures profitability levels within the agency as it relates to matching direct revenues and expenses involved in the day-to-day service activities. Higher is better.
- The total margin measures profitability levels within the agency as it relates to matching all direct and indirect revenues and expenses. Higher is better.

Asset Management

Oceanside SCHD's average annual age of all capital assets during the five-year report period totals 52.6. The fifth and final year totals 55.3 and underlies ongoing aging during the 60 months of SCHD's capital assets, which are largely categorized as improvements other than buildings – presumably pilings, docks, and gangways. A separate measurement via the accumulated depreciation ratio shows the general remaining usefulness of SCHD's capital assets has significantly exceeded their expected lifespan with a period average ratio of 264%; i.e., capital assets as a whole have surpassed their expected useful lives by nearly three-fold.

Assets are Old and Getting Older…
Oceanside SCHD's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by nearly three-fold.

Oceanside SCHD
Measuring Asset Management
Table B-7.4d | Source: SCRD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Accounting Age of Capital Assets	49.9	49.7	53.5	54.7	55.3	52.6	10.7%
Accumulated Depreciation Ratio	262.0%	282.6%	300.5%	233.3%	242.8%	264.2%	(7.3%)

- The accounting age of capital assets provides a macro index of the average age the agency's core and depreciating facilities, equipment, buildings, and related infrastructure and their current replacement schedule. Lower is better.

- The accumulated depreciation ratio provides a more contextual measurement of the general remaining usefulness of the agency's core and depreciating facilities, equipment, buildings, and related infrastructure relative to their expected lifespan. Lower is better.

7.5 Pension Obligations

None

7.6 Other Post-Employment Benefit Obligations

None

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C. MORRO HILLS COMMUNITY SERVICES DISTRICT

1.0 OVERVIEW

Morro Hills
Looking East from Sleeping Indian Rd to Olive Hill Rd



Photo Credit: Google Maps (2022)

The Morro Hills Community Services District (CSD) is an independent special district formed in 1961 in northwest San Diego County immediately to the east of the City of Oceanside. Formation proceedings were initiated by landowners with the support of the County of San Diego to assume the authority to establish, improve, and maintain streets and related roadway incidentals – like curbs, gutters, and drains – as well as provide fire protection. Morro Hills CSD's jurisdictional boundary encompasses nearly two square miles with mostly large residential estates intermixed with agriculture. Most of the jurisdictional boundary lies within a Fallbrook postal code (92028) with nine-tenths under private ownership.

A five-person Board of Directors provides Morro Hills CSD's governance with members directly elected at-large to staggered four-year terms by registered voters. Members may also be appointed in place of contested elections and/or to fill vacancies. The longest-serving member is Thomas Harrington with 25 service years on the Board. All four other members on the Board have less than two years of service.

Morro Hills CSD is currently organized as a limited-purpose agency with municipal operations tied to one active service function – streets – and anchored by maintaining a 6.0-mile roadway system. Ancillary classes are marked by providing signage and drainage along the roadway. Separately, while formation proceedings explicitly contemplated fire protection, records show this service function has never been activated by the CSD and is considered fully latent. Other latent powers vested with the CSD that could be activated with LAFCO approval are extensive under the principal act and headlined by water, wastewater, parks, lighting, and police protection.

Limited Purpose Agency…
Morro Hills CSD is authorized to provide one active service function – streets – at the end of the five-year report period and is anchored by a 6.0-mile roadway system. Although initially empowered to provide fire protection, this function is latent and would require new LAFCO approval to activate.

With respect to finances, Morro Hills CSD's operating budget at the term of the reporting period (2021-2022) totals $0.023 million in authorized expenses. The audited financial statements show Morro Hills CSD's net position at the same time totaling $0.578 million with the unrestricted portion making up nearly one-half at $0.266 million. Morro Hills CSD has no employees; all services performed by the CSD are done so by contractors.

LAFCO independently estimates the full-time resident population within Morro Hills CSD is 1,001 at the term of the reporting period. (Information is not readily available within the affected census block groups to reliably estimate earlier counts within the reporting period.) The total number of housing units within the jurisdictional boundary at the end of the reporting period is 396. The resulting average ratio of residents to housing units is 2.5. The median household income among residents within Morro Hills CSD is $146,289 based on the current five-year period average and more than three-fifths above the countywide average of $88,240. The average home value in the CSD (92028) has separately increased by 58.5% over the reporting period from $550,771 to $872,987.[1] This separately generates a home price-to-income ratio of 6.0.

2.0 BACKGROUND

2.1 Community Development

The region covering present-day Morro Hills CSD began its contemporary development in the late 1700s. The genesis of the development ties to the Payomkawichum people – called Luiseños by the Spanish newcomers – establishing permanent villages along the Santa Margarita and San Luis Rey Rivers in conjunction with the construction of nearby Mission San Luis Rey in 1769. Around this time, the hills immediately to the east of the Mission and serving as a natural boundary between coastal and inland lands along the San Luis Rey River were named "El Morro," meaning crown-shaped hill. The region was subsequently

View of Morro Hills
From Mission San Luis Rey (1890s)

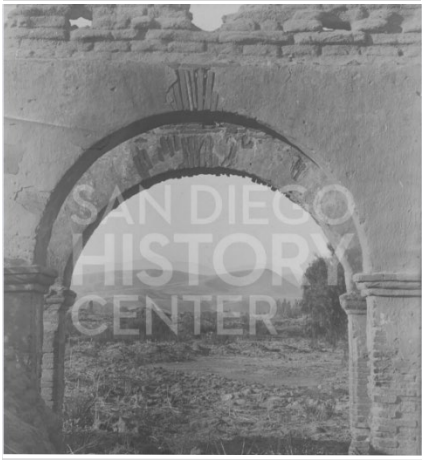


Photo Credit: San Diego History Museum

[1] The average home values in 92028 during the five-year report period is based on Zillow analytics (www.zillow.com).

included in a large land grant – Ranch Santa Margarita – by Mexico's California Governor Pío Pico to his brother Andrés Pico in the 1840s and thereafter gradually divided and sold into relatively smaller tracts for agricultural and ranching uses.

Proceeding into the 1900s, County records indicate the present-day Morro Hills CSD jurisdictional boundary remained largely dedicated to agrarian uses with an internal network of private roads/paths having developed leading southeast towards Bonsall or northeast towards Fallbrook. A 1938 road survey shows the County having graded and extended Olive Hill Road south from Fallbrook and providing direct access to the area. Further, by the late 1940s, parcel maps were beginning to be recorded commencing a transition in the area towards residential estates and leading to the initial grading and paving of Del Valle Drive.

Aerial View of Morro Hills (1946)

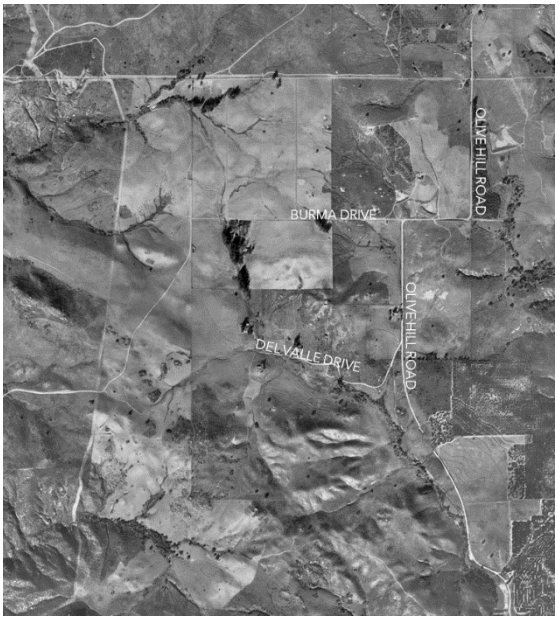


Photo Credit: San Diego LAFCO

Aerial View of Morro Hills (1963)



Photo Credit: San Diego LAFCO

2.2 Formation Proceedings

The formation of Morro Hills CSD was petitioned by a group of landowners and filed with the County Boundary Change Commission – predecessor body to LAFCO oversight – in late 1960. Documents show the petition filing followed discussions with the County and done so to assume responsibility for constructing and maintaining public roads consistent with community needs and with the aid of receiving a portion of local property taxes. Voters approved the formation of Morro Hills CSD as part of

a special election on January 17, 1961, by a vote of 27 to 8 with authorization to provide streets and fire protection services. Voters also approved an initial governing board of Edward Jones, Walter Kottas, Victor Pinkney, Jr., Douglas Schnorr, and William Coover. The effective date of the formation was set as January 25, 1961.

2.3 Notable Post Formation Activities + Events

A summary of notable activities undertaken by Morro Hills CSD and/or affecting the District's service area preceding and following formation in 1961 are provided below.

1970s

LAFCO approves a landowner petition (William B. Renwick) to detach approximately 75 acres from Morro Hills CSD in April 1972. The detachment remains the only boundary change to the District.

1980s

LAFCO establishes a coterminous sphere of influence for Morro Hills CSD in November 1984. Supporting documents generated by LAFCO state Morro Hills CSD serves an estimated population of 700.

A proposal is filed with LAFCO in January 1985 to incorporate Fallbrook and dissolve several overlapping special districts – including Morro Hills CSD. The reorganization is conditionally approved by LAFCO but fails to win majority voter support in June 1986.

Morro Hills CSD contracts with an outside consultant to analyze traffic conditions within the District and available calming measures in 1989. Morro Hills CSD proceeds to contract for new analysis in 2004, 2008, and 2021.

LAFCO updates and affirms Morro Hills CSD's sphere in 2013 with no changes.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

Morro Hills CSD's jurisdictional boundary spans approximately two square miles and covers 1,107 total acres – an amount equal to 0.04% of San Diego County. The jurisdictional boundary is entirely unincorporated and largely characterized by large residential estates intermixed with commercial and non-commercial agriculture. Three-fifths of the jurisdictional boundary is immediately adjacent to Camp Pendelton

or the City of Oceanside. The balance of the jurisdictional boundary is adjacent to the unincorporated communities of Fallbrook and – to a lesser extent – Bonsall and accordingly notionally open to future expansion. All of the jurisdictional boundary is assigned a Fallbrook postal code. The elevation ranges between 372 to 834 feet above sea level with the latter point recorded along San Jacinto Circle West near Solana Real. Other key boundary characteristics follow and are summarized in Table C-3.1.

Physical Footprint…
Morro Hills CSD's jurisdictional boundary spans 1,107 acres and is divided into 417 parcels – all of which are unincorporated with a Fallbrook-assigned postal code. All but 38 parcels totaling 91 acres have been developed and/or improved, albeit not necessarily to the highest density allowed.

- With respect to property tax considerations, the total assessed value (land and structure) within Morro Hills CSD at the end of the reporting period is $0.240 billion. The ending amount translates to a per-acre value ratio of $0.22 million. It also translates to a per capita value of $0.24 million based on the estimated full-time population of 1,001. Overall, Morro Hills CSD receives close to 3.9% of the annual 1.0% of property tax collected in the jurisdictional boundary and resulted in $0.090 million in 2021-2022.

- With respect to development considerations, Morro Hills CSD's jurisdictional boundary at the end of the reporting period is divided into 417 parcels totaling 1,061 acres. (balance involves rights-of-way). Almost all – 99% – of the parcel acreage is under private ownership with nearly nine-tenths having already been developed and/or improved with structures to date, albeit not necessarily at the highest density under zoning. The remaining privately owned lands in Morro Hills CSD are undeveloped and divided by 38 parcels totaling 91 acres.

- With respect to other boundary considerations, none of the acreage within Morro Hills CSD's jurisdictional boundary qualifies as disadvantaged unincorporated community (DUC) lands under current San Diego LAFCO policy. Furthermore, no lands within and immediately adjacent to the jurisdictional boundary qualify as a disadvantaged unincorporated community.

Morro Hills CSD
Jurisdictional Boundary Characteristics
Table C-3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	1,107 acres
Total Jurisdictional Parcels and Acreage (less rights-of-ways, etc.)	417 parcels totaling 1,061 acres
… Publicly Owned Parcels and Acreage	4 parcels totaling 73 acres
… Privately Owned Parcels and Acreage	413 parcels totaling 1,034 acres
… Undeveloped Privately Owned Parcels and Acreage	38 parcels totaling 91 acres
Total Number of Registered Voters	806
Total Assessed Value (Land and Structures)	$0.240 billion

3.2 Sphere of Influence

Morro Hills CSD's sphere of influence was established by LAFCO in November 1984 ahead of a statewide deadline applicable to all local agencies by the Legislature. The sphere was subsequently reviewed and updated by LAFCO in 2007 and 2013 and remains entirely coterminous with the jurisdictional boundary. There are also no special study areas assigned to the sphere. CSD's sphere of influence is shown as part of Map C-1.

No Expansions Telegraphed in Current Sphere Designation…
The Morro Hills CSD sphere of influence was last updated by LAFCO in 2013. The sphere is coterminous with the jurisdictional boundary, and as such reflects a standing expectation by LAFCO to maintain the status quo going forward.

3.3 Boundaries' Relationship to General Plans

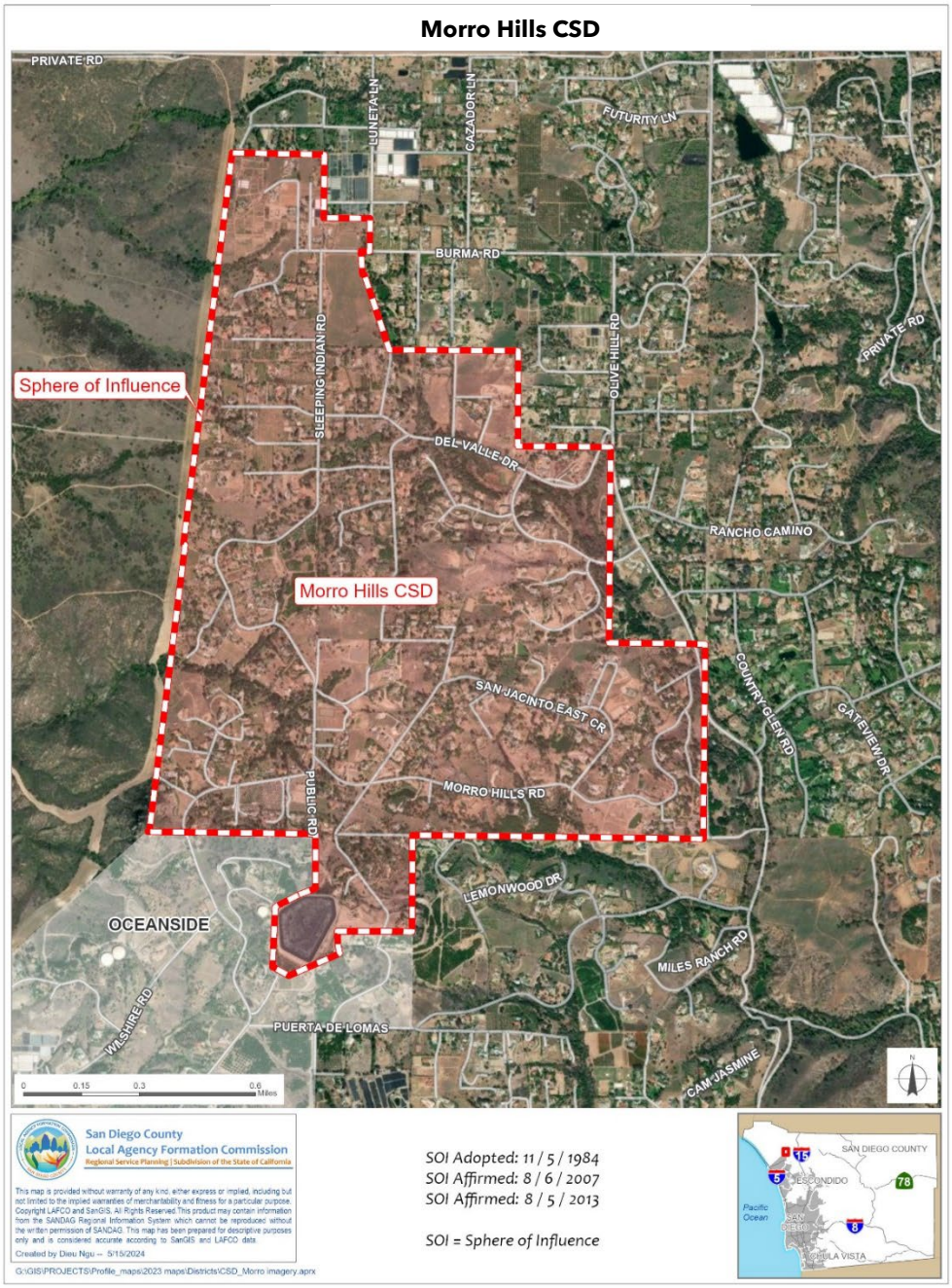
Morro Hills CSD's jurisdictional boundary and sphere of influence lie entirely within the unincorporated area and subject to the County of San Diego's land use policies. The County General Plan was last updated by the Board of Supervisors in August 2011 and designates nearly all land within and adjacent to Morro Hills CSD as Semi-Rural 2 with the remainder – less than 1% of the total – as Agriculture.[2] Similarly, almost all of the lands within and adjacent to the jurisdictional boundary and sphere of influence lie within the Fallbrook Community Plan and are subject to its community-

Relationship to Local General Plans…
All of Morro Hills CSD's jurisdictional boundary and sphere of influence lands are unincorporated with 99% designated by the County of San Diego as Semi-Rural-2. This designation applies to 28% of all unincorporated lands with a density range of 1 dwelling unit for every 2 acres to 1 dwelling unit for every 8 acres depending on slope.

[2] "The Semi-Rural category identifies areas of the County that are appropriate for lower-density residential neighborhoods, recreation areas, agricultural operations, and related commercial uses that support rural communities." LUE, 3-8.

generated visioning policies. This includes an anchoring vision statement to "perpetuate the existing rural charm and village atmosphere surrounded by semi-rural and rural lower density development while accommodating growth."[3]

Map No. C-1



[3] Reference to Fallbrook Community Plan, G-LU-1.1.

3.4 Relationship to College and School District Boundaries

Morro Hills CSD's jurisdictional boundary and sphere of influence lies within four college and school districts: Palomar; Bonsall Unified; Fallbrook Union Elementary; and Fallbrook Union High. A summary of key characteristics follows in Table C-3.4.

Morro Hills CSD
Public College + School Districts Information
Table C-3.4 | Source: Palomar; Bonsall Unified; Fallbrook Union Elementary; and Fallbrook Union High

	Palomar	Bonsall Unified	Fallbrook Union High	Fallbrook Union Elementary
District Type	College	School	School	School
% within Morro Hills CSD	100%	5%	95%	95%
Superintendent	Star Rivera-Lacey	Joseph Clevenger	Ilsa Garza-Gonzalez	Monika Hazel
Grades	N/A	K-12th Grade	9th-12th Grade	K-8th Grade
Campuses	1	5	3	11
Enrollment in FY18	38,332	2,930	2,165	4,864
Enrollment in FY22	27,455	2,209	2,128	4,921
… Change in Enrollment	(28.4%)	(721) or (24.6%)	(37) or (1.7%)	57 or 1.2%
Operating Budget in FY18	$432,712,445	$28,869,316	$29,265,755	$54,964,023
Operating Budget in FY22	$348,247,918	$28,168,787	$34,796,267	$79,739,255
… Change in Budget	(19.5%)	(2.4%)	18.9%	45.1%

4.0 DEMOGRAPHICS

4.1 Population and Housing

Morro Hills CSD's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 1,001 at the end of the five-year reporting period. This amount represents 0.03% of the countywide population total. (Information is not readily available within the two affected census block groups underlying the jurisdictional boundary to reliably estimate earlier counts within the report period.) The current estimate produces a population density of 0.9 residents for every jurisdictional acre and underlies the overall rural character of the jurisdictional boundary. (For context, the population density for the adjacent City of Oceanside at the end of the reporting period is 6.5 residents for every one acre.)

Relatively Small Population…
It is estimated there are 1,001 fulltime residents in Morro Hills CSD at the end of the reporting period. It is assumed population growth within the CSD will be relatively limited over the report timeframe and increase by 30 – or 6 annually on average – to 1,031 by 2027.

Proceeding forward, and for purposes of this report, LAFCO projects the growth trend will match the recent countywide rate and result in the population in the CSD increasing by 30 to 1,031 by 2027.

Morro Hills CSD
Resident Population
Table C-4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	Annual Change	2027 Projection
Morro Hills CSD	n/a	n/a	1,001	n/a	1,031
San Diego County	3,095,305	3,244,893	3,315,082	0.6%	3,414,325

LAFCO separately estimates there are 396 residential housing units within Morro Hills CSD at the term of the five-year reporting period.

With respect to housing characteristics, and based on the most recent five-year average, 70.0% of units are owner-occupied, 22.5% are renter-occupied, and the remaining 7.5% are vacant. The mean monthly housing cost (mortgage or rent payment only) in the CSD at the end of the reporting period is $2,939 and 49.1% above the countywide average of $1,971. This housing cost separately equals 24.1% of the residents' average monthly household income. Additional housing characteristics follow in Table C-4.1b.

Expensive Housing ...
The ending average monthly housing costs (mortgage or rent) within Morro Hills CSD tallies $2,939 and is 49% higher the countywide average. The average housing cost equals 24% of the average monthly household income within the CSD.

Morro Hills CSD
Housing Characteristics
Table C-4.1b | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
2010 Housing Units	n/a	1,164,781
2022 Housing Units	396	1,238,794
… % Change	n/a	6.4%
Monthly Housing Cost (5-year average 2012-2016)	$2,584.46	$1,578.00
Monthly Housing Cost (5-year average 2017-2021)	$2,938.58	$1,971.00
… % Change	13.70%	24.90%

4.2 Age Distribution

The median age of residents in Morro Hills CSD is 43.3 based on the current five-year period average. This amount reflects an overall increase of 19.2% over the prior five-year period and one-fifth higher than the countywide median age of 36.3. Residents in the prime working age group defined as ages 25 to 64 dropped below the one-half mark over the two five-year period averages from 50.9 to 46.9; a difference of (7.8%).

Older and Getting Older...
Residents within Morro Hills CSD tend to be measurably older with a median age of 43.3 relative to the countywide average of 36.3.

Morro Hills CSD
Age Distribution
Table C-4.2 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Median Age (5-year average 2012-2016)	36.3	35.3
Median Age (5-year average 2017-2021)	43.2	36.3
… % Change	19.5%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	50.9%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	46.9%	54.1%
… % Change	(7.8%)	0.7%

4.3 Income Characteristics

The median household income in Morro Hills CSD is $146,289 based on the current five-year period average. This amount shows full-time residents are receiving significantly more money with the median income experiencing an overall increase of more than three-fourths - or 76.2% - from the preceding five-year period average of $83,016. The current median household income in the CSD is also 66% higher than the current countywide median of $88,240. Similarly, the current poverty rate average in Morro Hills CSD is 6.3% and more than one-third below the overall countywide rate of 10.7%.

Expanding Income Prosperity...
The median household income in Morro Hills CSD finished the reporting period at $146,289. This amount represents an increase of nearly three-fourths over the 60 months and is two-thirds higher than the countywide average.

Morro Hills CSD
Income Characteristics
Table C-4.3 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Median Household Income (5-year average 2012-2016)	$83,105	$66,529
Median Household Income (5-year average 2017-2021)	$146,289	$88,240
… % Change	76.2%	32.6%
Resident Poverty Rate (5-year average 2012-2016)	16.5%	14.0%
Resident Poverty Rate (5-year average 2017-2021)	6.7%	10.7%
… % Change	(59.1%)	(23.6%)

4.4 Other Socioeconomic Indicators

Unemployment levels within Morro Hills CSD are minimal at 2.7% based on the current five-year period average. This amount falls more than three-fifths below the countywide average sum of 6.6% and reflects more than a one-half reduction over the prior five-year period average of 3.4%. Other notable measurements include one out of every three residents collecting retirement income at the end of the reporting period and one-half higher than the countywide rate. Education levels within Morro Hills CSD, as measured by four-year college graduates have increased during the reporting period and now account for more than one-half of all residents at 52.3% and correlate to the relatively high median income levels. The non-English speaking percentage of the population remains lower than the county-wide average and decreased during the reporting period from 9.2% to 8.9%.

White-Collar Incomes…
More than one out of every two adults in Morro Hills CSD hold four-year college degrees at the end of the reporting period. This ratio paired with the high median home income suggests CSD residents hold professional positions.

Morro Hills CSD
Other Socioeconomic Indicators
Table 4.4 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Unemployment Rate (5-year average 2012-2016)	3.4%	7.8%
Unemployment Rate (5-year average 2017-2021)	2.7%	6.6%
… % Change	(19.7%)	(15.4%)
Collecting Retirement (5-year average 2012-2016)	26.7%	17.7%
Collecting Retirement (5-year average 2017-2021)	31.4%	21.2%
… % Change	17.0%	19.8%
Non-English First Language (5-year average 2012-2016)	9.2%	15.0%
Non-English First Language (5-year average 2017-2021)	8.9%	13.1%
… % Change	(3.4%)	(12.6%)
Adults with Four-Year Degrees (5-year average 2012-2016)	39.7%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	52.3%	40.3%
… % Change	31.8%	10.4%

4.5 Homeless Estimates

No information exists with respect to homeless counts within Morro Hills CSD.

4.6 Environmental Justice

Consideration of environmental justice draws on LAFCO staff analyzing data made available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Almost all of the Morro Hills CSD jurisdictional boundary lies within one census tract (6076218611) and has been reviewed in assessing the significance of pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below and further detailed in Table C-4.6.

Pollution Burdens + At Risk Factors..
LAFCO's consideration of environmental justice factors in Morro Hills CSD draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

- Morro Hills CSD's composite **pollution burden** ranking falls in the 52nd percentile relative to the rest of California. Five of the 13 tracked pollution burdens exceed the 66th percentile and are considered significant. These significant burdens are divided between two exposures (pesticides and drinking water containments) and three effects (cleanup sites, impaired water bodies, and solid waste sites). Additional details are footnoted.[4]

- Morro Hills CSD's composite **at-risk population** ranking falls in the 20th percentile relative to the rest of California. None of the eight tracked at-risk population categories exceed the 66th percentile and are considered significant.

[4] Pesticide exposures within the census tract ranks in the 97th percentile and sourced to common uses of all of the following chemicals: chloropicrin; metam-sodium; chlorothalonil; 1,3-dichloropropene; and potassium n-methyldithiocarbamate. Drinking water containments within the census tract ranks in the 71st percentile and sourced to elevated testing for 1,2,3 trichloropropane and total coliform. Cleanup sites within the census tract ranks in the 69th percentile with four located within the tract and associated with the Naval Weapons Facility. Impaired water bodies within the census tract ranks in the 67th percentile and sourced to four lying within or adjacent to the tract. Solid waste sites within the census tract ranks in the 64th percentile and sourced to two locations within the tract – both of which lies south of the CSD boundary.

Morro Hills CSD + Surrounding Lands
Pollution Burdens and Susceptible Population
Table C-4.6 | Source: California Environmental Protection Agency and SD LAFCO

Factor	Morro Hills CSD + Surrounding Lands
No. of Census Tracts	1
Pollution Burden	**Weighted Percentile**
… Comparative Percentile	52
Exposures | Air Quality - Ozone	45
Exposures | Air Quality - Fine Particulate Matter:	23
Exposures | Air Quality - Diesel Particulate Matter:	44
Exposures | Pesticide Uses:	**97**
Exposures | Toxic Releases:	13
Exposures | Traffic Impacts:	28
Exposures | Drinking Water Contaminants:	**71**
Exposures | Lead Risk in Housing:	13
Effects | Cleanup Sites:	**69**
Effects | Groundwater Threats:	31
Effects | Hazardous Waste:	3
Effects | Impaired Water Bodies:	**67**
Effects | Solid Waste Sites and Facilities:	**64**
Sensitive Population	**Weighted Percentile**
… Comparative Percentile	20
Sensitive Population | Asthma:	6
Sensitive Population | Low Birth Weight:	47
Sensitive Population | Cardiovascular Disease:	11
Socioeconomic Factor | Education:	48
Socioeconomic Factor | Linguistic Isolation:	27
Socioeconomic Factor | Poverty:	29
Socioeconomic Factor | Unemployment:	54
Socioeconomic Factor | Housing Burden:	40

5.0 ORGANIZATION

5.1 Governance

Morro Hills CSD operates as an independent special district under Division 3 of California's Government Code (Sections 61000 to 61250). The principal act – Community Services District Act – was established by the Legislature in 1951 to provide local communities the ability to provide a full range of municipal services within a developed or developing area and commonly as an alternative and/or placeholder to incorporation. The only municipal service limitation on CSDs involves the prohibition of directly providing a community development function (i.e., land use). CSDs may include incorporated and/or unincorporated territory as well as comprise either contiguous or non-contiguous territory. CSDs may also include one or more zones.

Morro Hills CSD is currently authorized by LAFCO to provide one municipal function – streets – along with several ancillary classes involving culverts, drains, curbs, gutters, and sidewalks. All other service functions empowered under the principal act are categorized as latent and would require formal LAFCO approval to activate. A listing of all latent powers is detailed in Section 61100 and summarized in the footnote.[5]

Morro Hills CSD
Authorized Functions and Ancillary Classes
Table C-5.1a | Source: SD LAFCO + Community Service District Law

Function	Ancillary Classes
Streets	Acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works.

Consistent with its principal act, Morro Hills CSD is governed by a five-member at-large Board of Directors. Each director must be a registered voter within the CSD and subject to standard conflict of interest protections. Members are elected and/or appointed in place of contested elections to staggered four-year terms. Appointments to fill vacancies are also authorized to the Board to make within 60 days. (Should the CSD fail to act within 60 days the appointment authority goes to the Board of Supervisors.) The Board meets quarterly at a community non-profit (Fallbrook Land Conservancy) located outside the jurisdictional boundary at 1815 Stagecoach Lane in Fallbrook. Directors are volunteers and receive no compensation. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board and their respective backgrounds and service years follows.

Morro Hills CSD
Current Board Roster
Table C-5.1b | Source: Morro Hills CSD

Member	Position	Years on Board	Background
Thomas Harrington	President	25	Land Surveyor - Real Estate
Patrick Meehan	Director	2	Accounting
Jeanine Roskos	Director	1	Mortgage Banking
Bill Weber	Director	1	Construction
Charlene Weber	Director	1	Construction
			Average Experience: 6.0 Years

[5] CSDs are empowered under the principal act – and subject to LAFCO authorization – to provide all of the following municipal functions: water; wastewater; recycled water; solid waste; fire protection and emergency medical; ambulance; parks and open space; community recreation; street lighting; landscaping; vector control; police protection; security; library; streets; electric and communication conversions; airports; transportation; graffiti abatement; flood control; community facilities; weed abatement; hydroelectric power; television translators; snow removal; animal and pest control; public mailboxes; mail delivery; cemeteries; habitat mitigation; broadband facilities; and finance operations of area planning commissions and municipal advisory councils.

5.2 Administration

Morro Hills CSD does not have any employees. Board members perform most administrative activities – including overseeing contractors provide project-specific street functions. CSD contracts with legal services as needed. CSD has no offices.

6.0 MUNICIPAL SERVICES

Morro Hills CSD currently provides one active municipal function categorized as "streets" with several ancillary classes. A summary analysis of this lone active service function and the ancillary classes follows with respect to capacities, demands, and performance during the five-year reporting period.

6.1 Streets Function + Related Classes

Morro Hills CSD's street function commenced at the time of its formation in 1961. Initial actions involved taking ownership of most – but not all – of the existing roads that had been built within the jurisdictional boundary from the County of San Diego. CSD proceeded over the next several years to construct additional roads – comprising both new and extensions – and related drainage facilities with most of the funding sourced to governmental grants. CSD's focus since the early 1970s has been to maintain the existing road network as needed via patching, paving, repairing berms, tree trimming, signage, and culvert cleaning. CSD also informs its roadway activities by preparing periodical traffic assessments.

Just Streets...
Morro Hills CSD's street function and ancillary classes serve as the agency's only municipal activity. Primary tasks under this function anchor to maintaing a 6.0-mile roadway network and involve performing routine paving, patching, and signage upkeep. CSD also periodically prepares traffic assessments to help inform calming measures.

Resources, Capacities + Demands

Morro Hills CSD's street function operates as a non-enterprise function and is dependent on all-purpose revenues given the deliverables (i.e., roads) do not readily tie to collecting user fees. Morro Hills CSD's allocation of the 1% generated in property taxes serves as the dominant resource in funding the streets function and relatedly helps define capacity limitations. The average annual property tax monies collected over the reporting period have been $0.091 million and equal 99.0% of all revenues received with the balance largely involving interest earnings.

With respect to available capacities at the end of the reporting period, Morros Hills CSD's street function is anchored by a roadway system spanning approximately 6.0 (5.96) miles. The roadway system is divided between primary and secondary designations; the former involves two-way roads that continue and/or connect beyond the CSD boundary with relatively high usages while the latter involves two-way roads exclusive to the CSD boundary with relatively low usages. Posted speed limits range between 25 and 45 miles per hour. Additional details follow in Table C-6.1a.

Morro Hills CSD
Street Function: Roadway System
Table C-6.1a | Source: Morro Hills CSD

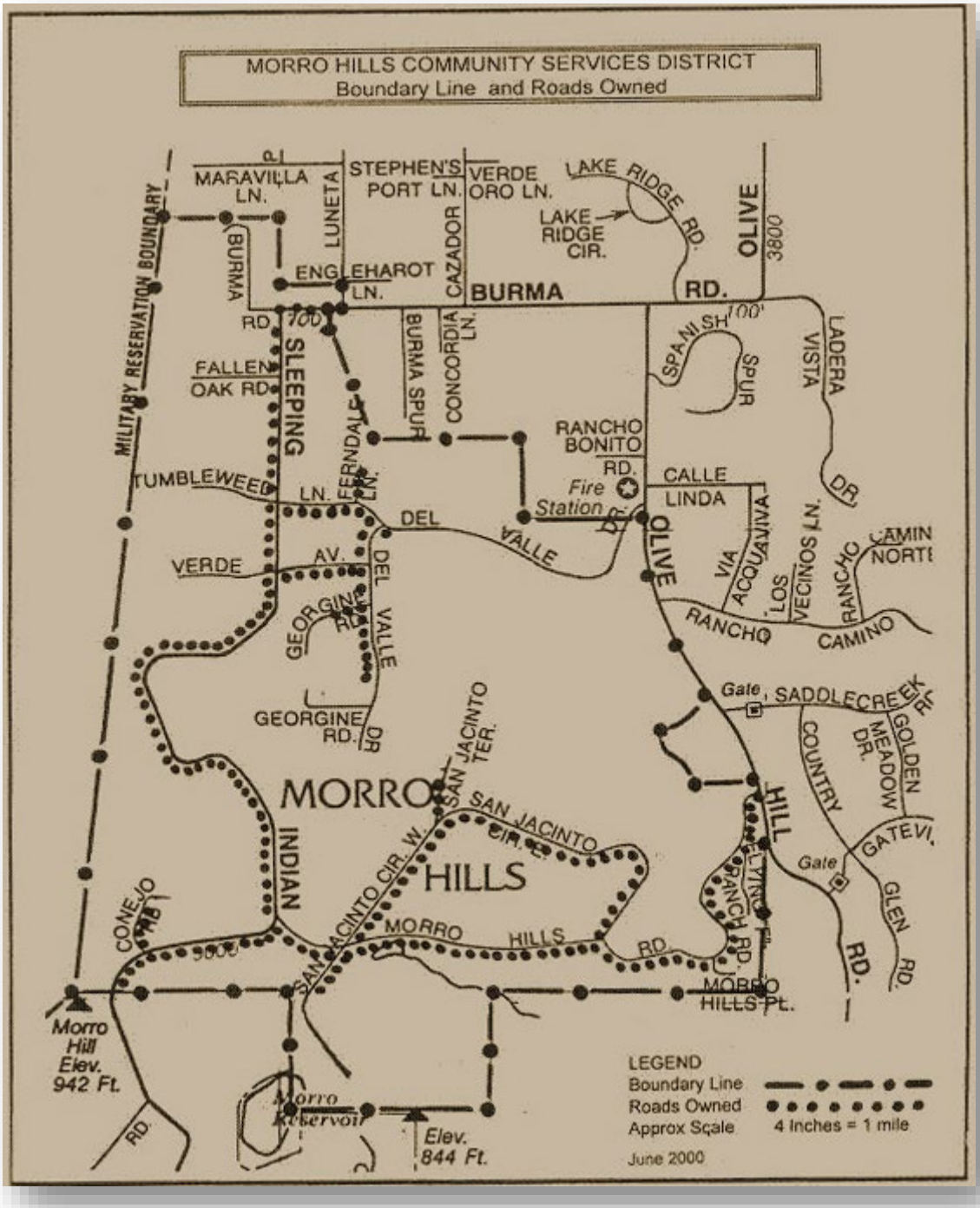
Type	Roadways	Length (miles)
Primary Roads	Sleeping Indian Road - *Oceanside border to Burma Road…*	2.09
	Morro Hills Road - *Sleeping Indian Road to Olive Hills Road*	1.40
	Burma Road - *Sleeping Indian Road to CSD boundary*	0.13
Secondary Roads	Tumbleweed Lane - *Sleeping Indian Road to CSD boundary*	0.25
	Del Valle Drive - *Tumbleweed Lane to the terminus*	0.35
	Verde Drive - Sleeping Indian Road to Del Valle Drive	0.19
	Georgine Road - *Del Valle Drive to terminus*	0.11
	Conejo Road - *Sleeping Indian Road to the terminus*	0.17
	San Jacinto Circle - *Morro Hills Road to the terminus*	1.16
	San Jacinto Terrace - *San Jacinto Circle to the terminus*	0.11
		Total: 5.98

LAFCO estimates the remaining roadways in the CSD total 8.81 miles. Ownership of these remaining roads (i.e., County or private) is not readily available.

Morro Hills CSD's roadway system is solely maintained by outside contractors. The current vendor is Peters Pavers and Grading (Temecula). Improvements and/or non-emergency repairs are considered by the Board annually as part of its budget process. An encroachment permit is required for any landowner activity requiring disturbing the public roadway system. Improvements are inspected before issuance, during construction, and after completion to assure compliance with CSD standards. CSD estimates the average demand for permits during the reporting period is two per year.

Morro Hills CSD's roadway system is illustrated as part of Map No. C-2.

Map No. C-2


MORRO HILLS COMMUNITY SERVICES DISTRICT
Boundary Line and Roads Owned
MARAVILLA LN.
STEPHEN'S PORT LN.
VERDE ORO LN.
LAKE RIDGE RD.
LAKE RIDGE CIR.
OLIVE
3800
LUNETA
CAZADOR
BURMA
RD.
ENGLEHAROT LN.
MILITARY RESERVATION BOUNDARY
FALLEN OAK RD.
SLEEPING
FERNDALE LN.
BURMA SPUR
CONCORDIA LN.
SPANISH SPUR
LADERA VISTA DR.
RANCHO BONITO RD.
Fire Station
CALLE LINDA
TUMBLEWEED LN.
DEL VALLE
VERDE
AV.
GEORGINE RD.
VIA ACUAVIVA
LOS VECINOS LN.
RANCHO CAMINO
CAMINO NORTE
Gate
SADDLECREEK DR.
GOLDEN MEADOW DR.
COUNTRY
GATEVIEW
GLEN
MORRO HILLS
SAN JACINTO TER.
SAN JACINTO CIR. W.
SAN JACINTO CIR.
INDIAN
CONEJO RD.
MORRO HILLS RD.
MORRO HILLS Pt.
Morro Hill Elev. 942 Ft.
Morro Reservoir
Elev. 844 Ft.
LEGEND
Boundary Line
Roads Owned
Approx Scale
4 Inches = 1 mile
June 2000

With respect to demands, the most recent traffic evaluation performed for Morro Hills CSD was completed near the end of the reporting period in August 2021 by The Perfect Solution (Mesa, Arizona). The 2021 evaluation follows earlier studies performed in 1989, 2004, and 2008 and similarly covers all three primary roads within the CSD – Sleeping Indian, Morro Hills, and Burma – as well as one secondary road, Tumbleweed Lane. The 2021 evaluation quantifies both traffic volumes and speeds for purposes of informing potential changes and/or enhancements to the roadway system. Notable takeaways from the 2021 evaluation are summarized below and further detailed in Table C-6.1b.

- Total average daily traffic volume measured at the three primary access points to the Morro Hills CSD community peaked in 2004 and has continued to level off in each of the subsequent counts performed in 2008 and 2021.

- Compared to the preceding evaluation in 2008, the average daily vehicle trips at the same three primary access points in 2021 have collectively decreased overall by (9.5%).

- Overall average daily traffic volume measured at the three access points to the Morro Hills CSD community generates 2,504 trips. The division of this daily trip total to the estimated number of residential units – 396 (2021) – produces an average per day household trip generation of 6.3, which is below the industry standard planning assumption of 9.4 trips.[6]

Morro Hills CSD
Average Daily Vehicle Counts at Primary Access Points
Table 6.1b | Source: Morro Hills CSD

Year	Sleeping Indian Road *@ Morro Hills + Lower Springs*	Morro Hills Road *@ San Jacinto Circle W + E*	Burma Road *@ Sleeping Indian + Fallen Oak*
1989	900	330	800
2004	1,350	480	1,150
2008	1,128	438	*1,201
2021	1,054	405	1,045
Average	1,108	413	1,049
Trend (all)	17.1%	22.7%	30.6%
Trend (04-21)	(21.9%)	(15.6%)	(9.1%)

* A substitute traffic count is used involving station to the immediate south at Sleeping Indian Rd +Tumbleweed Ln

[6] Reference to the Institute of Traffic Engineers (ITE) Trip Generation Manual (10th Edition).

As detailed above, the most recent average daily traffic volume observed at the three access points to the Morro Hills CSD community tallies 2,504 vehicle trips (2021). This translates to a daily trip generator of 5.1 based only on existing development (single-family, commercial agriculture, etc.) in the CSD. This ratio falls substantively below industry planning assumptions that suggest the daily trip count should tally 8.6.[7] It is reasonable to assume this deviation means a limited amount of traffic volume in the CSD can be attributed to outside travelers.

Internal Demands...
Measured traffic relative to existing land uses in Morro Hills CSD suggests only a small portion of daily trips are attributed to outside travelers.

Performance Measurements

Morros Hills CSD's roadway network has remained relatively fixed since the mid-1960s with no current plans to expand in the near term. The Board's focus over the last several decades and through the five-year reporting period has been to maintain existing service levels with an increasing emphasis on traffic safety and calming measures. These latter efforts are marked by periodically contracting with traffic engineers to prepare assessments on traffic volume and speed conditions within the CSD. The last two assessments were prepared in 2008 and 2021. A summary of the recommendations in both assessments paired with status with the CSD follows.

Morro Hills CSD:
Recent + Current Traffic Assessments
Table 6.1c | Source: Morro Hills CSD

Year	Consultant Recommendations	Status
2008	1. The speed limit along Sleeping Indian Road should be reset from 35 to 45 mph.	*Incomplete*
	2. The speed limit along Morro Hills Road should be set to 30 mph.	Complete
	3. The 35 mph sign located along the west side of Sleeping Indian Road just south of Burma Road should be removed and replaced with a 45 mph sign.	*Incomplete*
	4. The 35 mph sign located along the north side of Sleeping Indian Road just west of Conejo Road should be removed and replace with a 45 mph sign.	*Incomplete*
2021 (Primary)	1. A newsletter should be prepared for circulation throughout the CSD to briefly summarize the findings of the recent speed counts and identify the roadway segments of concern along with telegraphing potential calming measures.	Complete
	2. Speed limits should be posted at all entry points.	Complete
	3. Remove the stop sign for northbound Sleeping Indian Road at Burma Road.	*Incomplete*
	4. Add two curve warning signs to northbound Sleeping Indian as it approaches Burma Road.	Complete
	5. Narrow all travel lanes to a width of 10 feet except where the total pavement width is less than 20 feet. Those lane widths could be a minimum of 9.5 feet to ensure an edge line is visible.	Complete
	6. Restripe the double-yellow centerline through the intersection of Sleeping Indian Road and Burma Road, northbound to eastbound.	Complete
	7. Remove all vegetation within 100 feet on the approach to driveways, intersections, and traffic signs. Vegetation should also be removed 20 feet past every driveway, intersection, + signs.	*Incomplete*
	8. All Stop Bars within the community should be 12 inches wide.	Complete

[7] Based on LAFCO's calculation of notional trip demands using the ITE standards and applying to existing land uses in the CSD.

As reflected in Table 6.1c, three of the four recommendations from the 2008 traffic assessment remain incomplete. All three tie to raising the speed limit on Sleeping Indian Road from 35 to 45 mph consistent with the observed 85th percentile of otherwise free-flowing travel consistent with California Vehicle Code regulations. (The actual 85th percentile tallied 49 mph, which was reduced to 45 mph in the final recommendation given limited shoulders and no sidewalks on Sleeping Indian Road.) The most recent traffic assessment performed in 2021 shows the observed 85th percentile of free-flowing traffic on Sleeping Indian Road at 59 mph. The 2021 assessment, however, misreports the speed limit on Sleeping Indian Road at 45 mph while concurrently downplaying the results of their own observed free-flow travel as anomalies and/or theorizing drivers may have been purposefully skewing the results by speeding. This leads the 2021 assessment to recommend a series of traffic calming measures rather than proceeding with the more notional approach in the Vehicle Code to raise the speed limit to 55 mph consistent with the observed 85th percentile.

> A long-standing omission persists involving Morro Hills CSD's most traveled street – Sleeping Indian Road – given the 35 mph limit is substantively lower than the California Vehicle Code would otherwise support. It would be prudent for CSD to revisit the speed limit to help ensure it is fairly set to the 85th percentile standard and contributes – and does not undermine – safe driving conditions in the service area.

7.0 FINANCES

7.1 Budget and Actuals

LAFCO staff requested but did not receive copies of budget materials or quarterly financial reports covering the five-year reporting period from Morro Hills CSD. These materials are also not available on the CSD website.

7.2 Fund Balance

Morro Hills CSD's fund balance at the end of the five-year report period tallies $0.267 million. This amount represents the unassigned cash available to the CSD for any purposes and finishes nearly one-fifth above the annual ending fund balance average of $0.181 million generated over the prior four-year period in which information is readily available. The combination of the two amounts reflects an upward trend over the corresponding 48 months of 87.1%. The average annual ending

> **Sizing the Fund Balance Up…**
> Morro Hills CSD finished the five-year report period with an unassigned fund balance of $0.267 million, sufficient to cover 134 months of recent actual costs.

fund balance is separately sufficient to cover 40.9 months of the average operating expense incurred over the same period. The ending fund balances relative to covering equivalent monthly operating expenses follows in Table C-7.2a.

Morro Hills CSD
Unassigned Fund Balance + Monthly Coverage Equivalents
Table C-7.2a | Source: Morro Hills CSD (CAFRs, FY19 to FY22) + SD LAFCO

Category	2018	2019	2020	2021	2022	Average*	Trend*
Ending Fund Balance	n/a	142,621	118,853	194,282	266,849	180,651	87.1%
… Actual Operating Costs	n/a	32,174	138,040	17,764	23,843	52,955	(25.9%)
… Equivalent Months Covered	n/a	53.2	10.3	131.2	134.3	40.9	152.5%

*Abbreviated to 4-Year Sums

7.3 Financial Statements

Morro Hills CSD contracts with an outside accounting firm to prepare an annual report to review the agency's financial statements under established governmental accounting standards. All outside audits prepared during the five-year report period have been performed by Nigro & Nigro (Murrieta). CSD's most recent audited financial statements covers 2021-2022 and were completed on July 31, 2022. These statements show the CSD experienced a moderate to sizable improvement over the prior fiscal year as the overall net position covering all activities and related associations increased by 7.4% from $0.539 million to $0.579 million. The accompanying letter from the outside auditor to the CSD Board did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends follows for assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2022)
amounts in millions

Assets	$0.579
Liabilities	$0.0
Deferred Outflow/Inflow	$0.0
Net Position	**$0.579**

Agency Assets

CSD's audited overall assets at the end of the reporting period totals $0.579 million. This amount is 12.1% higher than the average ending amount of $0.509 million documented during each of the five report years and underlies the one-quarter plus upward trend generated during the period. Assets classified as current with the expectation they could be liquidated within a year tally $0.267 million – or 46.1% of the total – and

Assets Gradually Rising …
CSD's assets have increased by 27% during the five-year report period from $0.454 to $0.579 million with the change largely tied to expanding cash and investment holdings. The per capita value of total assets at the end of the reporting period is $578.

predominately tie to cash and investments. This latter category underlies the overall increase in assets having risen by nearly two-fold – or 162.0%. Assets classified as non-current make up the remainder of the overall total at $0.312 million and entirely consist of capital assets classified as "road improvements." Specific year-end asset totals for CSD are shown below in Table C-7.3a.

Morro Hills CSD
Audited Assets
Table C-7.3a | Source: CSD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	112,318	165,350	118,978	194,457	266,849	171,590	137.6
Non-Current	342,318	305,476	383,279	344,334	312,061	337,494	(8.8)
Total (millions)	**$0.455**	**$0.471**	**$0.502**	**$0.539**	**$0.579**	**$0.509**	**27.3%**
Per Capita Value	433.81	456.23	529.81	557.18	578.33	509.56	33.3

Agency Liabilities

CSD finished the reporting period without having booked any year-end liabilities during any of the five years. This includes – among other things – CSD finishing each year without any due accounts payable, bonds payable, pension or post-employment liabilities, compensated absences, claims, or leases.

Morro Hills CSD
Audited Liabilities
Table B-7.3b | Source: CSD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	0.0	0.0	0.0	0.0	0.0	-	-
Non-Current	0.0	0.0	0.0	0.0	0.0	-	-
Total (millions)	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**-**	**-**
Per Capita Value	0.0	0.0	0.0	0.0	0.0	-	-

Net Position

CSD's overall audited net position at the end of the reporting period totals $0.579 million and represents the difference between total assets and total liabilities along with adjusting for deferred resources, if applicable. This most recent year-end amount lies 13.7% above the average year-end sum of $0.509 million generated during the five-year report period

Net Worth on Paper…
CSD's audited net position mirrors asset holdings and has increased during the five-year report period by more than one-fourth from $0.454 million to $0.579 million.

and underlies the upward and improving trend. The net position is divided nearly equally between capital assets at $0.312 million and unrestricted assets at $0.267 million. Specific year-end net position totals are shown below in Table C-7.3c.

Morro Hills CSD
Net Position
Table C-7.3c | Source: CSD CAFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Restricted	-	-	-	-	-	-	-
Unrestricted	112,318	165,350	118,978	194,457	266,849	171,590	137.6
Capital Assets	342,318	305,476	383,279	344,334	312,061	337,494	(8.8)
Total (millions)	**$0.455**	**$0.471**	**$0.502**	**$0.539**	**$0.579**	**$0.509**	**27.3%**
Per Capita Value	433.81	456.23	529.81	557.18	578.33	509.56	33.3

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

Analysis of the standard fiscal measurement categories – liquidity, capital margin, and asset management – regarding Morro Hills CSD has limited value given the agency's relatively stagnant fiscal activity during the five-year report period with one exception. This exception involves considering the CSD's total margin ratios over the reporting period and its value as a bottom-line accounting measurement. CSD's overall average total margin during the reporting period has been 39.2%; i.e., the agency has collected $1.39 in total revenue for every $1.00 total expense over each of the five years. Positive total margins were achieved in four of the five years with an ending tallying of 75.2%. The overall trend covering the reporting period is 168.2%.

7.5 Pension Obligations

None.

7.6 Other Post-Employment Benefit Obligations

None.

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