Redevelopment Agency of the City of San Diego

State of California

Annual Financial Report

Fiscal Year Ended June 30, 2008

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Introductory Section

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CITY OF SAN DIEGO
REDEVELOPMENT AGENCY

April 20, 2008

Honorable Members of the Agency:

The Annual Financial Report on all projects of the Redevelopment Agency of the City of San Diego for the year ended June 30, 2008 is presented in accordance with the Community Redevelopment Law (§33,000 et seq., of the Health and Safety Code of the State of California).

All expenditures and revenues for these projects have been reported for in accordance with generally accepted accounting principles in the United States applicable to municipalities, and all financial transactions occurring during the year were made in accordance with the redevelopment laws of the State of California.

Respectfully submitted,

Jerry Sanders
Executive Director

William R. Anderson
Assistant Executive Director

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REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
ROSTER OF OFFICIALS
(As of the issuance of this report)

BOARD OF DIRECTORS

District 1
Board member Sherri Lightner

District 5
Board member Carl DeMaio

District 2
Chair Pro Tem Kevin Faulconer

District 6
Board member Donna Frye

District 3
Board member Todd Gloria

District 7
Board member Marti Emerald

District 4
Board member Tony Young

District 8
Chairperson Ben Hueso

OFFICIALS

Jerry Sanders, Executive Director

Jan Goldsmith, Agency Counsel

William Anderson, Assistant Executive Director

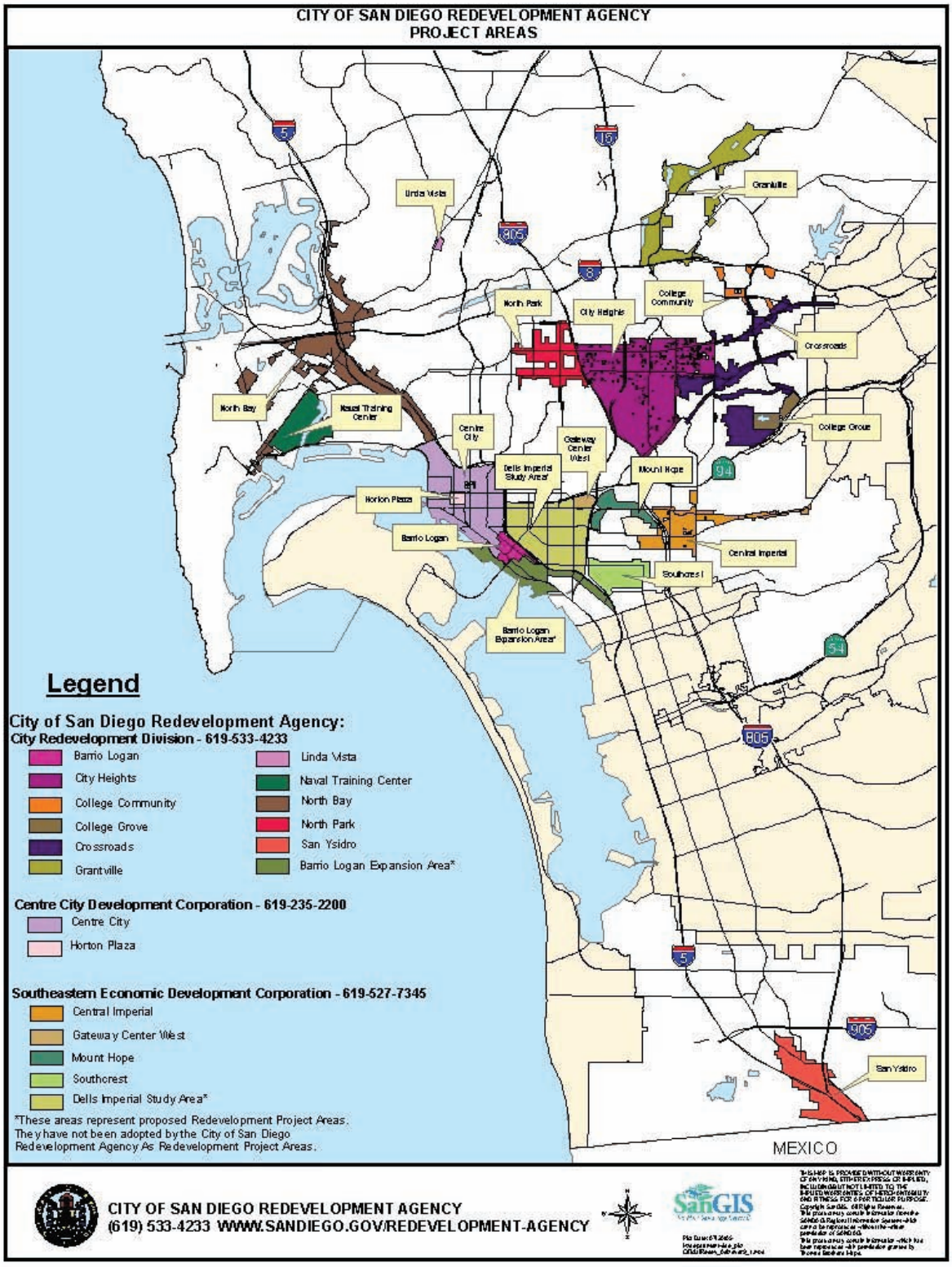
Janice Weinrick, Deputy Executive Director

Gail R. Granewich, Treasurer

Elizabeth Maland, Secretary

OTHER OFFICIALS

Mary Lewis, Chief Financial Officer, City of San Diego


CITY OF SAN DIEGO REDEVELOPMENT AGENCY
PROJECT AREAS
Linda Vista
Granville
North Park
City Heights
College Community
Crossroads
North Bay
Naval Training Center
Centre City
Gateway Center West
College Grove
Dells Imperial Study Area*
Mount Hope
Horton Plaza
Barrio Logan
Central Imperial
Southcrest
Barrio Logan Expansion Area*
San Ysidro
MEXICO
Legend
City of San Diego Redevelopment Agency:
City Redevelopment Division - 619-533-4233
Barrio Logan
City Heights
College Community
College Grove
Crossroads
Grantville
Linda Vista
Naval Training Center
North Bay
North Park
San Ysidro
Barrio Logan Expansion Area*
Centre City Development Corporation - 619-235-2200
Centre City
Horton Plaza
Southeastern Economic Development Corporation - 619-527-7345
Central Imperial
Gateway Center West
Mount Hope
Southcrest
Dells Imperial Study Area*
*These areas represent proposed Redevelopment Project Areas.
They have not been adopted by the City of San Diego
Redevelopment Agency As Redevelopment Project Areas.
CITY OF SAN DIEGO REDEVELOPMENT AGENCY
(619) 533-4233 WWW.SANDIEGO.GOV/REDEVELOPMENT-AGENCY
SanGIS

Financial Section

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MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

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SACRAMENTO
OAKLAND
WALNUT CREEK
LOS ANGELES
NEWPORT BEACH

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Redevelopment Agency of the
City of San Diego
San Diego, California

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2009, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 16 through 31 and 72 through 74, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining fund statements and schedules – nonmajor governmental funds and the supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules – nonmajor governmental funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and supplemental information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macias Gini & O'Connell LLP

Certified Public Accountants

San Diego, California
April 20, 2009

Management’s Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
(In Thousands)
June 30, 2008

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing changes in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on both gross and net cost of Agency functions, which are supported by general revenues. This Statement also displays functions of the Agency that are principally supported by taxes, private contributions, and intergovernmental revenues (governmental activities). The governmental activities of the Agency include General Government and Support and Neighborhood Services. The Agency does not engage in business-type activities.

The government-wide financial statements exclusively include the Agency (known as the Primary Government) with no legally separate, discretely presented component units. The government-wide financial statements can be found on pages 34 and 35 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Agency are combined into the governmental funds category.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Centre City Low and Moderate Income Housing Special Revenue Fund, Centre City Debt Service Fund and Centre City Capital Projects Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 36-40 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, a budget to actual comparison schedule of the Centre City Low and Moderate Income Housing Fund can be found on pages 72-74. Combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 76 of this report.

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*" can be found on page 106 of this report.

As part of supplementary information provided in this report, a schedule of changes to principal and interest due to the City for each Project Area can be found on page 116. In addition, assessed valuation information for each project area can be found beginning on page 118 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

SUMMARY OF NET ASSETS
(In Thousands)

	Governmental Activities		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2008	2007		
Current and Other Assets	$ 826,851	$ 648,998	$ 177,853	27%
Capital Assets	177,105	149,098	28,007	19%
Total Assets	1,003,956	798,096	205,860	26%
Current and Other Liabilities	49,966	34,269	15,697	46%
Net Long-Term Debt	918,723	824,897	93,826	11%
Total Liabilities	968,689	859,166	109,523	13%
Net Assets				
Invested in Capital Assets, Net of Related Debt	83,152	67,822	15,330	23%
Restricted	108,733	82,244	26,489	32%
Unrestricted	(156,618)	(211,136)	54,518	26%
Total Net Assets	$ 35,267	$ (61,070)	$ 96,337	158%

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities at June 30, 2008, by $35,267.

Of the Total Net Assets $83,152 represents the Agency's investment in capital assets, less any outstanding debt used to acquire these assets. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are generally not used to liquidate these liabilities.

The Agency's Restricted Net Assets of $108,733 represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by $26,489 over the prior year, or about 32% primarily due to a net increase in resources available for Low and Moderate Income Housing.

There are several factors contributing to the Agency's deficit of $156,618 in Unrestricted Net Assets. First, the Agency typically borrows funds from the City when a project area does not generate sufficient tax increment to fund redevelopment activities in the area, mostly during the initial stages of a project area's life. At the point sufficient tax increment revenues are generated, the Agency issues long term debt to carry out redevelopment and housing activities in the project area, pledging future tax increment revenues for the repayment of these long term obligations. Interest expense associated with City Loans and other long term debt is an important factor contributing to the deficit in Unrestricted Net Assets. In addition, the Agency has used long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss, for improvements of public infrastructure, rehabilitation of properties not owned by the Agency and for development of affordable housing.

CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2008	2007		
Revenues:				
Program Revenues				
Operating Grants and Contributions	$ 47	$ 5,177	$ (5,130)	-99%
Capital Grants and Contributions	15,506	7,248	8,258	114%
General Revenues				
Property Taxes	177,353	149,833	27,520	18%
Grants and Contributions Not Restricted to Specific Programs	4,775	448	4,327	966%
Revenue from Use of Money and Property	32,947	27,619	5,328	19%
Loss on Sale of Capital Assets	(11)	-	(11)	0%
Loss on Sale of Land Held for Resale	(9,319)	(1,796)	(7,523)	419%
Total Revenues	221,298	188,529	32,769	17%
Expenses:				
General Government and Support	48,201	38,937	9,264	24%
Neighborhood Services	33,091	32,703	388	1%
Interest on Long-Term Debt	43,669	41,907	1,762	4%
Total Expenses	124,961	113,547	11,414	10%
Change in Net Assets	96,337	74,982	21,355	28%
Net Assets, July 1	(61,070)	(136,052)	74,982	55%
Net Assets, June 30	$ 35,267	$ (61,070)	$ 96,337	158%

Governmental Activities

Governmental activities increased the Agency's net assets by $96,337 hereby accounting for 100% of the total increase in net assets during fiscal year 2008. Key elements of this increase are as follows:

- Operating Grants and Contributions decreased approximately $5,130 or about 99%. This was partly due to a onetime payment collected in the prior year associated with the Broadway Towers project in the Centre City Project Area as the developer exercised the buyout option under the agreement to terminate any Agency participation on the project. In addition, participation payment revenue from Horton Plaza classified as operating grants and contributions in the prior year was reclassified as general revenue in the current year to reflect the fact that it is not restricted for specific programs.

- Capital Grants and Contributions increased by $8,258 or about 114%. This was mostly due to reimbursement of costs by the City, from Development Impact Fees, for eligible park and fire projects in the Centre City Project Area.

- Property Tax revenues increased by $27,520 or approximately 18%. This was mostly due to an increase in the assessed valuation of properties in the various project areas. The Centre City Project Area reported the largest increase receiving $21,121, or approximately 22%, over the prior year due to supplementary property tax billings issued subsequent to the billings for the initial rolls for the fiscal year. The supplementary billings are typically attributed to new construction activity and the transfer of ownership due to properties being sold and reassessed at the time of sale.

- Revenue from the use of Money and Property increased by $5,328 or about 19%. This was mostly due to an increase in investment income of approximately $4,637 primarily attributed to increases in market values of the Agency's investments as well as an increase in the overall size of the Agency's investments from fiscal year 2007 to 2008.

- Grants and Contributions not restricted for specific programs increased by $4,327, or about 966%, due in part to revenue received for the sale of downtown condominium units in the current fiscal year pursuant to a participation agreement with a developer. In addition, Horton Plaza participation payment revenue classified as operating grants and contributions in the prior year was reclassified as general revenue in the current fiscal year due to the fact that it is not restricted for specific programs.

- Loss on Sale of Land Held for Resale increased by $7,523 mostly due to a current year loss on the disposition of a parcel in the Centre City Project Area related to the Renaissance Hotel project. The loss was mostly due to timing differences in revenue and expense recognition as advances from the developer for the purchase of the property were recognized in prior years as the funds were used to acquire the property.

- General Government and Support Expense increased by $9,264 or approximately 24%. This is mostly attributed to an increase in tax sharing payments of approximately $5,300 pursuant to California Law and tax sharing agreements. In addition, administrative expenses increased by approximately $2,269 due to increased costs of operating the Agency's administrative units and other City services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

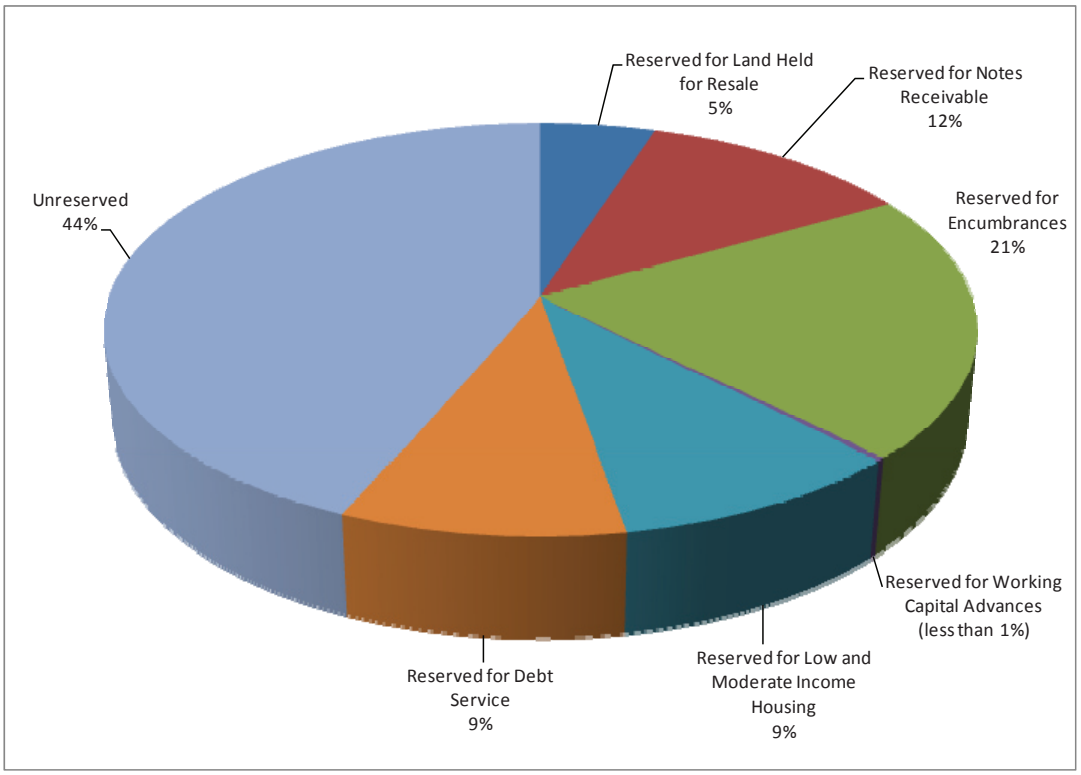
As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

All of the Agency's funds are governmental funds, the focus of which is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2008, the Agency's governmental funds reported combined ending fund balances of $801,914. Approximately 56% or $452,049 is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the period, (2) to pay debt service, (3) to increase low and moderate income housing or (4) for a variety of other restricted purposes. The remaining amount of 44% or $349,865 constitutes unreserved fund balance, which is available for spending at the Agency's discretion, including designations for subsequent years' expenditures made through the Agency's budgetary process.

COMPOSITION OF AGENCY FUND BALANCES



The Agency's fund balances increased by $170,056 or about 27% over the prior year. The increase is mostly attributed to the issuance of long term debt of $121,171 in the current fiscal year. In addition, revenue from City participation in redevelopment projects increased by $10,049, mostly from City reimbursements of Agency costs for eligible park and fire projects from Development Impact Fees and from increased parking revenue transferred by the City to the Agency for parking enhancements in the Centre City Project Area. Also, tax increment revenue increased by approximately $27,520. The following table shows a breakdown of year over year changes in tax increment revenue for each project area.

CHANGES IN TAX INCREMENT
(In Thousands)

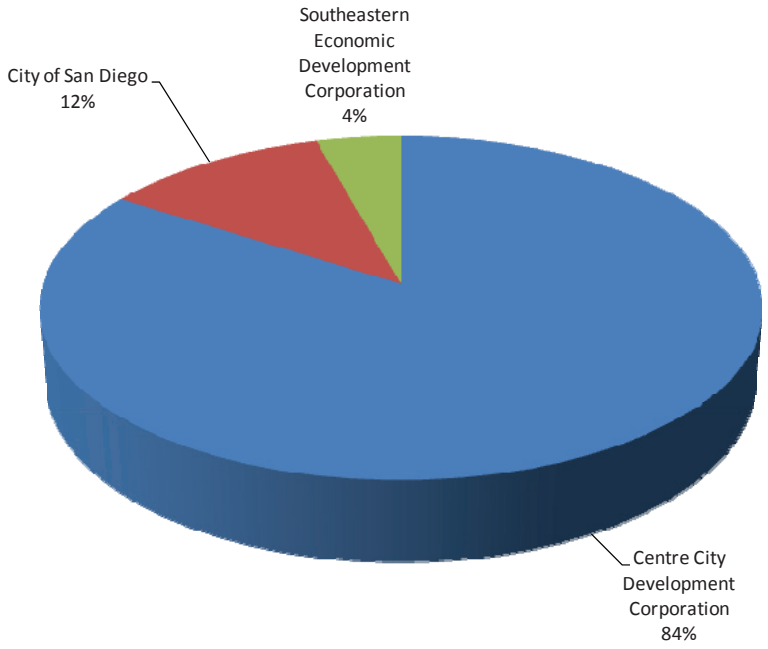
	Tax Increment		Dollar Increase	Percent Increase
	2008	2007	(Decrease)	(Decrease)
Barrio Logan	$ 679	$ 534	$ 145	27%
Central Imperial	2,249	2,124	125	6%
Centre City	116,971	95,850	21,121	22%
City Heights	14,290	12,731	1,559	12%
College Community	1,160	730	430	59%
College Grove	718	674	44	7%
Crossroads	4,274	3,786	488	13%
Gateway Center West	334	279	55	20%
Grantville*	-	-	-	0%
Horton Plaza	8,400	8,534	(134)	-2%
Linda Vista	94	89	5	6%
Mount Hope	1,598	1,445	153	11%
Naval Training Center	4,001	4,120	(119)	-3%
North Bay	8,231	7,251	980	14%
North Park	7,964	5,887	2,077	35%
San Ysidro	3,936	3,773	163	4%
Southcrest	2,454	2,026	428	21%
	$ 177,353	$ 149,833	$ 27,520	18%

*Tax Increment revenue in the amount of $737 and $447 for fiscal years 2008 and 2007, respectively, were deposited in the Agency and County Joint Account per agreement dated February 14, 2007, pending settlement of the Grantville Action Validation lawsuit.

Of the total tax increment revenue received by a project area, 80% is allocated for redevelopment activities and 20% for affordable housing projects. The Agency has pledged tax increment revenue to satisfy long-term debt obligations. These payments are made from the 80% and 20% allocations in proportion to the amount of long-term debt proceeds used for either housing or redevelopment activities. In addition, tax increment revenue is distributed to other governmental entities, from the redevelopment activities 80% allocation, based on formulas established by California Redevelopment Law, or by tax sharing agreements. The summary of significant accounting policies in the notes to the basic financial statements Note 1-r, on page 48, includes a description of the Agency's tax sharing obligations.

The Agency's seventeen project areas are managed by the Redevelopment Division of the City of San Diego and by two non-profit independent corporations, the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). The following chart illustrates the percentage of the Agency's fund balances managed by each of the three administrative units.

PERCENTAGE OF AGENCY COMBINED FUND BALANCES BY ADMINISTRATIVE UNIT

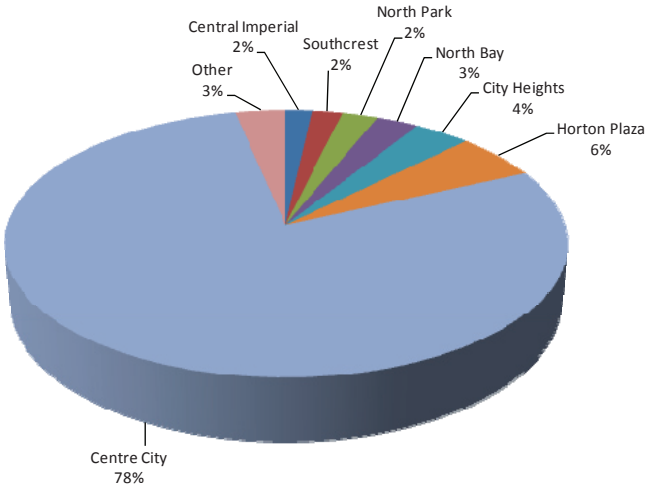


The CCDC administers the two project areas in downtown San Diego, which have the largest share of the Agency's combined fund balances. As of June 30, 2008 project areas administered by the CCDC, accounted for $674,504 or about 84% of the Agency's combined fund balances.

The SEDC administers four project areas in southeastern San Diego, which, as of the end of the fiscal year, accounted for $34,530, or about 4%, of the Agency's combined fund balances.

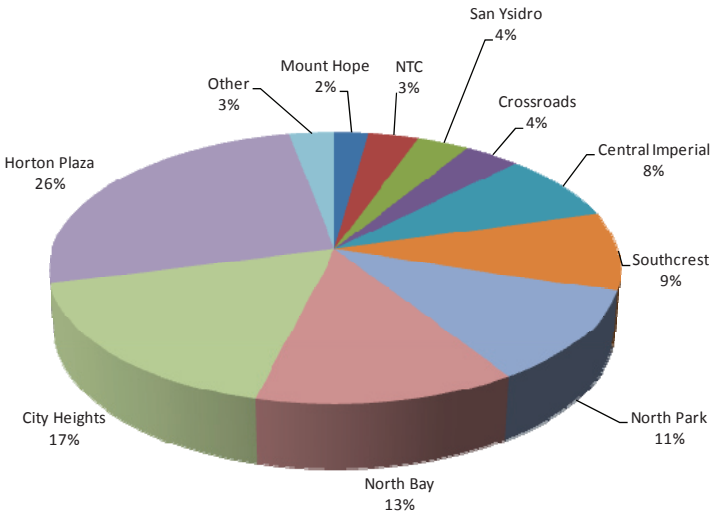
The Redevelopment Division of the City of San Diego administers eleven project areas throughout the City, which, as of the end of the fiscal year, accounted for $92,880, or about 12%, of the Agency's combined fund balances.

PERCENTAGE OF AGENCY COMBINED FUND BALANCES BY PROJECT AREA



The above chart reflects the composition of the Agency's fund balances by project area. The Centre City project area accounted for 78% of the Agency's combined fund balances. All of the Centre City project area funds, with the exception of the Centre City Other Special Revenue Fund, are major funds. Major funds are reported as separate columns in the fund financial statements. Combining fund statements and schedules for non-major governmental funds can be found beginning on page 76 of this report. The following chart reflects the composition of the Agency's non-major fund balance by project area.

PERCENTAGE OF AGENCY COMBINED NON-MAJOR FUND BALANCES BY PROJECT AREA*



*Excludes the Centre City Low and Moderate Income Housing Special Revenue Fund, the Centre City Debt Service Fund and the Centre City Capital Project Fund.

Major Governmental Funds

Centre City Low and Moderate Income Housing Special Revenue Fund

The Centre City Low and Moderate Income Housing Special Revenue Fund is used to account for costs associated with increasing, improving, or preserving the community's supply of low and moderate income housing in the Centre City Project Area. The primary source of revenue for this fund is the 20% tax increment revenue allocation pursuant to redevelopment law as well as housing bond proceeds. The fund balance at June 30, 2008 was $200,521, which is an increase of $76,023, or about 61% over the prior year. Most of the increase is attributed to the receipt of proceeds from the issuance of affordable housing tax allocation bonds in the final month of fiscal year 2008. Approximately 69% or $137,949 of the fund's fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the period or to reflect that funds have been used to purchase land or to make loans and are not readily available for spending. The remaining amount of $62,275 or 31% is available for spending on low and moderate income projects.

Centre City Debt Service Fund

The Centre City Debt Service Fund is used to record debt-related activity such as debt service payments, investment activity for bond reserves held with a fiscal agent, and bond issuance costs associated with the Centre City Project Area. In addition, the Centre City Debt Service Fund accumulates tax increment revenue for repayment of indebtedness related to the project area. At the end of the fiscal year, the Centre City Debt Service Fund reported fund balance of $231,826 of which, $57,138, or about 25%, is reserved for debt service. The fund balance showed an increase of $182,779 from the prior year primarily due to a transfer of tax increment revenue previously collected in the Centre City Special Revenue Fund. In addition, reserve requirements associated with the Centre City 2008 tax allocation bond issuance contributed to a fund balance increase of approximately $6,900.

Centre City Capital Projects Fund

The Centre City Capital Projects Fund is used to account for expenditures related to redevelopment activities in the Centre City Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. The fund balance at June 30, 2008 amounted to $197,464 which is a decrease of $19,355 or about 9% over the prior year. In the current fiscal year, costs associated with the purchase of land for development of parks totaled $20,670. In addition, a loss from the sale of land held for resale of $9,319 related to the Renaissance Hotel project was reflected as project improvement expense in the current fiscal year. These costs were offset by City Participation revenue of $11,723 mostly from reimbursements for eligible park and fire projects by the City from Development Impact Fees and from increased parking meter revenue transferred by the City for parking enhancements in the project area.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets of governmental funds are capitalized at the government-wide level and not at the fund level. Differences between the fund and government-wide statements reporting for these governmental assets will be explained in both the reconciliation and the accompanying notes to the financial statements.

In the current fiscal year, there were land purchases for the development of parks in the Centre City Project Area of approximately $20,271. In addition, rehabilitation costs associated with the Balboa Theatre in the Horton Plaza Project Area contributed to an increase in capital assets of $8,784. The completion of the Balboa Theatre rehabilitation resulted in a decrease in construction in progress balances of $20,115 and a corresponding increase in Structures and Improvements for the same amount. In addition, preliminary land acquisition costs, which had been capitalized in prior years, were expensed due to the fact that the acquisitions did not materialize. This contributed to a capital asset decrease of $11.

REDEVELOPMENT AGENCY
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION
(In Thousands)

	2008	2007
Land	$ 110,907	$ 90,647
Construction in Progress	-	20,115
Structures and Improvements	66,102	38,207
Equipment	96	129
Total	$ 177,105	$ 149,098

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4).

HIGHLIGHTS OF FISCAL YEAR 2008 REDEVELOPMENT ACTIVITIES
(In Thousands)

Barrio Logan Project Area

- Completed construction and occupancy of the Gateway Family Apartments Project, an affordable housing project. The Centre City Redevelopment Project area contributed funds to this project.
- Initiated construction of the Los Vientos and La Entrada Family Apartments affordable housing projects.

Central Imperial Project Area

- Continued construction of a 75,000 square-foot office and community meeting center for the Village Center at Euclid Avenue and Market Street, and the 24-Hour Fitness Center and Navy Federal Credit Union at the Imperial Marketplace.
- Identified locations for twenty-one (21) new streetlights along Imperial Avenue from 61st to 69th Streets and funded the construction and installation. Issued $14,865 in bonds for redevelopment projects and refinance bonds issued in 2000 for an economic gain of approximately $242.

Centre City Project Area

- Seven (7) new residential market rate developments were completed consisting of 909 units, included 61,000 square feet of commercial spaces.
- Three (3) new affordable housing projects consisting of a total of 130 affordable housing units were built with Agency funds generated within the project area. These projects were located outside of the Centre City Redevelopment Project Area.
- Four (4) new hotels were completed consisting of 858 rooms and 25,000 square feet of commercial space.
- An Additional 121,000 square feet of commercial/retail space was completed.
- Completed construction of the Tweet Street (Cortez Hill) Park.
- Completed construction of the Children's Museum Park.
- Three (3) parcels have been acquired for the East Village Green Park and one (1) parcel for St. Joseph's Park.
- A consulting team was selected to create the construction documents for Phase I (Broadway to B Street) of the North Embarcadero Visionary Plan.
- The Agency awarded a contract for the construction of the Pedestrian Bridge that will provide a safe pedestrian crossing over Harbor Drive and Park Boulevard and the existing train and trolley tracks
- The Quiet Zone project has completed the environmental review and the public and City ordinance process to convert G Street to a one-way street.
- The Agency acquired a 23,850 square foot site on the north side of Cedar between 5th & G Avenues. The site will be developed into a sixty-five (65) unit affordable housing project, and 8,665 square feet of retail space
- Affirmed Housing, with Agency participation, is constructing the 1050 B development, an affordable high-rise residential project. The project includes 226 low and moderate income rental housing units and 14,000 sq. ft. of retail space. Construction began in FY 2008 and is expected to be completed in April 2010.
- Housing Development Partners, with Agency participation is constructing 275 affordable residential apartment units in a five-story building called Studio 15. Construction began in April 2007 and was completed in April 2009.
- The construction of the Parkside mixed-used development is underway. When complete, this building will have seventy-seven (77) rental units, seventy-six (76) of which are affordable.
- Construction of Gaslamp streetscape improvements was completed. The areas rehabilitated in the Gaslamp area are bound by Broadway, L Street, Fourth Avenue and Sixth Avenue.
- India Street Improvement Phase II is nearly complete consisting of gutter, sidewalk and streetlight of India Street from Grape Street to Laurel Street.
- The Core District Street Lights was completed in March 2009. This public works project installed 110 new streetlights and retrofitted sixteen (16) streetlights.
- The litter receptacle project phase II for the installation of 215 new litter receptacles and the removal of 150 existing litter receptacles was completed in March 2009.
- CCDC is conducting a series of interrelated studies, such as neighborhood design guidelines, parking, transit, open space needs, downtown lighting and way-finding.

City Heights Project Area

- Provided funding to initiate the design and construction of a 5,348 square foot mini-park.
- Completed construction of a 25,000 square foot public park.
- The City Heights Square Senior Housing and Auburn Park Apartments projects were completed. The Centre City Redevelopment Project area contributed funds to these projects.
- Provided $120 in funding for the Community FACELIFT and Project C.L.E.A.N. programs for low- and moderate-income residents within the project area to improve the living conditions within their community.
- Funded four (4) Home in the Heights First Time Homebuyer Program loans.

- The City Heights Housing Enhancement Loan Program (HELP) provided funding to twenty-eight (28) low- to moderate-income owners to perform residential rehabilitation and other home repair related activities.

Crossroads Project Area

- Provided funding to the International Rescue Committee (IRC) in support of the establishment of urban farm for community residents.
- Completed the reconstruction and landscaping of the El Cajon medians between 54th Street to 73rd Street.
- The Crossroads Housing Enhancement Loan Program (HELP) provided funding for seven (7) low-income owners that occupy single family homes and nine (9) funded enhancements were completed.
- Established a storefront improvement program within the project area.

Gateway Center West Project Area

- Constructed the SDG&E Administration Building located at 735 33rd Street.
- Conducted a legally-required blight study for the proposed expansion of Dells Imperial Study Area, and initiated a public outreach effort to engage local residents and stakeholders in the amendment process, leading to a Project Area Committee election and formation.

Horton Plaza Project Area

- In January 2008, the historic Balboa Theatre opened after completion of its rehabilitation. The Balboa Theatre was originally completed in 1924. The Agency purchased the Balboa Theatre in 1985.
- The Agency funded the Transitional Senior Housing Program. This program is providing homeless seniors with vouchers to rent rooms and housing.
- The Agency expended funds for the development of the Talmadge Senior project which is located outside of the Horton Plaza project area.
- The Agency provided funding of the Barrio Logan Community Plan that is underway. The plan will support upgrades and changes to a community adjacent to the Centre City Redevelopment Project Area.

Linda Vista Project Area

- Provided a Housing Enhancement Loan Program. Nine projects were completed during this period.

Mount Hope Project Area

- Revised the Residential Rehabilitation Program (H.E.L.P.) to increase limits on loan/grant amounts to ensure the highest derived benefit is obtained.
- Completed plans for the Mt. Hope Market Street Median and Streetlight Project and coordinated with City Development Services Department to complete review of the plans.

Naval Training Center Project Area

- Began construction on Phase 2 of the new NTC Park.
- Provided funding assistance for the Verbena and El Pedregal affordable housing projects.
- Courtyard by Marriott opened a new 200 room hotel located at 2592 Laning Road in the project area.
- Homewood Suites by Hilton opened a new 150 room hotel in the project area.

- Renovation was completed on the Liberty Station Convention Center.
- Shoreline Plaza/Ocean Village completed three building rehabilitations and two businesses opened in these expanded locations.
- The Rock Church completed renovation of their facilities in the project area.
- Rehabilitation has completed on six (6) historic buildings in the northern area for a new commercial/retail district called The Landing.
- Construction has completed on an office building at 2305 Historic Decatur Road.

North Bay Project Area

- The Agency approved the installation of Pedestrian Improvements in the Five Points community that will include two pedestrian curb ramps, two curb extensions, and one countdown pedestrian crossing signal.
- Entered into an agreement for the design and construction of median improvements on Clairement Drive.
- The Phase IIA construction of the Veterans Village of San Diego was completed creating 112 transitional housing beds for Homeless Veterans.
- The Phase IIB construction of the Veterans Village of San Diego consisting of the building of a medical facility and employment center has been completed.
- The Agency purchased the land for the Veterans Village Phase III that will add an additional ninety-six (96) transitional beds and a parking lot..
- The Agency provided funding for the Morena Boulevard Storefront Improvement Program (SIP) that is administered by the City of San Diego. Two (2) SIP projects were completed in the project area.

North Park Project Area

- Initiated market study to evaluate potential redevelopment/rehabilitation opportunities.
- The Agency assisted with the selection of a consultant to work with the City of San Diego and the community on design and development of a park behind the North Park Theatre.
- The Agency formed a committee and solicited artist submissions for artwork that will be replicated as sixteen large scale banners and installed on the North Park Parking Garage.
- An Owner Participation Agreement was entered into with SVDP Management (Father Joe's Villages) to provide a $2,400 residual receipts loan for the construction of 23 very low-income rental units.
- A contract with North Park Main Street, a non-profit organization charged with revitalization of the North Park Business Improvements District, was extended to assist in proactively seeking new commercial and residential development within the project area through the solicitation of developer interest/proposals.

San Ysidro Project Area

- Installed nine (9) pole attachments for the first phase of the estimated $400 Street Light Improvement Project, which includes twenty (20) decorative lights and thirty-five (35) cobra lights.
- Completed design work and initiated the bidding process for the Camino de la Plaza Improvement Project, enabling the construction of sidewalks, curbs, landscaping, fencing, and sidewalk furniture.
- Negotiated a $245 Rehabilitation Loan Agreement with the San Ysidro Health Center to assist with constructing offsite improvements and enabling the expansion of the current facilities.
- Approved the development of the Verbena affordable housing project.
- Approved $500 Home Rehabilitation Program to allow up to $30 in forgivable loans for health and safety repairs and exterior improvements.

Southcrest Project Area

- Provided a refinancing loan and rehabilitation funds to the MAAC Project for the Mayberry Townhomes, a seventy (70) unit low and very low income rental homes project. Amended seven grants totaling $35 and completed four residential rehabilitation projects totaling $20 for Single-Family Residential Rehabilitation Loan and Grant program participants.

Long-Term Debt

At June 30, 2008, the Agency long-term debt totaled $924,878. Of this amount, $28,390 is secured by specified revenue sources (revenue bonds) and $548,643 is comprised of tax allocation bonds. The remainder of the Agency's debt represents contracts payable, notes payable, and loans payable.

REDEVELOPMENT AGENCY
OUTSTANDING DEBT
(In Thousands)

	2008	2007
Revenue Bonds	$ 28,390	$ 29,310
Tax Allocation Bonds	548,643	502,804
Contracts Payable	2,615	2,615
Notes Payable	13,962	16,855
Pooled Financing Authority Loans Payable	34,115	-
Loans Payable	151,859	136,254
Accrued Interest Payable	145,294	134,832
Total	$ 924,878	$ 822,670

The Public Facilities Financing Authority (PFFA) issued $17,230 of taxable pooled financing bonds, Series 2007 A and $17,755 of tax-exempt pooled financing bonds Series 2007 B. The Series 2007 A and B bonds were issued to make Pooled Financing Authority loans to the Agency for financing and refinancing redevelopment activities in Southcrest, Central Imperial and Mount Hope Redevelopment Project areas.

The Agency executed six non-revolving lines of credit with San Diego National Bank for an aggregate total amount available of $70,000. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas, and the two remaining lines of credit are for non-housing or general purposes for City Heights and NTC Redevelopment Project Areas. As of June 30, 2008 the amount actually drawn on the lines of credit totaled $16,063.

The Agency issued $69,000 of Housing Tax Allocation Bonds to finance certain improvements relating to, or increasing the supply of, low and moderate income housing in the Centre City Redevelopment Project and such other areas as authorized by Redevelopment Law. The 2008 A bonds are payable from, secured equally and are on parity with outstanding Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004 C and 2004 D and 2006 B bonds, by a pledge of and lien on the housing tax revenues derived by RDA from the Centre City Redevelopment Project.

Total principal payments for long-term debt were $29,425. Of this amount, $24,081 was for outstanding bonds, including $10,145 for the amount of outstanding Mount Hope Series 1995B, Southcrest 1995, Southcrest 2000 and Central Imperial 2000 bonds refunded by the pooled financing authority loans dated June, 2007. Payments on loans payable were $2,451 and payments on notes payable were $2,893.

The Agency received $1,123 in loan proceeds from the City. Of the total, $675 constituted a loan to the Agency for activities in the Barrio Logan project area funded from a general fund Southcrest loan repayment to the City. In addition the City made a $448 loan to the Naval Training Center project area, from a Housing and Urban Development Section 108 loan issued by the Federal government to the City for the purpose of rehabilitating historical buildings in the Naval Training Center Project Area. Overall, outstanding accrued interest payable on loans and notes from the City increased by $10,462. Detailed information on loans payable to the City, by project area, can be found on page 116 of this report.

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5).

REQUESTS FOR INFORMATION

This financial report was designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Comptroller, 202 C Street, San Diego, CA 92101 or e-mailed to the City Comptroller at comptroller@sandiego.gov. This financial report is also available on the City's website at www.sandiego.gov, under the Office of the City Comptroller department.

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Basic Financial Statements

STATEMENT OF NET ASSETS
June 30, 2008
(In Thousands)

	Governmental Activities
ASSETS	
Cash or Equity in Pooled Cash and Investments	$ 482,497
Cash and Investments With Fiscal Agent	72,897
Investments at Fair Value	115,296
Receivables:	
Taxes - Net	6,062
Notes and Contracts	94,681
Accrued Interest	3,048
Working Capital Advances:	
Centre City Development Corporation	1,200
Southeastern Economic Development Corporation	295
Other Agencies	623
Land Held for Resale	39,982
Deferred Charges	10,270
Capital Assets - Non-Depreciable	110,907
Capital Assets - Depreciable	66,198
TOTAL ASSETS	1,003,956
LIABILITIES	
Accounts Payable	9,110
Interest Accrued on Long-Term Debt	11,030
Sundry Trust Liabilities	5,557
Long-Term Liabilities Due Within One Year	24,269
Long-Term Liabilities Due After One Year:	
Contracts Payable	2,615
Developer Notes Payable	5,662
City Note Payable	8,300
City Loans Payable	118,984
Other Loans Payable	24,317
Net Pooled Financing Authority Loans	33,835
Net Bonds Payable	566,879
Accreted Interest Payable on Bonds	12,837
Accrued Interest Payable on City Notes	5,047
Accrued Interest Payable on City Loans	140,247
TOTAL LIABILITIES	968,689
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	83,152
Restricted for:	
Low and Moderate Housing	108,733
Unrestricted	(156,618)
TOTAL NET ASSETS	$ 35,267

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2008
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Assets: Total Governmental Activities
Primary Government:				
Governmental Activities:				
General Government and Support	$ 48,201	$ -	$ 113	$ (48,088)
Neighborhood Services	33,091	47	15,393	(17,651)
Interest on Long-Term Debt	43,669	-	-	(43,669)
TOTAL GOVERNMENTAL ACTIVITIES	$ 124,961	$ 47	$ 15,506	(109,408)
	General Revenue and Transfers:			
	Property Taxes			177,353
	Grants and Contributions Not Restricted to Specific Programs			4,775
	Revenue from Use of Money and Property			32,947
	Loss on Sale of Capital Assets			(11)
	Loss on Sale of Land Held for Resale			(9,319)
	TOTAL GENERAL REVENUES AND TRANSFERS			205,745
	CHANGE IN NET ASSETS			96,337
	Net Assets at Beginning of Year			(61,070)
	NET ASSETS AT END OF YEAR			$ 35,267

The accompanying notes are an integral part of the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008
(In Thousands)

	Centre City	
	Special Revenue Low-Mod	Debt Service
ASSETS		
Cash or Equity in Pooled Cash and Investments	$ 128,112	$ 170,228
Cash and Investments with Fiscal Agent	-	56,926
Investments at Fair Value	-	-
Receivables:		
Taxes	867	3,466
Notes and Contracts	61,551	-
Interest	589	1,206
Working Capital Advances:		
Centre City Development Corporation	-	-
Southeastern Economic Development Corporation	-	-
General Working Capital	-	-
Land Held for Resale	12,057	-
TOTAL ASSETS	$ 203,176	$ 231,826
LIABILITIES		
Accounts Payable	$ 2,563	$ -
Trust Liability	92	-
TOTAL LIABILITIES	2,655	-
FUND BALANCES		
Reserved for Land Held for Resale	12,057	-
Reserved for Notes Receivable	61,551	-
Reserved for Encumbrances	64,341	-
Reserved for Working Capital Advances	-	-
Reserved for Low and Moderate Income Housing	62,572	-
Reserved for Debt Service	-	57,138
Unreserved:		
Reported in Special Revenue Funds:		
Designated for Unrealized Gain	-	-
Designated for Subsequent Years' Expenditures	-	-
Undesignated	-	-
Reported in Debt Service Funds:		
Designated for Unrealized Gain	-	-
Designed for Debt Services	-	174,667
Designated for Subsequent Years' Expenditures	-	21
Undesignated	-	-
Reported in Capital Projects Funds:		
Designated for Unrealized Gain	-	-
Designated for Subsequent Years' Expenditures	-	-
Undesignated	-	-
TOTAL FUND BALANCES	200,521	231,826
TOTAL LIABILITIES AND FUND BALANCES	$ 203,176	$ 231,826

The accompanying notes are an integral part of the financial statements.

Centre City Capital Project	Other Governmental Funds	Total Governmental Funds
$ 75,317	$ 108,840	$ 482,497
-	15,971	72,897
105,945	9,351	115,296
-	1,729	6,062
1,336	31,794	94,681
498	755	3,048
925	275	1,200
-	295	295
-	623	623
20,630	7,295	39,982
$ 204,651	$ 176,928	$ 816,581
$ 2,502	$ 4,045	$ 9,110
4,685	780	5,557
7,187	4,825	14,667
20,630	7,295	39,982
1,336	31,794	94,681
65,484	36,037	165,862
925	1,193	2,118
-	13,699	76,271
-	15,997	73,135
-	64	64
-	9,072	9,072
-	1,842	1,842
-	9	9
-	44,905	219,572
-	972	993
-	35	35
448	124	572
108,641	17,366	126,007
-	(8,301)	(8,301)
197,464	172,103	801,914
$ 204,651	$ 176,928	

Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.	177,105
Other assets and liabilities used in govermantal activities are not financial resources, and therefore, are not reported in the funds.	10,270
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(954,022)
Net Assets of Governmental Activities	$ 35,267

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008
(In Thousands)

	Centre City	
	Special Revenue Low-Mod	Debt Service
REVENUES		
Tax Increments	$ 23,394	$ 93,577
Interest	4,121	9,244
Rents	195	-
Private Sources	-	-
City Participation	151	-
Other Revenue	3,828	-
TOTAL REVENUES	31,689	102,821
EXPENDITURES		
Administration	1,178	640
Legal	152	-
Plans and Surveys	352	-
Acquisition Expense	35	-
Real Estate/Fixture Purchases	17	-
Property Management	84	-
Relocation	97	-
Rehabilitation	299	-
Site Clearance	-	-
Project Improvements	7,551	-
Promotions and Marketing	-	-
Bond Sale Expense	272	1,585
Program Management	50	-
Rehabilitation Loans	224	-
Housing Subsidies	-	-
Tax Sharing Payments	-	-
City Projects	-	-
Other	-	-
Debt Service:		
Principal	-	11,094
Interest	-	20,822
Advance Refunding Escrow	-	-
TOTAL EXPENDITURES	10,311	34,141
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,378	68,680
OTHER FINANCING SOURCES (USES)		
Transfers from Tax Increments	133	120,559
Transfers from Other Funds	-	8,243
Transfers from Bond Proceeds	-	-
Transfers to Other Funds	(5,827)	(23,188)
Transfers to Escrow Agent	-	-
Proceeds from Bonds	60,339	8,661
Proceeds from Developer Loans, Notes and Contracts	-	-
Loans from the City of San Diego	-	-
Premium on Bonds and Loans Issued	-	-
Discount on Bonds and Loans Issued	-	(176)
TOTAL OTHER FINANCING SOURCES (USES)	54,645	114,099
NET CHANGE IN FUND BALANCES	76,023	182,779
FUND BALANCES AT JUNE 30, 2007	124,498	49,047
FUND BALANCES AT JUNE 30, 2008	$ 200,521	$ 231,826

Centre City Capital Projects	Other Governmental Funds	Total Governmental Funds
$ -	$ 60,382	$ 177,353
10,470	6,690	30,525
1,923	304	2,422
2,505	2,376	4,881
11,723	2,416	14,290
537	619	4,984
27,158	72,787	234,455
7,688	7,734	17,240
1,480	898	2,530
4,026	1,015	5,393
46	149	230
20,197	247	20,461
622	664	1,370
147	87	331
424	7,117	7,840
6	-	6
18,969	7,933	34,453
67	3	70
-	1,072	2,929
1,967	625	2,642
-	213	437
-	516	516
-	23,732	23,732
110	4,472	4,582
-	6	6
-	8,186	19,280
-	10,237	31,059
-	1,100	1,100
55,749	76,006	176,207
(28,591)	(3,219)	58,248
9,236	69,382	199,310
-	6,397	14,640
-	1,175	1,175
-	(186,110)	(215,125)
-	(9,576)	(9,576)
-	-	69,000
-	51,048	51,048
-	1,123	1,123
-	389	389
-	-	(176)
9,236	(66,172)	111,808
(19,355)	(69,391)	170,056
216,819	241,494	631,858
$ 197,464	$ 172,103	$ 801,914

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2008
(In Thousands)

Net change in fund balances - total governmental funds (page 39)	$	170,056
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		28,018
The Statement of Activities reports losses arising from the retirement of existing capital assets. Conversely, govermental funds do not report any gain or loss on retirement of capital assets.		(11)
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, govermental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are differed and amortized in the Statementy of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(90,321)
Some expenses reported in the Statement of Activities do not require the use of current financial resources (i.e. interest on long-term debt, amortization of bond premiums and discounts), and therefore are not accrued as expenses in governmental funds.		(11,405)
Change in net assets of governmental activities (page 35)	$	96,337

The accompanying notes are an integral part of the financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (In Thousands)

The financial statements of the Redevelopment Agency of the City of San Diego ("Agency") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applicable to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The significant accounting principles and policies utilized by the Agency are described below.

a. Scope of Financial Reporting Entity

The Agency was established by the City of San Diego Council in 1958 for the purpose of providing a method to revitalize deteriorated and blighted areas within designated areas of the City of San Diego. The Agency began functioning in 1969 pursuant to the Community Redevelopment Law of California as codified in the State of California Health and Safety Code.

Under GASB Statement No. 14, the Agency is considered a component unit of the City. The Agency's basic financial statements, which are presented as a blended component unit in the basic financial statements of the City, present an aggregation of funds associated with 17 redevelopment project areas. The redevelopment project areas are overseen by the City's Redevelopment Division, and two corporations, the Centre City Development Corporation ("CCDC") and the Southeastern Economic Development Corporation, Inc. ("SEDC").

CCDC and SEDC are non-profit corporations organized by the City to administer certain redevelopment projects (CCDC in downtown San Diego and SEDC in southeastern San Diego) as well as to provide redevelopment advisory services to the Agency. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC and SEDC for all eligible costs (as defined) incurred in connection with such activities. Neither the financial position nor the transactions of CCDC and SEDC are included as part of the financial statements. However, reimbursements to CCDC and SEDC for services provided to the Agency result in administrative charges that are included in the financial statements as Agency costs.

The City Council, acting in accordance with the City Charter, the City's Municipal Code and applicable state laws, appoints the members of the Board of Directors of CCDC and SEDC and acts as the Agency's Board of Directors.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All funds presented in the fund financial statements are governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major funds:

Centre City Low and Moderate Income Housing Fund – The Centre City Low and Moderate Income Housing Fund is a Special Revenue Fund used to account for 20 percent of the tax increment revenue generated from the Centre City Redevelopment Project Area and the costs associated with the Agency's effort to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in this area.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the Centre City Redevelopment Project Area.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for the receipt of bond proceeds, costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements in the Centre City Redevelopment Project Area.

Additionally, the Agency reports the following other governmental fund types:

Special Revenue Funds – Special revenue funds are used to account for proceeds of specific revenue sources (other than those for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

All non-major governmental funds are accounted for and reported similarly to major governmental funds.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Amounts reported as program revenues include (1) operating grants and contributions and (2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred except for principal and interest of general long-term debt which are recognized when due.

Revenues which are considered susceptible to accrual include tax increments, rents, interest and grants, provided they are received within 60 days from the end of the fiscal year. Revenue from private sources, city participation, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

d. Tax Increment Revenue

Tax Increment Revenues represent taxes collected in the Agency's redevelopment project areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the inception year of redevelopment project areas) property tax assessment along with a provision for inflation.

The County of San Diego (the “County”) assesses, bills, and collects property taxes on behalf of numerous special districts and incorporated cities, including the Redevelopment Agency of the City of San Diego. The Agency’s collections of current year’s taxes are received through periodic apportionments from the County.

Property owners of the City can appeal the assessment of their property to the County Assessment Appeals Board. Property taxable values may be reduced as a result of a successful appeal of the taxable value of property determined by the County Assessor. An appeal may result in a reduction of the County Assessor’s original taxable value and tax refund to the applicant property owner. The reduction in future Project Areas taxable values and the refund of taxes affects all taxing entities, including the Agency.

The County’s tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1, are levied the following July 1, are then payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Since the passage of California’s Proposition 13, beginning with fiscal year ended 1979 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise a maximum of 2% per year. The Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

At the government-wide level, Tax Increment Revenue is recognized in the fiscal year for which the taxes have been levied. For the governmental funds, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of year end. Tax Increment Revenues received after this date are not considered available as a resource that can be used to finance the current year operations of the Agency and, therefore, are recorded as deferred revenue in the governmental funds.

e. Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds.

During the proposed budgetary hearing, public comment is heard. The Agency’s budget is then legally adopted generally during the months of May or June, through passage of resolutions by the Agency’s Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors’ approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 72 of this report.

f. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as reservation of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

g. Equity in Pooled Cash and Investments

The Agency's Pooled Cash and Investments are part of the City's Pooled Cash and Investments. The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer (the City Pool). The City Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a 2a7–like pool. The investment activities of the Treasurer in managing the Pool are governed by California Government Code § 53601 and the City's Investment Policy which is reviewed by the Investment Advisory Committee and approved annually by the City Council. Interest earned on pooled investments is allocated to participating funds and entities based upon their average daily cash balance during the allocation month. Fair market value adjustments to the Pool are recorded annually; City Treasurer reports fair market values on a monthly basis. The value of the shares in the Pool is equal to the fair market value of the Pool.

Additionally, the Agency maintains individual accounts pursuant to bond issuances. The investment of these funds is governed by the policies set forth in individual indenture and trustee agreements.

All City investments are reported at fair value in accordance with the GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Deposit and investment risks are disclosed in Note 3 of the notes to the financial statements in accordance with GASB 40, Deposit and Investment Risk Disclosures. GASB 40 was implemented to communicate deposit and investment risks to financial statement users. Common risk disclosures include interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. Note 3 also contains additional information on permissible investments per the City's Investment Policy and other policies applicable to the cash and investments reported herein.

h. Land Held for Resale

Land Held for Resale, purchased by the Agency, is reported in the government-wide and fund financial statements at the lower of cost or net realizable value. In the governmental fund financial statements, fund balances are reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the Agency's current operations.

Land is originally recorded at historical cost and adjusted to net realizable value when the Agency enters into disposition and development agreements whereby the property will be sold for less than its historical cost, when a property is impaired or when property values decrease due to market conditions.

i. Capital Assets

Non-depreciable capital assets, which include land and construction in progress, are reported in the government-wide financial statements. Depreciable capital assets, which include structures, improvements and equipment, are reported in the government-wide financial statements net of accumulated depreciation. To meet the criteria for capitalization, the asset must have a useful life in excess of one year and in the case of capital outlay, must equal or exceed a capitalization threshold of $5. All other capital assets such as land and structures are capitalized regardless of cost. Subsequent improvements are capitalized to the extent that they extend the initial estimated useful life of the capitalized asset or improve the efficiency or capacity of that asset. Costs for routine maintenance are expensed as incurred. Costs related to development of City infrastructure are not capitalized because these assets are maintained by the City and not the Agency. In cases where the Agency purchases land or structures for development of City infrastructure, acquisition and improvement costs are capitalized and reported as Agency capital assets until they are conveyed to the City, once the project is completed. Losses on the retirement of assets conveyed to the City are reflected in the Statement of Activities.

Capital assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value on the date of donation. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the asset as follows:

Assets	Years
Structures and Improvements	20-50
Equipment	3-25

j. Deferred Charges

In the government-wide financial statements, deferred charges represent the unamortized portion of bond issuance costs. These costs will be amortized over the life of the related bonds using a method which approximates the effective yield method.

k. Interfund Transactions

Interfund transactions between the Agency's governmental funds are mostly transfers of assets (such as cash or goods) without equivalent flows of assets in return.

Tax increment revenue not intended for low and moderate income housing or for tax sharing payments is originally deposited in Debt Service Funds. As expenditures are incurred in the Capital Projects Funds, cash is transferred from the Debt Service Funds to cover the expenditures.

Housing Bond Proceeds are recorded in the Low and Moderate Income Housing Funds while Redevelopment Bond Proceeds are recorded in the Capital Projects Funds. These proceeds are typically expended in the funds where they are recorded. However, they are sometimes transferred to the Debt Service Funds to satisfy a debt obligation to the City or a Developer.

l. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, bond issuance costs and bond refunding gains and losses are amortized over the life of the bonds, using a method that approximates the effective yield method. Net bonds payable reflect amortized bond accretion and unamortized bond discounts, premiums and refunding gains and losses.

m. Sundry Trust Liabilities

Under approval of certain agreements, developers submit to the Agency an initial deposit to ensure the Developer proceeds diligently and in good faith to negotiate and perform all of the obligations under the agreement. These deposits can normally be used for administrative costs of the Agency. In the government-wide financial statements and in the fund financial statements, the unspent portion of these deposits, called Sundry Trust Liabilities, are reported as liabilities of the Agency.

n. Claims and Judgments

The costs of claims and judgments are accrued when incurred and measurable in the government-wide financial statements. In governmental funds, the costs of claims and judgments are recorded as expenditures when payments are made.

o. Net Assets and Fund Equity

In the government-wide financial statements, net assets are categorized as follows:

- Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets.

- Restricted Net Assets consist of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources, as they are needed.

- Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Assets.

In the fund financial statements, portions of fund equity of governmental funds have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance represents that portion of fund equity for which the Agency has made tentative plans.

Undesignated fund balance represents that portion of fund equity which is available for appropriation in future periods.

p. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities, disclosure of contingent assets and liabilities, and the related reported amounts of revenues and expenses. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

q. Disposition and Development Agreements

The Agency and McMillin-NTC, LLC ("McMillin") entered into a Disposition and Development Agreement ("DDA"), dated June 26, 2000, and a Third Implementation Agreement, dated May 6, 2003, which were executed for the purpose of effectuating the Redevelopment Plan at the Naval Training Center Redevelopment Project, in addition to constructing and installing additional infrastructure improvements as required by the City, McMillin has agreed to advance the funds needed to pay for infrastructure costs. The Agency has consistently reimbursed McMillin for eligible

costs as they are billed, therefore, this agreement is not treated as a loan, and instead expenditures are recognized as payments are made to McMillin.

On March 30, 2004 the Agency entered into a DDA with Western Pacific Housing for a condominium development project in the North Park Redevelopment Project Area. Under the agreement, the Agency promised to pay the maximum aggregate principal amount of $3,000 of which $2,100 represents the Affordability Component of the Agency Payment Obligation, and $900 represents the Public Improvement Component. The Affordability Component is subject to an adjustment based on the actual project sales revenue proceeds received by Western Pacific Housing. This adjustment amount cannot be computed until all 45 affordable units are sold. The principal amount outstanding bears simple interest at a rate equal to 5% per annum. Solely for the purposes of calculating the amount of interest payable, Western Pacific Housing shall be deemed to have paid an amount equal to 25% of the Agency's Payment Obligation as of the date which is 195 days after closing of escrow, 50% as of the date which is 390 days after closing of escrow, 75% as of the date which is 585 days after closing of escrow, and 100% at the completion date, which is the date on which the release of construction covenants under the agreement have been recorded in the official records of the San Diego County. For purposes of calculating the amount of interest payable, the principal amounts stated above will be reduced by a 10% per annum applied on a pro rata basis for the period of time Western Pacific Housing is not in compliance with the schedule of performance dates stated in the agreement for commencement and completion of construction. All payments shall be made from the site-generated property tax increment. To date, only the $900 representing the Public Improvement Component of the Agency Payment Obligation, has been recognized as a liability since the remaining $2,100 representing the Affordability Component of the Agency Payment Obligation, is subject to adjustment upon final sales of all 45 affordable units. As of the issuance of this report, there are two remaining units to be sold.

On April 4, 2004, the Agency approved a DDA with GRA, LLC, for the development and construction of a 12-story, mixed-use commercial building. The Agency was responsible for the purchase of a 5,000 square foot parcel for the proposed site. GRA LLC paid a purchase price for the acquisition parcel equal to the sum of all acquisition and relocation costs. The property was conveyed to the GRA LLC in the current fiscal year. Because the developer advances were recognized as revenue at the time the property was acquired in prior fiscal years, no additional revenue was recognized for the disposition of the property, resulting in a loss to the Agency equal to the book value of the land in the current fiscal year.

On July 21, 2003, the Agency entered into a DDA with Citymark Farenheit LLC ("Citymark"). Pursuant to the DDA, the Agency sold a property to Citymark for a purchase price of $3,500 and a contingent portion for the sale of each of the for-sale market-rate residential units developed on the property. Proceeds from the sale of the property resulted in a gain which was recognized at the time the Agency conveyed the property to Citymark. Revenue from the sale of each unit is recognized at the time the unit is sold and the revenue is received by Agency.

r. Tax Increment Sharing Payments

Prior to the adoption of Section 33607.5 of the Redevelopment Law, a redevelopment agency was authorized to enter into an agreement to pay tax increments revenues to any taxing agency that had territory located within a redevelopment project area in an amount which, in the agency's determination, was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provided for a pass-through of tax increment revenues directly to the affected taxing agency, and, therefore, are commonly referred to as "pass-through-agreements".

Section 33607.5 of the Redevelopment Law repealed the provisions that enabled pass-through agreements, although existing pass-through agreements remain in place. Section 33607.5 replaces the payments from new pass-through agreements with a statutory tax increment sharing formula for all redevelopment project areas established on or after January 1, 1994 and requires statutory pass-through payments ("Statutory Pass-through Payments") to all existing taxing entities.

Section 33607.7 was subsequently added to the Redevelopment Law to provide for Statutory Pass-through Payments to affected taxing entities that do not have existing tax sharing agreements. If a redevelopment plan adopted prior to January 1, 1994 is amended to eliminate its time limit on the establishing of loans, advances and indebtedness, the amounts of Statutory Pass-through Payments under section 33607.5 are computed as follows:

- From the first fiscal year in which the Agency receives tax increment until the last fiscal year in which the Agency receives the tax increment, 25% of the tax increments are passed through to the entities (net of the 20% housing set aside).

- Commencing in the eleventh year, an additional 21% of the tax increment in excess of the tenth year tax increment is passed through to the entities (net of the 20% housing set aside).

- Commencing in the thirty first year, an additional 14% of the tax increment in excess of the thirtieth year tax increment is passed through to the entities (net of the 20% housing set aside).

The Agency records liabilities and expenditure related to tax sharing payments based on the criteria established by GASB 33. The Agency defines the applicable period for recognition as the fiscal year in which tax increment sharing payments are appropriated. Instances in which tax sharing payments are not made in the year they are appropriated result in a liability and expenditure to the Agency for that year, regardless of the timing of cash flows.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (In Thousands)

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Equity - Governmental Funds and Total Net Assets - Governmental Activities as reported in the Government-wide Statement of Net Assets. Certain adjustments are necessary to reconcile governmental funds to governmental activities. The details of these adjustments are as follows.

a. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets:

An element of the reconciliation states, "Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds." The details of this $10,270 difference are as follows:

Deferred Charges, net July 1, 2007	$	7,891
Issuance Costs		2,929
Amortization Expense		(550)
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	$	10,270

Another element of the reconciliation states that "Some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $(954,022) difference are as follows:

Bonds Payable	$	(577,033)
Pooled Financing Loans		(34,115)
Net Premiums and Discounts on Bond and Loan Issuances		(6,380)
Unamortized Loss on Refunding		1,103
Contracts Payable		(2,615)
Notes Payable		(13,962)
Loans Payable		(151,859)
Accreted Interest Payable on Bonds		(12,837)
Accrued Interest Payable on Long Term Debt		(11,030)
Accrued Interest Payable on City Loans and Notes		(145,294)
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	$	(954,022)

b. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between Net Change in Fund Balances - Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $28,018 difference are as follows:

Capital outlay	$	29,072
Depreciation expense		(1,054)
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$	28,018

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $90,321 difference are as follows:

Debt Issued or Incurred:		
Issuance of Tax Allocation Bonds	$	(69,000)
Less Premiums and Discounts		176
Add Loss on Refunding		531
Bond and Loan Issuance Costs		2,929
Net Accretion on Capital Appreciation Bonds		(1,822)
Pooled Financing Authority Loans Payable		(34,985)
Less Premiums and Discounts		(389)
Loans Payable		(17,186)
Principal Repayments:		
Revenue Bonds		920
Tax Allocation Bonds		23,161
Pooled Financing Authority Loans Payable		870
Loans Payable		1,581
Notes Payable		2,893
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$	(90,321)

Another element of the reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not accrued as expenses in governmental funds." The details of this $(11,405) difference are as follows:

Change in Accrued Interest on Long-Term Debt	$	(326)
Change in Accrued Interest on City Note and Loans		(10,462)
Amortization of Bond Issuance Costs		(550)
Amortization of Bond Premiums, Discounts and Deferred Charges on Refunding		(67)
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$	(11,405)

3. CASH AND INVESTMENTS (In Thousands)

The following is a summary of the carrying amount of the Agency's cash and investments:

	Governmental Activities
Cash or Equity in Pooled Cash & Investments	$ 482,497
Cash & Investments with Fiscal Agent	72,897
Investments at Fair Value	115,296
Total	$ 670,690

a. Cash or Equity in Pooled Cash and Investments

The Agency participates in the City's pooled Cash and Investments. Cash or Equity in Pooled Cash & Investments represents petty cash, cash at the bank in demand deposit and/or savings accounts, and cash in escrow for contract retention payables. Furthermore, it represents equity in pooled cash and investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's share of the City's pooled cash and investments is included in the accompanying Statement of Net Assets under the caption "Cash or Equity in City Pooled Cash and Investments."

b. Cash and Investments with Fiscal Agent

Cash and Investments with Fiscal Agents represents cash and investments held by fiscal agents resulting from bond issuances. More specifically, these funds represent reserves held by fiscal agents or trustees as legally required by bond issuances and liquid investments held by fiscal agents or trustees which are used to pay debt service.

c. Investments at Fair Value

Investments at Fair Value represent investments managed by the City Treasurer which are not part of the Citys Pooled Cash and Investments.

d. Investment Policy

City of San Diego Investment Policy

In accordance with City Charter Section 45 and under authority annually approved by the City Council, the City Treasurer is responsible for the safekeeping and investment of the unexpended cash in the City Treasury according to the City's Investment Policy (the "Policy"). This Policy applies to all of the investment activities of the City except for the pension trust funds, the proceeds of certain debt issues, which are managed and invested at the direction of the City Treasurer in accordance with the applicable indenture or by Trustees appointed under indenture agreements or by fiscal agents, and the assets of trust funds, which are placed in the custody of the Funds Commission by Council ordinance.

City staff reviews the Policy annually and may make revisions based upon changes to the California Government Code and the investment environment. These suggested revisions are presented to the Investment Advisory Committee (IAC) for review and comments. The IAC consists of two City representatives and three outside financial professionals with market and portfolio expertise not working for the City of San Diego. The City Council reviews the Policy and considers approval on an annual basis.

The IAC evaluates the horizon returns, risk parameters, security selection, and market assumptions the City's investment staff is using when explaining the City's investment returns. The IAC also meets

semi-annually to review the previous two quarters' investment returns and make recommendations to the City Treasurer on proposals presented to the IAC by the Treasurer's staff.

The Policy is governed by the California Government Code (CGC), Sections 53600 et seq. The following table presents the authorized investments, requirements, and restrictions per the CGC and the City Policy:

Investment Type	Maximum Maturity (1)		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
	CGC	City Policy	CGC	City Policy	CGC	City Policy	CGC	City Policy
U.S. Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
U.S. Agencies	5 years	5 years	None	(2)	None	(2)	None	None
Bankers' Acceptances (6)	180 days	180 days	40%	40%	30%	10%	None	(3)
Commercial Paper (6)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates (6)	5 years	5 years	30%	30%	None	10%	None	(3)
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements (4)	92 days	92 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	None	None	None	None	None
Non-Negotiable Time Deposits (6)	5 years	5 years	None	25%	None	10%	None	(3)
Medium Term Notes/Bonds (6)	5 years	5 years	30%	30%	None	10%	A	A
Municipal Securities of California Local Agencies (6)	5 years	5 years	None	20%	None	10%	None	A
Mutual Funds	N/A	N/A	20%	5%	10%	None	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	AA
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	None	None	AA	AAA
Financial Futures (5)	N/A	None	None	None	None	None	None	None

Footnotes:

(1) In the absence of a specified maximum, the maximum is 5 years.

(2) No more than one-third of the cost value of the total portfolio at time of purchase can be invested in the unsecured debt of any one agency.

(3) Credit and maturity criteria must be in accordance per Section X of the City's Investment Policy.

(4) Maximum % of portfolio for Reverse Repurchase Agreements is 20% of base value.

(5) Financial futures transactions would be purchased only to hedge against changes in market conditions for the reinvestment of bond proceeds.

(6) Investment types with a 10% maximum with one issuer are further restricted per the City's Investment Policy: 5% per issuer and an additional 5% with authorization by City Treasurer.

According to the Policy, the City may enter into repurchase and reverse repurchase agreements only with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement.

Additionally, the Policy authorizes investment in other specific types of securities. The City may invest in floating rate notes with coupon resets based upon a single fixed income index (which would be representative of an eligible investment), provided that security is not leveraged. Structured notes issued by U.S. government agencies that contain imbedded calls or options are authorized as long as those securities are not inverse floaters, range notes, or interest only strips derived from a pool of mortgages. A maximum of 8% of the "cost value" of the pooled portfolio may be invested in structured notes.

In fiscal year 2008, the City deposited $5 million with Neighborhood National Bank to be invested as part of the Certificate of Deposit Account Registry Service (CDARS). Under the City Treasurer's Investment Policy, this type of investment is subject to a 1% limit of total portfolio value for the City's pooled investments. The CDARS investment program is permissible per the California Government Code (CGC), Section 53601.8, and is subject to a 30% limit of total portfolio value.

Ineligible investments prohibited from use in the portfolio include, but are not limited to, common stocks and long-term corporate notes/bonds. A copy of the investment Policy can be requested from the City Treasurer, 1200 3rd Avenue, Suite 1624, San Diego, CA 92101.

Other Investment Policies

The City and its component units, including the Agency, have funds invested in accordance with various bond indenture and trustee agreements.

e. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market or interest-rate risk for the City's pooled investments is intended to be mitigated by establishing two portfolios, a liquidity portfolio and a core portfolio. Target durations are based upon the expected short and long-term cash needs of the City. The liquidity portfolio is structured with an adequate mix of highly liquid securities and maturities to meet major cash outflow requirements for at least six months (per CGC Section 53646). The liquidity portfolio uses the Merrill Lynch 3-6 months Treasury Index as a benchmark with duration of plus or minus 20% of the duration of that benchmark.

The core portfolio uses the Merrill Lynch 1-3 years Treasury Index as a benchmark with a duration of plus or minus 20% of the duration of that benchmark. It consists of high quality liquid securities with a maximum maturity of 5 years and is structured to meet the longer-term cash needs of the City. Information about the sensitivity of the fair value of the Agency's investments to market interest rate fluctuations is presented in the table below.

	Maturity in Years				
	Under 1	1-3	3-5	Over 5	Fair Value
Cash or Equity in City Pooled Cash & Investments	$ 482,497	$ -	$ -	$ -	$ 482,497
Non-Pooled Investments with City Treasurer:					
Repurchase Agreements	9,352	-	-	-	9,352
US Treasury Notes & Bonds	14,968	-	-	-	14,968
Commercial Paper	926	-	-	-	926
US Agency Discount Notes	90,050	-	-	-	90,050
Subtotal - Non-Pooled Investments	115,296	-	-	-	115,296
Investments with Fiscal Agent:					
US Treasury Bills	15,124	-	-	-	15,124
US Treasury Notes & Bonds	39,897	-	-	-	39,897
US Agency Notes & Bonds	2,951	-	-	-	2,951
Money Market Funds	14,907	-	-	-	14,907
Subtotal - Investments with Fiscal Agent	72,879	-	-	-	72,879
Total Investments or Cash in City Pooled Cash	$ 670,672	$ -	$ -	$ -	670,672
Cash with Fiscal Agent					18
Total Cash and Investments					$ 670,690

f. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2008, the Agency's investments and corresponding credit ratings are as follows:

	Moody's Rating	S&P	Fair Value	Percentage
Cash or Equity in City Pooled Cash & Investments	Not Rated	Not Rated	$ 482,497	100.00%
Non-Pooled Investments with City Treasurer:				
Repurchase Agreements*	Not Rated	Not Rated	9,352	8.11%
US Treasury Notes & Bonds*	Exempt	Exempt	14,968	12.98%
Commercial Paper	P1	A-1+	926	0.80%
US Agencies - Federal Farm Credit Bank[1]	Aaa	AAA	5,022	4.36%
US Agencies - Federal Farm Credit Bank[1]	P1	N/A	7,141	6.19%
US Agencies - Federal Home Loan Bank[1]	Not Available	AAA	536	0.46%
US Agencies - Federal Home Loan Bank[1]	P1	N/A	5,269	4.57%
US Agencies - Federal Home Loan Mortgage Corportation[1]	P1	N/A	34,298	29.75%
US Agencies - Federal National Mortgage Association[1]	P1	N/A	37,784	32.77%
Subtotal - Non-Pooled Investments			115,296	100.00%
Investments with Fiscal Agent and Other Investments:				
US Treasury Bills	Exempt	Exempt	15,124	20.75%
US Treasury Notes & Bonds	Exempt	Exempt	39,895	54.74%
US Agencies - Federal Home Loan Bank	Aaa	N/A	2,953	4.05%
Money Market Funds	Aaa	N/A	14,907	20.45%
Subtotal - Other Investments			72,879	100.00%
Total Investments			670,672	
Cash with Fiscal Agent	Not Rated	Not Rated	18	
Total Cash and Investments			$ 670,690	

[1] More than 5% of the Agency's investments are with U.S Agencies whose debt is not guaranteed by the U.S. government, except for events subsequent to year end.

"N/A" - S&P rating not applicable, Moody's rating provided.

"Not Available" - Bloomberg credit history did not have Moody's ratings, only S&P ratings.

"Exempt" - Per GASB 40, US Treasury Obligations do not require disclosure of credit quality.

g. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. As of June 30, 2008, more than 5% of the Agency's investments are with U.S. agencies whose debt is not guaranteed by the U.S. government, except for events subsequent to year end. Investments issued explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt.

4. CAPITAL ASSETS (In Thousands)

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$ 90,647	$ 20,271	$ (11)	$ 110,907
Construction in Progress	20,115	-	(20,115)	-
Total Non-Depreciable Capital Assets	110,762	20,271	(20,126)	110,907
Depreciable Capital Assets:				
Structures and Improvements	40,816	28,916	-	69,732
Equipment	819	-	-	819
Total Depreciable Capital Assets	41,635	28,916	-	70,551
Less Accumulated Depreciation for:				
Structures and Improvements	(2,609)	(1,021)	-	(3,630)
Equipment	(690)	(33)	-	(723)
Total Accumulated Depreciation	(3,299)	(1,054)	-	(4,353)
Total Depreciable Capital Assets, Net	38,336	27,862	-	66,198
Governmental Activities Capital Assets, Net	$ 149,098	$ 48,133	$ (20,126)	$ 177,105

Depreciation expense was charged to the Neigborhood Services govermental activities function in the amount of $ 1,054.

In the current fiscal year, completion of the Balboa Theatre rehabilitation resulted in a decrease in construction in progress balances of $20,115 and a corresponding increase in Structures and Improvements for the same amount. In addition, preliminary land acquisition costs, which had been capitalized in prior years, were expensed due to the fact that the acquisition did not materialize. This contributed to a capital asset decrease of $11.

5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (In Thousands)

a. Long-Term Liabilities

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, contracts payable, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2008, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2008
Revenue Bonds:				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.4%[1]	2026	12,105	$ 10,195
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3[1]	2027	20,515	18,195
Total Revenue Bonds			32,620	28,390
Tax Allocation Bonds:				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75[1]	2014	1,400	665
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0[1]	2020	1,200	795
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0[1]	2016	12,970	7,070
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125[1]	2019	25,680	25,245
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25[1]	2014	11,360	11,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75[1]	2025	13,610	11,945
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8[1]	2029	5,690	5,200
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4[2]	2029	10,141	9,318
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6[1]	2025	6,100	4,995
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35[1]	2025	21,390	18,705
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2022	15,025	13,715
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2031	13,000	11,450
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9[1]	2031	7,000	6,170
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55[3]	2027	58,425	56,270
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0[1]	2027	3,055	3,055
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0[1]	2029	31,000	15,320
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5[1]	2034	4,955	4,955
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25[1]	2014	865	485

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2008
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1[1]	2022	6,325	6,325
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45[1]	2022	4,530	4,410
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74[1]	2022	8,000	6,875
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125[1]	2028	7,145	6,240
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5.0[1]	2034	5,360	5,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25[1]	2030	101,180	95,575
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2.26-4.58[1]	2011	9,855	4,830
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18[1]	2030	27,785	25,790
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28[1]	2030	8,905	8,275
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	4.25-5.25[1]	2033	76,225	75,725
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	5.66-6.2[1]	2032	33,760	33,520
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	5.604-6.3[1]	2021	69,000	69,000
Total Tax Allocation Bonds			623,726	548,643
Total Bonds Payable			656,346	577,033
Contracts Payable:				
Contract Payable to SDSU Foundation dated December 1991	Variable[4]	-	1,598	1,598
Amendment to Contract Payable to SDSU Foundation dated January 1995	Variable[4]	-	117	117
Contract Payable to Western Pacific Housing, Inc dated April 2004	5.00	-	900	900
Total Contracts Payable			2,615	2,615
Notes Payable:				
Price Charities, dated April 2001	5.0	2032	5,115	3,382
Price Charities, dated May 2005	8.0	2025	2,100	2,100
Amendment to Note Payable to Price Charities, dated February 2006	8.0	2025	180	180
City of San Diego dated April 2002	8.0	-	8,300	8,300
Total Notes Payable			19,003	13,962
Pooled Financing Authority Loans Payable:				
Central Imperial Redevelopment Project Loan Payable dated June, 2007	4-6.65	2038	14,865	14,695
Mount Hope Redevelopment Project Loan Payable dated June, 2007	5.95-6.37	2021	3,110	2,935
Southcrest Redevelopment Project Loan Payable dated June, 2007	4-6.65	2033	17,010	16,485
Total Pooled Financing Authority Loans Payable			34,985	34,115

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2008
Loans Payable:				
International Gateway Associates, LLC dated October 2001	10.0	2032	1,876	1,806
PCCP/Las America, LLC, dated August 2005	10.0	2036	1,247	1,231
Centerpoint, LLC, dated April 2006	7.0	2021	5,245	5,245
Line of Credit from Bank of America[5] dated October 2006	4.25-6.57	2009	8,530	8,530
Line of Credit from San Diego National Bank[6] dated July 2007	3.57-6.42	2011	16,063	16,063
City of San Diego dated various dates	Variable[7]	-	118,984	118,984
Total Loans Payable			151,945	151,859
Accrued Interest Payable:				
City Note[8]		-		5,047
City Loans[8]		-		140,247
Total Accrued Interest Payable				145,294
Total Governmental Activities			$ 864,893	$ 924,878

[1] Interest rates are fixed, and reflect the range of rates for various maturities from date of issuance to maturity.

[2] The City Heights Tax Allocation Bonds, Series 1999 B, are capital appreciation bonds, which mature from fiscal year 2011 through 2029. The balance outstanding at June 30, 2008 does not include accreted interest of $6,942.

[3] The Centre City Tax Allocation Bonds, Series 2001 A, partially include capital appreciation bonds, which mature from fiscal year 2015 through 2027. The balance outstanding at June 30, 2008 does not include accreted interest of $5,895.

[4] San Diego State University Foundation executed an Agreement for Processing a Redevelopment Plan and Land Use Entitlements with the Redevelopment Agency of the City of San Diego which allows for reimbursement of expenses incurred by the Foundation, in assisting in the preparation and processing of the Redevelopment Plan and Land Use Entitlements in the College Area. The agreement is a variable rate obligation of the Agency. The unpaid principal bears interest at the prime rate and is fixed on a quarterly basis, using the prime rate established on the first banking day of each calendar quarter. Interest calculations are payable on the quarterly weighted average of the principal balance and are made at the end of the quarter based upon the rate fixed for that quarter. The interest rate is not to exceed 12 percent per annum on funds advanced to the Agency. The effective interest rate as of June 30, 2008 is 5.25 percent (also see page 69, Note 10 - Subsequent Events).

[5] Loans Payable includes a line of credit executed by the Redevelopment Agency of the City of San Diego with Bank of America, N.A. on October 31, 2006. The line of credit is to be used to refinance the North Park Theatre, to pay sums of settlement of eminent domain actions relating to the North Park Redevelopment Area and for other redevelopment activities in the North Park Redevelopment Area. The tax-exempt portion of the line of credit has an effective interest rate of 3.80 percent and the taxable portion has an effective interest rate of 5.85 percent as of June 30, 2008 and the effective interest rate will reset on October 31, annually.

[6] Loans Payable also includes six separate non-revolving secured three-year term lines of credit executed by RDA with San Diego National Bank dated July 26, 2007. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas. Two lines of credit are for non-housing or general purposes for City Heights and NTC Redevelopment Project Areas.

[7] The City of San Diego has loaned funds to the Redevelopment Agency to carry out and implement redevelopment activities which are expected to generate future tax increment revenues. The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2 percent on the outstanding principal loan balance only. The Prime Rate on January 1, 2007 was 8.25 percent.

[8] Interest on City Loans and Notes is not compounded.

b. Amortization Requirements

The debt service for tax allocation bonds are paid from tax increment from the project area and the bonds are secured from the tax increment of the project area. The debt service for revenue bonds are secured and paid first from the revenue generated by certain public parking facilities operated by the City pursuant to a Parking Structure Operating Agreement between the City and the Agency. In the event that the operating revenues are insufficient to pay the debt service, parking meter revenue and tax increment have been pledged as additional security for the bonds.

The annual requirements to amortize the Agency's long-term debt outstanding as of June 30, 2008, including interest payments to maturity, are as follows:

Year Ending June 30, 2008	Revenue Bonds		Tax Allocation Bonds			Pooled Financing Authority Loans	
	Principal	Interest	Principal	Unaccreted Appreciation	Interest	Principal	Interest
2009	$ 960	$ 1,505	$ 14,096	$ 2,081	$ 26,339	$ 655	$ 1,917
2010	995	1,463	19,054	2,163	26,620	680	1,883
2011	1,040	1,418	18,868	2,243	25,727	770	1,846
2012	1,085	1,369	19,744	2,317	24,749	825	1,805
2013	1,135	1,315	22,943	2,388	23,612	860	1,762
2014 - 2018	6,625	5,609	137,767	12,144	97,828	5,005	8,089
2019 - 2023	8,650	3,508	141,311	9,837	59,644	5,745	6,576
2024 - 2028	7,900	831	89,741	3,474	28,220	6,495	4,864
2029 - 2033	-	-	83,464	20	7,029	8,650	2,644
2034 - 2038	-	-	1,655	-	44	4,430	684
Total	28,390	17,018	548,643	36,667	319,812	34,115	32,070
Add: Accreted appreciation through June 30, 2008			12,837				
Total	$ 28,390	$ 17,018	$ 561,480	$ 36,667	$ 319,812	$ 34,115	$ 32,070

Year Ending June 30, 2008	Contracts Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ -	$ -	$ -	$ -	$ 8,558	$ 1,420
2010	-	-	-	-	30	1,300
2011	-	-	-	-	16,096	305
2012	-	-	-	-	37	295
2013	-	-	-	-	40	291
2014 - 2018	-	-	-	-	271	1,386
2019 - 2023	-	-	-	-	436	1,220
2024 - 2028	-	-	-	-	702	954
2029 - 2033	-	-	-	-	1,131	525
2034 - 2038	-	-	-	-	329	68
Unscheduled*	2,615	1,868	13,962	7,547	124,229	140,247
Total	$ 2,615	$ 1,868	$ 13,962	$ 7,547	$ 151,859	$ 148,011

*The contract payable to San Diego State University Foundation in the amount of $1,715, contract payable to Western Pacific Housing, Inc. in the amount of $900, notes payable to the Price Charities in the amount of $5,662, note payable to the City in the amount of $8,300, loan payable to Centerpoint, LLC in the amount of $5,245, loans payable to the City in the amount of $118,984 and accrued interest associated with Contracts, Loans and Notes of $149,662 do not have annual repayment schedules. Annual payments to Western Pacific Housing, Inc. and Price Charities debt are based on available tax increment. Annual payments to Centrepoint, LLC debt are based upon future receipts of unallocated tax increment or other available sources. Principal and accrued interest payable on City Loans are payable when practicable.

c. Changes in Long-Term Liabilities

The following is a summary of changes in governmental activities long-term liabilities for the year ended June 30, 2008. The effect of bond accretion, bond premiums, discounts, and deferred amounts on bond refunds are amortized as adjustments to long-term liabilities.

	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Due Within One Year
Revenue Bonds	$ 29,310	$ -	$ (920)	$ 28,390	$ 960
Less deferred amounts:					
For Issuance Discounts	(100)	-	7	(93)	-
Net Revenue Bonds	29,210	-	(913)	28,297	960
Tax Allocation Bonds	502,804	69,000	(23,161)	548,643	14,096
Accretion	11,015	1,996	(174)	12,837	-
Net with Accretion	513,819	70,996	(23,335)	561,480	14,096
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	6,527	(176)	(253)	6,098	-
On Refunding	(899)	(531)	327	(1,103)	-
Net Tax Allocation Bonds	519,447	70,289	(23,261)	566,475	14,096
Pooled Financing Authority Loans	-	34,985	(870)	34,115	655
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	-	389	(14)	375	-
Net Pooled Financing Authority Loans	-	35,374	(884)	34,490	655
Contracts Payable	2,615		-	2,615	-
Notes Payable	16,855	-	(2,893)	13,962	-
Loans Payable	136,254	17,186	(1,581)	151,859	8,558
Interest Accrued on City Note and Loans	134,832	12,895	(2,433)	145,294	-
Total	$ 839,213	$ 135,744	$ (31,965)	$ 942,992	$ 24,269

In the current fiscal year, the Agency issued tax allocation bonds totaling $69,000 for low and moderate income housing activities in the Centre City Project Area. In addition, the Agency received loan proceeds from a City pooled financing authority bond issuance totaling $34,985. Approximately $9,576 of these proceeds were used to refund bonds issued in prior years. The balance will be used for affordable housing and redevelopment activities in the Central Imperial, Mount Hope and Southcrest project areas. The Agency received $17,186 in loan proceeds in the current fiscal year, $1,123 from the City and $16,063 from various lines of credit for activities in the City Heights, Naval Training Center, North Bay and North Park project areas. In addition, accrued interest on outstanding City loans and notes increased by $11,906 and $989, respectively. These increases were offset by interest payments of $2,433.

d. Defeasance and Redemption of Debt

The Public Facilities Financing Authority (PFFA) issued Pooled Financing Bonds, Series 2007 A in the amount of $17,230 and Series B in the amount of $17,755. The bond proceeds were used to make loans to the Agency for the purpose of refunding outstanding Southcrest 1995, Mount Hope 1995 B, Southcrest 2000, and Central Imperial 2000 Bonds. The current refunding of the Southcrest 1995 bonds resulted in a total economic gain of approximately $186 and a cash flow savings of approximately $235. The current refunding of the Mount Hope 1995 B bonds resulted in a total economic gain of approximately $262 and a cash flow savings of approximately $381. These refunded bonds were fully redeemed at a call date prior to the end of the fiscal year, and accordingly, there was no balance outstanding as of June 30, 2008. The Southcrest 2000 and Central Imperial 2000 bonds were advance refunded and resulted in an economic gain of approximately $95 and cash

flow savings of approximately $143, and an economic gain of approximately $242, and a cash flow savings of approximately $400, respectively. The balance of these defeased bonds are listed below.

As of June 30, 2008, principal amounts payable from escrow funds established for defeased bonds are as follows:

Defeased Bonds	Amount
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	$ 3,040
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	1,570
Total Defeased Bonds Outstanding	$ 4,610

e. Long-Term Pledged Liabilities

In September 2006, GASB issued Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments-generally, a single lump sum. The financial reporting addressed by this Statement is whether that transaction should be regarded as a sale or as a collateralized borrowing resulting in a liability. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and recourse provisions. The disclosures pertaining to future revenues that have been pledged or sold are intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so.

Governmental long-term pledged liabilities as of June 30, 2008 are comprised of the following:

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Pledged Net Operating Revenue (Parking):				
Centre City Parking Revenue Bonds, Series 1999 A	2026	$ 17,022	$ 955	$ 966
Centre City Parking Revenue Bonds, Series 2003 B	2027	28,387	1,508	1,450
Total Pledged Net Operating Revenue (Parking)		45,409	2,463	2,416
Pledged Tax Increment Revenue:				
Bonds				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	2014	$ 877	$ 148	$ 180
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	2020	1,108	93	90
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	2016	8,894	1,120	1,091
Centre City Redevelopment Tax Allocation Bonds, Series 1999 A	2019	34,263	1,273	1,214
Centre City Redevelopment Tax Allocation Bonds, Series 1999 B	2014	13,864	710	676
Centre City Redevelopment Tax Allocation Bonds, Series 1999 C	2025	17,973	799	768
City Heights Redevelopment Tax Allocation Bonds, Series 1999 A	2029	8,928	427	420
City Heights Redevelopment Tax Allocation Bonds, Series 1999 B	2029	31,702	460	429
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	2025	7,660	448	405
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	2025	28,834	1,455	1,394
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	2022	20,159	1,351	1,319
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	2031	20,697	895	835
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	2031	11,156	480	448
Centre City Redevelopment Tax Allocation Bonds, Series 2001 A	2027	111,729	2,568	2,458
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	2027	5,508	153	153
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2029	25,078	3,973	3,713
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	2034	10,687	316	316
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2014	544	89	88
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	2028	10,522	544	524

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	2034	$ 11,448	$ 259	$ 240
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	2022	9,797	310	271
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	2022	6,463	341	287
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	2022	11,050	802	700
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	2030	152,941	6,855	6,245
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2011	5,120	1,972	1,879
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2030	44,121	2,233	2,246
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2030	14,294	722	726
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	2033	129,832	4,181	4,712
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	2032	64,034	2,266	2,855
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	2021	98,677	-	-
Pooled Financing Authority Loans				
Central Imperial Redevelopment Project Loan Payable dated June, 2007	2038	30,945	772	772
Mount Hope Redevelopment Project Loan Payable dated June, 2007	2021	4,224	305	305
Southcrest Redevelopment Project Loan Payable dated June, 2007	2033	31,016	1,194	1,194
Contracts				
Contract Payable to SDSU Foundation, dated December 1991	---	3,035	356	356
Amendment to Contract Payable to SDSU Foundation, dated January 1995	---	222	26	26
Contract Payable to Western Pacific Housing, Inc., dated April 2004	---	1,226	-	-
Notes				
Note Payable to Price Charities, dated April 2001	2032	5,882	927	927
Note Payable to Price Charities, dated May 2005	2025	2,100	-	-
Amendment to Note Payable to Price Charities, dated February 2006	2025	180	-	-

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Loans				
International Gateway Associates, LLC, dated October 2001	2032	4,975	199	199
PCCP/SB Las America, LLC, dated August 2005	2036	3,703	132	132
Centerpoint, LLC, dated April 2006	2021	5,246	-	-
Bank of America, N.A. Line of Credit, dated October 2006	2009	8,648	381	381
San Diego National Bank, Line of Credit, dated July 2007 City Heights Housing Area	2011	1,489	64	64
San Diego National Bank, Line of Credit, dated July 2007 City Heights Non-Housing Area	2011	2,428	196	196
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Housing Area	2011	61	30	30
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Non-Housing Area	2011	7,587	344	344
San Diego National Bank, Line of Credit, dated July 2007 North Bay Housing Area	2011	2,499	67	67
San Diego National Bank, Line of Credit, dated July 2007 North Park Non-Housing Area	2011	4,011	68	68
Naval Training Center Civic, Arts, and Cultural Center (Section 108)[1]	2025	8,571	510	510
Total Pledged Tax Increment Revenue		1,046,008	42,814	42,253
Total Pledged Revenue		$ 1,091,417	$ 45,277	$ 44,669

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (In Thousands)

Interfund transfers result from the transfer of assets without the expectation of repayment. In the case of the Agency, transfers are most commonly used to move revenues from the fund in which they are collected to the fund in which they are expended. Interfund transfers for year ended June 30, 2008 are as follows:

	Benefiting Fund (Transfer In)				
Contributing Fund (Transfer Out)	Special Revenue Centre City Low/Mod	Centre City Debt Service	Centre City Capital Projects	Other Governmental Funds	Total Governmental Funds
Centre City Special Revenue Low-Mod	$ -	$ 5,827	$ -	$ -	$ 5,827
Centre City Debt Service	133	-	9,236	13,819	23,188
Other Governmental Funds	-	122,975	-	63,135	186,110
Total Governmental Funds	$ 133	$ 128,802	$ 9,236	$ 76,954	$ 215,125

7. FUND DEFICIT (In Thousands)

The following table identifies funds with a net deficit as of June 30, 2008:

Fund	Net Deficit
College Community Capital Projects	$ (369)
College Grove Capital Projects	(75)
Grantville Capital Projects	(108)

All of the deficits can be attributed to timing of inflows of financial resources. Most expenditures in Capital Projects Funds are reimbursed from Special Revenue Funds through transfers at the time cash is disbursed. In the case of these funds, expenditures related to City services have been accrued in the Capital Projects Funds and will be reimbursed at the time of payment the following year.

8. RELATED PARTY TRANSACTIONS (In Thousands)

During the year ended June 30, 2008 the Agency received loans from the City totaling $1,123 to fund redevelopment activity in the following project areas:

Project Area	Amount
Barrio Logan	$ 675
Naval Training Center	448
	$ 1,123

In addition, during the year ended June 30, 2008 the Agency received contributions from the City totaling $14,290. All of the contributions received were for activities in the Centre City Project Area. Of the total, approximately $8,660 was associated with reimbursements of costs by the City, from Development Impact Fees, for eligible park and fire projects in the project area. In addition, approximately $5,479 was associated with transfers of parking revenue to the Agency for debt service payments related to parking revenue bonds and for other downtown parking projects.

During the year ended June 30, 2008, the Agency's participation in various City Capital Improvement Projects totaled $3,019. In addition, the Agency contributed approximately $1,185 for debt service associated with a section 108 loans incurred by the City on behalf of the Agency.

The redevelopment project areas are overseen by the Redevelopment Division of the City's City Planning and Community Investment Department and two independent corporations, Centre City Development Corporation ("CCDC") and Southeastern Economic Development Corporation, ("SEDC") and the Redevelopment Division. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC, SEDC and the Redevelopment Division for all eligible costs incurred in connection with such activities.

Pursuant to these operating agreements, the Agency provides a working capital advance to CCDC and SEDC to be deposited in an account with a commercial bank designated by each corporation as its depository. The corporations then draw funds to pay for eligible expenses incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total of eligible expenses paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenses. Similarly, costs for services incurred under the operating agreement with the Redevelopment Division of the City are initially recorded in the Redevelopment Division Administrative Fund and reimbursed by the Agency on a periodic basis upon receipt of a statement of expenses.

The following table reflects the reimbursements made during the current fiscal year:

	Amount
Centre City Development Corporation	$ 7,675
Southeastern Economic Development Corporation	2,074
City Redevelopment Division	3,192
Total	$ 12,941

9. CONTINGENCIES (In Thousands)

FEDERAL AND STATE GRANTS

The City recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Although the City's Federal grant programs are audited in accordance with the requirements of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the related U.S.Office of Management and Budget Circular A-133, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Single Audit for fiscal year 2007 was completed by Macias Gini & O'Connell LLP and is currently in the process of being received and filed by the City Council. The Single Audit for fiscal year 2008 is in process.

The Office of the Inspector General (OIG) audited the City's Community Development Block Grant (CDBG) program, specifically CDBG loans to the Agency, and on December 30, 2008, OIG issued its audit report to HUD, Office of Community Planning and Development (OPD). In addition to other findings, OIG determined that the City failed to execute loan agreements and repayment schedules for the CDBG loans issued to RDA that include a principal balance of $63,073 and an accumulated interest of approximately $76,129 totaling $139,202 in loans outstanding. The OIG audit report recommended that HUD require the City to execute written interagency agreements and loan agreements with the Agency for these outstanding loan amounts. The City is currently in discussions with HUD on the audit findings and any actions HUD may require of the City, including the possible repayment by the City of certain CDBG funds. Depending on the outcome of the City's negotiations with HUD, repayment of the loans by the Agency could impact the Agency's liquidity. The impact on liquidity could vary widely by project area whereby some project areas could experience little to no impact, other project areas could experience moderate impact, and other project areas could experience extensive impact to the point of potentially affecting the project areas' fundamental capacity to operate. These loans are reported as a component of loans payable and accrued interest payable to the City in the long-term liabilities footnote of this report with an "unscheduled" maturity date (see note 5).

CONTINUING DISCLOSURE OBLIGATIONS

The Agency, in connection with all bond offerings since the effective date (July 1995) of the continuing disclosure requirements of SEC Rule 15c2-12, has contractually obligated itself to provide annual financial information, including audited financial statements, within certain specified time periods (generally nine months) after the end of each fiscal year. The Agency has not been able to satisfy all contractual obligations to provide to the national repositories audited financial statements, or financial information and operating data, for fiscal years 2003 through 2008, on a timely basis. For each respective bond issuance, the Agency, as required by its continuing disclosure contractual obligations, provided to the national repositories a notice of the failure to file the audited annual financial statements information. In certain cases notices of failure to file were filed significantly after such filings were due.

LITIGATION AND REGULATORY ACTIONS

The Agency is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes but is not limited to: actions commenced and claims asserted against the Agency arising out of alleged torts; alleged breaches of contracts; alleged violations of law; and condemnation proceedings.

Estimates of the liabilities for unsettled claims are reported in the Government-Wide Statement of Net Assets. The liability is estimated by categorizing the various claims and supplemented by information provided by the City Attorney, as well as outside counsel, with respect to certain large individual claims and proceedings. The recorded liability is the Agency's best estimate based on available information. In the current fiscal year there were no liabilities reported in the Government-Wide Statement of Net Assets.

Significant individual lawsuits are described below.

McColl v. Redevelopment Agency of the City of San Diego

This was an eminent domain action where the Agency acquired property within the City Heights Redevelopment Project Area occupied by a Jack in the Box restaurant owned by Ms. McColl. Settlement has been reach with the McColls regarding the cost of the property. Other claims by Jack in the Box were not included in this settlement, including claims for loss of goodwill, relocation benefits and the cost of fixtures and equipment. Jack in the Box and the Agency have reach agreement on a new location but the goodwill, relocation benefits and cost of fixtures and equipment remain. In the event of an adverse ruling the liability of the Agency is estimated to be in the range of $0 to $3,000.

10. SUBSEQUENT EVENTS (In Thousands)

On July 23, 2008, the Southeastern Economic Development Corporation (SEDC) Board unanimously decided to invoke the 90-day notice clause in the SEDC President's employment contract. This action effectively terminated her contract as the President of SEDC. The Board also approved a contractual payment of $100 (severance payment) at the same time. In September, an audit report was publicly released that documented suspected incidences of fraudulent activity related to, among other things, executive compensation. On February 25, 2009, the SEDC Board rescinded the July 23rd decision on severance pay.

On July 24, 2008, the President of the Centre City Development Corporation (CCDC) resigned. During the months preceding and also subsequent to the resignation, allegations of misconduct stemming from potential violations of City and State of California conflict of interest laws became public. CCDC has since suspended activity on the projects associated with the alleged conflict of interest violations. Depending on the extent to which the counterparty was aware of conflicts of interest, CCDC could potentially be subject to litigation arising from construction delays or project cancellations. The full nature and extent of the misconduct along with the extent of any possible liability to the City or CCDC is currently unknown. On January 21, 2009, the United States District Court issued a subpoena to CCDC requesting any and all records relating to the President's employment with CCDC and projects she was involved with. Additionally, on April 20, 2009 a developer filed a claim against CCDC, the Agency, and the City in the amount of $2 million relating to the cancellation of a project.

On August 25, 2008, the Agency entered into a settlement agreement with the County of San Diego (the "County") and Atomic Investments, Inc. related to a San Diego Superior Court Case seeking to invalidate the Redevelopment Plan for the Grantville Redevelopment Project Area. The settlement agreement provides that the Agency, through CCDC, will pay $31,360 to the County in thirty-nine (39) annual payments commencing in fiscal year 2011-2012 to fund a portion of the cost of the construction of the North Embarcadero Project Improvements. The settlement agreement also provides that the Agency will use land disposition proceeds and tax increment funds of the Grantville Redevelopment Project Area to pay $31,360 to the City in thirty-nine (39) annual payments commencing in fiscal year 2011-2012 to fund certain Transit Line Improvements in downtown San Diego. Finally, the settlement agreement provides that the Agency will pay $7,840 to the County to fund a portion of certain Joint Projects that benefit the Grantville Redevelopment Project Area and the County commencing in fiscal year 2011-2012.

On September 5, 2008, San Diego State University Foundation (Foundation) filed suit against the Agency alleging that they were in breach of contract because they did not sell certain properties to the Foundation. In the event of an adverse ruling, the liability facing the Agency is estimated to be in the range of $0 - $5,000.

On September 22, 2008 the State passed its fiscal year 2008-2009 budget. This budget included a one-year, one-time ERAF shift of $350,000 from all California redevelopment agencies. ERAF is the Educational Revenue Anticipation Fund which is used by the County to accumulate property tax amounts shifted from local governments back to the State. These funds will not be repaid. The negative impact to the City of San Diego Redevelopment Agency is projected to be $11,457. On May 7, 2009, a Judgment was issued in the pending litigation action filed in the Superior Court of California for Sacramento County

titled “California Redevelopment Association et al v. Genest et al, Case No. 34-2008-00028334-CU-WM-GDS, whereby the Court states that California Health and Safety Code Sections 33685 through 33689, which imposes the ERAF payment, are invalid and unenforceable, and further enjoins the defendants, including the County auditors, from taking any actions to carry out or enforce the payment requirements set forth in Sections 33685 through 33689. In light of the Judgment, it is anticipated that the State will appeal the Judgment and/or attempt to revise the Cal. Health and Safety Code to remedy the unconstitutional nature of the statutes.

On November 1, 2008 the Redevelopment Agency (RDA) amended the Credit agreement with Bank of America, N.A. to reduce the available Line of Credit from $10,000 to $8,530, which is comprised of a tax-exempt commitment of $7,534 and a taxable commitment of $996. The amendment also extended the expiration date of the borrowing from November 1, 2008 to July 31, 2009 and no prepayments of the Line of Credit are permitted.

The City engaged an audit firm in December 2008 to complete a performance audit of CCDC; this audit is expected to be completed in June, 2009. The audit will include a review of the efficiency and effectiveness of CCDC’s operations, whether the goals and objectives of the organization are being met as well as assessing other core competencies.

Required Supplementary Information

CENTRE CITY LOW AND MODERATE INCOME HOUSING
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
Year Ended June 30, 2008
(In Thousands)

	Prior Year Budget	Current Year Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Tax Increments	$ -	$ 18,771	$ 18,771	$ 23,394	$ 4,623
Bond Proceeds	-	53,202	53,202	60,339	7,137
Interest/Rent/Other	-	2,214	2,214	4,316	2,102
Developer Proceeds	-	-	-	76	76
City Participation	-	-	-	151	151
Other Revenue	-	-	-	3,828	3,828
Total Current Year Revenues	-	74,187	74,187	92,104	17,917
Prior Year Revenue	49,558	4,343	53,901		
TOTAL REVENUES	49,558	78,530	128,088	92,104	17,917
EXPENDITURES					
Low Mod Expenditures	49,558	78,530	128,088	92,824	35,264
TOTAL EXPENDITURES	49,558	78,530	128,088	92,824	35,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ -	$ -	$ (720)	$ (17,347)

Notes to Required Supplementary Information
(In Thousands)

Note A - Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

Note B - Explanation of Differences between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP Major Special Revenue Funds on a GAAP Basis.

The Budgetary Comparison Schedule presented in this report reflects the total appropriations available for current fiscal year expenditures in the Centre City Low and Moderate Income Housing fund. The categories used to report revenues, expenditures and other financing sources and uses at the fund level financial statements on a GAAP basis conform to uniform accounting standards established by the California State Comptroller's Office for all redevelopment agencies in the State. The Budgetary Comparison Schedule reflects total expenditures for the fund and does not reflect the GAAP basis categories established by the State because budgetary control is not maintained at this level.

The following table provides an explanation of additional adjustments made to the GAAP basis revenues and expenditures to reflect a budgetary basis of accounting.

Financial Statements Major Funds	Centre City Low/Mod
Revenues	
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 92,104
Adjustments:	
Proceeds from the sale of bonds that are included in the budgetary basis of accounting	(60,339)
Principal payments on notes receivable are included in the budgetary basis of accounting	(76)
Total revenues on a GAAP Basis of accounting	$ 31,689
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 92,824
Adjustments:	
Encumbrances are included in the budgetary basis of accounting	(64,341)
Losses related to net realizable value of property held for resale are not included in the budgetary basis of accounting	7,545
Additions to property held for resale are included in the budgetary basis of accounting	(5,275)
Expenditures for notes receivable are included in the budgetary basis of accounting	(20,442)
Total expenditures on a GAAP Basis of accounting	$ 10,311

Non-Major Governmental Funds

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2008
(In Thousands)

	Other Governmental Funds				Total Non-Major Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
ASSETS					
Cash or Equity in Pooled Cash and Investments	$ 26,476	$ 12,118	$ 45,801	$ 24,445	$ 108,840
Cash and Investments with Fiscal Agent	-	-	15,971	-	15,971
Investments at Fair Value	1,702	-	-	7,649	9,351
Receivables:					
Taxes	347	301	1,081	-	1,729
Notes and Contracts	27,912	-	-	3,882	31,794
Interest	174	74	358	149	755
Working Capital Advances:					
Centre City Development Corporation	-	-	-	275	275
Southeastern Economic Development Corporation	-	-	-	295	295
Gen Working Cap/City of San Diego	-	-	-	623	623
Land Held for Resale	1,804	-	-	5,491	7,295
TOTAL ASSETS	$ 58,415	$ 12,493	$ 63,211	$ 42,809	$ 176,928
LIABILITIES					
Accounts Payable	$ 19	$ 1,104	$ -	$ 2,922	$ 4,045
Trust Liability	-	411	-	369	780
TOTAL LIABILITIES	19	1,515	-	3,291	4,825
FUND BALANCES					
Fund Balances:					
Reserved for Land Held for Resale	1,804	-	-	5,491	7,295
Reserved for Notes Receivable	27,912	-	-	3,882	31,794
Reserved for Encumbrances	14,981	-	1,293	19,763	36,037
Reserved for Working Capital Advances	-	-	-	1,193	1,193
Reserved for Low and Moderate Income Housing	13,699	-	-	-	13,699
Reserved for Debt Service	-	-	15,997	-	15,997
Unreserved:					
Reported in Special Revenue Funds:					
Designated for Unrealized Gain	-	64	-	-	64
Designated for Subsequent Years' Expenditures	-	9,072	-	-	9,072
Undesignated	-	1,842	-	-	1,842
Reported in Debt Service Funds:					
Designated for Unrealized Gain	-	-	9	-	9
Designated for Debt Service	-	-	44,905	-	44,905
Designated for Subsequent Years' Expenditures	-	-	972	-	972
Undesignated	-	-	35	-	35
Reported in Capital Projects Funds:					
Designated for Unrealized Gain	-	-	-	124	124
Designated for Subsequent Years' Expenditures	-	-	-	17,366	17,366
Undesignated	-	-	-	(8,301)	(8,301)
TOTAL FUND BALANCES	58,396	10,978	63,211	39,518	172,103
TOTAL LIABILITIES AND FUND BALANCES	$ 58,415	$ 12,493	$ 63,211	$ 42,809	$ 176,928

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2008
(In Thousands)

	Other Governmental Funds				Total Non-Major Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
REVENUES					
Tax Increments	$ 12,078	$ 10,603	$ 37,701	$ -	$ 60,382
Interest	1,370	601	2,995	1,724	6,690
Rents	-	-	-	304	304
Private Sources	-	-	-	2,376	2,376
City Participation	-	2,416	-	-	2,416
Other Revenue	5	-	-	614	619
TOTAL REVENUES	$ 13,453	$ 13,620	$ 40,696	$ 5,018	$ 72,787
EXPENDITURES					
Administration	468	25	350	6,891	7,734
Legal	59	-	-	839	898
Plans and Surveys	112	-	-	903	1,015
Acquisition Expense	-	-	-	149	149
Real Estate/Fixture Purchases	-	-	-	247	247
Property Management	14	-	-	650	664
Relocation	-	-	-	87	87
Rehabilitation	367	-	-	6,750	7,117
Project Improvements	34	-	-	7,899	7,933
Promotions and Marketing	-	-	-	3	3
Bond Sale Expense	4	-	1,055	13	1,072
Program Management	6	-	-	619	625
Rehabilitation Loans	213	-	-	-	213
Housing Subsidies	516	-	-	-	516
Tax Sharing Payments	-	23,625	107	-	23,732
City Projects	202	-	4	4,266	4,472
Other	-	-	-	6	6
Debt Service:					
Principal	-	-	8,186	-	8,186
Interest	-	-	10,237	-	10,237
Advance Refunding Escrow	-	-	1,100	-	1,100
TOTAL EXPENDITURES	1,995	23,650	21,039	29,322	76,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,458	(10,030)	19,657	(24,304)	(3,219)
OTHER FINANCING SOURCES (USES)					
Transfers from Tax Increments	59	14,200	36,831	18,292	69,382
Transfers from Other Funds	-	-	6,109	288	6,397
Transfers from Bond Proceeds	50	-	1,125	-	1,175
Transfers to Other Funds	(3,126)	(160,078)	(18,747)	(4,159)	(186,110)
Transfers to Escrow Agent	-	-	(9,576)	-	(9,576)
Proceeds from Developer Loans and Notes	11,521	-	13,619	25,908	51,048
Loans from the City of San Diego	-	-	-	1,123	1,123
Premium on Bonds Issued	78	-	-	311	389
TOTAL OTHER FINANCING SOURCES (USES)	8,582	(145,878)	29,361	41,763	(66,172)
NET CHANGE IN FUND BALANCES	20,040	(155,908)	49,018	17,459	(69,391)
FUND BALANCES AT JUNE 30, 2007	38,356	166,886	14,193	22,059	241,494
FUND BALANCES AT JUNE 30, 2008	$ 58,396	$ 10,978	$ 63,211	$ 39,518	$ 172,103

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2008
(In Thousands)

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 240	$ 71	$ 1,160	$ -
Investments at Fair Value	-	-	937	-
Receivables:				
Taxes	5	2	13	-
Notes and Contracts	-	-	-	-
Interest	1	1	9	-
Land Held for Resale	-	-	695	-
TOTAL ASSETS	$ 246	$ 74	$ 2,814	$ -
LIABILITIES				
Accounts Payable	$ -	$ -	$ 2	$ -
Trust Liability	-	-	-	-
TOTAL LIABILITIES	-	-	2	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	695	-
Reserved for Notes Receivable	-	-	-	-
Reserved for Encumbrances	-	-	31	-
Reserved for Low and Moderate Income Housing	246	-	2,086	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	-	-	-
Designated for Subsequent Years' Expenditures	-	22	-	-
Undesignated	-	52	-	-
TOTAL FUND BALANCES	246	74	2,812	-
TOTAL LIABILITIES AND FUND BALANCES	$ 246	$ 74	$ 2,814	$ -

Centre City	City Heights		College Community		College Grove	
Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 1,227	$ 2,527	$ 4,730	$ 691	$ 142	$ 402	$ 172
-	-	-	-	-	-	-
-	80	130	7	4	4	3
-	5,638	-	-	-	-	-
4	16	31	4	1	3	1
-	-	-	-	-	-	-
$ 1,231	$ 8,261	$ 4,891	$ 702	$ 147	$ 409	$ 176
$ 760	$ -	$ -	$ -	$ -	$ -	$ -
411	-	-	-	-	-	-
1,171	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,638	-	-	-	-	-
-	1,020	-	-	-	-	-
-	1,603	-	702	-	409	-
3	-	28	-	1	-	1
-	-	4,245	-	110	-	141
57	-	618	-	36	-	34
60	8,261	4,891	702	147	409	176
$ 1,231	$ 8,261	$ 4,891	$ 702	$ 147	$ 409	$ 176

Continued on next page

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2008
(In Thousands)

	Crossroads		Gateway Center West	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 1,915	$ 745	$ 117	$ -
Investments at Fair Value	-	-	-	-
Receivables:				
Taxes	24	24	1	-
Notes and Contracts	-	-	-	-
Interest	12	5	1	-
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 1,951	$ 774	$ 119	$ -
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
Trust Liability	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes Receivable	-	-	-	-
Reserved for Encumbrances	-	-	-	-
Reserved for Low and Moderate Income Housing	1,951	-	119	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	4	-	-
Designated for Subsequent Years' Expenditures	-	726	-	-
Undesignated	-	44	-	-
TOTAL FUND BALANCES	1,951	774	119	-
TOTAL LIABILITIES AND FUND BALANCES	$ 1,951	$ 774	$ 119	$ -

Horton Plaza		Linda Vista		Mount Hope	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 3,674	$ -	$ 19	$ -	$ 951	$ 195
-	-	-	-	-	-
46	-	-	-	9	-
14,174	-	-	-	150	-
24	-	-	-	6	-
1,087	-	-	-	-	-
$ 19,005	$ -	$ 19	$ -	$ 1,116	$ 195
$ 7	$ -	$ -	$ -	$ 10	$ 195
-	-	-	-	-	-
7	-	-	-	10	195
1,087	-	-	-	-	-
14,174	-	-	-	150	-
710	-	-	-	15	-
3,027	-	19	-	941	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,998	-	19	-	1,106	-
$ 19,005	$ -	$ 19	$ -	$ 1,116	$ 195

Continued on next page

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2008
(In Thousands)

	Naval Training Center		North Bay	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 2,080	$ 701	$ 5,021	$ 1,610
Investments at Fair Value	-	-	-	-
Receivables:				
Taxes	14	14	39	39
Notes and Contracts	-	-	2,255	-
Interest	14	5	35	11
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 2,108	$ 720	$ 7,350	$ 1,660
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
Trust Liability	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes Receivable	-	-	2,255	-
Reserved for Encumbrances	2,108	-	5,095	-
Reserved for Low and Moderate Income Housing	-	-	-	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	4	-	9
Designated for Subsequent Years' Expenditures	-	716	-	1,147
Undesignated	-	-	-	504
TOTAL FUND BALANCES	2,108	720	7,350	1,660
TOTAL LIABILITIES AND FUND BALANCES	$ 2,108	$ 720	$ 7,350	$ 1,660

North Park		San Ysidro		Southcrest		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 3,721	$ 1,582	$ 2,316	$ 794	$ 1,642	$ 149	$ 26,476	$ 12,118
-	-	-	-	765	-	1,702	-
46	46	39	39	20	-	347	301
4,895	-	-	-	800	-	27,912	-
22	10	16	5	11	-	174	74
-	-	-	-	22	-	1,804	-
$ 8,684	$ 1,638	$ 2,371	$ 838	$ 3,260	$ 149	$ 58,415	$ 12,493
$ -	$ -	$ -	$ -	$ -	$ 149	$ 19	$ 1,104
-	-	-	-	-	-	-	411
-	-	-	-	-	149	19	1,515
-	-	-	-	22	-	1,804	-
4,895	-	-	-	800	-	27,912	-
3,135	-	1,970	-	897	-	14,981	-
654	-	401	-	1,541	-	13,699	-
-	9	-	5	-	-	-	64
-	1,242	-	723	-	-	-	9,072
-	387	-	110	-	-	-	1,842
8,684	1,638	2,371	838	3,260	-	58,396	10,978
$ 8,684	$ 1,638	$ 2,371	$ 838	$ 3,260	$ 149	$ 58,415	$ 12,493

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2008
(In Thousands)

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 136	$ 68	$ 450	$ -
Interest	10	4	117	1
City Participation	-	-	-	-
Other Revenue	-	-	-	-
TOTAL REVENUES	146	72	567	1
EXPENDITURES				
Administration	6	-	35	-
Legal	-	-	41	-
Plans and Surveys	-	-	65	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	6	-
Rehabilitation	-	-	-	-
Project Improvements	-	-	-	-
Bond Sale Expense	-	-	2	-
Program Management	-	-	2	-
Rehabilitation Loans	-	-	-	-
Housing Subsidies	-	-	-	-
Tax Sharing Payments	-	49	-	37
City Projects	-	-	-	-
TOTAL EXPENDITURES	6	49	151	37
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	140	23	416	(36)
OTHER FINANCING SOURCES (USES)				
Transfers from Tax Increments	6	-	5	37
Transfers from Bond Proceeds	-	-	6	-
Transfers to Other Funds	(4)	(152)	(154)	(1,156)
Proceeds from Developer Loans and Notes	-	-	2,026	-
Premium on Bonds Issued	-	-	39	-
TOTAL OTHER FINANCING SOURCES (USES)	2	(152)	1,922	(1,119)
NET CHANGE IN FUND BALANCES	142	(129)	2,338	(1,155)
FUND BALANCES AT JUNE 30, 2007	104	203	474	1,155
FUND BALANCES AT JUNE 30, 2008	$ 246	$ 74	$ 2,812	$ -

Centre City	City Heights		College Community		College Grove	
Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ -	$ 2,858	$ 4,644	$ 232	$ 145	$ 144	$ 65
56	107	242	31	5	18	9
2,416	-	-	-	-	-	-
-	5	-	-	-	-	-
2,472	2,970	4,886	263	150	162	74
25	103	-	7	-	6	-
-	2	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	300	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	272	-	-	-	-	-
13,794	-	4,248	-	90	-	99
-	-	-	-	-	-	-
13,819	677	4,248	7	90	6	99
-						
(11,347)	2,293	638	256	60	156	(25)
13,819	15	-	2	-	2	-
-	-	-	-	-	-	-
(122,975)	(1,372)	(5,935)	-	(56)	-	(501)
-	1,298	-	-	-	-	-
-	-	-	-	-	-	-
(109,156)	(59)	(5,935)	2	(56)	2	(501)
(120,503)	2,234	(5,297)	258	4	158	(526)
120,563	6,027	10,188	444	143	251	702
$ 60	$ 8,261	$ 4,891	$ 702	$ 147	$ 409	$ 176

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2008
(In Thousands)

	Crossroads		Gateway Center West	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 855	$ 855	$ 67	$ -
Interest	90	39	5	-
City Participation	-	-	-	-
Other Revenue	-	-	-	-
TOTAL REVENUES	945	894	72	-
EXPENDITURES				
Administration	16	-	1	-
Legal	-	-	-	-
Plans and Surveys	-	-	-	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	-	-
Rehabilitation	38	-	-	-
Project Improvements	-	-	-	-
Bond Sale Expense	-	-	-	-
Program Management	-	-	-	-
Rehabilitation Loans	213	-	-	-
Housing Subsidies	-	-	-	-
Tax Sharing Payments	-	758	-	-
City Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	267	758	1	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	678	136	71	-
OTHER FINANCING SOURCES (USES)				
Transfers from Tax Increments	-	-	2	-
Transfers from Bond Proceeds	-	-	-	-
Transfers to Other Funds	-	(2,477)	(36)	(358)
Proceeds from Developer Loans and Notes	-	-	-	-
Premium on Bonds Issued	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,477)	(34)	(358)
NET CHANGE IN FUND BALANCES	678	(2,341)	37	(358)
FUND BALANCES AT JUNE 30, 2007	1,273	3,115	82	358
FUND BALANCES AT JUNE 30, 2008	$ 1,951	$ 774	$ 119	$ -

Horton Plaza		Linda Vista		Mount Hope	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 1,680	$ -	$ 19	$ -	$ 320	$ -
193	-	2	-	47	-
-	-	-	-	-	-
-	-	-	-	-	-
1,873	-	21	-	367	-
108	-	4	-	32	-
-	-	-	-	-	-
-	-	-	-	18	-
-	-	-	-	-	-
4	-	-	-	-	-
-	-	18	-	-	-
33	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	195
202	-	-	-	-	-
347	-	22	-	51	195
1,526	-	(1)	-	316	(195)
-	-	1	-	3	195
-	-	-	-	-	-
(700)	(12,983)	-	(197)	(110)	(1,258)
-	-	-	-	-	-
-	-	-	-	-	-
(700)	(12,983)	1	(197)	(107)	(1,063)
826	(12,983)	-	(197)	209	(1,258)
18,172	12,983	19	197	897	1,258
$ 18,998	$ -	$ 19	$ -	$ 1,106	$ -

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2008
(In Thousands)

	Naval Training Center		North Bay	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 800	$ 800	$ 1,646	$ 1,646
Interest	95	42	248	83
City Participation	-	-	-	-
Other Revenue	-	-	-	-
TOTAL REVENUES	895	842	1,894	1,729
EXPENDITURES				
Administration	9	-	24	-
Legal	1	-	1	-
Plans and Surveys	-	-	-	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	-	-
Rehabilitation	-	-	-	-
Project Improvements	-	-	-	-
Bond Sale Expense	-	-	-	-
Program Management	-	-	-	-
Rehabilitation Loans	-	-	-	-
Housing Subsidies	-	-	244	-
Tax Sharing Payments	-	824	-	1,450
City Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	10	824	269	1,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	885	18	1,625	279
OTHER FINANCING SOURCES (USES)				
Transfers from Tax Increments	2	-	9	-
Transfers from Bond Proceeds	-	-	44	-
Transfers from Escrow Agent	(22)	(1,009)	(246)	(4,462)
Proceeds from Sale of Capital Assets	-	-	2,255	-
Proceeds from Developer Loans and Notes	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(20)	(1,009)	2,062	(4,462)
NET CHANGE IN FUND BALANCES	865	(991)	3,687	(4,183)
FUND BALANCES AT JUNE 30, 2007	1,243	1,711	3,663	5,843
FUND BALANCES AT JUNE 30, 2008	$ 2,108	$ 2,108	$ 7,350	$ 1,660

North Park		San Ysidro		Southcrest		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 1,593	$ 1,593	$ 787	$ 787	$ 491	$ -	$ 12,078	$ 10,603
165	75	109	45	133	-	1,370	601
-	-	-	-	-	-	-	2,416
-	-	-	-	-	-	5	-
1,758	1,668	896	832	624	-	13,453	13,620
39	-	23	-	55	-	468	25
1	-	-	-	13	-	59	-
3	-	-	-	26	-	112	-
-	-	-	-	-	-	-	-
-	-	-	-	4	-	14	-
-	-	11	-	-	-	367	-
-	-	-	-	1	-	34	-
-	-	-	-	2	-	4	-
-	-	-	-	3	-	6	-
-	-	-	-	-	-	213	-
-	-	-	-	-	-	516	-
-	1,177	-	755	-	149	-	23,625
-	-	-	-	-	-	202	-
43	1,177	34	755	104	149	1,995	23,650
1,715	491	862	77	520	(149)	11,458	(10,030)
6	-	4	-	2	149	59	14,200
-	-	-	-	-	-	50	-
(243)	(2,418)	-	(2,807)	(239)	(1,334)	(3,126)	(160,078)
3,695	-	-	-	2,247	-	11,521	-
-	-	-	-	39	-	78	-
3,458	(2,418)	4	(2,807)	2,049	(1,185)	8,582	(145,878)
5,173	(1,927)	866	(2,730)	2,569	(1,334)	20,040	(155,908)
3,511	3,565	1,505	3,568	691	1,334	38,356	166,886
$ 8,684	$ 1,638	$ 2,371	$ 838	$ 3,260	$ -	$ 58,396	$ 10,978

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2008
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 33	$ 1,397	$ 8,420
Cash and Investments with Fiscal Agent	-	1,230	1,972
Receivables:			
Taxes	16	52	190
Interest	1	10	60
TOTAL ASSETS	$ 50	$ 2,689	$ 10,642
FUND BALANCES			
Reserved for Encumbrances	-	19	-
Reserved for Debt Service	-	1,232	1,973
Unreserved:			
Reported in Debt Service Funds:			
Designated for Unrealized Gain	-	-	7
Designated for Debt Services	50	1,438	8,542
Designated for Subsequent Years' Expenditures	-	-	-
Undesignated	-	-	120
TOTAL FUND BALANCES	50	2,689	10,642
TOTAL LIABILITIES AND FUND BALANCES	$ 50	$ 2,689	$ 10,642

College Community	College Grove	Crossroads	Gateway Center West	Horton Plaza
$ 617	$ 808	$ 3,323	$ 437	$ 10,951
-	-	-	154	8,143
23	12	71	3	183
4	5	29	4	84
$ 644	$ 825	$ 3,423	$ 598	$ 19,361
-	-	40	-	-
-	-	-	155	8,156
2	-	-	-	-
640	825	3,383	443	11,205
-	-	-	-	-
2	-	-	-	-
644	825	3,423	598	19,361
$ 644	$ 825	$ 3,423	$ 598	$ 19,361

Continued on next page

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2008
(In Thousands)

	Linda Vista	Mount Hope	Naval Training Center
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 200	$ 1,119	$ 1,735
Cash and Investments with Fiscal Agent	-	319	-
Receivables:			
Taxes	2	36	41
Interest	1	11	16
TOTAL ASSETS	$ 203	$ 1,485	$ 1,792
FUND BALANCES			
Reserved for Encumbrances	-	-	-
Reserved for Debt Service	-	319	-
Unreserved:			
Reported in Debt Service Funds:			
Designated for Unrealized Gain	-	-	-
Designated for Debt Services	203	1,166	1,692
Designated for Subsequent Years' Expenditures	-	-	100
Undesignated	-	-	-
TOTAL FUND BALANCES	203	1,485	1,792
TOTAL LIABILITIES AND FUND BALANCES	$ 203	$ 1,485	$ 1,792

North Bay	North Park	San Ysidro	Southcrest	Total
$ 7,700	$ 4,761	$ 2,430	$ 1,870	$ 45,801
980	1,597	-	1,576	15,971
117	138	117	80	1,081
51	42	24	16	358
$ 8,848	$ 6,538	$ 2,571	$ 3,542	$ 63,211
-	-	19	1,215	1,293
980	1,604	-	1,578	15,997
-	-	-	-	9
7,868	4,898	2,552	-	44,905
-	123	-	749	972
-	(87)	-	-	35
8,848	6,538	2,571	3,542	63,211
$ 8,848	$ 6,538	$ 2,571	$ 3,542	$ 63,211

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended June 30, 2008
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
REVENUES			
Tax Increments	$ 475	$ 1,799	$ 6,788
Interest	8	90	471
TOTAL REVENUES	483	1,889	7,259
EXPENDITURES			
Administration	5	16	80
Bond Sale Expense	-	468	-
Tax Sharing Payments	-	107	-
City Projects	-	1	-
Debt Service:			
Principal	-	170	3,882
Interest	-	1,052	1,698
Advance Refunding Escrow	-	269	-
TOTAL EXPENDITURES	5	2,083	5,660
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	478	(194)	1,599
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	152	1,156	5,885
Transfers from Other Funds	4	154	3,676
Transfers from Bond Proceeds	-	450	-
Transfers to Other Funds	(584)	(825)	(2,467)
Transfers to Escrow Agent	-	(3,053)	-
Proceeds from Developer Loans and Notes	-	4,733	-
TOTAL OTHER FINANCING SOURCES (USES)	(428)	2,615	7,094
NET CHANGE IN FUND BALANCES	50	2,421	8,693
FUND BALANCES AT JUNE 30, 2007	-	268	1,949
FUND BALANCES AT JUNE 30, 2008	$ 50	$ 2,689	$ 10,642

College Community	College Grove	Crossroads	Gateway Center West	Horton Plaza
$ 783	$ 509	$ 2,564	$ 267	$ 6,720
28	39	212	25	907
811	548	2,776	292	7,627
6	5	23	5	51
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	171	-	80	1,675
-	17	-	68	2,250
-	-	-	-	-
6	193	23	153	3,976
805	355	2,753	139	3,651
56	501	2,477	358	12,983
-	-	-	36	700
-	-	-	-	-
(217)	(31)	(1,807)	(54)	(6,387)
-	-	-	-	-
-	-	-	-	-
(161)	470	670	340	7,296
644	825	3,423	479	10,947
-	-	-	119	8,414
$ 644	$ 825	$ 3,423	$ 598	$ 19,361

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended June 30, 2008
(In Thousands)

	Linda Vista	Mount Hope	Naval Training Center
REVENUES			
Tax Increments	$ 75	$ 1,278	$ 2,401
Interest	12	75	100
TOTAL REVENUES	87	1,353	2,501
EXPENDITURES			
Administration	5	6	22
Bond Sale Expense	-	82	-
Tax Sharing Payments	-	-	-
City Projects	-	1	-
Debt Service:			
Principal	-	220	206
Interest	-	331	952
Advance Refunding Escrow	-	401	-
TOTAL EXPENDITURES	5	1,041	1,180
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	82	312	1,321
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	197	1,258	908
Transfers from Other Funds	-	110	22
Transfers from Bond Proceeds	-	-	-
Transfers to Other Funds	(76)	(998)	(459)
Transfers to Escrow Agent	-	(2,805)	-
Proceeds from Developer Loans and Notes	-	3,110	-
TOTAL OTHER FINANCING SOURCES (USES)	121	675	471
NET CHANGE IN FUND BALANCES	203	987	1,792
FUND BALANCES AT JUNE 30, 2007	-	498	-
FUND BALANCES AT JUNE 30, 2008	$ 203	$ 1,485	$ 1,792

North Bay	North Park	San Ysidro	Southcrest	Total
$ 4,939	$ 4,778	$ 2,362	$ 1,963	$ 37,701
399	329	186	114	2,995
5,338	5,107	2,548	2,077	40,696
50	42	22	12	350
-	-	-	505	1,055
-	-	-	-	107
-	-	-	2	4
				-
240	664	61	817	8,186
693	1,792	331	1,053	10,237
-	-	-	430	1,100
983	2,498	414	2,819	21,039
4,355	2,609	2,134	(742)	19,657
4,462	2,297	2,807	1,334	36,831
246	922	-	239	6,109
-	-	-	675	1,125
(1,190)	(832)	(2,370)	(450)	(18,747)
-	-	-	(3,718)	(9,576)
-	-	-	5,776	13,619
3,518	2,387	437	3,856	29,361
7,873	4,996	2,571	3,114	49,018
975	1,542	-	428	14,193
$ 8,848	$ 6,538	$ 2,571	$ 3,542	$ 63,211

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2008
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 536	$ 2,255	$ 1,222
Investments at Fair Value	-	3,759	-
Receivables:			
Notes and Contracts	400	522	2,960
Interest	3	20	9
Working Capital Advances:			
Centre City Development Corporation	-	-	-
Southeastern Economic Development Corporation	-	68	-
Gen Working Cap/City of San Diego	-	-	231
Land Held for Resale	40	1,921	2,350
TOTAL ASSETS	$ 979	$ 8,545	$ 6,772
LIABILITIES			
Accounts Payable	$ 840	$ 141	$ 857
Trust Liability	-	22	-
TOTAL LIABILITIES	840	163	857
FUND BALANCES			
Reserved for Land Held for Resale	40	1,921	2,350
Reserved for Notes Receivable	400	522	2,960
Reserved for Encumbrances	124	1,780	1,379
Reserved for Working Capital Advances	-	68	231
Unreserved:			
Reported in Capital Project Funds:			
Designated for Unrealized Gain	-	13	-
Designated for Subsequent Years' Expenditures	-	3,971	-
Undesignated	(425)	107	(1,005)
TOTAL FUND BALANCES	139	8,382	5,915
TOTAL LIABILITIES AND FUND BALANCES	$ 979	$ 8,545	$ 6,772

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
$ 21	$ -	$ 219	$ 43	$ -	$ 6,132	$ 596
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1	-	-	43	4
-	-	-	-	-	275	-
-	-	-	-	-	-	-
-	30	30	-	-	-	30
-	-	-	165	-	-	366
$ 21	$ 30	$ 250	$ 208	$ -	$ 6,450	$ 996
$ 390	$ 105	$ 40	$ -	$ 108	$ 151	$ 11
-	-	106	18	-	25	-
390	105	146	18	108	176	11
-	-	-	165	-	-	366
-	-	-	-	-	-	-
75	1	868	20	45	1,943	30
-	30	30	-	-	275	30
-	-	-	-	-	40	3
-	-	-	5	-	4,016	556
(444)	(106)	(794)	-	(153)	-	-
(369)	(75)	104	190	(108)	6,274	985
$ 21	$ 30	$ 250	$ 208	$ -	$ 6,450	$ 996

Continued on next page

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2008
(In Thousands)

	Mount Hope	Naval Training Center	North Bay
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 545	$ 1,101	$ 4,285
Investments at Fair Value	-	-	-
Receivables:			
Notes and Contracts	-	-	-
Interest	3	5	6
Working Capital Advances:			
Centre City Development Corporation	-	-	-
Southeastern Economic Development Corporation	200	-	-
General Working Capital	-	71	231
Land Held for Resale	446	-	-
TOTAL ASSETS	$ 1,194	$ 1,177	$ 4,522
LIABILITIES			
Accounts Payable	$ 36	$ 167	$ 7
Trust Liability	5	-	-
TOTAL LIABILITIES	41	167	7
FUND BALANCES			
Reserved for Land Held for Resale	446	-	-
Reserved for Notes Receivable	-	-	-
Reserved for Encumbrances	86	8,165	1,606
Reserved for Working Capital Advances	200	71	231
Unreserved:			
Reported in Capital Project Funds:			
Designated for Unrealized Gain	2	-	25
Designated for Subsequent Years' Expenditures	419	-	2,653
Undesignated	-	(7,226)	-
TOTAL FUND BALANCES	1,153	1,010	4,515
TOTAL LIABILITIES AND FUND BALANCES	$ 1,194	$ 1,177	$ 4,522

North Park	San Ysidro	Southcrest	Total
$ 2,236	$ 128	$ 5,126	$ 24,445
-	-	3,890	7,649
-	-	-	3,882
15	1	39	149
-	-	-	275
-	-	27	295
-	-	-	623
-	-	203	5,491
$ 2,251	$ 129	$ 9,285	$ 42,809
$ 32	$ 6	$ 31	$ 2,922
61	72	60	369
93	78	91	3,291
-	-	203	5,491
-	-	-	3,882
1,817	1,749	75	19,763
-	-	27	1,193
12	-	29	124
-	-	5,746	17,366
329	(1,698)	3,114	(8,301)
2,158	51	9,194	39,518
$ 2,251	$ 129	$ 9,285	$ 42,809

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2008
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
REVENUES			
Interest	$ 9	$ 364	$ 190
Rents	-	-	176
Private Sources	23	50	294
Other Revenue	-	258	192
TOTAL REVENUES	32	672	852
EXPENDITURES			
Administration	285	1,135	758
Legal	247	58	70
Plans and Surveys	39	217	65
Acquisition Expense	15	-	58
Real Estate/Fixture Purchases	-	-	5
Property Management	6	136	61
Relocation	56	-	31
Rehabilitation	-	-	72
Project Improvements	7	212	205
Promotions and Marketing	-	-	-
Bond Sale Expense	-	6	-
Program Management	-	58	-
City Projects	-	-	1,335
Other	6	-	-
TOTAL EXPENDITURES	661	1,822	2,660
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(629)	(1,150)	(1,808)
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	578	783	2,503
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	(456)	(2,305)
Proceeds from Developer Loans and Notes	-	8,106	2,011
Loans from the City of San Diego	675	-	-
Premium on Bonds Issued	-	156	-
TOTAL OTHER FINANCING SOURCES (USES)	1,253	8,589	2,209
NET CHANGE IN FUND BALANCES	624	7,439	401
FUND BALANCES AT JUNE 30, 2007	(485)	943	5,514
FUND BALANCES AT JUNE 30, 2008	$ 139	$ 8,382	$ 5,915

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
$ 2	$ -	$ 6	$ 2	$ -	$ 313	$ 30
-	-	-	-	-	-	128
-	-	-	-	-	1,989	-
1	-	-	-	-	-	-
3	-	6	2	-	2,302	158
176	31	444	22	36	777	84
5	2	27	8	25	38	2
-	-	32	21	-	177	-
-	-	-	-	-	-	1
-	-	-	-	-	242	-
2	1	8	2	-	128	14
-	-	-	-	-	-	-
-	-	-	-	-	6,678	-
-	-	-	-	-	445	-
-	-	-	-	-	3	-
-	-	-	-	-	-	-
-	-	-	-	-	510	-
-	-	1,250	-	-	62	-
-	-	-	-	-	-	-
183	34	1,761	53	61	9,060	101
(180)	(34)	(1,755)	(51)	(61)	(6,758)	57
215	29	1,807	52	-	6,100	75
-	-	-	-	-	287	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
215	29	1,807	52	-	6,387	75
35	(5)	52	1	(61)	(371)	132
(404)	(70)	52	189	(47)	6,645	853
$ (369)	$ (75)	$ 104	$ 190	$ (108)	$ 6,274	$ 985

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2008
(In Thousands)

	Mount Hope	Naval Training Center	North Bay
REVENUES			
Interest	$ 29	$ 16	$ 198
Rents	-	-	-
Private Sources	-	-	-
Other Revenue	-	1	-
TOTAL REVENUES	29	17	198
EXPENDITURES			
Administration	429	359	487
Legal	35	118	47
Plans and Surveys	103	37	2
Acquisition Expense	-	6	16
Real Estate/Fixture Purchases	-	-	-
Property Management	62	15	16
Relocation	-	-	-
Rehabilitation	-	-	-
Project Improvements	69	6,261	618
Promotions and Marketing	-	-	-
Bond Sale Expense	-	-	-
Program Management	19	-	-
City Projects	119	-	-
Other	-	-	-
TOTAL EXPENDITURES	836	6,796	1,186
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(807)	(6,779)	(988)
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	800	558	1,181
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	(44)
Proceeds from Developer Loans and Notes	-	6,804	-
Loans from the City of San Diego	-	448	-
Premium on Bonds Issued	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	800	7,810	1,137
NET CHANGE IN FUND BALANCES	(7)	1,031	149
FUND BALANCES AT JUNE 30, 2007	1,160	(21)	4,366
FUND BALANCES AT JUNE 30, 2008	$ 1,153	$ 1,010	$ 4,515

North Park	San Ysidro	Southcrest	Total
$ 96	$ 5	$ 464	$ 1,724
-	-	-	304
-	20	-	2,376
-	-	162	614
96	25	626	5,018
566	589	713	6,891
93	40	24	839
88	90	32	903
27	26	-	149
-	-	-	247
143	10	46	650
-	-	-	87
-	-	-	6,750
-	75	7	7,899
-	-	-	3
-	-	7	13
-	-	32	619
-	1,500	-	4,266
-	-	-	6
917	2,330	861	29,322
(821)	(2,305)	(235)	(24,304)
947	2,366	298	18,292
-	-	1	288
(679)	-	(675)	(4,159)
-	-	8,987	25,908
-	-	-	1,123
-	-	155	311
268	2,366	8,766	41,763
(553)	61	8,531	17,459
2,711	(10)	663	22,059
$ 2,158	$ 51	$ 9,194	$ 39,518

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NEWPORT BEACH

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

Board of Directors
Redevelopment Agency of the
City of San Diego
San Diego, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2008, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated April 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as item 2008-a.

This report is intended solely for the information and use of the Board of Directors, management of the Agency, others within the entity and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Certified Public Accountants

San Diego, California
April 20, 2009

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
CURRENT YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008

Compliance Findings:

2008-a Annual Report Submission to the City Council

The California Health and Safety Code section 33080.1 states that "*every redevelopment agency shall submit an annual report to its legislative body within six months of the end of the agency's fiscal year."* The annual report should include: "*(1) an independent financial audit report for the previous fiscal year, (2) a fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5, (3) a description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7, (4) a description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year, (5) a list of, and status report on, all loans made by the redevelopment agency that are $50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the agency, (6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year."*

We noted that the Agency did not submit a complete annual report to the legislative body within six months of the end of the Agency's current fiscal year. The fiscal statement for the previous year was not submitted with audited numbers because it was in progress of completion during the time that the Agency submitted their annual reports.

We recommend that the Agency prepare and submit all required reports to the legislative body within six months of the end of the Agency's fiscal year end. In the case an audit has not been completed, the Agency could submit an unaudited set of financials and indicate that since the financial report included unaudited numbers, the submitted numbers could change when the actual audit is completed.

Management Response:

We agree. The Agency prepared and submitted to the City Council an annual report for the previous fiscal year, within six months of the end of the fiscal year, including all items cited above, with the exception of the independent financial audit report since it had not been completed by the required time frame established under section 33080.1 of the California Health and Safety Code. The Agency plans to submit a complete annual report to the City Council in future years within six months of the end of the fiscal year.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008

Findings related to the financial statements:

Reference Number:	**2007-1 & 2006-1**
Financial Statement Area:	*Missing Journal Entry Approvals*
Audit Finding:	During the performance of our testwork on the Agency's controls over post-close journal entries for the fiscal years ended June 30, 2006 and June 30, 2007, we noted that post-close journal entries for some selected samples were not appropriately approved.
Status of Corrective Action:	Corrected during FY2008. The Agency adjusted the system over the processing of journal entries to ensure that all modifications to journal entries are re-approved.

Reference Number:	**2003-1**
Financial Statement Area:	*Material Weakness in Internal Controls over Financial Reporting*
Audit Finding:	There were several internal control deficiencies that resulted in numerous errors and restatements of previously issued financial statements. Some of the deficiencies noted were as follows: • Improper financial statement presentation of debt transactions • Failure to properly record certain loan transactions • Failure to transfer completed projects out of CIP and begin depreciating assets • Improper classification of assets • Improper valuations of land held for resale • Incomplete capture of capitalizable expenditures • Failure to recognize certain revenues that met applicable revenue recognition criteria.
Status of Corrective Action:	In progress. However, prior to the issuance of this report several modifications to the Agency's financial reporting process and control environment have been made. These modifications include the hiring of new management to oversee financial reporting and internal controls, and the implementation of revised policies, procedures and training for employees.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008

Findings related to the financial statements:

Reference Number:	**2003-1**
Status of Corrective Action:	Additionally, the implementation of OneSD will dramatically change (and improve) the year-end process; however, the preparation of the Fiscal Year 2008 Annual Financial Report was completed using the City's current accounting systems. Also during FY 2009, the City began implementing the Governance Risk Compliance (GRC) module of SAP which will assist in documenting, monitoring and testing internal controls within SAP, including internal controls over the preparation of the Agency's Financial Statements. Also improving controls for 2008 is a new year-end processing flowchart that has been developed. It identifies tasks necessary to complete the annual financial report by the Redevelopment Accounting Section; identified items contingent on information from other sections within the Comptroller's Office and other departments within the City. Use of the flowchart along with the year-end closing calendar already in use will allow management to more effectively monitor progress toward completion of the annual financial report and ensure critical components are not omitted. Notwithstanding the improvements made prior to the issuance of this report, management agrees further improvement is necessary and remains committed to continuing to strengthen its internal controls and procedures over financial reporting.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008

Findings related to compliance:

Reference Number:	**2007-b & 2006-b**
Compliance Area:	*Property held for longer than 5 years*
Audit Finding:	In accordance with CA Health & Safety Code §33334.16, the Agency is required to initiate activities to develop properties purchased with Housing Fund money within five years from the date of acquisition. If development activities have not begun within this period, the legislative body may adopt a resolution extending the period for one time, not to exceed five years. During our review of the Agency's year ended June 30, 2006 and June 30, 2007 property listing, we noted that 1 property site acquired with Housing Fund money and managed by the Southeastern Economic Development Corporation (SEDC) did not initiate activities within the five year period, nor did they attempt to obtain an extension by resolution.
Status of Corrective Action:	Corrected during FY2008. Management has established monitoring controls to identify land held for resale purchased with low and moderate income housing funds that could exceed the 5 year limit established by CA Health & Safety Code §33334.16. For properties identified, management will ensure appropriate action is taken to either obtain an extension by resolution or to reimburse the housing fund for acquisition costs associated with land purchased before the 5 year limit is exceeded.

Reference Number:	**2007-a, 2006-a , 2005-a, 2004-b & 2003-b**
Compliance Area:	*Annual Report Submission to the City Council*
Audit Finding:	The Agency did not prepare and submit a complete annual report for the fiscal years ended June 30, 2003, June 30, 2004, June 30, 2005, June 30, 2006, and June30, 2007 to the Board of Directors within six months of the end of the respective fiscal years, as required by the California Health and Safety Code section 33080.1. This was not done due to a lack of personnel and an incomplete audit of the Agency's financial statements.
Status of Corrective Action:	In progress. Improvements have been made which is evident by the Agency's submittal of the annual reports for fiscal years ended June 30, 2003, June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007 during calendar year 2008, however more improvements are needed in order to fully mitigate all aspects of the finding. See current year finding 2008-a.

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Supplemental Information Section

(Unaudited)

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Schedule of Changes to Loans from the City of San Diego

SCHEDULE OF CHANGES TO LOANS
FROM THE CITY OF SAN DIEGO
Year Ended June 30, 2008

CHANGES IN PRINCIPAL DUE TO CITY BY PROJECT AREA

	Balance July 1, 2007	Additions	Repayments	Balance June 30, 2008
Barrio Logan	$ 12,151	$ 675	$ -	$ 12,826
Central Imperial	18,916		-	18,916
Centre City	43,185		-	43,185
City Heights	9,759	-	674	9,085
College Community	722	-	-	722
College Grove	41	-	-	41
Crossroads	793		-	793
Gateway Center West	6,130	-	-	6,130
Grantville	507		-	507
Linda Vista	1,945	-	-	1,945
Mount Hope	3,918	-	-	3,918
Naval Training Center	6,892	448	206	7,134
North Bay	1,735	-	-	1,735
North Park	2,037		349	1,688
San Ysidro	775	-	36	739
Southcrest	9,911	-	291	9,620
Total Principal Due	$ 119,417	$ 1,123	$ 1,556	$ 118,984

CHANGES IN INTEREST DUE TO CITY BY PROJECT AREA

	Balance July 1, 2007	Additions	Repayments	Balance June 30, 2008
Barrio Logan	$ 11,734	$ 1,280	$ -	$ 13,014
Central Imperial	11,688	1,939	450	13,177
Centre City	68,677	4,426		73,103
City Heights	6,499	891	490	6,900
College Community	782	74	-	856
College Grove	25	4	-	29
Crossroads	239	81	-	320
Gateway Center West	13,351	628	-	13,979
Grantville	90	52	-	142
Linda Vista	4,150	200	-	4,350
Mount Hope	900	402	-	1,302
Naval Training Center	1,056	457	679	834
North Bay	338	178	-	516
North Park	1,354	203	407	1,150
San Ysidro	837	79	24	892
Southcrest	9,054	1,012	383	9,683
Total Interest Due	$ 130,774	$ 11,906	$ 2,433	$ 140,247

Assessed Valuations

BARRIO LOGAN REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2007-08 (BASE YEAR 1991-92)
(UNAUDITED)

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
GROSS			
Secured - Locally Assessed	$ 32,772	$ 37,330	$ 41,539
Public Utilities - State Assessed	2,829	2,608	236
Total Secured Valuation	35,601	39,938	41,775
Unsecured - Locally Assessed	4,710	4,692	2,583
Total Gross Valuation	40,311	44,630	44,358
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	3,664	3,664	7,746
Unsecured - Locally Assessed	-	-	-
Total Exemptions	3,664	3,664	7,746
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	29,108	33,666	33,793
Public Utilities - State Assessed	2,829	2,608	236
Net Secured	31,937	36,274	34,029
Unsecured - Locally Assessed	4,710	4,692	2,583
NET ASSESSED VALUATION FOR TAX RATE	$ 36,647	$ 40,966	$ 36,612
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			$ (4,354)
Percentage Increase (Decrease) Over Base Year			-10.63%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 217	$ 217	$ 217
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	217	217	217
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	28,891	33,449	33,576
Public Utilities - State Assessed	2,829	2,608	236
Net Secured	31,720	36,057	33,812
Unsecured - Locally Assessed	4,710	4,692	2,583
NET ASSESSED VALUATION	$ 36,430	$ 40,749	$ 36,395

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1991-92	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
$ 37,013	$ 42,711	$ 43,675	$ 45,664	$ 46,178	$ 49,720	$ 51,543	$ 56,030
2,608	260	378	411	420	429	386	334
39,621	42,971	44,053	46,075	46,598	50,149	51,929	56,364
4,692	2,630	3,924	5,926	5,889	6,948	3,561	5,414
44,313	45,601	47,977	52,001	52,487	57,097	55,490	61,778
3,664	7,996	8,216	8,634	8,356	8,501	7,621	7,834
-	-	713	1,048	1,233	2,362	-	1,441
3,664	7,996	8,929	9,682	9,589	10,863	7,621	9,275
33,349	34,715	35,459	37,030	37,822	41,219	43,922	48,196
2,608	260	378	411	420	429	386	334
35,957	34,975	35,837	37,441	38,242	41,648	44,308	48,530
4,692	2,630	3,211	4,878	4,656	4,586	3,561	3,973
$ 40,649	$ 37,605	$ 39,048	$ 42,319	$ 42,898	$ 46,234	$ 47,869	$ 52,503
	$ (3,044)	$ (1,601)	$ 1,670	$ 2,249	$ 5,585	$ 7,220	$ 11,854
	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%
$ 217	$ 224	$ 224	$ 217	$ 217	$ 217	$ 189	$ 175
-	-	-	-	-	-	-	-
217	224	224	217	217	217	189	175
33,132	34,491	35,235	36,813	37,605	41,002	43,733	48,021
2,608	260	378	411	420	429	386	334
35,740	34,751	35,613	37,224	38,025	41,431	44,119	48,355
4,692	2,630	3,211	4,878	4,656	4,586	3,561	3,973
$ 40,432	$ 37,381	$ 38,824	$ 42,102	$ 42,681	$ 46,017	$ 47,680	$ 52,328

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BARRIO LOGAN REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2007-08 (BASE YEAR 1991-92)

	2004-05	2005-06	2006-07	2007-08
GROSS				
Secured - Locally Assessed	$ 74,368	$ 82,783	$ 90,043	$ 112,516
Public Utilities - State Assessed	318	324	303	611
Total Secured Valuation	74,686	83,107	90,346	113,127
Unsecured - Locally Assessed	4,877	5,452	5,813	5,417
Total Gross Valuation	79,563	88,559	96,159	118,544
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)				
Secured - Locally Assessed	12,410	12,658	12,911	14,088
Unsecured - Locally Assessed	1,184	1,279	1,097	960
Total Exemptions	13,594	13,937	14,008	15,048
NET ASSESSED VALUATIONS FOR TAX RATE				
Secured - Locally Assessed	61,958	70,125	77,132	98,428
Public Utilities - State Assessed	318	324	303	611
Net Secured	62,276	70,449	77,435	99,039
Unsecured - Locally Assessed	3,693	4,173	4,716	4,457
NET ASSESSED VALUATION FOR TAX RATE	$ 65,969	$ 74,622	$ 82,151	$ 103,496
INCREMENT				
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 25,320	$ 33,973	$ 41,502	$ 62,847
Percentage Increase (Decrease) Over Base Year	62.29%	83.58%	102.10%	154.61%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS				
Secured - Locally Assessed	$ 175	$ 168	$ 175	$ 147
Unsecured - Locally Assessed	-	-	-	-
Total Homeowners' Exemptions	175	168	175	147
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS				
Secured - Locally Assessed	61,783	69,957	76,957	98,281
Public Utilities - State Assessed	318	324	303	611
Net Secured	62,101	70,281	77,260	98,892
Unsecured - Locally Assessed	3,693	4,173	4,716	4,457
NET ASSESSED VALUATION	$ 65,794	$ 74,454	$ 81,976	$ 103,349

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CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 94,838	$ 96,903	$ 97,584
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	94,838	96,903	97,584
Unsecured - Locally Assessed	2,692	2,868	1,431
Total Gross Valuation	97,530	99,771	99,015
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	6,693	12,981	16,244
Unsecured - Locally Assessed	-	115	137
Total Exemptions	6,693	13,096	16,381
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	88,145	83,922	81,340
Public Utilities - State Assessed	-	-	-
Net Secured	88,145	83,922	81,340
Unsecured - Locally Assessed	2,692	2,753	1,294
NET ASSESSED VALUATION FOR TAX RATE	$ 90,837	$ 86,675	$ 82,634
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ (4,162)	$ (8,203)
Percentage Increase (Decrease) Over Base Year		-4.58%	-9.03%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,033	$ 1,039	$ 1,219
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,033	1,039	1,219
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	87,112	82,883	80,121
Public Utilities - State Assessed	-	-	-
Net Secured	87,112	82,883	80,121
Unsecured - Locally Assessed	2,692	2,753	1,294
NET ASSESSED VALUATION	$ 89,804	$ 85,636	$ 81,415

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
$ 96,170	$ 97,516	$ 67,688	$ 83,275	$ 88,975	$ 102,297	$ 114,448
-	-	-	-	-	-	-
96,170	97,516	67,688	83,275	88,975	102,297	114,448
1,857	1,558	2,693	1,738	1,997	2,240	3,412
98,027	99,074	70,381	85,013	90,972	104,537	117,860
15,218	15,202	6,693	14,133	10,006	16,120	14,351
86	-	-	16	187	76	462
15,304	15,202	6,693	14,149	10,193	16,196	14,813
80,952	82,314	60,995	69,142	78,969	86,177	100,097
-	-	-	-	-	-	-
80,952	82,314	60,995	69,142	78,969	86,177	100,097
1,771	1,558	2,693	1,722	1,810	2,164	2,950
$ 82,723	$ 83,872	$ 63,688	$ 70,864	$ 80,779	$ 88,341	$ 103,047
$ (8,114)	$ (6,965)		$ 7,176	$ 17,091	$ 24,653	$ 39,359
-8.93%	-7.67%		11.27%	26.84%	38.71%	61.80%
$ 1,347	$ 1,416	$ 1,033	$ 1,447	$ 1,541	$ 1,636	$ 1,944
-	-	-	-	-	-	-
1,347	1,416	1,033	1,447	1,541	1,636	1,944
79,605	80,898	59,962	67,695	77,428	84,541	98,153
-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,153
1,771	1,558	2,693	1,722	1,810	2,164	2,950
$ 81,376	$ 82,456	$ 62,655	$ 69,417	$ 79,238	$ 86,705	$ 101,103

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CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1992-93)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 123,326	$ 137,669	$ 160,513
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	123,326	137,669	160,513
Unsecured - Locally Assessed	3,261	5,195	4,753
Total Gross Valuation	126,587	142,864	165,266
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	14,936	16,287	19,393
Unsecured - Locally Assessed	5	290	391
Total Exemptions	14,941	16,577	19,784
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	108,390	121,382	141,120
Public Utilities - State Assessed	-	-	-
Net Secured	108,390	121,382	141,120
Unsecured - Locally Assessed	3,256	4,905	4,362
NET ASSESSED VALUATION FOR TAX RATE	$ 111,646	$ 126,287	$ 145,482
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 47,958	$ 62,599	$ 81,794
Percentage Increase (Decrease) Over Base Year	75.30%	98.29%	128.43%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,946	$ 1,994	$ 2,020
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,946	1,994	2,020
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	106,444	119,388	139,100
Public Utilities - State Assessed	-	-	-
Net Secured	106,444	119,388	139,100
Unsecured - Locally Assessed	3,256	4,905	4,362
NET ASSESSED VALUATION	$ 109,700	$ 124,293	$ 143,462

2005-06	2006-07	2007-08
$ 191,238	$ 210,835	$ 236,931
-	-	-
191,238	210,835	236,931
5,741	6,750	5,603
196,979	217,585	242,534
22,212	21,344	24,647
416	418	223
22,628	21,762	24,870
169,026	189,491	212,284
-	-	-
169,026	189,491	212,284
5,325	6,332	5,380
$ 174,351	$ 195,823	$ 217,664
$ 110,663	$ 132,135	$ 153,976
173.76%	207.47%	241.77%
$ 2,148	$ 2,072	$ 2,212
-	-	-
2,148	2,072	2,212
166,878	187,419	210,072
-	-	-
166,878	187,419	210,072
5,325	6,332	5,380
$ 172,203	$ 193,751	$ 215,452

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 2
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2007-08 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 16,115	$ 16,080	$ 17,367
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	16,115	16,080	17,367
Unsecured - Locally Assessed	27	172	148
Total Gross Valuation	16,142	16,252	17,515
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,105	1,192	1,214
Unsecured - Locally Assessed	-	145	129
Total Exemptions	1,105	1,337	1,343
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	15,010	14,888	16,153
Public Utilities - State Assessed	-	-	-
Net Secured	15,010	14,888	16,153
Unsecured - Locally Assessed	27	27	19
NET ASSESSED VALUATION FOR TAX RATE	$ 15,037	$ 14,915	$ 16,172
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ (122)	$ 1,135
Percentage Increase (Decrease) Over Base Year		-0.81%	7.55%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 721	$ 721	$ 714
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	721	721	714
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	14,289	14,167	15,439
Public Utilities - State Assessed	-	-	-
Net Secured	14,289	14,167	15,439
Unsecured - Locally Assessed	27	27	19
NET ASSESSED VALUATION	$ 14,316	$ 14,194	$ 15,458

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
$ 18,508	$ 32,461	$ 37,450	$ 51,100	$ 62,540	$ 65,967	$ 65,926
-	-	-	-	-	-	-
18,508	32,461	37,450	51,100	62,540	65,967	65,926
247	1,399	2,340	2,532	3,715	4,347	4,353
18,755	33,860	39,790	53,632	66,255	70,314	70,279
1,234	1,156	1,180	1,201	1,226	1,250	1,275
229	-	184	166	159	-	134
1,463	1,156	1,364	1,367	1,385	1,250	1,409
17,274	31,305	36,270	49,899	61,314	64,717	64,651
-	-	-	-	-	-	-
17,274	31,305	36,270	49,899	61,314	64,717	64,651
18	1,399	2,156	2,366	3,556	4,347	4,219
$ 17,292	$ 32,704	$ 38,426	$ 52,265	$ 64,870	$ 69,064	$ 68,870
$ 2,255	$ 17,667	$ 23,389	$ 37,228	$ 49,833	$ 54,027	$ 53,833
15.00%	117.49%	155.54%	247.58%	331.40%	359.29%	358.00%
$ 742	$ 805	$ 826	$ 819	$ 840	$ 846	$ 853
-	-	-	-	-	-	-
742	805	826	819	840	846	853
16,532	30,500	35,444	49,080	60,474	63,871	63,798
-	-	-	-	-	-	-
16,532	30,500	35,444	49,080	60,474	63,871	63,798
18	1,399	2,156	2,366	3,556	4,347	4,219
$ 16,550	$ 31,899	$ 37,600	$ 51,446	$ 64,030	$ 68,218	$ 68,017

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 3
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2001-02 TO 2007-08 (BASE YEAR 2001-02)
(UNAUDITED)

	Base Year 2001-02	2001-02	2002-03
GROSS			
Secured - Locally Assessed	$ 3,215	$ 10,279	$ 14,131
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
Total Gross Valuation	3,215	10,279	16,153
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	3,215	10,279	14,131
Public Utilities - State Assessed	-	-	-
Net Secured	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
NET ASSESSED VALUATION FOR TAX RATE	$ 3,215	$ 10,279	$ 16,153
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 7,064	$ 12,938
Percentage Increase (Decrease) Over Base Year		219.72%	402.43%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed			
Total Homeowners' Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	3,215	10,279	14,131
Public Utilities - State Assessed	-	-	-
Net Secured	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
NET ASSESSED VALUATION	$ 3,215	$ 10,279	$ 16,153

2003-04	2004-05	2005-06	2006-07	2007-08
$ 14,793	$ 17,357	$ 18,491	$ 19,303	$ 19,689
-	-	-	-	
14,793	17,357	18,491	19,303	19,689
1,982	1,835	1,826	2,266	2,161
16,775	19,192	20,317	21,569	21,850
14,793	17,357	18,491	19,303	19,689
-	-	-	-	-
14,793	17,357	18,491	19,303	19,689
1,982	1,835	1,826	2,266	2,161
$ 16,775	$ 19,192	$ 20,317	$ 21,569	$ 21,850
$ 13,560	$ 15,977	$ 17,102	$ 18,354	$ 18,635
421.77%	496.95%	531.94%	570.89%	579.63%
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
14,793	17,357	18,491	19,303	19,689
-	-	-	-	-
14,793	17,357	18,491	19,303	19,689
1,982	1,835	1,826	2,266	2,161

CENTRE CITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 1,090,174	$ 972,637	$ 927,021
Public Utilities - State Assessed	3,465	1,862	2,181
Total Secured Valuation	1,093,639	974,499	929,202
Unsecured - Locally Assessed	64,243	17,922	22,293
Total Gross Valuation	1,157,882	992,421	951,495
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	62,189	78,849	78,614
Unsecured - Locally Assessed	-	413	552
Total Exemptions	62,189	79,262	79,166
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,027,985	893,788	848,407
Public Utilities - State Assessed	3,465	1,862	2,181
Net Secured	1,031,450	895,650	850,588
Unsecured - Locally Assessed	64,243	17,509	21,741
NET ASSESSED VALUATION FOR TAX RATE	$ 1,095,693	$ 913,159	$ 872,329
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ (182,534)	$ (223,364)
Percentage Increase (Decrease) Over Base Year		-16.66%	-20.39%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 714	$ 805	$ 812
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	714	805	812
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,027,271	892,983	847,595
Public Utilities - State Assessed	3,465	1,862	2,181
Net Secured	1,030,736	894,845	849,776
Unsecured - Locally Assessed	64,243	17,509	21,741
NET ASSESSED VALUATION	$ 1,094,979	$ 912,354	$ 871,517

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	Revised Base Year 1992-93	1997-98	1998-99	1999-2000	2000-01	2001-02
$ 906,105	$ 1,088,721	$ 917,921	$ 984,645	$ 1,125,712	$ 1,290,546	$ 1,467,297
2,521	3,464	2,747	3,855	4,094	4,177	-
908,626	1,092,185	920,668	988,500	1,129,806	1,294,723	1,467,297
17,593	64,244	20,602	56,892	74,362	87,258	93,294
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591
87,884	62,019	90,800	87,662	94,089	104,469	100,954
97	-	987	4,637	6,129	6,919	9,403
87,981	62,019	91,787	92,299	100,218	111,388	110,357
818,221	1,026,702	827,121	896,983	1,031,623	1,186,077	1,366,343
2,521	3,464	2,747	3,855	4,094	4,177	-
820,742	1,030,166	829,868	900,838	1,035,717	1,190,254	1,366,343
17,496	64,244	19,615	52,255	68,233	80,339	83,891
$ 838,238	$ 1,094,410	$ 849,483	$ 953,093	$ 1,103,950	$ 1,270,593	$ 1,450,234
$ (257,455)		$ (244,927)	$ (141,317)	$ 9,540	$ 176,183	$ 355,824
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%
$ 902	$ 714	$ 980	$ 1,077	$ 1,182	$ 1,133	$ 1,182
-	-	-	-	-	61	67
902	714	980	1,077	1,182	1,194	1,249
817,319	1,025,988	826,141	895,906	1,030,441	1,184,944	1,365,161
2,521	3,464	2,747	3,855	4,094	4,177	-
819,840	1,029,452	828,888	899,761	1,034,535	1,189,121	1,365,161
17,496	64,244	19,615	52,255	68,233	80,278	83,824
$ 837,336	$ 1,093,696	$ 848,503	$ 952,016	$ 1,102,768	$ 1,269,399	$ 1,448,985

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CENTRE CITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1992-93)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 1,679,241	$ 2,082,010	$ 2,668,045
Public Utilities - State Assessed	3,856	4,894	6,958
Total Secured Valuation	1,683,097	2,086,904	2,675,003
Unsecured - Locally Assessed	99,582	130,423	112,963
Total Gross Valuation	1,782,679	2,217,327	2,787,966
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	104,775	106,992	133,719
Unsecured - Locally Assessed	1,074	7,810	8,997
Total Exemptions	105,849	114,802	142,716
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,574,466	1,975,018	2,534,326
Public Utilities - State Assessed	3,856	4,894	6,958
Net Secured	1,578,322	1,979,912	2,541,284
Unsecured - Locally Assessed	98,508	122,613	103,966
NET ASSESSED VALUATION FOR TAX RATE	$ 1,676,830	$ 2,102,525	$ 2,645,250
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 582,420	$ 1,008,115	$ 1,550,840
Percentage Increase (Decrease) Over Base Year	53.22%	92.11%	141.71%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,239	$ 2,680	$ 3,670
Unsecured - Locally Assessed	112	114	110
Total Homeowners' Exemptions	1,351	2,794	3,780
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,573,227	1,972,338	2,530,656
Public Utilities - State Assessed	3,856	4,894	6,958
Net Secured	1,577,083	1,977,232	2,537,614
Unsecured - Locally Assessed	98,396	122,499	103,856
NET ASSESSED VALUATION	$ 1,675,479	$ 2,099,731	$ 2,641,470

2005-06	2006-07	2007-08
$ 3,806,788	$ 4,930,925	$ 6,204,566
7,017	6,824	2,442
3,813,805	4,937,749	6,207,008
147,482	282,705	196,717
3,961,287	5,220,454	6,403,725
162,778	171,166	172,798
9,460	10,706	15,504
172,238	181,872	188,302
3,644,010	4,759,759	6,031,768
7,017	6,824	2,442
3,651,027	4,766,583	6,034,210
138,022	271,999	181,213
$ 3,789,049	$ 5,038,582	$ 6,215,423
$ 2,694,639	$ 3,944,172	$ 5,121,013
246.22%	360.39%	467.92%
$ 6,887	$ 10,154	$ 11,654
95	81	82
6,982	10,235	11,736
3,637,123	4,749,605	6,020,114
7,017	6,824	2,442
3,644,140	4,756,429	6,022,556
137,927	271,918	181,131
$ 3,782,067	$ 5,028,347	$ 6,203,687

CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
Secured - Locally Assessed	$ 19,715	$ 454,634	$ 431,513
Public Utilities - State Assessed	17,131	1,550	1,473
Total Secured Valuation	36,846	456,184	432,986
Unsecured - Locally Assessed	18,870	57,303	53,503
Total Gross Valuation	55,716	513,487	486,489
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,507	3,521	3,558
Unsecured - Locally Assessed	-	157	22
Total Exemptions	1,507	3,678	3,580
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	18,208	451,113	427,955
Public Utilities - State Assessed	17,131	1,550	1,473
Net Secured	35,339	452,663	429,428
Unsecured - Locally Assessed	18,870	57,146	53,481
NET ASSESSED VALUATION FOR TAX RATE	$ 54,209	$ 509,809	$ 482,909
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 455,600	$ 428,700
Percentage Increase (Decrease) Over Base Year		840.45%	790.83%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 839	$ 802
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	839	802
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	178	-	-
Unsecured - Locally Assessed	1,602	-	-
Total Business Inventory Exemptions	1,780	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	18,030	450,274	427,153
Public Utilities - State Assessed	17,131	1,550	1,473
Net Secured	35,161	451,824	428,626
Unsecured - Locally Assessed	17,268	57,146	53,481
NET ASSESSED VALUATION	$ 52,429	$ 508,970	$ 482,107

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 18,554	$ 437,849	$ 18,553	$ 519,344	$ 563,347	$ 602,524	$ 643,416
17,131	1,518	1,038	1,742	1,906	1,923	-
35,685	439,367	19,591	521,086	565,253	604,447	643,416
18,870	57,458	18,870	47,267	52,096	57,950	61,602
54,555	496,825	38,461	568,353	617,349	662,397	705,018
1,507	1,993	1,507	387	2,191	2,229	2,051
-	253	-	281	401	531	593
1,507	2,246	1,507	668	2,592	2,760	2,644
17,047	435,856	17,046	518,957	561,156	600,295	641,365
17,131	1,518	1,038	1,742	1,906	1,923	-
34,178	437,374	18,084	520,699	563,062	602,218	641,365
18,870	57,205	18,870	46,986	51,695	57,419	61,009
$ 53,048	$ 494,579	$ 36,954	$ 567,685	$ 614,757	$ 659,637	$ 702,374
	$ 441,531		$ 530,731	$ 577,803	$ 622,683	$ 665,420
	832.32%		1436.19%	1563.57%	1685.02%	1800.67%
$ -	$ 860	$ -	$ 868	$ 927	$ 966	$ 987
-	-	-	-	-	-	-
-	860	-	868	927	966	987
178	-	178	-	-	-	-
1,602	-	1,602	-	-	-	-
1,780	-	1,780	-	-	-	-
16,869	434,996	16,868	518,089	560,229	599,329	640,378
17,131	1,518	1,038	1,742	1,906	1,923	-
34,000	436,514	17,906	519,831	562,135	601,252	640,378
17,268	57,205	17,268	46,986	51,695	57,419	61,009
$ 51,268	$ 493,719	$ 35,174	$ 566,817	$ 613,830	$ 658,671	$ 701,387

Continued on next page

CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1976-77
GROSS			
Secured - Locally Assessed	$ 718,080	$ 940,867	$ 18,553
Public Utilities - State Assessed	1,858	1,758	1,038
Total Secured Valuation	719,938	942,625	19,591
Unsecured - Locally Assessed	67,298	72,711	18,870
Total Gross Valuation	787,236	1,015,336	38,461
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,122	2,163	1,507
Unsecured - Locally Assessed	-	653	-
Total Exemptions	2,122	2,816	1,507
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	715,958	938,704	17,046
Public Utilities - State Assessed	1,858	1,758	1,038
Net Secured	717,816	940,462	18,084
Unsecured - Locally Assessed	67,298	72,058	18,870
NET ASSESSED VALUATION FOR TAX RATE	$ 785,114	$ 1,012,520	$ 36,954
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 748,160	$ 975,566	
Percentage Increase (Decrease) Over Base Year	2024.57%	2639.95%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 930	$ 980	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	930	980	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	715,028	937,724	17,046
Public Utilities - State Assessed	1,858	1,758	1,038
Net Secured	716,886	939,482	18,084
Unsecured - Locally Assessed	67,298	72,058	18,870
NET ASSESSED VALUATION	$ 784,184	$ 1,011,540	$ 36,954

2004-05	2005-06	2006-07	2007-08
$ 1,176,861	$ 1,508,713	$ 1,889,356	$ 2,479,273
602	614	575	-
1,177,463	1,509,327	1,889,931	2,479,273
58,706	62,612	77,526	67,632
1,236,169	1,571,939	1,967,457	2,546,905
312	10,878	11,665	23,624
795	966	468	683
1,107	11,844	12,133	24,307
1,176,549	1,497,835	1,877,691	2,455,649
602	614	575	-
1,177,151	1,498,449	1,878,266	2,455,649
57,911	61,646	77,058	66,949
$ 1,235,062	$ 1,560,095	$ 1,955,324	$ 2,522,598
$ 1,198,108	$ 1,523,141	$ 1,918,370	$ 2,485,644
3242.16%	4121.72%	5191.24%	6726.32%
$ 2,065	$ 2,747	$ 3,157	$ 3,170
-	-	-	-
2,065	2,747	3,157	3,170
-	-	-	-
-	-	-	-
-	-	-	-
1,174,484	1,495,088	1,874,534	2,452,479
602	614	575	-
1,175,086	1,495,702	1,875,109	2,452,479
57,911	61,646	77,058	66,949
$ 1,232,997	$ 1,557,348	$ 1,952,167	$ 2,519,428

CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 31,114	$ 80,408	$ 84,131
Public Utilities - State Assessed	1,733	19	24
Total Secured Valuation	32,847	80,427	84,155
Unsecured - Locally Assessed	2,306	6,633	5,937
Total Gross Valuation	35,153	87,060	90,092
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,047	1,355	1,365
Unsecured - Locally Assessed	-	-	-
Total Exemptions	1,047	1,355	1,365
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	30,067	79,053	82,766
Public Utilities - State Assessed	1,733	19	24
Net Secured	31,800	79,072	82,790
Unsecured - Locally Assessed	2,306	6,633	5,937
NET ASSESSED VALUATION FOR TAX RATE	$ 34,106	$ 85,705	$ 88,727
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 51,599	$ 54,621
Percentage Increase (Decrease) Over Base Year		151.29%	160.15%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ 7
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	7
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	30,067	79,053	82,759
Public Utilities - State Assessed	1,733	19	24
Net Secured	31,800	79,072	82,783
Unsecured - Locally Assessed	2,306	6,633	5,937
NET ASSESSED VALUATION	$ 34,106	$ 85,705	$ 88,720

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
$ 100,504	$ 105,400	$ 31,114	$ 126,908	$ 160,567	$ 214,793	$ 233,212
26	29	61	42	45	46	-
100,530	105,429	31,175	126,950	160,612	214,839	233,212
7,048	8,446	2,306	11,987	13,202	17,680	19,390
107,578	113,875	33,481	138,937	173,814	232,519	252,602
1,644	1,631	1,047	1,634	-	291	297
-	-	-	6	10	8	24
1,644	1,631	1,047	1,640	10	299	321
98,860	103,769	30,067	125,274	160,567	214,502	232,915
26	29	61	42	45	46	-
98,886	103,798	30,128	125,316	160,612	214,548	232,915
7,048	8,446	2,306	11,981	13,192	17,672	19,366
$ 105,934	$ 112,244	$ 32,434	$ 137,297	$ 173,804	$ 232,220	$ 252,281
$ 71,828	$ 78,138		$ 104,863	$ 141,370	$ 199,786	$ 219,847
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%
$ 7	$ 7	$ -	$ -	$ 7	$ 7	$ 7
-	-	-	-	-	-	-
7	7	-	-	7	7	7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
98,853	103,762	30,067	125,274	160,560	214,495	232,908
26	29	61	42	45	46	-
98,879	103,791	30,128	125,316	160,605	214,541	232,908
7,048	8,446	2,306	11,981	13,192	17,672	19,366
$ 105,927	$ 112,237	$ 32,434	$ 137,297	$ 173,797	$ 232,213	$ 252,274

Continued on next page

CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 249,340	$ 275,444	$ 309,366
Public Utilities - State Assessed	43	37	35
Total Secured Valuation	249,383	275,481	309,401
Unsecured - Locally Assessed	23,833	28,715	28,301
Total Gross Valuation	273,216	304,196	337,702
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	303	309	315
Unsecured - Locally Assessed	-	8	35
Total Exemptions	303	317	350
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	249,037	275,135	309,051
Public Utilities - State Assessed	43	37	35
Net Secured	249,080	275,172	309,086
Unsecured - Locally Assessed	23,833	28,707	28,266
NET ASSESSED VALUATION FOR TAX RATE	$ 272,913	$ 303,879	$ 337,352
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 240,479	$ 271,445	$ 304,918
Percentage Increase (Decrease) Over Base Year	741.44%	836.91%	940.12%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 7	$ 7	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	7	7	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	249,030	275,128	309,051
Public Utilities - State Assessed	43	37	35
Net Secured	249,073	275,165	309,086
Unsecured - Locally Assessed	23,833	28,707	28,266
NET ASSESSED VALUATION	$ 272,906	$ 303,872	$ 337,352

2005-06	2006-07	2007-08
$ 418,867	$ 583,747	$ 768,725
36	33	-
418,903	583,780	768,725
32,268	34,934	38,445
451,171	618,714	807,170
321	327	334
58	77	118
379	404	452
418,546	583,420	768,391
36	33	-
418,582	583,453	768,391
32,210	34,857	38,327
$ 450,792	$ 618,310	$ 806,718
$ 418,358	$ 585,876	$ 774,284
1289.87%	1806.36%	2387.26%
$ 133	$ 454	$ 556
-	-	-
133	454	556
-	-	-
-	-	-
-	-	-
418,413	582,966	767,835
36	33	-
418,449	582,999	767,835
32,210	34,857	38,327
$ 450,659	$ 617,856	$ 806,162

CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
Secured - Locally Assessed	$ 10,503	$ 721,610	$ 708,839
Public Utilities - State Assessed	2,672	1,085	475
Total Secured Valuation	13,175	722,695	709,314
Unsecured - Locally Assessed	6,475	57,602	59,865
Total Gross Valuation	19,650	780,297	769,179
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	142	20,114	18,771
Unsecured - Locally Assessed	-	322	-
Total Exemptions	142	20,436	18,771
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	10,361	701,496	690,068
Public Utilities - State Assessed	2,672	1,085	475
Net Secured	13,033	702,581	690,543
Unsecured - Locally Assessed	6,475	57,280	59,865
NET ASSESSED VALUATION FOR TAX RATE	$ 19,508	$ 759,861	$ 750,408
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 740,353	$ 730,900
Percentage Increase (Decrease) Over Base Year		3795.13%	3746.67%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 1,477	$ 1,560
Unsecured - Locally Assessed	-	49	95
Total Homeowners' Exemptions	-	1,526	1,655
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	212	-	-
Unsecured - Locally Assessed	1,539	-	-
Total Business Inventory Exemptions	1,751	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	10,149	700,019	688,508
Public Utilities - State Assessed	2,672	1,085	475
Net Secured	12,821	701,104	688,983
Unsecured - Locally Assessed	4,936	57,231	59,770
NET ASSESSED VALUATION	$ 17,757	$ 758,335	$ 748,753

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 9,814	$ 721,827	$ 9,814	$ 758,292	$ 816,598	$ 873,181	$ 1,078,100
2,672	353	964	501	534	544	-
12,486	722,180	10,778	758,793	817,132	873,725	1,078,100
6,475	59,208	6,475	64,822	60,580	66,559	69,427
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527
143	19,397	143	19,782	20,400	20,558	22,941
-	-	-	97	88	88	3,553
143	19,397	143	19,879	20,488	20,646	26,494
9,671	702,430	9,671	738,510	796,198	852,623	1,055,159
2,672	353	964	501	534	544	-
12,343	702,783	10,635	739,011	796,732	853,167	1,055,159
6,475	59,208	6,475	64,725	60,492	66,471	65,874
$ 18,818	$ 761,991	$ 17,110	$ 803,736	$ 857,224	$ 919,638	$ 1,121,033
	$ 743,173		$ 786,626	$ 840,114	$ 902,528	$ 1,103,923
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%
$ 867	$ 1,792	$ 867	$ 2,001	$ 2,351	$ 2,280	$ 2,744
-	95	-	-	-	116	90
867	1,887	867	2,001	2,351	2,396	2,834
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,804	700,638	8,804	736,509	793,847	850,343	1,052,415
2,672	353	964	501	534	544	-
11,476	700,991	9,768	737,010	794,381	850,887	1,052,415
6,475	59,113	6,475	64,725	60,492	66,355	65,784
$ 17,951	$ 760,104	$ 16,243	$ 801,735	$ 854,873	$ 917,242	$ 1,118,199

Continued on next page

CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 1,267,073	$ 1,571,302	$ 1,913,850
Public Utilities - State Assessed	502	437	417
Total Secured Valuation	1,267,575	1,571,739	1,914,267
Unsecured - Locally Assessed	72,613	72,640	69,934
Total Gross Valuation	1,340,188	1,644,379	1,984,201
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	23,137	23,802	25,327
Unsecured - Locally Assessed	2,573	4,278	4,153
Total Exemptions	25,710	28,080	29,480
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,243,936	1,547,500	1,888,523
Public Utilities - State Assessed	502	437	417
Net Secured	1,244,438	1,547,937	1,888,940
Unsecured - Locally Assessed	70,040	68,362	65,781
NET ASSESSED VALUATION FOR TAX RATE	$ 1,314,478	$ 1,616,299	$ 1,954,721
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 1,297,368	$ 1,599,189	$ 1,937,611
Percentage Increase (Decrease) Over Base Year	7582.51%	9346.52%	11324.44%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,828	$ 4,673	$ 6,086
Unsecured - Locally Assessed	83	105	119
Total Homeowners' Exemptions	3,911	4,778	6,205
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,240,108	1,542,827	1,882,437
Public Utilities - State Assessed	502	437	417
Net Secured	1,240,610	1,543,264	1,882,854
Unsecured - Locally Assessed	69,957	68,257	65,662
NET ASSESSED VALUATION	$ 1,310,567	$ 1,611,521	$ 1,948,516

2005-06	2006-07	2007-08
$ 2,115,535	$ 2,264,707	$ 2,464,052
426	403	4
2,115,961	2,265,110	2,464,056
81,890	94,651	105,830
2,197,851	2,359,761	2,569,886
25,915	26,565	36,219
4,479	4,862	2,898
30,394	31,427	39,117
2,089,620	2,238,142	2,427,833
426	403	4
2,090,046	2,238,545	2,427,837
77,411	89,789	102,932
$ 2,167,457	$ 2,328,334	$ 2,530,769
$ 2,150,347	$ 2,311,224	$ 2,513,659
12567.78%	13508.03%	14691.17%
$ 6,402	$ 6,787	$ 6,931
90	84	63
6,492	6,871	6,994
-	-	-
-	-	-
-	-	-
2,083,218	2,231,355	2,420,902
426	403	4
2,083,644	2,231,758	2,420,906
77,321	89,705	102,869
$ 2,160,965	$ 2,321,463	$ 2,523,775

CITY HEIGHTS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2007-08 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
GROSS			
Secured - Locally Assessed	$ 1,221,895	$ 1,214,987	$ 1,116,612
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	1,221,895	1,214,987	1,116,612
Unsecured - Locally Assessed	20,926	20,926	15,508
Total Gross Valuation	1,242,821	1,235,913	1,132,120
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	25,677	25,064	25,816
Unsecured - Locally Assessed	-	-	41
Total Exemptions	25,677	25,064	25,857
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,196,218	1,189,923	1,090,796
Public Utilities - State Assessed	-	-	-
Net Secured	1,196,218	1,189,923	1,090,796
Unsecured - Locally Assessed	20,926	20,926	15,467
NET ASSESSED VALUATION FOR TAX RATE	$ 1,217,144	$ 1,210,849	$ 1,106,263
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			$ (104,586)
Percentage Increase (Decrease) Over Base Year			-8.64%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 19,985	$ 19,674
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	19,985	19,674
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,196,218	1,169,938	1,071,122
Public Utilities - State Assessed	-	-	-
Net Secured	1,196,218	1,169,938	1,071,122
Unsecured - Locally Assessed	20,926	20,926	15,467
NET ASSESSED VALUATION	$ 1,217,144	$ 1,190,864	$ 1,086,589

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
$ 1,034,935	$ 1,000,884	$ 1,027,567	$ 1,010,076	$ 1,045,685	$ 1,118,357	$ 1,227,363
-	-	-	-	-	-	-
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363
20,926	14,297	20,926	17,330	17,759	18,869	18,078
1,055,861	1,015,181	1,048,493	1,027,406	1,063,444	1,137,226	1,245,441
25,064	26,792	25,064	27,331	31,489	43,087	44,494
-	166	-	199	544	574	909
25,064	26,958	25,064	27,530	32,033	43,661	45,403
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869
-	-	-	-	-	-	-
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869
20,926	14,131	20,926	17,131	17,215	18,295	17,169
$ 1,030,797	$ 988,223	$ 1,023,429	$ 999,876	$ 1,031,411	$ 1,093,565	$ 1,200,038
	$ (42,574)		$ (23,553)	$ 7,982	$ 70,136	$ 176,609
	-4.13%		-2.30%	0.78%	6.85%	17.26%
$ 19,985	$ 19,421	$ 19,985	$ 19,127	$ 19,734	$ 19,838	$ 20,689
-	-	-	-	-	-	-
19,985	19,421	19,985	19,127	19,734	19,838	20,689
989,886	954,671	982,518	963,618	994,462	1,055,432	1,162,180
-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,162,180
20,926	14,131	20,926	17,131	17,215	18,295	17,169
$ 1,010,812	$ 968,802	$ 1,003,444	$ 980,749	$ 1,011,677	$ 1,073,727	$ 1,179,349

Continued on next page

CITY HEIGHTS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2007-08 (BASE YEAR 1992-93)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1992-93
GROSS			
Secured - Locally Assessed	$ 1,371,384	$ 1,536,318	$ 1,013,800
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	1,371,384	1,536,318	1,013,800
Unsecured - Locally Assessed	21,608	27,638	20,926
Total Gross Valuation	1,392,992	1,563,956	1,034,726
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	49,928	59,297	24,921
Unsecured - Locally Assessed	122	801	-
Total Exemptions	50,050	60,098	24,921
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,321,456	1,477,021	988,879
Public Utilities - State Assessed	-	-	-
Net Secured	1,321,456	1,477,021	988,879
Unsecured - Locally Assessed	21,486	26,837	20,926
NET ASSESSED VALUATION FOR TAX RATE	$ 1,342,942	$ 1,503,858	$ 1,009,805
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 319,513	$ 480,429	
Percentage Increase (Decrease) Over Base Year	31.22%	46.94%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 21,143	$ 21,707	$ 19,985
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	21,143	21,707	19,985
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,300,313	1,455,314	968,894
Public Utilities - State Assessed	-	-	-
Net Secured	1,300,313	1,455,314	968,894
Unsecured - Locally Assessed	21,486	26,837	20,926
NET ASSESSED VALUATION	$ 1,321,799	$ 1,482,151	$ 989,820

2004-05	Revised Base Year 1992-93	2005-06	2006-07	2007-08
$ 1,744,652	$ 1,009,880	$ 1,989,379	$ 2,235,202	$ 2,419,952
-	-	-	-	-
1,744,652	1,009,880	1,989,379	2,235,202	2,419,952
26,310	20,926	31,585	32,576	32,476
1,770,962	1,030,806	2,020,964	2,267,778	2,452,428
72,663	24,921	78,153	90,345	101,795
1,016	-	3,554	4,763	3,493
73,679	24,921	81,707	95,108	105,288
1,671,989	984,959	1,911,226	2,144,857	2,318,157
-	-	-	-	-
1,671,989	984,959	1,911,226	2,144,857	2,318,157
25,294	20,926	28,031	27,813	28,983
$ 1,697,283	$ 1,005,885	$ 1,939,257	$ 2,172,670	$ 2,347,140
$ 687,478		$ 929,452	$ 1,162,865	$ 1,341,255
68.08%		92.04%	115.16%	133.34%
$ 21,935	$ 19,985	$ 23,185	$ 23,786	$ 24,013
-	-	-	-	-
21,935	19,985	23,185	23,786	24,013
1,650,054	964,974	1,888,041	2,121,071	2,294,144
-	-	-	-	-
1,650,054	964,974	1,888,041	2,121,071	2,294,144
25,294	20,926	28,031	27,813	28,983
$ 1,675,348	$ 985,900	$ 1,916,072	$ 2,148,884	$ 2,323,127

COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1993-94)
(UNAUDITED)

	Base Year 1993-94	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 56,366	$ 60,304	$ 59,183
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	56,366	60,304	59,183
Unsecured - Locally Assessed	3,033	2,899	2,583
Total Gross Valuation	59,399	63,203	61,766
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	10,367	11,029	10,723
Unsecured - Locally Assessed	-	-	-
Total Exemptions	10,367	11,029	10,723
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	45,999	49,275	48,460
Public Utilities - State Assessed	-	-	-
Net Secured	45,999	49,275	48,460
Unsecured - Locally Assessed	3,033	2,899	2,583
NET ASSESSED VALUATION FOR TAX RATE	$ 49,032	$ 52,174	$ 51,043
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 3,142	$ 2,011
Percentage Increase (Decrease) Over Base Year		6.41%	4.10%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	14	14	14
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	45,985	49,261	48,446
Public Utilities - State Assessed	-	-	-
Net Secured	45,985	49,261	48,446
Unsecured - Locally Assessed	3,033	2,899	2,583
NET ASSESSED VALUATION	$ 49,018	$ 52,160	$ 51,029

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
$ 58,730	$ 59,540	$ 65,343	$ 69,023	$ 77,392	$ 101,104	$ 106,774
-	-	-	-	-	-	-
58,730	59,540	65,343	69,023	77,392	101,104	106,774
2,447	3,053	5,809	4,950	10,019	10,329	3,779
61,177	62,593	71,152	73,973	87,411	111,433	110,553
11,972	11,778	10,997	11,440	21,149	23,021	43,610
-	1,114	309	1,542	4,847	5,455	-
11,972	12,892	11,306	12,982	25,996	28,476	43,610
46,758	47,762	54,346	57,583	56,243	78,083	63,164
-	-	-	-	-	-	-
46,758	47,762	54,346	57,583	56,243	78,083	63,164
2,447	1,939	5,500	3,408	5,172	4,874	3,779
$ 49,205	$ 49,701	$ 59,846	$ 60,991	$ 61,415	$ 82,957	$ 66,943
$ 173	$ 669	$ 10,814	$ 11,959	$ 12,383	$ 33,925	$ 17,911
0.35%	1.36%	22.05%	24.39%	25.25%	69.19%	36.53%
$ 14	$ 14	$ 14	$ 21	$ 21	$ 21	$ 21
-	-	-	-	-	-	-
14	14	14	21	21	21	21
46,744	47,748	54,332	57,562	56,222	78,062	63,143
-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143
2,447	1,939	5,500	3,408	5,172	4,874	3,779
$ 49,191	$ 49,687	$ 59,832	$ 60,970	$ 61,394	$ 82,936	$ 66,922

Continued on next page

COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1993-94)
(UNAUDITED)

	2003-04	2004-05	2005-06
GROSS			
Secured - Locally Assessed	$ 123,054	$ 127,995	$ 138,085
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	123,054	127,995	138,085
Unsecured - Locally Assessed	5,069	3,853	5,196
Total Gross Valuation	128,123	131,848	143,281
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	57,296	59,194	59,461
Unsecured - Locally Assessed	203	110	511
Total Exemptions	57,499	59,304	59,972
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	65,758	68,801	78,624
Public Utilities - State Assessed	-	-	-
Net Secured	65,758	68,801	78,624
Unsecured - Locally Assessed	4,866	3,743	4,685
NET ASSESSED VALUATION FOR TAX RATE	$ 70,624	$ 72,544	$ 83,309
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 21,592	$ 23,512	$ 34,277
Percentage Increase (Decrease) Over Base Year	44.04%	47.95%	69.91%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	14	14	14
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	65,744	68,787	78,610
Public Utilities - State Assessed	-	-	-
Net Secured	65,744	68,787	78,610
Unsecured - Locally Assessed	4,866	3,743	4,685
NET ASSESSED VALUATION	$ 70,610	$ 72,530	$ 83,295

2006-07	2007-08
$ 171,370	$ 183,039
-	-
171,370	183,039
7,526	9,633
178,896	192,672
60,173	37,185
2,939	2,698
63,112	39,883
111,197	145,854
-	-
111,197	145,854
4,587	6,935
$ 115,784	$ 152,789
$ 66,752	$ 103,757
136.14%	211.61%
$ 14	$ 14
-	-
14	14
111,183	145,840
-	-
111,183	145,840
4,587	6,935
$ 115,770	$ 152,775

COLLEGE GROVE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 17,135	$ 32,969	$ 27,115
Public Utilities - State Assessed	292	-	-
Total Secured Valuation	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,097	3,450
Total Gross Valuation	19,937	38,066	30,565
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	2	2
Total Exemptions	-	2	2
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	17,135	32,969	27,115
Public Utilities - State Assessed	292	-	-
Net Secured	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,095	3,448
NET ASSESSED VALUATION FOR TAX RATE	$ 19,937	$ 38,064	$ 30,563
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 18,127	$ 10,626
Percentage Increase (Decrease) Over Base Year		90.92%	53.30%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	17,135	32,969	27,115
Public Utilities - State Assessed	292	-	-
Net Secured	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,095	3,448
NET ASSESSED VALUATION	$ 19,937	$ 38,064	$ 30,563

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
$ 26,283	$ 26,507	$ 17,135	$ 26,846	$ 25,176	$ 53,271	$ 61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
$ 28,975	$ 29,665	$ 19,659	$ 29,551	$ 26,845	$ 56,122	$ 68,255
$ 9,038	$ 9,728		$ 9,892	$ 7,186	$ 36,463	$ 48,596
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376

COLLEGE GROVE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1986-87)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 62,738	$ 61,096	$ 82,062
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
Total Gross Valuation	71,243	67,293	90,587
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	62,738	61,096	82,062
Public Utilities - State Assessed	-	-	-
Net Secured	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
NET ASSESSED VALUATION FOR TAX RATE	$ 71,243	$ 67,293	$ 90,587
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 51,584	$ 47,634	$ 70,928
Percentage Increase (Decrease) Over Base Year	262.39%	242.30%	360.79%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	62,738	61,096	82,062
Public Utilities - State Assessed	-	-	-
Net Secured	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
NET ASSESSED VALUATION	$ 71,243	$ 67,293	$ 90,587

2005-06	2006-07	2007-08
$ 85,793	$ 86,772	$ 86,274
-	-	-
85,793	86,772	86,274
9,832	10,274	10,212
95,625	97,046	96,486
-	-	-
-	-	-
-	-	-
85,793	86,772	86,274
-	-	-
85,793	86,772	86,274
9,832	10,274	10,212
$ 95,625	$ 97,046	$ 96,486
$ 75,966	$ 77,387	$ 76,827
386.42%	393.65%	390.80%
$ -	$ -	$ -
-	-	-
-	-	-
85,793	86,772	86,274
-	-	-

CROSSROADS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2002-2003 TO 2007-08 (BASE YEAR 2007-2008)
(UNAUDITED)

	Base Year 2002-2003	2004-05	2005-06
GROSS			
Secured - Locally Assessed	$ 530,192	$ 638,610	$ 743,762
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	530,192	638,610	743,762
Unsecured - Locally Assessed	24,811	22,662	28,847
Total Gross Valuation	555,003	661,272	772,609
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	35,700	42,163	42,528
Unsecured - Locally Assessed	475	862	1,176
Total Exemptions	36,175	43,025	43,704
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	494,492	596,447	701,234
Public Utilities - State Assessed	-	-	-
Net Secured	494,492	596,447	701,234
Unsecured - Locally Assessed	24,336	21,800	27,671
NET ASSESSED VALUATION FOR TAX RATE	$ 518,828	$ 618,247	$ 728,905
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 99,419	$ 210,077
Percentage Increase (Decrease) Over Base Year		19.16%	40.49%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 4,278	$ 4,731
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	4,278	4,731
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	494,492	592,169	696,503
Public Utilities - State Assessed	-	-	-
Net Secured	494,492	592,169	696,503
Unsecured - Locally Assessed	24,336	21,800	27,671
NET ASSESSED VALUATION	$ 518,828	$ 613,969	$ 724,174

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2006-07	2007-08
$ 857,715	$ 934,057
-	-
857,715	934,057
25,739	27,132
883,454	961,189
49,389	48,452
973	1,166
50,362	49,618
808,326	885,605
-	-
808,326	885,605
24,766	25,966
$ 833,092	$ 911,571
$ 314,264	$ 392,743
60.57%	75.70%
$ 5,212	$ 5,782
-	-
5,212	5,782
803,114	879,823
-	-
803,114	879,823
24,766	25,966
$ 827,880	$ 905,789

GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
GROSS			
Secured - Locally Assessed	$ 3,306	$ 22,547	$ 3,301
Public Utilities - State Assessed	1,841	-	1,841
Total Secured Valuation	5,147	22,547	5,142
Unsecured - Locally Assessed	454	1,424	454
Total Gross Valuation	5,601	23,971	5,596
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	87	3,612	87
Unsecured - Locally Assessed	-	135	-
Total Exemptions	87	3,747	87
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	3,219	18,935	3,214
Public Utilities - State Assessed	1,841	-	1,841
Net Secured	5,060	18,935	5,055
Unsecured - Locally Assessed	454	1,289	454
NET ASSESSED VALUATION FOR TAX RATE	$ 5,514	$ 20,224	$ 5,509
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 14,710	
Percentage Increase (Decrease) Over Base Year		266.78%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 189	$ 63	$ 189
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	189	63	189
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	54	-	-
Unsecured - Locally Assessed	80	-	-
Total Business Inventory Exemptions	134	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	2,976	18,872	3,025
Public Utilities - State Assessed	1,841	-	1,841
Net Secured	4,817	18,872	4,866
Unsecured - Locally Assessed	374	1,289	454
NET ASSESSED VALUATION	$ 5,191	$ 20,161	$ 5,320

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 20,915	$ 22,079	$ 3,302	$ 22,008	$ 22,412	$ 22,100	$ 24,462
-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462
4,096	2,719	454	2,417	2,066	3,005	4,471
25,011	24,798	3,756	24,425	24,478	25,105	28,933
4,912	5,010	87	5,111	5,205	5,309	5,415
-	201	-	118	109	165	186
4,912	5,211	87	5,229	5,314	5,474	5,601
16,003	17,069	3,215	16,897	17,207	16,791	19,047
-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047
4,096	2,518	454	2,299	1,957	2,840	4,285
$ 20,099	$ 19,587	$ 3,669	$ 19,196	$ 19,164	$ 19,631	$ 23,332
$ 14,590	$ 14,078		$ 15,527	$ 15,495	$ 15,962	$ 19,663
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%
$ 63	$ 70	$ 189	$ 70	$ 70	$ 70	$ 56
-	-	-	-	-	-	-
63	70	189	70	70	70	56
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,991
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,991
4,096	2,518	454	2,299	1,957	2,840	4,285
$ 20,036	$ 19,517	$ 3,480	$ 19,126	$ 19,094	$ 19,561	$ 23,276

Continued on next page

GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 25,654	$ 27,585	$ 28,969
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	25,654	27,585	28,969
Unsecured - Locally Assessed	3,898	3,746	3,755
Total Gross Valuation	29,552	31,331	32,724
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	5,524	5,634	5,739
Unsecured - Locally Assessed	-	177	162
Total Exemptions	5,524	5,811	5,901
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	20,130	21,951	23,230
Public Utilities - State Assessed	-	-	-
Net Secured	20,130	21,951	23,230
Unsecured - Locally Assessed	3,898	3,569	3,593
NET ASSESSED VALUATION FOR TAX RATE	$ 24,028	$ 25,520	$ 26,823
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 20,359	$ 21,851	$ 23,154
Percentage Increase (Decrease) Over Base Year	554.89%	595.56%	631.07%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 56	$ 63	$ 35
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	56	63	35
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	20,074	21,888	23,195
Public Utilities - State Assessed	-	-	-
Net Secured	20,074	21,888	23,195
Unsecured - Locally Assessed	3,898	3,569	3,593
NET ASSESSED VALUATION	$ 23,972	$ 25,457	$ 26,788

2005-06	2006-07	2007-08
$ 29,987	$ 31,256	$ 34,527
-	-	-
29,987	31,256	34,527
4,413	3,941	5,052
34,400	35,197	39,579
5,854	5,971	6,091
175	160	137
6,029	6,131	6,228
24,133	25,285	28,436
-	-	-
24,133	25,285	28,436
4,238	3,781	4,915
$ 28,371	$ 29,066	$ 33,351
$ 24,702	$ 25,397	$ 29,682
673.26%	692.20%	808.99%
$ 42	$ 35	$ 28
-	-	-
42	35	28
-	-	-
-	-	-
-	-	-
24,091	25,250	28,408
-	-	-
24,091	25,250	28,408
4,238	3,781	4,915
$ 28,329	$ 29,031	$ 33,323

HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1972-73)
(UNAUDITED)

	Base Year 1972-73	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 15,718	$ 410,939	$ 354,750
Public Utilities - State Assessed	1,374	-	-
Total Secured Valuation	17,092	410,939	354,750
Unsecured - Locally Assessed	2,202	27,953	23,628
Total Gross Valuation	19,294	438,892	378,378
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	522	-	-
Unsecured - Locally Assessed	-	608	660
Total Exemptions	522	608	660
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	15,196	410,939	354,750
Public Utilities - State Assessed	1,374	-	-
Net Secured	16,570	410,939	354,750
Unsecured - Locally Assessed	2,202	27,345	22,968
NET ASSESSED VALUATION FOR TAX RATE	$ 18,772	$ 438,284	$ 377,718
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 419,512	$ 358,946
Percentage Increase (Decrease) Over Base Year		2234.78%	1912.14%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 609	$ 595
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	609	595
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	307	-	-
Total Business Inventory Exemptions	307	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	15,196	410,330	354,155
Public Utilities - State Assessed	1,374	-	-
Net Secured	16,570	410,330	354,155
Unsecured - Locally Assessed	1,895	27,345	22,968
NET ASSESSED VALUATION	$ 18,465	$ 437,675	$ 377,123

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
$ 346,766	$ 364,213	$ 15,718	$ 373,433	$ 455,518	$ 473,520	$ 500,728
-	-	3	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728
25,055	26,626	2,203	28,495	43,981	46,557	44,642
371,821	390,839	17,924	401,928	499,499	520,077	545,370
-	-	522	-	-	-	-
557	922	-	528	7,384	7,597	7,848
557	922	522	528	7,384	7,597	7,848
346,766	364,213	15,196	373,433	455,518	473,520	500,728
-	-	3	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728
24,498	25,704	2,203	27,967	36,597	38,960	36,794
$ 371,264	$ 389,917	$ 17,402	$ 401,400	$ 492,115	$ 512,480	$ 537,522
$ 352,492	$ 371,145		$ 383,998	$ 474,713	$ 495,078	$ 520,120
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%
$ 630	$ 679	$ -	$ 728	$ 735	$ 755	$ 748
-	-	-	-	-	-	-
630	679	-	728	735	755	748
-	-	-	-	-	-	-
-	-	307	-	-	-	-
-	-	307	-	-	-	-
346,136	363,534	15,196	372,705	454,783	472,765	499,980
-	-	3	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,765	499,980
24,498	25,704	1,896	27,967	36,597	38,960	36,794
$ 370,634	$ 389,238	$ 17,095	$ 400,672	$ 491,380	$ 511,725	$ 536,774

Continued on next page

HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 522,112	$ 521,454	$ 547,082
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	522,112	521,454	547,082
Unsecured - Locally Assessed	59,284	56,366	55,272
Total Gross Valuation	581,396	577,820	602,354
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	7,279	7,672	7,823
Total Exemptions	7,279	7,672	7,823
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	522,112	521,454	547,082
Public Utilities - State Assessed	-	-	-
Net Secured	522,112	521,454	547,082
Unsecured - Locally Assessed	52,005	48,694	47,449
NET ASSESSED VALUATION FOR TAX RATE	$ 574,117	$ 570,148	$ 594,531
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 556,715	$ 552,746	$ 577,129
Percentage Increase (Decrease) Over Base Year	3199.14%	3176.34%	3316.45%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 714	$ 725	$ 734
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	714	725	734
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	521,398	520,729	546,348
Public Utilities - State Assessed	-	-	-
Net Secured	521,398	520,729	546,348
Unsecured - Locally Assessed	52,005	48,694	47,449
NET ASSESSED VALUATION	$ 573,403	$ 569,423	$ 593,797

2005-06	2006-07	2007-08
$ 697,888	$ 781,280	$ 796,901
-	-	-
697,888	781,280	796,901
55,487	59,958	60,885
753,375	841,238	857,786
-	-	-
8,057	8,731	8,840
8,057	8,731	8,840
697,888	781,280	796,901
-	-	-
697,888	781,280	796,901
47,430	51,227	52,045
$ 745,318	$ 832,507	$ 848,946
$ 727,916	$ 815,105	$ 831,544
4182.94%	4683.97%	4778.44%
$ 756	$ 763	$ 734
-	-	-
756	763	734
-	-	-
-	-	-
-	-	-
697,132	780,517	796,167
-	-	-
697,132	780,517	796,167
47,430	51,227	52,045
$ 744,562	$ 831,744	$ 848,212

LINDA VISTA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1972-73)
(UNAUDITED)

	Base Year 1972-73	Revised Base Year 1972-73	1995-96
GROSS			
Secured - Locally Assessed	$ 1,611	$ 1,600	$ 7,123
Public Utilities - State Assessed	128	128	-
Total Secured Valuation	1,739	1,728	7,123
Unsecured - Locally Assessed	660	660	1,582
Total Gross Valuation	2,399	2,388	8,705
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	7	7	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	7	7	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,604	1,593	7,123
Public Utilities - State Assessed	128	128	-
Net Secured	1,732	1,721	7,123
Unsecured - Locally Assessed	660	660	1,582
NET ASSESSED VALUATION FOR TAX RATE	$ 2,392	$ 2,381	$ 8,705
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			$ 6,324
Percentage Increase (Decrease) Over Base Year			265.60%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	153	153	-
Total Business Inventory Exemptions	153	153	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,604	1,593	7,123
Public Utilities - State Assessed	128	128	-
Net Secured	1,732	1,721	7,123
Unsecured - Locally Assessed	507	507	1,582
NET ASSESSED VALUATION	$ 2,239	$ 2,228	$ 8,705

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
$ 7,242	$ 7,373	$ 1,600	$ 7,505	$ 8,123	$ 8,807	$ 9,163
-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
9,068	8,834	2,260	8,824	10,049	11,192	11,596
-	-	7	-	-	-	-
-	-	-	-	-	-	-
-	-	7	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
$ 9,068	$ 8,834	$ 2,253	$ 8,824	$ 10,049	$ 11,192	$ 11,596
$ 6,687	$ 6,453		$ 6,571	$ 7,796	$ 8,939	$ 9,343
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	153	-	-	-	-
-	-	153	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	507	1,319	1,926	2,385	2,433
$ 9,068	$ 8,834	$ 2,100	$ 8,824	$ 10,049	$ 11,192	$ 11,596

Continued on next page

LINDA VISTA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2007-08 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 9,333	$ 8,236	$ 8,456
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
Total Gross Valuation	11,988	10,875	10,593
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	9,333	8,236	8,456
Public Utilities - State Assessed	-	-	-
Net Secured	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
NET ASSESSED VALUATION FOR TAX RATE	$ 11,988	$ 10,875	$ 10,593
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 9,735	$ 8,622	$ 8,340
Percentage Increase (Decrease) Over Base Year	432.09%	382.69%	370.17%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	9,333	8,236	8,456
Public Utilities - State Assessed	-	-	-
Net Secured	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
NET ASSESSED VALUATION	$ 11,988	$ 10,875	$ 10,593

2005-06	2006-07	2007-08
$ 8,779	$ 9,006	$ 9,398
-	-	-
8,779	9,006	9,398
2,044	1,939	1,864
10,823	10,945	11,262
-	-	-
-	-	-
-	-	-
8,779	9,006	9,398
-	-	-
8,779	9,006	9,398
2,044	1,939	1,864
$ 10,823	$ 10,945	$ 11,262
$ 8,570	$ 8,692	$ 9,009
380.38%	385.80%	399.87%
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
8,779	9,006	9,398
-	-	-
8,779	9,006	9,398
2,044	1,939	1,864
$ 10,823	$ 10,945	$ 11,262

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 18,484	$ 72,446	$ 69,736
Public Utilities - State Assessed	716	-	-
Total Secured Valuation	19,200	72,446	69,736
Unsecured - Locally Assessed	24	6,742	9,994
Total Gross Valuation	19,224	79,188	79,730
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	443	1,124	1,153
Unsecured - Locally Assessed	-	3	3
Total Exemptions	443	1,127	1,156
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	18,041	71,322	68,583
Public Utilities - State Assessed	716	-	-
Net Secured	18,757	71,322	68,583
Unsecured - Locally Assessed	24	6,739	9,991
NET ASSESSED VALUATION FOR TAX RATE	$ 18,781	$ 78,061	$ 78,574
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 59,280	$ 59,793
Percentage Increase (Decrease) Over Base Year		315.64%	318.37%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,414	$ 1,356	$ 1,399
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,414	1,356	1,399
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	16,627	69,966	67,184
Public Utilities - State Assessed	716	-	-
Net Secured	17,343	69,966	67,184
Unsecured - Locally Assessed	24	6,739	9,991
NET ASSESSED VALUATION	$ 17,367	$ 76,705	$ 77,175

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
$ 70,232	$ 72,740	$ 18,484	$ 75,324	$ 77,535	$ 90,378	$ 96,022
-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022
10,271	12,224	24	18,209	18,325	15,642	16,268
80,503	84,964	18,508	93,533	95,860	106,020	112,290
1,248	1,364	443	1,306	1,271	1,186	905
9	25	-	9	-	7	-
1,257	1,389	443	1,315	1,271	1,193	905
68,984	71,376	18,041	74,018	76,264	89,192	95,117
-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117
10,262	12,199	24	18,200	18,325	15,635	16,268
$ 79,246	$ 83,575	$ 18,065	$ 92,218	$ 94,589	$ 104,827	$ 111,385
$ 60,465	$ 64,794		$ 74,153	$ 76,524	$ 86,762	$ 93,320
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%
$ 1,442	$ 1,519	$ 1,414	$ 1,532	$ 1,518	$ 1,518	$ 1,526
-	-	-	-	-	-	-
1,442	1,519	1,414	1,532	1,518	1,518	1,526
67,542	69,857	16,627	72,486	74,746	87,674	93,591
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,591
10,262	12,199	24	18,200	18,325	15,635	16,268
$ 77,804	$ 82,056	$ 16,651	$ 90,686	$ 93,071	$ 103,309	$ 109,859

Continued on next page

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 100,959	$ 108,817	$ 120,601
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	100,959	108,817	120,601
Unsecured - Locally Assessed	20,592	18,539	18,263
Total Gross Valuation	121,551	127,356	138,864
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	905	9,748	12,392
Unsecured - Locally Assessed	-	7	1,800
Total Exemptions	905	9,755	14,192
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	100,054	99,069	108,209
Public Utilities - State Assessed	-	-	-
Net Secured	100,054	99,069	108,209
Unsecured - Locally Assessed	20,592	18,532	16,463
NET ASSESSED VALUATION FOR TAX RATE	$ 120,646	$ 117,601	$ 124,672
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 102,581	$ 99,536	$ 106,607
Percentage Increase (Decrease) Over Base Year	567.84%	550.99%	590.13%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,557	$ 1,589	$ 1,651
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,557	1,589	1,651
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	98,497	97,480	106,558
Public Utilities - State Assessed	-	-	-
Net Secured	98,497	97,480	106,558
Unsecured - Locally Assessed	20,592	18,532	16,463
NET ASSESSED VALUATION	$ 119,089	$ 116,012	$ 123,021

2005-06	2006-07	2007-08
$ 130,153	$ 143,370	$ 159,305
-	-	-
130,153	143,370	159,305
23,294	24,099	24,322
153,447	167,469	183,627
12,689	12,941	14,341
1,662	1,107	1,402
14,351	14,048	15,743
117,464	130,429	144,964
-	-	-
117,464	130,429	144,964
21,632	22,992	22,920
$ 139,096	$ 153,421	$ 167,884
$ 121,031	$ 135,356	$ 149,819
669.98%	749.27%	829.33%
$ 1,630	$ 1,694	$ 1,610
-	-	-
1,630	1,694	1,610
115,834	128,735	143,354
-	-	-
115,834	128,735	143,354
21,632	22,992	22,920
$ 137,466	$ 151,727	$ 166,274

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2007-08 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ -	$ -	$ -
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	-	-	-
Unsecured - Locally Assessed	-	44	68
Total Gross Valuation	-	44	68
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	12
Total Exemptions	-	-	12
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	-	-	-
Public Utilities - State Assessed	-	-	-
Net Secured	-	-	-
Unsecured - Locally Assessed	-	44	56
NET ASSESSED VALUATION FOR TAX RATE	$ -	$ 44	$ 56
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 44	$ 56
Percentage Increase (Decrease) Over Base Year		N/A	N/A
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Public Utilities - State Assessed	-	-	-
Net Secured	-	-	-
Unsecured - Locally Assessed	-	44	56
NET ASSESSED VALUATION	$ -	$ 44	$ 56

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
$ -	$ 11,090	$ 100,366	$ 209,737	$ 352,054	$ 391,692	$ 430,423
-	-	-	-	-	-	-
-	11,090	100,366	209,737	352,054	391,692	430,423
-	8	481	541	2,226	6,794	44,697
-	11,098	100,847	210,278	354,280	398,486	475,120
-	-	-	13,385	16,504	7,051	51,190
-	-	-	-	1,715	3,158	38,735
-	-	-	13,385	18,219	10,209	89,925
-	11,090	100,366	196,352	335,550	384,641	379,233
-	-	-	-	-	-	-
-	11,090	100,366	196,352	335,550	384,641	379,233
-	8	481	541	511	3,636	5,962
$ -	$ 11,098	$ 100,847	$ 196,893	$ 336,061	$ 388,277	$ 385,195
$ -	$ 11,098	$ 100,847	$ 196,893	$ 336,061	$ 388,277	$ 385,195
N/A	N/A	N/A	N/A	N/A	N/A	N/A
$ -	$ -	$ -	$ 399	$ 1,301	$ 1,648	$ 1,631
-	-	-	-	-	-	-
-	-	-	399	1,301	1,648	1,631
-	11,090	100,366	195,953	334,249	382,993	377,602
-	-	-	-	-	-	-
-	11,090	100,366	195,953	334,249	382,993	377,602
-	8	481	541	511	3,636	5,962
$ -	$ 11,098	$ 100,847	$ 196,494	$ 334,760	$ 386,629	$ 383,564

NORTH BAY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2007-08 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 665,470	$ 737,249	$ 784,329
Public Utilities - State Assessed	4,917	8,101	8,274
Total Secured Valuation	670,387	745,350	792,603
Unsecured - Locally Assessed	76,363	98,094	89,629
Total Gross Valuation	746,750	843,444	882,232
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	63,278	61,649	62,940
Unsecured - Locally Assessed	-	-	7,945
Total Exemptions	63,278	61,649	70,885
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	602,192	675,600	721,389
Public Utilities - State Assessed	4,917	8,101	8,274
Net Secured	607,109	683,701	729,663
Unsecured - Locally Assessed	76,363	98,094	81,684
NET ASSESSED VALUATION FOR TAX RATE	$ 683,472	$ 781,795	$ 811,347
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 98,323	$ 127,875
Percentage Increase (Decrease) Over Base Year		14.39%	18.71%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 2,153	$ 2,222
Unsecured - Locally Assessed	-	-	35
Total Homeowners' Exemptions	-	2,153	2,257
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	602,192	673,447	719,167
Public Utilities - State Assessed	4,917	8,101	8,274
Net Secured	607,109	681,548	727,441
Unsecured - Locally Assessed	76,363	98,094	81,649
NET ASSESSED VALUATION	$ 683,472	$ 779,642	$ 809,090

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	Revised Base Year 1999-2000	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
$ 828,519	$ 671,088	$ 879,653	$ 907,188	$ 969,695	$ 1,049,980	$ 1,210,657	$ 1,402,190
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
836,959	676,005	887,256	913,758	975,948	1,056,355	1,216,628	1,402,190
84,023	76,363	92,229	103,680	102,426	104,798	117,423	112,534
920,982	752,368	979,485	1,017,438	1,078,374	1,161,153	1,334,051	1,514,724
60,979	63,278	72,720	36,897	43,514	45,075	49,204	53,369
6,530	-	3,177	5,769	5,825	8,003	11,658	7,180
67,509	63,278	75,897	42,666	49,339	53,078	60,862	60,549
767,540	607,810	806,933	870,291	926,181	1,004,905	1,161,453	1,348,821
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
775,980	612,727	814,536	876,861	932,434	1,011,280	1,167,424	1,348,821
77,493	76,363	89,052	97,911	96,601	96,795	105,765	105,354
$ 853,473	$ 689,090	$ 903,588	$ 974,772	$ 1,029,035	$ 1,108,075	$ 1,273,189	$ 1,454,175
$ 170,001		$ 214,498	$ 285,682	$ 339,945	$ 418,985	$ 584,099	$ 765,085
24.87%		31.13%	41.46%	49.33%	60.80%	84.76%	111.03%
$ 2,271	$ -	$ 2,286	$ 2,300	$ 2,237	$ 2,328	$ 2,359	$ 2,649
49	-	42	56	41	7	7	37
2,320	-	2,328	2,356	2,278	2,335	2,366	2,686
765,269	607,810	804,647	867,991	923,944	1,002,577	1,159,094	1,346,172
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
773,709	612,727	812,250	874,561	930,197	1,008,952	1,165,065	1,346,172
77,444	76,363	89,010	97,855	96,560	96,788	105,758	105,317
$ 851,153	$ 689,090	$ 901,260	$ 972,416	$ 1,026,757	$ 1,105,740	$ 1,270,823	$ 1,451,489

NORTH PARK REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2007-08 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 421,648	$ 453,872	$ 486,289
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	421,648	453,872	486,289
Unsecured - Locally Assessed	10,814	15,822	16,214
Total Gross Valuation	432,462	469,694	502,503
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	8,911	8,912	9,775
Unsecured - Locally Assessed	-	-	305
Total Exemptions	8,911	8,912	10,080
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	412,737	444,960	476,514
Public Utilities - State Assessed	-	-	-
Net Secured	412,737	444,960	476,514
Unsecured - Locally Assessed	10,814	15,822	15,909
NET ASSESSED VALUATION FOR TAX RATE	$ 423,551	$ 460,782	$ 492,423
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 37,231	$ 68,872
Percentage Increase (Decrease) Over Base Year		8.79%	16.26%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 5,228	$ 5,410
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	5,228	5,410
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	412,737	439,732	471,104
Public Utilities - State Assessed	-	-	-
Net Secured	412,737	439,732	471,104
Unsecured - Locally Assessed	10,814	15,822	15,909
NET ASSESSED VALUATION	$ 423,551	$ 455,554	$ 487,013

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
$ 528,168	$ 571,211	$ 628,854	$ 707,419	$ 828,989	$ 953,399	$ 1,129,916
-	-	-	-	-	-	-
528,168	571,211	628,854	707,419	828,989	953,399	1,129,916
15,355	15,780	20,267	17,587	16,948	17,946	18,771
543,523	586,991	649,121	725,006	845,937	971,345	1,148,687
9,691	10,735	11,675	12,536	13,282	14,545	15,105
446	115	675	701	656	657	1,611
10,137	10,850	12,350	13,237	13,938	15,202	16,716
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811
-	-	-	-	-	-	-
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811
14,909	15,665	19,592	16,886	16,292	17,289	17,160
$ 533,386	$ 576,141	$ 636,771	$ 711,769	$ 831,999	$ 956,143	$ 1,131,971
$ 109,835	$ 152,590	$ 213,220	$ 288,218	$ 408,448	$ 532,592	$ 708,420
25.93%	36.03%	50.34%	68.05%	96.43%	125.74%	167.26%
$ 5,624	$ 5,676	$ 5,741	$ 6,042	$ 6,815	$ 7,132	$ 7,687
-	-	-	-	-	-	-
5,624	5,676	5,741	6,042	6,815	7,132	7,687
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124
-	-	-	-	-	-	-
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124
14,909	15,665	19,592	16,886	16,292	17,289	17,160
$ 527,762	$ 570,465	$ 631,030	$ 705,727	$ 825,184	$ 949,011	$ 1,124,284

SAN YSIDRO REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1997-98 TO 2007-08 (BASE YEAR 1996-97)
(UNAUDITED)

	Base Year 1996-97	1997-98	1998-99	1999-2000
GROSS				
Secured - Locally Assessed	$ 214,166	$ 214,360	$ 219,810	$ 228,338
Public Utilities - State Assessed	-	-	-	-
Total Secured Valuation	214,166	214,360	219,810	228,338
Unsecured - Locally Assessed	10,431	4,670	10,739	10,870
Total Gross Valuation	224,597	219,030	230,549	239,208
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)				
Secured - Locally Assessed	23,960	26,042	26,857	27,554
Unsecured - Locally Assessed	-	-	23	58
Total Exemptions	23,960	26,042	26,880	27,612
NET ASSESSED VALUATIONS FOR TAX RATE				
Secured - Locally Assessed	190,206	188,318	192,953	200,784
Public Utilities - State Assessed	-	-	-	-
Net Secured	190,206	188,318	192,953	200,784
Unsecured - Locally Assessed	10,431	4,670	10,716	10,812
NET ASSESSED VALUATION FOR TAX RATE	$ 200,637	$ 192,988	$ 203,669	$ 211,596
INCREMENT				
Net Assessed Valuation Increase (Decrease) Over Base Year		$ (7,649)	$ 3,032	$ 10,959
Percentage Increase (Decrease) Over Base Year		-3.81%	1.51%	5.46%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS				
Secured - Locally Assessed	$ 1,250	$ 1,287	$ 1,281	$ 1,260
Unsecured - Locally Assessed	-	-	-	-
Total Homeowners' Exemptions	1,250	1,287	1,281	1,260
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS				
Secured - Locally Assessed	188,956	187,031	191,672	199,524
Public Utilities - State Assessed	-	-	-	-
Net Secured	188,956	187,031	191,672	199,524
Unsecured - Locally Assessed	10,431	4,670	10,716	10,812
NET ASSESSED VALUATION	$ 199,387	$ 191,701	$ 202,388	$ 210,336

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
$ 244,704	$ 295,357	$ 356,615	$ 378,030	$ 407,588	$ 490,915	$ 580,274	$ 607,957
-	-	-	-	-	-	-	-
244,704	295,357	356,615	378,030	407,588	490,915	580,274	607,957
11,982	14,042	19,867	25,139	26,329	25,219	32,992	35,640
256,686	309,399	376,482	403,169	433,917	516,134	613,266	643,597
29,730	13,127	54,484	55,014	56,517	58,099	59,214	60,704
72	137	-	1,814	1,439	686	1,626	1,553
29,802	13,264	54,484	56,828	57,956	58,785	60,840	62,257
214,974	282,230	302,131	323,016	351,071	432,816	521,060	547,253
-	-	-	-	-	-	-	-
214,974	282,230	302,131	323,016	351,071	432,816	521,060	547,253
11,910	13,905	19,867	23,325	24,890	24,533	31,366	34,087
$ 226,884	$ 296,135	$ 321,998	$ 346,341	$ 375,961	$ 457,349	$ 552,426	$ 581,340
$ 26,247	$ 95,498	$ 121,361	$ 145,704	$ 175,324	$ 256,712	$ 351,789	$ 380,703
13.08%	47.60%	60.49%	72.62%	87.38%	127.95%	175.34%	189.75%
$ 1,224	$ 1,551	$ 1,540	$ 1,603	$ 1,809	$ 1,866	$ 1,869	$ 1,889
-	-	-	-	-	-	-	-
1,224	1,551	1,540	1,603	1,809	1,866	1,869	1,889
213,750	280,679	300,591	321,413	349,262	430,950	519,191	545,364
-	-	-	-	-	-	-	-
213,750	280,679	300,591	321,413	349,262	430,950	519,191	545,364
11,910	13,905	19,867	23,325	24,890	24,533	31,366	34,087
$ 225,660	$ 294,584	$ 320,458	$ 344,738	$ 374,152	$ 455,483	$ 550,557	$ 579,451

SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 46,450	$ 73,398	$ 77,638
Public Utilities - State Assessed	2,402	-	-
Total Secured Valuation	48,852	73,398	77,638
Unsecured - Locally Assessed	856	2,170	2,360
Total Gross Valuation	49,708	75,568	79,998
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,501	5,607	4,609
Unsecured - Locally Assessed	-	10	-
Total Exemptions	2,501	5,617	4,609
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	43,949	67,791	73,029
Public Utilities - State Assessed	2,402	-	-
Net Secured	46,351	67,791	73,029
Unsecured - Locally Assessed	856	2,160	2,360
NET ASSESSED VALUATION FOR TAX RATE	$ 47,207	$ 69,951	$ 75,389
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		$ 22,744	$ 28,182
Percentage Increase (Decrease) Over Base Year		48.18%	59.70%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,080	$ 3,114	$ 3,059
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	3,080	3,114	3,059
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	40,869	64,677	69,970
Public Utilities - State Assessed	2,402	-	-
Net Secured	43,271	64,677	69,970
Unsecured - Locally Assessed	856	2,160	2,360
NET ASSESSED VALUATION	$ 44,127	$ 66,837	$ 72,330

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
$ 83,305	$ 87,161	$ 46,450	$ 91,217	$ 96,970	$ 102,246	$ 110,325
-	-	343	-	-	-	-
83,305	87,161	46,793	91,217	96,970	102,246	110,325
2,418	1,019	856	5,647	5,208	5,647	4,190
85,723	88,180	47,649	96,864	102,178	107,893	114,515
4,705	3,503	2,501	3,670	4,002	4,519	6,550
-	-	-	-	18	-	91
4,705	3,503	2,501	3,670	4,020	4,519	6,641
78,600	83,658	43,949	87,547	92,968	97,727	103,775
-	-	343	-	-	-	-
78,600	83,658	44,292	87,547	92,968	97,727	103,775
2,418	1,019	856	5,647	5,190	5,647	4,099
$ 81,018	$ 84,677	$ 45,148	$ 93,194	$ 98,158	$ 103,374	$ 107,874
$ 33,811	$ 37,470		$ 48,046	$ 53,010	$ 58,226	$ 62,726
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%
$ 3,094	$ 3,234	$ 3,080	$ 3,289	$ 3,401	$ 3,410	$ 3,559
-	-	-	-	-	-	-
3,094	3,234	3,080	3,289	3,401	3,410	3,559
75,506	80,424	40,869	84,258	89,567	94,317	100,216
-	-	343	-	-	-	-
75,506	80,424	41,212	84,258	89,567	94,317	100,216
2,418	1,019	856	5,647	5,190	5,647	4,099
$ 77,924	$ 81,443	$ 42,068	$ 89,905	$ 94,757	$ 99,964	$ 104,315

Continued on next page

SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2007-08 (BASE YEAR 1986-87)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 120,858	$ 132,013	$ 158,002
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	120,858	132,013	158,002
Unsecured - Locally Assessed	4,649	4,557	3,753
Total Gross Valuation	125,507	136,570	161,755
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	6,569	8,772	7,738
Unsecured - Locally Assessed	-	19	139
Total Exemptions	6,569	8,791	7,877
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	114,289	123,241	150,264
Public Utilities - State Assessed	-	-	-
Net Secured	114,289	123,241	150,264
Unsecured - Locally Assessed	4,649	4,538	3,614
NET ASSESSED VALUATION FOR TAX RATE	$ 118,938	$ 127,779	$ 153,878
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	$ 73,790	$ 82,631	$ 108,730
Percentage Increase (Decrease) Over Base Year	163.44%	183.02%	240.83%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,581	$ 3,573	$ 3,602
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	3,581	3,573	3,602
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	110,708	119,668	146,662
Public Utilities - State Assessed	-	-	-
Net Secured	110,708	119,668	146,662
Unsecured - Locally Assessed	4,649	4,538	3,614
NET ASSESSED VALUATION	$ 115,357	$ 124,206	$ 150,276

2005-06	2006-07	2007-08
$ 205,179	$ 246,256	$ 292,325
-	-	-
205,179	246,256	292,325
4,158	2,888	12,415
209,337	249,144	304,740
14,993	15,827	17,034
73	34	73
15,066	15,861	17,107
190,186	230,429	275,291
-	-	-
190,186	230,429	275,291
4,085	2,854	12,342
$ 194,271	$ 233,283	$ 287,633
$ 149,123	$ 188,135	$ 242,485
330.30%	416.71%	537.09%
$ 4,102	$ 4,186	$ 4,354
-	-	-
4,102	4,186	4,354
186,084	226,243	270,937
-	-	-
186,084	226,243	270,937
4,085	2,854	12,342
$ 190,169	$ 229,097	$ 283,279