

# Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT or issued under a single indenture:**

Issuer's Name (please include name of state where Issuer is located):

THE CITY OF SAN DIEGO, CALIFORNIA (OBLIGOR, PURSUANT TO CERTIFICATES OF PARTICIPATION);

City of San Diego 2003 Certificates of Participation (1993 Balboa Park/Mission Bay Park Refunding): CUSIP 797260

City of San Diego, California Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Series 1996A: CUSIP 797260

City of San Diego, California Refunding Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program, Series 1991) Series 1996B: CUSIP 797260

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO (STATE: CALIFORNIA);

Public Facilities Financing Authority of the City of San Diego Refunding Revenue Bonds (Reassessment District No. 1999 1) Series 1999-A Senior Lien Bonds & 1999-B Subordinate Lien Bonds: CUSIP 79729P

Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series 2007A (Ballpark Refunding): CUSIP 797299

CONVENTION CENTER EXPANSION FINANCING AUTHORITY (STATE: CALIFORNIA)

Convention Center Expansion Financing Authority Lease Revenue Bonds Series 1998A (City of San Diego, California, as Lessee): CUSIP 79727L

CITY OF SAN DIEGO/MTDB AUTHORITY (STATE: CALIFORNIA);

City of San Diego/MTDB Authority 2003 Lease Revenue Refunding Bonds (San Diego Old Town Light Rail Transit Extension Refunding): CUSIP 797448

Other Obligated Person's Name (if any): \_\_\_\_\_  
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s), if available, of Issuer: See above section for all CUSIP numbers.

\*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

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## TYPE OF FILING:

Electronic   4   pages

Paper (no. of pages attached) \_\_\_\_\_

If information is also available on the Internet, give URL: <http://www.sandiego.gov/investorinformation>

WHAT type of information are you providing? (Check all that apply)

A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12  
(Financial information and operating data should not be filed with the MSRB.)

**Fiscal Period Covered:**

**B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12 Fiscal Period Covered:**

**C. Notice of a Material Event pursuant to Rule 15c2-12** (Check as appropriate)

- 1. Principal and interest payment delinquencies \_\_\_\_\_
- 2. Non-payment related defaults \_\_\_\_\_
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties \_\_\_\_\_
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties \_\_\_\_\_
- 5. Substitution of credit or liquidity providers, or their failure to perform \_\_\_\_\_
- 6. Adverse tax opinions or events affecting the tax-exempt status of the security \_\_\_\_\_
- 7. Modifications to the rights of security holders \_\_\_\_\_
- 8. Bond calls \_\_\_\_\_
- 9. Defeasances \_\_\_\_\_
- 10. Release, substitution, or sale of property securing repayment of the securities \_\_\_\_\_
- 11. Rating changes   X

**D. Notice of Failure to Provide Annual Financial Information as Required**

**E. Other Secondary Market Information** (Specify): \_\_\_\_\_

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

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Name \_\_\_\_\_ Title \_\_\_\_\_  
Employer \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

As of August 13, 2009

Issuance	Insurer	Standard & Poor's			Moody's			Fitch		
		Initial Insurer Rating	Current Insurer Rating	Current Underlying Rating	Initial Insurer Rating	Current Insurer Rating	Current Underlying Rating	Initial Insurer Rating	Current Insurer Rating	Current Underlying Rating
City of San Diego, California Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Series 1996A <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	-
City of San Diego, California Refunding Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program, Series 1991) Series 1996B <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	-
Convention Center Expansion Financing Authority Lease Revenue Bonds Series 1998A (City of San Diego, California, as Lessee) <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	A
Public Facilities Financing Authority of the City of San Diego Refunding Revenue Bonds (Reassessment District No. 1999-1) Series 1999-A Senior Lien Bonds and 1999-B Subordinate Lien Bonds <sup>1,2</sup>	Ambac	AAA	CC	-	Aaa	<b>Caa2</b>	-	AAA	Withdrawn	-
City of San Diego/MTDB Authority 2003 Lease Revenue Refunding Bonds (San Diego Old Town Light Rail Transit Extension Refunding) <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	A
City of San Diego 2003 Certificates of Participation (1993 Balboa Park/Mission Bay Park Refunding) <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	A
Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007 (Ballpark Refunding) <sup>1</sup>	Ambac	AAA	CC	A-	Aaa	<b>Caa2</b>	Baa1	AAA	Withdrawn	A

<sup>1</sup>Surety bond for debt service reserve fund provided by Ambac

<sup>2</sup>Ambac insurance and surety bond applicable to Series 1999-A Senior Lien Bonds only

**Dated August 13, 2009**

NOTICE IS HEREBY GIVEN that on July 29, 2009, Moody's Investors Service (Moody's) announced that it had lowered its financial strength ratings on Ambac Assurance Corporation (Ambac) to "Caa2" from "Ba3", with a developing outlook.

For each of the bond issuances insured by Ambac identified on the cover, the attached table sets forth the initial insured ratings from the three rating agencies, the current insured ratings, and the current underlying ratings. The table also indicates the issuances with debt service reserve requirements satisfied in whole or in part by an Ambac surety bond.

The ratings reflect the view of the rating agency and any desired explanation of the significance of a rating should be obtained from the rating agency. Such ratings are not a recommendation to buy, sell or hold any City indebtedness. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period or that such ratings will not be revised downward or withdrawn entirely provided, if in the view of such rating agency, circumstances warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the City's obligation identified on the cover page hereof.

DATED: 8/13, 2009

CITY OF SAN DIEGO

By: Mary Lewis

Mary Lewis

Chief Financial Officer

Distribution: Municipal Securities Rulemaking Board  
Wells Fargo Bank, National Association  
BNY Mellon Trust Company, National Association  
U.S. Bank, Corporate Trust Services

**Rating Action: Moody's downgrades Ambac to Caa2; outlook is developing**

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**Global Credit Research - 29 Jul 2009**

New York, July 29, 2009 -- Moody's Investors Service has downgraded to Caa2 from Ba3 the insurance financial strength ratings of Ambac Assurance Corporation ("Ambac") and Ambac Assurance UK Limited. In the same rating action, Moody's also downgraded the credit ratings of Ambac Financial Group, Inc. (Ambac Financial), lowering the rating of the senior unsecured debt to Ca from Caa1. The ratings outlook for Ambac is developing, and is negative for Ambac Financial.

Today's rating action may have implications for certain transactions wrapped by Ambac as discussed later in this press release.

**RATIONALE FOR RATINGS AND OUTLOOKS**

Today's rating action was prompted by Ambac's recently announced large loss reserve increase and credit impairment charge estimated for 2Q2009. These losses would reduce Ambac's regulatory capital to levels below the required minimum threshold, though the company has petitioned the Wisconsin insurance regulator to approve a reclassification of statutory contingency reserves to offset the capital depletion. With the risk of regulatory intervention now elevated, Moody's believes there will be increased pressure on Ambac's counterparties to commute outstanding exposures on terms that could imply a distressed exchange.

For Ambac Financial, the greater regulatory risk further reduces the likelihood in Moody's view that the holding company will be able to access operating company resources over a reasonable timeframe to satisfy its obligations. This raises the risk of distressed exchanges of outstanding debt with moderate-to-high estimated severity due to the holding company's modest cash position and limited financial flexibility.

The developing outlook for Ambac reflects the possibility of either positive or negative movement on Ambac's insurance financial strength ratings, depending on the performance of the insured portfolio and including any negotiated policy terminations over the next one to two years.

The negative outlook for Ambac Financial reflects Moody's view that severity of loss on senior debt could be quite high, particularly if the company's performance deteriorates further.

**TREATMENT OF WRAPPED TRANSACTIONS**

Moody's ratings on securities that are guaranteed or "wrapped" by a financial guarantor are generally maintained at a level equal to the higher of the following: a) the rating of the guarantor (if rated at the investment grade level); or b) the published underlying rating (and for structured securities, the published or unpublished underlying rating). Moody's approach to rating wrapped transactions is outlined in Moody's special comment entitled "Assignment of Wrapped Ratings When Financial Guarantor Falls Below Investment Grade" (May, 2008); and Moody's November 10, 2008 announcement entitled "Moody's Modifies Approach to Rating Structured Finance Securities Wrapped by Financial Guarantors".

In light of today's downgrade of Ambac, Moody's will position the ratings of wrapped transactions or withdraw such ratings according to these criteria. For wrapped transactions whose ratings are withdrawn based on these criteria, if the rating of Ambac should subsequently move back into the investment grade range, or if the agency should subsequently publish the underlying rating, Moody's would reinstate the rating to the wrapped instruments.

**LIST OF RATING ACTIONS**

The following ratings have been downgraded:

Ambac Assurance Corporation -- insurance financial strength to Caa2 from Ba3;

Ambac Assurance UK Limited -- insurance financial strength to Caa2 from Ba3;

Ambac Financial Group, Inc. -- senior unsecured debt to Ca from Caa1, junior subordinated debt to C from Caa2 and provisional rating on preferred stock to (P)C from (P)Ca.

The last rating action related to Ambac was on April 13, 2009, when Moody's downgraded Ambac's financial strength ratings to Ba3 and Ambac Financial's ratings (senior debt to Caa1).

The principal methodology used in rating Ambac was Moody's Rating Methodology for the Financial Guaranty Insurance Industry, which can be found at [www.moody.com](http://www.moody.com) in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating Ambac can also be found in the Credit Policy & Methodologies directory.

Ambac Financial Group, Inc. (NYSE: ABK), headquartered in New York City, is a holding company whose affiliates provide financial guarantees and financial services to clients in both the public and private sectors around the world.

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