

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010
BY THE PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO
RELATING TO**

\$30,515,000

**REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-A SENIOR LIEN BONDS**

\$7,630,000

**REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-B SUBORDINATE LIEN BONDS**

(CUSIP Number 79729P)

The following Annual Report is being provided by the City of San Diego (the "City") for the above stated issuance (the "Bonds"), pursuant to the Continuing Disclosure Agreement requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2010 (the "Annual Report").

The Annual Report, including any amendment or supplement hereto, is electronically transmitted by the City acting as the Dissemination Agent to the Electronic Municipal Market Access ("EMMA") System of the Municipal Securities Rulemaking Board ("MSRB").

The Annual Report is provided in accordance with the terms of the Continuing Disclosure Agreement, and does not purport to provide full and complete information on the terms of the Bonds. The filing of the Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the fiscal year to which the Annual Report relates (other than as contained in the Annual Report), or that no other information exists which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. Certain information and data provided herein was obtained from sources other than the City (the "Outside Information"), as indicated by the source citations. Although the information contained in the Annual Report has been obtained from sources which are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completeness or accuracy. No statements in the annual report should be construed as a prediction or representation about future financial performance of the City or Reassessment District No. 1999-1.

The Annual Report does not include the audited financial statements of the District. The District is a blended component unit of the City and the audited financial statements of the District are prepared with and included in the City's Comprehensive Annual Financial Report ("CAFR"). The preparation of the City's CAFR for the fiscal year ending June 30, 2010, has been delayed due to technical difficulties encountered during the implementation of a new enterprise resource planning system. Due to this delay, the City's CAFR was not available as of the date of this Annual Report. The City expects to release the CAFR, including the audited financial statements, in August 2011 at which time it will be separately transmitted to EMMA.

The City is acting as the Dissemination Agent for the above stated issuance. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Agreement.

Any statements regarding the above stated issues, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the MSRB EMMA system are not authorized by the City. The City shall not be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

DATED: March 25, 2011

CITY OF SAN DIEGO

By: Mary Lewis
Mary Lewis
Chief Financial Officer

**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO
Reassessment District No. 1999-1
Refunding Revenue Bonds
Series 1999-A Senior Lien Bonds & Series 1999-B Subordinate Lien Bonds**

**Annual Report Under the Continuing Disclosure Agreement
Fiscal Year Ending June 30, 2010**

This Annual Report includes information required by the Continuing Disclosure Agreement for 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 Series 1999-B Subordinate Lien Bonds.

- (a) See Page 1 of Introduction.
- (b) Other financial information and operating data relating to Reassessment District No. 1999-1 contained in the Official Statement for the Bonds (all data as of December 31, 2010, except as noted in the attached tables):

(1) Principal amount of bonds outstanding:

Senior Lien Bonds	\$	8,270,000
Subordinate Lien Bonds	\$	2,045,000

Source: City of San Diego, Debt Management

(2) Balance in the Revenue Fund: \$ 627

Source: US Bank Trustee Statements; City of San Diego, Debt Management

(3) Balance in the Reserve Fund:

Senior Lien Bonds: Currently Satisfied By Surety Bond provided by AMBAC Assurance Corp.	\$	3,051,500
Subordinate Lien Bonds:	\$	643,362

Source: US Bank Trustee Statements; City of San Diego, Debt Management

Reserve Requirements:

Senior Lien Bonds: \$ 3,051,500 - Currently Satisfied by Surety Bond provided by AMBAC Assurance Corporation.¹

Subordinate Lien Bonds: \$617,164 = 10% of original Principal amount, \$763,000, less Reserve Fund Prepayment Credits (\$70,290) less Reserve Fund Lien Discharge Credits (\$75,546).

Source: US Bank Trustee Statements; City of San Diego, Debt Management

(4) Updates of the following tables in the Official Statement are attached:

Table 2 - Development Status and Land Use Summary

Table 4 - Assessed Value-To-Lien Ratio Ranges

Table 6 - Appraised Value-To-Lien Ratios by Property Owner (excluding the columns headed "Appraised Value" and "Appraised Value-To-Lien Ratio")

Table 8 - Delinquency History

¹ As of the date of this report, AMBAC Assurance Corporation (AMBAC), has a financial strength rating of Caa2 without an outlook by Moody's Investor Service, and Standard & Poor's has withdrawn its rating for AMBAC.

Table 2
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Development Status and Land Use Summary

Land Uses ⁽¹⁾	Number of Parcels ⁽¹⁾	Total 2010/2011 Assessed Values ⁽²⁾	Aggregate Reassessment Lien September 3, 2010	Percentages		Assessed Value-to-Lien Ratio
				Parcels	Lien	
Developed Property						
A Residential	2,649	\$ 986,836,871	\$ 3,916,079	89.98%	32.16%	252.00
B Commercial	51	204,151,408	2,353,885	1.73%	19.33%	86.73
C Manufacturing	<u>163</u>	<u>280,042,411</u>	<u>3,348,988</u>	<u>5.54%</u>	<u>27.51%</u>	<u>83.62</u>
Subtotal	2,863	1,471,030,690	9,618,952	97.25%	79.00%	152.93
Under Construction						
D Residential	0	\$ -	\$ -	0.00%	0.00%	0.00
E Commercial	1	1,533,193	38,716	0.03%	0.32%	39.60
F Manufacturing	<u>2</u>	<u>2,900,110</u>	<u>53,374</u>	<u>0.07%</u>	<u>0.44%</u>	<u>54.34</u>
Subtotal	3	4,433,303	92,091	0.10%	0.76%	48.14
Undeveloped Property						
G Residential	29	\$ 92,929,515	\$ 953,817	0.99%	7.83%	97.43
H Commercial	14	11,465,025	348,752	0.48%	2.86%	32.87
I Manufacturing	27	12,182,535	347,818	0.92%	2.86%	35.03
J Other	<u>8</u>	<u>24,571,708</u>	<u>814,208</u>	<u>0.27%</u>	<u>6.69%</u>	<u>30.18</u>
Subtotal	78	141,148,783	2,464,594	2.65%	20.24%	57.27
Grand Total	2,944	\$ 1,616,612,776	\$ 12,175,636	100.00%	100.00%	132.77

⁽¹⁾ Land Uses data based on parcel permit searches from the Development Services - Project Tracking System as of June 30, 2010.

⁽²⁾ Fiscal Year 2010-2011 Assessed Values include land value and improvement value as of January 1, 2010 provided by the San Diego County Assessor.

Source: City of San Diego, Development Services - Project Tracking System
Assessed Values - 2010/11 San Diego County Secured Property Tax Roll
NBS (Assessment Administrator)

Table 4
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Assessed Value-to-Lien Ratio Ranges

Assessed Value-to-Lien Range	Number of Parcels	Total 2010/2011 Assessed Values ⁽¹⁾			Aggregate Reassessment Lien September 3, 2010	Assessed Value-to-Lien Ratio	Percentage of Lien Outstanding
		Land	Improvement	Total Value			
Greater than 100:1	2,787	\$ 658,917,651	\$ 667,740,129	\$ 1,326,657,780	\$ 6,664,508	199.06	54.74%
Between 50:1 and 99.99:1	65	80,563,999	125,019,569	205,583,568	2,918,719	70.44	23.97%
Between 30:1 and 49.99:1	51	48,731,330	21,330,329	70,061,659	1,604,236	43.67	13.18%
Between 20:1 and 29.99:1	30	8,263,301	916,715	9,180,016	429,208	21.39	3.53%
Between 10:1 and 19.99:1	6	4,957,625	85,831	5,043,456	373,837	13.49	3.07%
Between 5:1 and 9.99:1	0	-	-	-	-	0.00	0.00%
Between 3:1 and 4.99:1	1	56,898	-	56,898	13,265	4.29	0.11%
Between 2:1 and 2.99:1	0	-	-	-	-	0.00	0.00%
Between 1:1 and 1.99:1	0	-	-	-	-	0.00	0.00%
Less than 1:1	4	29,399	-	29,399	171,863	0.17	1.41%
Total	2,944	\$ 801,520,203	\$ 815,092,573	\$ 1,616,612,776	\$ 12,175,636	132.77	100.00%

⁽¹⁾ Fiscal Year 2010-2011 Assessed Values as of January 1, 2010 provided by the San Diego County Assessor.

Source: Assessed Values - 2010/11 San Diego County Secured Property Tax Roll
NBS (Assessment Administrator)

Table 6
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Value-to-Lien Ratio Ranges Less Than 3:1, by Owner

Owner	Original Assessment District	Number of Parcels	Aggregate Reassessment Lien September 3, 2010	Percentage of Lien Outstanding	Total 2010/11 Assessed Values⁽¹⁾	Assessed Value-to-Lien Ratio
1 PARDEE HOMES ⁽²⁾	4013 (Calle Cristobal)	3	\$ 128,839	1.06%	\$ 29,399	0.23
2 KAISER FOUNDATION HOSPITALS ⁽³⁾	4013 (Calle Cristobal)	1	43,024	0.35%	-	0.00
Total		4	\$ 171,863	1.41%	\$ 29,399	0.17

⁽¹⁾ Fiscal Year 2010-2011 Assessed Values include land value and improvement value as of January 1, 2010 provided by the San Diego County Assessor.

⁽²⁾ Land Use: Vacant Land

⁽³⁾ Land Use: Open Space

Source: Assessed Values - 2010/11 San Diego County Secured Property Tax Roll
NBS (Assessment Administrator)

Table 8
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Delinquency History

Fiscal Year	Number of Parcels Assessed ⁽¹⁾	Total Levy	Fiscal Year-End Delinquencies		Amount Remaining Delinquent As of 1/12/11	Percent Remaining Delinquent As of 1/12/11
			Amount Delinquent ⁽²⁾	Percent Delinquent		
2009-2010 ⁽³⁾	2,944	\$ 2,412,075	\$ 51,661	2.14%	\$ 22,641	0.94%
2008-2009	2,947	2,354,138	57,921	2.46%	21,547	0.92%
2007-2008	2,984	2,633,872	33,393	1.27%	8,626	0.33%
2006-2007	2,986	3,216,031	48,162	1.50%	3,884	0.12%
2005-2006	3,369	3,547,930	38,957	1.10%	-	0.00%
Total Amount Delinquent:					\$ 56,697	

⁽¹⁾ Unique parcels. Some parcels have overlapping assessments.

⁽²⁾ The data is as of August 28, 2006 for Fiscal Year 2005-06; August 8, 2007 for Fiscal Year 2006-07; August 27, 2008 for Fiscal Year 2007-08; August 18, 2009 for Fiscal Year 2008-09; and August 17, 2010 for Fiscal Year 2009-10. Does not include penalties and interest.

⁽³⁾ Fiscal Year 2009-2010 data is net of three parcels paid off in August 2009.

The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special assessments in excess of \$7,500 by November 1 following the close of each fiscal year in which such special assessments were due.

As of January 12, 2011, four delinquent parcels met the foreclosure threshold. The City Council authorized the filing of a judicial foreclosure lawsuit on one of the parcels on October 27, 2009, and three of the parcels on September 21, 2010. Subsequently in February 2011, the delinquent amounts for two of these parcels were paid in full.

Source: City of San Diego, Debt Management; San Diego County Delinquent Reports
NBS (Assessment Administrator)