

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.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

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):

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

Lease Revenue Bonds, Series 2002B (Fire and Life Safety Facilities Project)

Subordinated Water Revenue Bonds, Series 2002

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:

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO related

CUSIP: 797299

CUSIP:79730C

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

TYPE OF FILING:

Electronic 4 pages

Paper (no. of pages attached) _____

If information is also available on the Internet, give URL: **NOT AVAILABLE** _____

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

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:

Issuer Contact:

Name MARY LEWIS Title CHIEF FINANCIAL OFFICER
Employer CITY OF SAN DIEGO
Address 202 C STREET, MAIL STATION 9A City SAN DIEGO State CA Zip Code 92101

Dissemination Agent Contact:

Name: MARY LEWIS Title: CHIEF FINANCIAL OFFICER
Employer: CITY OF SAN DIEGO
Address: 202 C STREET, MAIL STATION 9A City: SAN DIEGO State: CA Zip Code: 92101
Relationship to Issuer: DISCLOSURE REPRESENTATIVE

Press Contact:

Name _____ Title _____
Employer _____
Address _____ City _____ State _____ Zip Code _____

Dated April 18, 2008

NOTICE IS HEREBY GIVEN that on April 4, 2008, Fitch Ratings ("Fitch") announced that it had downgraded MBIA Insurance Corporation's ("MBIA") rating to 'AA' from 'AAA', and that any bonds for which Fitch maintains underlying ratings lower than "AA" (which include the bonds identified on the cover hereof) would be correspondingly downgraded to "AA" with a Negative Rating Outlook. Such rating reflects only the view of such rating agency and any desired explanation of the significance of such rating should be obtained from Fitch. 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: 4-21, 2008

CITY OF SAN DIEGO

By: _____

Mary Lewis
Mary Lewis

Chief Financial Officer

Distribution: Nationally Recognized Municipal Securities Information Repositories
Wells Fargo Bank, National Association

EXHIBIT A

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository

100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
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Interactive Data Pricing and Reference Data, Inc.

Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390
Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.

55 Water Street, 45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

DPC Data, Inc.

One Executive Drive
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Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

Bloomberg

MBIA Loses AAA Insurer Rating From Fitch Over Capital (Update5)

By Christine Richard - Apr 04, 2008

April 4 (Bloomberg) -- Fitch Ratings cut [MBIA Inc.](#)'s insurance unit to AA from AAA, saying the bond insurer no longer has enough capital to warrant the top ranking.

MBIA, the world's largest financial guarantor, would need as much as \$3.8 billion more in capital to deserve an AAA, New York-based Fitch said today in a report. The outlook is negative, Fitch said.

Fitch issued the new, lower rating even though Armonk, New York-based MBIA asked the ratings company last month to stop assessing its credit worthiness. The two companies disagree over how much capital MBIA needs to absorb losses on the bonds it insures. Moody's Investors Service and Standard & Poor's both affirmed their AAA ratings earlier this year.

``It will be difficult for MBIA to stabilize its credit trend until the company can more effectively limit the downside risk" from collateralized debt obligations, Fitch said.

The long-term [rating](#) of MBIA Inc. was cut to A from AA, Fitch said.

``We respectfully disagree with Fitch's conclusions," MBIA Chief Financial Officer [Chuck Chaplin](#) said today in a statement. ``MBIA has a balance sheet that is among the strongest in the industry with over \$17 billion in claims-paying resources, and has a high quality insured portfolio."

MBIA [shares](#) closed down 68 cents, or 4.8 percent, to \$13.61 in New York Stock Exchange Composite trading. The stock has declined 27 percent this year.

Capital Raising

MBIA raised \$2.6 billion in capital through a bond offering and the sale of a stake to Warburg Pincus LLC, eliminated its dividend and stopped guaranteeing asset-backed securities for six months.

Those decisions prompted Moody's and S&P to keep their top ratings for MBIA. Fitch continued its review. Fitch has rated MBIA's insurance unit since at least 2000, according to data compiled by Bloomberg. S&P and Moody's have rated the company since at least 1987, the data show.

MBIA last month asked Fitch to stop rating the company because it disagreed with the ratings company's requirement that MBIA hold more capital.

MBIA, which started as the Municipal Bond Insurance Association in 1974, and the rest of the bond insurers stumbled after expanding into CDOs that caused losses of more than \$7 billion. CDOs repackage pools of assets into securities with varying degrees of risk. The company previously recorded at least 15 years of consecutive profits insuring bonds sold by schools, hospitals and municipalities.

``It's tough for a rating agency to downgrade a bond insurer, to take away the AAA rating," said [Mark Adelson](#), founding member of Adelson & Jacob Consulting in Long Island City, New York.

Holding Company

The capital MBIA raised has yet to be contributed to its insurance company and could be diverted to meet obligations at the holding company, Fitch said in its report. MBIA's holding company engages in transactions that may require it to post collateral, creating a rising demand for cash, Fitch said.

MBIA's suspension of its structured finance business, which includes CDOs and asset-backed securities, may help to boost the company's rating back to AAA in the future, Fitch said today.

MBIA will have losses on CDOs backed by subprime [mortgages](#) of as much as \$4.9 billion after taking into account that they will be paid over time, Fitch said.

The analysis assumes that subprime mortgages backing securities sold in 2006 will experience losses of 21 percent and those originated in 2007 will lose 26 percent, Fitch said. Subprime mortgages are given to borrowers with poor credit.

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