



FOR IMMEDIATE RELEASE
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City of San Diego's Credit Ratings Upgraded

FITCH RATINGS CITES STRONG DEMOGRAPHIC AND ECONOMIC LEVELS, RECOGNIZES CITY'S VITAL ROLE IN THE NATIONAL ECONOMY

SAN DIEGO – Fitch Ratings upgraded the City of San Diego's credit ratings due to the implementation of a new criteria and deemed the City's outlook "Stable" due to its opinion that the City's fiscal management capabilities and policies are strong.

The upgrade reflects the implementation of Fitch's new U.S. Public Finance Local Government Rating Criteria, which places more emphasis on demographics and economics and a municipality's role in the regional and national economy.

"The City views these upgrades by Fitch as positive reinforcement of the City's approach to its continued commitment to providing high-quality financial services with integrity, transparency and accountability for the public," said Rolando Charvel, Department of Finance Director and City Comptroller.

On June 25, Fitch upgraded the City's Issuer Default Rating from "AA" to "AA+." In addition, Fitch upgraded its ratings on all of the City's outstanding Lease Revenue Bonds, including the upcoming Series 2024A bond issuance to fund capital improvement projects, from "AA-" to "AA" with a "Stable" outlook. The Series 2024A bonds are expected to be issued later this month. Fitch also upgraded the Water Infrastructure Finance and Innovation Act ("WIFIA") loan for stormwater improvements and the City's General Fund Commercial Paper Notes ratings from "AA-" to "AA" with a "Stable" outlook.

In its report, Fitch cites the City's strong demographic and economic levels and recognizes the City's role as the center of an important and large metropolitan area with a vital role in the national economy. The Stable Outlook reflects Fitch's expectation that the City's strong fiscal management capabilities and policies sufficiently mitigate the potential risks over the medium term as the City adjusts to slower revenue growth, rising salary and benefit expenses, and increased capital needs.

Founded in 1914, Fitch Ratings Inc. is a nationally recognized statistical rating organization designated by the U.S. Securities and Exchange Commission. Ratings from Fitch reflect only their views and any desired explanation of the significance of ratings should be obtained from Fitch.

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