

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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, 2014 (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 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 issuance, 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's 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 4, 2015

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, 2014**

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) Financial Statements:

The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Agreement solely to satisfy the provisions of Rule 15c2-12. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City.

The City of San Diego's Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2014 (CAFR), which includes the City's Fiscal Year 2014 audited financial statements, was electronically submitted to the EMMA System of the MSRB on March 13, 2015. The District Funds are included in the Required Supplementary Information section, under the heading Fiduciary Funds, Other Miscellaneous Agency. The capital improvements financed by District Funds are reported in the Required Supplementary Information section, under the heading Nonmajor Governmental Funds Capital Projects, Unbudgeted Special Assessment/Special Tax Bonds column, of the City's CAFR. Additional information related to outstanding Special Assessment/Special Tax Bonds can be found in Note 18 of the City's CAFR.

(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, 2014, except as noted in the attached tables):

(1) Principal amount of Bonds outstanding:

Senior Lien Bonds	\$	955,000
Subordinate Lien Bonds	\$	235,000

Source: City of San Diego, Debt Management

(2) Balance in the Revenue Fund \$ 358,732

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 \$ 3,051,500
provided by AMBAC Assurance Corporation.

Subordinate Lien Bonds: \$ 174,822

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

Reserve Requirements:

Senior Lien Bonds: \$ 3,051,500 - Surety Bond provided by AMBAC Assurance Corporation, which was initially established at the time the bonds were issued.

Subordinate Lien Bonds: \$174,822 = 10% of original Principal amount, \$763,000, less Reserve Fund Prepayment Credits (\$70,290) less Reserve Fund Lien Discharge Credits (\$517,888).

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").

- This Table reflects the value-to-lien ratios less than 3:1. As of September 3, 2014, there are no value-to-lien ratios less than 3:1 due to the maturity of Otay International Center Phase II and Calle Cristobal.

Table 8 – Delinquency History

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 Use ⁽¹⁾⁽⁵⁾	Number of Parcels ⁽²⁾	2014-15 Assessed Values ⁽³⁾	Aggregate Remaining Reassessment Lien ⁽⁴⁾	Percentage of Parcels	Percentage of Lien	Assessed Value-to-Lien Ratio
Developed						
Residential	673	\$407,471,460	\$649,878	94.66%	45.06%	627.00
Commercial	22	121,803,503	366,352	3.09%	25.40%	332.48
Manufacturing	12	44,043,000	173,690	1.69%	12.04%	253.57
Subtotal	707	\$573,317,963	\$1,189,920	99.44%	82.51%	481.81
Under Construction						
Residential ⁽⁵⁾	0	\$0	\$0	0.00%	0.00%	0.00
Commercial	0	0	0	0.00%	0.00%	0.00
Manufacturing	0	0	0	0.00%	0.00%	0.00
Subtotal	0	\$0	\$0	0.00%	0.00%	0.00
Undeveloped						
Residential	4	\$54,346,886	\$252,296	0.56%	17.49%	215.41
Commercial	0	0	0	0.00%	0.00%	0.00
Manufacturing	0	0	0	0.00%	0.00%	0.00
Other	0	0	0	0.00%	0.00%	0.00
Subtotal	4	\$54,346,886	\$252,296	0.56%	17.49%	215.41
Grand Total	711	\$627,664,849	\$1,442,216	100.00%	100.00%	435.21

⁽¹⁾ Land Use data based on parcel permit searches from the Development Services - Project Tracking System as of June 30, 2014. There were no building permits issued for structure construction since June 30, 2014.

⁽²⁾ Parcel count decreased from prior year due to the maturity of Otay International Center Phase II and Calle Cristobal (182 and 2,140 parcels respectively).

⁽³⁾ Assessed Values include land and improvement values per the San Diego County Fiscal Year 2014-15 Secured Roll as of January 1, 2014.

⁽⁴⁾ Debt Service payment was September 2, 2014; Aggregate Remaining Reassessment Lien as of September 3, 2014.

⁽⁵⁾ Under Construction Residential parcel count reduced to zero since all 85 residential under construction parcels were in Calle Cristobal which has matured.

Source: Willdan Financial Services

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 ⁽¹⁾	2014-15 Assessed Values ⁽²⁾			Aggregate Remaining Reassessment Lien ⁽³⁾	Assessed Value-to-Lien Ratio	Percentage of Lien
		Land	Improvement	Total			
Greater than 100:1	710	\$291,696,958	\$335,924,961	\$627,621,919	\$1,441,734	435.32	99.97%
Between 50:1 and 99.99:1	1	19,013	23,917	42,930	482	89.00	0.03%
Between 30:1 and 49.99:1	0	0	0	0	0	N/A	0.00%
Between 20:1 and 29.99:1	0	0	0	0	0	N/A	0.00%
Between 10:1 and 19.99:1	0	0	0	0	0	N/A	0.00%
Between 5:1 and 9.99:1	0	0	0	0	0	N/A	0.00%
Between 3:1 and 4.99:1	0	0	0	0	0	N/A	0.00%
Between 2:1 and 2.99:1	0	0	0	0	0	N/A	0.00%
Between 1:1 and 1.99:1	0	0	0	0	0	N/A	0.00%
Less Than 1:1	0	0	0	0	0	N/A	0.00%
Grand Total	711	\$291,715,971	\$335,948,878	\$627,664,849	\$1,442,216	435.21	100.00%

⁽¹⁾ Parcel count decreased from prior year due to the maturity of Otay International Center Phase II and Calle Cristobal (182 and 2,140 parcels respectively).

⁽²⁾ Assessed Values include land and improvement values per the San Diego County Fiscal Year 2014-15 Secured Roll as of January 1, 2014.

⁽³⁾ Debt Service payment was September 2, 2014; Aggregate Remaining Reassessment Lien as of September 3, 2014.

Source: Willdan Financial Services

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	Total Reassessment Levy	Fiscal Year-End Delinquencies ⁽¹⁾		Amount Remaining Delinquent As of 2/18/2015 ⁽²⁾	Percentage Remaining Delinquent As of 2/18/2015
			Amount Delinquent	Percent Delinquent		
2013-14 ⁽³⁾	3,033	\$1,961,187	\$12,894	0.66%	\$1,185	0.06%
2012-13	2,944	2,615,174	39,731	1.52%	3,835	0.15%
2011-12	2,944	2,634,256	18,082	0.69%	266	0.01%
2010-11	2,944	2,524,784	38,824	1.54%	4,060	0.16%
2009-10	2,944	2,412,075	51,661	2.14%	315	0.01%
2008-09	2,947	2,354,138	57,921	2.46%	3,525	0.15%
2007-08	2,984	2,633,872	33,393	1.27%	164	0.01%
Total Amount Delinquent:					\$13,350	

⁽¹⁾ Reflects final fiscal year end data reported in August of each year; does not include penalties and interest.

⁽²⁾ Amount remaining delinquent as of February 18, 2015 does not include penalties and interest.

⁽³⁾ Parcel count increased from prior year due to parcel segregations in Calle Cristobal.

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. The City Council authorized the filing of a judicial foreclosure lawsuit on October 19, 2009 for one delinquent parcel that met the foreclosure threshold. Subsequently, the parcel owner filed for Chapter 11 Bankruptcy, and the bankruptcy court approved a bankruptcy reorganization payment plan for the delinquent installments. On October 7, 2014, the parcel owner paid all delinquent installments. As of February 18, 2015, there were no parcels that exceeded the foreclosure threshold.

Source: City of San Diego, Debt Management; San Diego County Delinquency Reports ST280190 and ST28009002