

ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011
RELATING TO
\$12,365,000
COMMUNITY FACILITIES DISTRICT NO. 4
(BLACK MOUNTAIN RANCH VILLAGES)
SPECIAL TAX BONDS SERIES A OF 2008
(CUSIP Number 797316)

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 Certificate requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2011 (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 this Annual Report should be construed as a prediction or representation about future financial performance of the City or Community Facilities District No. 4 (Black Mountain Ranch Villages).

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 Certificate.

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 14, 2012

CITY OF SAN DIEGO

By:



Jay M. Goldstone
Chief Operating Officer

\$12,365,000
COMMUNITY FACILITIES DISTRICT NO. 4
(BLACK MOUNTAIN RANCH VILLAGES)
SPECIAL TAX BONDS SERIES A OF 2008

Annual Report Under the Continuing Disclosure Certificate

Fiscal Year Ending June 30, 2011

This Annual Report includes information required by the Continuing Disclosure Certificate for Community Facilities District No. 4 (Black Mountain Ranch Villages) Special Tax Bonds, Series A of 2008.

1. Annual Report For Community Facilities District No. 4 (Black Mountain Ranch Villages):

(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 Certificate 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.

Refer to the City of San Diego's Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011 ("CAFR"), filed on the MSRB's EMMA site on March 1, 2012. The District Funds can be found under the Supplementary Information section, under the heading Fiduciary Funds, Other Miscellaneous Agency and the capital improvements financed by District Funds can be found in the Supplementary Information section, under the heading Nonmajor Governmental Funds - Capital Projects (Special Assessment/Special Tax Bonds), of the City's CAFR.

(b) Financial and Operating Data:

- (i) Principal amount of Bonds outstanding (data as of September 2, 2011 pursuant to the Continuing Disclosure Certificate):

\$11,710,000

Source: City of San Diego, Debt Management

- (ii) Fund balances for each fund under the Bond Indenture (data as of September 2, 2011 pursuant to the Continuing Disclosure Certificate):

Special Tax Fund	\$171,317
Interest Account	\$0
Principal Account	\$0
Redemption Account	\$0
Reserve Account ^(a)	\$893,458
Administrative Expense Account	\$51,436
Rebate Fund	
Rebate Account	\$0
Alternative Penalty Account	\$0
Acquisition & Construction Fund	
Costs of Issuance Account	\$0
Project Account	\$34,074
Surplus Fund	\$0

Source: City of San Diego, Debt Management; Wells Fargo Trustee Statements

- (iii) Any changes to the Rate and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors for approval prior to the filing of the Annual Report and a summary of the facts related to the collection of any Backup Special Tax and a description of any parcels for which the Special Taxes have been prepaid, including the amount prepaid, since the date of the last Annual Report:

- No changes to the Rate and Method of Apportionment of the Special Taxes have been submitted for approval, and no Backup Special Taxes have been levied.

-The following Special Tax lien has been prepaid and permanently satisfied, in accordance with the Rate and Method of Apportionment of Special Taxes:

September 29, 2011 – Assessor’s Parcel Number 267-380-20-00, in the amount of \$128,290.00.

Source: City of San Diego, Debt Management

- (iv) A statement of the assessed value-to-lien ratio of the property within the District as a whole upon which Special Taxes were most recently levied and the assessed value-to-lien ratio of the Developed Property as a whole and each parcel of Final Mapped Property or Undeveloped Property within the District upon which Special Taxes were most recently levied, in each case based on the most recent equalized Assessor’s Roll; provided, however, that, if the Special Taxes are being levied only on Developed Property and the estimated assessed value-to-lien ratio for all parcels is greater than 7 to 1, then the Annual Report need only include a statement to that effect.

^(a) Reserve Requirement: \$891,816

As of September 2, 2011, the estimated assessed value-to-lien ratio for all parcels is greater than 7 to 1. Special Taxes are levied only on Developed Property.

- (v) An update of Table 4A of the Official Statement, including a list of all taxpayers within the District which own property in the District upon which 5% or more of the total Special Taxes for the current fiscal year have been levied, and a statement as to whether any of such taxpayers is delinquent in the payment of Special Taxes. See Exhibit 1.

As of September 2, 2011, there were no taxpayers within the District owning property upon which 5% or more of the total Special Taxes for the 2010-2011 fiscal year have been levied.

Source: City of San Diego, Debt Management; David Taussig & Associates

- (vi) Any event known to the Issuer [District] which results in a moratorium on future building within the District:

None

Source: City of San Diego, Development Services Department

- (vii) An update of Table 5 of the Official Statement entitled “Special Tax Delinquency History” including information for the five most recent Fiscal Years in which Special Taxes were levied and any foreclosures is attached as Exhibit 2.
- (viii) Any information not already included under (i) through (vii) above that the Issuer [District] is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

The applicable California Debt and Investment Advisory Commission (“CDIAC”) Yearly Fiscal Status Report for Fiscal Year 2009-2010 was filed with CDIAC on October 28, 2011 and is attached. See Exhibit 3.

Source: City of San Diego, Debt Management

Exhibit 1
 CITY OF SAN DIEGO
 COMMUNITY FACILITIES DISTRICT NO. 4 (BLACK MOUNTAIN RANCH)
 UPDATE OF TABLE 4A IN OFFICIAL STATEMENT
 FISCAL YEAR 2011-2012 TAXPAYER SUMMARY

Property Owner [1]	Land Use	FY 2011-2012			Due 12/10/2011	Percentage of FY 2011-2012 Special Tax Levy	1st Installment	Percent of Special Tax Levied [3]
		Parcels Taxed	Special Tax Levied	FY 2011-2012 Delinquent Amount [2]				
Individual Homeowners	Residential	339	\$1,183,449	\$591,725	99.93%	\$20,484	3.46%	
Piazza Santaluz LLC	Commercial	2	\$800	\$400	0.07%	\$0	0.00%	
TOTAL		341	\$1,184,249	\$592,125	100.00%	\$20,484	3.46%	

Source: David Taussig & Associates, Inc.

[1] Reflects ownership as of January 1, 2011 provided by the San Diego County Assessor.

[2] Based on first installment delinquency data as of January 17, 2012 provided by the San Diego Auditor/Controller.

[3] Percent delinquent calculated based on amount due for first installment only.

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Exhibit 2

**Community Facilities District No. 4 (Black Mountain Ranch Villages)
Five Year Delinquency History**

Fiscal Year	Parcels Levied	Total Levied	Fiscal Year-End Delinquencies ⁽¹⁾		Amount Remaining Delinquent As of 1/10/2012	Percent Remaining Delinquent As of 1/10/2012
			Amount Delinquent	Percent Delinquent		
2010-11	334	\$ 1,131,260	\$ 12,951	1.14%	\$ 11,302	1.00%
2009-10	332	\$ 1,108,672	\$ 18,506	1.67%	\$ 1,799	0.16%
2008-09	320	\$ 1,038,837	\$ 12,563	1.21%	\$ -	0.00%
2007-08	308	\$ 957,011	\$ 24,062	2.51%	\$ -	0.00%
2006-07	279	\$ 775,732	\$ 24,702	3.18%	\$ -	0.00%
Total Amount Delinquent ⁽²⁾					\$13,100	

The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special taxes in excess of \$10,000 by the October 1 following the close of each fiscal year in which such special taxes were due. As of January 10, 2012, no delinquencies met the foreclosure threshold.

⁽¹⁾The data is as of August 8, 2007 for Fiscal Year 2006-07; August 27, 2008 for Fiscal Year 2007-08; August 18, 2009 for Fiscal Year 2008-09; August 11, 2010 for Fiscal Year 2009-10 and August 10, 2011 for Fiscal Year 2010-11.

⁽²⁾ Total does not reflect sum of line items due to independent rounding.

Source: City of San Diego, Debt Management based on San Diego County Delinquency Reports ST280190 and ST28009002.

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 FAX (916) 654-7440
cdiac_issuance@treasurer.ca.gov

Fiscal Year <u>2011</u> .

I. GENERAL INFORMATION

A. Issuer Community Facilities District No. 4
 B. Community Facilities District Number/Name CFD No. 4 (Black Mountain Ranch Villages)
 C. Name/Title/Series of Bond Issue Special Tax Bonds, Series A of 2008
 D. Indicate Credit Rating Ratings Agency: Rating _____ Not Rated X
 E. Date of Bond Issue August 8, 2008
 F. Original Principal Amount of Bonds \$ 12,365,000
 G. Reserve Fund Minimum Balance Required \$ 894,260

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: June 30, 2011 (Year)
 A. Principal Amount of Bonds Outstanding \$ 11,940,000
 B. Bond Reserve Fund \$ 899,451
 C. Capitalized Interest Fund \$ -0-
 D. Construction Fund(s) \$ 28,865

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed Value Reported as of: July 1, 2011 (Date) (Check one)
 From Equalized Tax Roll
 From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)
 B. Total Assessed Value of All Parcels \$ 285,311,312 (Gross Assessed Value)

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due \$ 1,131,260
 * B. Total Amount of Unpaid Special Taxes \$ 14,793
 C. The Special Taxes are Paid Under the County's Teeter Plan. Yes: No:

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: June 30, 2011 (Date)
 * A. Total Number of Delinquent Parcels: 6
 * B. Total Amount of Special Taxes Due on Delinquent Parcels: \$ 16,591

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

* *PER SAN DIEGO COUNTY DELINQUENCY REPORT NUMBER ST28-0090-02, DATED JULY 8, 2011*

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
<u>No properties have met the foreclosure threshold.</u>		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____

(Attach additional sheets if necessary.)

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

(Continued)

VII. ISSUE RETIRED

This issue is retired and not longer subject to the Yearly Fiscal Status filing requirements. *(Indicate reason for retirement.)*

A. Matured Yes: No: If yes, indicate final maturity date: _____

B. Refunded Entirely Yes: No: If yes, state refunding bond title: _____

_____ and issue date: _____

C. Other: _____

VIII. NAME OF PARTY COMPLETING THIS FORM

Name Chuck Wilcox _____.

Title Debt Coordinator _____.

Firm/Agency City of San Diego _____.

Address 202 "C" Street, 7th Floor, MS 7B _____.

City/State/Zip San Diego, CA 92101 _____.

Phone No. (619) 533-4519 E-mail: CWilcox@sandiego.gov _____.

Date of Report October 28, 2011 _____.

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.