

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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, 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 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 14, 2012

CITY OF SAN DIEGO

By:   
\_\_\_\_\_  
Jay M. Goldstone  
Chief Operating 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, 2011**

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.

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) 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, 2011, except as noted in the attached tables):

(1) Principal amount of bonds outstanding:

Senior Lien Bonds	\$	6,500,000
Subordinate Lien Bonds	\$	1,605,000

Source: City of San Diego, Debt Management

(2) Balance in the Revenue Fund:	\$	27,701
----------------------------------	----	--------

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 Corporation. <sup>1</sup>	\$	3,051,500
Subordinate Lien Bonds:	\$	617,164

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,<sup>1</sup> which was initially established at the time the bonds were issued.

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

<sup>1</sup> As of the date of this report, Moody's Investor Service has withdrawn its last rating for AMBAC Assurance Corporation on April 7, 2011, and Standard & Poor's has withdrawn its rating for AMBAC on November 30, 2010. On November 8, 2010, the parent company of AMBAC Assurance Corporation, AMBAC Financial Group, Inc., filed for Chapter 11 Bankruptcy.

**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 <sup>(1)</sup>	Number of Parcels <sup>(1)</sup>	Total 2011-12 Assessed Values <sup>(2)</sup>	Aggregate Reassessment Lien September 3, 2011	Percentages		Assessed Value-to-Lien Ratio
				Parcels	Lien	
Developed Property						
A Residential	2,650	\$ 1,007,971,585	\$ 3,156,756	90.01%	32.60%	319.31
B Commercial	51	199,373,592	1,897,500	1.73%	19.60%	105.07
C Manufacturing	<u>164</u>	<u>260,407,471</u>	<u>2,585,027</u>	<u>5.57%</u>	<u>26.70%</u>	<u>100.74</u>
Subtotal	2,865	\$ 1,467,752,648	\$ 7,639,283	97.32%	78.89%	192.13
Under Construction						
D Residential	0	0	0	0.00%	0.00%	0.00
E Commercial	0	0	0	0.00%	0.00%	0.00
F Manufacturing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00</u>
Subtotal	0	0	0	0.00%	0.00%	0.00
Undeveloped Property						
G Residential	29	\$ 93,629,262	\$ 842,037	0.99%	8.70%	111.19
H Commercial	14	10,981,089	280,113	0.48%	2.89%	39.20
I Manufacturing	28	13,364,914	288,427	0.95%	2.98%	46.34
J Other	<u>8</u>	<u>24,756,728</u>	<u>633,353</u>	<u>0.27%</u>	<u>6.54%</u>	<u>39.09</u>
Subtotal	79	\$ 142,731,993	\$ 2,043,930	2.68%	21.11%	69.83
Grand Total	2,944	\$ 1,610,484,641	\$ 9,683,213	100.00%	100.00%	166.32

<sup>(1)</sup> Land Uses data based on parcel permit searches from the Development Services - Project Tracking System as of June 30, 2011.

<sup>(2)</sup> Fiscal Year 2011-12 Assessed Values include land value and improvement value as of January 1, 2011 provided by the San Diego County Assessor.

Source: City of San Diego, Development Services - Project Tracking System  
2011-12 Assessed Values - San Diego County Assessor's 2011 Assessment 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**

<b>Assessed Value-to-Lien Range</b>	<b>Number of Parcels</b>	<b>Total 2011-12 Assessed Values<sup>(1)</sup></b>			<b>Aggregate Reassessment Lien September 3, 2011</b>	<b>Assessed Value-to-Lien Ratio</b>	<b>Percentage of Lien Outstanding</b>
		<b>Land</b>	<b>Improvement</b>	<b>Total</b>			
Greater than 100:1	2,806	\$ 671,909,160	\$ 699,695,869	\$ 1,371,605,029	\$ 5,734,010	239.21	59.22%
Between 50:1 and 99.99:1	74	101,690,968	105,755,697	207,446,665	2,801,575	74.05	28.93%
Between 30:1 and 49.99:1	39	17,545,248	1,443,889	18,989,137	452,625	41.95	4.67%
Between 20:1 and 29.99:1	17	8,375,707	923,617	9,299,324	351,259	26.47	3.63%
Between 10:1 and 19.99:1	3	2,971,065	86,477	3,057,542	199,736	15.31	2.06%
Between 5:1 and 9.99:1	1	57,326	-	57,326	10,319	5.56	0.11%
Between 3:1 and 4.99:1	0	-	-	-	-	0.00	0.00%
Between 2:1 and 2.99:1	0	-	-	-	-	0.00	0.00%
Between 1:1 and 1.99:1	2	20,145	-	20,145	17,670	1.14	0.18%
Less than 1:1	2	9,473	-	9,473	116,018	0.08	1.20%
<b>Total</b>	<b>2,944</b>	<b>\$ 802,579,092</b>	<b>\$ 807,905,549</b>	<b>\$ 1,610,484,641</b>	<b>\$ 9,683,213</b>	<b>166.32</b>	<b>100.00%</b>

<sup>(1)</sup> Fiscal Year 2011-12 Assessed Values as of January 1, 2011 provided by the San Diego County Assessor.

Source: 2011-12 Assessed Values - San Diego County Assessor's 2011 Assessment 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**

<b>Owner</b>	<b>Original Assessment District</b>	<b>Number of Parcels</b>	<b>Aggregate Reassessment Lien September 3, 2011</b>	<b>Percentage of Lien Outstanding</b>	<b>Total 2011-12 Assessed Value<sup>(1)</sup></b>	<b>Assessed Value-to-Lien Ratio</b>
1 PARDEE HOMES <sup>(2)</sup>	4013 (Calle Cristobal)	3	\$ 100,221	1.03%	\$ 29,618	0.30
2 KAISER FOUNDATION HOSPITALS <sup>(3)</sup>	4013 (Calle Cristobal)	1	33,467	0.35%	-	0.00
<b>Total</b>		<b>4</b>	<b>\$ 133,688</b>	<b>1.38%</b>	<b>\$ 29,618</b>	<b>0.22</b>

<sup>(1)</sup> Fiscal Year 2011-12 Assessed Values as of January 1, 2011 provided by the San Diego County Assessor.

<sup>(2)</sup> Land Use: Vacant Land.

<sup>(3)</sup> Land Use: Open Space.

Source: 2011-12 Assessed Values - San Diego County Assessor's 2011 Assessment 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**

<b>Fiscal Year</b>	<b>Number of Parcels Assessed</b>	<b>Total Levy</b>	<b>Delinquent Installments<sup>(1)</sup></b>	<b>Percent Delinquent</b>	<b>Amount Remaining Delinquent As of 1/10/12</b>	<b>Percent Remaining Delinquent As of 1/10/12</b>
2010-2011	2,944	\$ 2,524,784	\$ 38,824	1.54%	\$ 15,333	0.61%
2009-2010 <sup>(2)</sup>	2,944	2,412,075	51,661	2.14%	6,337	0.26%
2008-2009	2,947	2,354,138	57,921	2.46%	11,916	0.51%
2007-2008	2,984	2,633,872	33,393	1.27%	5,119	0.19%
2006-2007	2,986	3,216,031	48,162	1.50%	1,454	0.05%
<b>Total Amount Delinquent:</b>					<b>\$ 40,159</b>	

<sup>(1)</sup> 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 17, 2010 for Fiscal Year 2009-10; and August 10, 2011 for Fiscal Year 2010-11. Does not include penalties and interest.

<sup>(2)</sup> Fiscal Year 2009-10 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 10, 2012, one delinquent parcel met the foreclosure threshold. The City Council authorized the filing of a judicial foreclosure lawsuit on October 19, 2009. Subsequently, the parcel owner filed for Chapter 11 Bankruptcy, and the bankruptcy court approved a bankruptcy reorganization payment plan for the delinquent installments to be paid within a five year period. In addition, three delinquent parcels in common ownership reached foreclosure threshold after the first installment of Fiscal Year 2011-12 became delinquent, and were referred to the City Attorney's Office to initiate the foreclosure process.

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