

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):

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION OF THE CITY OF SAN DIEGO (STATE: CALIFORNIA)

Certificates of Undivided Interest in Installment Payments Payable from Net System Revenues of the Water Utility Fund of the City of San Diego, California, Series 1998

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

Sewer Revenue Bonds, Series 1995

Sewer Revenue Bonds, Series 1997A and Series 1997B

Sewer Revenue Bonds, Series 1999A and Series 1999B

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:

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION OF THE CITY OF SAN DIEGO, related CUSIP: 797263

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO related CUSIP: 79730A

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

TYPE OF FILING:

Electronic 5 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
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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 December 29, 2008

NOTICE IS HEREBY GIVEN that on November 24, 2008, Fitch Ratings has withdrawn the ratings on FGIC Corporation (FGIC Corp.) and its financial guaranty subsidiaries, Financial Guaranty Insurance Corporation (FGIC) and FGIC UK Ltd. Prior to the withdrawal, the ratings were as follows: FGIC Corp., 'CCC-', Rating Watch Negative; FGIC and FGIC UK Ltd., 'CCC', Rating Watch Evolving. Fitch's current underlying rating for the bonds identified on the cover hereof is 'AA-' for the water utility revenue bonds, series 1998 and 'BBB+' for the Public Facilities Financing Authority ("PFFA") sewer revenue bonds.

On December 19, 2008, Moody's Investors Service ("Moody's") announced that it had downgraded ratings on FGIC Corporation and its financial guaranty insurance subsidiaries, including Financial Guaranty Insurance Company, (collectively FGIC) to 'Caa1' from 'B1' with a ratings outlook of negative. Moody's current underlying rating for the bonds identified on the cover hereof is 'A1' for the water utility revenue bonds, series 1998 and 'A3' for the PFFA sewer revenue bonds.

For each of the bond issuances identified on the cover, we have attached a table setting forth the initial insured ratings from the three rating agencies prior to the downgrades, the current insured ratings and the current underlying ratings. In all cases, the underlying ratings are higher than the current FGIC insured rating.

The ratings reflect the view of the rating agencies and any desired explanation of the significance of a rating should be obtained from the respective rating agency. 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: 12/29, 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

As of December 29, 2008

Issuance	Insurer	Standard & Poor's			Moody's			Fitch		
		Initial Insured Rating	Current Insured Rating	Current Underlying Rating	Initial Insured Rating	Current Insured Rating	Current Underlying Rating	Initial Insured Rating	Current Insured Rating	Current Underlying Rating
San Diego Facilities and Equipment Leasing Corporation Certificates of Undivided Interest in Installment Payments Payable from Net System Revenues of the Water Utility Fund, Series 1998	FGIC	AAA	BB	AA-	Aaa	Caa1	A1	AAA	Withdrawn	AA-
Public Facilities Financing Authority of the City of San Diego Sewer Revenue Bonds, Series 1995	FGIC	AAA	BB	A+	Aaa	Caa1	A3	AAA	Withdrawn	BBB+
Public Facilities Financing Authority of the City of San Diego Sewer Revenue Bonds, Series 1997A and 1997B	FGIC	AAA	BB	A+	Aaa	Caa1	A3	AAA	Withdrawn	BBB+
Public Facilities Financing Authority of the City of San Diego Sewer Revenue Bonds, Series 1999A and 1999B	FGIC	AAA	BB	A+	Aaa	Caa1	A3	AAA	Withdrawn	BBB+

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

Email: Munis@Bloomberg.com

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

Fort Lee, NJ 07024

Phone: (201) 346-0701

Fax: (201) 947-0107

Email: nrmsir@dpcdata.com

Fitch Withdraws FGIC's Ratings

24 Nov 2008 3:30 PM (EST)

Fitch Ratings-New York-24 November 2008: Fitch Ratings has withdrawn the ratings of FGIC Corporation (FGIC Corp.) and its financial guaranty subsidiaries Financial Guaranty Insurance Corporation (FGIC) and FGIC UK Ltd., as follows:

FGIC

FGIC UK Ltd.

--Insurer financial strength (IFS) 'CCC'; Rating Watch Evolving.

FGIC Corp

--Long-term issuer rating 'CCC-'; Rating Watch Negative

--\$325 million of 6% senior notes due Jan 15, 2034 CCC-', Rating Watch Negative

Fitch believes FGIC's financial guaranty franchise is effectively in run-off at the present time and, as a result, that there is limited investor interest in continued coverage of this rating.

FGIC Corp. is a U.S. holding company whose primary operating subsidiaries are FGIC and FGIC UK. For June 30, 2008, the company reported consolidated GAAP assets of \$6.3 billion and shareholders equity of \$846.2 million.

Contact: Roger Merritt +1-212-908-0636, New York.

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Rating Action: Moody's downgrades FGIC to Caa1; outlook is negative

Global Credit Research - 19 Dec 2008

New York, December 19, 2008 -- Moody's Investors Service has downgraded to Caa1, from B1, the insurance financial strength (IFS) ratings of the main operating subsidiaries of FGIC Corporation, including Financial Guaranty Insurance Company and FGIC UK Limited (collectively "FGIC"). In the same rating action, Moody's downgraded to Ca from B3 the ratings on FGIC's contingent capital securities, Grand Central Capital Trusts I-VI, and downgraded to Ca from Caa2 the senior debt ratings of the holding company, FGIC Corporation. Today's rating action concludes a review for possible downgrade that was initiated on October 24, 2008 and reflects Moody's expectation of higher mortgage-related losses arising from FGIC's insured portfolio and the constrained liquidity and financial flexibility of the holding company. The rating outlook is negative.

Moody's ratings on securities that are guaranteed or "wrapped" by a financial guarantor are generally maintained at a level equal to the higher of a) the rating of the guarantor (if rated at the investment grade level), or b) the published underlying rating (and for structured securities, the published or unpublished underlying rating). In accordance with rating agency policy, following Moody's June 20, 2008 rating action on FGIC which lowered its rating to below the investment grade level, Moody's withdrew ratings on FGIC wrapped securities for which there was no published underlying rating. Should the guarantor's rating subsequently move back into the investment grade range, or should the agency subsequently publish the associated underlying rating (for non-structured securities), Moody's would reinstate previously withdrawn ratings on those wrapped instruments. For wrapped structured finance securities, as announced on November 10, 2008, Moody's is in the process of reinstating previously withdrawn ratings by looking to the current underlying rating on the security, regardless of whether the underlying rating is published or not. For further information, please see Moody's special comment entitled "Assignment of Wrapped Ratings When Financial Guarantor Falls Below Investment Grade" (May, 2008); and Moody's November 10, 2008 announcement entitled "Moody's Modifies Approach to Rating Structured Finance Securities Wrapped by Financial Guarantors".

According to Moody's, today's rating action is the result of FGIC's substantial exposure to US second lien, subprime and other residential mortgage products, and Moody's expectation for materially higher losses on these exposures as reflected in continued adverse delinquency trends. The rating agency currently estimates an expected loss for FGIC's insured portfolio of \$3.9 billion, which compares to claims paying resources of approximately \$4 billion as of the end of the third quarter of 2008. The rating and negative outlook reflect the possibility of even greater than expected losses in extreme stress scenarios, with losses possibly reaching sectors beyond mortgage related exposures as corporate and other consumer credits face a more challenging economic environment. These factors have significantly weakened FGIC's risk-adjusted capital adequacy position despite its recent public finance reinsurance transaction with MBIA and FGIC's continued counterparty negotiations to reduce its exposures to poorly performing ABS CDOs.

The Caa1 rating for FGIC UK reflects the explicit support provided by FGIC's quota share and excess of loss reinsurance policies. Moody's notes that FGIC recently terminated its net worth maintenance agreement with FGIC UK.

FGIC recently exercised its option to issue \$300 million of non cumulative preferred stock to Grand Central Capital Trusts I-VI, with proceeds used to support the regulatory capital position of FGIC. The Ca ratings on FGIC's contingent capital securities and on the senior debt of the holding company reflect the subordination of these securities to policyholder claims and the absence of unrestricted dividend capacity at FGIC. Moody's believes that FGIC Corporation maintains sufficient liquidity to service its debt obligations over the near term, although its longer term ability to pay debt service will likely depend upon receiving regulatory approval to upstream dividends from FGIC. Moody's considers this unlikely absent a marked improvement in FGIC's regulatory capital and risk position.

The last rating action was on October 24, 2008 when the ratings of FGIC were placed under review for possible downgrade.

The principal methodology used in rating FGIC was Moody's Rating Methodology for the Financial Guaranty Insurance Industry, which can be found at www.moody's.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating FGIC can also be found in the Credit Policy & Methodologies directory.

LIST OF RATING ACTIONS

The following ratings have been downgraded:

Financial Guaranty Insurance Company -- insurance financial strength to Caa1 from B1;

FGIC UK Limited -- insurance financial strength to Caa1 from B1;

Grand Central Capital Trusts I-VI -- contingent capital securities to Ca from B3; and

FGIC Corporation -- senior unsecured debt to Ca from Caa2.

OVERVIEW OF FGIC CORPORATION

FGIC Corporation is a holding company whose primary operating subsidiaries, Financial Guaranty Insurance Corporation and FGIC UK Limited, provide credit enhancement and protection products to the public finance and structured finance markets throughout the United States and internationally. FGIC Corporation is privately owned by an investor group consisting of The PMI Group, GE and private equity firms Blackstone, Cypress and CVC.

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