

Redevelopment Agency of the City of San Diego

**ATTACHMENT 3**  
**REDEVELOPMENT AGENCY OF THE CITY OF**  
**SAN DIEGO; ANNUAL FINANCIAL REPORT FOR**  
**FISCAL YEAR ENDED JUNE 30, 2011**

Fiscal Year 2011

# REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

STATE OF CALIFORNIA



Construction of Mercado Del Barrio Mixed-Use Center in Barrio Logan, December 2011

## ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011

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## Introductory Section

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December 23, 2011

Honorable Members of the Agency Board and Interested Parties:

We are pleased to present the Redevelopment Agency of the City of San Diego's (the Agency) Annual Financial Report (AFR) for the fiscal year ended June 30, 2011. The audit firm Macias Gini and O'Connell LLP has issued an unqualified opinion on the Agency's financial statements. The independent auditor's report is located on page 14 of this report.

**Purpose, Background, and Scope of this Report**

The California Health and Safety Code §33080.1 requires that every redevelopment agency in the State present to its legislative body and file with the State Controller an annual report within six months of the end of the fiscal year. Among the components of the required annual report are the audited financial statements of the Agency and the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters based on the Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards*.

The AFR has been prepared in conformance with the principles and standards for reporting as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Agency. The Agency's objective is to provide you with reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Additionally, the Agency continues to improve a comprehensive internal control over financial reporting framework in order to ensure acceptable management of taxpayer funds.

To the best of our knowledge and belief, the data as presented, is accurate in all material respects. It is presented in a manner designed to present fairly the financial position and results of operations of the governmental activities, each major fund, the aggregate remaining funds of the Agency and all disclosures necessary to enable the reader to gain an understanding of the Agency's financial activities.

A narrative introduction, overview, and analysis of the financial statements can be found in the Management's Discussion and Analysis (MD&A), which immediately follows the independent

auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it. The CAFR is organized into three sections:

- The introductory section includes information about the organizational structure of the Agency, the geographical locations of the Agency's 14 project areas, a profile of the Agency and a summary of significant events and recent developments that affect or could affect the Agency's financial condition.
- The financial section is prepared in accordance with governmental accounting standards. It includes the MD&A (unaudited), the independent auditor's report, the audited basic financial statements, notes to the basic financial statements, required supplementary information (unaudited) and supplementary information. In addition, this section includes two reports prepared by the Agency's outside auditors, Macias Gini and O'Connell LLP (1) the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, and (2) the *Independent Auditor's Report on Compliance and on Internal Control Over Compliance in Accordance with the Guidelines for Compliance Audits of California Redevelopment Agencies*. Finally, the section includes the *Supplemental Schedule of Excess Surplus Determination on Low and Moderate Income Housing Funds*.
- The statistical section (unaudited) includes schedules of changes to loans from the City of San Diego and historical information on assessed valuations for the project areas and the component areas of merged project areas.

### **Profile of the Government**

The Agency operates under and is governed by the laws of the State of California. The Agency's two main goals are (1) to provide a method to revitalize deteriorated and blighted areas within designated areas of the City and (2) to increase the supply of affordable housing for low and moderate income persons and families.

Before redevelopment can occur, the City Council must survey an area and assess whether it is in need of revitalization. Once this initial review is completed and the project area is designated, the Agency proposes a redevelopment plan which is later adopted by the City Council. Prior to a recent merger, the Agency had established 17 project areas. In the current year the City Council approved the merger of four of its existing project areas located in southeast San Diego, reducing the number of project areas from 17 to 14.

The City Council acts as the Agency's Board of Directors and the City Attorney serves as General Counsel to the Agency. The Agency Board designates the Agency's Executive Director. The Agency Board has designated the Mayor as Executive Director through the end of his term, which is December 3, 2012. Moreover, the Agency does not directly employ management or staff. The Agency has established operating agreements with the City and two independent corporations, the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). The agreements provide for administration of the Agency's 14 project areas. The CCDC oversees two project areas in downtown San Diego, the SEDC oversees the newly merged project area in southeast San Diego and City's Redevelopment Department oversees 11 project areas throughout the City, in addition to coordinating agency-wide activities.

The Agency uses tax increment revenue to finance most of its activities. When a development or public project is carried out, there is often an increase in the value of the property and the surrounding real estate, generating increased property tax revenues. The increase of property taxes over its base year, the year in which the project area was established, is known as tax increment. The Agency can then issue long term debt, pledging tax increment revenue for its repayment, as a method to use future gains in property taxes to finance current improvements.

## Significant Actions taken by the Agency

This fiscal year witnessed a number of significant actions taken by the Agency including the following:

1. On August 26, 2010, the Agency issued \$47,835 in tax allocation bonds for non-housing redevelopment activities in various project areas including, Crossroads, City Heights, San Ysidro and Naval Training Center project areas and pooled housing bonds in the amount of \$58,565 for affordable housing projects in the City Heights, North Bay, North Park, Crossroads, Naval Training Center and San Ysidro project areas (see Note 5, Governmental Activities Long-Term Debt, on pages 64-72).
2. On October 19, 2010, Governor Brown approved California Senate Bill No. 863 (SB 863). Among other things, SB 863 eliminated the tax increment limit for the redevelopment plan of the Centre City Redevelopment Project (see page 34 for additional information).
3. On February 8, 2011, the City Council and Agency Board amended the existing agreement between the City and Agency established to provide for reimbursement by the Agency of Ballpark related bond debt paid by the City. The amendment modified the agreement to include the reimbursement of all remaining lease payments made by the City on the bonds resulting in a total increase of \$215,027 to the existing reimbursement obligation of the Agency (see Note 10, Commitments and Litigation Settlement, on pages 75-77).
4. On February 23, 2011, the City Council adopted an ordinance approving the proposed amendments to merge the Central Imperial, Gateway Center West, Mount Hope and Southcrest Redevelopment Project Areas into a single project area known as the Southeastern San Diego Merged Redevelopment Project Area (see pages 34-35 for additional information).
5. On February 28, 2011, the City and Agency entered into an approximately \$4.1 billion cooperation agreement with the City for the payment of costs associated with certain Agency funded projects (Projects Implementation Agreement). Pursuant to the agreement, the Agency advanced approximately \$289 million to the City in anticipation of work to be performed in future years (see Note 10, Commitments and Litigation Settlement, on pages 75-77).
6. On March 1, 2011, the City and Agency established certain loan agreements and associated promissory notes to memorialize previously established debt owed by the Agency to the City (see Note 1-r, Summary of Significant Accounting Policies, on pages 53-55).
7. On March 15, 2011, the City and Agency authorized the transfer of approximately 95 real properties from the Agency to the City for the implementation of projects pursuant to the Projects Implementation Agreement and for other redevelopment purposes (see Note 4, Capital Assets, on page 63).
8. On April 1, 2011, the City and Agency entered into a cooperation agreement authorizing the Agency to reimburse the City for debt service on the Lease Revenue Bonds, Series 1998A, which were issued for the Convention Center Phase II Expansion project. The total debt service to be reimbursed by the Agency between fiscal years 2011 and 2028 is approximately \$228.6 million (see Note 10, Commitments and Litigation Settlement, on pages 75-77).

### **Recent State Legislation and Economic Uncertainties**

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities and prepare for the impending dissolution of the agency. In addition, Assembly Bill X1 26 could invalidate the transfer of assets that occurred after January 1, 2011 between redevelopment agencies and other public bodies as well as making certain interagency loans made by cities/counties to redevelopment agencies uncollectable.

Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor and Controller in fiscal year 2012 and annual payments each fiscal year thereafter. The City opted-in to the Voluntary Alternative Redevelopment Program, requiring the City to pay approximately \$69.2 million to the County Auditor and Controller in fiscal year 2012 and an estimated \$16.4 million in subsequent years. The amount payable in fiscal year 2013 and subsequent years will vary depending on the State's formula and certain assumptions and other factors for computing such amounts. The City and the Agency entered into a remittance agreement requiring the Agency to transfer to the City all funds necessary to make the semi-annual payments under the Voluntary Alternative Redevelopment Program.

The League of California Cities and the California Redevelopment Association filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. If ABX1 26 and 27 are upheld by the California Supreme Court, jurisdictions that have "opted in" under ABX1 27, such as the City, may continue redevelopment but with diminished funds due to the required payments for the benefit of the State. Another possible outcome of the pending lawsuit is that the California Supreme Court might uphold ABX1 26, but invalidate ABX1 27, resulting in the elimination of all redevelopment agencies in California. The California Supreme Court has indicated that a decision on the case should be expected by January 15, 2012.

For additional information regarding this recent State legislation please see Note 12, Subsequent Events, in the accompanying notes to the basic financial statements.

### **Acknowledgements**

We wish to thank the Agency Board, for their continued interest in improving the transparency and effectiveness of the Agency's financial operations and its reporting function.

The preparation of this report was accomplished through the efficient and dedicated services of key staff in the City Comptroller's Office, the Redevelopment Department, CCDC, SEDC, the City Attorney's Office and members of the Redevelopment Disclosure Practices Working Subgroup.

Respectfully submitted,

  
Jay M. Goldstone  
Assistant Executive Director

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
ROSTER OF OFFICIALS**  
(As of the issuance of this report)

**BOARD OF DIRECTORS**

District 1 Board member Sherri Lightner			District 5 Board member Carl DeMaio
District 2 Chair Pro Tem Kevin Faulconer			District 6 Board member Lorie Zapf
District 3 Board member Todd Gloria			District 7 Board member Marti Emerald
District 4 Chairperson Tony Young			District 8 Board member David Alvarez

**OFFICIALS**

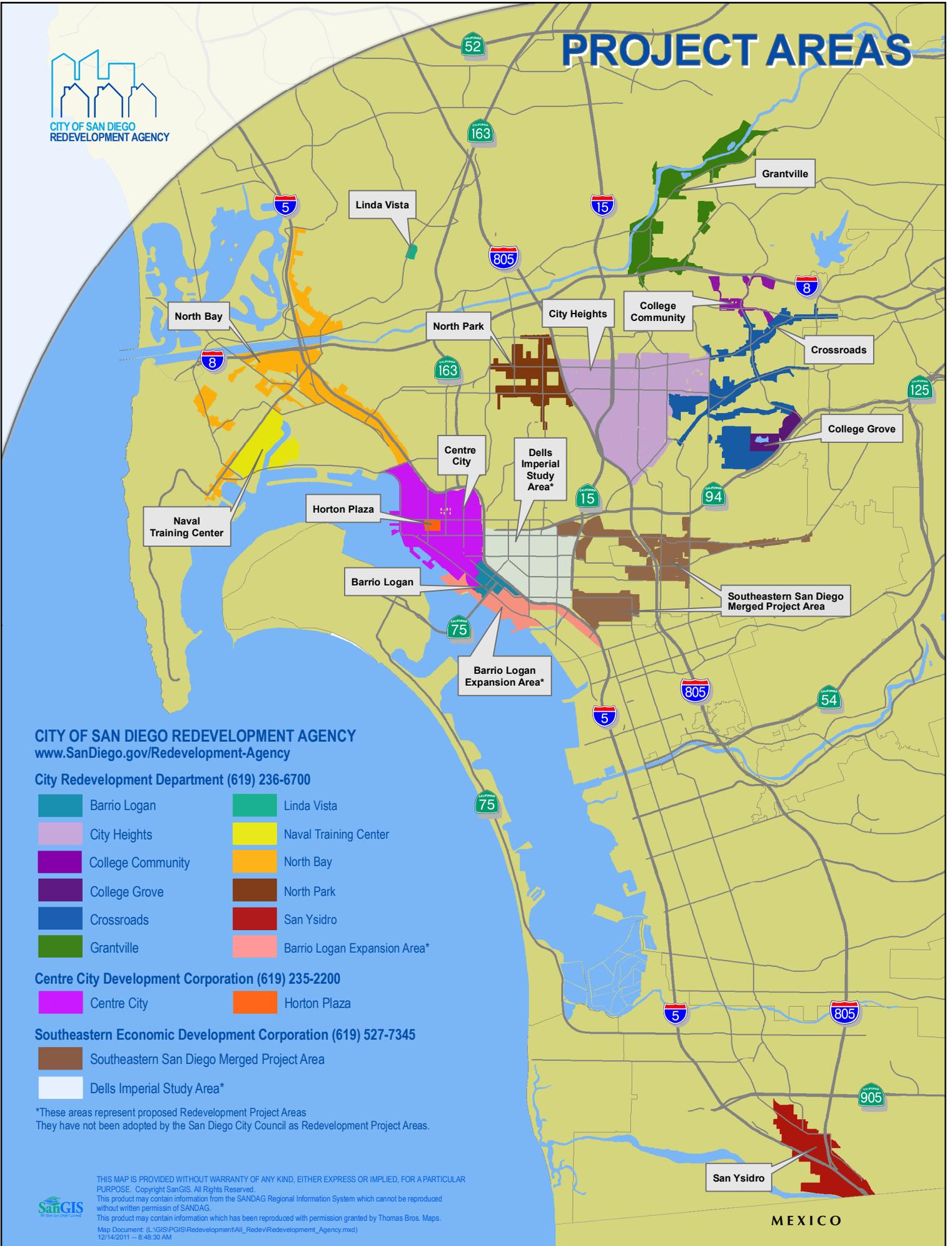
Jerry Sanders, Executive Director  
Jan Goldsmith, Agency Counsel  
Jay M. Goldstone, Assistant Executive Director  
Janice Weinrick, Deputy Executive Director  
Gail R. Granewich, Treasurer  
Elizabeth Maland, Secretary

**OTHER OFFICIALS**

Mary Lewis, Chief Financial Officer, City of San Diego



# PROJECT AREAS



**CITY OF SAN DIEGO REDEVELOPMENT AGENCY**  
[www.SanDiego.gov/Redevelopment-Agency](http://www.SanDiego.gov/Redevelopment-Agency)

**City Redevelopment Department (619) 236-6700**

- |                   |                              |
|-------------------|------------------------------|
| Barrio Logan      | Linda Vista                  |
| City Heights      | Naval Training Center        |
| College Community | North Bay                    |
| College Grove     | North Park                   |
| Crossroads        | San Ysidro                   |
| Grantville        | Barrio Logan Expansion Area* |

**Centre City Development Corporation (619) 235-2200**

- |             |              |
|-------------|--------------|
| Centre City | Horton Plaza |
|-------------|--------------|

**Southeastern Economic Development Corporation (619) 527-7345**

- |  |
|--|
| Southeastern San Diego Merged Project Area |
| Dells Imperial Study Area*                 |

\*These areas represent proposed Redevelopment Project Areas  
 They have not been adopted by the San Diego City Council as Redevelopment Project Areas.

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MEXICO

## Financial Section

To the Board of Directors of the  
Redevelopment Agency of the City of San Diego  
San Diego, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California (City), as of and for the year ended June 30, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1(q), the City and the Agency entered into a Cooperation Agreement on February 28, 2011 for the implementation of certain redevelopment projects by the City on behalf of the Agency. In connection with the Cooperation Agreement the Agency transferred funds to the City during the year ended June 30, 2011, totaling \$289.345 million and transferred ownership to approximately 95 real estate assets previously recorded on the Agency's financial statements with a carrying value totaling \$121.583 million.

As described in Note 1(t) to the financial statements, effective July, 1, 2010, the Agency adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

As described in Note 12, the California State Legislature has enacted legislation that is intended to provide for the dissolution of redevelopment agencies in the State of California. The effects of this legislation are uncertain pending the result of certain lawsuits that have been initiated to challenge the constitutionality of this legislation.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The introductory section, supplementary information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Agency's basic financial statements for the years ended June 30, 2007, 2008, 2009 and 2010, which are not presented with the accompanying financial statements. In our reports dated November 21, 2008, April 20, 2009, December 23, 2009, and December 29, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency for the years ended June 30, 2007, 2008, 2009 and 2010, respectively. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The accompanying supplemental schedule of excess surplus determination is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the years ended June 30, 2007, 2008, 2009, and 2010. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of excess surplus determination is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

*Macinn Meiri & O'Connell LLP*

San Diego, California  
December 22, 2011

## Management's Discussion and Analysis

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**  
**(In Thousands)**  
**June 30, 2011**

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency of the City of San Diego (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2011.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing changes in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on both gross and net cost of Agency functions, which are supported by general revenues. This Statement also displays functions of the Agency that are principally supported by taxes, private contributions, and intergovernmental revenues (governmental activities). The governmental activities of the Agency include General Government and Support and Neighborhood Services. The Agency does not engage in business-type activities.

The government-wide financial statements exclusively include the Agency (known as the Primary Government) with no legally separate, discretely presented component units. The government-wide financial statements can be found on pages 38 and 39 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Agency are combined into the governmental funds category.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Centre City Low and Moderate Income Housing Special Revenue Fund, Centre City Other Special Revenue Fund, Centre City Debt Service Fund and Centre City Capital Projects Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 40-44 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 46 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, budget to actual comparison schedules of the Centre City Low and Moderate Income Housing Special Revenue Fund and the Centre City Other Special Revenue Fund can be found on pages 84-85. Combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 90 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS****SUMMARY OF NET ASSETS**

	Governmental Activities		Dollar	Percent
	2011	2010*	Increase (Decrease)	Increase (Decrease)
Current and Other Assets	\$ 877,169	\$ 911,089	\$ (33,920)	(4%)
Capital Assets	121,680	200,752	(79,072)	(39%)
<b>Total Assets</b>	<b>998,849</b>	<b>1,111,841</b>	<b>(112,992)</b>	<b>(10%)</b>
Current and Other Liabilities	50,743	88,373	(37,630)	(43%)
Net Long-Term Debt	1,026,109	949,453	76,656	8%
<b>Total Liabilities</b>	<b>1,076,852</b>	<b>1,037,826</b>	<b>39,026</b>	<b>4%</b>
<b>Net Assets</b>				
Invested in Capital Assets,				
Net of Related Debt	46,223	90,716	(44,493)	(49%)
Unrestricted (deficit)	(124,226)	(16,701)	(107,525)	644%
<b>Total Net Assets</b>	<b>\$ (78,003)</b>	<b>\$ 74,015</b>	<b>\$ (152,018)</b>	<b>(205%)</b>

\* Net Assets for fiscal year 2010 have been restated for comparative purposes.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, at June 30, 2011, liabilities exceeded assets by \$78,003.

Of the Total Net Assets, \$46,223 represents the Agency's investment in capital assets, less any outstanding debt used to acquire these assets. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are generally not used to liquidate these liabilities. The Agency transferred a substantial portion of its capital assets to the City in the current fiscal year, which explains most of the decrease of \$44,493, or about 49% from the prior year (see Note 4, Capital Assets, on page 63).

There are several factors contributing to the Agency's deficit of \$124,226 in Unrestricted Net Assets. First, the Agency has borrowed funds from the City when a project area has not generated sufficient tax increment to fund redevelopment activities in the area, mostly during the initial stages of a project area's life. At the point sufficient tax increment revenues are generated, the Agency issues long-term debt to carry out redevelopment and housing activities in the project area, pledging future tax increment revenues for the repayment of these long-term obligations. Interest expense associated with City Loans and other long-term debt is an important factor contributing to the deficit in Unrestricted Net Assets. In addition, the Agency has used long-term debt to acquire properties that have been sold to developers or conveyed to the City at a loss, for improvements of public infrastructure, rehabilitation of properties not owned by the Agency and for development of affordable housing. Significant transactions contributing to the current year increase in the Agency's net asset unrestricted deficit include losses of \$40,921 related to land held for resale transferred to the City at no cost and the Agency's current year contribution of \$62,930 to the City for construction of the New Main Library. A more detailed explanation of changes to the Agency's Net Assets is provided in the following page. For additional information on land held for resale transfers to the City, see Note 4, Capital Assets, on page 63.

**CHANGES IN NET ASSETS**

	Governmental Activities		Dollar	Percent
	2011	2010	Increase (Decrease)	Increase (Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	\$ 682	\$ 336	\$ 346	103%
Capital Grants and Contributions	7,173	12,780	(5,607)	(44%)
General Revenues				
Tax Increments	170,281	186,572	(16,291)	(9%)
Grants and Contributions Not Restricted to Specific Programs	3,508	12,938	(9,430)	(73%)
Revenue from Use of Money and Property	7,386	13,780	(6,394)	(46%)
Total Revenues	<u>189,030</u>	<u>226,406</u>	<u>(37,376)</u>	<u>(17%)</u>
Expenses:				
General Government and Support	184,549	109,399	75,150	69%
Neighborhood Services	110,952	46,185	64,767	140%
Interest on Long-Term Debt	45,547	39,604	5,943	15%
Total Expenses	<u>341,048</u>	<u>195,188</u>	<u>145,860</u>	<u>75%</u>
Change in Net Assets	<u>(152,018)</u>	<u>31,218</u>	<u>(183,236)</u>	<u>(587%)</u>
Net Assets, July 1	<u>74,015</u>	<u>42,797</u>	<u>31,218</u>	<u>73%</u>
Net Assets, June 30	<u>\$ (78,003)</u>	<u>\$ 74,015</u>	<u>\$ (152,018)</u>	<u>(205%)</u>

Governmental activities decreased the Agency's net assets by \$152,018 during fiscal year 2011. Key elements of this decrease are as follows:

- Capital Grants and Contributions decreased by \$5,607, or 44%, mostly due to the fact that the Agency recognized onetime revenue in the prior year related to the reclassification of land held for resale to capital assets. The property's value had been reduced prior to fiscal year 2010 due to a reduction in the estimated market value of the property, resulting in neighborhood services expense equal to the amount of the adjustment. In fiscal year 2010 the Agency changed the intended use of the property and reclassified it as a Capital Asset. In order to report the asset at its original cost, the Agency recognized onetime revenue to reverse the reductions reported in prior fiscal years and reflect the actual cost of the property
- Tax Increment Revenue decreased by \$16,291 or approximately 9%. This was mostly due to a decrease in the assessed valuation of properties in the various project areas. Also contributing to the decrease were assessment appeals, increases in exemptions, and Proposition 8 reductions made by the County Assessor.
- Grants and Contributions not Restricted to Specific Programs decreased by \$9,430, or 73%, mostly due to onetime revenue of \$8,392 recognized in the prior year to account for a reduction of outstanding long-term debt obligations resulting from negotiations with various developers. Additionally, revenue in the amount of \$943 was recognized in the prior fiscal year to account for funds returned by the San Diego Housing Commission to the Agency, upon termination of the Downtown First Time Home Buyer program.

- Revenue from Use of Money and Property decreased by \$6,394 or 46%, due in part to the fact that the Agency's average cash balances were lower in the current year as a result of a \$289,345 cash advance to the City related to a cooperation agreement between the City and the Agency for the implementation of redevelopment projects (Projects Implementation Agreement). In addition, short-term interest rates remained at historically low levels and any investment maturities in the Agency's funds were reinvested at these very low rates.
- General Government and Support Expense increased by \$75,150, or 69%. This is mostly attributed to losses on disposition of capital assets and land held for resale of \$80,662 and \$40,921 respectively. The Agency conveyed these properties to the City at no cost, resulting in a loss equal to the carrying value of the assets. The transfers were made to the City to facilitate the implementation of projects pursuant to the Projects Implementation Agreement and for other redevelopment purposes. These increases were offset by a prior year \$55,649 payment to the State Supplemental Educational Revenue Augmentation Fund (SERAF) required under State Assembly Bill (AB) 26 4X. The current year's SERAF payment was in the amount of \$11,457. (Additional information on the losses on disposition of capital assets and land held for resale can be found in Note 4, Capital Assets, on page 63.
- Neighborhood Services Expense increased by \$64,767, or 140%. This is mostly attributed to an Agency contribution of \$62,930 to the City for construction of the New Main Library in the current fiscal year.
- Interest on Long-Term Debt Expense increased by \$5,943, or about 15%, due in part to increased interest payments related to the issuance of \$106,400 in new tax allocation bonds. In addition, prior year interest expense on contracts payable was lower due to onetime adjustments related to changes to the terms on certain obligations to developers.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

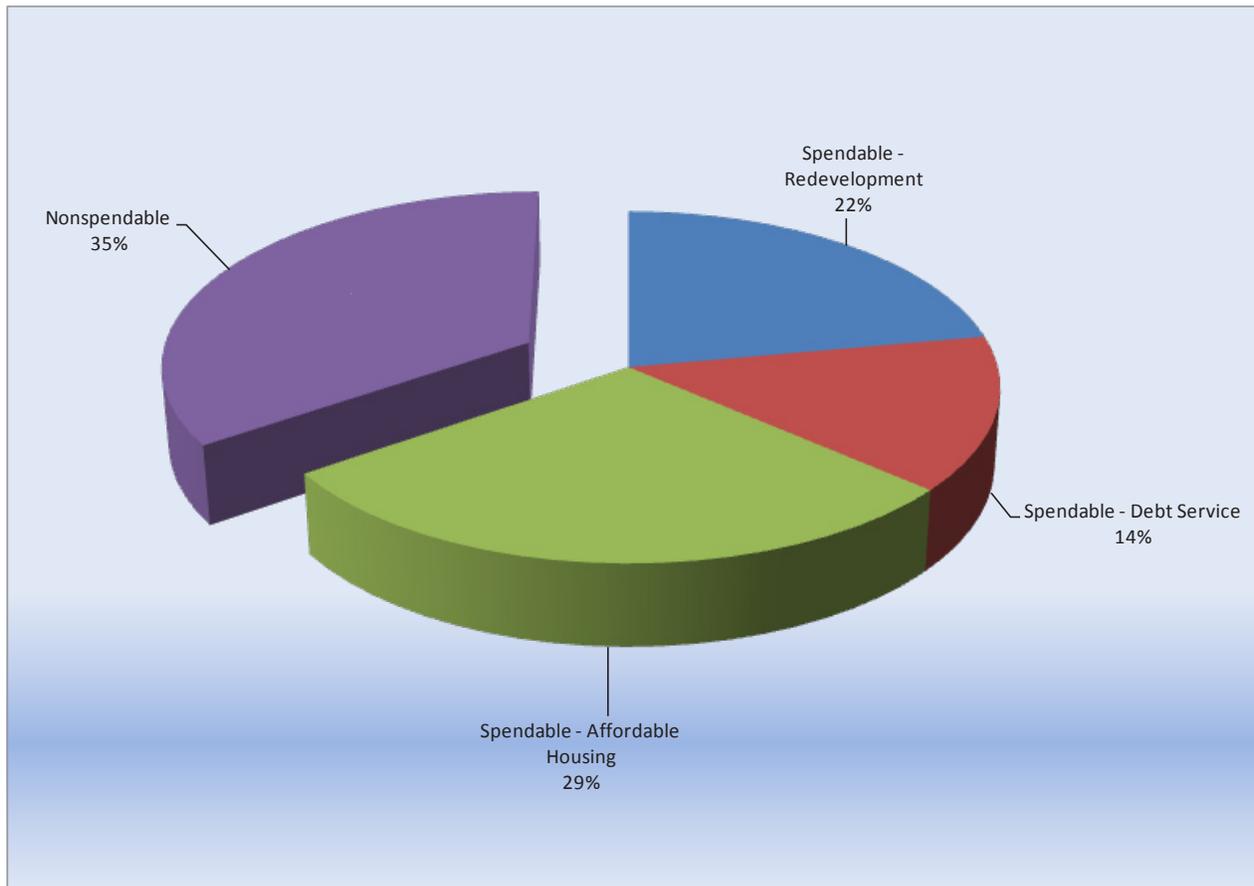
**Governmental Funds**

All of the Agency’s funds are governmental funds, the focus of which is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency’s financing requirements.

The fund financial statements distinguish between those fund balances that are *spendable* and those that are *nonspendable*. The nonspendable fund balance cannot be spent because it is not in spendable form. This includes those fund balances associated with working capital advances, advances to other agencies and prepaid items. At June 30, 2011, the Agency’s nonspendable fund balance was \$296,162, or about 35%. In the current fiscal year, the Agency advanced \$289,345 to the City pursuant to the Projects Implementation Agreement. Fund balances associated with that advance account for most of the nonspendable fund balance of the Agency.

At June 30, 2011, the Agency’s spendable fund balance was \$557,410. All of the Agency’s spendable fund balances are restricted for affordable housing, redevelopment activities or for debt service. The table below shows the composition of the Agency’s fund balances.

**COMPOSITION OF AGENCY FUND BALANCES**



The Agency's fund balances decreased by \$30,242, or about 3% from the prior fiscal year. Expenditures exceeded revenues by \$135,099, which were offset by \$104,857 in net proceeds from bonds issued in the current fiscal year.

Total expenditures in the current fiscal year increased by \$95,712, or approximately 41%, due in part to a current year contribution to the City of \$62,930 for the New Main Library project. In addition, the Agency incurred losses of \$40,921 from the conveyance of land held for resale to the City at no cost.

The Agency's revenue decreased by \$15,987, or about 8% from the prior fiscal year, due in part to a decrease of \$6,781 in investment income resulting from lower current year average cash balances due to a \$289,345 cash advance to the City. In addition, short-term interest rates remained at historically low levels and any investment maturities in the Agency's funds were reinvested at these very low rates. Moreover, tax increment revenue decreased by \$8,204, or about 5%, mostly due to assessment appeals, increases in exemptions and Proposition 8 reductions made by the County Assessor. The following table shows a breakdown of year over year changes in tax increment revenue for each project area.

### CHANGES IN TAX INCREMENT

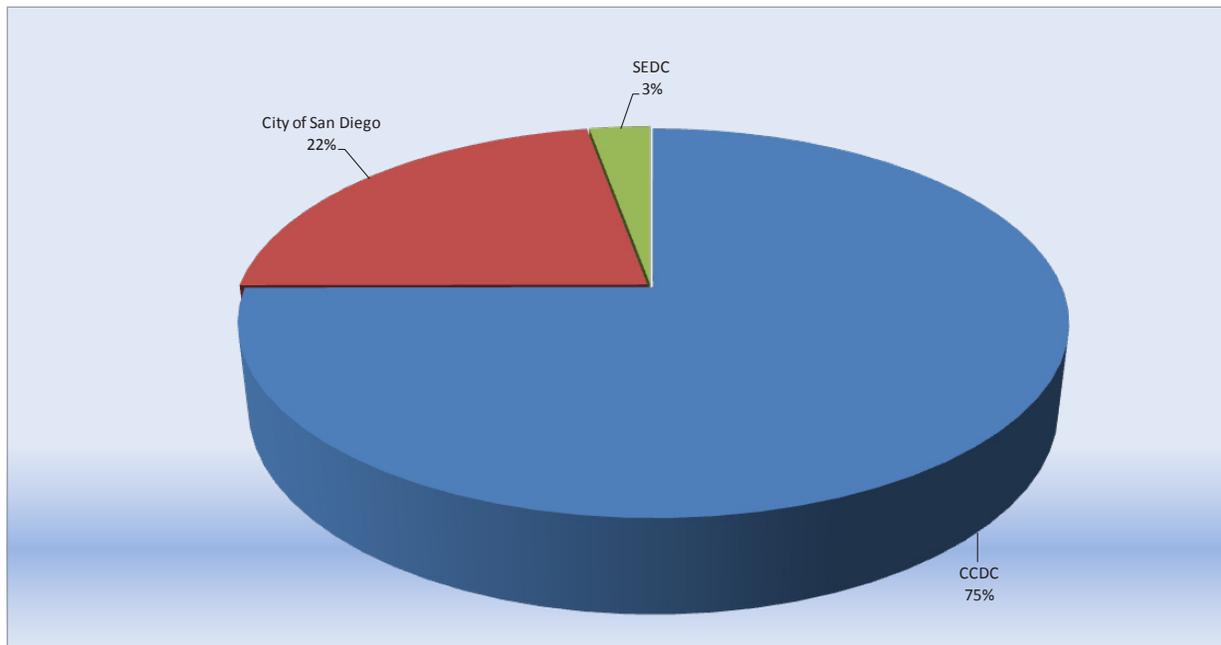
	Tax Increment		Dollar Increase	Percent Increase
	2011	2010	(Decrease)	(Decrease)
Barrio Logan	\$ 576	\$ 651	\$ (75)	(12%)
Centre City	114,724	121,271	(6,547)	(5%)
City Heights	11,177	11,651	(474)	(4%)
College Community	678	1,061	(383)	(36%)
College Grove	822	795	27	3%
Crossroads	3,330	3,513	(183)	(5%)
Grantville	1,200	1,346	(146)	(11%)
Horton Plaza	7,877	8,025	(148)	(2%)
Linda Vista	116	109	7	6%
Naval Training Center	5,525	5,205	320	6%
North Bay	8,800	9,105	(305)	(3%)
North Park	7,050	7,250	(200)	(3%)
San Ysidro	5,150	5,154	(4)	(0%)
Southeastern San Diego	5,782	5,875	(93)	(2%)
	<u>\$ 172,807</u>	<u>\$ 181,011</u>	<u>\$ (8,204)</u>	<u>(5%)</u>

\*The fund financial statements do not recognize revenue collected 60 days after the end of the fiscal year, which accounts for the difference between tax increment revenue reported in the government-wide and fund financial statements.

Of the total tax increment revenue received by a project area, 80% is allocated for redevelopment activities and 20% for affordable housing projects. The Agency has pledged tax increment revenue to satisfy long-term debt obligations. These payments are made from the 80% and 20% allocations in proportion to the amount of long-term debt proceeds used for either housing or redevelopment activities. In addition, tax increment revenue is distributed to other governmental entities, from the redevelopment activities 80% allocation, based on formulas established by California Redevelopment Law, or by tax sharing agreements. The summary of significant accounting policies in the notes to the basic financial statements Note 1-s, on pages 55-56, includes a description of the Agency's tax sharing obligations.

Four of the Agency's project areas were merged in the current fiscal year reducing the number of project areas from 17 to 14 (see pages 34-35 for further discussion on the project area merger). The Agency's fourteen project areas are managed by the Redevelopment Department of the City of San Diego and by two non-profit independent corporations, the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). The following chart illustrates the percentage of the Agency's fund balances managed by each of the three administrative units.

**PERCENTAGE OF AGENCY COMBINED FUND BALANCES  
BY ADMINISTRATIVE UNIT**

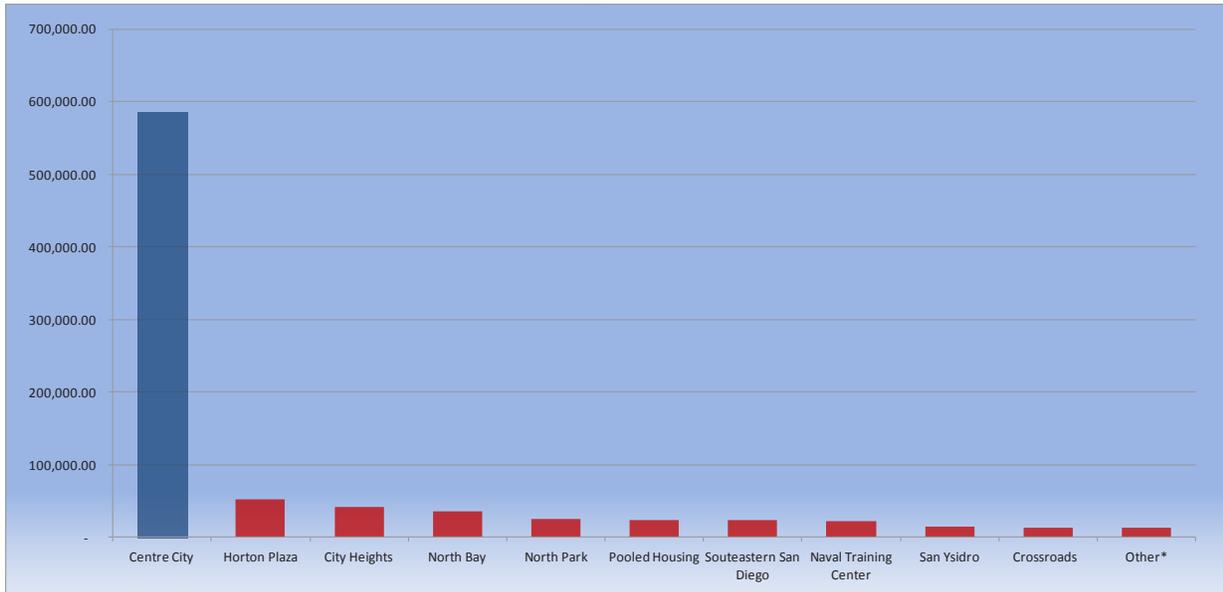


The CCDC administers the two project areas in downtown San Diego, which have the largest share of the Agency's combined fund balances. As of June 30, 2011, project areas administered by the CCDC, accounted for \$638,145 or about 75% of the Agency's combined fund balances.

The SEDC administers one project area in southeastern San Diego, which, as of the end of the fiscal year, accounted for \$26,274 or about 3%, of the Agency's combined fund balances. The four project areas administered by SEDC and reported separately in prior years' financial statements were merged into the Southeastern San Diego Merged Project Area in the current fiscal year and are now reported as a single project area (see pages 34-35 for additional information on the project area merger).

The Redevelopment Division of the City of San Diego administers eleven project areas throughout the City, which, as of the end of the fiscal year, accounted for \$189,153 or about 22%, of the Agency's combined fund balances.

**COMPARISON OF AGENCY COMBINED FUND BALANCES BY PROJECT AREA**

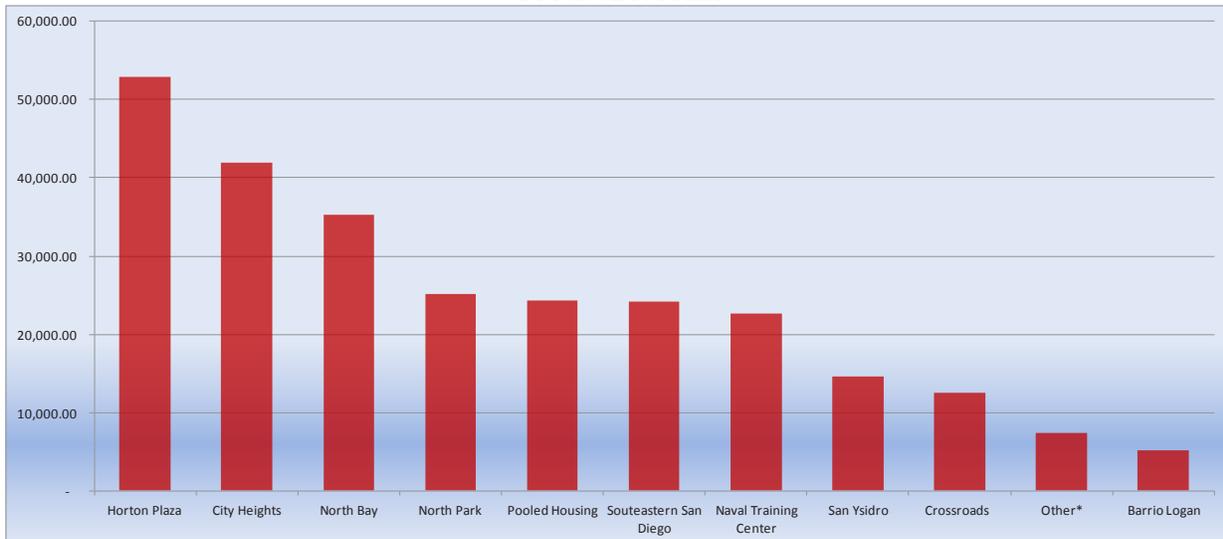


\* Other includes Barrio Logan, College Community, College Grove, Grantville and Linda Vista Project Area funds all of which individually represent less than 1% of the Agency's total fund balances.

The above chart reflects the composition of the Agency's fund balances by project area. The Centre City project area accounted for 69% of the Agency's total fund balances. All of the Centre City project area funds are major funds. Major funds are reported as separate columns in the fund financial statements. Combining fund statements for nonmajor governmental funds can be found beginning on page 88 of this report.

The following chart reflects the composition of the Agency's nonmajor fund balances by project area and excludes all Centre City Project Area funds.

**COMPARISON OF AGENCY COMBINED NONMAJOR FUND BALANCES BY PROJECT AREA**



\* Other includes College Community, College Grove, Grantville and Linda Vista Project Area funds, all of which individually represent less than 1% of the total combined nonmajor fund balances.

## Major Governmental Funds

### *Centre City Low and Moderate Income Housing Special Revenue Fund*

The Centre City Low and Moderate Income Housing Special Revenue Fund is used to account for costs associated with increasing, improving, or preserving the community's supply of low and moderate income housing in the Centre City Project Area. The primary source of revenue for this fund is the 20% tax increment revenue allocation pursuant to redevelopment law as well as housing bond proceeds.

The fund balance at June 30, 2011 was \$207,530 which is a decrease of \$4,805, or about 2% from the prior fiscal year. Revenues decreased by \$4,006, or 14%, due in part to decreased interest earnings on cash and investments resulting from lower average cash balances; lower tax increment revenue collected in the current year due to reduced assessed valuations in downtown properties; and onetime revenue reported in the prior year related to the return of funds by the San Diego Housing Commission resulting from the cancellation of the Downtown First Time Home Buyer program. Expenditures increased by \$5,918, or 65% from the prior fiscal year, due in part to a loss of \$10,919 from the conveyance of land held for resale to the City at no cost. This increase was offset by the prior year issuance of a forgivable loan of \$3,018 to the San Diego Housing Commission for the purchase and rehabilitation of the Sandford Hotel.

Approximately 20% or \$41,324 of the fund's fund balance is nonspendable. The remaining amount of \$166,206 or 80% is restricted for spending on low and moderate income housing projects.

### *Centre City Other Special Revenue Fund*

The Centre City Other Special Revenue Fund is used to account for transactions that cannot be clearly identified with redevelopment activities, debt service or affordable housing. These transactions include tax sharing payments to other entities in the project area or to the State; those related to the Grantville settlement agreement with the City and County; revenue collected from the operation of two parking structures in the project area; and reimbursement to the City for debt service payments related to the Ballpark Lease Revenue Refunding Bonds, Series 2007A and the Convention Center II Lease Revenue Bonds, Series 1998A.

The fund balance at June 30, 2011 was \$31,588 which is an increase of \$28,239 from the prior fiscal year. The increase is mostly attributed to a greater allocation of the total Centre City Project Area tax increment revenue collected in the current year for anticipated tax sharing payments to be made in fiscal year 2012. Also reported in the current fiscal year was the Agency's payment of \$7,457 to the State Supplementary Education Revenue Augmentation Fund, a payment of \$17,041 to other taxing entities and an \$11,318 reimbursement by the Agency of lease payments made by the City related to the Ballpark Lease Revenue Refunding Bonds, Series 2007A, pursuant to the Ballpark Cooperation Agreement (see Note 10, Commitments and Litigation Settlement, on pages 75-77).

### *Centre City Debt Service Fund*

The Centre City Debt Service Fund is used to record debt-related activity associated with the Centre City Redevelopment Project such as debt service payments, investment activity for bond reserves held with fiscal agents, and bond issuance costs. In addition, the Centre City Debt Service Fund accumulates tax increment revenue for repayment of indebtedness related to the project area.

At the end of the fiscal year, the Centre City Debt Service Fund reported a fund balance of \$85,879 which is a decrease of \$154,742, or about 64% from the prior fiscal year. Revenues reported in the fund decreased by \$25,580, or about 25%, due in part to changes in the accounting treatment of certain transactions resulting from the current year implementation of GASB Statement No. 54 (see Note 1-t on page 56). The statement requires special revenue funds to record revenue in the fund where it will be expended. In prior years, all tax increment revenue, excluding the 20% affordable housing allocation, was recorded in the Centre City Debt Service Fund and subsequently transferred to the Centre City Other

Special Revenue Fund on an as needed basis. The change resulting from the implementation of GASB Statement No. 54 resulted in the elimination of the transfer between the funds, a decrease of approximately \$16,543 in the Centre City Debt Service Fund tax increment revenue and a corresponding increase in the Centre City Other Special Revenue Fund tax increment revenue of the same amount. Also contributing to the decline in revenue were lower tax increments and lower investment income from cash and investments. Overall, revenues exceeded expenditures by \$33,931 mostly due to tax increment revenue collected in excess of debt service payments. This was offset by transfers to the Centre City Capital Projects fund of \$174,952 to fund redevelopment activity of the project area. All of the fund balance in the fund is restricted by California Redevelopment Law or by debt covenants imposed by creditors.

#### *Centre City Capital Projects Fund*

The Centre City Capital Projects Fund is used to account for expenditures related to redevelopment activities in the Centre City Project Area, with the use of such funding sources as tax increment, bond proceeds, developer contributions and participation revenue from the City.

The fund balance at June 30, 2011 amounted to \$260,229 which is an increase of \$45,320 or about 21% from the prior fiscal year. Revenue decreased by \$1,330, or 15%, mostly due to one-time State grant revenue of \$1,465, received in the prior year, for environmental remediation costs associated with the Seventh and Market property in downtown San Diego. Expenditures increased by approximately \$85,678 mostly due to an Agency contribution of \$62,930 to the City for construction of the New Main Library in the current fiscal year. In addition, losses on the disposition of land held for resale of \$23,916 were incurred in the current year mostly due to the transfer of various properties to the City at no cost, resulting in a loss equal to the carrying value of the assets. Expenditures exceeded revenue by \$112,677 which was offset by net transfers of \$157,997 mostly from the Centre City Debt Service fund.

Approximately 58% or \$151,075 of the fund balance is nonspendable. Most of the nonspendable portion of the fund balance is related to advances made to the City pursuant to the Projects Implementation Agreement (see Note 10, Commitments and Litigation Settlement, on pages 75-77). The remaining amount of \$109,154 or 42% is restricted for spending on redevelopment activities.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

Capital assets of governmental funds are capitalized at the government-wide level and not at the fund level. Differences between the fund and government-wide statements reporting for these governmental assets will be explained in both the reconciliation and the accompanying notes to the financial statements.

In the current fiscal year, the Agency transferred multiple properties to the City pursuant to authorization granted by the City and Agency on March 15, 2011. The transfers were made to facilitate the implementation of projects pursuant to the Projects Implementation Agreement and for other redevelopment purposes. The transfers included \$71,369 in land and \$9,293 in structures and improvements.

**REDEVELOPMENT AGENCY**  
**CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**  
(In Thousands)

	2011	2010	Dollar Increase (Decrease)	Percent Increase (Decrease)
Land	\$ 69,829	\$ 138,096	\$ (68,267)	(49%)
Structures and Improvements	51,835	62,614	(10,779)	(17%)
Equipment	16	42	(26)	(62%)
Total	<u>\$ 121,680</u>	<u>\$ 200,752</u>	<u>\$ (79,072)</u>	(39%)

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4, Capital Assets on page 63).

### Construction Commitments

The Agency has active construction projects as of June 30, 2011. Significant commitments include those related to the North Embarcadero Visionary Plan, the Quiet Zone Railroad Crossings Project, the Urban Plaza in the Horton Plaza Project Area and the World Trade Center Project. The Agency also has commitments related to the development of various affordable housing projects. For additional information on Construction Commitments see Note 10, Commitments and Litigation Settlement, on pages 75-77.

### Highlights of Fiscal Year 2011 Redevelopment Activities

(In Thousands)

#### BARRIO LOGAN PROJECT AREA

- Construction commenced on the Mercado del Barrio Project, a seven acre, mixed-use commercial and affordable housing development.
- Thirteen homes were rehabilitated and received energy efficiency upgrades through the Agency's Community Enhancement/Green Street Program.

#### CENTRE CITY PROJECT AREA

- The \$26,800 550-foot Harbor Drive Pedestrian Bridge was completed in March 2011. The bridge will connect two of San Diego's most important assets, the Balboa Park and the San Diego Bay.
- The construction of the expanded Cortez Hill Family Center was completed February 2011. This is a 6,600 square feet addition that increased the building size to 25,000 square feet. This provided much needed educational, recreational and dining resources that benefited homeless families.
- The Agency, City, MTS, Downtown Partnership and other stakeholders have worked to develop the C Street Master Plan. The purpose of the C Street Master Plan is to create an overall vision for the revitalization of C St. A component of the C Street Master Plan is the C Street safety enhancement which was completed in FY2011.
- The Bayside at the Embarcadero, a 241 unit market rate apartment project, was completed.
- The Thomas Jefferson School of Law, a 175,000 square feet commercial development, was completed.
- The Cortez Streetlights Phase I project was completed.

### CITY HEIGHTS PROJECT AREA

- Construction continued on the Agency-funded City Heights Square Residential and Retail Project, a mixed use project that will provide 92 residential units, 20,500 square feet of retail space, and two levels of subterranean parking.
- Funded the design of new sidewalks and streetlights within the Colina del Sol Neighborhood.
- Completed the Agency-funded rehabilitation of the El Nido Apartments, which preserved, enhanced and upgraded 11 affordable rental units within the project area.

### CROSSROADS PROJECT AREA

- Completed the Agency-funded rehabilitation of the Village Green Apartments to preserve, enhance and upgrade 94 multi-family affordable rental housing units within the project area.
- The Agency provided funding to repair and replace sidewalks along University Avenue.

### HORTON PLAZA PROJECT AREA

- Funded the Transitional Senior Housing which provided funding of 37 vouchers for homeless seniors to rent rooms and housing facilities.
- Assisted in the funding for the design and construction of the 19,000 square feet Bayside Fire Station.
- The OPA to construct a world-class urban plaza to replace the former Robinsons-May building next to the Balboa Theatre at the Westfield Horton Plaza shopping center was approved in FY2011. The renovation would include restoring the adjacent Horton Plaza and the historic park in front of the shopping center to preserve its historical significance. The plaza will be used as a central gathering place in downtown for all San Diegans to enjoy.

### NAVAL TRAINING CENTER PROJECT AREA

- The Agency approved a \$4,000 rehabilitation grant for the Naval Training Center Foundation to leverage into a \$20,000 financing. These funds will be used to rehabilitate historic buildings in the Naval Training Center Civic Arts and Culture Complex.

### NORTH BAY PROJECT AREA

- Construction has started on the Agency-assisted Mission Apartments affordable housing project, an 84 unit development.
- Construction of the Veterans Village of San Diego Phase III project was completed. The project provides 96 transitional beds for formerly homeless veterans. This project was built with Agency assistance.
- The Agency entered into a Third Implementation Agreement with Vietnam Veterans of San Diego for the construction of the Veterans Village Phase IV project. The project will provide 24 transitional beds for formerly homeless veterans. This project is being built with Agency assistance.
- The Agency provided funding to the Urban Corps of San Diego for the design and installation of the Gateway Mural Project.

## NORTH PARK PROJECT AREA

- Completed construction of the North Park Inn adaptive reuse project at 2625 University Avenue. This formerly crime-ridden property provides 17 units of permanent supportive rental housing for formerly homeless men with a dual diagnosis of substance abuse and mental illness.
- Contracted with local artist Blair Thornley to design and produce 16 pieces of art that were reproduced as large scale banners and installed on the four sides of the North Park Public Parking Garage.
- Acquired the vacant former Woolworth building at 3067 University Avenue for future development as a mixed-use project that will conform to the Secretary of the Interior's Standards for historic rehabilitation.
- Approved a \$5,600 loan to Community Housing Works for development of the Kalos apartment project located on Florida Street south of University Avenue. The development will provide 82 units for households earning 50% to 60% of the area median income.
- Approved a \$500 forgivable loan for a \$1,700 rehabilitation of an approximately 36,000 square-foot building at 3029 University Avenue to renovate two floors for a new Pan-Asian restaurant. The development will provide 60 new jobs.

## SOUTHEASTERN SAN DIEGO MERGED PROJECT AREA

- Initiated rehabilitation of 49-unit extremely low and low income family Vista Grande Apartments, including new playgrounds, community room, and energy efficient improvements.
- Executed an Owner Participation Agreement with Bridge Housing COMM 22, for construction of a mixed-use transit oriented development on the Orange Line Trolley in southeastern San Diego, including 130 affordable family units and 70 senior units, with commercial uses, live/work lofts and significant infrastructure improvements.
- Began installation of 20 streetlights on Imperial Avenue from 61st street to 69th Street, 14 streetlights in Mount Hope neighborhood and 72 streetlights in Southcrest.
- Completed health and safety rehabilitation and energy-efficient installation in seven single-family homes, owner-occupied by low income families.
- Completed installation of art murals at the 62nd Street Trolley Station, three large, graffiti-targeted walls in Southcrest, and initiated design of ADA improvements at trolley station and bus stop with the City, MTS, and SANDAG.
- Executed a Disposition and Development Agreement for the development of a 7,000 square foot industrial building and sale of real property located on the southwestern corner of 33<sup>rd</sup> and E Streets in the Gateway Center West Component Area of the Southeastern San Diego Merged Project Area.
- Funded design and construction, and completed design of Southcrest Trails Park on Agency-provided property along Chollas Creek.
- Initiated design of a storm water pilot 'green alley' program to reduce pollutant run-off from alley adjacent to Southcrest Trails Park and Chollas Creek.

## SAN YSIDRO PROJECT AREA

- Completed construction of the Verbena Family Apartments, an 80 unit affordable housing project on approximately 6.8 acres located at 3774 Beyer Boulevard. The total project cost was estimated at \$29,000, of which the Agency provided \$6,900 in residual receipt loans.
- Completed four community clean up and neighborhood revitalization events as a part of the San Ysidro Community Enhancement Program.

**Long-Term Debt**

At June 30, 2011, the Agency long-term debt totaled \$981,414. Of this amount, \$25,395 represent revenue bonds, which are secured by specified revenue sources, \$615,495 is comprised of tax allocation bonds and \$32,010 of Pooled Financing Authority Loans Payable. Tax Allocation Bonds and Pooled Financing Authority Loans are secured by tax increment revenue. The remainder of the Agency's debt represents notes payable and loans payable as well as accrued interest on loans and notes from the City.

**REDEVELOPMENT AGENCY  
OUTSTANDING DEBT**  
(In Thousands)

	2011	2010
Revenue Bonds	\$ 25,395	\$ 26,435
Tax Allocation Bonds	615,495	529,423
Contracts Payable	-	1,018
Notes Payable	8,300	11,601
Pooled Financing Authority		
Loans Payable	32,010	32,780
Loans Payable	112,170	158,578
Accreted Interest Payable	18,386	16,535
Accrued Interest Payable	169,658	162,957
Total	<u>\$ 981,414</u>	<u>\$ 939,327</u>

In the current fiscal year, the Agency issued \$47,835 in tax allocation bonds for non-housing redevelopment activities in various project areas including, Crossroads, City Heights, San Ysidro and Naval Training Center project areas. Additionally, it issued pooled housing bonds in the amount of \$58,565 for affordable housing projects in the City Heights, North Bay, North Park, Crossroads, Naval Training Center and San Ysidro project areas. Approximately \$28,259 of the housing bond proceeds and \$19,028 of the non-housing bond proceeds were used to pay lines of credit, contracts, loans and notes payable. Standard & Poor's Ratings Services ("S&P") and Moody's Investor Services ("Moody's") have assigned their municipal bond ratings to the 2010 Bonds as summarized in the following page:

**SUMMARY OF BONDS ISSUED IN FISCAL YEAR 2011**

<b>Bond</b>	<b>Amount</b>	<b>Bond Ratings</b>	
		<b>S&amp;P</b>	<b>Moody's</b>
Housing Set-Aside, Tax Allocation Bonds, Series 2010A (Taxable)	58,565	BBB+	A3
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010A (Tax-Exempt)	5,635	A-	A3
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010B (Taxable)	9,590	A-	A3
Crossroads Redevelopment Project Tax Allocation Bonds, Series 2010 A (Tax-Exempt)	4,915	BBB+	Baa2
Naval Training Center Redevelopment Project Tax Allocation Bonds, Series 2010 A (Tax-Exempt)	19,765	A-	Baa1
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 A (Tax-Exempt)	2,900	A-	Baa2
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 B (Taxable)	5,030	A-	Baa2

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5, Governmental Activities Long-Term Debt, on pages 64-72). Information on loans payable to the City, by project area, can be found on pages 134-136 of this report.

**OTHER SIGNIFICANT MATTERS****Agreements**

In the current fiscal year, the Agency entered into various new agreements with the City and amended existing agreements that commit significant amounts of funds for various purposes.

The City has made loans to the Agency in prior years, authorized by multiple resolutions. In the current fiscal year, these loans were memorialized and aggregated by executing three distinct agreements. The loan agreements suspended the accrual of interest on outstanding loans and changed the policy on how the payments are applied. Contrary to how payments were applied in prior years, all payments related to these loans will now apply to principal first and then interest. A more detailed description of these loans and two additional existing agreements, one related to Community Development Block Grant and another related to a Naval Training Center note payable, can be found in Note 1-r of the Summary of Significant Accounting Policies, on pages 53-55.

Moreover, the City and Agency entered into the Projects Implementation Agreement for the implementation of redevelopment and housing projects by the City on behalf of the Agency and also assigned certain Agency assets to the City. Pursuant to the Projects Implementation Agreement, the Agency advanced a significant amount of cash in anticipation of costs to be incurred by the City. In addition, the Agency transferred multiple properties to the City to facilitate the implementation of such projects and for other redevelopment purposes. A more detailed description of these agreements can be found in Note 4, Capital Assets, on page 63 and in Note 10, Commitments and Litigation Settlement, on pages 75-77.

Also, the City and Agency entered into a cooperation agreement for reimbursement of Convention Center related debt and amended an existing cooperation agreement to increase the reimbursement amounts related to Ballpark bond debt. Both agreements are funded with Centre City Project Area funds. A more detailed description of these agreements can be found in Note 10, Commitments and Litigation Settlement, on pages 75-77.

### **Project Areas Merger and Changes in Project Area Limits**

Senate Bill No. 863 (SB 863) was adopted by the California Legislature and approved by the Governor on October 19, 2010. Among other things, SB 863 eliminates the tax increment limit for the redevelopment plan of the Centre City Redevelopment Project. Under the original tax increment limit, the Centre City Redevelopment Project's tax increment limit was capped at approximately \$2,900,000. Without the tax increment limit, the Centre City Redevelopment Project is expected to collect approximately \$6,000,000 before the sub-areas within the Centre City Redevelopment Project reach their various limits on receipt of tax increment, which is between 2027 and 2043 depending on the sub-area.

SB 863 is the subject of various legal challenges. In *Richard D. Fox, et al., v. City of San Diego, et al.*, the plaintiff alleges that SB 863 violates the California constitution and that the City and the Agency are required to abide by the original tax increment limit. The City and the Agency are both named as defendants. *Simon Moghadan v. California State Board of Equalization, et al.*, challenges the constitutionality, validity and enforceability of SB 863. Neither the City nor the Agency are named as defendants in *Moghadan* and to date have not chosen to intervene. Finally, the County of San Diego (County) has threatened to sue the City, the Agency and other defendants seeking to stop the implementation of SB 863. The County's claim is currently tolled pending further discussions between the City and the County.

The City and the Agency believe that the City and the Agency do not have discretion to ignore state law without a finding that the law is invalid or unconstitutional. Moreover, to the extent any controversy exists, it lies with the state and not with the City or the Agency. In the event that SB 863 is overturned, the Agency, specifically the Centre City Redevelopment Project, will have substantially less tax increment revenue with which to carry out redevelopment activities. CCDC projects that the Centre City Redevelopment Project will reach the original \$2,900,000 tax increment limit sometime between fiscal years 2020 and 2024. Prior to the approval of SB 863, the City was exploring the lifting of the tax increment cap and could pursue that again in the event of an adverse ruling.

On February 23, 2011, the City Council adopted an ordinance approving the proposed amendments to merge the Central Imperial, Gateway Center West, Mount Hope and Southcrest Redevelopment Project Areas into a single project area known as the Southeastern San Diego Merged Project Area. In addition, the ordinance eliminated the tax increment limit for the Central Imperial Amendment 2 and Amendment 3 component areas; created a combined tax increment limit and bonded indebtedness limit for the Southeastern San Diego Merged Project Area; extended the duration of the Redevelopment Plan for the Gateway Center West Component Area of the Merged Project Area and the time limit for the repayment of debt and receipt of property taxes by ten years; and eliminated the time limit for the incurrence of debt for the Gateway Center West and Central Imperial Component Areas of the Merged Project Area.

The merger of the project areas provides increased flexibility to the Agency on how funds can be allocated to specific projects since tax increment generated from properties in the component areas is not limited to be used in the component area only; rather, it can be used throughout the entire merged project area. In addition, the merger may provide opportunities to obtain long-term financing due to the ability of the merged project area to combine the tax increment revenue of its various component areas to securitize the issuance of tax allocation bonds or other long term debt.

### **Recent Legislation and Economic Uncertainties**

On June 15, 2011, the California State Legislature approved ABX1 26, Dissolution Act and ABX1 27, Voluntary Alternative Redevelopment Program Act, which, respectively, eliminates redevelopment agencies as they currently exist and allows their continued existence under certain conditions. Cities can "opt-in" to the Voluntary Alternative Redevelopment Program Act by adopting an ordinance, agreeing to make certain payments to the County Auditor Controller in fiscal year 2012 and annual payments each fiscal year thereafter. The Voluntary Alternative Redevelopment Program Act provides a statewide formula to determine each city's proportional share based upon fiscal year 2009 statewide redevelopment agency financial data. The proportional share for the San Diego RDA is \$69,255 in fiscal year 2012, and an Agency estimate of \$16,428 in fiscal year 2013. The Agency's estimate for fiscal year 2013 and

subsequent years may vary depending on factors and assumptions that might affect the result of the State formula.

On July 18, 2011, the California Redevelopment Association and the League of Cities filed a claim with the California Supreme Court to overturn ABX1 26 and ABX1 27. If ABX1 26 and ABX1 27 are upheld by the California Supreme Court, jurisdictions that have “opted in” under ABX1 27, such as the City, may continue redevelopment but with diminished funds due to the required payments for the benefit of the State under ABX1 27. Another possible outcome of the pending lawsuit is that the California Supreme Court might uphold ABX1 26, but invalidate ABX1 27, resulting in the elimination of all redevelopment agencies in California. The California Supreme Court has indicated that a decision on the case should be expected by January 15, 2012. For additional information see Note 12, Subsequent Events, on pages 78-80.

## **REQUESTS FOR INFORMATION**

This financial report was designed to provide a general overview of the Agency’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Comptroller, 202 C Street, San Diego, CA 92101 or e-mailed to the City Comptroller at [comptroller@sandiego.gov](mailto:comptroller@sandiego.gov). This financial report is also available on the City’s website at [www.sandiego.gov](http://www.sandiego.gov), under the Office of the City Comptroller department.

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# Basic Financial Statements

**STATEMENT OF NET ASSETS**  
**June 30, 2011**  
(In Thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash or Equity in Pooled Cash and Investments .....	\$ 230,505
Cash and Investments With Fiscal Agent .....	109,115
Investments.....	41,145
Receivables:	
Taxes - Net .....	6,223
Notes and Contracts.....	176,897
Accrued Interest .....	641
Accounts .....	238
Advances to Other Agencies.....	825
Working Capital Advances:	
Centre City Development Corporation.....	1,260
Southeastern Economic Development Corporation.....	232
City of San Diego.....	290,310
Land Held for Resale .....	6,290
Prepaid Items and Deposits .....	3,535
Deferred Charges .....	9,953
Capital Assets - Non-Depreciable .....	69,829
Capital Assets - Depreciable .....	51,851
<b>TOTAL ASSETS</b> .....	<b>998,849</b>
<b>LIABILITIES</b>	
Accounts Payable .....	6,509
Interest Accrued on Long-Term Debt .....	11,489
Sundry Trust Liabilities .....	3,665
Long-Term Liabilities Due Within One Year.....	29,080
Long-Term Liabilities Due After One Year:	
Liability Claims.....	70,560
City Note Payable .....	8,300
City Loans Payable .....	106,047
Other Loans Payable .....	1,250
Net Pooled Financing Authority Loans .....	31,518
Net Bonds Payable .....	621,118
Accreted Interest Payable on Bonds .....	17,887
Accrued Interest Payable on City Notes .....	8,513
Accrued Interest Payable on City Loans .....	160,916
<b>TOTAL LIABILITIES</b> .....	<b>1,076,852</b>
<b>NET ASSETS (DEFICIT)</b>	
Invested in Capital Assets, Net of Related Debt .....	46,223
Unrestricted Deficit.....	(124,226)
<b>TOTAL NET ASSETS (DEFICIT)</b> .....	<b>\$ (78,003)</b>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2011**  
(In Thousands)

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets
<u>Primary Government:</u>	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>				
General Government and Support .....	\$ 184,549	\$ -	\$ -	\$ (184,549)
Neighborhood Services .....	110,952	682	7,173	(103,097)
Interest on Long-Term Debt .....	45,547	-	-	(45,547)
<b>TOTAL GOVERNMENTAL ACTIVITIES .....</b>	<b>\$ 341,048</b>	<b>\$ 682</b>	<b>\$ 7,173</b>	<b>(333,193)</b>
<b>General Revenues:</b>				
Tax Increments .....				170,281
Grants and Contributions Not Restricted to Specific Programs .....				3,508
Revenue from Use of Money and Property .....				7,386
<b>TOTAL GENERAL REVENUES .....</b>				<b>181,175</b>
<b>CHANGE IN NET ASSETS .....</b>				<b>(152,018)</b>
Net Assets at Beginning of Year.....				74,015
<b>NET ASSETS (DEFICIT) END OF YEAR .....</b>				<b>\$ (78,003)</b>

The accompanying notes are an integral part of the financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011  
(In Thousands)**

	Centre City	
	Special Revenue	
	Low-Mod	Other
<b>ASSETS</b>		
Cash or Equity in Pooled Cash and Investments.....	\$ 58,882	\$ 30,394
Cash and Investments with Fiscal Agent.....	-	-
Investments.....	-	-
Receivables:		
Taxes-Net.....	858	-
Notes and Contracts.....	108,264	-
Accrued Interest.....	91	10
Accounts.....	-	-
Advances to Other Agencies.....	-	-
Working Capital Advances:		
Centre City Development Corporation.....	-	-
Southeastern Economic Development Corporation.....	-	-
City of San Diego.....	41,324	-
Land Held for Resale.....	-	-
Prepaid Items and Deposits.....	-	1,229
	\$ 209,419	\$ 31,633
<b>TOTAL ASSETS.....</b>		
<b>LIABILITIES</b>		
Accounts Payable.....	\$ 1,282	\$ 36
Deferred Revenue.....	463	-
Sundry Trust Liabilities.....	144	9
	1,889	45
<b>TOTAL LIABILITIES.....</b>		
<b>FUND BALANCES</b>		
Nonspendable.....	41,324	1,229
Spendable:		
Restricted.....	166,206	30,359
Unassigned.....	-	-
	207,530	31,588
<b>TOTAL FUND BALANCES.....</b>		
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	\$ 209,419	\$ 31,633

The accompanying notes are an integral part of the financial statements.

Centre City		Other Governmental Funds	Total Governmental Funds
Debt Service	Capital Projects		
\$ 2,933	\$ 64,998	\$ 73,298	\$ 230,505
81,071	-	28,044	109,115
-	41,145	-	41,145
3,431	-	1,934	6,223
-	4,552	64,081	176,897
295	100	145	641
-	-	238	238
-	-	825	825
-	985	275	1,260
-	-	232	232
-	150,090	98,896	290,310
-	3,106	3,184	6,290
-	-	2,306	3,535
<u>\$ 87,730</u>	<u>\$ 264,976</u>	<u>\$ 273,458</u>	<u>\$ 867,216</u>
\$ -	\$ 1,412	\$ 3,779	\$ 6,509
1,851	-	1,156	3,470
-	3,335	177	3,665
<u>1,851</u>	<u>4,747</u>	<u>5,112</u>	<u>13,644</u>
-	151,075	102,534	296,162
85,879	109,154	166,552	558,150
-	-	(740)	(740)
<u>85,879</u>	<u>260,229</u>	<u>268,346</u>	<u>853,572</u>
<u>\$ 87,730</u>	<u>\$ 264,976</u>	<u>\$ 273,458</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. 121,680

Other assets and liabilities used in governmental activities are not financial resources, and therefore, are either deferred or not reported in the funds. 13,423

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. (1,066,678)

Net Assets of Governmental Activities \$ (78,003)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2011  
(In Thousands)**

	Centre City	
	Special Revenue	
	Low-Mod	Other
<b>REVENUES</b>		
Tax Increments.....	\$ 22,945	\$ 16,543
Investment Income.....	855	56
Rents.....	198	-
Private Sources.....	5	-
Other Agencies.....	-	-
City Participation.....	-	2,638
Other Revenue.....	434	-
<b>TOTAL REVENUES.....</b>	<b>24,437</b>	<b>19,237</b>
 <b>EXPENDITURES</b>		
Administrative Costs.....	1,423	-
Professional Services.....	808	-
Planning, Survey & Design.....	96	-
Acquisition Expense.....	-	-
Property Management.....	17	-
Relocation Costs.....	5	-
Relocation Payments.....	25	-
Site Clearance Costs.....	-	-
Project Improvements/Construction Costs.....	1,448	-
Rehabilitation Costs.....	259	-
Rehabilitation Grants/Loans.....	-	-
Capital Asset Acquisitions.....	-	-
Housing Subsidies.....	100	-
Loss on Disposition of LHFR.....	10,919	-
City Projects.....	-	11,318
Tax Sharing Payments.....	-	24,498
Other.....	-	-
Debt Service:		
Principal.....	-	-
Interest.....	-	-
Bond Issuance Cost.....	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>15,100</b>	<b>35,816</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>9,337</b>	<b>(16,579)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers from Other Funds.....	2,188	47,297
Transfers to Other Funds.....	(16,330)	(2,479)
Bonds Issued.....	-	-
Premium on Bonds Issued.....	-	-
Discount on Bonds Issued.....	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(14,142)</b>	<b>44,818</b>
 <b>NET CHANGE IN FUND BALANCES.....</b>	<b>(4,805)</b>	<b>28,239</b>
 <b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>212,335</b>	<b>3,349</b>
 <b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 207,530</b>	<b>\$ 31,588</b>

The accompanying notes are an integral part of the financial statements.

Centre City		Other Governmental Funds	Total Governmental Funds
Debt Service	Capital Projects		
\$ 75,236	\$ -	\$ 58,083	\$ 172,807
1,122	1,029	1,771	4,833
-	2,128	227	2,553
-	748	2,689	3,442
-	36	-	36
-	3,745	-	6,383
-	134	934	1,502
<u>76,358</u>	<u>7,820</u>	<u>63,704</u>	<u>191,556</u>
-	7,559	8,260	17,242
-	2,192	1,613	4,613
-	1,723	2,271	4,090
-	2	30	32
-	629	428	1,074
-	54	15	74
-	103	1,230	1,358
-	20	21	41
-	16,264	1,741	19,453
-	877	976	2,112
-	46	4,017	4,063
-	3,102	-	3,102
-	-	935	1,035
-	23,916	6,086	40,921
-	64,010	1,817	77,145
-	-	15,077	39,575
-	-	1,134	1,134
19,625	-	53,373	72,998
22,802	-	12,600	35,402
-	-	1,191	1,191
<u>42,427</u>	<u>120,497</u>	<u>112,815</u>	<u>326,655</u>
<u>33,931</u>	<u>(112,677)</u>	<u>(49,111)</u>	<u>(135,099)</u>
18,059	175,702	71,266	314,512
(206,732)	(17,705)	(71,266)	(314,512)
-	-	106,400	106,400
-	-	42	42
-	-	(1,585)	(1,585)
<u>(188,673)</u>	<u>157,997</u>	<u>104,857</u>	<u>104,857</u>
<u>(154,742)</u>	<u>45,320</u>	<u>55,746</u>	<u>(30,242)</u>
<u>240,621</u>	<u>214,909</u>	<u>212,600</u>	<u>883,814</u>
<u>\$ 85,879</u>	<u>\$ 260,229</u>	<u>\$ 268,346</u>	<u>\$ 853,572</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2011  
(In Thousands)**

Net change in fund balances - total governmental funds (page 43)	\$	(30,242)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,590
The Statement of Activities reports losses arising from the retirement of existing capital assets. Conversely, governmental funds do not report any gain or loss on retirement of capital assets.		(80,662)
Deferred revenue available to liquidate liabilities of the current period were recognized in the governmental funds during the current year, however, such amounts were recognized in the statement of activities in the prior years.		(2,526)
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(32,652)
Some expenses reported in the Statement of Activities do not require the use of current financial resources (i.e. interest on long-term debt, amortization of bond premiums and discounts), and therefore are not accrued as expenses in governmental funds.		(7,526)
Change in net assets of governmental activities (page 39)	<u>\$</u>	<u>(152,018)</u>

**The accompanying notes are an integral part of the financial statements.**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (In Thousands)**

The financial statements of the Redevelopment Agency of the City of San Diego ("Agency") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The significant accounting principles and policies utilized by the Agency are described below.

a. Scope of Financial Reporting Entity

The Agency was established by the City Council in 1958 for the purpose of providing a method to revitalize deteriorated and blighted areas within designated areas of the City. The Agency began functioning in 1969 pursuant to the Community Redevelopment Law of California as codified in the State of California Health and Safety Code.

Under GASB Statement No. 14, the Agency is considered a component unit of the City. The Agency's basic financial statements, which are presented as a blended component unit in the basic financial statements of the City, present an aggregation of funds associated with 14 redevelopment project areas. The redevelopment project areas are overseen by the City's Redevelopment Department, and two corporations, the Centre City Development Corporation ("CCDC") and the Southeastern Economic Development Corporation, Inc. ("SEDC").

CCDC and SEDC are non-profit corporations organized by the City to administer certain redevelopment projects (CCDC in downtown San Diego and SEDC in southeastern San Diego) as well as to provide redevelopment advisory services to the Agency. These activities are carried out pursuant to operating agreements with the Agency under which the Agency agrees to reimburse CCDC and SEDC for all eligible costs (as defined) incurred in connection with such activities. Neither the financial position nor the transactions of CCDC and SEDC are included as part of the Agency's financial statements. However, reimbursements to CCDC and SEDC for services provided to the Agency result in administrative charges that are included in the financial statements as Agency costs.

The City Council and Mayor, acting in accordance with the City Charter, the City's Municipal Code and applicable state laws, appoint the members of the Board of Directors of CCDC and SEDC. The City Council acts as the Agency's Board of Directors.

On January 1, 2006 the City implemented the strong mayor form of government. Accordingly, the Agency's Bylaws were amended to state that the Executive Director or Directors shall be the Mayor or such person or persons as may be designated by the Agency. The Agency Board has designated the Mayor as Executive Director for a limited term and has extended such term through the end of his term which is December 3, 2012.

On December 14, 2010, the Redevelopment Agency established an Ad Hoc Committee for a period of one year and appointed four Agency Board members to serve as committee members. The Ad Hoc Committee was tasked with making recommendations on who to designate as Executive Director of the Agency, and other redevelopment functions as may be requested by the committee Chair or a majority of the Agency Board. In addition, the Committee is exploring various options on the potential reorganization of the Agency's administrative functions.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all activities of the Agency.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All funds presented in the fund financial statements are governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major funds:

Centre City Low and Moderate Income Housing Fund – The Centre City Low and Moderate Income Housing Fund is a Special Revenue Fund used to account for 20 percent of the tax increment revenue generated from the Centre City Project Area, affordable housing bond proceeds and the costs associated with the Agency's effort to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in this area.

Centre City Other Special Revenue Fund – The Centre City Other Special Revenue Fund is used to account for transactions that cannot be clearly identified with capital projects, debt service or affordable housing. These transactions include those related to the Grantville settlement agreement with the City and County; revenue collected from the operation of two parking structures in the project area; satisfaction of the City's debt service obligations related to the Ballpark Lease Revenue Refunding Bonds, Series 2007A and the Convention Center II Lease Revenue Bonds, Series 1998A; tax sharing payments to other entities; and payments to the State.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for and report financial resources that are restricted for principal and interest on long term-debt of the Centre City Project Area, and related costs.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for and report financial resources that are restricted to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets and other redevelopment activities in the Centre City Project Area.

Additionally, the Agency reports the following other governmental fund types:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term debt.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities, other capital assets and other redevelopment activities.

All non-major governmental funds are accounted for and reported similarly to major governmental funds.

On February 23, 2011, the City Council adopted an ordinance approving the proposed amendments to merge the Central Imperial, Gateway Center West, Mount Hope and Southcrest Redevelopment Project Areas into a single project area known as the Southeastern San Diego Merged Redevelopment Project Area. The fund financial statements report the balances and activity of the Southeastern San Diego Merged Redevelopment Project Area as a single project area. The ending balances reported in the prior year of project areas that now represent component areas of the Southeastern San Diego Merged Redevelopment Project Area have been combined to reflect a single project area.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**Government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include (1) operating grants and contributions and (2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred except for principal and interest of general long-term debt which are recognized when due.

Revenues which are considered susceptible to accrual include tax increment, rents, interest and grants, provided they are received within 60 days from the end of the fiscal year. Revenue from private sources, other agencies, city participation, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

d. Tax Increment Revenues

Tax Increment Revenues represent taxes collected in the Agency's redevelopment project areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the inception year of the redevelopment project area) property tax assessment along with a provision for inflation.

The County of San Diego (the "County") assesses, bills, and collects property taxes on behalf of numerous special districts and incorporated cities, including the Agency. The Agency's collections of current year's taxes are received through 9 periodic apportionments from the County.

Property owners within the City can appeal the assessment of their property to the County Assessment Appeals Board. A property's taxable value may be reduced as a result of a successful appeal of the taxable value of property determined by the County Assessor. An appeal may result in a reduction of the County Assessor's original taxable value and tax refund to the applicant property owner. The reduction in future Project Areas taxable values and the refund of taxes affects all taxing entities, including the Agency.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1, are levied the following July 1, are then payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. General property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76

valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can increase a maximum of 2% per year. The limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978.

At the government-wide level, tax increment revenues are recognized in the fiscal year for which the taxes have been levied. For the governmental funds, tax increment revenues are recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of year end. Tax Increment Revenues received after this date are not considered available as a resource that can be used to finance the current fiscal year operations of the Agency and, therefore, are recorded as deferred revenue in the governmental funds. The Agency provides an allowance for uncollected property taxes of 3% of the outstanding balance which reflects historical collections. The allowance for uncollected property taxes at June 30, 2011 was \$107.

e. Equity in Pooled Cash and Investments

The Agency's Pooled Cash and Investments are part of the City's Pooled Cash and Investments. The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer (the City Pool). The City Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a 2a7-like pool. The investment activities of the City Treasurer in managing the City Pool are governed by California Government Code § 53601 and the City's Investment Policy which is reviewed by the Investment Advisory Committee and approved annually by the City Council. Interest earned on pooled investments is allocated to participating funds and entities based upon their average daily cash balance during the allocation month. Fair value adjustments to the City Pool are recorded annually; City Treasurer reports fair values on a monthly basis. The value of the shares in the City Pool approximates the fair value of the City Pool.

Additionally, the Agency maintains individual accounts pursuant to bond issuances. The investment of these funds is governed by the policies set forth in individual indenture and trustee agreements.

All City investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Deposit and investment risks are disclosed in Note 3 of the notes to the basic financial statements in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 communicates deposit and investment risks to financial statement users. Common risk disclosures include interest rate risk, credit risk, concentration of credit risk, and custodial credit risk. Note 3 also contains additional information on permissible investments per the City's Investment Policy and other policies applicable to the cash and investments reported herein.

f. Notes Receivable

The Agency provides cash or conveys land to developers in exchange for promissory notes to facilitate the financing of affordable housing and redevelopment projects. Some of the loans are forgivable after a specified period of time if certain requirements are met. These requirements typically relate to income restrictions on affordable housing projects. Other notes are non-forgivable and require repayment in accordance with its corresponding promissory note.

In the case of forgivable notes, the Agency assumes that the developer will comply with the affordable housing covenants, or other restrictions, and that the loan will be forgiven. Hence, forgivable notes are expensed/expended at the time the cash is disbursed by the Agency or at the time land is conveyed to the developer. In the event the developer does not meet the restriction requirements, the Agency records a note receivable and recognizes revenue equal to the estimated collectable amount.

Non-forgivable notes receivable are reported as an asset transaction in which cash or land is provided in exchange for a promissory note. As payments are collected, the Agency recognizes revenue for the interest component of the payment and reduces the note receivable balance and

increases cash for the principal component of the payment. Unless information is available on the uncollectability of a specific note, there is no allowance for uncollectable amounts on non-forgivable notes receivable since these notes are typically secured by real property.

g. Land Held for Resale

Land Held for Resale, purchased by the Agency, is reported in the government-wide and fund financial statements at the lower of cost or net realizable value. In the governmental funds financial statements, fund balances associated with properties held for resale is reported as restricted fund balance since the proceeds from the sale of such properties is restricted for the purpose of affordable housing or redevelopment activities as codified in the California Health and Safety Code.

Land is originally recorded at historical cost and adjusted to net realizable value when the Agency enters into disposition and development agreements whereby the property will be sold for less than its historical cost, when a property is impaired or when property values decrease due to market conditions.

h. Capital Assets

Non-depreciable capital assets, which include land and construction in progress, are reported in the government-wide financial statements. Depreciable capital assets, which include structures, improvements and equipment, are reported in the government-wide financial statements net of accumulated depreciation. To meet the criteria for capitalization, the asset must have a useful life in excess of one year and in the case of capital outlay, must equal or exceed a capitalization threshold of \$5. All other capital assets such as land and structures are capitalized regardless of cost. Subsequent improvements are capitalized to the extent that they extend the initial estimated useful life of the capitalized asset or improve the efficiency or capacity of that asset. Costs for routine maintenance are expensed as incurred. Costs related to development of City infrastructure are not capitalized because these assets are maintained by the City and not the Agency. In cases where the Agency purchases land or structures for development of City infrastructure, acquisition and improvement costs are capitalized and reported as Agency capital assets until they are conveyed to the City, once the project is completed. Losses on the retirement of assets conveyed to the City are reflected in the Statement of Activities as General Government and Support Expense.

Capital assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair value on the date of donation. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the related asset as follows:

<b>Assets</b>	<b>Years</b>
Structures and Improvements	20-50
Equipment	3-25

i. Deferred Charges

In the government-wide financial statements, deferred charges represent the unamortized portion of bond issuance costs. These costs will be amortized over the life of the related bonds using a method which approximates the effective yield method.

j. Deferred Revenue

In the governmental funds financial statements, deferred revenue represents revenues which has been earned but has not met the recognition criteria based on the modified accrual basis of accounting.

k. Interfund Transactions

Interfund transactions between the Agency's governmental funds are mostly transfers of assets (such as cash or land) without equivalent flows of assets in return.

Tax increment revenue is originally deposited in the project area's debt service fund to satisfy the Agency's debt service obligations, in the low and moderate income housing fund for affordable housing activities and in the other special revenue fund to make tax sharing payments and satisfy other obligations. Tax increment is transferred from the project area's debt service fund to the capital projects fund to pay for redevelopment activities.

Housing bond proceeds are recorded in the Low and Moderate Income Housing Funds while redevelopment bond proceeds are recorded in the Capital Projects Funds. These proceeds are typically expended in the funds where they are recorded. However, they are sometimes transferred to the Debt Service Funds to satisfy a debt obligation to the City or a developer.

l. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, bond issuance costs and bond refunding gains and losses are amortized over the life of the bonds, using a method that approximates the effective yield method. Net bonds payable reflect amortized bond accretion and unamortized bond discounts, premiums and refunding gains and losses.

m. Sundry Trust Liabilities

Under approval of certain agreements, developers submit to the Agency an initial deposit to ensure the developer proceeds diligently and in good faith to negotiate and perform all of the obligations under the agreement. These deposits can normally be used for administrative costs of the Agency. In the government-wide financial statements and in the fund financial statements, the unspent portion of these deposits, called Sundry Trust Liabilities, are reported as liabilities of the Agency.

n. Claims and Judgments

The costs of claims and judgments are accrued when incurred and measurable in the government-wide financial statements. In governmental funds, the costs of claims and judgments are recorded as expenditures when payments are made.

o. Net Assets and Fund Equity

In the government-wide financial statements, net assets are categorized as follows:

- Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets.
- Restricted Net Assets consist of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation. All of the Agency's net assets, other than those invested in capital assets, are restricted.
- Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Assets. Because all of the Agency's assets are considered invested or restricted, this category is only used to report net asset deficits.

In the fund financial statements, portions of fund equity of governmental funds have been classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type*

*Definitions.* This new standard has substantially changed the categories and terminology used to describe the components of fund balance. As of June 30, 2010, the City categorized fund balances in the Balance Sheet as reserved and unreserved. GASB Statement No. 54 requires that fund balance for governmental funds be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

GASB Statement No. 54 distinguishes between those fund balances that are *spendable* and those that are *nonspendable*. Nonspendable amounts are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Agency reports fund balance associated with working capital advances, advances to other agencies and prepaid items and deposits as nonspendable because they are not in spendable form. The remaining fund balance is considered to be spendable.

All of the Agency's spendable fund balance is restricted by Community Redevelopment Law as codified in the State of California Health and Safety Code or by debt covenants imposed by creditors. Fund balances are restricted for the following purposes:

- Fund balance reported in *low and moderate income housing funds* is restricted by the California Health and Safety Code to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in the various project areas.
- Fund balance reported in the *capital project funds* is restricted by the California Health and Safety Code for the purpose of eliminating blight within the appropriate redevelopment project area.
- Fund balance reported in *other special revenue funds* is restricted by the California Health and Safety Code for the purpose of making tax sharing payments to taxing agencies that have territory located within a redevelopment project area or to the State. These funds also report miscellaneous activities that are normally not associated with affordable housing, debt service or capital project such as reimbursement of debt service payments to the City and settlement agreement payments.
- Fund balance reported in *debt service funds* is restricted by the California Health and Safety Code and by debt covenants imposed by creditors. The Agency maintains debt service reserves with trustees in accordance with bond indentures. The fund balance related to these accounts is reported in the debt service funds. Additionally, the Agency collects tax increment revenue in debt service funds and uses some of it to make principal and interest payments. Tax increment revenues typically exceed debt service requirements resulting in the accumulation of fund balances in debt service funds. These fund balances are also restricted since they can only be used for affordable housing activities, to make tax sharing payments or for redevelopment activities as described in the California Health and Safety Code.

p. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities, disclosure of contingent assets and liabilities and the related reported amounts of revenues and expenses/expenditure. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

q. Agreements

The Redevelopment Agency has entered into various agreements with the San Diego Housing Commission (SDHC) for the administration of programs that benefit, very low, low and moderate-income persons and families in various redevelopment project areas.

The Housing Enhancement Loan Program (HELP) finances from \$5 to \$30 for property rehabilitation and enhancement (subject to an annual simple interest rate of 3%) and, in some project areas, offers an additional \$5 for water conserving landscape improvements and/or energy conserving improvements to eligible homeowners. The total amount of the loan and accrued interest is forgiven in 20% increments during the last five years of the ten year loan term based upon the participant's compliance with the terms and conditions of the loan agreement. The HELP program is currently available in the City Heights, College Grove, Crossroads, Grantville, Linda Vista, North Park and San Ysidro project areas in addition to the SEDC area of influence.

The Housing Rehabilitation Loan Program finances interior and exterior improvements and the repair of health and safety hazards. These loans require that the owner maintain residence in the property for at least the agreed upon number of years, or requires repayment of the loan, with accrued interest, in the event the property is no longer owner-occupied during the loan term. Loans are forgivable after the agreed upon term.

Agency contributions to these programs are expensed at the government-wide and fund financial statements at the time the cash is transferred to the SDHC. Revenue generated by the programs are not recognized by the Agency due to the fact that they are intended to be used to finance additional loans within the programs, will be retained by the SDHC, and are not available to fund other activities. Should the Agency decide to terminate these agreements, revenue would be recognized at the time the program is discontinued and any outstanding loan balances would be recorded as a Note Receivable in the government-wide and fund financial statements.

On February 28, 2011, the City and Agency entered into a cooperation agreement for the implementation of certain redevelopment projects by the City on behalf of the Agency (Projects Implementation Agreement). The Agency has advanced funds of \$289,345 to the City in anticipation of work to be performed in future years. The Agency reports these advances as working capital advances in the government-wide and fund financial statements. The Agency reduces these advances and recognizes expenses or expenditures as the City incurs eligible costs in the implementation of the projects on behalf of the Agency. If the costs incurred by the City exceed the advances provided, the Agency recognizes a liability. For additional information, see Note 10, Commitments and Litigation Settlement, on pages 75-77.

On March 15, 2011, the City Council and Agency Board authorized assignment of accounts receivable and other Agency assets to the City. Subsequently, the Agency transferred to the City, by recorded quitclaim deeds, fee title ownership of approximately 95 real estate assets and assigned all of the tangible and intangible assets related to those real estate assets. The transfers included \$80,662 in capital assets and \$40,921 in land held for resale. Additionally, the Agency encumbered certain properties it retained by a recorded deed of trust in the City's favor to secure miscellaneous forms of debt owed by the Agency to the City. The Agency recognized a loss equal to the book value of the property held for resale and the capital assets transferred to the City in the government-wide financial statements. In the fund financial statements, the Agency recognized an expenditure equal to the book value of the property held for resale transferred to the City. The expenditure was reported as a loss on the disposition of land held for resale. For additional information, see Note 4, Capital Assets on page 63.

r. City Loans

The City of San Diego has loaned funds to the Redevelopment Agency when a project area has not generated sufficient tax increment to fund redevelopment activities in the area, mostly during the initial stages of a project area's life. Additionally, the City has conveyed land to the Agency in exchange for debt.

The Agency and City have entered into certain repayment agreements memorializing the terms of these loans. There are currently five components of that debt reported in Note 5 to the basic financial

statements. A breakdown of the loans owed to the City by project area is included on pages 134-136 of the report. A description of those components is presented below:

- *Loan Payable, Federal Department of Housing and Urban Development (HUD) Settlement Agreement* - The Office of the Inspector General (OIG) audited the City's Community Development Block Grant (CDBG) program, specifically CDBG loans to the Agency. In addition to other findings, the OIG determined that the City failed to execute loan agreements and repayment schedules for the CDBG loans issued to the Agency. After reaching agreement with HUD on appropriate corrective actions, on June 30, 2010, the City and Agency executed a repayment agreement in which a total of \$78,787 was scheduled to be repaid by the Agency to the City over a ten year period commencing in fiscal year 2010. The source of these repayments was determined based on the ability of each project area to repay the debt and the existence of CDBG related principal and interest outstanding for each of the project areas. Based on this allocation, the \$78,787 included principal of \$45,311 and interest of \$33,476. Pursuant to the repayment agreement, payments on these loans apply to outstanding principal first and then to accrued interest. The agreement was silent on whether interest would continue to accrue on the principal portion of these loans during the ten-year repayment period. It is not clear if the City Council intended to cease interest accrual on this component of the City debt. Management will seek clarification of this issue during the fiscal year 2013 budgetary hearings in fiscal year 2012. For purposes of these financial statements, interest has been accrued through June 30, 2011.
- *Loan Payable, Naval Training Center Section 108 Loan* – On March 1, 2011, the City and Agency executed an agreement to memorialize a \$5,910 loan issued by the City to the Agency for the purpose of rehabilitating certain buildings in the Naval Training Center Project Area. The source of the loan was a Section 108 loan received by the City from HUD. The City is required to repay HUD principal and interest in accordance with an amortization schedule. The Agency has committed to provide the funds necessary to make the City's payments to HUD including both, principal and interest. The Agency assumes the same interest rate associated with the City loan from HUD. Note 5(b), on page 67, reflects scheduled principal and interest payments associated with this loan in accordance to the amortization schedule for the HUD loan to the City.
- *Loan Payable, City Heights Section 108 Loan* - On March 1, 2011, the City and Agency executed an agreement to memorialize a \$2,250 loan issued by the City to the Agency for a development project in the City Heights Project Area. The Agency subsequently loaned the funds to a developer and such developer is obligated to make payments to the Agency pursuant to a Development and Disposition Agreement (DDA) and promissory note held by the Agency. The source of the original loan made by the City to the Agency was a Section 108 loan received by the City from HUD. The City is required to repay HUD principal and interest in accordance with an amortization schedule. The Agency has committed to transfer to the City the payments received from the developer, so the City can make the necessary payments to HUD including both, principal and interest. The Agency assumes the same interest rate associated with the City loan from HUD. Note 5(b), on page 67, of the financial statements reflects scheduled principal and interest payments associated with this loan in accordance to the amortization schedule for the HUD loan to the City.
- *Loan Payable, Miscellaneous* – On March 1, 2011 the City and the Agency executed a 30 year repayment agreement to memorialize multiple loans made by the City to the Agency in prior years. The loans were made from various City funds and sources including general fund, sales tax, grants, Transnet, capital outlay, CDBG, water, metropolitan wastewater, among other sources. The total amount of the loan agreement was \$193,760, including principal in the amount of \$65,797 and accrued interest through June 30, 2011, in the amount of \$127,963. Pursuant to the repayment agreement, payments on these loans apply to outstanding principal first and then to accrued interest. Interest accrued on these loans through June 30, 2011. However, pursuant to the repayment agreement, no additional interest will accrue after this date. The determination of whether a payment is due in any year

will be determined as part of the Agency's and the City's respective annual budget process. Certain Agency Redevelopment Project Areas may reach the date beyond which they can collect tax increment or repay debt pursuant to California Health and Safety Code section 33670 (Tax Increment Limitation Date) prior to the term of this agreement and any debt still owing from such Agency redevelopment project areas may not be paid.

- *Note Payable, Naval Training Center* - On June 26, 2000, the City and Agency executed a cooperation agreement for development of the former San Diego Naval Training Center. The federal government conveyed about 429 acres of real property to the City in the Naval Training Center Redevelopment Project Area. The City subsequently sold the property to the Agency in exchange for an \$8,300 note payable to the City. The Agency agreed to pay the purchase price to the City, upon demand, with interest at the rate of 8%, per annum, compounded, computed from the date of the conveyance to the Agency, but only to the extent that the Agency has tax increment revenues available or from other sources, which are not needed to carry out the Naval Training Center redevelopment plan. Depending on the when this debt is repaid, the Naval Training Center Redevelopment Project Area may reach the date beyond which it can collect enough tax increment to repay this debt pursuant to California Health and Safety Code section 33670 (Tax Increment Limitation Date) and any debt still owing from such Agency Redevelopment project Areas may not be paid.

Recent State legislation could affect the repayment of these loans. Assembly Bill ABX1 26 could invalidate interagency receivables payable to the City by making the amounts uncollectable. For additional information on the recent State legislation see Note 12, Subsequent Events, on pages 78-80.

s. Tax Increment Sharing Payments

Prior to the adoption of Section 33607.5 of the Redevelopment Law, a redevelopment agency was authorized to enter into agreements to pay tax increment revenues to any taxing agency that had territory located within a redevelopment project area in an amount which, in the Agency's determination, was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provided for a pass-through of tax increment revenues directly to the affected taxing agency, and, therefore, are commonly referred to as "pass-through agreements".

Section 33607.5 of the Redevelopment Law repealed the provisions that enabled pass-through agreements, although existing pass-through agreements remained in place. Section 33607.5 replaces the payments from new pass-through agreements with a statutory tax increment sharing formula for all redevelopment project areas established on or after January 1, 1994 and requires statutory pass-through payments ("Statutory Pass-through Payments") to all existing taxing entities.

Section 33607.7 was subsequently added to Redevelopment Law to provide for Statutory Pass-through Payments to affected taxing entities that do not have existing tax sharing agreements. If a redevelopment plan adopted prior to January 1, 1994 is amended to eliminate its time limit on the establishment of loans, advances and indebtedness, the amounts of Statutory Pass-through Payments under section 33607.5 are computed as follows:

- From the first fiscal year in which the Agency receives tax increment until the last fiscal year in which the Agency receives the tax increment, 25% of the tax increment is passed through to the entities (net of the 20% housing set aside).
- Commencing in the eleventh fiscal year, an additional 21% of the tax increment in excess of the tenth fiscal year tax increment is passed through to the entities (net of the 20% housing set aside).

- Commencing in the thirty first fiscal year, an additional 14% of the tax increment in excess of the thirtieth fiscal year tax increment is passed through to the entities (net of the 20% housing set aside).

In addition to the tax sharing payments described above, the Agency has opted into the Voluntary Alternative Redevelopment Program pursuant to Assembly Bill ABX1 27, which requires that the City deposit specified sums of money on an annual basis to the County Auditor and Controller for deposit into the State Special District Allocation Fund and the State Educational Revenue Augmentation Fund. The Voluntary Alternative Redevelopment Program Act provides a statewide formula to determine each city's proportional share based upon fiscal year 2009 statewide redevelopment agency financial data. The proportional share for the Agency is \$69,255 in fiscal year 2012, and an Agency estimate of \$16,428 in fiscal year 2013. The amount of remittances owed in fiscal year 2013 and subsequent fiscal years could increase or decrease based on facts and assumptions that may alter the results of the State formula. For additional information regarding payments under the Voluntary Alternative Redevelopment Program see Note 12, Subsequent Events, on pages 78-80.

The Agency records liabilities and expenditures related to tax sharing and Voluntary Alternative Redevelopment Program ABX1 27 payments based on the criteria established by GASB Statement No. 33. The Agency defines the applicable period for recognition as the fiscal year in which tax increment sharing payments are appropriated. Instances in which tax sharing payments are not made in the fiscal year they are appropriated result in a liability and expenditure to the Agency for that year, regardless of the timing of cash flows.

t. New Governmental Accounting Standards Implemented during fiscal year ended June 30, 2011

The requirements for the following accounting standards are effective for the purpose of implementation, if applicable for the Agency, for fiscal year ended June 30, 2011.

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (In Thousands)**

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Balances - Governmental Funds and Total Net Assets - Governmental Activities as reported in the Government-wide Statement of Net Assets. Certain adjustments are necessary to reconcile governmental funds to governmental activities. The details of these adjustments are as follows.

- a. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets:

One element of the reconciliation states, "Other assets and liabilities used in governmental activities are not financial resources, and therefore, are either deferred or not reported in the funds." The details of this \$13,423 difference are as follows:

Deferred Charges, net July 1, 2010	\$ 9,364
Issuance Costs	1,191
Amortization Expense	<u>(602)</u>
Deferred Charges, net June 30, 2011	<u>9,953</u>
Deferred Revenue:	
Taxes Receivable	<u>3,470</u>
Deferred Revenue, June 30, 2011	<u>3,470</u>
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u><u>\$ 13,423</u></u>

Another element of the reconciliation states that "Some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(1,066,678) difference are as follows:

Liability Claims	\$ (70,560)
Bonds Payable	(640,890)
Pooled Financing Authority Loans	(32,010)
Net Premiums and Discounts on Bond and Loan Issuances	(3,955)
Unamortized Loss on Refunding	740
Notes Payable	(8,300)
Loans Payable	(112,170)
Accreted Interest Payable on Bonds	(18,386)
Accrued Interest Payable on Long-Term Debt	(11,489)
Accrued Interest Payable on City Loans and Notes	<u>(169,658)</u>
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u><u>\$ (1,066,678)</u></u>

- b. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between Net Change in Fund Balances - Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,590 difference are as follows:

Capital outlay	\$ 3,102
Depreciation expense	<u>(1,512)</u>
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ 1,590</u>

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities." The details of this \$ (32,652) difference are as follows:

Debt Issued or Incurred:	
Issuance of Tax Allocation Bonds	\$ (106,400)
Less Premiums and Discounts	1,543
Bond Issuance Costs	1,191
Net Accretion on Capital Appreciation Bonds	(1,851)
Note Payable	(133)
Principal Repayments:	
Revenue Bonds	1,040
Tax Allocation Bonds	20,328
Pooled Financing Authority Loans Payable	770
Loans Payable	46,408
Contracts Payable	1,018
Notes Payable	<u>3,434</u>
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ (32,652)</u>

Another element of the reconciliation states that “Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not accrued as expenses in governmental funds.” The details of this \$ (7,526) difference are as follows:

Change in Liability Claims	\$ 1,230
Change in Interest Accrued on Long-Term Debt	(1,593)
Change in Interest Accrued on City Note and Loans	(6,701)
Amortization of Bond Issuance Costs	(602)
Amortization of Bond Premiums, Discounts and Deferred Charges on Refunding	<u>140</u>
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u><u>\$ (7,526)</u></u>

### 3. CASH AND INVESTMENTS (In Thousands)

The following is a summary of the carrying amount of the Agency’s cash and investments:

	<u>Governmental Activities</u>
Cash or Equity in Pooled Cash and Investments	\$ 230,505
Cash and Investments with Fiscal Agent	109,115
Non-Pooled Investments	<u>41,145</u>
Total	<u><u>\$ 380,765</u></u>

#### a. Cash or Equity in Pooled Cash and Investments

The Agency participates in the City’s Pooled Cash and Investments. Cash or Equity in Pooled Cash and Investments represents petty cash, cash at the bank in demand Pool deposit and/or savings accounts, cash in escrow for contract retention payables, and equity in pooled cash and investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer.

#### b. Cash and Investments with Fiscal Agent

Cash and Investments with Fiscal Agents represents cash and investments held by fiscal agents resulting from bond issuances. More specifically, these funds represent reserves held by fiscal agents or trustees as legally required by bond issuances and liquid investments held by fiscal agents or trustees which are used to pay debt service. In addition, the Agency transfers cash to escrow companies under fund control agreements. These companies hold funds on behalf of the Agency until certain requirements under contracts with developers are met, at which point the funds are disbursed.

#### c. Non-Pooled Investments

Investments represent investments managed by the City Treasurer which are not part of the City’s Pooled Cash and Investments.

d. Investment Policy

**City of San Diego Investment Policy**

The Agency follows the City’s Investment Policy. In accordance with City Charter Section 45 and under authority annually approved by the City Council, the City Treasurer is responsible for the safekeeping and investment of the unexpended cash in the City Treasury according to the City Treasurer’s Investment Policy (the “Policy”). This Policy applies to all of the investment activities of the City except for the pension trust funds, the proceeds of certain debt issues, which are managed and invested at the direction of the City Treasurer in accordance with the applicable indenture or by Trustees appointed under indenture agreements or by fiscal agents, and the assets of trust funds, which are placed in the custody of the Funds Commission by Council ordinance.

City staff reviews the Policy annually and make revisions based upon changes to the California Government Code and the investment environment. These suggested revisions are presented to the City Treasurer’s Investment Advisory Committee (IAC) for review and comment. The IAC consists of two City representatives and three outside financial professionals with market and portfolio expertise. The City Council reviews the Policy and considers acceptance on an annual basis.

The Policy is governed by the California Government Code (CGC), Sections 53600 et seq. The following table presents the authorized investments, requirements, and restrictions per the CGC and the City Policy:

Investment Type	Maximum Maturity (1)		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
	CGC	City Policy	CGC	City Policy	CGC	City Policy	CGC	City Policy
U.S. Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
U.S. Agencies	5 years	5 years	None	(2)	None	(2)	None	None
Bankers' Acceptances (6)	180 days	180 days	40%	40%	30%	10%	None	(3)
Commercial Paper (6)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates (6)	5 years	5 years	30%	30%	None	10%	None	(3)
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements (4)	92 days	92 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	None	None	None	None	None
Non-Negotiable Time Deposits (6)	5 years	5 years	None	25%	None	10%	None	(3)
Medium Term Notes/Bonds (6)	5 years	5 years	30%	30%	None	10%	A	A
Municipal Securities of California Local Agencies (6)	5 years	5 years	None	20%	None	10%	None	A
Money Market Mutual Funds	N/A	N/A	20%	20%	10%	10%	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	AA
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	None	None	AA	AAA
Financial Futures (5)	N/A	None	None	None	None	None	None	None

Footnotes:

- (1) In the absence of a specified maximum, the maximum is 5 years.
- (2) No more than one-third of the cost value of the total portfolio at time of purchase can be invested in the unsecured debt of any one agency.
- (3) Credit and maturity criteria must be in accordance per Section X of the City's Investment Policy.
- (4) Maximum % of portfolio for Reverse Repurchase Agreements is 20% of base value.
- (5) Financial futures transactions would be purchased only to hedge against changes in market conditions for the reinvestment of bond proceeds.
- (6) Investment types with a 10% maximum with one issuer are further restricted per the City's Investment Policy: 5% per issuer and an additional 5% with authorization by City Treasurer.

According to the Policy, the City may enter into repurchase and reverse repurchase agreements only with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement.

Additionally, the Policy authorizes investment in other specific types of securities. The City may invest in floating rate notes with coupon resets based upon a single fixed income index (which would be representative of an eligible investment), provided that security is not leveraged. Structured notes issued by U.S. government agencies that contain imbedded calls or options are authorized as long as those securities are not inverse floaters, range notes, or interest only strips derived from a pool of

mortgages. A maximum of 8% of the “cost value” of the pooled portfolio may be invested in structured notes.

Ineligible investments prohibited from use in the portfolio include, but are not limited to, common stocks and long-term corporate notes/bonds. A copy of the Investment Policy can be found on the City Treasurer’s webpage at [www.sandiego.gov/treasurer/investments/invpolicy.shtml](http://www.sandiego.gov/treasurer/investments/invpolicy.shtml).

### Other Investment Policies

The City and its component units, including the Agency, have funds invested in accordance with various bond indenture and trustee agreements. The investment of these bond issuances is in accordance with the Permitted Investments section and applicable account restrictions outlined in the Indenture of each bond issuance. The Permitted Investments section in each Indenture will vary based upon the maturity, cash flow demands and reserve requirements associated with each issuance. In general, the Permitted Investments section of each Indenture will closely resemble the City Treasurer’s Investment Policy, but may include certain investment options not authorized by applicable law for the City Treasurer’s Investment Policy (CGC §53601). Copies of the individual bond indentures can be requested from the City Treasurer’s Investment Division, 1200 3rd Avenue, Suite 1624, San Diego, CA 92101.

#### e. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market or interest rate risk for the City’s pooled investments is intended to be mitigated by establishing two portfolios, a liquidity portfolio and a core portfolio. Target durations are based upon the expected short and long-term cash needs of the City. The liquidity portfolio is structured with an adequate mix of highly liquid securities and maturities to meet major cash outflow requirements for at least six months (per CGC Section 53646). The liquidity portfolio uses the Bank of America Merrill Lynch 3-6 months Treasury Index as a benchmark with duration of plus or minus 40% of the duration of that benchmark. The core portfolio uses the Bank of America Merrill Lynch 1-3 years Treasury Index as a benchmark with a duration of plus or minus 20% of the duration of that benchmark. It consists of high quality liquid securities with a maximum maturity of 5 years and is structured to meet the longer-term cash needs of the City. Information about the sensitivity of the fair value of the Agency’s investments to market interest rate fluctuations is presented below.

	<b>Maturity in Years</b>			<b>Fair Value</b>
	<b>Under 1</b>	<b>1-3</b>	<b>3-5</b>	
<u>Cash or Equity in</u>				
City Pooled Cash & Investments <sup>1</sup>	\$ -	\$ 230,505	\$ -	\$ 230,505
<u>Non-Pooled Investments with</u>				
<u>City Treasurer:</u>				
US Treasury Bills	14,236	-	-	14,236
US Treasury Notes & Bonds	26,909	-	-	26,909
Subtotal - Non-Pooled Investments	41,145	-	-	41,145
<u>Cash and Investments with Fiscal Agent:</u>				
US Treasury Bills	14,518	-	-	14,518
US Treasury Notes & Bonds	24,784	231	20,844	45,859
US Agency Notes & Bonds	1,467	-	-	1,467
Money Market Mutual Funds	46,704	-	-	46,704
Cash	567	-	-	567
Subtotal - Cash and Investments with Fiscal Agent	88,040	231	20,844	109,115
Total Cash and Investments	\$ 129,185	\$ 230,736	\$ 20,844	\$ 380,765

<sup>1</sup>As of June 30, 2011, the City Pooled Cash and Investments weighted average maturity was 473 days.

f. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2011, the Agency's investments and corresponding credit ratings are as follows:

	<u>Moody's Rating</u>	<u>S&amp;P</u>	<u>Fair Value</u>	<u>Percentage</u>
<u>Cash or Equity in</u>				
<u>City Pooled Cash &amp; Investments</u>	Not Rated	Not Rated	\$ 230,505	<u>100.00%</u>
<u>Non-Pooled Investments with</u>				
<u>    City Treasurer:</u>				
US Treasury Bills	Exempt	Exempt	14,236	34.60%
US Treasury Notes & Bonds	Exempt	Exempt	26,909	65.40%
Subtotal - Non-Pooled Investments			<u>41,145</u>	<u>100.00%</u>
<u>Investments with Fiscal Agent</u>				
<u>    and Other Investments:</u>				
US Treasury Bills	Exempt	Exempt	14,518	13.30%
US Treasury Notes & Bonds	Exempt	Exempt	45,859	42.03%
US Agencies - Federal Home Loan Mortgage Corporation	P1	N/A	1,467	1.34%
Money Market Mutual Funds	Aaa	N/A	46,704	42.80%
Cash			567	0.52%
Subtotal - Other Investments			<u>109,115</u>	<u>100.00%</u>
Total Cash and Investments			<u>\$ 380,765</u>	

"NA" - S&P rating not applicable, Moody's rating provided.

"Exempt" - Per GASB 40, US Treasury Obligations do not require disclosure of credit quality.

On August 5, 2011, Standard & Poor's (S&P) lowered the long-term credit rating of U.S. Government debt obligations from AAA to AA+. On August 8, 2011, S&P also downgraded the long-term credit ratings of U.S. government-sponsored enterprises. These credit downgrades may impact the credit risk associated with the City's investments in U.S. Treasury and U.S. Agency securities.

g. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. Investments explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt.

h. Custodial Credit Risk

At June 30, 2011, all of the Agency's cash and investments were part of the City's Pool, held by fiscal agents or invested by the City Treasurer outside of the City Pool. None of the Agency's cash and investments are uninsured and unregistered, with securities held by a counterparty, or by its trust department or agent but not in the Agency's name.

**4. CAPITAL ASSETS (In Thousands)**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 138,096	\$ 3,102	\$ (71,369)	\$ 69,829
Depreciable Capital Assets:				
Structures and Improvements	69,732	-	(10,322)	59,410
Equipment	819	-	-	819
Total Depreciable Capital Assets	70,551	-	(10,322)	60,229
Less Accumulated Depreciation for:				
Structures and Improvements	(7,118)	(1,486)	1,029	(7,575)
Equipment	(777)	(26)	-	(803)
Total Accumulated Depreciation	(7,895)	(1,512)	1,029	(8,378)
Total Depreciable Capital Assets, Net	62,656	(1,512)	(9,293)	51,851
Governmental Activities Capital Assets, Net	<u>\$ 200,752</u>	<u>\$ 1,590</u>	<u>\$ (80,662)</u>	<u>\$ 121,680</u>

Depreciation expense was charged to the Neighborhood Services governmental activities function in the amount of \$ 1,512.

Pursuant to authorization granted by the City and Agency on March 15, 2011, the Agency transferred to the City certain real estate assets and related assets and contracts to allow the City to complete affordable housing and redevelopment projects under the Projects Implementation Agreement and for other redevelopment purposes. Additionally, the Agency encumbered certain properties it retained by a recorded deed of trust in the City's favor to secure miscellaneous forms of debt owed by the Agency to the City. The transfers included \$71,369 in land, and \$9,293 in structures and improvements.

Of the land transfers, those located in the Centre City Project Area accounted for \$59,523 of the total, including Tailgate Park, located at 1300 L St; land under a long term lease to the Horizon Apartments located at 750 Beach Street; 4 parcels located on the block bound by Cedar Street, Ash Street, 3<sup>rd</sup> and 4<sup>th</sup> Avenue; 10 parcels on the block bound by Market Street, Island, 7<sup>th</sup> and 8<sup>th</sup> Avenue; and two parcels on the block bound by Broadway, E Street, 9<sup>th</sup> and 10<sup>th</sup> Avenue for a future affordable housing project. Other significant properties transferred included two North Park Project Area properties, a parking structure located on 2927 University Avenue and the adjacent lot located on 2896 North Park Way. The book value of these two properties at the time of transfer, net of accumulated depreciation, was \$15,555.

These transfers could be affected by recent State legislation which directs the State Controller to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. Note, 12, Subsequent Events, on pages 78-80, provides additional information on the recent legislation.

In the current fiscal year, land purchases for the development of parks in the Centre City Project Area resulted in an increase in the Agency's capital assets of \$3,102 all of which were related to land purchases and related costs for the development of the East Village Green Park.

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (In Thousands)****a. Long-Term Liabilities**

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2011, is as follows:

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Fiscal Year Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2011</u>
<b>Liability Claims</b>				\$ 70,560
<b>Revenue Bonds:</b>				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.4% <sup>1</sup>	2026	\$ 12,105	9,140
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3 <sup>1</sup>	2027	20,515	16,255
<b>Total Revenue Bonds</b>			<u>32,620</u>	<u>25,395</u>
<b>Tax Allocation Bonds:</b>				
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0 <sup>1</sup>	2020	1,200	645
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0 <sup>1</sup>	2016	12,970	4,795
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125 <sup>1</sup>	2019	25,680	22,295
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25	2014	11,360	6,885
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75 <sup>1</sup>	2025	13,610	11,190
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8 <sup>1</sup>	2029	5,690	4,765
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4 <sup>1</sup>	2029	10,141	8,160
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6 <sup>1</sup>	2025	6,100	4,410
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35 <sup>1</sup>	2025	21,390	17,095
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.8 <sup>1</sup>	2022	15,025	11,815
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875 <sup>1</sup>	2031	13,000	10,655
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9 <sup>1</sup>	2031	7,000	5,740
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55 <sup>1</sup>	2027	58,425	54,795
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0	2027	3,055	3,055
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0 <sup>1</sup>	2029	31,000	11,980
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5 <sup>1</sup>	2034	4,955	4,955
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25 <sup>1</sup>	2014	865	255

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Fiscal Year Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2011</u>
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1 <sup>1</sup>	2022	6,325	6,325
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45 <sup>1</sup>	2022	4,530	4,115
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74 <sup>1</sup>	2022	8,000	5,890
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125 <sup>1</sup>	2028	7,145	5,635
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5.0 <sup>1</sup>	2034	5,360	5,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25 <sup>1</sup>	2030	101,180	88,260
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18 <sup>1</sup>	2030	27,785	23,425
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28 <sup>1</sup>	2030	8,905	7,525
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	4.25-5.25 <sup>1</sup>	2033	76,225	73,530
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	5.66-6.2 <sup>1</sup>	2032	33,760	31,490
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	3.74-6.3 <sup>1</sup>	2021	69,000	60,120
North Park Redevelopment Project Tax Allocation Bonds, Series 2009 A	6.0-7.0 <sup>1</sup>	2040	13,930	13,930
Housing Set-Aside Tax Allocation Bonds, Series 2010 A	4.375-7.75 <sup>1</sup>	2041	58,565	58,565
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010 A	5.625	2041	5,635	5,635
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010 B	7.375	2038	9,590	9,590
Crossroads Redevelopment Project Tax Allocation Bonds, Series 2010 A	3.0-6.0 <sup>1</sup>	2041	4,915	4,915
Naval Training Center Redevelopment Project Tax Allocation Bonds, Series 2010 A	3.0-5.75 <sup>1</sup>	2041	19,765	19,765
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 A	5.75	2041	2,900	2,900
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 B	4.375-7.75 <sup>1</sup>	2036	5,030	5,030
<b>Total Tax Allocation Bonds</b>			<u>711,411</u>	<u>615,495</u>
<b>Total Bonds Payable</b>			<u>744,031</u>	<u>640,890</u>
<b>Notes Payable:</b>				
City of San Diego - Naval Training Center dated April 2002	8.0	-	<u>8,300</u>	<u>8,300</u>
<b>Total Notes Payable</b>			<u>8,300</u>	<u>8,300</u>
<b>Pooled Financing Authority Loans</b>				
Central Imperial Redevelopment Project Loan Payable dated June, 2007	4-6.65 <sup>1</sup>	2038	14,865	14,125
Mount Hope Redevelopment Project Loan Payable dated June, 2007	5.95-6.37 <sup>1</sup>	2021	3,110	2,430
Southcrest Redevelopment Project Loan Payable dated June, 2007	4-6.65 <sup>1</sup>	2033	17,010	15,455
<b>Total Pooled Financing Authority Loans</b>			<u>34,985</u>	<u>32,010</u>

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Fiscal Year Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2011</u>
<b>Loans Payable:</b>				
California Housing Financing Agency (HELP) Loan dated October 2008	3.0	2017	1,250	1,250
City San Diego - City Heights Section 108 Loan dated August 2001	N/A <sup>2</sup>	2021	2,250	1,606
City San Diego - Naval Training Center Section 108 Loan dated June 2004	N/A <sup>2</sup>	2025	5,910	4,840
City San Diego - HUD Settlement Agreement dated various dates	N/A <sup>3</sup>	2019	45,311	38,677
City of San Diego - Miscellaneous dated various dates	Variable <sup>4</sup>	-	65,797	65,797
<b>Total Loans Payable</b>			<u>120,518</u>	<u>112,170</u>
<b>Accreted Interest Payable:</b>				
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B		-	-	9,030
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A		-	-	<u>9,356</u>
<b>Total Accreted Interest Payable</b>				<u>18,386</u>
<b>Accrued Interest Payable:</b>				
City San Diego - HUD Settlement Agreement		-	33,476	33,182
City of San Diego - Miscellaneous		-	-	127,963
City Note Payable dated April 2002 <sup>5</sup>		-	-	<u>8,513</u>
<b>Total Accrued Interest Payable</b>			<u>33,476</u>	<u>169,658</u>
<b>Total Governmental Activities</b>			<u>\$ 944,310</u>	<u>\$ 1,051,974</u>

<sup>1</sup> Interest rates are fixed and reflect the range of rates for various maturities from date of issuance to maturity.

<sup>2</sup> There is no interest rate associated with these loans. However, the Agency is responsible for transferring funds to the City equal to the scheduled principal and interest payments to HUD from the City as they become due.

<sup>3</sup> The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2% on the outstanding principal loan balance only. The Prime Rate on January 1, 2010 was 3.25% (see Note 1-q for additional information on interest related to this loan).

<sup>4</sup> The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2% on the outstanding principal loan balance only. The Prime Rate on January 1, 2010 was 3.25%. Pursuant to a loan agreement by and between the Agency and the City executed on March 1, 2011, interest accrual was suspended beginning on July 1, 2011.

<sup>5</sup> Interest on City Note is compounded.

b. Amortization Requirements

The debt service for tax allocation bonds are paid from tax increment from the project area and the bonds are secured from the tax increment of the project area. The debt service for revenue bonds are secured and paid first from the revenue generated by certain public parking facilities operated by the City pursuant to a Parking Structure Operating Agreement between the City and the Agency. In the event that the operating revenues are insufficient to pay the debt service, parking meter revenue and tax increment have been pledged as additional security for the bonds.

The annual requirements to amortize the Agency's long-term debt outstanding as of June 30, 2011, including interest payments to maturity, are as follows:

Year Ending June 30,	Revenue Bonds		Tax Allocation Bonds			
	Principal	Interest	Principal	Unaccreted Appreciation**	Interest	
2012	\$ 1,085	\$ 1,369	\$ 21,569	\$ 2,317	\$ 32,914	
2013	1,135	1,315	24,688	2,388	31,762	
2014	1,195	1,257	26,249	2,455	30,465	
2015	1,255	1,194	27,103	2,459	29,122	
2016	1,320	1,127	28,502	2,440	27,724	
2017 - 2021	7,760	4,434	161,353	11,280	114,627	
2022 - 2026	10,205	1,898	129,279	6,394	76,727	
2027 - 2031	1,440	38	93,047	447	46,072	
2032 - 2036	-	-	53,870	-	25,081	
2037 - 2041	-	-	49,835	-	8,813	
<b>Total</b>	<b>25,395</b>	<b>12,632</b>	<b>615,495</b>	<b>30,180</b>	<b>423,307</b>	
Add:						
Accreted appreciation through June 30, 2011			18,386			
<b>Total</b>	<b>\$ 25,395</b>	<b>\$ 12,632</b>	<b>\$ 633,881</b>	<b>\$ 30,180</b>	<b>\$ 423,307</b>	
Year Ending June 30,	Notes Payable		Pooled Financing Authority Loans		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ -	\$ -	\$ 825	\$ 1,805	\$ 4,873	\$ 591
2013	-	-	860	1,762	4,301	430
2014	-	-	900	1,718	4,819	318
2015	-	-	950	1,671	6,606	649
2016	-	-	1,000	1,621	8,677	1,203
2017 - 2021	-	-	5,775	7,223	14,698	32,721
2022 - 2026	-	-	5,795	5,582	1,778	220
2027 - 2031	-	-	7,720	3,610	-	-
2032 - 2036	-	-	6,260	1,317	-	-
2037 - 2041	-	-	1,925	115	-	-
Unscheduled*	8,300	8,513	-	-	66,418	127,810
<b>Total</b>	<b>\$ 8,300</b>	<b>\$ 8,513</b>	<b>\$ 32,010</b>	<b>\$ 26,424</b>	<b>\$ 112,170</b>	<b>\$ 163,942</b>

\*The note payable to the City in the amount of \$8,300, loans payable to the City in the amount of \$65,168, loans payable to the California Housing Financing Agency in the amount of \$1,250 and accrued interest associated with Loans and Notes of \$136,323 do not have annual repayment schedules. Principal and accrued interest totaling \$192,902 payable on City Loans and principal and accrued interest on the Naval Training Center Note to the City totaling \$16,813 are payable when practicable.

\*\* Unaccreted Appreciation represents the amount to be accreted in future years regardless of the timing of cash flows.

c. Changes in Long-Term Liabilities

The following is a summary of changes in governmental activities long-term liabilities for the fiscal year ended June 30, 2011. The effect of bond accretion, bond premiums, discounts, and deferred amounts on bond refunds are amortized as adjustments to long-term liabilities.

	Balance, July 1, 2010	Additions	Reductions	Balance, June 30, 2011	Due Within One Year
Liability Claims	\$ 71,790	\$ -	\$ (1,230)	\$ 70,560	
Revenue Bonds	26,435	-	(1,040)	25,395	1,085
Less deferred amounts:					
For Issuance Discounts	(83)	-	5	(78)	-
Net Revenue Bonds	26,352	-	(1,035)	25,317	1,085
Tax Allocation Bonds	529,423	106,400	(20,328)	615,495	21,569
Accretion	16,535	2,243	(392)	18,386	499
Net with Accretion	545,958	108,643	(20,720)	633,881	22,068
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	5,461	(1,543)	(218)	3,700	-
On Refunding	(827)	-	87	(740)	-
Net Tax Allocation Bonds	550,592	107,100	(20,851)	636,841	22,068
Pooled Financing Authority Loans	32,780	-	(770)	32,010	825
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	347	-	(14)	333	-
Net Pooled Financing Authority Loans	33,127	-	(784)	32,343	825
Contracts Payable	1,018	-	(1,018)	-	-
Notes Payable	11,601	133	(3,434)	8,300	-
Loans Payable	158,578	-	(46,408)	112,170	4,873
Interest Accrued on City Note and Loans	162,957	7,195	(494)	169,658	229
Total	<u>\$ 1,016,015</u>	<u>\$ 114,428</u>	<u>\$ (75,254)</u>	<u>\$ 1,055,189</u>	<u>\$ 29,080</u>

On August 26, 2010, the Agency issued \$58,565 of Housing Set-Aside Tax Allocation Bonds for the purpose of repaying long-term debt and to finance a portion of the costs of low and moderate income housing projects within the City Heights, North Bay, North Park, Crossroads, Naval Training Center and San Ysidro Redevelopment Project areas. The Series 2010A taxable bonds are payable solely from, and secured by, a pledge of tax revenues derived from the 20% of tax increment allocated to the Agency from the Redevelopment Project Areas that the Agency is obligated to deposit into its Low and Moderate Income Housing Fund. The bond issuance is structured as term bonds and has an interest rate that ranges from 4.37% to 7.75% with a final maturity date of September 1, 2040. Bond proceeds were used to repay \$25,634 of the San Diego National Bank line of credit outstanding principal, \$1,018 to repay the Western Pacific Housing Contract Payable and \$1,607 to repay the Price Charities Note Payable dated April 2001.

On August 26, 2010, the Agency issued \$19,765 of Tax Allocation Bonds for the purpose of repaying long-term debt and financing a portion of the costs of redevelopment activities within the Naval Training Center Redevelopment Project. The Series A bonds are payable solely from, and secured by, a pledge of tax revenues allocated to the Agency from the Naval Training Center Redevelopment Project excluding those moneys that the Agency is obligated to deposit into its Low and Moderate Income Housing Fund and monies allocable to other taxing agencies under the Redevelopment Law. The bond issuance is structured as both serial and term bonds and has an interest rate that ranges from 3.0% to 5.75% with a final maturity date of September 1, 2040. Bond proceeds were used to repay \$12,211 of the San Diego National Bank line of credit outstanding principal.

On August 26, 2010, the Agency issued \$4,915 of Tax Allocation Bonds for the purpose of financing certain redevelopment activities within or of benefit to the Crossroads Redevelopment Project. The Series A bonds are payable solely from, and secured by, a pledge of tax revenues allocated to the Agency from the Crossroads Redevelopment Project, excluding those moneys that the Agency is obligated to deposit into its Low and Moderate Income Housing Fund and excluding moneys which are allocable to other taxing agencies under the Redevelopment Law. The bond issuance is structured as both serial and term bonds and has an interest rate that ranges from 3.0% to 6.0% with a final maturity date of September 1, 2040.

On August 26, 2010, the Agency issued \$5,635 of 2010 Series A tax-exempt and \$9,590 of 2010 Series B taxable City Heights Redevelopment Project Tax Allocation Bonds. The Series A bonds were issued to fund redevelopment projects within the City Heights Redevelopment Project and the Series B bonds were issued for the purpose of repaying long-term debt and to finance redevelopment activities in the City Heights Redevelopment Project. The 2010 Series A and B bonds are payable solely from, and secured by, pledged tax revenues allocated to the Agency from the City Heights Redevelopment Project, excluding amounts payable to the Agency's Low and Moderate Income Housing Fund, and amounts payable to other taxing agencies pursuant to tax sharing agreements. The Series A bond issuance was structured as term bonds with a fixed interest rate of 5.625% and a final maturity of September 1, 2040. The Series B bond issuance was structured as a term bonds with a fixed interest rate of 7.375% and a final maturity of September 1, 2037. Bond proceeds were used to repay \$2,010 of the San Diego National Bank line of credit outstanding principal and \$1,827 to repay the Price Charities Note Payable dated May 2005.

On August 26, 2010, the Agency issued \$2,900 of 2010 Series A tax-exempt and \$5,030 Series B taxable San Ysidro Redevelopment Project Tax Allocation Bonds. The Series A bonds were issued to repay certain redevelopment activities within or of benefit to the San Ysidro Redevelopment Project and the Series B bonds were issued for the purpose of repaying a loan with a developer and fund certain redevelopment activities in the San Ysidro Redevelopment Project. The 2010 Series A and B bonds are payable solely from, and secured by, tax revenues allocated to the Agency from the San Ysidro Redevelopment Project, excluding those moneys that the Agency is obligated to deposit into its Low and Moderate Income Housing Fund and excluding moneys which are allocable to other taxing agencies under Redevelopment Law. The Series A bond issuance was structured as term bonds with a fixed interest rate of 5.75% and a final maturity of September 1, 2040. The Series B bond issuance was structured as term bonds with an interest rate that ranges from 4.375% to 7.75% with a final maturity date of September 1, 2035. Proceeds from the Series B bonds were used to repay \$1,768 of the International Gateway Associates, LLC loan payable dated October 2001 and \$1,212 to repay the PCCP/SB Las Americas, LLC loan payable dated August 2005.

Other increases to long-term debt in the current fiscal year resulted from accrued interest of \$5,950 related to City Loans Payable and \$1,245 related to the Naval Training Center Note Payable to the City. In addition, pursuant to the disposition and development agreement associated with the Price Charities Note Payable dated May 2005, \$133 was added to the principal balance of the note, due to the fact that the developer's remediation costs for the acquisition parcel exceeded the expected contamination value as defined in the agreement.

Other reductions in long-term debt resulted from principal payments of \$21,368 on bonds, \$770 on Pooled Financing Authority Loans and \$3,573 on City Loans.

Liability claims decreased by \$1,230 as a settlement payment was made related to a claim with Jack in the Box for loss of goodwill, relocation benefits, fixtures and equipment, regarding a property acquired through eminent domain in the City Heights Project Area.

d. Long-Term Pledged Liabilities

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments, generally a single lump sum. The disclosures pertaining to future revenues that have been pledged are intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so.

Governmental long-term pledged liabilities as of June 30, 2011 are comprised of the following:

<u>Type of Pledged Revenue</u>	<u>Fiscal Year Maturity Date</u>	<u>Pledged Revenue to Maturity</u>	<u>Debt Principal &amp; Interest Paid</u>	<u>Pledged Revenue Received</u>
<b><u>Pledged Net Operating Revenue (Parking):</u></b>				
Centre City Parking Revenue Bonds, Series 1999 A	2026	\$ 14,157	\$ 954	\$ 964
Centre City Parking Revenue Bonds, Series 2003 B	2027	23,870	1,504	1,516
<b>Total Pledged Net Operating Revenue (Parking)</b>		<b>38,027</b>	<b>2,458</b>	<b>2,480</b>
<b><u>Pledged Tax Increment Revenue:</u></b>				
<b><u>Bonds</u></b>				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	2011	\$ -	\$ 508	\$ 391
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	2020	831	95	169
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	2016	5,548	1,117	1,113
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	2019	27,748	2,835	2,850
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	2014	7,548	2,586	2,584
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	2025	15,585	794	760
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	2029	7,643	426	426
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	2029	29,606	825	825
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	2025	6,322	447	438
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	2025	24,464	1,456	1,414
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	2022	16,110	1,344	1,341
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	2031	18,011	897	868
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	2031	9,713	481	465
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	2027	104,035	2,564	2,532
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	2027	5,049	153	229

<u>Type of Pledged Revenue</u>	<u>Fiscal Year Maturity Date</u>	<u>Pledged Revenue to Maturity</u>	<u>Debt Principal &amp; Interest Paid</u>	<u>Pledged Revenue Received</u>
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2029	19,936	585	-
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	2034	9,740	315	315
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2014	271	92	92
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	2022	8,866	310	301
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	2022	5,527	295	274
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	2022	8,661	797	784
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	2028	8,888	544	544
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	2034	10,670	259	259
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	2030	131,832	7,510	5,591
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2011	-	1,197	1,197
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2030	37,434	2,224	2,234
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2030	12,126	721	708
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	2033	116,763	4,358	4,165
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	2032	56,115	2,640	3,624
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	2021	79,757	8,053	9,014
North Park Redevelopment Project Tax Allocation Bonds, Series 2009 A	2040	36,598	954	628
Housing Set-Aside Tax Allocation Bonds, Series 2010 A	2041	156,124	2,261	2,261
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010 A	2041	14,609	163	163
City Heights Redevelopment Project Tax Allocation Bonds, Series 2010 B	2038	25,676	363	363
Crossroads Redevelopment Project Tax Allocation Bonds, Series 2010 A	2041	11,022	142	142
Naval Training Center Redevelopment Project Tax Allocation Bonds, Series 2010 A	2041	40,176	530	530
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 A	2041	7,458	86	86
San Ysidro Redevelopment Project Tax Allocation Bonds, Series 2010 B	2036	10,906	185	185

<u>Type of Pledged Revenue</u>	<u>Fiscal Year Maturity Date</u>	<u>Pledged Revenue to Maturity</u>	<u>Debt Principal &amp; Interest Paid</u>	<u>Pledged Revenue Received</u>
<b><u>Pooled Financing Authority Loans</u></b>				
Central Imperial Redevelopment Project				
Loan Payable dated June, 2007	2038	27,912	1,046	1,694
Mount Hope Redevelopment Project				
Loan Payable dated June, 2007	2021	3,229	328	597
Southcrest Redevelopment Project				
Loan Payable dated June, 2007	2033	27,293	1,241	1,747
<b><u>Contracts</u></b>				
Contract Payable to Western Pacific Housing, Inc., dated April 2004	2011	-	1,042	1,042
<b><u>Notes</u></b>				
Note Payable to Price Charities, dated April 2001	2011	-	1,675	-
Note Payable to Price Charities, dated May 2005	2011	-	1,715	-
Amendment to Note Payable to Price Charities, dated February 2006	2011	-	188	-
<b><u>Loans</u></b>				
International Gateway Associates, LLC, dated October 2001	2011	-	1,945	-
PCCP/SB Las America, LLC, dated August 2005	2011	-	1,333	-
San Diego National Bank, Line of Credit, dated July 2007 City Heights Housing Area	2011	-	4,192	-
San Diego National Bank, Line of Credit, dated July 2007 City Heights Non-Housing Area	2011	-	2,067	-
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Housing Area	2011	-	5,641	-
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Non-Housing Area	2011	-	12,339	-
San Diego National Bank, Line of Credit, dated July 2007 North Bay Housing Area	2011	-	8,639	-
San Diego National Bank, Line of Credit, dated July 2007 North Park Non-Housing Area	2011	-	7,371	-
City San Diego - Naval Training Center Section 108 Loan dated June 2004	2025	7,047	507	507
<b>Total Pledged Tax Increment Revenue</b>		<u>1,152,849</u>	<u>102,381</u>	<u>55,452</u>
<b>Total Pledged Revenue</b>		<u>\$ 1,190,876</u>	<u>\$ 104,839</u>	<u>\$ 57,932</u>

## 6. INTERFUND TRANSFERS (In Thousands)

Interfund transfers result from the transfer of assets without the expectation of repayment. In the case of the Agency, transfers are most commonly used to move revenues from the fund in which they are collected to the fund in which they are expended. Interfund transfers for fiscal year ended June 30, 2011 are as follows:

Contributing Fund (Transfer Out)	Benefiting Fund (Transfer In)					
	Centre City Special Revenue Low -Mod	Centre City Special Revenue Other	Centre City Debt Service	Centre City Capital Projects	Other Governmental Funds	Total Governmental Funds
Centre City Special Revenue Low -Mod	\$ -	\$ -	\$ 15,580	\$ 750	\$ -	\$ 16,330
Centre City Special Revenue Other	-	-	2,479	-	-	2,479
Centre City Debt Service	-	31,780	-	174,952	-	206,732
Centre City Capital Projects	2,188	15,517	-	-	-	17,705
Other Governmental Funds	-	-	-	-	71,266	71,266
Total Governmental Funds	<u>\$ 2,188</u>	<u>\$ 47,297</u>	<u>\$ 18,059</u>	<u>\$ 175,702</u>	<u>\$ 71,266</u>	<u>\$ 314,512</u>

## 7. RISK MANAGEMENT (In Thousands)

The Agency is exposed to various risks and losses related to torts, including theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The Agency maintains contracts with various insurance companies to manage excessive risks and typically requires indemnification and insurance coverages in all contracts with its business partners.

The Agency does not directly employ management or staff. Rather, the business of the Agency is performed under contract with the City, CCDC, and SEDC. Each entity maintains insurance programs for workers compensation and employee injury risk as well as employee benefits plans.

The Agency maintains liability insurance for its own benefit and for the benefit of CCDC and SEDC for general liability, automobile liability, public officials liability, directors and officers liability, employment practices liability, and employee benefit liability. The Agency also carries crime and property insurance and earthquake insurance for designated buildings and structures.

There have been no significant reductions in these coverages in the past three fiscal years and there have been no settlements that exceeded the coverages in the past three fiscal years. The Agency, retains no significant risk of loss related to any of the above referenced coverages.

The Agency's insurance policies do not typically cover claims resulting from breach of contract or acts of property condemnation initiated by the Agency. Because the Agency does not maintain fund reserves for such claims, these would typically be paid from funds accumulated over time for future projects and activities. Should a claim occur, such payment would reduce funding or otherwise delay funding of a future project or activity.

**8. FUND DEFICIT AND UNFAVORABLE BUDGET VARIANCE (In Thousands)**

## FUND DEFICIT

<u>Fund</u>	<u>Net Deficit</u>
Barrio Logan Capital Projects Fund	\$ (286)

The deficit can be attributed to the timing of inflows of financial resources. Expenditures related to City services have been accrued in the Capital Projects Fund and will be funded by transfers at the time of payment.

**9. RELATED PARTY TRANSACTIONS (In Thousands)**

During the fiscal year ended June 30, 2011, the Agency made principal and interest payments to the City totaling \$4,067. Of the total, a \$266 payment was made from City Heights Project Area funds and \$507 from Naval Training Center Project Area funds. Both payments were made according to Section 108 loan debt service schedules. The Agency made principal and interest payments to the City of \$3,295 pursuant to a loan repayment agreement of Community Development Block Grant related debt, executed in fiscal year 2010.

During the fiscal year ended June 30, 2011, the Agency received participation revenue from the City totaling \$6,383 for activities in the Centre City Project Area. Approximately \$2,638 was associated with transfers of parking revenue to the Agency pursuant to the Parking Structure Operating Agreement between the Agency and the City. Also, the Agency received \$3,139 in state transportation grants and \$606 in federal grants awarded to the City for the construction of the Park Boulevard at Harbor Drive Pedestrian Bridge project.

For fiscal year ended June 30, 2011, the Agency's contribution to City activities totaled \$77,145. The Agency contributed \$62,930 for the New Main Library Project. In addition, the Agency contributed \$405 from City Heights and Crossroads funds for the Trans Net Smart Growth Implementation Program and \$100 from North Park funds for use towards transportation planning analysis services for the North Park and Greater Golden Hill Community. Also, the Agency reimbursed the City \$11,318 for costs related to the Ballpark Lease Revenue Bonds. The Agency also contributed \$680 for the transitional housing program for homeless seniors and \$205 for the Horton Plaza Improvement Project. Moreover, approximately \$1,507 of administrative costs, incurred in the prior year, by the City were reimbursed by the Agency in the current fiscal year.

In the current fiscal year, pursuant to an agreement between the City and Agency approved on March 15, 2011, the Agency transferred to the City certain real estate assets. For additional information see Note 4, Capital Assets, on page 63.

Also, in the current fiscal year, the Agency contributed affordable housing funds of approximately \$1,460 for loan programs administered by the San Diego Housing Commission designed to assist low and moderate income persons and families with property rehabilitation and first time home buyer financing.

Moreover, during the fiscal year, the Agency loaned the San Diego Convention Center Corporation (SDCCC) \$3,000 in order to investigate the feasibility of future construction of the a proposed Phase III expansion of the San Diego Convention Center ("Phase III Expansion"), which is within the Centre City Project Area. The loan accrues interest at a rate of 3% annually, simple interest. The Promissory Note provides a preferred payment plan and an alternative payment plan for the repayment of the loan. Under the preferred payment plan, the SDCCC would repay the loan upon receiving financing for the Phase III Expansion. Should the SDCCC be unable to secure financing by July 1, 2018, then all outstanding principal and interest would be due over 10 years in 10 equal installments beginning July 1, 2018. Additionally, if the City adopts a resolution, in the future, finding that there are no viable methods of repayment of the loan, which can be made by SDCCC without impairing the financial stability or solvency

of the SDCCC, then the Agency would agree to forgive the loan (See Note 12, Subsequent Events, for additional information on this loan).

The Agency does not directly employ management or staff. The redevelopment project areas are overseen by the City's Redevelopment Department and two independent corporations, CCDC and SEDC. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the Agency agrees to reimburse CCDC, SEDC and the Redevelopment Department for all eligible costs incurred in connection with such activities. These costs include the annual required contribution for the pension and other postemployment benefits incurred by Redevelopment Department staff as well as payments made by CCDC and SEDC towards the defined contribution plans of its employees.

Pursuant to these operating agreements, the Agency provides a working capital advance to CCDC and SEDC to be deposited in an account with a commercial bank designated by each corporation as its depository. The corporations then draw funds to pay for eligible expenditures incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total amount of eligible expenditures paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenditures. Similarly, costs for services incurred under the operating agreement with the Redevelopment Department of the City are initially recorded in the Redevelopment Department Administrative Fund and reimbursed by the Agency.

The following table reflects administrative expenditures incurred by the Agency for each of its administrative units during the current fiscal year:

	<u>Amount</u>
Centre City Development Corporation	\$ 7,024
Southeastern Economic Development Corporation	1,385
City Redevelopment Department	<u>3,515</u>
 Total	 <u>\$ 11,924</u>

In addition to administrative expenditures incurred by the Agency for services provided by the City Redevelopment Department, the Agency also pays the City for other administrative costs such as professional services and other general governmental services. These costs are reported as Administration expenditure in the governmental funds and as General Government and Support Expense in the Statement of Activities.

## 10. COMMITMENTS AND LITIGATION SETTLEMENT (In Thousands)

### COOPERATION AGREEMENT - BALLPARK

On February 22, 2000 the Agency entered into a Ballpark Cooperation Agreement between the Agency and the City which authorized the Agency to pay for and implement certain activities for the development of the Baseball Park and Related Improvements. The development of the Baseball Park was financed with downtown redevelopment funds, City funds and private funding by the San Diego Padres. The City issued Lease Revenue Bonds in 2002 to fund the Ballpark Project that were subsequently refunded in 2007 by the Lease Revenue Refunding Bonds, Series 2007A (Ballpark Bonds), of which, as of June 30, 2011, the remaining principal and interest payments totaled \$237,671, with an annual debt service of approximately \$11,300. On March 20, 2009, the Agency Board and the City Council approved an amendment to the Agreement for reimbursement by the Agency, to provide for reimbursement up to \$56,597, from Centre City Project Area tax increment funds, for lease payments made by the City on the Ballpark Bonds for fiscal years 2009-2013. On February 8<sup>th</sup>, 2011, the City Council and Agency Board amended the agreement to include the reimbursement of all remaining lease payments made by the City on the bonds resulting in a total increase of \$215,027 to the existing reimbursement obligation of the

Agency. See Note 12, Subsequent Events, on pages 78-80 regarding recent State legislation that could affect this agreement.

#### GRANTVILLE SETTLEMENT AGREEMENT

In fiscal year 2009, the Agency entered into a settlement agreement with the County of San Diego (the "County") and Atomic Investments, Inc. related to a San Diego Superior Court Case seeking to invalidate the Redevelopment Plan for the Grantville Redevelopment Project Area. The settlement agreement provides that the Agency, through CCDC, will pay \$31,360 to the County in thirty-nine (39) annual payments commencing in fiscal year 2012 to fund a portion of the cost of the construction of the North Embarcadero Project Improvements, as defined by the agreement. The settlement agreement also provides that the Agency will use land disposition proceeds and tax increment funds of the Grantville Redevelopment Project Area to pay \$31,360 to the City in thirty-nine (39) annual payments commencing in fiscal year 2012 to fund certain Transit Line Improvements in downtown San Diego. Finally, the settlement agreement provides that the Agency will pay \$7,840 to the County to fund a portion of certain joint projects that benefit the Grantville Redevelopment Project Area and the County commencing in fiscal year 2012. The total obligation of the Agency under the settlement agreement is reported as liability claims in the government-wide financial statements. This includes scheduled payments to the City and County of \$70,560, all of which remain outstanding as of June 30, 2011.

#### COOPERATION AGREEMENT - CONVENTION CENTER II

In 1998, the City issued Lease Revenue Bonds, Series 1998A to finance the cost of the Phase II expansion of the Convention Center on land within the Centre City Project Area. On April 1, 2011, the City and Agency entered into a cooperation agreement authorizing the Agency to reimburse the City for debt service on the Lease Revenue Bonds, Series 1998A. The total debt service to be paid by the City on these bonds from fiscal year 2011, through maturity in fiscal year 2028 is \$228,571. The reimbursement schedule under the cooperation agreement provides for a longer reimbursement period than the bond amortization schedule, with reimbursement of \$2,000 beginning in fiscal year 2012, increasing annually by \$500 until annual payments of \$9,000 occur in fiscal year 2026 and continue through fiscal year 2042, with a final payment of \$2,071 in fiscal year 2043. See Note 12, Subsequent Events, on pages 78-80 regarding recent State legislation that could affect this agreement.

#### COOPERATION AGREEMENT- PROJECTS IMPLEMENTATION

On February 28, 2011, the City and Agency entered into the Projects Implementation Agreement, a cooperation agreement for the implementation of certain redevelopment projects by the City on behalf of the Agency. In connection with the City's agreement to implement the Projects as set forth in the Schedule of Projects (Exhibit 1 to the Projects Implementation Agreement), the Agency agreed to submit a total of approximately \$4,107,090 in payments to the City in accordance with the Payment Schedule (Exhibit 2 to the Projects Implementation Agreement). The Projects Implementation Agreement was amended on March 11, 2011, to give the Agency the option to prepay as an advance to the City any payments due to be made by the Agency to the City. As of June 30, 2011 advances to the City totaled approximately \$289,345. There were no reimbursable costs incurred by the City in fiscal year 2011. See Note 12, Subsequent Events, on pages 78-80 regarding recent State legislation that could affect this agreement.

#### CONSTRUCTION COMMITMENTS

The Agency had significant active infrastructure projects at June 30, 2011. One of the projects is the implementation of the North Embarcadero Visionary Plan (NEVP) in the Centre City Project Area. The Agency has entered into a Joint Powers Agreement with the Port of San Diego (the Port) for development of the NEVP. The Agency has agreed to contribute \$15,300 for the Broadway Pier Surface Improvements and to advance \$12,960 to the Port, for the Port's share of the contribution to the project. The entire obligation under the JPA, including the advance to the Port, was outstanding as of June 30, 2011. Another significant project is the Quiet Zone in the Centre City Project Area, which includes 13 public right-of-way railroad crossings for the establishment of a quiet zone which will significantly reduce train

noise. Of the \$18,152 committed for this project, \$10,774 remains outstanding. Additionally, the Agency has committed funds of \$9,200 for design, rehabilitation of an existing historic park and construction of a new urban plaza in the Horton Plaza Project Area. Finally, pursuant to a memorandum of understanding between the City and Agency, the City assigned certain responsibilities required under the Ballpark Infrastructure Agreement to the Agency. Specifically the City assigned the requirement to construct the improvements for the at-grade railroad crossing at Harbor Drive and Park Boulevard, which is located in the Centre City Project Area. The total estimated obligation for the Agency is approximately \$8,294 of which \$7,176 remains outstanding as of June 30, 2011.

In addition, the Agency has committed funds for development of various affordable housing projects. One of the projects includes the rehabilitation and operation of the World Trade Center building as a homeless service center and housing facility in the Centre City Project Area. The commitment includes \$8,230 for the acquisition of the World Trade Center building and the adjacent parking structure from the City and \$16,000 for loans to the developer for rehabilitation of the building and related costs. In addition, the Agency has entered into an agreement with Broadway Towers Associates for development of the Ninth and Broadway project in the Centre City Project Area. The Agency has committed to provide a subsidy, in the form of a loan, of \$21,727. The entire amount remains outstanding at June 30, 2011. Also, the Agency entered into an owner participation agreement with AMCAL Mission Fund, LP for development of an 85 unit apartment complex in the North Bay Project Area. The Agency committed to provide a \$6,000 subsidy in the form of a residual receipts loan. The outstanding balance for this commitment at June 30, 2011 was \$4,796. In addition, the Agency committed to provide a residual receipts loan of \$5,600 for development of the Florida Street Apartments Project in the North Park Project Area. The balance outstanding on this commitment at June 30, 2011 was \$5,049. Finally, the Agency committed to fund a loan in an amount not to exceed \$9,255 for the affordable family housing component of the COMM22 project in the Logan Heights neighborhood. The entire amount was outstanding at June 30, 2011.

## ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds. Encumbrance balances outstanding at year end are reflected in the table below:

Center City Special Revenue Low/Mod	Center City Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 58,146	\$ 102,844	\$ 31,495	\$ 192,485

## 11. CONTINGENCIES (In Thousands)

### LITIGATION AND REGULATORY ACTIONS

The Agency is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes but is not limited to: actions commenced and claims asserted against the Agency arising out of alleged torts; alleged breaches of contracts; alleged violations of law; and condemnation proceedings.

Estimates of the liabilities for unsettled claims are reported in the Government-wide Statement of Net Assets. The liability is estimated by categorizing the various claims and supplemented by information provided by the City Attorney and outside counsel, with respect to certain large individual claims and proceedings. The recorded liability is the Agency's best estimate based on available information. In the current fiscal year there were no liabilities reported in the Government-wide Statement of Net Assets.

Significant individual lawsuits are described below.

#### Hon LLP v. Redevelopment Agency

The Agency currently owns a leasehold interest on two properties in the Centre City Project Area. The Agency subleased both properties to Healthcare Services, Inc. Beginning in or about March 2010, Healthcare Services, Inc. began failing to make rent payments to the owners of the properties, resulting in a complaint in Superior Court for alleged back rent. The exposure of the Agency for rent is estimated to be in the range of \$0 - \$1,200.

#### LaFornara v. Redevelopment Agency

LaFornara is the former owner of one of the two properties described in the Hon v. Redevelopment Agency case above. The Agency offered to purchase the LaFornara property but the offer was rejected by the owner. Subsequently, the property was foreclosed by Provident Savings Bank. The Agency is now in negotiations to purchase the property from Provident Savings Bank. LaFornara filed an action against the Agency for inverse condemnation. The exposure of the Agency for inverse condemnation is estimated to be in the range of \$0 - \$1,200.

## 12. SUBSEQUENT EVENTS (In Thousands)

### Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 (AB 26) and Assembly Bill X1 27 (AB 27) as part of the State's budget package. AB 26 requires each California redevelopment agency to suspend nearly all activities, except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. AB 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain semi-annual payments to the local County Auditor-Controller in fiscal year 2012 and semi-annual payments during each fiscal year thereafter. AB 27 indicates that cities "may use any available funds not otherwise obligated for other uses" to make this payment. The City intends to use available monies of the Agency to remit the entire amount of all semi-annual payments under AB 27. The City and Agency have approved a remittance agreement to accomplish that objective.

On August 1, 2011, the City adopted Ordinance No. 20078, committing the City to comply with the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the Agency, in the event AB 26 and/or AB 27 survive, pending court challenges (discussed below). The total payment by the City during fiscal year 2012 is estimated to be \$69,255, with one half due on January 15, 2012 and the other half due on May 15, 2012. Thereafter, the Agency estimates that approximately \$16,428 will be due annually. The annual amounts to be paid after fiscal year 2012 will vary depending on the State's formula and could increase or decrease based on the actual amount of tax increment collected during a given fiscal year as well as other assumptions and factors that might alter the results of the State formula. Additionally, the semi-annual payments will increase incrementally if the Agency incurs any "new debt" compared to the Agency's debt shown on its annual statement of indebtedness filed on October 1, 2011. Failure to make these semi-annual payments would result in the automatic dissolution of the Agency under the provisions of AB 26.

AB 27 allows a one-year reprieve on the Agency's obligation to contribute 20% of tax increment to the low and moderate income housing fund so as to permit the Agency to remit sufficient funds to the City for purposes of making the semi-annual payments under AB 27. The Agency has reduced a portion of its normal allocation of tax increment to the low and moderate income housing fund during fiscal year 2012, but intends to fully repay this reduced allocation to the housing fund in future years.

The League of California Cities, the California Redevelopment Association (CRA) and other entities filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies, petitioning the

California Supreme Court to overturn AB 26 and AB 27 on the grounds that the bills violate the California Constitution. On August 11, 2011, the Court issued a stay of all of AB 27 and most of AB 26 and set up an expedited briefing schedule designed to facilitate a decision before January 15, 2012. The Court amended this order on August 17, 2011, indicating that certain provisions of AB 26 and AB 27 were still in effect and not affected by its previous stay. Under the amended order, which will remain in effect until the Court has resolved the lawsuit, all redevelopment agencies are required to file an appeal of the State's determination of the community remittance payment by August 15, 2011, to prepare and adopt certain schedules for the payment of "enforceable obligations" as defined in AB 26 (Enforceable Obligations), to pay all Enforceable Obligations to the extent reflected in the adopted schedules, and to cease virtually all new redevelopment activities pending the outcome of the lawsuit. The Agency has complied with these various requirements as the Agency reasonably understands them.

AB 26 defines Enforceable Obligations to include bonds, including debt service, reserve set-asides and all other required bond payments; loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB 26. The payment schedules recently prepared and adopted by the Agency include the payment of all known Enforceable Obligations.

The Court has received all written briefs and has conducted oral argument regarding the lawsuit, and is expected to issue a final written opinion by January 15, 2012. The three main potential outcomes of the lawsuit include: (i) both AB 26 and AB 27 are invalidated; (ii) both AB 26 and AB 27 are upheld; or (iii) AB 26 is upheld, but AB 27 is invalidated.

If both AB 26 and AB 27 are invalidated, then redevelopment agencies will be allowed to continue in operation without regard to those two bills. However, there is a possibility that future legislative acts may create new challenges to the continued operation of California redevelopment agencies in light of Governor Brown's stated intent to eliminate all such redevelopment agencies and to reduce their funding.

If both AB 26 and AB 27 are upheld, jurisdictions that have "opted in" under AB 27, such as the City, may continue redevelopment but with diminished funds due to the required payments for the benefit of the State under AB 27. Management believes that the Agency will have sufficient funds both to pay first all Enforceable Obligations, including, but not limited to, bond payments and reserves, during fiscal year 2012 and then to remit the funds to the City under the remittance agreement in order to allow the City's full payment of the semi-annual amounts under AB 27 during fiscal year 2012. If the Agency has insufficient funds for both of these purposes during fiscal year 2012 or any ensuing fiscal year, then the Agency or its successor agency will be required to continue paying all Enforceable Obligations, but the Agency will dissolve under AB 26 unless the City decides to make up any shortfall in the funds necessary to pay the semi-annual amounts under AB 27. If both AB 26 and AB 27 are upheld, there is a possibility that future legislative changes to AB 26 and/or AB 27, or future legislation unrelated to those bills, may further affect the operation and financial viability of California redevelopment agencies.

If AB 26 is upheld but AB 27 is invalidated, then all redevelopment agencies in California will be eliminated in accordance with a timeline established by the California Supreme Court. Under that scenario, each redevelopment agency will be dissolved, and a successor agency will be designated to administer the funds, assets and obligations of each former agency, subject to review by a local oversight board as well as certain State entities. The successor agency will be required to carry out and pay all Enforceable Obligations, using revenue sources previously assigned to redevelopment agencies and proceeds from the sale of their respective assets. Based on the Agency's understanding of AB 26, the dissolution of any redevelopment agency will not alter the priority in which its successor agency is required to pay Enforceable Obligations, particularly bond obligations.

Moreover, if AB 26 is upheld but AB 27 is invalidated, then two main impacts may occur with respect to existing transactions and loans between redevelopment agencies and other public bodies. First, AB 26 directs the State Controller to review the propriety of any transfers of assets between redevelopment

agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, and if no federal or state law will be violated, the State Controller is required to order the available assets to be transferred to the successor agency under AB 26. On the basis of this statutory provision, the State Controller may seek to unwind the Projects Implementation Agreement and the property transfers described in Note 4, Capital Assets. Second, after the dissolution of a redevelopment agency, Enforceable Obligations do not include many loans and debts owed by the redevelopment agency to its sponsoring community. Thus, the dissolution of the Agency under AB 26 could result in various loans and debt presently owed by the Agency to the City becoming uncollectible by the City. In addition, this provision could invalidate certain cooperation agreements that provide for the reimbursement by the Agency, of City bond debt service payments related to the Convention Center Phase II Expansion and Ballpark projects. It is possible, however, that any future effort to unwind existing agreements between the Agency, on one hand, and the City or any other entity, on the other hand, could be the subject of future litigation. It is unlikely that the California Supreme Court will decide this type of issue as part of the pending lawsuit, which involves only a facial challenge to the validity of AB 26 and AB 27.

#### Assignment and Assumption Agreement for the San Diego Convention Center Phase III Expansion Project

On August 4, 2011, the City assumed the rights and obligations from the SDCCC, on certain contracts and agreements related to the San Diego Convention Center Phase III Expansion project. In addition, the City received \$1,733 in remaining SDCCC loan proceeds it had received from the Agency (see Note 9, Related Party Transactions, on pages 74-75).

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## Required Supplementary Information

**CENTRE CITY LOW AND MODERATE INCOME HOUSING  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
Year Ended June 30, 2011  
(In Thousands)**

	Budget	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Tax Increment .....	\$ 23,383	\$ 22,945	\$ -	\$ 22,945	\$ (438)
Investment Income / Rents / Private Sources / Other .....	1,158	1,492	124	1,616	458
<b>TOTAL REVENUES .....</b>	<b>24,541</b>	<b>24,437</b>	<b>124</b>	<b>24,561</b>	<b>20</b>
<b>EXPENDITURES</b>					
Current:					
Low and Moderate Income Housing Expenditures .....	113,435	15,100	59,317	74,417	39,018
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(88,894)</b>	<b>9,337</b>	<b>(59,193)</b>	<b>(49,856)</b>	<b>(38,998)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds .....	2,188	2,188	-	2,188	-
Transfers to Other Funds .....	(16,330)	(16,330)	-	(16,330)	-
<b>TOTAL OTHER FINANCING SOURCES (USES) .....</b>	<b>(14,142)</b>	<b>(14,142)</b>	<b>-</b>	<b>(14,142)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE.....</b>	<b>(103,036)</b>	<b>(4,805)</b>	<b>(59,193)</b>	<b>(63,998)</b>	<b>(38,998)</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>212,335</b>	<b>212,335</b>	<b>-</b>	<b>212,335</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 109,299</b>	<b>\$ 207,530</b>	<b>\$ (59,193)</b>	<b>\$ 148,337</b>	<b>\$ (38,998)</b>

**CENTRE CITY OTHER SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
Year Ended June 30, 2011  
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Tax Increment .....	\$ -	\$ 16,543	\$ -	\$ 16,543	\$ 16,543
City Participation .....	4,500	2,638	-	2,638	(1,862)
Investment Income / Rents / Private Sources / Other .....	-	56	8	64	64
<b>TOTAL REVENUES .....</b>	<b>4,500</b>	<b>19,237</b>	<b>8</b>	<b>19,245</b>	<b>14,745</b>
<b>EXPENDITURES</b>					
Current:					
City Repayment .....	11,319	11,318	-	11,318	1
Tax Sharing / ERAF / Other .....	25,749	24,498	-	24,498	1,251
<b>TOTAL EXPENDITURES .....</b>	<b>37,068</b>	<b>35,816</b>	<b>-</b>	<b>35,816</b>	<b>1,252</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(32,568)</b>	<b>(16,579)</b>	<b>8</b>	<b>(16,571)</b>	<b>13,493</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds .....	47,297	47,297	-	47,297	-
Transfers to Other Funds .....	(2,479)	(2,479)	-	(2,479)	-
<b>TOTAL OTHER FINANCING SOURCES (USES) .....</b>	<b>44,818</b>	<b>44,818</b>	<b>-</b>	<b>44,818</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE.....</b>	<b>12,250</b>	<b>28,239</b>	<b>8</b>	<b>28,247</b>	<b>15,997</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>3,349</b>	<b>3,349</b>	<b>-</b>	<b>3,349</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 15,599</b>	<b>\$ 31,588</b>	<b>\$ 8</b>	<b>\$ 31,596</b>	<b>\$ 15,997</b>

**Notes to Required Supplementary Information  
(In Thousands)**

**Note A - Budgetary Data**

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. The budget document does not adopt formal budgets for each of the Agency's funds. Rather, it presents a detailed list of revenue sources and expenditure line items for each of the project areas. Budgetary comparison schedules are presented for the Centre City Low and Moderate Income Housing and the Centre City Other Special Revenue funds.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage of resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the budget category level. In the case of those project areas administered by CCDC, the category level is presented in the Consolidated Expenditure Schedule of the Budget Document (Attachment A, Schedule III). All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

**Note B - Explanation of Differences between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP Major Special Revenue Funds on a GAAP Basis.**

The Budgetary Comparison Schedules presented in this report reflect the total appropriations available for current fiscal year expenditures in the Centre City Low and Moderate Income Housing fund and Centre City Other Special Revenue fund. The categories used to report revenues, expenditures and other financing sources and uses at the fund level financial statements on a GAAP basis conform to uniform accounting standards established by the California State Controller's Office for all redevelopment agencies in the State. The Budgetary Comparison Schedules reflect expenditures as identified in the budget documents and do not reflect the GAAP basis or the uniform accounting standards established by the State because budgetary control is not maintained at this level.

The following table provides an explanation of additional adjustments made to the GAAP basis revenues and expenditures to reflect a budgetary basis of accounting.

<b>Financial Statements Major Funds</b>	<b>Centre City Special Revenue</b>	
	<b>Low/Mod</b>	<b>Other</b>
<b>Revenues</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules.....	\$ 24,561	\$ 19,245
<i>Adjustments:</i>		
Unrealized losses on investment income are excluded from the budgetary basis of accounting.....	558	(8)
Principal payments on notes receivable are included in the budgetary basis of accounting.....	(682)	-
<b>Total revenues on a GAAP basis of accounting.....</b>	<b>\$ 24,437</b>	<b>\$ 19,237</b>
<b>Expenditures</b>		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules.....	\$ 74,417	\$ 35,816
<i>Adjustments:</i>		
Encumbrances are included in the budgetary basis of accounting.....	(58,146)	-
Losses on the disposition of property held for resale are not included in the budgetary basis of accounting.....	10,919	-
Expenditures for notes receivable are included in the budgetary basis of accounting.....	(12,090)	-
<b>Total expenditures on a GAAP basis of accounting.....</b>	<b>\$ 15,100</b>	<b>\$ 35,816</b>

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## Supplementary Information

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2011  
(In Thousands)**

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
<b>ASSETS</b>					
Cash or Equity in Pooled Cash and Investments.....	\$ 19,138	\$ 9,736	\$ 7,630	\$ 36,794	\$ 73,298
Cash and Investments with Fiscal Agent.....	-	-	27,476	568	28,044
Receivables:					
Taxes-Net.....	387	-	1,547	-	1,934
Notes and Contracts.....	61,424	-	-	2,657	64,081
Accrued Interest.....	31	15	38	61	145
Accounts.....	234	-	-	4	238
Advances To Other Agencies.....	-	-	825	-	825
Working Capital Advances:					
Centre City Development Corporation.....	-	-	-	275	275
Southeastern Economic Development Corporation.....	-	-	-	232	232
City of San Diego.....	32,769	-	13	66,114	98,896
Land Held for Resale.....	690	-	-	2,494	3,184
Prepaid Items and Deposits.....	-	1,393	913	-	2,306
<b>TOTAL ASSETS.....</b>	<b>\$ 114,673</b>	<b>\$ 11,144</b>	<b>\$ 38,442</b>	<b>\$ 109,199</b>	<b>\$ 273,458</b>
<b>LIABILITIES</b>					
Accounts Payable.....	\$ 910	\$ 99	\$ -	\$ 2,770	\$ 3,779
Deferred Revenue.....	232	-	924	-	1,156
Sundry Trust Liabilities.....	-	-	-	177	177
<b>TOTAL LIABILITIES.....</b>	<b>1,142</b>	<b>99</b>	<b>924</b>	<b>2,947</b>	<b>5,112</b>
<b>FUND BALANCES</b>					
Nonspendable.....	32,769	1,393	1,751	66,621	102,534
Spendable:					
Restricted.....	80,762	9,652	35,767	40,371	166,552
Unassigned.....	-	-	-	(740)	(740)
<b>TOTAL FUND BALANCES.....</b>	<b>113,531</b>	<b>11,045</b>	<b>37,518</b>	<b>106,252</b>	<b>268,346</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 114,673</b>	<b>\$ 11,144</b>	<b>\$ 38,442</b>	<b>\$ 109,199</b>	<b>\$ 273,458</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2011**  
**(In Thousands)**

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
<b>REVENUES</b>					
Tax Increments.....	\$ 11,616	\$ 10,844	\$ 35,623	\$ -	\$ 58,083
Investment Income.....	496	218	188	869	1,771
Rents.....	-	-	-	227	227
Private Sources.....	-	-	-	2,689	2,689
Other Revenue.....	271	-	-	663	934
<b>TOTAL REVENUES.....</b>	<b>12,383</b>	<b>11,062</b>	<b>35,811</b>	<b>4,448</b>	<b>63,704</b>
<b>EXPENDITURES</b>					
Administrative Costs.....	695	4	127	7,434	8,260
Professional Services.....	222	-	-	1,391	1,613
Planning, Survey & Design.....	107	-	-	2,164	2,271
Acquisition Expense.....	5	-	-	25	30
Property Management.....	9	-	-	419	428
Relocation Costs.....	-	-	-	15	15
Relocation Payments.....	-	-	-	1,230	1,230
Site Clearance Costs.....	-	-	-	21	21
Project Improvements/Construction Costs.....	6	-	-	1,735	1,741
Rehabilitation Costs.....	853	-	-	123	976
Rehabilitation Grants/Loans.....	1,600	-	-	2,417	4,017
Housing Subsidies.....	935	-	-	-	935
Loss on Disposition of LHFR.....	22	-	-	6,064	6,086
City Projects.....	679	-	-	1,138	1,817
Tax Sharing Payments.....	-	15,077	-	-	15,077
Other.....	-	-	-	1,134	1,134
Debt Service:					
Principal.....	-	-	53,373	-	53,373
Interest.....	-	-	12,600	-	12,600
Bond Issuance Cost.....	-	-	1,191	-	1,191
<b>TOTAL EXPENDITURES.....</b>	<b>5,133</b>	<b>15,081</b>	<b>67,291</b>	<b>25,310</b>	<b>112,815</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>7,250</b>	<b>(4,019)</b>	<b>(31,480)</b>	<b>(20,862)</b>	<b>(49,111)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds.....	5,390	1,553	39,600	24,723	71,266
Transfers to Other Funds.....	(12,791)	(8)	(51,783)	(6,684)	(71,266)
Bonds Issued.....	25,191	-	52,893	28,316	106,400
Premium on Bonds Issued.....	-	-	42	-	42
Discount on Bonds Issued.....	-	-	(1,585)	-	(1,585)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>17,790</b>	<b>1,545</b>	<b>39,167</b>	<b>46,355</b>	<b>104,857</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>25,040</b>	<b>(2,474)</b>	<b>7,687</b>	<b>25,493</b>	<b>55,746</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>88,491</b>	<b>13,519</b>	<b>29,831</b>	<b>80,759</b>	<b>212,600</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 113,531</b>	<b>\$ 11,045</b>	<b>\$ 37,518</b>	<b>\$ 106,252</b>	<b>\$ 268,346</b>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
 June 30, 2011  
 (In Thousands)

ASSETS	Barrio Logan		City Heights	
	Low-Mod	Other	Low-Mod	Other
Cash or Equity in Pooled Cash and Investments.....	\$ 16	\$ 50	\$ 1,647	\$ 3,629
Receivables:				
Taxes-Net.....	3	-	71	-
Notes and Contracts.....	5,104	-	8,493	-
Accrued Interest.....	-	-	2	6
Accounts.....	-	-	-	-
Working Capital Advances:				
City of San Diego.....	272	-	1,602	-
Land Held for Resale.....	-	-	-	-
Prepaid Items and Deposits.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 5,395</b>	<b>\$ 50</b>	<b>\$ 11,815</b>	<b>\$ 3,635</b>
 <b>LIABILITIES</b>				
Accounts Payable.....	\$ 28	\$ -	\$ 60	\$ -
Deferred Revenue.....	3	-	45	-
<b>TOTAL LIABILITIES.....</b>	<b>31</b>	<b>-</b>	<b>105</b>	<b>-</b>
 <b>FUND BALANCES</b>				
Nonspendable.....	272	-	1,602	-
Spendable:				
Restricted.....	5,092	50	10,108	3,635
<b>TOTAL FUND BALANCES.....</b>	<b>5,364</b>	<b>50</b>	<b>11,710</b>	<b>3,635</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 5,395</b>	<b>\$ 50</b>	<b>\$ 11,815</b>	<b>\$ 3,635</b>

College Community		College Grove		Crossroads	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 584	\$ 107	\$ 10	\$ 121	\$ 172	\$ 534
5	-	6	-	23	-
-	-	397	-	2,391	-
-	-	-	-	-	1
-	-	-	-	-	-
694	-	126	-	573	-
-	-	-	-	-	-
-	-	-	5	-	145
<u>\$ 1,283</u>	<u>\$ 107</u>	<u>\$ 539</u>	<u>\$ 126</u>	<u>\$ 3,159</u>	<u>\$ 680</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	-	3	-	13	-
3	-	3	-	13	-
694	-	126	5	573	145
<u>586</u>	<u>107</u>	<u>410</u>	<u>121</u>	<u>2,573</u>	<u>535</u>
<u>1,280</u>	<u>107</u>	<u>536</u>	<u>126</u>	<u>3,146</u>	<u>680</u>
<u>\$ 1,283</u>	<u>\$ 107</u>	<u>\$ 539</u>	<u>\$ 126</u>	<u>\$ 3,159</u>	<u>\$ 680</u>

Continued on next page

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
 June 30, 2011  
 (In Thousands)

	Grantville		Horton Plaza	
	Low-Mod	Other	Low-Mod	Other
<b>ASSETS</b>				
Cash or Equity in Pooled Cash and Investments.....	\$ 7	\$ 288	\$ 522	\$ 1
Receivables:				
Taxes-Net.....	9	-	51	-
Notes and Contracts.....	-	-	14,198	-
Accrued Interest.....	-	1	1	-
Interest.....	-	-	-	-
Working Capital Advances:				
City of San Diego.....	620	-	4,572	-
Land Held for Resale.....	-	-	-	-
Prepaid Items and Deposits.....	-	54	-	-
	<u>\$ 636</u>	<u>\$ 343</u>	<u>\$ 19,344</u>	<u>\$ 1</u>
<b>TOTAL ASSETS.....</b>				
<b>LIABILITIES</b>				
Accounts Payable.....	\$ -	\$ -	\$ 9	\$ 1
Deferred Revenue.....	5	-	31	-
	<u>5</u>	<u>-</u>	<u>40</u>	<u>1</u>
<b>TOTAL LIABILITIES.....</b>				
<b>FUND BALANCES</b>				
Nonspendable.....	620	54	4,572	-
Spendable:				
Restricted.....	11	289	14,732	-
	<u>631</u>	<u>343</u>	<u>19,304</u>	<u>-</u>
<b>TOTAL FUND BALANCES.....</b>				
	<u>\$ 636</u>	<u>\$ 343</u>	<u>\$ 19,344</u>	<u>\$ 1</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>				

Linda Vista		Naval Training Center		North Bay	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 27	\$ -	\$ 515	\$ 967	\$ 5,741	\$ 1,411
1	-	34	-	56	-
-	-	6,171	-	10,943	-
-	-	1	1	10	2
-	-	-	-	234	-
-	-	3,384	-	1,216	-
-	-	-	-	-	-
-	-	-	228	-	383
<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 10,105</u>	<u>\$ 1,196</u>	<u>\$ 18,200</u>	<u>\$ 1,796</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21	-	35	-
-	-	21	-	35	-
-	-	3,384	228	1,216	383
<u>28</u>	<u>-</u>	<u>6,700</u>	<u>968</u>	<u>16,949</u>	<u>1,413</u>
<u>28</u>	<u>-</u>	<u>10,084</u>	<u>1,196</u>	<u>18,165</u>	<u>1,796</u>
<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 10,105</u>	<u>\$ 1,196</u>	<u>\$ 18,200</u>	<u>\$ 1,796</u>

Continued on next page

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**June 30, 2011**  
**(In Thousands)**

	North Park		Pooled Housing
	Low-Mod	Other	Low-Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 1,619	\$ 1,131	\$ 5,123
Receivables:			
Taxes-Net.....	48	-	-
Notes and Contracts.....	9,651	-	-
Accrued Interest.....	3	2	9
Accounts.....	-	-	-
Working Capital Advances:			
City of San Diego .....	1,031	-	13,448
Land Held for Resale.....	-	-	-
Prepaid Items and Deposits.....	-	305	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS.....</b>	<b>\$ 12,352</b>	<b>\$ 1,438</b>	<b>\$ 18,580</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ -	\$ 54
Deferred Revenue.....	28	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES.....</b>	<b>28</b>	<b>-</b>	<b>54</b>
<b>FUND BALANCES</b>			
Nonspendable.....	1,031	305	13,448
Spendable:			
Restricted.....	11,293	1,133	5,078
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCES.....</b>	<b>12,324</b>	<b>1,438</b>	<b>18,526</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 12,352</b>	<b>\$ 1,438</b>	<b>\$ 18,580</b>

San Ysidro		Southeastern San Diego		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 2,572	\$ 1,106	\$ 583	\$ 391	\$ 19,138	\$ 9,736
37	-	43	-	387	-
2,327	-	1,749	-	61,424	-
4	2	1	-	31	15
-	-	-	-	234	-
558	-	4,673	-	32,769	-
-	-	690	-	690	-
-	198	-	75	-	1,393
<u>\$ 5,498</u>	<u>\$ 1,306</u>	<u>\$ 7,739</u>	<u>\$ 466</u>	<u>\$ 114,673</u>	<u>\$ 11,144</u>
\$ 738	\$ -	\$ 21	\$ 98	\$ 910	\$ 99
21	-	24	-	232	-
<u>759</u>	<u>-</u>	<u>45</u>	<u>98</u>	<u>1,142</u>	<u>99</u>
558	198	4,673	75	32,769	1,393
<u>4,181</u>	<u>1,108</u>	<u>3,021</u>	<u>293</u>	<u>80,762</u>	<u>9,652</u>
<u>4,739</u>	<u>1,306</u>	<u>7,694</u>	<u>368</u>	<u>113,531</u>	<u>11,045</u>
<u>\$ 5,498</u>	<u>\$ 1,306</u>	<u>\$ 7,739</u>	<u>\$ 466</u>	<u>\$ 114,673</u>	<u>\$ 11,144</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2011**  
**(In Thousands)**

	Barrio Logan		City Heights	
	Low-Mod	Other	Low-Mod	Other
<b>REVENUES</b>				
Tax Increments.....	\$ 115	\$ 50	\$ 2,235	\$ 3,559
Investment Income.....	-	1	61	72
Other Revenue.....	-	-	22	-
<b>TOTAL REVENUES.....</b>	<b>115</b>	<b>51</b>	<b>2,318</b>	<b>3,631</b>
<b>EXPENDITURES</b>				
Administrative Costs.....	36	-	117	-
Professional Services.....	92	-	1	-
Planning, Survey & Design.....	27	-	-	-
Acquisition Expense.....	1	-	-	-
Property Management.....	-	-	-	-
Project Improvements/Construction Costs.....	-	-	-	-
Rehabilitation Costs.....	-	-	-	-
Rehabilitation Grants/Loans.....	67	-	579	-
Housing Subsidies.....	-	-	149	-
Loss on Disposition of LHFR.....	-	-	-	-
City Projects.....	-	-	-	-
Tax Sharing Payments.....	-	107	-	4,457
<b>TOTAL EXPENDITURES.....</b>	<b>223</b>	<b>107</b>	<b>846</b>	<b>4,457</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>				
<b>EXPENDITURES.....</b>	<b>(108)</b>	<b>(56)</b>	<b>1,472</b>	<b>(826)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds.....	5,104	-	-	-
Transfers to Other Funds.....	-	-	(902)	-
Bonds Issued.....	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>5,104</b>	<b>-</b>	<b>(902)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>4,996</b>	<b>(56)</b>	<b>570</b>	<b>(826)</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>368</b>	<b>106</b>	<b>11,140</b>	<b>4,461</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 5,364</b>	<b>\$ 50</b>	<b>\$ 11,710</b>	<b>\$ 3,635</b>

College Community		College Grove		Crossroads	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 136	\$ 104	\$ 164	\$ 126	\$ 666	\$ 666
6	3	-	3	-	11
-	-	-	-	249	-
<u>142</u>	<u>107</u>	<u>164</u>	<u>129</u>	<u>915</u>	<u>677</u>
23	-	4	-	65	-
-	-	-	-	-	-
-	-	-	-	-	-
4	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	20	-	39	-
-	-	128	-	223	-
-	-	-	-	-	-
-	-	-	-	-	-
-	217	-	169	-	986
<u>27</u>	<u>217</u>	<u>152</u>	<u>169</u>	<u>327</u>	<u>986</u>
<u>115</u>	<u>(110)</u>	<u>12</u>	<u>(40)</u>	<u>588</u>	<u>(309)</u>
-	-	-	-	-	-
-	-	-	-	(164)	-
-	-	-	-	-	-
-	-	-	-	(164)	-
<u>115</u>	<u>(110)</u>	<u>12</u>	<u>(40)</u>	<u>424</u>	<u>(309)</u>
<u>1,165</u>	<u>217</u>	<u>524</u>	<u>166</u>	<u>2,722</u>	<u>989</u>
<u>\$ 1,280</u>	<u>\$ 107</u>	<u>\$ 536</u>	<u>\$ 126</u>	<u>\$ 3,146</u>	<u>\$ 680</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Year Ended June 30, 2011  
(In Thousands)**

	Grantville		Horton Plaza	
	Low-Mod	Other	Low-Mod	Other
<b>REVENUES</b>				
Tax Increments.....	\$ 240	\$ 240	\$ 1,576	\$ -
Investment Income.....	-	5	105	-
Other Revenue.....	-	-	-	-
<b>TOTAL REVENUES.....</b>	<u>240</u>	<u>245</u>	<u>1,681</u>	<u>-</u>
<b>EXPENDITURES</b>				
Administrative Costs.....	33	-	132	4
Professional Services.....	-	-	25	-
Planning, Survey & Design.....	-	-	-	-
Acquisition Expense.....	-	-	-	-
Property Management.....	-	-	8	-
Project Improvements/Construction Costs.....	-	-	-	-
Rehabilitation Costs.....	8	-	-	-
Rehabilitation Grants/Loans.....	43	-	-	-
Housing Subsidies.....	-	-	-	-
Loss on Disposition of LHFR.....	-	-	-	-
City Projects.....	-	-	679	-
Tax Sharing Payments.....	-	304	-	710
<b>TOTAL EXPENDITURES.....</b>	<u>84</u>	<u>304</u>	<u>844</u>	<u>714</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<u>156</u>	<u>(59)</u>	<u>837</u>	<u>(714)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds.....	-	97	-	710
Transfers to Other Funds.....	(97)	-	(784)	(8)
Bonds Issued.....	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<u>(97)</u>	<u>97</u>	<u>(784)</u>	<u>702</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>59</u>	<u>38</u>	<u>53</u>	<u>(12)</u>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<u>572</u>	<u>305</u>	<u>19,251</u>	<u>12</u>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<u>\$ 631</u>	<u>\$ 343</u>	<u>\$ 19,304</u>	<u>\$ -</u>

Linda Vista		Naval Training Center		North Bay	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 23	\$ -	\$ 1,105	\$ 1,105	\$ 1,760	\$ 1,760
-	-	6	25	76	38
-	-	-	-	-	-
<u>23</u>	<u>-</u>	<u>1,111</u>	<u>1,130</u>	<u>1,836</u>	<u>1,798</u>
2	-	38	-	47	-
-	-	-	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19	-	-	-	-	-
-	-	-	-	678	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7	-	1,338	-	2,403
<u>21</u>	<u>7</u>	<u>38</u>	<u>1,338</u>	<u>726</u>	<u>2,403</u>
<u>2</u>	<u>(7)</u>	<u>1,073</u>	<u>(208)</u>	<u>1,110</u>	<u>(605)</u>
-	-	-	-	-	-
-	-	(381)	-	(717)	-
-	-	-	-	-	-
-	-	(381)	-	(717)	-
<u>2</u>	<u>(7)</u>	<u>692</u>	<u>(208)</u>	<u>393</u>	<u>(605)</u>
<u>26</u>	<u>7</u>	<u>9,392</u>	<u>1,404</u>	<u>17,772</u>	<u>2,401</u>
<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 10,084</u>	<u>\$ 1,196</u>	<u>\$ 18,165</u>	<u>\$ 1,796</u>

Continued on next page

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2011**  
**(In Thousands)**

	North Park		Pooled Housing
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 1,410	\$ 1,410	\$ -
Investment Income.....	9	30	200
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>1,419</b>	<b>1,440</b>	<b>200</b>
<b>EXPENDITURES</b>			
Administrative Costs.....	53	-	-
Professional Services.....	1	-	-
Planning, Survey & Design.....	-	-	-
Acquisition Expense.....	-	-	-
Property Management.....	1	-	-
Project Improvements/Construction Costs.....	-	-	-
Rehabilitation Costs.....	75	-	-
Rehabilitation Grants/Loans.....	425	-	-
Housing Subsidies.....	-	-	108
Loss on Disposition of LHFR.....	-	-	-
City Projects.....	-	-	-
Tax Sharing Payments.....	-	1,881	-
<b>TOTAL EXPENDITURES.....</b>	<b>555</b>	<b>1,881</b>	<b>108</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>864</b>	<b>(441)</b>	<b>92</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	22
Transfers to Other Funds.....	(1,707)	-	(6,779)
Bonds Issued.....	-	-	25,191
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,707)</b>	<b>-</b>	<b>18,434</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(843)</b>	<b>(441)</b>	<b>18,526</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>13,167</b>	<b>1,879</b>	<b>-</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 12,324</b>	<b>\$ 1,438</b>	<b>\$ 18,526</b>

San Ysidro		Southeastern San Diego		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 1,030	\$ 1,280	\$ 1,156	\$ 544	\$ 11,616	\$ 10,844
25	27	8	3	496	218
-	-	-	-	271	-
<u>1,055</u>	<u>1,307</u>	<u>1,164</u>	<u>547</u>	<u>12,383</u>	<u>11,062</u>
38	-	107	-	695	4
11	-	91	-	222	-
33	-	47	-	107	-
-	-	-	-	5	-
-	-	-	-	9	-
-	-	6	-	6	-
-	-	711	-	853	-
105	-	11	-	1,600	-
-	-	-	-	935	-
-	-	22	-	22	-
-	-	-	-	679	-
-	1,560	-	938	-	15,077
<u>187</u>	<u>1,560</u>	<u>995</u>	<u>938</u>	<u>5,133</u>	<u>15,081</u>
<u>868</u>	<u>(253)</u>	<u>169</u>	<u>(391)</u>	<u>7,250</u>	<u>(4,019)</u>
-	-	264	746	5,390	1,553
(310)	-	(950)	-	(12,791)	(8)
-	-	-	-	25,191	-
<u>(310)</u>	<u>-</u>	<u>(686)</u>	<u>746</u>	<u>17,790</u>	<u>1,545</u>
<u>558</u>	<u>(253)</u>	<u>(517)</u>	<u>355</u>	<u>25,040</u>	<u>(2,474)</u>
<u>4,181</u>	<u>1,559</u>	<u>8,211</u>	<u>13</u>	<u>88,491</u>	<u>13,519</u>
<u>\$ 4,739</u>	<u>\$ 1,306</u>	<u>\$ 7,694</u>	<u>\$ 368</u>	<u>\$ 113,531</u>	<u>\$ 11,045</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**June 30, 2011**  
**(In Thousands)**

	Barrio Logan	City Heights	College Community
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ -	\$ 2,041	\$ 222
Cash and Investments with Fiscal Agent.....	-	3,412	-
Receivables:			
Taxes-Net.....	12	284	21
Accrued Interest.....	-	3	-
Advances to Other Agencies.....	-	-	-
Working Capital Advances:			
City of San Diego.....	-	10	3
Prepaid Items and Deposits.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 12</b>	<b>\$ 5,750</b>	<b>\$ 246</b>
<b>LIABILITIES</b>			
Deferred Revenue.....	\$ 10	\$ 179	\$ 13
<b>TOTAL LIABILITIES.....</b>	<b>10</b>	<b>179</b>	<b>13</b>
<b>FUND BALANCES</b>			
Nonspendable.....	-	10	3
Spendable:			
Restricted.....	2	5,561	230
<b>TOTAL FUND BALANCES.....</b>	<b>2</b>	<b>5,571</b>	<b>233</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 12</b>	<b>\$ 5,750</b>	<b>\$ 246</b>

College Grove	Crossroads	Grantville	Horton Plaza
\$ 16	\$ 748	\$ 165	\$ 382
-	464	-	8,496
22	91	36	202
-	1	-	21
-	-	-	-
-	-	-	-
<u>\$ 38</u>	<u>\$ 1,304</u>	<u>\$ 201</u>	<u>\$ 9,101</u>
\$ 14	\$ 53	\$ 19	\$ 124
14	53	19	124
-	-	-	-
24	1,251	182	8,977
24	1,251	182	8,977
<u>\$ 38</u>	<u>\$ 1,304</u>	<u>\$ 201</u>	<u>\$ 9,101</u>

Continued on next page

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
June 30, 2011  
(In Thousands)**

	Linda Vista	Naval Training Center	North Bay
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 5	\$ 1,149	\$ 514
Cash and Investments with Fiscal Agent.....	-	1,360	982
Receivables:			
Taxes-Net.....	3	134	225
Accrued Interest.....	-	2	2
Advances to Other Agencies.....	-	-	-
Working Capital Advances:			
City of San Diego.....	-	-	-
Prepaid Items and Deposits.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 8</b>	<b>\$ 2,645</b>	<b>\$ 1,723</b>
<b>LIABILITIES</b>			
Deferred Revenue.....	\$ 2	\$ 81	\$ 139
<b>TOTAL LIABILITIES.....</b>	<b>2</b>	<b>81</b>	<b>139</b>
<b>FUND BALANCES</b>			
Nonspendable.....	-	-	-
Spendable:			
Restricted.....	6	2,564	1,584
<b>TOTAL FUND BALANCES.....</b>	<b>6</b>	<b>2,564</b>	<b>1,584</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 8</b>	<b>\$ 2,645</b>	<b>\$ 1,723</b>

North Park	Pooled Housing	San Ysidro	Southeastern San Diego	Total
\$ 1,859	\$ -	\$ 516	\$ 13	\$ 7,630
3,068	5,857	625	3,212	27,476
193	-	150	174	1,547
2	-	5	2	38
-	-	-	825	825
-	-	-	-	13
-	-	-	913	913
<u>\$ 5,122</u>	<u>\$ 5,857</u>	<u>\$ 1,296</u>	<u>\$ 5,139</u>	<u>\$ 38,442</u>
\$ 112	\$ -	\$ 82	\$ 96	\$ 924
112	-	82	96	924
-	-	-	1,738	1,751
5,010	5,857	1,214	3,305	35,767
5,010	5,857	1,214	5,043	37,518
<u>\$ 5,122</u>	<u>\$ 5,857</u>	<u>\$ 1,296</u>	<u>\$ 5,139</u>	<u>\$ 38,442</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
 Year Ended June 30, 2011  
 (In Thousands)

	Barrio Logan	City Heights	College Community
<b>REVENUES</b>			
Tax Increments.....	\$ 411	\$ 5,383	\$ 438
Investment Income.....	-	1	1
<b>TOTAL REVENUES.....</b>	<b>411</b>	<b>5,384</b>	<b>439</b>
<b>EXPENDITURES</b>			
Administrative Costs.....	1	63	7
Debt Service:			
Principal.....	63	10,722	-
Interest.....	-	1,867	-
Bond Issuance Cost .....	-	177	-
<b>TOTAL EXPENDITURES.....</b>	<b>64</b>	<b>12,829</b>	<b>7</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>347</b>	<b>(7,445)</b>	<b>432</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	8,444	-
Transfers to Other Funds.....	(356)	(1,368)	(228)
Bonds Issued.....	-	4,081	-
Premium on Bonds Issued.....	-	-	-
Discount on Bonds Issued.....	-	(322)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(356)</b>	<b>10,835</b>	<b>(228)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(9)</b>	<b>3,390</b>	<b>204</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>11</b>	<b>2,181</b>	<b>29</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 2</b>	<b>\$ 5,571</b>	<b>\$ 233</b>

College Grove	Crossroads	Grantville	Horton Plaza
\$ 532	\$ 1,998	\$ 720	\$ 6,301
-	1	-	146
<u>532</u>	<u>1,999</u>	<u>720</u>	<u>6,447</u>
10	20	3	-
-	-	150	1,900
-	142	-	1,964
-	<u>104</u>	-	-
<u>10</u>	<u>266</u>	<u>153</u>	<u>3,864</u>
<u>522</u>	<u>1,733</u>	<u>567</u>	<u>2,583</u>
-	-	-	784
(522)	(1,163)	(434)	(12,607)
-	615	-	-
-	-	-	-
-	<u>(25)</u>	-	-
<u>(522)</u>	<u>(573)</u>	<u>(434)</u>	<u>(11,823)</u>
-	1,160	133	(9,240)
24	91	49	18,217
<u>\$ 24</u>	<u>\$ 1,251</u>	<u>\$ 182</u>	<u>\$ 8,977</u>

Continued on next page

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
Year Ended June 30, 2010  
(In Thousands)

	Linda Vista	Naval Training Center	North Bay
<b>REVENUES</b>			
Tax Increments.....	\$ 93	\$ 3,315	\$ 5,280
Investment Income.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>93</b>	<b>3,315</b>	<b>5,280</b>
<b>EXPENDITURES</b>			
Administrative Costs.....	3	2	12
Debt Service:			
Principal.....	50	18,041	8,860
Interest.....	-	1,087	677
Bond Issuance Cost .....	-	217	-
<b>TOTAL EXPENDITURES.....</b>	<b>53</b>	<b>19,347</b>	<b>9,549</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>40</b>	<b>(16,032)</b>	<b>(4,269)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	50	5,641	8,856
Transfers to Other Funds.....	(87)	(1,087)	(4,160)
Bonds Issued.....	-	13,893	-
Premium on Bonds Issued.....	-	42	-
Discount on Bonds Issued.....	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(37)</b>	<b>18,489</b>	<b>4,696</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>3</b>	<b>2,457</b>	<b>427</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>3</b>	<b>107</b>	<b>1,157</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 6</b>	<b>\$ 2,564</b>	<b>\$ 1,584</b>

North Park	Pooled Housing	San Ysidro	Southeastern San Diego	Total
\$ 4,230	\$ -	\$ 2,840	\$ 4,082	\$ 35,623
2	-	37	-	188
<u>4,232</u>	<u>-</u>	<u>2,877</u>	<u>4,082</u>	<u>35,811</u>
-	-	-	6	127
8,864	-	3,089	1,634	53,373
1,973	2,260	568	2,062	12,600
<u>-</u>	<u>563</u>	<u>130</u>	<u>-</u>	<u>1,191</u>
<u>10,837</u>	<u>2,823</u>	<u>3,787</u>	<u>3,702</u>	<u>67,291</u>
<u>(6,605)</u>	<u>(2,823)</u>	<u>(910)</u>	<u>380</u>	<u>(31,480)</u>
8,666	2,261	3,277	1,621	39,600
(764)	(25,864)	(2,039)	(1,104)	(51,783)
-	33,374	930	-	52,893
-	-	-	-	42
<u>-</u>	<u>(1,091)</u>	<u>(147)</u>	<u>-</u>	<u>(1,585)</u>
<u>7,902</u>	<u>8,680</u>	<u>2,021</u>	<u>517</u>	<u>39,167</u>
<u>1,297</u>	<u>5,857</u>	<u>1,111</u>	<u>897</u>	<u>7,687</u>
<u>3,713</u>	<u>-</u>	<u>103</u>	<u>4,146</u>	<u>29,831</u>
<u>\$ 5,010</u>	<u>\$ 5,857</u>	<u>\$ 1,214</u>	<u>\$ 5,043</u>	<u>\$ 37,518</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**June 30, 2011**  
**(In Thousands)**

	Barrio Logan	City Heights	College Community
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 146	\$ 2,429	\$ 53
Cash and Investments with Fiscal Agent.....	-	-	-
Receivables:			
Notes and Contracts.....	-	2,477	-
Accrued Interest.....	-	5	-
Accounts.....	-	-	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
City of San Diego.....	253	15,191	315
Land Held for Resale.....	-	1,050	-
<b>TOTAL ASSETS.....</b>	<b>\$ 399</b>	<b>\$ 21,152</b>	<b>\$ 368</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 685	\$ 114	\$ 254
Sundry Trust Liabilities.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>685</b>	<b>114</b>	<b>254</b>
<b>FUND BALANCES</b>			
Nonspendable.....	253	15,191	315
Spendable:			
Restricted.....	-	5,847	-
Unassigned.....	(539)	-	(201)
<b>TOTAL FUND BALANCES.....</b>	<b>(286)</b>	<b>21,038</b>	<b>114</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 399</b>	<b>\$ 21,152</b>	<b>\$ 368</b>

College Grove	Crossroads	Grantville	Horton Plaza
\$ 384	\$ 1,670	\$ 45	\$ 15,708
-	-	-	-
-	-	-	-
1	2	1	25
-	-	-	-
-	-	-	275
-	-	-	-
1,548	5,823	732	9,070
-	-	-	-
<u>\$ 1,933</u>	<u>\$ 7,495</u>	<u>\$ 778</u>	<u>\$ 25,078</u>
\$ 2	\$ 3	\$ 8	\$ 440
-	-	-	-
<u>2</u>	<u>3</u>	<u>8</u>	<u>440</u>
1,548	5,823	732	9,345
383	1,669	38	15,293
-	-	-	-
<u>1,931</u>	<u>7,492</u>	<u>770</u>	<u>24,638</u>
<u>\$ 1,933</u>	<u>\$ 7,495</u>	<u>\$ 778</u>	<u>\$ 25,078</u>

Continued on next page

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**June 30, 2011**  
**(In Thousands)**

	Linda Vista	Naval Training Center	North Bay
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 716	\$ 5,247	\$ 3,873
Cash and Investments with Fiscal Agent.....	-	-	-
Receivables:			
Notes and Contracts.....	-	-	-
Interest.....	1	7	8
Accounts.....	-	-	1
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
City of San Diego.....	326	3,635	9,978
Land Held for Resale.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 1,043</b>	<b>\$ 8,889</b>	<b>\$ 13,860</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 22	\$ 38	\$ 80
Sundry Trust Liabilities.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>22</b>	<b>38</b>	<b>80</b>
<b>FUND BALANCES</b>			
Nonspendable.....	326	3,635	9,978
Spendable:			
Restricted.....	695	5,216	3,802
Unassigned.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>1,021</b>	<b>8,851</b>	<b>13,780</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 1,043</b>	<b>\$ 8,889</b>	<b>\$ 13,860</b>

North Park	San Ysidro	Southeastern San Diego	Total
\$ 1,242	\$ 1,140	\$ 4,141	\$ 36,794
568	-	-	568
-	-	180	2,657
1	1	9	61
2	1	-	4
-	-	-	275
-	-	232	232
5,445	6,413	7,385	66,114
-	-	1,444	2,494
<u>\$ 7,258</u>	<u>\$ 7,555</u>	<u>\$ 13,391</u>	<u>\$ 109,199</u>
\$ 829	\$ 112	\$ 183	\$ 2,770
63	75	39	177
<u>892</u>	<u>187</u>	<u>222</u>	<u>2,947</u>
5,445	6,413	7,617	66,621
921	955	5,552	40,371
-	-	-	(740)
<u>6,366</u>	<u>7,368</u>	<u>13,169</u>	<u>106,252</u>
<u>\$ 7,258</u>	<u>\$ 7,555</u>	<u>\$ 13,391</u>	<u>\$ 109,199</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2011  
(In Thousands)

	Barrio Logan	City Heights	College Community
<b>REVENUES</b>			
Investment Income.....	\$ 2	\$ 276	\$ 4
Rents.....	-	-	-
Private Sources.....	-	135	-
Other Revenue.....	-	60	200
<b>TOTAL REVENUES.....</b>	<b>2</b>	<b>471</b>	<b>204</b>
<b>EXPENDITURES</b>			
Administrative Costs.....	136	1,080	191
Professional Services.....	36	130	21
Planning, Survey & Design.....	4	218	17
Acquisition Expense.....	1	3	5
Property Management.....	1	49	-
Relocation Costs.....	-	1	-
Relocation Payments.....	-	1,230	-
Site Clearance Costs.....	-	-	-
Project Improvements/Construction Costs.....	437	27	-
Rehabilitation Costs.....	-	-	-
Rehabilitation Grants/Loans.....	-	-	-
Loss on Disposition of LHFR.....	40	830	-
City Projects.....	-	180	-
Other.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>655</b>	<b>3,748</b>	<b>234</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(653)</b>	<b>(3,277)</b>	<b>(30)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	356	1,368	228
Transfers to Other Funds.....	-	(2,170)	-
Bonds Issued.....	-	11,144	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>356</b>	<b>10,342</b>	<b>228</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(297)</b>	<b>7,065</b>	<b>198</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>11</b>	<b>13,973</b>	<b>(84)</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ (286)</b>	<b>\$ 21,038</b>	<b>\$ 114</b>

College Grove	Crossroads	Grantville	Horton Plaza
\$ 14	\$ 27	\$ 13	\$ 173
-	-	-	-
-	-	-	2,444
<u>130</u>	<u>38</u>	<u>-</u>	<u>-</u>
<u>144</u>	<u>65</u>	<u>13</u>	<u>2,617</u>
48	517	322	809
4	27	40	446
50	139	57	944
-	-	-	-
-	-	-	106
-	-	-	-
-	-	-	-
-	-	-	9
-	-	-	120
-	-	-	-
-	225	-	402
-	-	-	-
<u>102</u>	<u>908</u>	<u>419</u>	<u>2,836</u>
<u>42</u>	<u>(843)</u>	<u>(406)</u>	<u>(219)</u>
522	1,163	434	11,905
-	-	-	-
-	4,300	-	-
<u>522</u>	<u>5,463</u>	<u>434</u>	<u>11,905</u>
<u>564</u>	<u>4,620</u>	<u>28</u>	<u>11,686</u>
<u>1,367</u>	<u>2,872</u>	<u>742</u>	<u>12,952</u>
<u>\$ 1,931</u>	<u>\$ 7,492</u>	<u>\$ 770</u>	<u>\$ 24,638</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2011  
(In Thousands)

	Linda Vista	Naval Training Center	North Bay
<b>REVENUES</b>			
Investment Income.....	\$ 9	\$ 61	\$ 137
Rents.....	227	-	-
Private Sources.....	-	-	75
Other Revenue.....	-	-	14
<b>TOTAL REVENUES.....</b>	<b>236</b>	<b>61</b>	<b>226</b>
<b>EXPENDITURES</b>			
Administrative Costs.....	46	398	847
Professional Services.....	36	66	126
Planning, Survey & Design.....	104	102	147
Acquisition Expense.....	3	-	10
Property Management.....	18	-	12
Relocation Costs.....	14	-	-
Relocation Payments.....	-	-	-
Site Clearance Costs.....	-	-	12
Project Improvements/Construction Costs.....	-	552	313
Rehabilitation Costs.....	3	-	-
Rehabilitation Grants/Loans.....	-	-	-
Loss on Disposition of LHFR.....	1,487	-	-
City Projects.....	-	-	-
Other.....	-	1,134	-
<b>TOTAL EXPENDITURES.....</b>	<b>1,711</b>	<b>2,252</b>	<b>1,467</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(1,475)</b>	<b>(2,191)</b>	<b>(1,241)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	87	1,087	4,160
Transfers to Other Funds.....	(50)	-	-
Bonds Issued.....	-	5,872	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>37</b>	<b>6,959</b>	<b>4,160</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,438)</b>	<b>4,768</b>	<b>2,919</b>
<b>FUND BALANCES AT JUNE 30, 2010.....</b>	<b>2,459</b>	<b>4,083</b>	<b>10,861</b>
<b>FUND BALANCES AT JUNE 30, 2011.....</b>	<b>\$ 1,021</b>	<b>\$ 8,851</b>	<b>\$ 13,780</b>

North Park	San Ysidro	Southeastern San Diego	Total
\$ 39	\$ 39	\$ 75	\$ 869
-	-	-	227
25	-	10	2,689
<u>221</u>	<u>-</u>	<u>-</u>	<u>663</u>
<u>285</u>	<u>39</u>	<u>85</u>	<u>4,448</u>
522	876	1,642	7,434
80	65	314	1,391
92	236	54	2,164
-	3	-	25
135	-	98	419
-	-	-	15
-	-	-	1,230
-	-	9	21
64	62	271	1,735
-	-	-	123
2,417	-	-	2,417
2,843	-	864	6,064
100	-	231	1,138
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,134</u>
<u>6,253</u>	<u>1,242</u>	<u>3,483</u>	<u>25,310</u>
<u>(5,968)</u>	<u>(1,203)</u>	<u>(3,398)</u>	<u>(20,862)</u>
764	2,040	609	24,723
-	(3,277)	(1,187)	(6,684)
<u>-</u>	<u>7,000</u>	<u>-</u>	<u>28,316</u>
<u>764</u>	<u>5,763</u>	<u>(578)</u>	<u>46,355</u>
<u>(5,204)</u>	<u>4,560</u>	<u>(3,976)</u>	<u>25,493</u>
<u>11,570</u>	<u>2,808</u>	<u>17,145</u>	<u>80,759</u>
<u>\$ 6,366</u>	<u>\$ 7,368</u>	<u>\$ 13,169</u>	<u>\$ 106,252</u>

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## Supplemental Schedule of Excess Surplus Determination

**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO**  
**SUPPLEMENTAL SCHEDULE OF EXCESS SURPLUS DETERMINATION**  
(In Thousands)

<b>Beginning Balance (Prior Fiscal Year Ending Fund Balances):</b>	\$ 300,826
<b>Adjustments for Unavailable Resources:</b>	
Asset (Balance Sheet amounts not available in current year):	
Loans and Notes (Receivables not collectible this fiscal year)	(149,710)
Land Held (for future project/lease/resale)	(8,906)
<hr/>	
<b>Net Resources Available:</b>	142,210
<b>Adjustments for Allowances per Health &amp; Safety Code 33334.12(g):</b>	
Encumbrances (Legal agreements and contracts)	(82,343)
Unspent Debt Proceeds (secured by housing fund tax receipts)	(28,647)
<hr/>	
<b>Adjusted Available Resources (Unencumbered Fund Balance):</b>	<u>\$ 31,220</u>
<b>Comparison per Health &amp; Safety Code 33334.12(g)(1) greater of (A) or (B):</b>	
(A) \$1,000	
(B) Sum of Prior Four Fiscal Years Tax Increment Deposits:	<u>\$ 140,148</u>
1. 2009-2010 \$ 36,202	
2. 2008-2009 38,509	
3. 2007-2008 35,470	
4. 2006-2007 29,967	
<hr/>	

**Excess Surplus on July 1, 2010: None**

Note (1) This schedule is prepared in accordance with Health & Safety Code 33333.10(h)(3). This schedule is prepared using modified accrual basis of accounting described in Note 1 to the basic financial statements of the Redevelopment Agency of the City of San Diego (Agency). This schedule includes financial data from all the Low and Moderate Income Housing Special Revenue Funds of the Agency.

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To the Board of Directors of the  
Redevelopment Agency of the City of San Diego  
San Diego, California

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California (City), as of and for the year ended June 30, 2011, which collectively comprise the Agency’s basic financial statements and have issued our report thereon dated December 22, 2011. Our report contained an emphasis of certain matters discussing a Cooperation Agreement entered into between the Agency and the City, as well as, an uncertainty related to the recently enacted legislation by the California State Legislature that is intended to provide for the dissolution of redevelopment agencies in the State of California. Our report also contained an explanatory paragraph discussing the Agency’s adoption of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Agency in a separate letter dated December 22, 2011.

This report is intended solely for the information and use of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Maciel Mini & O'Connell LLP*

San Diego, California  
December 22, 2011

To the Board of Directors of the  
Redevelopment Agency of the City of San Diego  
San Diego, California

**Independent Auditor's Report on Compliance and on Internal Control Over  
Compliance in Accordance with the *Guidelines for Compliance  
Audits of California Redevelopment Agencies***

***Compliance***

We have audited the Redevelopment Agency of the City of San Diego (Agency), a component unit of the City of San Diego, California, compliance with the requirements specified in the State of California's *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller's Office, pursuant to California Health and Safety Code Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State of California's *Guidelines for Compliance Audits of California Redevelopment Agencies (Guidelines)*, issued by the State Controller's Office. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Agency has occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Agency's compliance with the state laws and regulations applicable to Financial Disclosure and Reporting; Affordable Housing; Five-Year Implementation Plans; Redevelopment Plans; Public Notification; and Conflict of Interest identified in the Guidelines. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under the Guidelines issued by the State Controller's Office and which is described in the accompanying schedule of finding and response as item 2011-1.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable to the Agency for the year ended June 30, 2011.

### ***Internal Control Over Compliance***

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance and with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Agency's response to the finding identified in our audit is described in the accompanying schedule of finding and response. We did not audit the Agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Agency's Board of Directors, management, and the State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specified parties.

*Maciam Mini & O'Connell LLP*

San Diego, California  
December 22, 2011

**Redevelopment Agency of the City of San Diego  
Schedule of Finding and Response  
Year Ended June 30, 2011**

**Reference Number:** 2011-1

**Category of Finding:** Financial Disclosure and Reporting

**Criteria:**

In accordance with California Health and Safety Code section 33080.1(e), *a list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency* should be included in the annual report.

**Condition**

During the performance of our testwork over the financial disclosure and reporting compliance requirement, we were informed of the existence of a \$400,000 note receivable that went into default in 2008 (refer to the details below), however, the defaulted loan has not been reported in any of the Annual Reports issued subsequent to the defaulted loan. As a result, the Agency is not in compliance with Health and Safety Code section 33080.1.

**Cause**

While the Agency's project team was aware of the default in the early part of 2008, there was a period of uncertainty for several months as to whether or not the note would be repaid. Compounding this was insufficient communication on the matter between the project team and the finance team during 2008 and insufficient tracking of notes receivables during 2008 by the finance team (City Redevelopment finance section). These deficiencies were corrected as a result of establishing the annual confirmation process (describe below). As the annual confirmation process became established and tracking of the outstanding notes receivable improved over time, the Redevelopment Agency department recognized that the note was improperly listed as a "receivable" and, therefore, it was not reported in the previous annual reports.

**Effect**

The Agency is not in compliance with Health and Safety Code section 33080.1.

**Recommendation**

We recommend that the Redevelopment Agency department establish and implement internal controls and processes to monitor whether any notes receivables are in default and for ensuring there is proper communication between the Agency's project team and finance team, so defaulted loans in excess of \$50,000 are identified and ultimately included in the Annual Report as required by Health and Safety Code section 33080.1. For example, a quarterly review of the Agency's outstanding loan portfolio could be implemented to identify and document all defaulted loans, which are then consolidated at the end of the fiscal year for inclusion in the Annual Report.

## **Management Response and Corrective Action**

We agree with the observations and recommendation. The condition was internally detected during our annual reconciliation of notes receivable in preparation for our annual confirmation of the notes to the City Comptroller's Office. As we were updating the listing for the fiscal year 2011 confirmation, we recognized the aforementioned note was incorrectly listed as a receivable as we knew the note was in default. We accordingly notified the City Comptroller's Office to have the receivable removed from the fiscal year 2011 Annual Financial Report and are presently including notice of this default in our fiscal year 2011 Redevelopment Agency Annual Report that will be issued on or about December 31. The condition did not get detected during the appropriate time frame in 2008 because of insufficient tracking of notes receivables that existed at that time. This deficiency was corrected as a result of the aforementioned annual confirmation process, which can in fact be credited for the detection and correction of the condition that occurred this year. To strengthen our process and to assure that all future defaults are detected, we have added a step to our confirmation process to include a review of default status.

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# Statistical Section

(Unaudited)

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# Schedule of Changes to Loans from the City of San Diego

**SCHEDULE OF CHANGES TO LOANS  
FROM THE CITY OF SAN DIEGO  
HUD Settlement Agreement  
Year Ended June 30, 2011  
(In Thousands)**

**CHANGES IN PRINCIPAL BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
Barrio Logan.....	\$ 691	\$ -	\$ 62	\$ 629
Centre City.....	33,449	-	2,000	31,449
City Heights.....	1,668	-	300	1,368
College Community.....	365	-	-	365
Grantville.....	407	-	150	257
Linda Vista.....	711	-	50	661
North Park.....	1,319	-	186	1,133
San Ysidro.....	512	-	110	402
Southeastern San Diego Merged.....	2,737	-	324	2,413
<b>Total Principal Due.....</b>	<b>\$ 41,859</b>	<b>\$ -</b>	<b>\$ 3,182</b>	<b>\$ 38,677</b>

**CHANGES IN INTEREST BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
Centre City.....	\$ 28,281	\$ -	\$ -	\$ 28,281
City Heights.....	2,018	-	-	2,018
College Community.....	360	-	-	360
Grantville.....	90	-	-	90
Linda Vista.....	446	-	-	446
Naval Training Center.....	112	-	112	-
North Park.....	993	-	-	993
San Ysidro.....	816	-	-	816
Southeastern San Diego Merged.....	178	-	-	178
<b>Total Interest Due.....</b>	<b>\$ 33,294</b>	<b>\$ -</b>	<b>\$ 112</b>	<b>\$ 33,182</b>

**SCHEDULE OF CHANGES TO LOANS  
FROM THE CITY OF SAN DIEGO  
Section 108 Loans  
Year Ended June 30, 2011  
(In Thousands)**

**CHANGES IN PRINCIPAL BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
City Heights.....	\$ 1,767	\$ -	\$ 161	\$ 1,606
Naval Training Center.....	5,070	-	230	4,840
<b>Total Principal Due.....</b>	<b>\$ 6,837</b>	<b>\$ -</b>	<b>\$ 391</b>	<b>\$ 6,446</b>

**CHANGES IN INTEREST BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
City Heights.....	\$ -	\$ 105	\$ 105	\$ -
Naval Training Center.....	-	277	277	-
<b>Total Interest Due.....</b>	<b>\$ -</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ -</b>

**SCHEDULE OF CHANGES TO LOANS  
FROM THE CITY OF SAN DIEGO  
Miscellaneous  
Year Ended June 30, 2011  
(In Thousands)**

**CHANGES IN PRINCIPAL BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
Barrio Logan.....	\$ 12,125	\$ -	\$ -	\$ 12,125
Centre City.....	8,343	-	-	8,343
City Heights.....	4,496	-	-	4,496
College Community.....	357	-	-	357
College Grove.....	41	-	-	41
Crossroads.....	215	-	-	215
Linda Vista.....	1,134	-	-	1,134
Naval Training Center.....	1,341	-	-	1,341
North Bay.....	1,736	-	-	1,736
North Park.....	149	-	-	149
San Ysidro.....	2	-	-	2
Southeastern San Diego Merged.....	35,858	-	-	35,858
<b>Total Principal Due.....</b>	<b>\$ 65,797</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,797</b>

**CHANGES IN INTEREST BY PROJECT AREA**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2011</b>
Barrio Logan.....	\$ 14,874	\$ 671	\$ -	\$ 15,545
Centre City.....	50,937	2,136	-	53,073
City Heights.....	5,678	316	-	5,994
College Community.....	601	38	-	639
College Grove.....	35	2	-	37
Crossroads.....	265	11	-	276
Grantville.....	123	17	-	140
Linda Vista.....	4,181	96	-	4,277
Naval Training Center.....	909	70	-	979
North Bay.....	768	91	-	859
North Park.....	397	72	-	469
San Ysidro.....	177	24	-	201
Southeastern San Diego Merged.....	43,450	2,024	-	45,474
<b>Total Interest Due.....</b>	<b>\$ 122,395</b>	<b>\$ 5,568</b>	<b>\$ -</b>	<b>\$ 127,963</b>

## Assessed Valuations

**BARRIO LOGAN REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2010-11 (BASE YEAR 1991-92)**  
**(UNAUDITED)**

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 32,772	\$ 37,330	\$ 41,539
Public Utilities - State Assessed.....	2,829	2,608	236
Total Secured Valuation.....	35,601	39,938	41,775
Unsecured - Locally Assessed.....	4,710	4,692	2,583
Total Gross Valuation.....	40,311	44,630	44,358
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	3,664	3,664	7,746
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	3,664	3,664	7,746
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	29,108	33,666	33,793
Public Utilities - State Assessed.....	2,829	2,608	236
Net Secured.....	31,937	36,274	34,029
Unsecured - Locally Assessed.....	4,710	4,692	2,583
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 36,647</b>	<b>\$ 40,966</b>	<b>\$ 36,612</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			\$ (4,354)
Percentage Increase (Decrease) Over Base Year.....			-10.63%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 217	\$ 217	\$ 217
Total Homeowners' Exemptions.....	217	217	217
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	28,891	33,449	33,576
Public Utilities - State Assessed.....	2,829	2,608	236
Net Secured.....	31,720	36,057	33,812
Unsecured - Locally Assessed.....	4,710	4,692	2,583
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 36,430</b>	<b>\$ 40,749</b>	<b>\$ 36,395</b>

Revised Base Year 1991-92	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
\$ 37,013 2,608	\$ 42,711 260	\$ 43,675 378	\$ 45,664 411	\$ 46,178 420	\$ 49,720 429	\$ 51,543 386	\$ 56,030 334
39,621 4,692	42,971 2,630	44,053 3,924	46,075 5,926	46,598 5,889	50,149 6,948	51,929 3,561	56,364 5,414
44,313	45,601	47,977	52,001	52,487	57,097	55,490	61,778
3,664 -	7,996 -	8,216 713	8,634 1,048	8,356 1,233	8,501 2,362	7,621 -	7,834 1,441
3,664	7,996	8,929	9,682	9,589	10,863	7,621	9,275
33,349 2,608	34,715 260	35,459 378	37,030 411	37,822 420	41,219 429	43,922 386	48,196 334
35,957 4,692	34,975 2,630	35,837 3,211	37,441 4,878	38,242 4,656	41,648 4,586	44,308 3,561	48,530 3,973
<u>\$ 40,649</u>	<u>\$ 37,605</u>	<u>\$ 39,048</u>	<u>\$ 42,319</u>	<u>\$ 42,898</u>	<u>\$ 46,234</u>	<u>\$ 47,869</u>	<u>\$ 52,503</u>
	\$ (3,044)	\$ (1,601)	\$ 1,670	\$ 2,249	\$ 5,585	\$ 7,220	\$ 11,854
	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%
\$ 217	\$ 224	\$ 224	\$ 217	\$ 217	\$ 217	\$ 189	\$ 175
217	224	224	217	217	217	189	175
33,132 2,608	34,491 260	35,235 378	36,813 411	37,605 420	41,002 429	43,733 386	48,021 334
35,740 4,692	34,751 2,630	35,613 3,211	37,224 4,878	38,025 4,656	41,431 4,586	44,119 3,561	48,355 3,973
<u>\$ 40,432</u>	<u>\$ 37,381</u>	<u>\$ 38,824</u>	<u>\$ 42,102</u>	<u>\$ 42,681</u>	<u>\$ 46,017</u>	<u>\$ 47,680</u>	<u>\$ 52,328</u>

**BARRIO LOGAN REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2010-11 (BASE YEAR 1991-92)**  
**(UNAUDITED)**

	2004-05	2005-06	2006-07
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 74,368	\$ 82,783	\$ 90,043
Public Utilities - State Assessed.....	318	324	303
Total Secured Valuation.....	74,686	83,107	90,346
Unsecured - Locally Assessed.....	4,877	5,452	5,813
Total Gross Valuation.....	79,563	88,559	96,159
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	12,410	12,658	12,911
Unsecured - Locally Assessed.....	1,184	1,279	1,097
Total Exemptions.....	13,594	13,937	14,008
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	61,958	70,125	77,132
Public Utilities - State Assessed.....	318	324	303
Net Secured.....	62,276	70,449	77,435
Unsecured - Locally Assessed.....	3,693	4,173	4,716
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 65,969</b>	<b>\$ 74,622</b>	<b>\$ 82,151</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 25,320	\$ 33,973	\$ 41,502
Percentage Increase (Decrease) Over Base Year.....	62.29%	83.58%	102.10%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 175	\$ 168	\$ 175
Total Homeowners' Exemptions.....	175	168	175
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	61,783	69,957	76,957
Public Utilities - State Assessed.....	318	324	303
Net Secured.....	62,101	70,281	77,260
Unsecured - Locally Assessed.....	3,693	4,173	4,716
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 65,794</b>	<b>\$ 74,454</b>	<b>\$ 81,976</b>

2007-08	Revised Base Year 1991-92	2008-09	2009-10	2010-11
\$ 112,516 611	\$ 37,013 756	\$ 131,869 0	\$ 149,364 0	\$ 149,480 2,454
113,127 5,417	37,769 4,692	131,869 5,300	149,364 5,700	151,934 6,049
118,544	42,461	137,169	155,064	157,983
14,088 960	3,664 -	28,962 933	46,949 1,283	56,113 1,520
15,048	3,664	29,895	48,232	57,633
98,428 611	33,349 756	102,907 0	102,415 0	93,367 2,454
99,039 4,457	34,105 4,692	102,907 4,367	102,415 4,417	95,821 4,529
<u>\$ 103,496</u>	<u>\$ 38,797</u>	<u>\$ 107,274</u>	<u>\$ 106,832</u>	<u>\$ 100,350</u>
\$ 62,847 154.61%		\$ 68,477 176.50%	\$ 68,035 175.36%	\$ 61,553 158.65%
\$ 147 147	\$ 217 217	\$ 154 154	\$ 154 154	\$ 154 154
98,281 611	33,132 756	102,753 -	102,261 -	93,213 2,454
98,892 4,457	33,888 4,692	102,753 4,367	102,261 4,417	95,667 4,529
<u>\$ 103,349</u>	<u>\$ 38,580</u>	<u>\$ 107,120</u>	<u>\$ 106,678</u>	<u>\$ 100,196</u>

**CENTRE CITY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1992-93)  
 (UNAUDITED)**

	Base Year 1992-93	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,090,174	\$ 972,637	\$ 927,021
Public Utilities - State Assessed.....	3,465	1,862	2,181
Total Secured Valuation.....	1,093,639	974,499	929,202
Unsecured - Locally Assessed.....	64,243	17,922	22,293
Total Gross Valuation.....	1,157,882	992,421	951,495
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	62,189	78,849	78,614
Unsecured - Locally Assessed.....	-	413	552
Total Exemptions.....	62,189	79,262	79,166
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,027,985	893,788	848,407
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,031,450	895,650	850,588
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,095,693</b>	<b>\$ 913,159</b>	<b>\$ 872,329</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ (182,534)	\$ (223,364)
Percentage Increase (Decrease) Over Base Year.....		-16.66%	-20.39%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 714	\$ 805	\$ 812
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	714	805	812
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,027,271	892,983	847,595
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,030,736	894,845	849,776
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,094,979</b>	<b>\$ 912,354</b>	<b>\$ 871,517</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	Revised Base Year 1992-93	1997-98	1998-99	1999-2000	2000-01	2001-02
\$ 906,105	\$ 1,088,721	\$ 917,921	\$ 984,645	\$ 1,125,712	\$ 1,290,546	\$ 1,467,297
2,521	3,464	2,747	3,855	4,094	4,177	-
908,626	1,092,185	920,668	988,500	1,129,806	1,294,723	1,467,297
17,593	64,244	20,602	56,892	74,362	87,258	93,294
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591
87,884	62,019	90,800	87,662	94,089	104,469	100,954
97	-	987	4,637	6,129	6,919	9,403
87,981	62,019	91,787	92,299	100,218	111,388	110,357
818,221	1,026,702	827,121	896,983	1,031,623	1,186,077	1,366,343
2,521	3,464	2,747	3,855	4,094	4,177	-
820,742	1,030,166	829,868	900,838	1,035,717	1,190,254	1,366,343
17,496	64,244	19,615	52,255	68,233	80,339	83,891
\$ 838,238	\$ 1,094,410	\$ 849,483	\$ 953,093	\$ 1,103,950	\$ 1,270,593	\$ 1,450,234
\$ (257,455)		\$ (244,927)	\$ (141,317)	\$ 9,540	\$ 176,183	\$ 355,824
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%
\$ 902	\$ 714	\$ 980	\$ 1,077	\$ 1,182	\$ 1,133	\$ 1,182
-	-	-	-	-	61	67
902	714	980	1,077	1,182	1,194	1,249
817,319	1,025,988	826,141	895,906	1,030,441	1,184,944	1,365,161
2,521	3,464	2,747	3,855	4,094	4,177	-
819,840	1,029,452	828,888	899,761	1,034,535	1,189,121	1,365,161
17,496	64,244	19,615	52,255	68,233	80,278	83,824
\$ 837,336	\$ 1,093,696	\$ 848,503	\$ 952,016	\$ 1,102,768	\$ 1,269,399	\$ 1,448,985

Continued on next page

**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,679,241	\$ 2,082,010	\$ 2,668,045
Public Utilities - State Assessed.....	3,856	4,894	6,958
Total Secured Valuation.....	1,683,097	2,086,904	2,675,003
Unsecured - Locally Assessed.....	99,582	130,423	112,963
Total Gross Valuation.....	1,782,679	2,217,327	2,787,966
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	104,775	106,992	133,719
Unsecured - Locally Assessed.....	1,074	7,810	8,997
Total Exemptions.....	105,849	114,802	142,716
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,574,466	1,975,018	2,534,326
Public Utilities - State Assessed.....	3,856	4,894	6,958
Net Secured.....	1,578,322	1,979,912	2,541,284
Unsecured - Locally Assessed.....	98,508	122,613	103,966
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,676,830</b>	<b>\$ 2,102,525</b>	<b>\$ 2,645,250</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 582,420	\$ 1,008,115	\$ 1,550,840
Percentage Increase (Decrease) Over Base Year.....	53.22%	92.11%	141.71%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,239	\$ 2,680	\$ 3,670
Unsecured - Locally Assessed.....	112	114	110
Total Homeowners' Exemptions.....	1,351	2,794	3,780
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,573,227	1,972,338	2,530,656
Public Utilities - State Assessed.....	3,856	4,894	6,958
Net Secured.....	1,577,083	1,977,232	2,537,614
Unsecured - Locally Assessed.....	98,396	122,499	103,856
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,675,479</b>	<b>\$ 2,099,731</b>	<b>\$ 2,641,470</b>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 3,806,788	\$ 4,930,925	\$ 6,204,566	\$ 7,140,537	\$ 7,265,138	\$ 6,935,708
<u>7,017</u>	<u>6,824</u>	<u>2,442</u>	<u>2,701</u>	<u>2,701</u>	<u>247</u>
3,813,805	4,937,749	6,207,008	7,143,238	7,267,839	6,935,955
<u>147,482</u>	<u>282,705</u>	<u>196,717</u>	<u>215,439</u>	<u>219,654</u>	<u>223,787</u>
<u>3,961,287</u>	<u>5,220,454</u>	<u>6,403,725</u>	<u>7,358,677</u>	<u>7,487,493</u>	<u>7,159,742</u>
162,778	171,166	172,798	172,615	196,328	260,986
<u>9,460</u>	<u>10,706</u>	<u>15,504</u>	<u>16,957</u>	<u>21,302</u>	<u>23,922</u>
<u>172,238</u>	<u>181,872</u>	<u>188,302</u>	<u>189,572</u>	<u>217,630</u>	<u>284,908</u>
3,644,010	4,759,759	6,031,768	6,967,922	7,068,810	6,674,722
<u>7,017</u>	<u>6,824</u>	<u>2,442</u>	<u>2,701</u>	<u>2,701</u>	<u>247</u>
3,651,027	4,766,583	6,034,210	6,970,623	7,071,511	6,674,969
<u>138,022</u>	<u>271,999</u>	<u>181,213</u>	<u>198,482</u>	<u>198,352</u>	<u>199,865</u>
<u>\$ 3,789,049</u>	<u>\$ 5,038,582</u>	<u>\$ 6,215,423</u>	<u>\$ 7,169,105</u>	<u>\$ 7,269,863</u>	<u>\$ 6,874,834</u>
\$ 2,694,639	\$ 3,944,172	\$ 5,121,013	\$ 6,074,695	\$ 6,175,453	\$ 5,780,424
246.22%	360.39%	467.92%	555.07%	564.27%	528.18%
\$ 6,887	\$ 10,154	\$ 11,654	\$ 13,643	\$ 13,643	\$ 15,037
<u>95</u>	<u>81</u>	<u>82</u>	<u>108</u>	<u>108</u>	<u>105</u>
<u>6,982</u>	<u>10,235</u>	<u>11,736</u>	<u>13,751</u>	<u>13,751</u>	<u>15,142</u>
3,637,123	4,749,605	6,020,114	6,954,279	7,055,167	6,659,685
<u>7,017</u>	<u>6,824</u>	<u>2,442</u>	<u>2,701</u>	<u>2,701</u>	<u>247</u>
3,644,140	4,756,429	6,022,556	6,956,980	7,057,868	6,659,932
<u>137,927</u>	<u>271,918</u>	<u>181,131</u>	<u>198,374</u>	<u>198,244</u>	<u>199,760</u>
<u>\$ 3,782,067</u>	<u>\$ 5,028,347</u>	<u>\$ 6,203,687</u>	<u>\$ 7,155,354</u>	<u>\$ 7,256,112</u>	<u>\$ 6,859,692</u>

**CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 19,715	\$ 454,634	\$ 431,513
Public Utilities - State Assessed.....	17,131	1,550	1,473
Total Secured Valuation.....	36,846	456,184	432,986
Unsecured - Locally Assessed.....	18,870	57,303	53,503
Total Gross Valuation.....	55,716	513,487	486,489
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,507	3,521	3,558
Unsecured - Locally Assessed.....	-	157	22
Total Exemptions.....	1,507	3,678	3,580
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	18,208	451,113	427,955
Public Utilities - State Assessed.....	17,131	1,550	1,473
Net Secured.....	35,339	452,663	429,428
Unsecured - Locally Assessed.....	18,870	57,146	53,481
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 54,209</b>	<b>\$ 509,809</b>	<b>\$ 482,909</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 455,600	\$ 428,700
Percentage Increase (Decrease) Over Base Year.....		840.45%	790.83%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 839	\$ 802
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	839	802
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	178	-	-
Unsecured - Locally Assessed.....	1,602	-	-
Total Business Inventory Exemptions.....	1,780	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	18,030	450,274	427,153
Public Utilities - State Assessed.....	17,131	1,550	1,473
Net Secured.....	35,161	451,824	428,626
Unsecured - Locally Assessed.....	17,268	57,146	53,481
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 52,429</b>	<b>\$ 508,970</b>	<b>\$ 482,107</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 18,554	\$ 437,849	\$ 18,553	\$ 519,344	\$ 563,347	\$ 602,524	\$ 643,416
17,131	1,518	1,038	1,742	1,906	1,923	-
35,685	439,367	19,591	521,086	565,253	604,447	643,416
18,870	57,458	18,870	47,267	52,096	57,950	61,602
54,555	496,825	38,461	568,353	617,349	662,397	705,018
1,507	1,993	1,507	387	2,191	2,229	2,051
-	253	-	281	401	531	593
1,507	2,246	1,507	668	2,592	2,760	2,644
17,047	435,856	17,046	518,957	561,156	600,295	641,365
17,131	1,518	1,038	1,742	1,906	1,923	-
34,178	437,374	18,084	520,699	563,062	602,218	641,365
18,870	57,205	18,870	46,986	51,695	57,419	61,009
<u>\$ 53,048</u>	<u>\$ 494,579</u>	<u>\$ 36,954</u>	<u>\$ 567,685</u>	<u>\$ 614,757</u>	<u>\$ 659,637</u>	<u>\$ 702,374</u>
	\$ 441,531		\$ 530,731	\$ 577,803	\$ 622,683	\$ 665,420
	832.32%		1436.19%	1563.57%	1685.02%	1800.67%
\$ -	\$ 860	\$ -	\$ 868	\$ 927	\$ 966	\$ 987
-	-	-	-	-	-	-
-	860	-	868	927	966	987
178	-	178	-	-	-	-
1,602	-	1,602	-	-	-	-
1,780	-	1,780	-	-	-	-
16,869	434,996	16,868	518,089	560,229	599,329	640,378
17,131	1,518	1,038	1,742	1,906	1,923	-
34,000	436,514	17,906	519,831	562,135	601,252	640,378
17,268	57,205	17,268	46,986	51,695	57,419	61,009
<u>\$ 51,268</u>	<u>\$ 493,719</u>	<u>\$ 35,174</u>	<u>\$ 566,817</u>	<u>\$ 613,830</u>	<u>\$ 658,671</u>	<u>\$ 701,387</u>

Continued on next page

**CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	2002-03	2003-04	Revised Base Year 1976-77
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 718,080	\$ 940,867	\$ 18,553
Public Utilities - State Assessed.....	1,858	1,758	1,038
Total Secured Valuation.....	719,938	942,625	19,591
Unsecured - Locally Assessed.....	67,298	72,711	18,870
Total Gross Valuation.....	787,236	1,015,336	38,461
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	2,122	2,163	1,507
Unsecured - Locally Assessed.....	-	653	-
Total Exemptions.....	2,122	2,816	1,507
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	715,958	938,704	17,046
Public Utilities - State Assessed.....	1,858	1,758	1,038
Net Secured.....	717,816	940,462	18,084
Unsecured - Locally Assessed.....	67,298	72,058	18,870
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 785,114</b>	<b>\$ 1,012,520</b>	<b>\$ 36,954</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 748,160	\$ 975,566	
Percentage Increase (Decrease) Over Base Year.....	2024.57%	2639.95%	
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 930	\$ 980	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	930	980	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	715,028	937,724	17,046
Public Utilities - State Assessed.....	1,858	1,758	1,038
Net Secured.....	716,886	939,482	18,084
Unsecured - Locally Assessed.....	67,298	72,058	18,870
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 784,184</b>	<b>\$ 1,011,540</b>	<b>\$ 36,954</b>

2004-05	2005-06	2006-07	2007-08	Revised Base Year 1976-77	2008-09	2009-10	2010-11
\$ 1,176,861 602	\$ 1,508,713 614	\$ 1,889,356 575	\$ 2,479,273 -	\$ 18,553 810	\$ 2,589,848 -	\$ 2,517,458 -	\$ 2,470,682 -
1,177,463 58,706	1,509,327 62,612	1,889,931 77,526	2,479,273 67,632	19,363 18,870	2,589,848 70,553	2,517,458 74,068	2,470,682 71,549
1,236,169	1,571,939	1,967,457	2,546,905	38,233	2,660,401	2,591,526	2,542,231
312 795	10,878 966	11,665 468	23,624 683	1,507 -	24,098 563	24,696 621	24,524 216
1,107	11,844	12,133	24,307	1,507	24,661	25,317	24,740
1,176,549 602	1,497,835 614	1,877,691 575	2,455,649 -	17,046 810	2,565,750 -	2,492,762 -	2,446,158 -
1,177,151 57,911	1,498,449 61,646	1,878,266 77,058	2,455,649 66,949	17,856 18,870	2,565,750 69,990	2,492,762 73,447	2,446,158 71,333
\$ 1,235,062	\$ 1,560,095	\$ 1,955,324	\$ 2,522,598	\$ 36,726	\$ 2,635,740	\$ 2,566,209	\$ 2,517,491
\$ 1,198,108	\$ 1,523,141	\$ 1,918,370	\$ 2,485,644		\$ 2,599,014	\$ 2,529,483	\$ 2,480,765
3242.16%	4121.72%	5191.24%	6726.32%		7076.77%	6887.44%	6754.79%
\$ 2,065 -	\$ 2,747 -	\$ 3,157 -	\$ 3,170 -	\$ - -	\$ 3,066 -	\$ 3,066 -	\$ 3,683 -
2,065	2,747	3,157	3,170	-	3,066	3,066	3,683
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,174,484 602	1,495,088 614	1,874,534 575	2,452,479 -	17,046 810	2,562,684 -	2,489,696 -	2,442,475 -
1,175,086 57,911	1,495,702 61,646	1,875,109 77,058	2,452,479 66,949	17,856 18,870	2,562,684 69,990	2,489,696 73,447	2,442,475 71,333
\$ 1,232,997	\$ 1,557,348	\$ 1,952,167	\$ 2,519,428	\$ 36,726	\$ 2,632,674	\$ 2,563,143	\$ 2,513,808

**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 31,114	\$ 80,408	\$ 84,131
Public Utilities - State Assessed.....	1,733	19	24
Total Secured Valuation.....	32,847	80,427	84,155
Unsecured - Locally Assessed.....	2,306	6,633	5,937
Total Gross Valuation.....	35,153	87,060	90,092
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,047	1,355	1,365
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	1,047	1,355	1,365
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,766
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,790
Unsecured - Locally Assessed.....	2,306	6,633	5,937
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 34,106</b>	<b>\$ 85,705</b>	<b>\$ 88,727</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 51,599	\$ 54,621
Percentage Increase (Decrease) Over Base Year.....		151.29%	160.15%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ 7
Total Homeowners' Exemptions.....	-	-	7
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,759
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,783
Unsecured - Locally Assessed.....	2,306	6,633	5,937
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 34,106</b>	<b>\$ 85,705</b>	<b>\$ 88,720</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
\$ 100,504 26	\$ 105,400 29	\$ 31,114 61	\$ 126,908 42	\$ 160,567 45	\$ 214,793 46	\$ 233,212 -
100,530 7,048	105,429 8,446	31,175 2,306	126,950 11,987	160,612 13,202	214,839 17,680	233,212 19,390
107,578	113,875	33,481	138,937	173,814	232,519	252,602
1,644 -	1,631 -	1,047 -	1,634 6	- 10	291 8	297 24
1,644	1,631	1,047	1,640	10	299	321
98,860 26	103,769 29	30,067 61	125,274 42	160,567 45	214,502 46	232,915 -
98,886 7,048	103,798 8,446	30,128 2,306	125,316 11,981	160,612 13,192	214,548 17,672	232,915 19,366
\$ 105,934	\$ 112,244	\$ 32,434	\$ 137,297	\$ 173,804	\$ 232,220	\$ 252,281
\$ 71,828	\$ 78,138		\$ 104,863	\$ 141,370	\$ 199,786	\$ 219,847
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%
\$ 7	\$ 7	\$ -	\$ -	\$ 7	\$ 7	\$ 7
7	7	-	-	7	7	7
98,853 26	103,762 29	30,067 61	125,274 42	160,560 45	214,495 46	232,908 -
98,879 7,048	103,791 8,446	30,128 2,306	125,316 11,981	160,605 13,192	214,541 17,672	232,908 19,366
\$ 105,927	\$ 112,237	\$ 32,434	\$ 137,297	\$ 173,797	\$ 232,213	\$ 252,274

Continued on next page

**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 249,340	\$ 275,444	\$ 309,366
Public Utilities - State Assessed.....	43	37	35
Total Secured Valuation.....	249,383	275,481	309,401
Unsecured - Locally Assessed.....	23,833	28,715	28,301
Total Gross Valuation.....	273,216	304,196	337,702
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	303	309	315
Unsecured - Locally Assessed.....	-	8	35
Total Exemptions.....	303	317	350
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	249,037	275,135	309,051
Public Utilities - State Assessed.....	43	37	35
Net Secured.....	249,080	275,172	309,086
Unsecured - Locally Assessed.....	23,833	28,707	28,266
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 272,913</b>	<b>\$ 303,879</b>	<b>\$ 337,352</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 240,479	\$ 271,445	\$ 304,918
Percentage Increase (Decrease) Over Base Year.....	741.44%	836.91%	940.12%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 7	\$ 7	\$ -
Total Homeowners' Exemptions.....	7	7	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	249,030	275,128	309,051
Public Utilities - State Assessed.....	43	37	35
Net Secured.....	249,073	275,165	309,086
Unsecured - Locally Assessed.....	23,833	28,707	28,266
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 272,906</b>	<b>\$ 303,872</b>	<b>\$ 337,352</b>

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
\$ 418,867 36	\$ 583,747 33	\$ 768,725 -	\$ 857,715 -	\$ 844,324 -	\$ 825,974 -
418,903 32,268	583,780 34,934	768,725 38,445	857,715 40,460	844,324 43,741	825,974 41,767
<u>451,171</u>	<u>618,714</u>	<u>807,170</u>	<u>898,175</u>	<u>888,065</u>	<u>867,741</u>
321 58	327 77	334 118	341 188	\$ - 415	\$ - 367
<u>379</u>	<u>404</u>	<u>452</u>	<u>529</u>	<u>415</u>	<u>367</u>
418,546 36	583,420 33	768,391 -	857,374 -	844,324 -	825,974 -
418,582 32,210	583,453 34,857	768,391 38,327	857,374 40,272	844,324 43,326	825,974 41,400
<u>\$ 450,792</u>	<u>\$ 618,310</u>	<u>\$ 806,718</u>	<u>\$ 897,646</u>	<u>\$ 887,650</u>	<u>\$ 867,374</u>
\$ 418,358 1289.87%	\$ 585,876 1806.36%	\$ 774,284 2387.26%	\$ 865,212 2667.61%	\$ 855,216 2636.79%	\$ 834,940 2574.27%
\$ 133	\$ 454	\$ 556	\$ 564	\$ 564	\$ 665
<u>133</u>	<u>454</u>	<u>556</u>	<u>564</u>	<u>564</u>	<u>665</u>
418,413 36	582,966 33	767,835 -	856,810 -	843,760 -	825,309 -
418,449 32,210	582,999 34,857	767,835 38,327	856,810 40,272	843,760 43,326	825,309 41,400
<u>\$ 450,659</u>	<u>\$ 617,856</u>	<u>\$ 806,162</u>	<u>\$ 897,082</u>	<u>\$ 887,086</u>	<u>\$ 866,709</u>

**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)  
 (UNAUDITED)**

	Base Year 1976-77	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 10,503	\$ 721,610	\$ 708,839
Public Utilities - State Assessed.....	2,672	1,085	475
Total Secured Valuation.....	13,175	722,695	709,314
Unsecured - Locally Assessed.....	6,475	57,602	59,865
Total Gross Valuation.....	19,650	780,297	769,179
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	142	20,114	18,771
Unsecured - Locally Assessed.....	-	322	-
Total Exemptions.....	142	20,436	18,771
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	10,361	701,496	690,068
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	13,033	702,581	690,543
Unsecured - Locally Assessed.....	6,475	57,280	59,865
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 19,508</b>	<b>\$ 759,861</b>	<b>\$ 750,408</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 740,353	\$ 730,900
Percentage Increase (Decrease) Over Base Year.....		3795.13%	3746.67%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 1,477	\$ 1,560
Unsecured - Locally Assessed.....	-	49	95
Total Homeowners' Exemptions.....	-	1,526	1,655
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	212	-	-
Unsecured - Locally Assessed.....	1,539	-	-
Total Business Inventory Exemptions.....	1,751	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	10,149	700,019	688,508
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	12,821	701,104	688,983
Unsecured - Locally Assessed.....	4,936	57,231	59,770
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 17,757</b>	<b>\$ 758,335</b>	<b>\$ 748,753</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 9,814 2,672	\$ 721,827 353	\$ 9,814 964	\$ 758,292 501	\$ 816,598 534	\$ 873,181 544	\$ 1,078,100 -
12,486 6,475	722,180 59,208	10,778 6,475	758,793 64,822	817,132 60,580	873,725 66,559	1,078,100 69,427
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527
143 -	19,397 -	143 -	19,782 97	20,400 88	20,558 88	22,941 3,553
143	19,397	143	19,879	20,488	20,646	26,494
9,671 2,672	702,430 353	9,671 964	738,510 501	796,198 534	852,623 544	1,055,159 -
12,343 6,475	702,783 59,208	10,635 6,475	739,011 64,725	796,732 60,492	853,167 66,471	1,055,159 65,874
\$ 18,818	\$ 761,991	\$ 17,110	\$ 803,736	\$ 857,224	\$ 919,638	\$ 1,121,033
	\$ 743,173		\$ 786,626	\$ 840,114	\$ 902,528	\$ 1,103,923
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%
\$ 867 -	\$ 1,792 95	\$ 867 -	\$ 2,001 -	\$ 2,351 -	\$ 2,280 116	\$ 2,744 90
867	1,887	867	2,001	2,351	2,396	2,834
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,804 2,672	700,638 353	8,804 964	736,509 501	793,847 534	850,343 544	1,052,415 -
11,476 6,475	700,991 59,113	9,768 6,475	737,010 64,725	794,381 60,492	850,887 66,355	1,052,415 65,784
\$ 17,951	\$ 760,104	\$ 16,243	\$ 801,735	\$ 854,873	\$ 917,242	\$ 1,118,199

Continued on next page

**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,267,073	\$ 1,571,302	\$ 1,913,850
Public Utilities - State Assessed.....	502	437	417
Total Secured Valuation.....	1,267,575	1,571,739	1,914,267
Unsecured - Locally Assessed.....	72,613	72,640	69,934
Total Gross Valuation.....	1,340,188	1,644,379	1,984,201
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,137	23,802	25,327
Unsecured - Locally Assessed.....	2,573	4,278	4,153
Total Exemptions.....	25,710	28,080	29,480
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,243,936	1,547,500	1,888,523
Public Utilities - State Assessed.....	502	437	417
Net Secured.....	1,244,438	1,547,937	1,888,940
Unsecured - Locally Assessed.....	70,040	68,362	65,781
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,314,478</b>	<b>\$ 1,616,299</b>	<b>\$ 1,954,721</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 1,297,368	\$ 1,599,189	\$ 1,937,611
Percentage Increase (Decrease) Over Base Year.....	7582.51%	9346.52%	11324.44%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,828	\$ 4,673	\$ 6,086
Unsecured - Locally Assessed.....	83	105	119
Total Homeowners' Exemptions.....	3,911	4,778	6,205
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,240,108	1,542,827	1,882,437
Public Utilities - State Assessed.....	502	437	417
Net Secured.....	1,240,610	1,543,264	1,882,854
Unsecured - Locally Assessed.....	69,957	68,257	65,662
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,310,567</b>	<b>\$ 1,611,521</b>	<b>\$ 1,948,516</b>

2005-06	2006-07	2007-08	Revised Base Year 1976-77	2008-09	2009-10	2010-11
\$ 2,115,535 426	\$ 2,264,707 403	\$ 2,464,052 4	\$ 9,814 556	\$ 2,585,415 4	\$ 2,448,020 4	\$ 2,377,677 4
2,115,961 81,890	2,265,110 94,651	2,464,056 105,830	10,370 6,475	2,585,419 94,299	2,448,024 89,169	2,377,681 89,009
2,197,851	2,359,761	2,569,886	16,845	2,679,718	2,537,193	2,466,690
25,915 4,479	26,565 4,862	36,219 2,898	143 -	52,549 229	46,297 629	53,297 728
30,394	31,427	39,117	143	52,778	46,926	54,025
2,089,620 426	2,238,142 403	2,427,833 4	9,671 556	2,532,866 4	2,401,723 4	2,324,380 4
2,090,046 77,411	2,238,545 89,789	2,427,837 102,932	10,227 6,475	2,532,870 94,070	2,401,727 88,540	2,324,384 88,281
<u>\$ 2,167,457</u>	<u>\$ 2,328,334</u>	<u>\$ 2,530,769</u>	<u>\$ 16,702</u>	<u>\$ 2,626,940</u>	<u>\$ 2,490,267</u>	<u>\$ 2,412,665</u>
\$ 2,150,347 12567.78%	\$ 2,311,224 13508.03%	\$ 2,513,659 14691.17%		\$ 2,610,238 15628.30%	\$ 2,473,565 14809.99%	\$ 2,395,963 14345.37%
\$ 6,402 90	\$ 6,787 84	\$ 6,931 63	\$ 867 -	\$ 6,776 42	\$ 6,776 42	\$ 6,625 61
6,492	6,871	6,994	867	6,818	6,818	6,686
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,083,218 426	2,231,355 403	2,420,902 4	8,804 556	2,526,090 4	2,394,947 4	2,317,755 4
2,083,644 77,321	2,231,758 89,705	2,420,906 102,869	9,360 6,475	2,526,094 94,028	2,394,951 88,498	2,317,759 88,220
<u>\$ 2,160,965</u>	<u>\$ 2,321,463</u>	<u>\$ 2,523,775</u>	<u>\$ 15,835</u>	<u>\$ 2,620,122</u>	<u>\$ 2,483,449</u>	<u>\$ 2,405,979</u>

**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2010-11 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,221,895	\$ 1,214,987	\$ 1,116,612
Total Secured Valuation.....	1,221,895	1,214,987	1,116,612
Unsecured - Locally Assessed.....	20,926	20,926	15,508
Total Gross Valuation.....	1,242,821	1,235,913	1,132,120
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	25,677	25,064	25,816
Unsecured - Locally Assessed.....	-	-	41
Total Exemptions.....	25,677	25,064	25,857
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,196,218	1,189,923	1,090,796
Net Secured.....	1,196,218	1,189,923	1,090,796
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,210,849</b>	<b>\$ 1,106,263</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			\$ (104,586)
Percentage Increase (Decrease) Over Base Year.....			-8.64%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 19,985	\$ 19,674
Total Homeowners' Exemptions.....	-	19,985	19,674
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,196,218	1,169,938	1,071,122
Net Secured.....	1,196,218	1,169,938	1,071,122
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,190,864</b>	<b>\$ 1,086,589</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
<u>\$ 1,034,935</u>	<u>\$ 1,000,884</u>	<u>\$ 1,027,567</u>	<u>\$ 1,010,076</u>	<u>\$ 1,045,685</u>	<u>\$ 1,118,357</u>	<u>\$ 1,227,363</u>
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363
20,926	14,297	20,926	17,330	17,759	18,869	18,078
<u>1,055,861</u>	<u>1,015,181</u>	<u>1,048,493</u>	<u>1,027,406</u>	<u>1,063,444</u>	<u>1,137,226</u>	<u>1,245,441</u>
25,064	26,792	25,064	27,331	31,489	43,087	44,494
-	166	-	199	544	574	909
<u>25,064</u>	<u>26,958</u>	<u>25,064</u>	<u>27,530</u>	<u>32,033</u>	<u>43,661</u>	<u>45,403</u>
<u>1,009,871</u>	<u>974,092</u>	<u>1,002,503</u>	<u>982,745</u>	<u>1,014,196</u>	<u>1,075,270</u>	<u>1,182,869</u>
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869
20,926	14,131	20,926	17,131	17,215	18,295	17,169
<u>\$ 1,030,797</u>	<u>\$ 988,223</u>	<u>\$ 1,023,429</u>	<u>\$ 999,876</u>	<u>\$ 1,031,411</u>	<u>\$ 1,093,565</u>	<u>\$ 1,200,038</u>
	\$ (42,574)		\$ (23,553)	\$ 7,982	\$ 70,136	\$ 176,609
	-4.13%		-2.30%	0.78%	6.85%	17.26%
<u>\$ 19,985</u>	<u>\$ 19,421</u>	<u>\$ 19,985</u>	<u>\$ 19,127</u>	<u>\$ 19,734</u>	<u>\$ 19,838</u>	<u>\$ 20,689</u>
19,985	19,421	19,985	19,127	19,734	19,838	20,689
<u>989,886</u>	<u>954,671</u>	<u>982,518</u>	<u>963,618</u>	<u>994,462</u>	<u>1,055,432</u>	<u>1,162,180</u>
989,886	954,671	982,518	963,618	994,462	1,055,432	1,162,180
20,926	14,131	20,926	17,131	17,215	18,295	17,169
<u>\$ 1,010,812</u>	<u>\$ 968,802</u>	<u>\$ 1,003,444</u>	<u>\$ 980,749</u>	<u>\$ 1,011,677</u>	<u>\$ 1,073,727</u>	<u>\$ 1,179,349</u>

Continued on next page

**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2010-11 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2002-03	2003-04	Revised Base Year 1992-93
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,371,384	\$ 1,536,318	\$ 1,013,800
Total Secured Valuation.....	1,371,384	1,536,318	1,013,800
Unsecured - Locally Assessed.....	21,608	27,638	20,926
Total Gross Valuation.....	1,392,992	1,563,956	1,034,726
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	49,928	59,297	24,921
Unsecured - Locally Assessed.....	122	801	-
Total Exemptions.....	50,050	60,098	24,921
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,321,456	1,477,021	988,879
Net Secured.....	1,321,456	1,477,021	988,879
Unsecured - Locally Assessed.....	21,486	26,837	20,926
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,342,942</b>	<b>\$ 1,503,858</b>	<b>\$ 1,009,805</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 319,513	\$ 480,429	
Percentage Increase (Decrease) Over Base Year.....	31.22%	46.94%	
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 21,143	\$ 21,707	\$ 19,985
Total Homeowners' Exemptions.....	21,143	21,707	19,985
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,300,313	1,455,314	968,894
Net Secured.....	1,300,313	1,455,314	968,894
Unsecured - Locally Assessed.....	21,486	26,837	20,926
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,321,799</b>	<b>\$ 1,482,151</b>	<b>\$ 989,820</b>

2004-05	Revised Base Year 1992-93	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 1,744,652	\$ 1,009,880	\$ 1,989,379	\$ 2,235,202	\$ 2,419,952	\$ 2,503,966	\$ 2,282,495	\$ 2,243,669
1,744,652	1,009,880	1,989,379	2,235,202	2,419,952	2,503,966	2,282,495	2,243,669
26,310	20,926	31,585	32,576	32,476	35,213	33,982	32,751
1,770,962	1,030,806	2,020,964	2,267,778	2,452,428	2,539,179	2,316,477	2,276,420
72,663	24,921	78,153	90,345	101,795	117,478	139,472	157,615
1,016	-	3,554	4,763	3,493	6,015	5,526	6,214
73,679	24,921	81,707	95,108	105,288	123,493	144,998	163,829
1,671,989	984,959	1,911,226	2,144,857	2,318,157	2,386,488	2,143,023	2,086,054
1,671,989	984,959	1,911,226	2,144,857	2,318,157	2,386,488	2,143,023	2,086,054
25,294	20,926	28,031	27,813	28,983	29,198	28,456	26,537
\$ 1,697,283	\$ 1,005,885	\$ 1,939,257	\$ 2,172,670	\$ 2,347,140	\$ 2,415,686	\$ 2,171,479	\$ 2,112,591
\$ 687,478		\$ 933,372	\$ 1,166,785	\$ 1,341,255	\$ 1,409,801	\$ 1,165,594	\$ 1,106,706
68.08%		92.79%	116.00%	133.34%	140.16%	115.88%	110.02%
\$ 21,935	\$ 19,985	\$ 23,185	\$ 23,786	\$ 24,013	\$ 24,273	\$ 24,273	\$ 23,139
21,935	19,985	23,185	23,786	24,013	24,273	24,273	23,139
1,650,054	964,974	1,888,041	2,121,071	2,294,144	2,362,215	2,118,750	2,062,915
1,650,054	964,974	1,888,041	2,121,071	2,294,144	2,362,215	2,118,750	2,062,915
25,294	20,926	28,031	27,813	28,983	29,198	28,456	26,537
\$ 1,675,348	\$ 985,900	\$ 1,916,072	\$ 2,148,884	\$ 2,323,127	\$ 2,391,413	\$ 2,147,206	\$ 2,089,452

**COLLEGE COMMUNITY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1993-94)  
 (UNAUDITED)**

	Base Year 1993-94	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 56,366	\$ 60,304	\$ 59,183
Total Secured Valuation.....	56,366	60,304	59,183
Unsecured - Locally Assessed.....	3,033	2,899	2,583
Total Gross Valuation.....	59,399	63,203	61,766
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	10,367	11,029	10,723
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	10,367	11,029	10,723
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	45,999	49,275	48,460
Net Secured.....	45,999	49,275	48,460
Unsecured - Locally Assessed.....	3,033	2,899	2,583
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 49,032</b>	<b>\$ 52,174</b>	<b>\$ 51,043</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 3,142	\$ 2,011
Percentage Increase (Decrease) Over Base Year.....		6.41%	4.10%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 14	\$ 14	\$ 14
Total Homeowners' Exemptions.....	14	14	14
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	45,985	49,261	48,446
Net Secured.....	45,985	49,261	48,446
Unsecured - Locally Assessed.....	3,033	2,899	2,583
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 49,018</b>	<b>\$ 52,160</b>	<b>\$ 51,029</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 58,730	\$ 59,540	\$ 65,343	\$ 69,023	\$ 77,392	\$ 101,104	\$ 106,774
58,730	59,540	65,343	69,023	77,392	101,104	106,774
2,447	3,053	5,809	4,950	10,019	10,329	3,779
61,177	62,593	71,152	73,973	87,411	111,433	110,553
11,972	11,778	10,997	11,440	21,149	23,021	43,610
-	1,114	309	1,542	4,847	5,455	-
11,972	12,892	11,306	12,982	25,996	28,476	43,610
46,758	47,762	54,346	57,583	56,243	78,083	63,164
46,758	47,762	54,346	57,583	56,243	78,083	63,164
2,447	1,939	5,500	3,408	5,172	4,874	3,779
\$ 49,205	\$ 49,701	\$ 59,846	\$ 60,991	\$ 61,415	\$ 82,957	\$ 66,943
\$ 173	\$ 669	\$ 10,814	\$ 11,959	\$ 12,383	\$ 33,925	\$ 17,911
0.35%	1.36%	22.05%	24.39%	25.25%	69.19%	36.53%
\$ 14	\$ 14	\$ 14	\$ 21	\$ 21	\$ 21	\$ 21
14	14	14	21	21	21	21
46,744	47,748	54,332	57,562	56,222	78,062	63,143
46,744	47,748	54,332	57,562	56,222	78,062	63,143
2,447	1,939	5,500	3,408	5,172	4,874	3,779
\$ 49,191	\$ 49,687	\$ 59,832	\$ 60,970	\$ 61,394	\$ 82,936	\$ 66,922

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**COLLEGE COMMUNITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1993-94)**  
**(UNAUDITED)**

	2003-04	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 123,054	\$ 127,995	\$ 138,085
Total Secured Valuation.....	123,054	127,995	138,085
Unsecured - Locally Assessed.....	5,069	3,853	5,196
Total Gross Valuation.....	128,123	131,848	143,281
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	57,296	59,194	59,461
Unsecured - Locally Assessed.....	203	110	511
Total Exemptions.....	57,499	59,304	59,972
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	65,758	68,801	78,624
Net Secured.....	65,758	68,801	78,624
Unsecured - Locally Assessed.....	4,866	3,743	4,685
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 70,624</b>	<b>\$ 72,544</b>	<b>\$ 83,309</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 21,592	\$ 23,512	\$ 34,277
Percentage Increase (Decrease) Over Base Year.....	44.04%	47.95%	69.91%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 14	\$ 14	\$ 14
Total Homeowners' Exemptions.....	14	14	14
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	65,744	68,787	78,610
Net Secured.....	65,744	68,787	78,610
Unsecured - Locally Assessed.....	4,866	3,743	4,685
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 70,610</b>	<b>\$ 72,530</b>	<b>\$ 83,295</b>

<u>2006-07</u>	<u>2007-08</u>	<u>Revised Base Year 1993-94</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Revised Base Year 1993-94</u>	<u>2010-11</u>
\$ 171,370	\$ 183,039	\$ 52,840	\$ 188,446	\$ 183,513	\$ 52,565	\$ 180,037
171,370	183,039	52,840	188,446	183,513	52,565	180,037
7,526	9,633	3,033	10,405	11,524	3,033	10,841
178,896	192,672	55,873	198,851	195,037	55,598	190,878
60,173	37,185	10,367	40,701	39,409	8,575	70,126
2,939	2,698	-	1,958	2,113	-	1,623
63,112	39,883	10,367	42,659	41,522	8,575	71,749
111,197	145,854	42,473	147,745	144,104	43,990	109,911
111,197	145,854	42,473	147,745	144,104	43,990	109,911
4,587	6,935	3,033	8,447	9,411	3,033	9,218
\$ 115,784	\$ 152,789	\$ 45,506	\$ 156,192	\$ 153,515	\$ 47,023	\$ 119,129
\$ 66,752	\$ 103,757		\$ 110,686	\$ 108,009		\$ 72,106
136.14%	211.61%		243.23%	237.35%		153.34%
\$ 14	\$ 14	\$ 14	\$ 35	\$ 35	\$ 14	\$ 21
14	14	14	35	35	14	21
111,183	145,840	42,459	147,710	144,069	43,976	109,890
111,183	145,840	42,459	147,710	144,069	43,976	109,890
4,587	6,935	3,033	8,447	9,411	3,033	9,218
\$ 115,770	\$ 152,775	\$ 45,492	\$ 156,157	\$ 153,480	\$ 47,009	\$ 119,108

**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 17,135	\$ 32,969	\$ 27,115
Public Utilities - State Assessed.....	292	-	-
Total Secured Valuation.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,097	3,450
Total Gross Valuation.....	19,937	38,066	30,565
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Unsecured - Locally Assessed.....	-	2	2
Total Exemptions.....	-	2	2
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	17,135	32,969	27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 19,937</u></b>	<b><u>\$ 38,064</u></b>	<b><u>\$ 30,563</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 18,127	\$ 10,626
Percentage Increase (Decrease) Over Base Year.....		90.92%	53.30%
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 17,135	\$ 32,969	\$ 27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 19,937</u></b>	<b><u>\$ 38,064</u></b>	<b><u>\$ 30,563</u></b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
\$ 26,283	\$ 26,507	\$ 17,135	\$ 26,846	\$ 25,176	\$ 53,271	\$ 61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
\$ 28,975	\$ 29,665	\$ 19,659	\$ 29,551	\$ 26,845	\$ 56,122	\$ 68,255
\$ 9,038	\$ 9,728		\$ 9,892	\$ 7,186	\$ 36,463	\$ 48,596
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%
\$ 26,283	\$ 26,507	\$ 17,135	\$ 26,846	\$ 25,176	\$ 53,271	\$ 61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
\$ 28,975	\$ 29,665	\$ 19,659	\$ 29,551	\$ 26,845	\$ 56,122	\$ 68,255

Continued on next page

**COLLEGE GROVE REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1986-87)  
 (UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 62,738	\$ 61,096	\$ 82,062
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
Total Gross Valuation.....	71,243	67,293	90,587
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	62,738	61,096	82,062
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 71,243</b>	<b>\$ 67,293</b>	<b>\$ 90,587</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 51,584	\$ 47,634	\$ 70,928
Percentage Increase (Decrease) Over Base Year.....	262.39%	242.30%	360.79%
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 62,738	\$ 61,096	\$ 82,062
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 71,243</b>	<b>\$ 67,293</b>	<b>\$ 90,587</b>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 85,793	\$ 86,772	\$ 86,274	\$ 90,728	\$ 95,383	\$ 97,915
-	-	-	-	-	-
85,793	86,772	86,274	90,728	95,383	97,915
9,832	10,274	10,212	9,782	8,828	9,814
95,625	97,046	96,486	100,510	104,211	107,729
-	-	-	-	-	-
-	-	-	-	-	-
85,793	86,772	86,274	90,728	95,383	97,915
-	-	-	-	-	-
85,793	86,772	86,274	90,728	95,383	97,915
9,832	10,274	10,212	9,782	8,828	9,814
<u>\$ 95,625</u>	<u>\$ 97,046</u>	<u>\$ 96,486</u>	<u>\$ 100,510</u>	<u>\$ 104,211</u>	<u>\$ 107,729</u>
\$ 75,966	\$ 77,387	\$ 76,827	\$ 80,851	\$ 84,552	\$ 88,070
386.42%	393.65%	390.80%	411.27%	430.09%	447.99%
\$ 85,793	\$ 86,772	\$ 86,274	\$ 90,728	\$ 95,383	\$ 97,915
-	-	-	-	-	-
85,793	86,772	86,274	90,728	95,383	97,915
9,832	10,274	10,212	9,782	8,828	9,814
<u>\$ 95,625</u>	<u>\$ 97,046</u>	<u>\$ 96,486</u>	<u>\$ 100,510</u>	<u>\$ 104,211</u>	<u>\$ 107,729</u>

**CROSSROADS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 2002-2003 TO 2010-11 (BASE YEAR 2002-2003)**  
**(UNAUDITED)**

	Base Year 2002-2003	2004-05	2005-06
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 530,192	\$ 638,610	\$ 743,762
Total Secured Valuation.....	530,192	638,610	743,762
Unsecured - Locally Assessed.....	24,811	22,662	28,847
Total Gross Valuation.....	555,003	661,272	772,609
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	35,700	42,163	42,528
Unsecured - Locally Assessed.....	475	862	1,176
Total Exemptions.....	36,175	43,025	43,704
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	494,492	596,447	701,234
Net Secured.....	494,492	596,447	701,234
Unsecured - Locally Assessed.....	24,336	21,800	27,671
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 518,828</b>	<b>\$ 618,247</b>	<b>\$ 728,905</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 99,419	\$ 210,077
Percentage Increase (Decrease) Over Base Year.....		19.16%	40.49%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 4,278	\$ 4,731
Total Homeowners' Exemptions.....	-	4,278	4,731
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	494,492	592,169	696,503
Net Secured.....	494,492	592,169	696,503
Unsecured - Locally Assessed.....	24,336	21,800	27,671
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 518,828</b>	<b>\$ 613,969</b>	<b>\$ 724,174</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
<u>\$ 857,715</u>	<u>\$ 934,057</u>	<u>\$ 968,761</u>	<u>\$ 891,601</u>	<u>\$ 878,418</u>
857,715	934,057	968,761	891,601	878,418
<u>25,739</u>	<u>27,132</u>	<u>29,450</u>	<u>32,469</u>	<u>31,351</u>
<u>883,454</u>	<u>961,189</u>	<u>998,211</u>	<u>924,070</u>	<u>909,769</u>
49,389	48,452	50,933	52,274	64,930
<u>973</u>	<u>1,166</u>	<u>1,140</u>	<u>1,604</u>	<u>1,684</u>
<u>50,362</u>	<u>49,618</u>	<u>52,073</u>	<u>53,878</u>	<u>66,614</u>
<u>808,326</u>	<u>885,605</u>	<u>917,828</u>	<u>839,327</u>	<u>813,488</u>
808,326	885,605	917,828	839,327	813,488
<u>24,766</u>	<u>25,966</u>	<u>28,310</u>	<u>30,865</u>	<u>29,667</u>
<u>\$ 833,092</u>	<u>\$ 911,571</u>	<u>\$ 946,138</u>	<u>\$ 870,192</u>	<u>\$ 843,155</u>
\$ 314,264	\$ 392,743	\$ 427,310	\$ 351,364	\$ 324,327
60.57%	75.70%	82.36%	67.72%	62.51%
<u>\$ 5,212</u>	<u>\$ 5,782</u>	<u>\$ 5,954</u>	<u>\$ 5,954</u>	<u>\$ 6,034</u>
<u>5,212</u>	<u>5,782</u>	<u>5,954</u>	<u>5,954</u>	<u>6,034</u>
<u>803,114</u>	<u>879,823</u>	<u>911,874</u>	<u>833,373</u>	<u>807,454</u>
803,114	879,823	911,874	833,373	807,454
<u>24,766</u>	<u>25,966</u>	<u>28,310</u>	<u>30,865</u>	<u>29,667</u>
<u>\$ 827,880</u>	<u>\$ 905,789</u>	<u>\$ 940,184</u>	<u>\$ 864,238</u>	<u>\$ 837,121</u>

**GRANTVILLE REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 2010-2011 TO (BASE YEAR 2007-2008)  
 (UNAUDITED)**

	Base Year 2007-08	2007-08	2008-09
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 448,254	\$ 521,813	\$ 553,133
Total Secured Valuation.....	448,254	521,813	553,133
Unsecured - Locally Assessed.....	79,922	114,148	119,575
Total Gross Valuation.....	528,176	635,961	672,708
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	158,301	171,159	175,708
Unsecured - Locally Assessed.....	34,234	59,047	60,990
Total Exemptions.....	192,535	230,206	236,698
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	289,953	350,654	377,425
Net Secured.....	289,953	350,654	377,425
Unsecured - Locally Assessed.....	45,688	55,101	58,585
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 335,641</b>	<b>\$ 405,755</b>	<b>\$ 436,010</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 70,114	\$ 100,369
Percentage Increase (Decrease) Over Base Year.....		21%	30%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ 7
Total Homeowners' Exemptions.....	-	-	7
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	289,953	350,654	377,418
Net Secured.....	289,953	350,654	377,418
Unsecured - Locally Assessed.....	45,688	55,101	58,585
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 335,641</b>	<b>\$ 405,755</b>	<b>\$ 436,003</b>

<u>2009-10</u>	<u>2010-11</u>
\$ 580,244	\$ 581,126
580,244	581,126
<u>120,787</u>	<u>114,178</u>
<u>701,031</u>	<u>695,304</u>
183,843	184,264
<u>58,804</u>	<u>59,566</u>
<u>242,647</u>	<u>243,830</u>
<u>396,401</u>	<u>396,862</u>
396,401	396,862
<u>61,983</u>	<u>54,612</u>
<u>\$ 458,384</u>	<u>\$ 451,474</u>
\$ 122,743	\$ 115,833
37%	35%
<u>\$ 7</u>	<u>\$ 7</u>
<u>7</u>	<u>7</u>
<u>396,394</u>	<u>396,855</u>
396,394	396,855
<u>61,983</u>	<u>54,612</u>
<u>\$ 458,377</u>	<u>\$ 451,467</u>

**HORTON PLAZA REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1972-73)  
 (UNAUDITED)**

	Base Year 1972-73	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 15,718	\$ 410,939	\$ 354,750
Public Utilities - State Assessed.....	1,374	-	-
Total Secured Valuation.....	17,092	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,953	23,628
Total Gross Valuation.....	19,294	438,892	378,378
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	522	-	-
Unsecured - Locally Assessed.....	-	608	660
Total Exemptions.....	522	608	660
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	15,196	410,939	354,750
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,345	22,968
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 18,772</b>	<b>\$ 438,284</b>	<b>\$ 377,718</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 419,512	\$ 358,946
Percentage Increase (Decrease) Over Base Year.....		2234.78%	1912.14%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 609	\$ 595
Total Homeowners' Exemptions.....	-	609	595
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Unsecured - Locally Assessed.....	307	-	-
Total Business Inventory Exemptions.....	307	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	15,196	410,330	354,155
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,330	354,155
Unsecured - Locally Assessed.....	1,895	27,345	22,968
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 18,465</b>	<b>\$ 437,675</b>	<b>\$ 377,123</b>

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
\$ 346,766	\$ 364,213	\$ 15,718	\$ 373,433	\$ 455,518	\$ 473,520	\$ 500,728
-	-	3	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728
25,055	26,626	2,203	28,495	43,981	46,557	44,642
371,821	390,839	17,924	401,928	499,499	520,077	545,370
-	-	522	-	-	-	-
557	922	-	528	7,384	7,597	7,848
557	922	522	528	7,384	7,597	7,848
346,766	364,213	15,196	373,433	455,518	473,520	500,728
-	-	3	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728
24,498	25,704	2,203	27,967	36,597	38,960	36,794
\$ 371,264	\$ 389,917	\$ 17,402	\$ 401,400	\$ 492,115	\$ 512,480	\$ 537,522
\$ 352,492	\$ 371,145		\$ 383,998	\$ 474,713	\$ 495,078	\$ 520,120
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%
\$ 630	\$ 679	\$ -	\$ 728	\$ 735	\$ 755	\$ 748
630	679	-	728	735	755	748
-	-	307	-	-	-	-
-	-	307	-	-	-	-
346,136	363,534	15,196	372,705	454,783	472,765	499,980
-	-	3	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,765	499,980
24,498	25,704	1,896	27,967	36,597	38,960	36,794
\$ 370,634	\$ 389,238	\$ 17,095	\$ 400,672	\$ 491,380	\$ 511,725	\$ 536,774

**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 522,112	\$ 521,454	\$ 547,082
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	522,112	521,454	547,082
Unsecured - Locally Assessed.....	59,284	56,366	55,272
Total Gross Valuation.....	581,396	577,820	602,354
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	7,279	7,672	7,823
Total Exemptions.....	7,279	7,672	7,823
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	522,112	521,454	547,082
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	522,112	521,454	547,082
Unsecured - Locally Assessed.....	52,005	48,694	47,449
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 574,117	\$ 570,148	\$ 594,531
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 556,715	\$ 552,746	\$ 577,129
Percentage Increase (Decrease) Over Base Year.....	3199.14%	3176.34%	3316.45%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 714	\$ 725	\$ 734
Total Homeowners' Exemptions.....	714	725	734
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	521,398	520,729	546,348
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	521,398	520,729	546,348
Unsecured - Locally Assessed.....	52,005	48,694	47,449
NET ASSESSED VALUATION.....	\$ 573,403	\$ 569,423	\$ 593,797

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 697,888	\$ 781,280	\$ 796,901	\$ 820,675	\$ 769,806	\$ 768,502
-	-	-	-	-	-
697,888	781,280	796,901	820,675	769,806	768,502
55,487	59,958	60,885	59,367	51,204	46,133
753,375	841,238	857,786	880,042	821,010	814,635
-	-	-	-	-	566
8,057	8,731	8,840	8,929	9,031	9,045
8,057	8,731	8,840	8,929	9,031	9,611
697,888	781,280	796,901	820,675	769,806	767,936
-	-	-	-	-	-
697,888	781,280	796,901	820,675	769,806	767,936
47,430	51,227	52,045	50,438	42,173	37,088
\$ 745,318	\$ 832,507	\$ 848,946	\$ 871,113	\$ 811,979	\$ 805,024
\$ 727,916	\$ 815,105	\$ 831,544	\$ 853,711	\$ 794,577	\$ 787,622
4182.94%	4683.97%	4778.44%	4905.82%	4566.01%	4526.04%
\$ 756	\$ 763	\$ 734	\$ 721	\$ 721	\$ 642
756	763	734	721	721	642
-	-	-	-	-	-
-	-	-	-	-	-
697,132	780,517	796,167	819,954	769,085	767,294
-	-	-	-	-	-
697,132	780,517	796,167	819,954	769,085	767,294
47,430	51,227	52,045	50,438	42,173	37,088
\$ 744,562	\$ 831,744	\$ 848,212	\$ 870,392	\$ 811,258	\$ 804,382

**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	<u>Base Year 1972-73</u>	<u>Revised Base Year 1972-73</u>	<u>1995-96</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,611	\$ 1,600	\$ 7,123
Public Utilities - State Assessed.....	<u>128</u>	<u>128</u>	<u>-</u>
Total Secured Valuation.....	1,739	1,728	7,123
Unsecured - Locally Assessed.....	<u>660</u>	<u>660</u>	<u>1,582</u>
Total Gross Valuation.....	<u>2,399</u>	<u>2,388</u>	<u>8,705</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	7	7	-
Unsecured - Locally Assessed.....	<u>-</u>	<u>-</u>	<u>-</u>
Total Exemptions.....	<u>7</u>	<u>7</u>	<u>-</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	<u>128</u>	<u>128</u>	<u>-</u>
Net Secured.....	1,732	1,721	7,123
Unsecured - Locally Assessed.....	<u>660</u>	<u>660</u>	<u>1,582</u>
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 2,392</u></b>	<b><u>\$ 2,381</u></b>	<b><u>\$ 8,705</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			\$ 6,324
Percentage Increase (Decrease) Over Base Year.....			265.60%
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	<u>153</u>	<u>153</u>	<u>-</u>
Total Business Inventory Exemptions.....	<u>153</u>	<u>153</u>	<u>-</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	<u>128</u>	<u>128</u>	<u>-</u>
Net Secured.....	1,732	1,721	7,123
Unsecured - Locally Assessed.....	<u>507</u>	<u>507</u>	<u>1,582</u>
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 2,239</u></b>	<b><u>\$ 2,228</u></b>	<b><u>\$ 8,705</u></b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
\$ 7,242	\$ 7,373	\$ 1,600	\$ 7,505	\$ 8,123	\$ 8,807	\$ 9,163
-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
9,068	8,834	2,260	8,824	10,049	11,192	11,596
-	-	7	-	-	-	-
-	-	-	-	-	-	-
-	-	7	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
\$ 9,068	\$ 8,834	\$ 2,253	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596
\$ 6,687	\$ 6,453		\$ 6,571	\$ 7,796	\$ 8,939	\$ 9,343
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	153	-	-	-	-
-	-	153	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	507	1,319	1,926	2,385	2,433
\$ 9,068	\$ 8,834	\$ 2,100	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596

Continued on next page

**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 9,333	\$ 8,236	\$ 8,456
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
Total Gross Valuation.....	<u>11,988</u>	<u>10,875</u>	<u>10,593</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	9,333	8,236	8,456
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<u>\$ 11,988</u>	<u>\$ 10,875</u>	<u>\$ 10,593</u>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 9,735	\$ 8,622	\$ 8,340
Percentage Increase (Decrease) Over Base Year.....	432.09%	382.69%	370.17%
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	9,333	8,236	8,456
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
<b>NET ASSESSED VALUATION.....</b>	<u>\$ 11,988</u>	<u>\$ 10,875</u>	<u>\$ 10,593</u>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 8,779	\$ 9,006	\$ 9,398	\$ 9,583	\$ 10,413	\$ 10,865
-	-	-	-	-	-
8,779	9,006	9,398	9,583	10,413	10,865
2,044	1,939	1,864	1,750	2,196	2,501
10,823	10,945	11,262	11,333	12,609	13,366
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,779	9,006	9,398	9,583	10,413	10,865
-	-	-	-	-	-
8,779	9,006	9,398	9,583	10,413	10,865
2,044	1,939	1,864	1,750	2,196	2,501
<u>\$ 10,823</u>	<u>\$ 10,945</u>	<u>\$ 11,262</u>	<u>\$ 11,333</u>	<u>\$ 12,609</u>	<u>\$ 13,366</u>
\$ 8,570	\$ 8,692	\$ 9,009	\$ 9,080	\$ 10,356	\$ 11,113
380.38%	385.80%	399.87%	403.02%	459.65%	493.25%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
8,779	9,006	9,398	9,583	10,413	10,865
-	-	-	-	-	-
8,779	9,006	9,398	9,583	10,413	10,865
2,044	1,939	1,864	1,750	2,196	2,501
<u>\$ 10,823</u>	<u>\$ 10,945</u>	<u>\$ 11,262</u>	<u>\$ 11,333</u>	<u>\$ 12,609</u>	<u>\$ 13,366</u>

**NAVAL TRAINING CENTER REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Total Secured Valuation.....	-	-	-
Unsecured - Locally Assessed.....	-	44	68
Total Gross Valuation.....	-	44	68
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	12
Total Exemptions.....	-	-	12
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 44	\$ 56
Percentage Increase (Decrease) Over Base Year.....		N/A	N/A
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Total Homeowners' Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
\$ -	\$ 11,090	\$ 100,366	\$ 209,737	\$ 352,054	\$ 391,692	\$ 430,423
-	11,090	100,366	209,737	352,054	391,692	430,423
-	8	481	541	2,226	6,794	44,697
-	11,098	100,847	210,278	354,280	398,486	475,120
-	-	-	13,385	16,504	7,051	51,190
-	-	-	-	1,715	3,158	38,735
-	-	-	13,385	18,219	10,209	89,925
-	11,090	100,366	196,352	335,550	384,641	379,233
-	11,090	100,366	196,352	335,550	384,641	379,233
-	8	481	541	511	3,636	5,962
\$ -	\$ 11,098	\$ 100,847	\$ 196,893	\$ 336,061	\$ 388,277	\$ 385,195
\$ -	\$ 11,098	\$ 100,847	\$ 196,893	\$ 336,061	\$ 388,277	\$ 385,195
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ 399	\$ 1,301	\$ 1,648	\$ 1,631
-	-	-	399	1,301	1,648	1,631
-	11,090	100,366	195,953	334,249	382,993	377,602
-	11,090	100,366	195,953	334,249	382,993	377,602
-	8	481	541	511	3,636	5,962
\$ -	\$ 11,098	\$ 100,847	\$ 196,494	\$ 334,760	\$ 386,629	\$ 383,564

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**NAVAL TRAINING CENTER REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	2008-09	2009-10	2010-11
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 502,817	\$ 544,858	\$ 570,751
Total Secured Valuation.....	502,817	544,858	570,751
Unsecured - Locally Assessed.....	32,060	30,591	39,872
Total Gross Valuation.....	534,877	575,449	610,623
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	65,320	69,351	69,113
Unsecured - Locally Assessed.....	16,584	12,710	14,099
Total Exemptions.....	81,904	82,061	83,212
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	437,497	475,507	501,638
Net Secured.....	437,497	475,507	501,638
Unsecured - Locally Assessed.....	15,476	17,881	25,773
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 452,973</b>	<b>\$ 493,388</b>	<b>\$ 527,411</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 452,973	\$ 493,388	\$ 527,411
Percentage Increase (Decrease) Over Base Year.....	N/A	N/A	N/A
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,637	\$ 1,637	\$ 1,600
Total Homeowners' Exemptions.....	1,637	1,637	1,600
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	435,860	473,870	500,038
Net Secured.....	435,860	473,870	500,038
Unsecured - Locally Assessed.....	15,476	17,881	25,773
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 451,336</b>	<b>\$ 491,751</b>	<b>\$ 525,811</b>

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**NORTH BAY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 665,470	\$ 737,249	\$ 784,329
Public Utilities - State Assessed.....	4,917	8,101	8,274
Total Secured Valuation.....	670,387	745,350	792,603
Unsecured - Locally Assessed.....	76,363	98,094	89,629
Total Gross Valuation.....	746,750	843,444	882,232
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	63,278	61,649	62,940
Unsecured - Locally Assessed.....	-	-	7,945
Total Exemptions.....	63,278	61,649	70,885
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	602,192	675,600	721,389
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	683,701	729,663
Unsecured - Locally Assessed.....	76,363	98,094	81,684
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 683,472</b>	<b>\$ 781,795</b>	<b>\$ 811,347</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 98,323	\$ 127,875
Percentage Increase (Decrease) Over Base Year.....		14.39%	18.71%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 2,153	\$ 2,222
Unsecured - Locally Assessed.....	-	-	35
Total Homeowners' Exemptions.....	-	2,153	2,257
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	602,192	673,447	719,167
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	681,548	727,441
Unsecured - Locally Assessed.....	76,363	98,094	81,649
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 683,472</b>	<b>\$ 779,642</b>	<b>\$ 809,090</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	Revised Base Year 1999-2000	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
\$ 828,519 8,440	\$ 671,088 4,917	\$ 879,653 7,603	\$ 907,188 6,570	\$ 969,695 6,253	\$ 1,049,980 6,375	\$ 1,210,657 5,971	\$ 1,402,190 -
836,959 84,023	676,005 76,363	887,256 92,229	913,758 103,680	975,948 102,426	1,056,355 104,798	1,216,628 117,423	1,402,190 112,534
920,982	752,368	979,485	1,017,438	1,078,374	1,161,153	1,334,051	1,514,724
60,979 6,530	63,278 -	72,720 3,177	36,897 5,769	43,514 5,825	45,075 8,003	49,204 11,658	53,369 7,180
67,509	63,278	75,897	42,666	49,339	53,078	60,862	60,549
767,540 8,440	607,810 4,917	806,933 7,603	870,291 6,570	926,181 6,253	1,004,905 6,375	1,161,453 5,971	1,348,821 -
775,980 77,493	612,727 76,363	814,536 89,052	876,861 97,911	932,434 96,601	1,011,280 96,795	1,167,424 105,765	1,348,821 105,354
<u>\$ 853,473</u>	<u>\$ 689,090</u>	<u>\$ 903,588</u>	<u>\$ 974,772</u>	<u>\$ 1,029,035</u>	<u>\$ 1,108,075</u>	<u>\$ 1,273,189</u>	<u>\$ 1,454,175</u>
\$ 170,001		\$ 214,498	\$ 285,682	\$ 339,945	\$ 418,985	\$ 584,099	\$ 765,085
24.87%		31.13%	41.46%	49.33%	60.80%	84.76%	111.03%
\$ 2,271 49	\$ - -	\$ 2,286 42	\$ 2,300 56	\$ 2,237 41	\$ 2,328 7	\$ 2,359 7	\$ 2,649 37
2,320	-	2,328	2,356	2,278	2,335	2,366	2,686
765,269 8,440	607,810 4,917	804,647 7,603	867,991 6,570	923,944 6,253	1,002,577 6,375	1,159,094 5,971	1,346,172 -
773,709 77,444	612,727 76,363	812,250 89,010	874,561 97,855	930,197 96,560	1,008,952 96,788	1,165,065 105,758	1,346,172 105,317
<u>\$ 851,153</u>	<u>\$ 689,090</u>	<u>\$ 901,260</u>	<u>\$ 972,416</u>	<u>\$ 1,026,757</u>	<u>\$ 1,105,740</u>	<u>\$ 1,270,823</u>	<u>\$ 1,451,489</u>

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**NORTH BAY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Revised Base Year 1999-2000	2008-09	2009-10	2010-11
<b><u>GROSS</u></b>				
Secured - Locally Assessed.....	\$ 667,570	\$ 1,478,969	\$ 1,524,034	\$ 1,523,619
Public Utilities - State Assessed.....	53	-	-	-
Total Secured Valuation.....	667,623	1,478,969	1,524,034	1,523,619
Unsecured - Locally Assessed.....	76,363	129,587	121,039	119,002
Total Gross Valuation.....	743,986	1,608,556	1,645,073	1,642,621
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>				
Secured - Locally Assessed.....	63,278	66,857	71,509	85,870
Unsecured - Locally Assessed.....	-	8,607	14,998	9,538
Total Exemptions.....	63,278	75,464	86,507	95,408
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>				
Secured - Locally Assessed.....	604,292	1,412,112	1,452,525	1,437,749
Public Utilities - State Assessed.....	53	-	-	-
Net Secured.....	604,345	1,412,112	1,452,525	1,437,749
Unsecured - Locally Assessed.....	76,363	120,980	106,041	109,464
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 680,708</b>	<b>\$ 1,533,092</b>	<b>\$ 1,558,566</b>	<b>\$ 1,547,213</b>
<b><u>INCREMENT</u></b>				
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 852,384	\$ 877,858	\$ 866,505
Percentage Increase (Decrease) Over Base Year.....		125.22%	128.96%	127.29%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	\$ -	\$ 2,883	\$ 2,883	\$ 2,918
Unsecured - Locally Assessed.....	-	78	78	34
Total Homeowners' Exemptions.....	-	2,961	2,961	2,952
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	604,292	1,409,229	1,449,642	1,434,831
Public Utilities - State Assessed.....	53	-	-	-
Net Secured.....	604,345	1,409,229	1,449,642	1,434,831
Unsecured - Locally Assessed.....	76,363	120,902	105,963	109,430
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 680,708</b>	<b>\$ 1,530,131</b>	<b>\$ 1,555,605</b>	<b>\$ 1,544,261</b>

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**NORTH PARK REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 421,648	\$ 453,872	\$ 486,289
Total Secured Valuation.....	421,648	453,872	486,289
Unsecured - Locally Assessed.....	10,814	15,822	16,214
Total Gross Valuation.....	432,462	469,694	502,503
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	8,911	8,912	9,775
Unsecured - Locally Assessed.....	-	-	305
Total Exemptions.....	8,911	8,912	10,080
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	412,737	444,960	476,514
Net Secured.....	412,737	444,960	476,514
Unsecured - Locally Assessed.....	10,814	15,822	15,909
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 423,551</b>	<b>\$ 460,782</b>	<b>\$ 492,423</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 37,231	\$ 68,872
Percentage Increase (Decrease) Over Base Year.....		8.79%	16.26%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 5,228	\$ 5,410
Total Homeowners' Exemptions.....	-	5,228	5,410
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	412,737	439,732	471,104
Net Secured.....	412,737	439,732	471,104
Unsecured - Locally Assessed.....	10,814	15,822	15,909
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 423,551</b>	<b>\$ 455,554</b>	<b>\$ 487,013</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
\$ 528,168	\$ 571,211	\$ 628,854	\$ 707,419	\$ 828,989	\$ 953,399	\$ 1,129,916
528,168	571,211	628,854	707,419	828,989	953,399	1,129,916
15,355	15,780	20,267	17,587	16,948	17,946	18,771
543,523	586,991	649,121	725,006	845,937	971,345	1,148,687
9,691	10,735	11,675	12,536	13,282	14,545	15,105
446	115	675	701	656	657	1,611
10,137	10,850	12,350	13,237	13,938	15,202	16,716
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811
14,909	15,665	19,592	16,886	16,292	17,289	17,160
\$ 533,386	\$ 576,141	\$ 636,771	\$ 711,769	\$ 831,999	\$ 956,143	\$ 1,131,971
\$ 109,835	\$ 152,590	\$ 213,220	\$ 288,218	\$ 408,448	\$ 532,592	\$ 708,420
25.93%	36.03%	50.34%	68.05%	96.43%	125.74%	167.26%
\$ 5,624	\$ 5,676	\$ 5,741	\$ 6,042	\$ 6,815	\$ 7,132	\$ 7,687
5,624	5,676	5,741	6,042	6,815	7,132	7,687
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124
14,909	15,665	19,592	16,886	16,292	17,289	17,160
\$ 527,762	\$ 570,465	\$ 631,030	\$ 705,727	\$ 825,184	\$ 949,011	\$ 1,124,284

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**NORTH PARK REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	2008-09	2009-10	2010-11
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,179,744	\$ 1,151,310	\$ 1,134,707
Total Secured Valuation.....	1,179,744	1,151,310	1,134,707
Unsecured - Locally Assessed.....	18,453	20,261	21,441
Total Gross Valuation.....	1,198,197	1,171,571	1,156,148
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	28,173	30,894	39,845
Unsecured - Locally Assessed.....	1,294	1,192	813
Total Exemptions.....	29,467	32,086	40,658
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,151,571	1,120,416	1,094,862
Net Secured.....	1,151,571	1,120,416	1,094,862
Unsecured - Locally Assessed.....	17,159	19,069	20,628
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,168,730</b>	<b>\$ 1,139,485</b>	<b>\$ 1,115,490</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 745,179	\$ 715,934	\$ 691,939
Percentage Increase (Decrease) Over Base Year.....	175.94%	169.03%	163.37%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 8,687	\$ 8,687	\$ 8,859
Total Homeowners' Exemptions.....	8,687	8,687	8,859
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,142,884	1,111,729	1,086,003
Net Secured.....	1,142,884	1,111,729	1,086,003
Unsecured - Locally Assessed.....	17,159	19,069	20,628
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,160,043</b>	<b>\$ 1,130,798</b>	<b>\$ 1,106,631</b>

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**SAN YSIDRO REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1997-98 TO 2010-11 (BASE YEAR 1996-97)  
 (UNAUDITED)**

	Base Year 1996-97	1997-98	1998-99
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 214,166	\$ 214,360	\$ 219,810
Total Secured Valuation.....	214,166	214,360	219,810
Unsecured - Locally Assessed.....	10,431	4,670	10,739
Total Gross Valuation.....	224,597	219,030	230,549
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,960	26,042	26,857
Unsecured - Locally Assessed.....	-	-	23
Total Exemptions.....	23,960	26,042	26,880
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	190,206	188,318	192,953
Net Secured.....	190,206	188,318	192,953
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 200,637</b>	<b>\$ 192,988</b>	<b>\$ 203,669</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ (7,649)	\$ 3,032
Percentage Increase (Decrease) Over Base Year.....		-3.81%	1.51%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,250	\$ 1,287	\$ 1,281
Total Homeowners' Exemptions.....	1,250	1,287	1,281
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	188,956	187,031	191,672
Net Secured.....	188,956	187,031	191,672
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 199,387</b>	<b>\$ 191,701</b>	<b>\$ 202,388</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
\$ 228,338	\$ 244,704	\$ 295,357	\$ 356,615	\$ 378,030	\$ 407,588	\$ 490,915
228,338	244,704	295,357	356,615	378,030	407,588	490,915
<u>10,870</u>	<u>11,982</u>	<u>14,042</u>	<u>19,867</u>	<u>25,139</u>	<u>26,329</u>	<u>25,219</u>
239,208	256,686	309,399	376,482	403,169	433,917	516,134
27,554	29,730	13,127	54,484	55,014	56,517	58,099
58	72	137	-	1,814	1,439	686
<u>27,612</u>	<u>29,802</u>	<u>13,264</u>	<u>54,484</u>	<u>56,828</u>	<u>57,956</u>	<u>58,785</u>
200,784	214,974	282,230	302,131	323,016	351,071	432,816
200,784	214,974	282,230	302,131	323,016	351,071	432,816
<u>10,812</u>	<u>11,910</u>	<u>13,905</u>	<u>19,867</u>	<u>23,325</u>	<u>24,890</u>	<u>24,533</u>
\$ 211,596	\$ 226,884	\$ 296,135	\$ 321,998	\$ 346,341	\$ 375,961	\$ 457,349
\$ 10,959	\$ 26,247	\$ 95,498	\$ 121,361	\$ 145,704	\$ 175,324	\$ 256,712
5.46%	13.08%	47.60%	60.49%	72.62%	87.38%	127.95%
\$ 1,260	\$ 1,224	\$ 1,551	\$ 1,540	\$ 1,603	\$ 1,809	\$ 1,866
<u>1,260</u>	<u>1,224</u>	<u>1,551</u>	<u>1,540</u>	<u>1,603</u>	<u>1,809</u>	<u>1,866</u>
199,524	213,750	280,679	300,591	321,413	349,262	430,950
199,524	213,750	280,679	300,591	321,413	349,262	430,950
<u>10,812</u>	<u>11,910</u>	<u>13,905</u>	<u>19,867</u>	<u>23,325</u>	<u>24,890</u>	<u>24,533</u>
\$ 210,336	\$ 225,660	\$ 294,584	\$ 320,458	\$ 344,738	\$ 374,152	\$ 455,483

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**SAN YSIDRO REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1997-98 TO 2010-11 (BASE YEAR 1996-97)**  
**(UNAUDITED)**

	2007-08	2008-09	2009-10	2010-11
<b><u>GROSS</u></b>				
Secured - Locally Assessed.....	\$ 607,957	\$ 802,708	\$ 805,415	\$ 789,183
Total Secured Valuation.....	607,957	802,708	805,415	789,183
Unsecured - Locally Assessed.....	35,640	36,361	38,868	40,487
Total Gross Valuation.....	643,597	839,069	844,283	829,670
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>				
Secured - Locally Assessed.....	60,704	61,190	113,869	116,017
Unsecured - Locally Assessed.....	1,553	1,242	1,620	1,486
Total Exemptions.....	62,257	62,432	115,489	117,503
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>				
Secured - Locally Assessed.....	547,253	741,518	691,546	673,166
Net Secured.....	547,253	741,518	691,546	673,166
Unsecured - Locally Assessed.....	34,087	35,119	37,248	39,001
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 581,340</b>	<b>\$ 776,637</b>	<b>\$ 728,794</b>	<b>\$ 712,167</b>
<b><u>INCREMENT</u></b>				
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 380,703	\$ 576,000	\$ 528,157	\$ 511,530
Percentage Increase (Decrease) Over Base Year.....	189.75%	287.09%	263.24%	254.95%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	\$ 1,889	\$ 1,967	\$ 1,967	\$ 1,965
Total Homeowners' Exemptions.....	1,889	1,967	1,967	1,965
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	545,364	739,551	689,579	671,201
Net Secured.....	545,364	739,551	689,579	671,201
Unsecured - Locally Assessed.....	34,087	35,119	37,248	39,001
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 579,451</b>	<b>\$ 774,670</b>	<b>\$ 726,827</b>	<b>\$ 710,202</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

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**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - CENTRAL IMPERIAL SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1992-93)  
 (UNAUDITED)**

	Base Year 1992-93	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 94,838	\$ 97,584	\$ 96,170
Total Secured Valuation.....	94,838	97,584	96,170
Unsecured - Locally Assessed.....	2,692	1,431	1,857
Total Gross Valuation.....	97,530	99,015	98,027
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	6,693	16,244	15,218
Unsecured - Locally Assessed.....	-	137	86
Total Exemptions.....	6,693	16,381	15,304
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	88,145	81,340	80,952
Net Secured.....	88,145	81,340	80,952
Unsecured - Locally Assessed.....	2,692	1,294	1,771
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 90,837</b>	<b>\$ 82,634</b>	<b>\$ 82,723</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ (8,203)	\$ (8,114)
Percentage Increase (Decrease) Over Base Year.....		-9.03%	-8.93%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,033	\$ 1,219	\$ 1,347
Total Homeowners' Exemptions.....	1,033	1,219	1,347
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	87,112	80,121	79,605
Net Secured.....	87,112	80,121	79,605
Unsecured - Locally Assessed.....	2,692	1,294	1,771
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 89,804</b>	<b>\$ 81,415</b>	<b>\$ 81,376</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
\$ 97,516	\$ 67,688	\$ 83,275	\$ 88,975	\$ 102,297	\$ 114,448
97,516	67,688	83,275	88,975	102,297	114,448
1,558	2,693	1,738	1,997	2,240	3,412
99,074	70,381	85,013	90,972	104,537	117,860
15,202	6,693	14,133	10,006	16,120	14,351
-	-	16	187	76	462
15,202	6,693	14,149	10,193	16,196	14,813
82,314	60,995	69,142	78,969	86,177	100,097
82,314	60,995	69,142	78,969	86,177	100,097
1,558	2,693	1,722	1,810	2,164	2,950
\$ 83,872	\$ 63,688	\$ 70,864	\$ 80,779	\$ 88,341	\$ 103,047
\$ (6,965)		\$ 7,176	\$ 17,091	\$ 24,653	\$ 39,359
-7.67%		11.27%	26.84%	38.71%	61.80%
\$ 1,416	\$ 1,033	\$ 1,447	\$ 1,541	\$ 1,636	\$ 1,944
1,416	1,033	1,447	1,541	1,636	1,944
80,898	59,962	67,695	77,428	84,541	98,153
80,898	59,962	67,695	77,428	84,541	98,153
1,558	2,693	1,722	1,810	2,164	2,950
\$ 82,456	\$ 62,655	\$ 69,417	\$ 79,238	\$ 86,705	\$ 101,103

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**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - CENTRAL IMPERIAL SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1992-93)  
 (UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 123,326	\$ 137,669	\$ 160,513
Total Secured Valuation.....	123,326	137,669	160,513
Unsecured - Locally Assessed.....	3,261	5,195	4,753
Total Gross Valuation.....	126,587	142,864	165,266
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	14,936	16,287	19,393
Unsecured - Locally Assessed.....	5	290	391
Total Exemptions.....	14,941	16,577	19,784
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	108,390	121,382	141,120
Net Secured.....	108,390	121,382	141,120
Unsecured - Locally Assessed.....	3,256	4,905	4,362
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 111,646</b>	<b>\$ 126,287</b>	<b>\$ 145,482</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 47,958	\$ 62,599	\$ 81,794
Percentage Increase (Decrease) Over Base Year.....	75.30%	98.29%	128.43%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,946	\$ 1,994	\$ 2,020
Total Homeowners' Exemptions.....	1,946	1,994	2,020
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	106,444	119,388	139,100
Net Secured.....	106,444	119,388	139,100
Unsecured - Locally Assessed.....	3,256	4,905	4,362
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 109,700</b>	<b>\$ 124,293</b>	<b>\$ 143,462</b>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 191,238	\$ 210,835	\$ 236,931	\$ 251,537	\$ 227,258	\$ 222,350
191,238	210,835	236,931	251,537	227,258	222,350
5,741	6,750	5,603	6,847	8,003	6,913
196,979	217,585	242,534	258,384	235,261	229,263
22,212	21,344	24,647	23,983	28,759	29,710
416	418	223	260	1,484	1,347
22,628	21,762	24,870	24,243	30,243	31,057
169,026	189,491	212,284	227,554	198,499	192,640
169,026	189,491	212,284	227,554	198,499	192,640
5,325	6,332	5,380	6,587	6,519	5,566
\$ 174,351	\$ 195,823	\$ 217,664	\$ 234,141	\$ 205,018	\$ 198,206
\$ 110,663	\$ 132,135	\$ 153,976	\$ 170,453	\$ 141,330	\$ 134,518
173.76%	207.47%	241.77%	267.64%	221.91%	211.21%
\$ 2,148	\$ 2,072	\$ 2,212	\$ 2,205	\$ 2,205	\$ 2,167
2,148	2,072	2,212	2,205	2,205	2,167
166,878	187,419	210,072	225,349	196,294	190,473
166,878	187,419	210,072	225,349	196,294	190,473
5,325	6,332	5,380	6,587	6,519	5,566
\$ 172,203	\$ 193,751	\$ 215,452	\$ 231,936	\$ 202,813	\$ 196,039

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - CENTRAL IMPERIAL SUB AREA -2  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1999-2000 TO 2010-11 (BASE YEAR 1999-2000)  
 (UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01	2001-02
<b><u>GROSS</u></b>				
Secured - Locally Assessed.....	\$ 16,115	\$ 16,080	\$ 17,367	\$ 18,508
Total Secured Valuation.....	16,115	16,080	17,367	18,508
Unsecured - Locally Assessed.....	27	172	148	247
Total Gross Valuation.....	16,142	16,252	17,515	18,755
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>				
Secured - Locally Assessed.....	1,105	1,192	1,214	1,234
Unsecured - Locally Assessed.....	-	145	129	229
Total Exemptions.....	1,105	1,337	1,343	1,463
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>				
Secured - Locally Assessed.....	15,010	14,888	16,153	17,274
Net Secured.....	15,010	14,888	16,153	17,274
Unsecured - Locally Assessed.....	27	27	19	18
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 15,037</b>	<b>\$ 14,915</b>	<b>\$ 16,172</b>	<b>\$ 17,292</b>
<b><u>INCREMENT</u></b>				
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ (122)	\$ 1,135	\$ 2,255
Percentage Increase (Decrease) Over Base Year.....		-0.81%	7.55%	15.00%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	\$ 721	721	714	742
Total Homeowners' Exemptions.....	721	721	714	742
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>				
Secured - Locally Assessed.....	14,289	14,167	15,439	16,532
Net Secured.....	14,289	14,167	15,439	16,532
Unsecured - Locally Assessed.....	27	27	19	18
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 14,316</b>	<b>\$ 14,194</b>	<b>\$ 15,458</b>	<b>\$ 16,550</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 32,461	\$ 37,450	\$ 51,100	\$ 62,540	\$ 65,967	\$ 65,926	\$ 69,083	\$ 65,375	\$ 69,397
32,461	37,450	51,100	62,540	65,967	65,926	69,083	65,375	69,397
1,399	2,340	2,532	3,715	4,347	4,353	3,868	4,526	5,365
33,860	39,790	53,632	66,255	70,314	70,279	72,951	69,901	74,762
1,156	1,180	1,201	1,226	1,250	1,275	1,301	1,277	1,323
0	184	166	159	0	134	122	119	115
1,156	1,364	1,367	1,385	1,250	1,409	1,423	1,396	1,438
31,305	36,270	49,899	61,314	64,717	64,651	67,782	64,098	68,074
31,305	36,270	49,899	61,314	64,717	64,651	67,782	64,098	68,074
1,399	2,156	2,366	3,556	4,347	4,219	3,746	4,407	5,250
\$ 32,704	\$ 38,426	\$ 52,265	\$ 64,870	\$ 69,064	\$ 68,870	\$ 71,528	\$ 68,505	\$ 73,324
\$ 17,667	\$ 23,389	\$ 37,228	\$ 49,833	\$ 54,027	\$ 53,833	\$ 56,491	\$ 53,468	\$ 58,287
117.49%	155.54%	247.58%	331.40%	359.29%	358.00%	375.68%	355.58%	387.62%
805	826	819	840	846	853	819	819	784
805	826	819	840	846	853	819	819	784
30,500	35,444	49,080	60,474	63,871	63,798	66,963	63,279	67,290
30,500	35,444	49,080	60,474	63,871	63,798	66,963	63,279	67,290
1,399	2,156	2,366	3,556	4,347	4,219	3,746	4,407	5,250
\$ 31,899	\$ 37,600	\$ 51,446	\$ 64,030	\$ 68,218	\$ 68,017	\$ 70,709	\$ 67,686	\$ 72,540

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - CENTRAL IMPERIAL SUB AREA -3  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 2001-02 TO 2010-11 (BASE YEAR 2001-02)  
 (UNAUDITED)**

	Base Year 2001-02	2001-02	2002-03
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,215	\$ 10,279	\$ 14,131
Total Secured Valuation.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	0	2,022
Total Gross Valuation.....	<u>3,215</u>	<u>10,279</u>	<u>16,153</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,215	10,279	14,131
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	0	2,022
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 3,215</u></b>	<b><u>\$ 10,279</u></b>	<b><u>\$ 16,153</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 7,064	\$ 12,938
Percentage Increase (Decrease) Over Base Year.....		219.72%	402.43%
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,215	10,279	14,131
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	0	2,022
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 3,215</u></b>	<b><u>\$ 10,279</u></b>	<b><u>\$ 16,153</u></b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 14,793	\$ 17,357	\$ 18,491	\$ 19,303	\$ 19,689	\$ 25,783	\$ 26,267	\$ 26,615
14,793	17,357	18,491	19,303	19,689	25,783	26,267	26,615
1,982	1,835	1,826	2,266	2,161	2,251	2,440	2,131
16,775	19,192	20,317	21,569	21,850	28,034	28,707	28,746
14,793	17,357	18,491	19,303	19,689	25,783	26,267	26,615
14,793	17,357	18,491	19,303	19,689	25,783	26,267	26,615
1,982	1,835	1,826	2,266	2,161	2,251	2,440	2,131
\$ 16,775	\$ 19,192	\$ 20,317	\$ 21,569	\$ 21,850	\$ 28,034	\$ 28,707	\$ 28,746
\$ 13,560	\$ 15,977	\$ 17,102	\$ 18,354	\$ 18,635	\$ 24,819	\$ 25,492	\$ 25,531
421.77%	496.95%	531.94%	570.89%	579.63%	771.98%	792.91%	794.12%
14,793	17,357	18,491	19,303	19,689	25,783	26,267	26,615
14,793	17,357	18,491	19,303	19,689	25,783	26,267	26,615
1,982	1,835	1,826	2,266	2,161	2,251	2,440	2,131
\$ 16,775	\$ 19,192	\$ 20,317	\$ 21,569	\$ 21,850	\$ 28,034	\$ 28,707	\$ 28,746

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - GATEWAY CENTRAL WEST SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)  
 (UNAUDITED)**

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,306	\$ 22,547	\$ 3,301
Public Utilities - State Assessed.....	1,841	-	1,841
Total Secured Valuation.....	5,147	22,547	5,142
Unsecured - Locally Assessed.....	454	1,424	454
Total Gross Valuation.....	5,601	23,971	5,596
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	87	3,612	87
Unsecured - Locally Assessed.....	-	135	-
Total Exemptions.....	87	3,747	87
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,219	18,935	3,214
Public Utilities - State Assessed.....	1,841	-	1,841
Net Secured.....	5,060	18,935	5,055
Unsecured - Locally Assessed.....	454	1,289	454
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 5,514</b>	<b>\$ 20,224</b>	<b>\$ 5,509</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 14,710	
Percentage Increase (Decrease) Over Base Year.....		266.78%	
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 189	\$ 63	\$ 189
Total Homeowners' Exemptions.....	189	63	189
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	54	-	-
Unsecured - Locally Assessed.....	80	-	-
Total Business Inventory Exemptions.....	134	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	2,976	18,872	3,025
Public Utilities - State Assessed.....	1,841	-	1,841
Net Secured.....	4,817	18,872	4,866
Unsecured - Locally Assessed.....	374	1,289	454
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 5,191</b>	<b>\$ 20,161</b>	<b>\$ 5,320</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 20,915	\$ 22,079	\$ 3,302	\$ 22,008	\$ 22,412	\$ 22,100	\$ 24,462
-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462
4,096	2,719	454	2,417	2,066	3,005	4,471
<u>25,011</u>	<u>24,798</u>	<u>3,756</u>	<u>24,425</u>	<u>24,478</u>	<u>25,105</u>	<u>28,933</u>
4,912	5,010	87	5,111	5,205	5,309	5,415
-	201	-	118	109	165	186
<u>4,912</u>	<u>5,211</u>	<u>87</u>	<u>5,229</u>	<u>5,314</u>	<u>5,474</u>	<u>5,601</u>
16,003	17,069	3,215	16,897	17,207	16,791	19,047
-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047
4,096	2,518	454	2,299	1,957	2,840	4,285
<u>\$ 20,099</u>	<u>\$ 19,587</u>	<u>\$ 3,669</u>	<u>\$ 19,196</u>	<u>\$ 19,164</u>	<u>\$ 19,631</u>	<u>\$ 23,332</u>
\$ 14,590	\$ 14,078		\$ 15,527	\$ 15,495	\$ 15,962	\$ 19,663
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%
\$ 63	\$ 70	\$ 189	\$ 70	\$ 70	\$ 70	\$ 56
63	70	189	70	70	70	56
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,991
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,991
4,096	2,518	454	2,299	1,957	2,840	4,285
<u>\$ 20,036</u>	<u>\$ 19,517</u>	<u>\$ 3,480</u>	<u>\$ 19,126</u>	<u>\$ 19,094</u>	<u>\$ 19,561</u>	<u>\$ 23,276</u>

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**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - GATEWAY CENTRAL WEST SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2010-11 (BASE YEAR 1976-77)  
 (UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 25,654	\$ 27,585	\$ 28,969
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	25,654	27,585	28,969
Unsecured - Locally Assessed.....	3,898	3,746	3,755
Total Gross Valuation.....	29,552	31,331	32,724
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	5,524	5,634	5,739
Unsecured - Locally Assessed.....	-	177	162
Total Exemptions.....	5,524	5,811	5,901
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	20,130	21,951	23,230
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	20,130	21,951	23,230
Unsecured - Locally Assessed.....	3,898	3,569	3,593
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 24,028</b>	<b>\$ 25,520</b>	<b>\$ 26,823</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 20,359	\$ 21,851	\$ 23,154
Percentage Increase (Decrease) Over Base Year.....	554.89%	595.56%	631.07%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 56	\$ 63	\$ 35
Total Homeowners' Exemptions.....	56	63	35
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	20,074	21,888	23,195
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	20,074	21,888	23,195
Unsecured - Locally Assessed.....	3,898	3,569	3,593
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 23,972</b>	<b>\$ 25,457</b>	<b>\$ 26,788</b>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 29,987	\$ 31,256	\$ 34,527	\$ 34,863	\$ 35,599	\$ 36,273
-	-	-	-	-	-
29,987	31,256	34,527	34,863	35,599	36,273
4,413	3,941	5,052	6,637	6,384	7,330
34,400	35,197	39,579	41,500	41,983	43,603
5,854	5,971	6,091	6,213	6,337	6,322
175	160	137	52	336	476
6,029	6,131	6,228	6,265	6,673	6,798
24,133	25,285	28,436	28,650	29,262	29,951
-	-	-	-	-	-
24,133	25,285	28,436	28,650	29,262	29,951
4,238	3,781	4,915	6,585	6,048	6,854
<u>\$ 28,371</u>	<u>\$ 29,066</u>	<u>\$ 33,351</u>	<u>\$ 35,235</u>	<u>\$ 35,310</u>	<u>\$ 36,805</u>
\$ 24,702	\$ 25,397	\$ 29,682	\$ 31,566	\$ 31,641	\$ 33,136
673.26%	692.20%	808.99%	860.34%	862.39%	903.13%
\$ 42	\$ 35	\$ 28	\$ 28	\$ 28	\$ 28
42	35	28	28	28	28
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,091	25,250	28,408	28,622	29,234	29,923
-	-	-	-	-	-
24,091	25,250	28,408	28,622	29,234	29,923
4,238	3,781	4,915	6,585	6,048	6,854
<u>\$ 28,329</u>	<u>\$ 29,031</u>	<u>\$ 33,323</u>	<u>\$ 35,207</u>	<u>\$ 35,282</u>	<u>\$ 36,777</u>

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - MOUNT HOPE SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1982-83)  
 (UNAUDITED)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 18,484	\$ 72,446	\$ 69,736
Public Utilities - State Assessed.....	716	-	-
Total Secured Valuation.....	19,200	72,446	69,736
Unsecured - Locally Assessed.....	24	6,742	9,994
Total Gross Valuation.....	19,224	79,188	79,730
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	443	1,124	1,153
Unsecured - Locally Assessed.....	-	3	3
Total Exemptions.....	443	1,127	1,156
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	18,041	71,322	68,583
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	18,757	71,322	68,583
Unsecured - Locally Assessed.....	24	6,739	9,991
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 18,781</b>	<b>\$ 78,061</b>	<b>\$ 78,574</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 59,280	\$ 59,793
Percentage Increase (Decrease) Over Base Year.....		315.64%	318.37%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,414	\$ 1,356	\$ 1,399
Total Homeowners' Exemptions.....	1,414	1,356	1,399
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	16,627	69,966	67,184
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	17,343	69,966	67,184
Unsecured - Locally Assessed.....	24	6,739	9,991
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 17,367</b>	<b>\$ 76,705</b>	<b>\$ 77,175</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
\$ 70,232	\$ 72,740	\$ 18,484	\$ 75,324	\$ 77,535	\$ 90,378	\$ 96,022
-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022
10,271	12,224	24	18,209	18,325	15,642	16,268
80,503	84,964	18,508	93,533	95,860	106,020	112,290
1,248	1,364	443	1,306	1,271	1,186	905
9	25	-	9	-	7	-
1,257	1,389	443	1,315	1,271	1,193	905
68,984	71,376	18,041	74,018	76,264	89,192	95,117
-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117
10,262	12,199	24	18,200	18,325	15,635	16,268
<u>\$ 79,246</u>	<u>\$ 83,575</u>	<u>\$ 18,065</u>	<u>\$ 92,218</u>	<u>\$ 94,589</u>	<u>\$ 104,827</u>	<u>\$ 111,385</u>
\$ 60,465	\$ 64,794		\$ 74,153	\$ 76,524	\$ 86,762	\$ 93,320
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%
\$ 1,442	\$ 1,519	\$ 1,414	\$ 1,532	\$ 1,518	\$ 1,518	\$ 1,526
1,442	1,519	1,414	1,532	1,518	1,518	1,526
67,542	69,857	16,627	72,486	74,746	87,674	93,591
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,591
10,262	12,199	24	18,200	18,325	15,635	16,268
<u>\$ 77,804</u>	<u>\$ 82,056</u>	<u>\$ 16,651</u>	<u>\$ 90,686</u>	<u>\$ 93,071</u>	<u>\$ 103,309</u>	<u>\$ 109,859</u>

Continued on next page

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - MOUNT HOPE SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1982-83)  
 (UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 100,959	\$ 108,817	\$ 120,601
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	100,959	108,817	120,601
Unsecured - Locally Assessed.....	20,592	18,539	18,263
Total Gross Valuation.....	121,551	127,356	138,864
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	905	9,748	12,392
Unsecured - Locally Assessed.....	-	7	1,800
Total Exemptions.....	905	9,755	14,192
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	100,054	99,069	108,209
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	100,054	99,069	108,209
Unsecured - Locally Assessed.....	20,592	18,532	16,463
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 120,646	\$ 117,601	\$ 124,672
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 102,581	\$ 99,536	\$ 106,607
Percentage Increase (Decrease) Over Base Year.....	567.84%	550.99%	590.13%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,557	\$ 1,589	\$ 1,651
Total Homeowners' Exemptions.....	1,557	1,589	1,651
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	98,497	97,480	106,558
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	98,497	97,480	106,558
Unsecured - Locally Assessed.....	20,592	18,532	16,463
NET ASSESSED VALUATION.....	\$ 119,089	\$ 116,012	\$ 123,021

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 130,153	\$ 143,370	\$ 159,305	\$ 167,245	\$ 153,734	\$ 150,049
-	-	-	-	-	-
130,153	143,370	159,305	167,245	153,734	150,049
23,294	24,099	24,322	26,352	25,970	22,880
153,447	167,469	183,627	193,597	179,704	172,929
12,689	12,941	14,341	5,846	18,426	18,019
1,662	1,107	1,402	1,295	1,114	1,289
14,351	14,048	15,743	7,141	19,540	19,308
117,464	130,429	144,964	161,399	135,308	132,030
-	-	-	-	-	-
117,464	130,429	144,964	161,399	135,308	132,030
21,632	22,992	22,920	25,057	24,856	21,591
\$ 139,096	\$ 153,421	\$ 167,884	\$ 186,456	\$ 160,164	\$ 153,621
\$ 121,031	\$ 135,356	\$ 149,819	\$ 168,391	\$ 142,099	\$ 135,556
669.98%	749.27%	829.33%	932.14%	786.60%	750.38%
\$ 1,630	\$ 1,694	\$ 1,610	\$ 1,617	\$ 1,617	\$ 1,533
1,630	1,694	1,610	1,617	1,617	1,533
115,834	128,735	143,354	159,782	133,691	130,497
-	-	-	-	-	-
115,834	128,735	143,354	159,782	133,691	130,497
21,632	22,992	22,920	25,057	24,856	21,591
\$ 137,466	\$ 151,727	\$ 166,274	\$ 184,839	\$ 158,547	\$ 152,088

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - SOUTHCREST SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 46,450	\$ 73,398	\$ 77,638
Public Utilities - State Assessed.....	2,402	-	-
Total Secured Valuation.....	48,852	73,398	77,638
Unsecured - Locally Assessed.....	856	2,170	2,360
Total Gross Valuation.....	49,708	75,568	79,998
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	2,501	5,607	4,609
Unsecured - Locally Assessed.....	-	10	-
Total Exemptions.....	2,501	5,617	4,609
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	43,949	67,791	73,029
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	46,351	67,791	73,029
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 47,207</b>	<b>\$ 69,951</b>	<b>\$ 75,389</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		\$ 22,744	\$ 28,182
Percentage Increase (Decrease) Over Base Year.....		48.18%	59.70%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,080	\$ 3,114	\$ 3,059
Total Homeowners' Exemptions.....	3,080	3,114	3,059
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	40,869	64,677	69,970
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	43,271	64,677	69,970
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 44,127</b>	<b>\$ 66,837</b>	<b>\$ 72,330</b>

Source: Based on information provided by the County of San Diego as of June 30th of the reported fiscal year.

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
\$ 83,305	\$ 87,161	\$ 46,450	\$ 91,217	\$ 96,970	\$ 102,246	\$ 110,325
-	-	343	-	-	-	-
83,305	87,161	46,793	91,217	96,970	102,246	110,325
2,418	1,019	856	5,647	5,208	5,647	4,190
85,723	88,180	47,649	96,864	102,178	107,893	114,515
4,705	3,503	2,501	3,670	4,002	4,519	6,550
-	-	-	-	18	-	91
4,705	3,503	2,501	3,670	4,020	4,519	6,641
78,600	83,658	43,949	87,547	92,968	97,727	103,775
-	-	343	-	-	-	-
78,600	83,658	44,292	87,547	92,968	97,727	103,775
2,418	1,019	856	5,647	5,190	5,647	4,099
\$ 81,018	\$ 84,677	\$ 45,148	\$ 93,194	\$ 98,158	\$ 103,374	\$ 107,874
\$ 33,811	\$ 37,470		\$ 48,046	\$ 53,010	\$ 58,226	\$ 62,726
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%
\$ 3,094	\$ 3,234	\$ 3,080	\$ 3,289	\$ 3,401	\$ 3,410	\$ 3,559
3,094	3,234	3,080	3,289	3,401	3,410	3,559
75,506	80,424	40,869	84,258	89,567	94,317	100,216
-	-	343	-	-	-	-
75,506	80,424	41,212	84,258	89,567	94,317	100,216
2,418	1,019	856	5,647	5,190	5,647	4,099
\$ 77,924	\$ 81,443	\$ 42,068	\$ 89,905	\$ 94,757	\$ 99,964	\$ 104,315

Continued on next page

**SOUTHEASTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA - SOUTHCREST SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2010-11 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 120,858	\$ 132,013	\$ 158,002
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	<u>120,858</u>	<u>132,013</u>	<u>158,002</u>
Unsecured - Locally Assessed.....	<u>4,649</u>	<u>4,557</u>	<u>3,753</u>
Total Gross Valuation.....	<u>125,507</u>	<u>136,570</u>	<u>161,755</u>
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	6,569	8,772	7,738
Unsecured - Locally Assessed.....	-	19	139
Total Exemptions.....	<u>6,569</u>	<u>8,791</u>	<u>7,877</u>
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	114,289	123,241	150,264
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	114,289	123,241	150,264
Unsecured - Locally Assessed.....	<u>4,649</u>	<u>4,538</u>	<u>3,614</u>
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b><u>\$ 118,938</u></b>	<b><u>\$ 127,779</u></b>	<b><u>\$ 153,878</u></b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	\$ 73,790	\$ 82,631	\$ 108,730
Percentage Increase (Decrease) Over Base Year.....	163.44%	183.02%	240.83%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,581	\$ 3,573	\$ 3,602
Total Homeowners' Exemptions.....	<u>3,581</u>	<u>3,573</u>	<u>3,602</u>
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	110,708	119,668	146,662
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	110,708	119,668	146,662
Unsecured - Locally Assessed.....	<u>4,649</u>	<u>4,538</u>	<u>3,614</u>
<b>NET ASSESSED VALUATION.....</b>	<b><u>\$ 115,357</u></b>	<b><u>\$ 124,206</u></b>	<b><u>\$ 150,276</u></b>

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 205,179	\$ 246,256	\$ 292,325	\$ 307,867	\$ 260,252	\$ 251,375
-	-	-	-	-	-
205,179	246,256	292,325	307,867	260,252	251,375
4,158	2,888	12,415	13,122	12,102	11,192
209,337	249,144	304,740	320,989	272,354	262,567
14,993	15,827	17,034	17,862	12,045	12,501
73	34	73	127	161	174
15,066	15,861	17,107	17,989	12,206	12,675
190,186	230,429	275,291	290,005	248,207	238,874
-	-	-	-	-	-
190,186	230,429	275,291	290,005	248,207	238,874
4,085	2,854	12,342	12,995	11,941	11,018
\$ 194,271	\$ 233,283	\$ 287,633	\$ 303,000	\$ 260,148	\$ 249,892
\$ 149,123	\$ 188,135	\$ 242,485	\$ 257,852	\$ 215,000	\$ 204,744
330.30%	416.71%	537.09%	571.13%	476.21%	453.50%
\$ 4,102	\$ 4,186	\$ 4,354	\$ 4,564	\$ 4,564	\$ 4,521
4,102	4,186	4,354	4,564	4,564	4,521
186,084	226,243	270,937	285,441	243,643	234,353
-	-	-	-	-	-
186,084	226,243	270,937	285,441	243,643	234,353
4,085	2,854	12,342	12,995	11,941	11,018
\$ 190,169	\$ 229,097	\$ 283,279	\$ 298,436	\$ 255,584	\$ 245,371