THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 31, 2011

TO: Honorable Members of the Audit Committee
Andrea Tevlin, Independent Budget Analyst
Brant C, Will, Deputy City Attorney, Office of the City Attorney

FROM: Ken Whitfield, Comptroller, Office of the City Comptroller

SUBJECT: Redevelopment Agency Annual Financial Report – Fiscal Year 2010

Attached for your review is the final version of the San Diego Redevelopment Agency Annual Financial Report (AFR) for fiscal year 2010. Included in the report, is an opinion letter from the Agency's external auditors, Macias, Gini & O'Connell, LLP, expressing an unqualified opinion on the Agency's financial statements. Also included in the AFR is the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters.

Additionally, the AFR has been approved by the Disclosure Practices Working Group (DPWG Certification Letter attached).

If you have any questions or concerns, please do not hesitate to contact me at 236-6162 or Rolando Charvel, Redevelopment Principal Accountant, at 236-6603.

Thank you for your time and consideration.

KW:rc

Attachments: 1. Fiscal Year 2010 Annual Financial Report
2. DPWG Certification Letter

cc: Honorable Members of the City Council
Jay Goldstone, Chief Operating Officer
Mary Lewis, Chief Financial Officer
Eduardo Luna, City Auditor
Janice Weinrick, Assistant Deputy Director, CPCI
Frank Alessi, Vice President and Chief Financial Officer, CCDC
Jerome G. Groomes, President, SEDC

CERTIFICATION OF THE DISCLOSURE PRACTICES WORKING GROUP
REGARDING THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2010

Audit Committee:

On December 10 and December 15, 2010, I, together with the other members of the Disclosure Practices Working Group referenced below and relevant participants from the City's Redevelopment Division, the Centre City Development Corporation ("CCDC") and the Southeastern Economic Development Corporation ("SEDC") (collectively, the "Group") reviewed the audited financial statements of the Redevelopment Agency ("RDA") for fiscal year 2010. Our review was limited to a careful reading of the audited financial statements and asking questions of the individuals in attendance; it did not include independent verification of the information presented. Such review revealed no material misstatements or, to the knowledge of the Group, material omissions, which caused the members of the Group, collectively or individually, to believe that any portion of the reviewed financial statements should be restated.

Dated: December 19, 2010

Brant C. Will
DPWG Coordinator/Deputy City Attorney
for Finance and Disclosure

On behalf of:
Mary Lewis, Chief Financial Officer, City of San Diego, DPWG
John McNally, Hawkins Delafield & Wood LLP, DPWG
Timothy Fitzpatrick, Deputy City Attorney, DPWG
Janice Weinrick, Deputy Executive Director, RDA
Rolando Charvel, Principal Accountant, Office of City Comptroller
Frank Alessi, Chief Financial Officer, CCDC
Terry Darden, Chief Financial Officer, SEDC

THE CITY OF SAN DIEGO

II. Questions for Financial Management

The purpose of these questions is to elicit information about the process, the quality of the accounting and any issues of which the Audit Committee should be aware that impact the financial reports, accounting judgments and disclosure relating to the Redevelopment Agency Annual Financial Reports for fiscal year 2010.

1. Do you believe the financial statements fairly present the government's net assets and activities in accordance with generally accepted accounting principles (GAAP) or some other acceptable comprehensive basis of accounting? Yes, I believe the financial statements fairly present the government's assets and activities in accordance with GAAP.

2. To the best of your knowledge, was the audit performed in accordance with generally accepted auditing standards (GAAS standards) or generally accepted government auditing standards (GAGAS standards)? If not, why? Yes, I believe the audit was performed in accordance to governmental standards.

3. Do the financial statements contain deviations from generally accepted accounting principles (GAAP)? If so, why? No, the financial statements do not contain deviations from generally accepted accounting principles.

4. Were there any significant accounting adjustments affecting the financial statements (prior year as well as current year)? No, there were no significant accounting adjustments.

5. Are you satisfied that an appropriate audit was performed by the independent auditors? Yes, I am satisfied that an appropriate audit was performed by the independent auditors.

6. Is there any activity at any level within the government that you consider to be a significant violation of laws, regulations, contracts or grants, or significant departures from GAAP other than those already identified? Other than what is discussed in Note 11, Contingencies, and Note 12, Subsequent Events, I am not aware of any activity that I consider in violations of laws, regulations, contracts or grants.

7. Are there any questions we have *not* asked that should have been asked? If so, what are those questions? No, there are no additional questions I think you should ask.

Ken Whitfield
City Comptroller

DIVERSITY
BRINGS US ALL TOGETHER

Redevelopment Agency of the City of San Diego

State of California

This report has not been received and filed by the Agency Board

Annual Financial Report

Fiscal Year Ended June 30, 2010

This page intentionally left blank

TABLE OF CONTENTS
For Year Ended June 30, 2010

INTRODUCTORY SECTION

Letter of Transmittal 7

Roster of Officials 9

Map of Redevelopment Project Areas 10

FINANCIAL SECTION

Independent Auditor's Report 13

Management's Discussion and Analysis (Unaudited) 16

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Assets 32
Statement of Activities 33

Fund Financial Statements

Balance Sheet – Governmental Funds 34
Statement of Revenues, Expenditures, and Changes in Fund Balances 36
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities 38

Notes to the Basic Financial Statements 40

Required Supplementary Information (Unaudited)

Centre City Low and Moderate Income Housing Special Revenue Fund
Budgetary Comparison Schedule – Budgetary Basis 72

Centre City Other Special Revenue Fund
Budgetary Comparison Schedule – Budgetary Basis 73

Notes to Required Supplementary Information 74

Supplementary Information

Combining Fund Statements – Nonmajor Governmental Funds

Combining Balance Sheet 78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 79

Special Revenue

Combining Balance Sheet 80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 86

TABLE OF CONTENTS (Continued)

Debt Service

Combining Balance Sheet 92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 96

Capital Projects

Combining Balance Sheet 100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 104

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* 108

SUPPLEMENTAL INFORMATION SECTION (UNAUDITED)

Schedule of Changes to Loans from the City of San Diego 116

Assessed Valuations

Barrio Logan Redevelopment Project 118
Central Imperial Redevelopment Project 122
Central Imperial Redevelopment Project – Expansion 2 126
Central Imperial Redevelopment Project – Expansion 3 128
Centre City Redevelopment Project 130
Centre City Redevelopment Project - Columbia Sub Area 134
Centre City Redevelopment Project - Gaslamp Sub Area 138
Centre City Redevelopment Project - Marina Sub Area 142
City Heights Redevelopment Project 146
College Community Redevelopment Project 150
College Grove Redevelopment Project 154
Crossroads Redevelopment Project 158
Gateway Center West Redevelopment Project 160
Horton Plaza Redevelopment Project 164
Linda Vista Redevelopment Project 168
Mount Hope Redevelopment Project 172
Naval Training Center Redevelopment Project 176
North Bay Redevelopment Project 178
North Park Redevelopment Project 182
San Ysidro Redevelopment Project 184
Southcrest Redevelopment Project 188

Introductory Section

This page intentionally left blank

CITY OF SAN DIEGO
REDEVELOPMENT AGENCY

December 29, 2010

Honorable Members of the Agency:

The Annual Financial Report on all projects of the Redevelopment Agency of the City of San Diego for the year ended June 30, 2010 is presented in accordance with the Community Redevelopment Law (§33,000 et seq., of the Health and Safety Code of the State of California).

All expenditures and revenues for these projects have been reported for in accordance with generally accepted accounting principles in the United States applicable to municipalities, and all financial transactions occurring during the year were made in accordance with the redevelopment laws of the State of California.

Respectfully submitted,

Jerry Sanders
Executive Director

Jay M. Goldstone
Assistant Executive Director

This page intentionally left blank

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

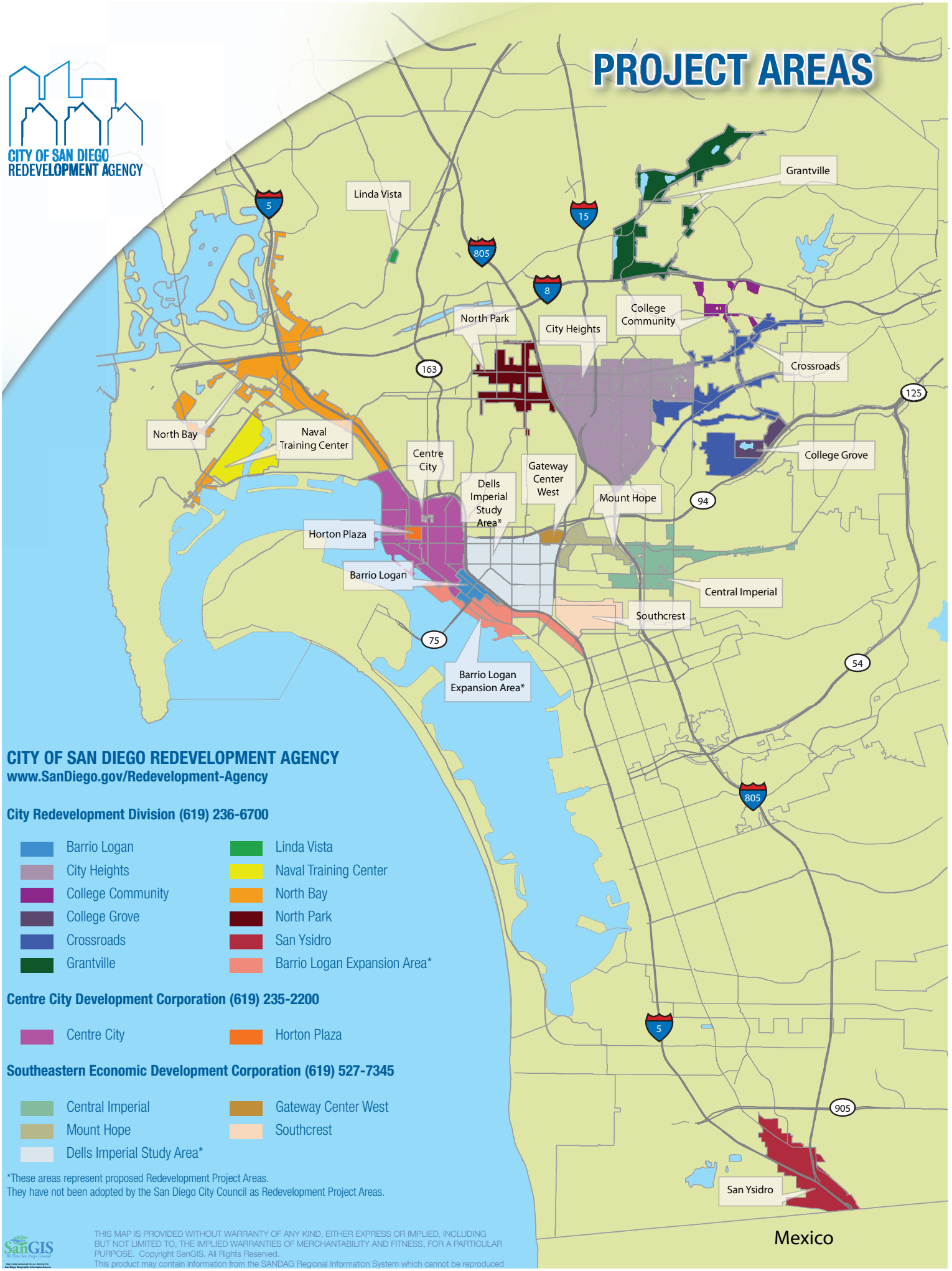
Elizabeth Maland, Secretary

OTHER OFFICIALS

Mary Lewis, Chief Financial Officer, City of San Diego

PROJECT AREAS

CITY OF SAN DIEGO
REDEVELOPMENT AGENCY



CITY OF SAN DIEGO REDEVELOPMENT AGENCY

www.SanDiego.gov/Redevelopment-Agency

City Redevelopment Division (619) 236-6700

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

Centre City Development Corporation (619) 235-2200

- Centre City
- Horton Plaza

Southeastern Economic Development Corporation (619) 527-7345

- Central Imperial
- Mount Hope
- Dells Imperial Study Area*
- Gateway Center West
- Southcrest

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

SanGIS
THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS, FOR A PARTICULAR PURPOSE. Copyright SanGIS. All Rights Reserved.
This product may contain information from the SANDAG Regional Information System which cannot be reproduced

Financial Section

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

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

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, 2010, 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 the 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, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010, 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.

The management's discussion and analysis on pages 16 through 30 and the budgetary comparison schedules on pages 72 through 75 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining nonmajor governmental funds financial statements, and the supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor governmental funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and supplemental information sections 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.

Macias Gini & O'Connell LLP

Certified Public Accountants
San Diego, California
December 29, 2010

Management’s Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
(In Thousands)
June 30, 2010

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2010.

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 32 and 33 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 34-38 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 40 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 72-75. Combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 78 of this report.

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*" can be found on pages 108-111 of this report.

As part of supplementary information provided in this report, a schedule of changes to principal and interest due to the City for each Project Area can be found on page 116. In addition, assessed valuation information for each project area can be found beginning on page 118 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

SUMMARY OF NET ASSETS

	Governmental Activities		Dollar Increase	Percent Increase
	2010	2009	(Decrease)	(Decrease)
Current and Other Assets	$ 911,089	$ 897,899	$ 13,190	1%
Capital Assets	200,752	187,863	12,889	7%
Total Assets	1,111,841	1,085,762	26,079	2%
Current and Other Liabilities	88,373	51,126	37,247	73%
Net Long-Term Debt	949,453	991,839	(42,386)	(4%)
Total Liabilities	1,037,826	1,042,965	(5,139)	0%
Net Assets				
Invested in Capital Assets, Net of Related Debt	90,716	96,064	(5,348)	(6%)
Restricted	162,514	133,478	29,036	22%
Unrestricted (deficit)	(179,215)	(186,745)	7,530	4%
Total Net Assets	$ 74,015	$ 42,797	$ 31,218	73%

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, assets exceeded liabilities at June 30, 2010, by $74,015.

Of the Total Net Assets, $90,716 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's Restricted Net Assets of $162,514 represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by $29,036 over the prior fiscal year, or about 22% primarily due to a net increase in resources available for Low and Moderate Income Housing.

There are several factors contributing to the Agency's deficit of $179,215 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.

CHANGES IN NET ASSETS

	Governmental Activities		Dollar Increase	Percent Increase
	2010	2009	(Decrease)	(Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	$ 336	$ 44	$ 292	664%
Capital Grants and Contributions	12,780	17,888	(5,108)	(29%)
General Revenues				
Tax Increments	186,572	192,562	(5,990)	(3%)
Grants and Contributions Not Restricted to Specific Programs	12,938	1,793	11,145	622%
Revenue from Use of Money and Property	13,780	24,087	(10,307)	(43%)
Total Revenues	226,406	236,374	(9,968)	(4%)
Expenses:				
General Government and Support	109,399	53,838	55,561	103%
Neighborhood Services	46,185	128,383	(82,198)	(64%)
Interest on Long-Term Debt	39,604	46,623	(7,019)	(15%)
Total Expenses	195,188	228,844	(33,656)	(15%)
Change in Net Assets	31,218	7,530	23,688	315%
Net Assets, July 1	42,797	35,267	7,530	21%
Net Assets, June 30	$ 74,015	$ 42,797	$ 31,218	73%

Governmental activities increased the Agency's net assets by $31,218 during fiscal year 2010. Key elements of this increase are as follows:

- Capital Grants and Contributions decreased by $5,108, or 29%, due to one-time prior fiscal year transfers for Developer Impact Fees from the City to the Agency for the reimbursement of costs associated with the acquisition of land for parks in the Centre City Project Area.

- Tax Increment Revenue decreased by $5,990 or approximately 3%. This was mostly due to a decrease in the assessed valuation of properties in the various project areas. Also, decreases in tax increment revenues are mostly due to assessment appeals, increases in exemptions, and Proposition 8 reductions made by the County Assessor.

- Grants and Contributions not Restricted to Specific Programs increased by $11,145, or 622%, mostly due to the fact that revenue of $8,392 was recognized to account for a reduction of outstanding long-term debt obligations resulting from negotiations with various developers (see Note 5c, on page 60). Additionally, revenue in the amount of $943 was recognized in the current 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 the use of Money and Property decreased by $11,145, or 43%, due to the fact that 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 $56,561, or 103%. This is mostly attributed to a $55,649 payment to the State Supplemental Educational Revenue Augmentation Fund (SERAF) required under State Assembly Bill (AB) 26 4x.

- Neighborhood Services Expense decreased by $82,198, or 64%. This is mostly attributed to a settlement agreement with the County of San Diego (the "County"), reached in the prior fiscal year, related to a Superior Court Case seeking to invalidate the Redevelopment Plan for the Grantville Project Area. Pursuant to the agreement the Agency will pay a total of $70,560 to the City and County. This obligation of $70,560 was recognized in the prior fiscal year and recorded as Neighborhood Services expense. This decrease was offset by an expense in the amount of $1,230 related to the payment of a claim settlement by 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.

  Additionally, onetime contributions of $4,749 were made to the City in the prior year to fund updates to the North Bay, Grantville, San Ysidro and Barrio Logan project area community plans. Also, planning expenses in the Centre City Project Area decreased by $2,080 due to greater planning activity in the prior year related to the Civic Center Complex Project, assessment of park needs, as well as, planning related to lighting and transit.

  Moreover, prior fiscal year adjustments to the value of land held for resale to reflect the lower of cost or net realizable value were $4,852 greater when compared to the current fiscal year. Reductions in property valuations are recorded when a property is expected to be sold for less than the Agency's cost and reported as Neighborhood Services Expense in the year in which this determination is made. In the prior fiscal year, the Agency executed a development and disposition agreement with a developer for the sale of a North Bay property, with a cost to the Agency of $2,711, to be sold for a nominal amount, resulting in Neighborhood Services Expense in the prior year equal to the Agency's cost of the property. Also, sharper prior fiscal year declines in the market value of various properties, over the current fiscal year, resulted in greater prior fiscal year reductions in the value of land held for resale.

- Interest on Long-Term Debt Expense decreased by $7,019, or 15%. This is mostly due to a decrease in the prime rate from 7.25% in the prior fiscal year to 3.25% in the current fiscal year. Because interest applied on City Loans at a rate of prime rate plus 2%, there was a resulting year over year decrease of $4,569. Additionally, interest expense on contracts payable decreased by approximately $2,077 mostly due to changes to the terms on certain obligations to developers.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

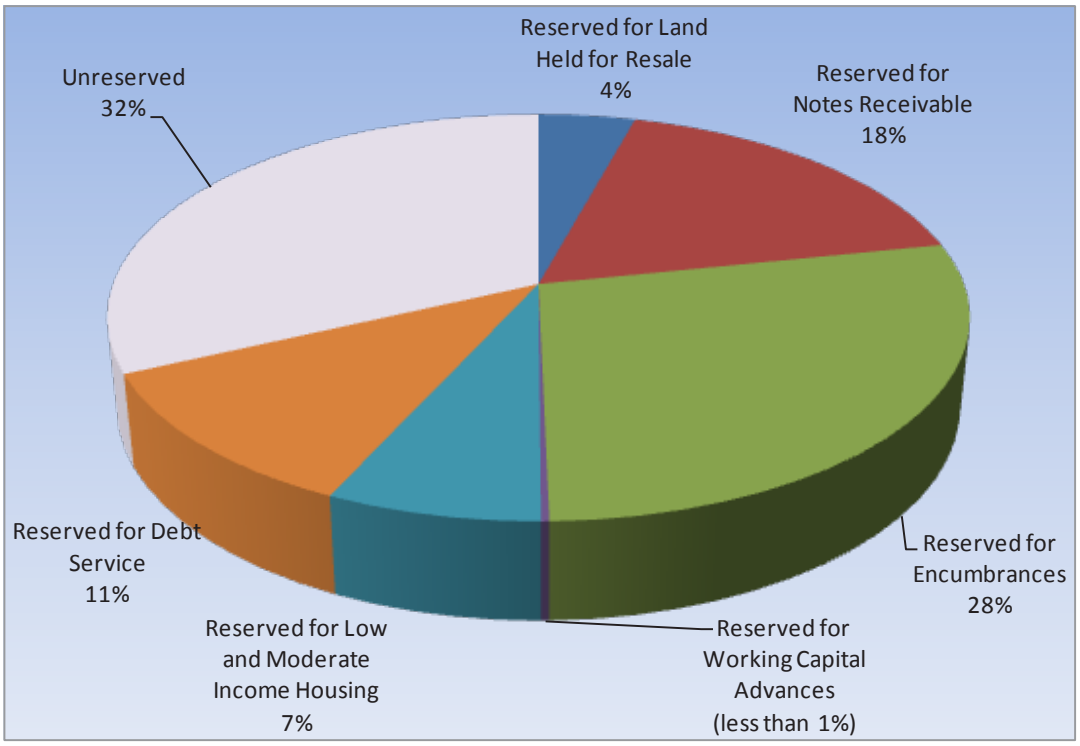
As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2010, the Agency's governmental funds reported combined ending fund balances of $883,814. Of the total, $601,336, or 68%, is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the period, (2) to pay debt service, (3) to increase low and moderate income housing or (4) for a variety of other restricted purposes. The remaining amount of $282,478, or 32%, constitutes unreserved fund balance, which is available for spending at the Agency's discretion, including funds that have already been designated for subsequent years' expenditures through the Agency's budgetary process.

COMPOSITION OF AGENCY FUND BALANCES



The Agency's fund balances increased by $5,299, or less than 1% over the prior fiscal year. Expenditures exceeded revenue by $23,400, which were offset by $28,699 in proceeds from bonds and other long-term debt. Total expenditures in the current fiscal year increased by $54,047 or approximately 31% over the prior fiscal year, mostly due to a current fiscal year $55,649 payment to the State Supplemental Educational Revenue Augmentation Fund (SERAF) required under State Assembly Bill (AB) 26 4x. The Agency's revenue decreased by $33,273, or about 14% over the prior fiscal year, due to one-time prior fiscal year transfers of $4,749 for Developer Impact Fees from the City to the Agency for the reimbursement of costs associated with the acquisition of land for parks in the Centre City Project Area. Additionally, Private Source revenue decreased by $6,203, or 68%, mostly due to onetime contributions received in the prior fiscal year related to the Pedestrian Bridge and North Embarcadero projects in the

Centre City Project Area. Additionally, Investment Income Revenue decreased by $10,096, or about 46% due to the fact that 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 $11,551, 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
	2010**	2009	(Decrease)	(Decrease)
Barrio Logan	$ 651	$ 691	$ (40)	(6%)
Central Imperial	2,100	2,455	(355)	(14%)
Centre City	121,271	125,366	(4,095)	(3%)
City Heights	11,651	13,954	(2,303)	(17%)
College Community	1,061	1,142	(81)	(7%)
College Grove	795	818	(23)	(3%)
Crossroads	3,513	4,299	(786)	(18%)
Gateway Center West	353	346	7	2%
Grantville*	1,346	2,364	(1,018)	(43%)
Horton Plaza	8,025	8,616	(591)	(7%)
Linda Vista	109	96	13	14%
Mount Hope	1,427	1,674	(247)	(15%)
Naval Training Center	5,205	4,905	300	6%
North Bay	9,105	8,876	229	3%
North Park	7,250	7,729	(479)	(6%)
San Ysidro	5,154	6,825	(1,671)	(24%)
Southcrest	1,995	2,406	(411)	(17%)
	$ 181,011	$ 192,562	$ (11,551)	(6%)

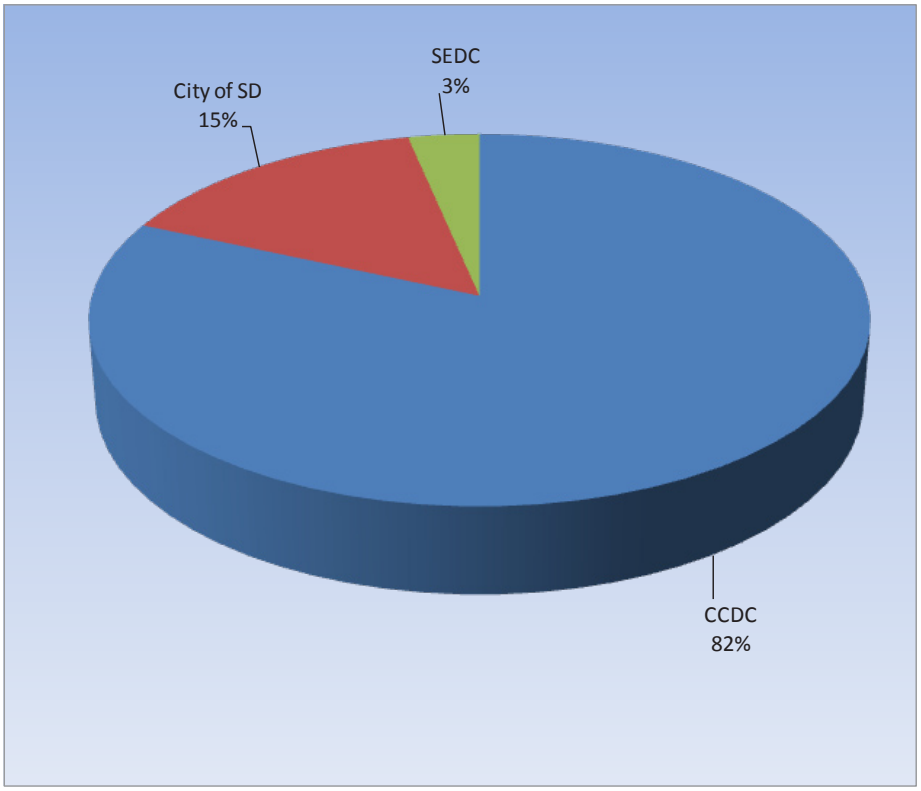
* Tax Increment revenue in the amount of $737 and $447 for fiscal years 2008 and 2007, respectively, were recognized in fiscal year 2009 after settlement of the of the Grantville Action Validation law suit . Tax Increment for fiscal year 2009 was $1,170.

** Difference of $5,561 between Tax Increment Revenue reported in the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances, in fiscal year 2010, is due to differences in revenue recognition related to the timing of cash flows (see Note 1-d on page 42 and Note 2 on page 49).

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-r, on page 47, includes a description of the Agency's tax sharing obligations.

The Agency's seventeen 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

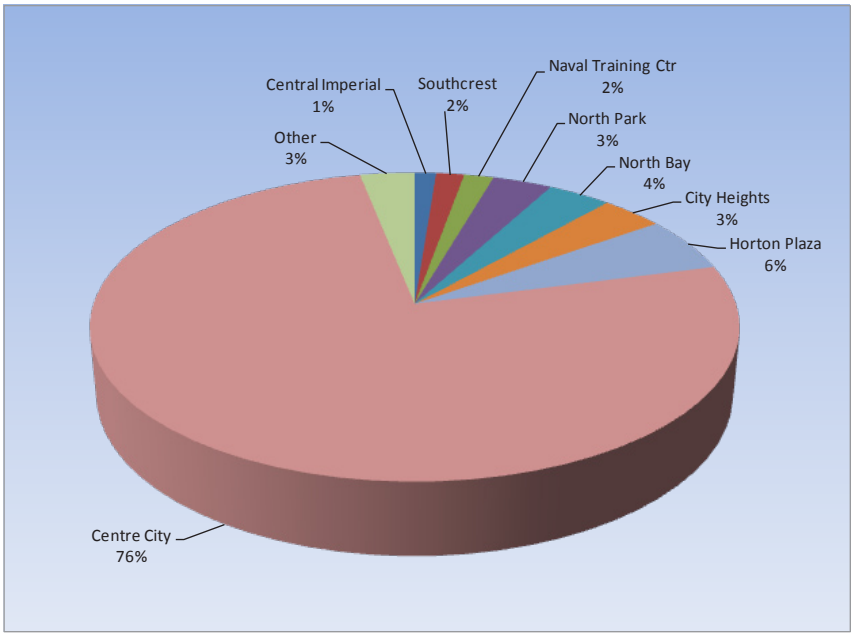


The CCDC administers the two project areas in downtown San Diego, which have the largest share of the Agency's combined fund balances. As of June 30, 2010, project areas administered by the CCDC, accounted for $721,646 or about 82% of the Agency's combined fund balances.

The SEDC administers four project areas in southeastern San Diego, which, as of the end of the fiscal year, accounted for $29,515 or about 3%, of the Agency's combined fund balances.

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 $132,653 or about 15%, of the Agency's combined fund balances.

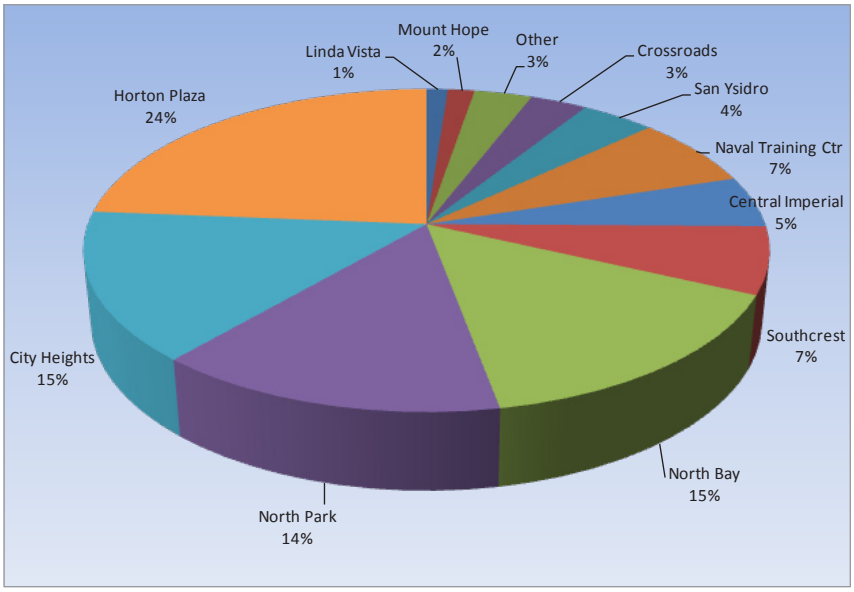
PERCENTAGE OF AGENCY COMBINED FUND BALANCES BY PROJECT AREA



The above chart reflects the composition of the Agency's fund balances by project area. The Centre City project area accounted for 76% of the Agency's combined 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 and schedules for nonmajor governmental funds can be found beginning on page 78 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.

PERCENTAGE OF AGENCY COMBINED NONMAJOR FUND BALANCES BY PROJECT AREA



* *Other* includes all Barrio Logan, College Community, College Grove, Gateway and Grantville Project Area funds.

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, 2010 was $212,335, which is an increase of $1,979, or about 1% over the prior fiscal year. Fund revenues decreased by $2,461, or 8%, mostly due to decreases interest earnings on cash and investments. Expenditures increased by $3,506, or 62% over the prior fiscal year, mainly due to the issuance of a forgivable loan of $3,018 to the San Diego Housing Commission for the purchase and rehabilitation of the Sandford Hotel. Net transfers increased by $1,889, or 12%, mainly due to greater scheduled debt service requirements for the project area's housing bonds. Approximately 79% or $167,395 of the fund's fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the period or to reflect that funds have been used to purchase land or to make loans and are not readily available for spending. The remaining amount of $44,940 or 21% is reserved 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; 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 satisfaction of the City's debt service obligations related to the Ballpark Lease Revenue Bonds, Series 2007A. The fund balance at June 30, 2010 was $3,349 which is an increase of $2,269, or 210% over the prior fiscal year. The increase is mostly attributed to tax increment transfers to fund future payments to the County pursuant to the Grantville settlement agreement. Also reported in the current fiscal year was the Agency's payment of $36,220 to the State Supplementary Education Revenue Augmentation Fund, a payment of $17,150 to other taxing entities and an $11,321 reimbursement by the Agency, pursuant to the ballpark cooperation agreement, of lease payments made by the City related to the Ballpark Lease Revenue Bonds, Series 2007A.

Centre City Debt Service Fund

The Centre City Debt Service Fund is used to record debt-related activity such as debt service payments, investment activity for bond reserves held with fiscal agents, and bond issuance costs associated with the Centre City Project Area. 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 $240,621 which is a decrease of $42,619, or about 15% over the prior fiscal year. Revenues decreased by $6,094, or 6%, due to lower tax increment revenue and lower investment income from cash and investments. Expenditures increased by $5,813, or 16%, mostly due to payments made according to debt service schedules for previously issued debt. Overall, revenues exceeded expenditures by $59,985 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 $67,774 to fund redevelopment activity of the project area and transfers of $54,416 to the Centre City Other Special Revenue Fund, mostly for payments made to the State Supplementary Education Revenue Augmentation Fund and to other taxing entities. Approximately 34% or $81,124 of the fund's fund balance is reserved to indicate that it is not available for new spending because it has already been committed for debt service. The remaining amount of $159,497 or 66% is available for spending at the Agency's discretion, including funds that have already been designated for subsequent years' expenditures through the Agency's budgetary process.

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, 2010 amounted to $214,909 which is an increase of $29,717 or about 16% over the prior fiscal year. Expenditures decreased by approximately $9,610, or 22%, due in part to a decrease in administrative costs of $742 related to reductions in CCDC's operating budget. Planning expenses decreased by $2,080, or 52%, due to greater planning activity in the prior fiscal year related to the Civic Center Complex Project, assessment of park needs and planning related to lighting and transit. Costs associated with the purchase of land for parks decreased by approximately $6,277. Revenue decreased by $13,480, or 60%, due in part to one-time prior fiscal year transfers of $4,749 for Developer Impact Fees from the City to the Agency for the reimbursement of costs associated with the acquisition of land for parks. Additionally, Private Source Revenue decreased by $6,409 mostly due to onetime contributions received in the prior fiscal year related to the Pedestrian Bridge and North Embarcadero projects. Additionally, investment income revenue decreased by $2,999, or 63%, due to the fact that 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. Expenditures exceeded revenue by $25,669 which was offset by net transfers of $55,386 mostly from the Centre City Debt Service Fund.

Approximately 74% or $159,649 of the fund's fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the period or to reflect that funds have been used to purchase land or to make loans and are not readily available for spending. The remaining amount of $55,260, or 26%, is available for spending at the Agency's discretion, including funds that have already been designated for subsequent years' expenditures through the Agency's budgetary process.

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, expenditures related to the development of parks in the Centre City Project Area totaled $7,374, accounting for all the current fiscal year additions to the Agency's Capital Assets. Of the total, $403 was related to the development of the East Village Green Park site and $6,971 for the development of Saint Joseph's Park. Additionally, $7,592 was added to Land to reflect the reclassification of a property previously reported as land held for resale. It was reclassified due to the fact that the property will be leased for development of the 9th and Broadway Affordable Housing Project. These additions were offset by a decrease of $307 in land related to the Children's Museum Park which was conveyed to the City.

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

	2010	2009
Land	$ 138,096	$ 123,437
Structures and Improvements	62,614	64,358
Equipment	42	68
Total	$ 200,752	$ 187,863

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4 on page 55).

Construction Commitments

The Agency has active construction projects as of June 30, 2010. Significant projects include the construction of the Harbor Drive Pedestrian Bridge in the Centre City Project Area. The Agency has entered into a construction contract totaling $24,330, of which, $15,564 has been spent and $8,776 remains committed as of the end of the Fiscal Year. Of the remaining commitment $1,773 will be financed from Centre City Redevelopment Project Tax Allocation Bonds Series 2004 A, $2,199 from the Centre City Redevelopment Project Tax Allocation Bonds Series 2006 A, $2,883 from Federal and State Grants and the remaining $1,921 from the Centre City Capital Project Fund. Also, the Agency has committed to contribute $80,000 to the City for construction of the New Main Library of which $62,940 remains to be contributed to the City as of the end of the fiscal year. Of the remaining commitment, $20,840 will be funded from Centre City Redevelopment Project Tax Allocation Bonds Series 2004 A and $42,100 from Centre City tax increment funds.

HIGHLIGHTS OF FISCAL YEAR 2010 REDEVELOPMENT ACTIVITIES
(In Thousands)

Barrio Logan Project Area

- The Agency approved an affordable housing developer agreement with Mercado CIC, L.P. for the Estrella del Mercado Apartments Project in Barrio Logan. The development will provide 92 units of affordable multi-family housing.

Central Imperial Project Area

- The Agency entered into an exclusive negotiating agreement for Redevelopment Agency-owned Valencia Business Park parcels at Imperial Avenue and Stevens Way with St. Steven's Church and Dudley Ventures.

- Completed construction of the 24 Hour Fitness facility at the Imperial Marketplace Commercial Center, providing recreation and fitness facilities to the community per the Disposition and Development Agreement with Pacific Development Partners.

Centre City Project Area:

- Two new market-rate residential projects were added for a total of 255 units. They are the Strata, consisting of 229 units and the Q, consisting of 26 units.

- The Hotel Indigo, a 210 room hotel, was completed.

- An additional .16 acre parcel was acquired for the St. Joseph's Park.

- Six traffic signals were completed located at Front & Cedar, Market & Third, Market & Ninth, Market & Union, Park & Island and Park & J.

- The $26,800 Harbor Drive Pedestrian Bridge was awarded to Reyes Construction, estimated to be completed by January 2011. The bridge will connect two of San Diego's most important assets--Balboa Park and the San Diego Bay.

- Three public construction projects were completed: Seventh and market site remediation, rehabilitation of Fire Station 1 and the Date State Storm Drain.

- Initiated the construction of the Area-wide Sidewalk Assessments Project.

- The 1050 B Street development, a 229 unit apartment building of which 226 units are affordable, was completed. This project was built with Agency assistance.

- The construction of the Parkside development, a 77 unit apartment building of which 76 units are affordable, was completed. This project was built with Agency assistance.

- The construction of the expansion of the Cortez Hill Family Center is scheduled to be completed in December 2010.

City Heights Project Area

- Construction began on the 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.

Crossroads Project Area

- The Agency provided funding for rehabilitation of the Village Green Apartments to preserve, enhance and upgrade 94 multi-family rental housing units within the project area.

Linda Vista Project Area

- The Agency approved an Exclusive Negotiation Agreement with MRW Development Company LLC for the rehabilitation and redevelopment of Agency-owned properties.

Horton Plaza Project Area:

- The design of the Lyceum Theatre lobby and restroom renovation is underway with an estimated completion date of June 2011. The Lyceum Theatre is a two-level subterranean structure and each level has a lobby and two restrooms. Proposed renovations include 14,000 square feet of common areas along with a 1,500 square feet outside subterranean entrance.

- Funded the Transitional Senior Housing which provided funding for 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. Preliminary planning for this station will include three apparatus bays to house engine, truck, medic and other fire-rescue vehicles. The final design will be completed in September 2011.

Mount Hope Project Area

- The Agency provided funding and leveraged additional funding sources for streetlights and median improvements along Market Street. The project will reduce traffic and make the neighborhoods for both vehicles and pedestrians safer.

- The Agency entered into an Owner Participation Agreement for rehabilitation of 49 units for the Vista Grande Apartments to provide 48 restricted units to low- and very- low income families. The property owner was awarded Low Income Housing Tax Credits and the project commenced in November 2010.

North Bay Project Area

- Completed the Urban Corps LEED Recycling Education Center and Roof Garden project to replace the Urban Corps current facility with a rehabilitated office building, a LEED Certified Recycling Education Center, Auditorium, roof garden, and other auxiliary buildings.

- The Agency provided funding to Veterans Village of San Diego for phase III of the construction project. The project will provide an additional 96 transitional housing beds for former homeless veterans.

North Park Project Area

- Construction of 17 units of permanent supportive rental housing for formerly homeless men with a dual diagnosis of substance abuse and mental illness was started in August 2009 at 2625 University Avenue.

- A $4 million rehabilitation project of the historic Lafayette Hotel at 2223 El Cajon Boulevard began in April 2010. The renovations are intended to ensure viability of the hotel and retain more than 50 jobs.

San Ysidro Project Area

- Completed the construction of the El Pedregal Family Apartments, a 45 unit affordable housing project on approximately 2.2 acres located at the northeast corner of West San Ysidro Boulevard and Averil Street. The total project cost was approximately $18.4 million, of which the Agency provided $4.6 million in residual receipt loans.

- Started construction on the Verbena Family Apartments, an 80 unit affordable housing project on approximately 6.8-acres located at 3774 Beyer Boulevard. The total project cost is estimated at $29 million, of which the Agency provided $6.9 million in residual receipt loans.

Southcrest Project Area

- The Agency provided funding for the installation of 73 mid-block streetlights throughout the project area for improved neighborhood safety.

- The Agency completed the Mayberry Townhomes Rehabilitation Project, which included the preservation of 69 townhomes for very-low, low- and moderate-income tenants' housing.

Long-Term Debt

At June 30, 2010, the Agency long-term debt totaled $922,792. Of this amount, $26,435 is secured by specified revenue sources (revenue bonds), $529,423 is comprised of tax allocation bonds and $32,780 of Pooled Financing Authority Loans Payable, all of which are secured by tax increment revenue. The remainder of the Agency's debt represents contracts payable, notes payable, loans payable and accrued interest in loans and notes from the City.

REDEVELOPMENT AGENCY
OUTSTANDING DEBT
(In Thousands)

	2010	2009
Revenue Bonds	$ 26,435	$ 27,430
Tax Allocation Bonds	529,423	534,547
Contracts Payable	1,018	4,715
Notes Payable	11,601	13,086
Pooled Financing Authority Loans Payable	32,780	33,460
Loans Payable	158,578	161,220
Accreted Interest Payable	16,535	14,682
Accrued Interest Payable	162,957	156,246
Total	$ 939,327	$ 945,386

In the current fiscal year, the Agency issued $13,930 of North Park Tax Allocation Bonds, drew $13,750 from the City Heights, Naval Training Center, North Bay and North Park San Diego National Bank housing lines of credit for various housing projects and $1,111 from the Naval Training Center San Diego National Bank line of credit for the rehabilitation of historical buildings in the project area. Accrued interest on City Loans and Notes of $7,294 were offset by $583 in current fiscal year interest payments.

The Agency's contracts payable decreased by $965 due to a settlement agreement reached with a San Diego State University Foundation and by $1,872 due to provisions included in a development agreement with Western Pacific Housing. Loans Payable decreased by $4,969 due to termination of a development agreement with CentrePoint LLC. Notes Payable to Price Charities decreased by $586 in consideration for a property conveyed by the Agency to the developer.

Total principal payments for long-term debt were $35,022. Of this amount, $20,049, was for outstanding bonds, $860 for contracts payable, $899 for notes payable and $13,214 for loans payable.

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5 on page 56). Information on loans payable to the City, by project area, can be found on page 116 of this report.

Rates

Standard & Poor's Ratings Services assigned its "A-" long-term rating to the North Park Redevelopment Project subordinate series 2009A tax allocation bonds (TAB's), issued in the current year, and reinstated its ratings on the existing senior TAB's, series 2003A to "A-".

On October 22, 2009, Fitch, Inc. upgraded the ratings on the Horton Plaza Redevelopment Project tax allocation bonds series 2003C from "BBB" to "BBB+" and assigned a rating of "BBB+" to the series 2000 tax allocation bonds.

On December 31, 2009, Fitch, Inc. upgraded the ratings on the North Park Redevelopment Project TAB's series 2000, series 2003A and series 2003B to "A" from "A-".

On May 11, 2010, Standard & Poor's Ratings Services reestablished the ratings on several tax allocation bonds. The rating for the City Heights Redevelopment Project, 2003 housing set-aside TAB's, series A and B changed to "BBB+" from "NR". Also, the rating for the North Bay Redevelopment Project TAB's, series 2000 changed to "A-" from "NR".

On December 22, 2010, Fitch, Inc. upgraded the ratings on the City Heights Redevelopment Project housing set-aside TAB's series A and B to "A+" from "A".

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. This financial report is also available on the City's website at www.sandiego.gov, under the Office of the City Comptroller department.

* * *

Basic Financial Statements

STATEMENT OF NET ASSETS
June 30, 2010
(In Thousands)

	Governmental Activities
ASSETS	
Cash or Equity in Pooled Cash and Investments	$ 508,160
Cash and Investments With Fiscal Agent	98,464
Investments	90,163
Receivables:	
Taxes - Net	8,786
Notes and Contracts	154,493
Accrued Interest	1,357
Accounts	458
Working Capital Advances:	
Centre City Development Corporation	1,480
Southeastern Economic Development Corporation	232
City of San Diego	623
Land Held for Resale	37,509
Deferred Charges	9,364
Capital Assets - Non-Depreciable	138,096
Capital Assets - Depreciable	62,656
TOTAL ASSETS	1,111,841
LIABILITIES	
Accounts Payable	6,864
Interest Accrued on Long-Term Debt	9,896
Sundry Trust Liabilities	5,051
Long-Term Liabilities Due Within One Year	66,562
Long-Term Liabilities Due After One Year:	
Liability Claims	70,560
Contracts Payable	1,018
Developer Notes Payable	3,301
City Note Payable	8,300
City Loans Payable	111,311
Other Loans Payable	4,197
Net Pooled Financing Authority Loans	32,357
Net Bonds Payable	539,421
Accreted Interest Payable on Bonds	16,143
Accrued Interest Payable on City Notes	7,268
Accrued Interest Payable on City Loans	155,577
TOTAL LIABILITIES	1,037,826
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	90,716
Restricted for:	
Low and Moderate Housing	162,514
Unrestricted deficit	(179,215)
TOTAL NET ASSETS	$ 74,015

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

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Assets: Total Governmental Activities
Primary Government:				
Governmental Activities:				
General Government and Support	$ 109,399	$ -	$ -	$ (109,399)
Neighborhood Services	46,185	336	12,780	(33,069)
Interest on Long-Term Debt	39,604	-	-	(39,604)
TOTAL GOVERNMENTAL ACTIVITIES	$ 195,188	$ 336	$ 12,780	(182,072)
General Revenues:				
Tax Increments				186,572
Grants and Contributions Not Restricted to Specific Programs				12,938
Revenue from Use of Money and Property				13,780
TOTAL GENERAL REVENUES				213,290
CHANGE IN NET ASSETS				31,218
Net Assets at Beginning of Year				42,797
NET ASSETS AT END OF YEAR				$ 74,015

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010
(In Thousands)

	Centre City	
	Special Revenue	
	Low-Mod	Other
ASSETS		
Cash or Equity in Pooled Cash and Investments	$ 102,650	$ 3,863
Cash and Investments with Fiscal Agent	-	-
Investments	-	-
Receivables:		
Taxes	1,171	-
Notes and Contracts	101,307	-
Accrued Interest	176	5
Accounts	436	-
Working Capital Advances:		
Centre City Development Corporation	-	-
Southeastern Economic Development Corporation	-	-
City of San Diego	-	-
Land Held for Resale	8,194	-
TOTAL ASSETS	$ 213,934	$ 3,868
LIABILITIES		
Accounts Payable	$ 279	$ 25
Deferred Revenue	1,178	-
Sundry Trust Liabilities	142	494
TOTAL LIABILITIES	1,599	519
FUND BALANCES		
Reserved for Land Held for Resale	8,194	-
Reserved for Notes and Contracts Receivable	101,307	-
Reserved for Encumbrances	57,894	7,450
Reserved for Working Capital Advances	-	-
Reserved for Low and Moderate Income Housing	44,940	-
Reserved for Debt Service	-	-
Unreserved:		
Reported in Special Revenue Funds:		
Designated for Unrealized Gain	-	-
Designated for Subsequent Years' Expenditures	-	-
Undesignated	-	(4,101)
Reported in Debt Service Funds:		
Designated for Debt Service	-	-
Designated for Subsequent Years' Expenditures	-	-
Undesignated	-	-
Reported in Capital Projects Funds:		
Designated for Unrealized Gain	-	-
Designated for Subsequent Years' Expenditures	-	-
Undesignated	-	-
TOTAL FUND BALANCES	212,335	3,349
TOTAL LIABILITIES AND FUND BALANCES	$ 213,934	$ 3,868

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

Centre City			
Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 157,452	$ 117,807	$ 126,388	$ 508,160
80,634	-	17,830	98,464
-	79,621	10,542	90,163
4,682	-	2,933	8,786
-	1,274	51,912	154,493
823	98	255	1,357
-	-	22	458
-	1,205	275	1,480
-	-	232	232
-	-	623	623
-	21,996	7,319	37,509
$ 243,591	$ 222,001	$ 218,331	$ 901,725
$ -	$ 2,877	$ 3,683	$ 6,864
2,970	-	1,848	5,996
-	4,215	200	5,051
2,970	7,092	5,731	17,911
-	21,996	7,319	37,509
-	1,274	51,912	154,493
-	135,174	46,368	246,886
-	1,205	1,130	2,335
-	-	16,177	61,117
81,124	-	17,872	98,996
-	-	66	66
-	-	9,353	9,353
-	-	(1,156)	(5,257)
159,476	-	11,941	171,417
-	-	8	8
21	-	2	23
-	1,062	121	1,183
-	51,364	47,023	98,387
-	2,834	4,464	7,298
240,621	214,909	212,600	883,814
$ 243,591	$ 222,001	$ 218,331	

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.	200,752
Other assets and liabilities used in governmental activities are not financial resources, and therefore, are either deferred or not reported in the funds.	15,360
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,025,911)
Net Assets of Governmental Activities	$ 74,015

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010
(In Thousands)

	Centre City	
	Special Revenue	
	Low-Mod	Other
REVENUES		
Tax Increments	$ 24,254	$ -
Investment Income	2,049	68
Rents	241	-
Private Sources	50	-
Other Agencies	-	-
City Participation	543	2,392
Other Revenue	1,306	-
TOTAL REVENUES	28,443	2,460
EXPENDITURES		
Administrative Costs	1,235	-
Professional Services	558	-
Planning, Survey & Design	202	-
Acquisition Expense	1	-
Real Estate Purchase	-	-
Property Management	23	-
Relocation Costs	-	-
Relocation Payments	-	-
Site Clearance Costs	38	-
Project Improvements / Construction Costs	2,937	-
Rehabilitation Costs	3,473	-
Rehabilitiation Grants/Loans	-	-
Capital Asset Acquisitions	-	-
Housing Subsidies	55	-
Decline in the Value of Land Held for Resale	660	-
City Projects	-	11,321
Tax Sharing Payments	-	53,370
Other	-	-
Debt Service:		
Principal	-	-
Interest	-	-
Bond Issuance Cost	-	-
TOTAL EXPENDITURES	9,182	64,691
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,261	(62,231)
OTHER FINANCING SOURCES (USES)		
Transfers from Other Funds	70	66,804
Transfers to Other Funds	(17,352)	(2,304)
Proceeds from Bonds	-	-
Proceeds from Other Long-Term Debt	-	-
Discount on Bonds Issued	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,282)	64,500
NET CHANGE IN FUND BALANCES	1,979	2,269
FUND BALANCES AT JUNE 30, 2009	210,356	1,080
FUND BALANCES AT JUNE 30, 2010	$ 212,335	$ 3,349

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

Centre City			
Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 97,017	$ -	$ 59,740	$ 181,011
4,921	1,746	2,830	11,614
-	1,686	239	2,166
-	495	2,421	2,966
-	2,353	15	2,368
-	2,861	140	5,936
-	9	167	1,482
101,938	9,150	65,552	207,543
-	7,646	8,172	17,053
-	2,999	1,425	4,982
-	1,904	932	3,038
-	33	138	172
-	-	26	26
-	323	538	884
-	212	2	214
-	301	19	320
-	77	5	120
-	13,007	3,384	19,328
-	617	2,301	6,391
-	130	1,210	1,340
-	6,545	41	6,586
-	-	283	338
-	300	1,110	2,070
-	625	1,976	13,922
-	-	32,062	85,432
-	100	54	154
18,370	-	16,652	35,022
23,583	-	9,722	33,305
-	-	246	246
41,953	34,819	80,298	230,943
59,985	(25,669)	(14,746)	(23,400)
19,656	67,774	93,060	247,364
(122,260)	(12,388)	(93,060)	(247,364)
-	-	13,930	13,930
-	-	14,861	14,861
-	-	(92)	(92)
(102,604)	55,386	28,699	28,699
(42,619)	29,717	13,953	5,299
283,240	185,192	198,647	878,515
$ 240,621	$ 214,909	$ 212,600	$ 883,814

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2010
(In Thousands)

Net change in fund balances - total governmental funds (page 37)	$	5,299
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.		13,196
The Statement of Activities reports losses arising from the retirement of existing capital assets. Conversely, govermental funds do not report any gain or loss on retirement of capital assets.		(307)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		5,996
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, govermental 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.		13,108
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.		(6,074)
Change in net assets of governmental activities (page 33)	$	31,218

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

This page intentionally left blank

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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 government 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 17 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 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 the City 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 March 1, 2011 by resolution.

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 effect of interfund activity has been removed from these statements.

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 Bonds, Series 2007A; and tax sharing payments to other entities.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the Centre City Project Area.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for the receipt of bond proceeds, costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements 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 proceeds of specific revenue sources (other than those for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

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 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 redevelopment project areas) 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 of 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.

e. 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.

Encumbrances outstanding at year-end are reported as reservation of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

f. 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 Treasurer in managing the 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 Pool are recorded annually; City Treasurer reports fair values on a monthly basis. The value of the shares in the Pool is equal to the fair value of the 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 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 financial statements in accordance with GASB 40, *Deposit and Investment Risk Disclosures*. GASB 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.

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 are reserved in an amount equal to the carrying value of Land Held for Resale because such assets are not available to finance the Agency's current operations.

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.

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 asset as follows:

Assets	Years
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, deffered revenue represents revenues which have been earned but have 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 goods) 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 and in the low and moderate income housing fund for affordable housing activities. Tax increment is transferred from the project area's debt service fund to the capital projects fund to pay for redevelopment activities, and to the other special revenue funds to make tax sharing payments and satisfy other obligations.

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. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources, as they are needed.

- 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.

In the fund financial statements, portions of fund equity of governmental funds have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance represents that portion of fund equity for which the Agency has made tentative plans.

Undesignated fund balance represents that portion of fund equity which is available for appropriation in future periods.

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. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

q. Agreements

On March 30, 2004 the Agency entered into a Development and Disposition Agreement (DDA) with Western Pacific Housing for a condominium development project in the North Park Redevelopment Project Area. Under the agreement, the Agency promised to pay the maximum aggregate principal amount of $3,000 of which $2,100 represented the Affordability Component of the Agency Payment Obligation, and $900 represented the Public Improvement Component. The Affordability Component was subject to an adjustment based on the actual project sales revenue proceeds received by Western Pacific Housing. Western Pacific Housing completed the sale of all 45 affordable units in the current fiscal year. The resulting adjustment to the Affordable Component of the obligation, computed based on the actual project sales was a reduction of $972 to and adjusted balance outstanding of $1,128. Additionally, due to the fact that Western Pacific Housing did not comply with prevailing wage

requirements of the DDA, the Public Improvement Component of the obligation was eliminated. The principal amount outstanding bears simple interest at a rate equal to 5% per annum. All payments shall be made from the site-generated property tax increment.

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 finances up to $25 for property rehabilitation and enhancement and an additional $5 (subject to an annual simple interest rate of 3%) 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 and forgiven over a ten year period upon participant's compliance with the terms and conditions of the loan agreement.

The Housing Rehabilitation Loan Program finances interior and exterior improvements and the repair of health and safety hazards. Interior and health and safety hazard loans have a ten year deed restriction, while the exterior enhancement loans have a five year deed restriction. These loans require that the owner maintain residence in the property for at least the agreed number of years, or restricts sale of property to buyers with certain income requirements. 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 balance would be recorded as a Note Receivable in the government-wide and fund financial statements.

The Downtown First Time Home Buyer program provides 30-year, zero-interest second trust deed loans of up to $75 to eligible low and moderate income persons and families for purchase of eligible units within the Project Areas. Level monthly principal payments commence in year six. All loan proceeds, including the Agency's share of appreciation, must be deposited in the Low and Moderate Income Housing Set-Aside fund. The program was terminated in the current fiscal year and SDHC returned any funds it was holding on the Agency's behalf in October 2010. The Housing Commission continues to monitor any existing loans on behalf of the Agency.

As of June 30, 2010, $943 had been loaned under the Downtown First Time Home Buyer program and $435 continued to be held by SDHC. Termination of the program resulted in revenue recognition of $1,378 at the government-wide level, the total amount which had been disbursed to SDHC for implementation of the program. At the government-wide and fund level, the amount loaned to qualifying buyers is reported as a note receivable and the balance held with SDHC as accounts receivable. At the fund level, the $435 currently held by SDHC is reported as Deferred Revenue because it was collected 60 days after the end of the fiscal year. The balance of $943 was recognized as revenue.

The Office of the Inspector General (OIG) audited the City's Community Development Block Grant (CDBG) program, specifically CDBG loans to the Agency, and on December 30, 2008, OIG issued its audit report to HUD, Office of Community Planning and Development (OPD). In addition to other findings, OIG determined that the City failed to execute loan agreements and repayment schedules for the CDBG loans issued to the Agency, totaling $69,250. The OIG audit report recommended that HUD require the City to execute written interagency agreements and loan agreements with the Agency for these outstanding loan amounts.

After reaching agreement with HUD on appropriate corrective actions with respect to the audit report, on June 30, 2010, the City and Agency executed a repayment agreement in which a total of $75,153

was scheduled to be repaid by the Agency to the City over a ten year period commencing with the current fiscal year. The source of these repayments was determined based on the ability of each project area to repay the debt. Additionally, the amount of CDBG outstanding principal and related accrued interest resulted in scheduled principal payments of $36,716 and interest payments of $38,437.

Interest will continue to accrue on the outstanding principal balance of all loans at a rate of prime rate plus 2%. For those City loans under the repayment agreement between the City and Agency, payments are to apply to principal first and then to accrued interest. For those City loans not included under the repayment agreement, on the outstanding principal of $77,777 and accrued interest of $117,252 payments will continue to apply to accrued interest first and then to outstanding principal.

r. 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 establishing 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).

The Agency records liabilities and expenditures related to tax sharing payments based on the criteria established by GASB 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.

s. New Governmental Accounting Standards Implemented during fiscal year ended June 30, 2010

The requirements for the following accounting standards are effective for the purpose of implementation, for the Agency, for fiscal year ended June 30, 2010.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets, particularly in the areas of recognition, initial measurement, and amortization. As of June 30, 2010, the Agency did not own intangible assets.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts, that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. These improvements should allow users of those financial statements to more fully understand a government's resources available to provide services. As of June 30, 2010, the Agency has not entered into derivative instruments.

In December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies,* which provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. As of June 30, 2010, the Agency has not filed for bankruptcy.

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

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Equity - 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 $15,360 difference are as follows:

Deferred Charges, net July 1, 2009	$ 9,709
Issuance Costs	246
Amortization Expense	(591)
Deferred Charges, net June 30, 2010	9,364
Deferred Revenue:	
Taxes Receivable	5,561
Other Receivable	435
Deferred Revenue, net June 30, 2010	5,996
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	$ 15,360

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 $ (1,025,911) difference are as follows:

Liability Claims	$ (71,790)
Bonds Payable	(555,858)
Pooled Financing Loans	(32,780)
Net Premiums and Discounts on Bond and Loan Issuances	(5,725)
Unamortized Loss on Refunding	827
Contracts Payable	(1,018)
Notes Payable	(11,601)
Loans Payable	(158,578)
Accreted Interest Payable on Bonds	(16,535)
Accrued Interest Payable on Long-Term Debt	(9,896)
Accrued Interest Payable on City Loans and Notes	(162,957)
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	$ (1,025,911)

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 $13,196 difference are as follows:

Capital outlay	$	14,966
Depreciation expense		(1,770)
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$	13,196

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 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 $13,108 difference are as follows:

Debt Issued or Incurred:		
Issuance of Tax Allocation Bonds	$	(13,930)
Add Discounts		92
Bond Issuance Costs		246
Net Accretion on Capital Appreciation Bonds		(1,853)
Loans Payable		(14,861)
Principal Repayments:		
Revenue Bonds		995
Tax Allocation Bonds		19,054
Pooled Financing Authority Loans Payable		680
Loans Payable		12,534
Contracts Payable		860
Notes Payable		899
Other Changes in Long-Term Debt		
Note Payable Modification		586
Contract Payable Modification		2,837
Loan Payable Modification		4,969
Net adjustment to increase Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$	13,108

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 $(6,074) difference are as follows:

Change in Liability Claim	$ (1,230)
Change in Accrued Interest on Long-Term Debt	2,265
Change in Accrued Interest on City Note and Loans	(6,711)
Amortization of Bond Issuance Costs	(591)
Amortization of Bond Premiums, Discounts and Deferred Charges on Refunding	193
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$ (6,074)

3. CASH AND INVESTMENTS (In Thousands)

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

	Governmental Activities
Cash or Equity in Pooled Cash and Investments	$ 508,160
Cash and Investments with Fiscal Agent	98,464
Investments	90,163
Total	$ 696,787

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, and cash in escrow for contract retention payables. Furthermore, it represents 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.

c. 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 review 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	3 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	3 years	None	25%	None	10%	None	(3)
Medium Term Notes/Bonds (6)	5 years	3 years	30%	30%	None	10%	A	A
Municipal Securities of California Local Agencies (6)	5 years	5 years	None	20%	None	10%	None	A
Mutual Funds	N/A	N/A	20%	20%	10%	5%	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.

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 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 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 in the table below.

	Maturity in Years			
	Under 1	1-3	3-5	Fair Value
Cash or Equity in City Pooled Cash & Investments	$ -	$ 508,160	$ -	$ 508,160
Non-Pooled Investments with City Treasurer:				
US Treasury Bills	72,024	-	-	72,024
US Treasury Notes & Bonds	5,546	2,052	-	7,598
US Agency Discount Notes	2,419	-	-	2,419
Commercial Paper	8,122	-	-	8,122
Subtotal - Non-Pooled Investments	88,111	2,052	-	90,163
Investments with Fiscal Agent:				
US Treasury Bills	21,244	-	-	21,244
US Treasury Notes & Bonds	18,960	24,890	20,938	64,788
US Agency Notes & Bonds	1,467	-	-	1,467
Money Market Funds	10,965	-	-	10,965
Subtotal - Investments with Fiscal Agent	52,636	24,890	20,938	98,464
Total Cash and Investments	$ 140,747	$ 535,102	$ 20,938	$ 696,787

[1] As of June 30, 2010, the City Pooled Cash and Investments weighted average maturity was 468 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, 2010, the Agency's investments and corresponding credit ratings are as follows:

	Moody's Rating	S&P	Fair Value	Percentage
Cash or Equity in City Pooled Cash & Investments	Not Rated	Not Rated	$ 508,160	100.00%
Non-Pooled Investments with City Treasurer:				
US Treasury Bills	Exempt	Exempt	72,024	79.88%
US Treasury Notes & Bonds*	Exempt	Exempt	7,598	8.43%
US Agencies - Federal National Mortgage Association	P1	N/A	2,419	2.68%
Commercial Paper	P1	N/A	8,122	9.01%
Subtotal - Non-Pooled Investments			90,163	100.00%
Investments with Fiscal Agent and Other Investments:				
US Treasury Bills	Exempt	Exempt	21,244	21.57%
US Treasury Notes & Bonds	Exempt	Exempt	64,788	65.80%
US Agencies - Federal National Mortgage Association	P1	N/A	1,467	1.49%
Money Market Funds	Aaa	N/A	10,965	11.14%
Subtotal - Other Investments			98,464	100.00%
Total Cash and Investments			$ 696,787	

"N/A" - S&P rating not applicable, Moody's rating provided.

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

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 issued 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, 2010, 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, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$ 123,437	$ 14,966	$ (307)	$ 138,096
Total Non-Depreciable Capital Assets	123,437	14,966	(307)	138,096
Depreciable Capital Assets:				
Structures and Improvements	69,732	-	-	69,732
Equipment	819	-	-	819
Total Depreciable Capital Assets	70,551	-	-	70,551
Less Accumulated Depreciation for:				
Structures and Improvements	(5,374)	(1,744)	-	(7,118)
Equipment	(751)	(26)	-	(777)
Total Accumulated Depreciation	(6,125)	(1,770)	-	(7,895)
Total Depreciable Capital Assets, Net	64,426	(1,770)	-	62,656
Governmental Activities Capital Assets, Net	$ 187,863	$ 13,196	$ (307)	$ 200,752

Depreciation expense was charged to the Neigborhood Services govermental activities function in the amount of $ 1,770.

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 $7,374. Land purchases and related costs of $403 were incurred for the development of the East Village Green Park and $6,971 for Saint Joseph's Park. Increases also include the reclassification of $7,592 related to a property previously reported as land held for resale now reported as a capital asset. The property will be used for the 9th and Broadway affordable housing project and will be leased to Bridge Housing Corporation for a term of 70 years with a 20 year option to extend by the developer. These additions were offset by a decrease of $307 in land related to the Children's Museum Park which was conveyed to the City.

5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (In Thousands)

a. Long-Term Liabilities

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, contracts payable, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2010, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2010
Liability Claims				$ 71,790
Revenue Bonds:				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.4%[1]	2026	$ 12,105	9,510
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3[1]	2027	20,515	16,925
Total Revenue Bonds			32,620	26,435
Tax Allocation Bonds:				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75[1]	2014	1,400	485
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0[1]	2020	1,200	700
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0[1]	2016	12,970	5,600
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125[1]	2019	25,680	23,995
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25	2014	11,360	8,975
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75[1]	2025	13,610	11,450
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8[1]	2029	5,690	4,915
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4[1]	2029	10,141	8,593
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6[1]	2025	6,100	4,615
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35[1]	2025	21,390	17,655
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2022	15,025	12,475
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2031	13,000	10,935
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9[1]	2031	7,000	5,890
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55[1]	2027	58,425	55,305
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[1]	2029	31,000	11,980
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5[1]	2034	4,955	4,955
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25[1]	2014	865	335

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2010
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1[1]	2022	6,325	6,325
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45[1]	2022	4,530	4,200
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74[1]	2022	8,000	6,240
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125[1]	2028	7,145	5,845
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5.0[1]	2034	5,360	5,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25[1]	2030	101,180	91,270
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2.26-4.58[1]	2011	9,855	1,170
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18[1]	2030	27,785	24,245
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28[1]	2030	8,905	7,785
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	4.25-5.25[1]	2033	76,225	74,295
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	5.66-6.2[1]	2032	33,760	32,205
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	5.604-6.3[1]	2021	69,000	64,640
North Park Redevelopment Project Tax Allocation Bonds, Series 2009 A	6.0-7.0[1]	2040	13,930	13,930
Total Tax Allocation Bonds			614,866	529,423
Total Bonds Payable			647,486	555,858
Contracts Payable:				
Contract Payable to Western Pacific Housing, Inc dated April 2004	5.00	-	3,000	1,018
Total Contracts Payable			3,000	1,018
Notes Payable:				
Price Charities, dated April 2001	5.0	2032	5,115	1,607
Price Charities, dated May 2005	8.0	2025	2,100	1,514
Amendment to Note Payable to Price Charities, dated February 2006	8.0	2025	180	180
City of San Diego dated April 2002	8.0	-	8,300	8,300
Total Notes Payable			15,695	11,601
Pooled Financing Authority Loans				
Central Imperial Redevelopment Project Loan Payable dated June, 2007	4-6.65[1]	2038	14,865	14,360
Mount Hope Redevelopment Project Loan Payable dated June, 2007	5.95-6.37[1]	2021	3,110	2,605
Southcrest Redevelopment Project Loan Payable dated June, 2007	4-6.65[1]	2033	17,010	15,815
Total Pooled Financing Authority Loans			34,985	32,780

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2010
Loans Payable:				
International Gateway Associates, LLC dated October 2001	10.0	2032	1,876	1,768
PCCP/Las America, LLC, dated August 2005	10.0	2036	1,247	1,212
Line of Credit from San Diego National Bank dated July 2007	1.0-6.42[2]	2011	22,359	39,855
California Housing Financing Agency (HELP) Loan dated October 2008	3.0	2017	1,250	1,250
City of San Diego dated various dates	Variable[3]	-	Not Available	114,493
Total Loans Payable			26,732	158,578
Accreted Interest Payable:				
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B		-	-	8,395
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A		-	-	8,140
Total Accreted Interest Payable				16,535
Accrued Interest Payable:				
City Loans[4]		-	-	155,689
City Note[5]		-	-	7,268
Total Accrued Interest Payable				162,957
Total Governmental Activities			$ 727,898	$ 1,011,117

[1] Interest rates are fixed, and reflect the range of rates for various maturities from date of issuance to maturity.

[2] Loans Payable also includes six separate non-revolving secured three-year term lines of credit executed by the Agency with San Diego National Bank dated July 26, 2007. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas. Two lines of credit are for non-housing or general purposes for City Heights and NTC Redevelopment Project Areas. Each advance taken from the lines of credit has a fixed rate that is set on the day of the advance to be equal to either the United States Three-Year Treasury Constant Maturities Index plus one and nine-tenths percentage point or the One-Month LIBOR Rate plus one and one-tenth percentage point and that rate remains constant during the entire period such advance is outstanding.

[3] The City of San Diego has loaned funds to the Redevelopment Agency to carry out and implement redevelopment activities which are expected to generate future tax increment revenues. 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 percent on the outstanding principal loan balance only. The Prime Rate on January 1, 2009 was 3.25 percent. Pursuant to a repayment agreement by and between the Agency and the City executed on June 30, 2010, a portion of the outstanding principal of $36,716 and related interest of $38,437 has been scheduled to be repaid over a ten year period commencing with the current fiscal year. Payments shall be applied to outstanding principal first and then to accrued interest. The remaining outstanding principal balance of $77,777 and related interest of $117,252 continues to be unscheduled and payable when practicable. Payments on this portion of the obligation shall be applied to accrued interest first and then to outstanding principal.

[4] Interest on City Loans is not compounded.

[5] 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, 2010, including interest payments to maturity, are as follows:

Year Ending June 30,	Revenue Bonds		Tax Allocation Bonds			Pooled Financing Authority Loans	
	Principal	Interest	Principal	Unaccreted Appreciation**	Interest	Principal	Interest
2011	$ 1,040	$ 1,418	$ 19,948	$ 2,243	$ 26,682	$ 770	$ 1,846
2012	1,085	1,369	20,884	2,317	25,703	825	1,805
2013	1,135	1,315	24,143	2,388	24,566	860	1,762
2014	1,195	1,257	25,704	2,455	23,281	900	1,718
2015	1,255	1,194	26,278	2,459	21,959	950	1,671
2016 - 2020	7,355	4,854	150,829	11,730	87,761	5,565	7,533
2021 - 2025	9,655	2,465	127,093	7,694	50,590	5,710	5,916
2026 - 2030	3,715	179	90,669	1,136	22,047	7,290	4,052
2031 - 2035	-	-	34,890	-	6,229	7,100	1,712
2036 - 2040	-	-	8,985	-	1,658	2,810	255
Total	26,435	14,051	529,423	32,422	290,476	32,780	28,270
Add: Accreted appreciation through June 30, 2010			16,535				
Total	$ 26,435	$ 14,051	$ 545,958	$ 32,422	$ 290,476	$ 32,780	$ 28,270

Year Ending June 30,	Contracts Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ -	$ -	$ -	$ -	$ 43,070	$ 728
2012	-	-	-	-	3,879	294
2013	-	-	-	-	3,927	381
2014	-	-	-	-	4,437	287
2015	-	-	-	-	6,214	637
2016 - 2020	-	-	-	-	15,575	39,209
2021 - 2025	-	-	-	-	528	1,129
2026 - 2030	-	-	-	-	850	807
2031 - 2035	-	-	-	-	951	307
2036 - 2040	-	-	-	-	120	12
Unscheduled*	1,018	12	11,601	8,362	79,027	117,252
Total	$ 1,018	$ 12	$ 11,601	$ 8,362	$ 158,578	$ 161,043

*The contract payable to Western Pacific Housing, Inc. in the amount of $1,018, notes payable to the Price Charities in the amount of $3,301, note payable to the City in the amount of $8,300, loans payable to the City in the amount of $77,777, loans payable to the California Housing Financing Agency in the amount of $1,250 and accrued interest associated with Contracts, Loans and Notes of $125,626 do not have annual repayment schedules. Annual payments to Western Pacific Housing, Inc. and Price Charities debt are based on available tax increment. Principal and accrued interest totaling $195,029 payable on City Loans and principal and accrued interest on the Naval Training Center Note to the City totaling $15,568 are payable when practicable. Loans payable to the City of $36,716 and related accrued interest of $38,437, previously reported as unscheduled are now reported as scheduled, pursuant to a repayment agreement by and between the Agency and the City executed on June 30, 2010.

** 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, 2010. 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, 2009	Additions	Reductions	Balance, June 30, 2010	Due Within One Year
Liability Claims	$ 70,560	$ 1,230	$ -	$ 71,790	$ 1,230
Revenue Bonds	27,430	-	(995)	26,435	1,040
Less deferred amounts:					
For Issuance Discounts	(88)	-	5	(83)	-
Net Revenue Bonds	27,342	-	(990)	26,352	1,040
Tax Allocation Bonds	534,547	13,930	(19,054)	529,423	19,948
Accretion	14,682	2,163	(310)	16,535	392
Net with Accretion	549,229	16,093	(19,364)	545,958	20,340
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	5,824	(92)	(271)	5,461	-
On Refunding	(914)	-	87	(827)	-
Net Tax Allocation Bonds	554,139	16,001	(19,548)	550,592	20,340
Pooled Financing Authority Loans	33,460	-	(680)	32,780	770
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	361	-	(14)	347	-
Net Pooled Financing Authority Loans	33,821	-	(694)	33,127	770
Contracts Payable	4,715	-	(3,697)	1,018	-
Notes Payable	13,086	-	(1,485)	11,601	-
Loans Payable	161,220	14,861	(17,503)	158,578	43,070
Interest Accrued on City Note and Loans	156,246	7,294	(583)	162,957	112
Total	$ 1,021,129	$ 39,386	$ (44,500)	$ 1,016,015	$ 66,562

The Agency issued $13,930 of Subordinate Tax Allocation Bonds for the purpose of repaying the principal and interest outstanding on the Bank of America Line of Credit and to finance redevelopment activities relating to the North Park Redevelopment Project area. The Agency drew $13,750 from the City Heights, Naval Training Center, North Bay and North Park San Diego National Bank housing lines of credit. Proceeds from these draws were used for various housing projects, including the Wakeland Village Green Apartments Project in the Crossroads Project Area, the Verbena Project in the San Ysidro Project Area, the Los Vientos Family Apartments Project and the Mercado Project in the Barrio Logan Project Area, and the Boulevard Apartments Project in the North Park Project Area. Additionally, the Agency drew $1,111 from the Naval Training Center San Diego National Bank line of credit for the rehabilitation of historical buildings in the project area. In addition, accrued interest increased by $6,141 on outstanding City Loans Payable and by $1,153 on the outstanding Naval Training Center Note Payable to the City.

On December 9, 2009, the Agency Board approved the settlement agreement with San Diego State University Foundation (Foundation) on a complaint for specific performance alleging that the Agency breeched an agreement requiring the Agency to sell certain property to the plaintiff. Based on the settlement, the Agency's Contract Payable to the Foundation of $1,715 was reduced by $965 to $750 and related accrued interest of $1,613 was eliminated. As part of the agreement the Agency transferred fee title of the property to the Foundation by Grant Deed.

On November 30, 2009, the Agency terminated a Disposition and Development Agreement (DDA) with CentrePoint LLC for the development of a mixed-use project within the Crossroads Project Area. Pursuant to the DDA, the Agency's contribution was in the form of a developer loan of $5,245 to be repaid from the Crossroads Low and Moderate Income Housing Fund to subsidize 47 affordable units. The loan amount was later reduced to $4,969 pursuant to a third implementation agreement with the developer. Termination of the agreement resulted in the elimination of the loan payable amount balance.

In the current fiscal year, the outstanding balance of the Contracts Payable to Western Pacific Housing of $3,000 was reduced by $1,872 pursuant to the disposition and development agreement between the Agency and Western Pacific Housing. The Affordability Component of the obligation, which is subject to an adjustment based on the actual project sales revenue proceeds received by Western Pacific Housing, resulted in a reduction of $972. Additionally, due to the fact that Western Pacific Housing did not comply with prevailing wage requirements of the DDA, the Public Improvement Component of the obligation of $900 was eliminated.

On April 23, 2010, the Agency conveyed a property in the City Heights Project Area to the developer of the City Heights Square Project. In accordance with the development and disposition agreement, the developer agreed to pay a purchase price for the acquisition parcel equal to $586, to be applied as a credit to reduce the principal balance owed by the Agency to the developer, resulting in a reduction to the Price Charities Note Payable of the same amount.

Liability claims increased by $1,230 due to settlement of 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. Defeasance and Redemption of Debt

As of June 30, 2010, principal amounts payable from escrow funds established for defeased bonds are as follows:

Defeased Bonds	Amount Outstanding
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	$ 2,910
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	1,470
Total Defeased Bonds Outstanding	$ 4,380

e. 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, 2010 are comprised of the following:

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Pledged Net Operating Revenue (Parking):				
Centre City Parking Revenue Bonds, Series 1999 A	2026	$ 15,111	$ 954	$ 964
Centre City Parking Revenue Bonds, Series 2003 B	2027	25,375	1,505	1,340
Total Pledged Net Operating Revenue (Parking)		40,486	2,459	2,304
Pledged Tax Increment Revenue:				
Bonds				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	2014	$ 585	$ 147	$ 109
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	2020	925	93	92
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	2016	6,664	1,114	923
Centre City Redevelopment Tax Allocation Bonds, Series 1999 A	2019	30,582	2,405	6,642
Centre City Redevelopment Tax Allocation Bonds, Series 1999 B	2014	10,134	3,020	3,787
Centre City Redevelopment Tax Allocation Bonds, Series 1999 C	2025	16,380	799	329
City Heights Redevelopment Tax Allocation Bonds, Series 1999 A	2029	8,069	428	424
City Heights Redevelopment Tax Allocation Bonds, Series 1999 B	2029	30,431	699	699
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	2025	6,769	446	416
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	2025	25,920	1,456	1,100
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	2022	17,454	1,352	1,321
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	2031	18,908	896	807
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	2031	10,194	482	437
Centre City Redevelopment Tax Allocation Bonds, Series 2001 A	2027	106,598	2,564	2,552
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	2027	5,202	153	153
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2029	20,521	586	-
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	2034	10,056	315	316
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2014	363	89	50

Allocation Bonds, Series 2003 B	2014	363	89	50

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	2022	9,177	310	445
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	2022	5,822	313	388
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	2022	9,458	794	1,022
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	2028	9,432	543	534
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	2034	10,930	259	248
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	2030	139,343	6,743	5,496
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2011	1,197	1,959	1,959
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2030	39,658	2,233	2,729
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2030	12,847	723	885
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	2033	121,121	4,356	11,925
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	2032	58,754	2,639	5,927
Centre City Redevelopment Project Tax Allocation Bonds, Series 2008 A	2021	87,810	8,068	7,811
North Park Redevelopment Project Tax Allocation Bonds, Series 2009 A	2040	37,552	718	473
Pooled Financing Authority Loans				
Central Imperial Redevelopment Project Loan Payable dated June, 2007	2038	28,958	991	969
Mount Hope Redevelopment Project Loan Payable dated June, 2007	2021	3,557	334	332
Southcrest Redevelopment Project Loan Payable dated June, 2007	2033	28,534	1,238	1,209
Contracts				
Contract Payable to SDSU Foundation, dated December 1991	-	-	750	750
Contract Payable to Western Pacific Housing, Inc., dated April 2004	-	1,030	113	113
Notes				
Note Payable to Price Charities, dated April 2001	2032	2,685	1,025	1,025
Note Payable to Price Charities, dated May 2005	2025	1,530	-	-
Amendment to Note Payable to Price Charities, dated February 2006	2025	180	-	-

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Loans				
International Gateway Associates, LLC, dated October 2001	2032	4,577	199	199
PCCP/SB Las America, LLC, dated August 2005	2036	3,439	132	132
Bank of America, N.A. Line of Credit, dated October 2006	2009	-	8,626	8,626
San Diego National Bank, Line of Credit, dated July 2007 City Heights Housing Area	2011	4,184	104	104
San Diego National Bank, Line of Credit, dated July 2007 City Heights Non-Housing Area	2011	2,063	212	212
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Housing Area	2011	5,629	94	94
San Diego National Bank, Line of Credit, dated July 2007 Naval Training Center Non-Housing Area	2011	12,321	441	441
San Diego National Bank, Line of Credit, dated July 2007 North Bay Housing Area	2011	8,621	135	135
San Diego National Bank, Line of Credit, dated July 2007 North Park Non-Housing Area	2011	7,355	213	213
Naval Training Center Civic, Arts, and Cultural Center (Section 108)[1]	2025	7,554	648	648
Total Pledged Tax Increment Revenue		991,073	61,958	75,201
Total Pledged Revenue		$ 1,031,559	$ 64,417	$ 77,505

[1] Proceeds received by the City were loaned to the Agency and are reflected as part of City Loans Payable in other sections of the report. Tax Increment revenue from the Naval Training Center Project Area was pledged for repayment of this obligation.

6. INTERFUND RECEIVABLES, PAYABLES, AND 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, 2010 are as follows:

	Benefiting Fund (Transfer In)					
Contributing Fund (Transfer Out)	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	$ -	$ -	$ 17,352	$ -	$ -	$ 17,352
Centre City Special Revenue Other	-	-	2,304	-	-	2,304
Centre City Debt Service	70	54,416	-	67,774	-	122,260
Centre City Capital Projects	-	12,388	-	-	-	12,388
Other Governmental Funds	-	-	-	-	93,060	93,060
Total Governmental Funds	$ 70	$ 66,804	$ 19,656	$ 67,774	$ 93,060	$ 247,364

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 in any of the above referenced coverages.

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

FUND DEFICIT

Fund	Net Deficit
College Community Capital Projects	$ (84)

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

UNFAVORABLE BUDGET VARIANCE

The Centre City Other Special Revenue Fund Budgetary Comparison Schedule on page 73 of the report reflects an unfavorable variance of $4,175 as of June 30, 2010. The Agency encumbered funds related to the California Supplemental Education Revenue Augmentation Fund (SERAF) payment, due in Fiscal Year 2011, in order to properly reflect a legal obligation mandated by the State of California (see Note 12 on page 68). The amount encumbered related to this payment was $7,450. The unfavorable variance is due to the fact that encumbrances were included in the budgetary basis of accounting, but the SERAF payment will not be appropriated until Fiscal Year 2011.

9. RELATED PARTY TRANSACTIONS (In Thousands)

During the fiscal year ended June 30, 2010, the Agency made principal and interest payments to the City totaling $4,557. Of the total, a $276 payment was made from City Heights Project Area funds and $648 from Naval Training Center Project Area funds. Both payments were made according to Section 108 loan debt service schedules. Additionally, the Agency made principal and interest payments to the City of $3,633 pursuant to a loan repayment agreement of Community Development Block Grant related debt, executed in the current fiscal year. The breakdown of the payment related to this agreement, by project area, is provided in the table below:

	Principal	Interest	Total
Barrio Logan	$ 10	$ -	$ 10
Central Imperial	100	-	100
Centre City	1,500	-	1,500
City Heights	470	-	470
Crossroads	578	155	733
Grantville	100	-	100
Linda Vista	100	-	100
Naval Training Center	149	26	175
North Park	220	-	220
San Ysidro	225	-	225
	$ 3,452	$ 181	$ 3,633

During the fiscal year ended June 30, 2010 the Agency received participation revenue from the City totaling $5,936. Of the total, $5,796 was received for activities in the Centre City Project Area, of which approximately $543 was associated with reimbursements of costs by the City, for construction work related to the Cortez Hill Family Center. Additionally, approximately $2,392 was associated with transfers of parking revenue to the Agency for debt service payments related to parking revenue bonds. Also, the Centre City Project Area received $2,861 in state transportation grants awarded to the City for the construction of the Park Boulevard at Harbor Drive Pedestrian Bridge project. Furthermore, the Naval Training Center Project Area recognized $140 in participation revenue to reflect a Section 108 payment made by the City which reduced the Agency's obligation.

For fiscal year ended June 30, 2010, the Agency's contribution to City activities totaled $13,922. The Agency contributed $1,087 for City Capital Improvement Projects in various project areas. In addition, the Agency contributed $165 to the City for an affordable housing parking study and $570 for the New Main Library Project. Also, the Agency reimbursed the City for costs of $11,321 related to the Ballpark Lease Revenue Bonds. The Agency also contributed $93 for the transitional housing program for homeless seniors and $36 to repay principal and interest of the portion of HUD Section 108 Loan received by the City to fund public improvements in the Mount Hope Project Area. Additionally, $650 of administrative costs incurred in prior years by the City were reimbursed by the Agency's in the current fiscal year.

In the current fiscal year, the Agency executed a grant deed, transferring title of the Children's Museum Park to the City. The property was part of the Agency's capital assets with a book value of $307.

Also, in the current fiscal year, the Agency contributed affordable housing funds of approximately $2,052 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. Additionally, the Agency contributed Centre City Project Area low and moderate income funds in the amount of $3,018 to the San Diego Housing Commission for the purchase and rehabilitation of the Sandford Hotel.

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 City and the Agency agree 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 post employment 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 expenses incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total of eligible expenses paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenses. 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 expenses incurred by the Agency for each of its administrative units during the current fiscal year:

	Amount
Centre City Development Corporation	$ 6,899
Southeastern Economic Development Corporation	1,894
City Redevelopment Department	3,182
Total	$ 11,975

10. COMMITMENTS AND LITIGATION SETTLEMENT (In Thousands)

BALLPARK COOPERATION AGREEMENT

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 Padres. The City issued Lease Revenue Refunding Bonds, Series 2007A (Ballpark Bonds) to facilitate the financing of the Ballpark, of which, as of June 30, 2010, $149,930 remained outstanding, 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.

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 2011-2012 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 2011-2012 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 2011-2012. 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 remains outstanding as of June 30, 2010.

CONSTRUCTION COMMITMENTS

The Agency has active construction projects as of June 30, 2010. Significant projects include the construction of the Harbor Drive Pedestrian Bridge in the Centre City Project Area. The Agency has entered into a construction contract totaling $24,330, of which, $15,564 has been spent and $8,776 remains committed as of the end of the Fiscal Year. Of the remaining commitment $1,773 will be financed from Centre City Redevelopment Project Tax Allocation Bonds Series 2004 A, $2,199 from the Centre City Redevelopment Project Tax Allocation Bonds Series 2006 A, $2,883 from Federal and State Grants and the remaining $1,921 from the Centre City Capital Project Fund. Also, the Agency has committed to contribute $80,000 to the City for construction of the New Main Library of which $62,940 remains to be contributed to the City as of the end of the fiscal year. Of the remaining commitment, $20,840 will be funded from Centre City Redevelopment Project Tax Allocation Bonds Series 2004 A and $42,100 from Centre City tax increment funds.

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, as well as 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.

Related California Urban Housing v. Redevelopment Agency

On September 25, 2009, the Related California Urban Housing (Plaintiffs) filed a lawsuit alleging the RDA breached an Exclusive Negotiation Agreement for the 7th and Market Mixed Use Project and acted in bad faith. In the event of an adverse ruling, the liability facing the Agency is estimated to be in the range of $0 - $2,800.

12. SUBSEQUENT EVENTS (In Thousands)

SERAF OBLIGATIONS TO STATE OF CALIFORNIA

On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of approximately $2,050,000 of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of approximately $2,050,000 will be made over two years, approximately $1,700,000 in fiscal year 2010 and $350,000 in fiscal year 2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency's share of this revenue shift resulted in a $55,649 payment in the current fiscal year and a payment of $11,457, due by May 10, 2011. The Agency intends to fund this payment with a combination of tax increment to be collected in fiscal year 2011 and carryover funds from prior fiscal years.

The California Redevelopment Association (CRA) was the lead petitioner on a lawsuit to invalidate AB 26 4x. CRA filed the lawsuit on October 20, 2009. The lawsuit asserted that the transfer of property tax increment to the SERAF is not permitted under Article XVI, Section 16 of the California Constitution. The complaint also asserted impairment of contract and gift of public funds arguments. On May 2010, the Sacramento Superior Court upheld the legality of AB 26 4x. On August 30, 2010, CRA filed an appeal of this decision in the Third District Court of Appeal. The appeal seeks the repayment of the payment made in fiscal year 2010 and the prohibition of the second payment due in fiscal year 2011.

BOND ISSUANCE

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 $25,633 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 taking 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 taking 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 5.62% 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 7.37% 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 $1,694 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 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 the 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 4.37% to 7.75% with a final maturity date of September 1, 2035.

ELIMINATION OF TAX INCREMENT LIMIT

On October 19, 2010, the State Legislature passed Senate Bill No. 863, which eliminated the tax increment limit for the redevelopment plan for the Centre City Redevelopment Project, including, but not limited to, the original project area, the expanded project area, and the merged project area.

CONTINGENCIES

The Agency currently owns a leasehold interest on two properties in the Centre City Project Area. The Agency subleased both properties to Health Care Services Inc. Subsequent to the issuance of this report, Health Care Services Inc. failed to make rent payments to the owners of the properties, resulting in the filing of a complaint against the Agency for breach of contract on one of the properties and the filing of a government claim against the Agency on the other. The exposure of the Agency for rent is estimated to be in the range of $0 - $702.

Required Supplementary Information

CENTRE CITY LOW AND MODERATE INCOME HOUSING
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
Year Ended June 30, 2010
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Tax Increment	$ 24,254	$ -	$ 24,254	$ 25,003	$ (749)
Interest / Rent / Other	4,189	(355)	3,834	1,284	2,550
TOTAL REVENUES	28,443	(355)	28,088	26,287	1,801
EXPENDITURES					
Current:					
Low and Moderate Income Housing Expenditures	9,182	75,594	84,776	127,480	42,704
TOTAL EXPENDITURES	9,182	75,594	84,776	127,480	42,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,261	(75,949)	(56,688)	(101,193)	44,505
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	70	-	70	70	-
Transfers to Other Funds	(17,352)	-	(17,352)	(17,352)	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,282)	-	(17,282)	(17,282)	-
NET CHANGES IN FUND BALANCE	$ 1,979	$ (75,949)	(73,970)	(118,475)	44,505
Reserved for Encumbrances at July 1, 2009			36,777	36,777	-
Reserved for Low and Moderate Income Housing at July 1, 2009			81,698	81,698	-
Reserved for Low and Moderate Income Housing at June 30, 2010 (Net of Unrealized Losses)[1]			(44,505)	-	(44,505)
FUND BALANCE UNDESIGNATED AT JUNE 30, 2010			$ -	$ -	$ -

[1]Unrealized Loss of $435 for fiscal year 2010 are not included in the budgetary basis of accounting.

CENTRE CITY OTHER SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
Year Ended June 30, 2010
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
City Participation	$ 2,392	$ -	$ 2,392	$ 3,900	$ (1,508)
Interest / Rent / Other	68	8	76	-	76
TOTAL REVENUES	2,460	8	2,468	3,900	(1,432)
EXPENDITURES					
Current:					
City Repayment	11,321	-	11,321	11,321	-
Tax Sharing / ERAF / Other	53,370	7,450	60,820	56,645	(4,175)
TOTAL EXPENDITURES	64,691	7,450	72,141	67,966	(4,175)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(62,231)	(7,442)	(69,673)	(64,066)	(5,607)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	66,804	-	66,804	65,290	1,514
Transfers to Other Funds	(2,304)	-	(2,304)	(2,304)	-
TOTAL OTHER FINANCING SOURCES (USES)	64,500	-	64,500	62,986	1,514
NET CHANGES IN FUND BALANCE	$ 2,269	$ (7,442)	(5,173)	(1,080)	(4,093)
Fund Balance Undesignated at Beginning of Year			(6,393)	(6,393)	-
Reserved for Encumbrances at July 1, 2009			7,473	7,473	-
FUND BALANCE UNDESIGNATED AT JUNE 30, 2010 (Net of Unrealized Loss[1])			$ (4,093)	$ -	$ (4,093)

[1]Unrealized Loss of $8 for fiscal year 2010 are not included in the budgetary basis of accounting.

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 resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the budget category level. 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 funds. 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 categories 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.

Financial Statements Major Funds	Centre City Special Revenue Low/Mod	Centre City Special Revenue Other
Revenues		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 28,088	$ 2,468
Adjustments:		
Unrealized losses on Investment Income are excluded from the budgetary basis of accounting	435	(8)
Principal payments on notes receivable are included in the budgetary basis of accounting	(80)	-
Total revenues on a GAAP basis of accounting	$ 28,443	$ 2,460
Expenditures		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 84,776	$ 72,141
Adjustments:		
Encumbrances are included in the budgetary basis of accounting	(57,894)	(7,450)
Losses related to net realizable value of property held for resale are not included in the budgetary basis of accounting	660	-
Expenditures associated with the reclassifiaction of a fund asset to a capital asset are excluded from the budgetary basis of accounting	1,884	-
Expenditures for notes receivable are included in the budgetary basis of accounting	(20,244)	-
Total expenditures on a GAAP basis of accounting	$ 9,182	$ 64,691

This page intentionally left blank

Nonmajor Governmental Funds

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010
(In Thousands)

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
ASSETS					
Cash or Equity in Pooled Cash and Investments	$ 38,808	$ 13,521	$ 10,998	$ 63,061	$ 126,388
Cash and Investments with Fiscal Agent	-	-	17,830	-	17,830
Investments	950	-	-	9,592	10,542
Receivables:					
Taxes	586	-	2,347	-	2,933
Notes and Contracts	48,403	-	-	3,509	51,912
Accrued Interest	60	1	135	59	255
Accounts	-	-	-	22	22
Working Capital Advances:					
Centre City Development Corporation	-	-	-	275	275
Southeastern Economic Development Corporation	-	-	-	232	232
City of San Diego	-	-	-	623	623
Land Held for Resale	712	-	-	6,607	7,319
TOTAL ASSETS	$ 89,519	$ 13,522	$ 31,310	$ 83,980	$ 218,331
LIABILITIES					
Accounts Payable	$ 659	$ 3	$ -	$ 3,021	$ 3,683
Deferred Revenue	369	-	1,479	-	1,848
Sundry Trust Liabilities	-	-	-	200	200
TOTAL LIABILITIES	1,028	3	1,479	3,221	5,731
FUND BALANCES					
Fund Balances:					
Reserved for Land Held for Resale	712	-	-	6,607	7,319
Reserved for Notes and Contracts Receivable	48,403	-	-	3,509	51,912
Reserved for Encumbrances	24,449	4,006	8	17,905	46,368
Reserved for Working Capital Advances	-	-	-	1,130	1,130
Reserved for Low and Moderate Income Housing	16,177	-	-	-	16,177
Reserved for Debt Service	-	-	17,872	-	17,872
Unreserved:					
Reported in Special Revenue Funds:					
Designated for Unrealized Gain	-	66	-	-	66
Designated for Subsequent Years' Expenditures	-	9,353	-	-	9,353
Undesignated	(1,250)	94	-	-	(1,156)
Reported in Debt Service Funds:					
Designated for Debt Service	-	-	11,941	-	11,941
Designated for Subsequent Years' Expenditures	-	-	8	-	8
Undesignated	-	-	2	-	2
Reported in Capital Projects Funds:					
Designated for Unrealized Gain	-	-	-	121	121
Designated for Subsequent Years' Expenditures	-	-	-	47,023	47,023
Undesignated	-	-	-	4,464	4,464
TOTAL FUND BALANCES	88,491	13,519	29,831	80,759	212,600
TOTAL LIABILITIES AND FUND BALANCES	$ 89,519	$ 13,522	$ 31,310	$ 83,980	$ 218,331

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

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low/Mod	Other			
REVENUES					
Tax Increments	$ 11,948	$ -	$ 47,792	$ -	$ 59,740
Investment Income	766	31	1,418	615	2,830
Rents	-	-	-	239	239
Private Sources	45	-	-	2,376	2,421
Other Agencies	-	-	-	15	15
City Participation	-	-	140	-	140
Other Revenue	-	-	-	167	167
TOTAL REVENUES	12,759	31	49,350	3,412	65,552
EXPENDITURES					
Administrative Costs	711	-	91	7,370	8,172
Professional Services	94	-	-	1,331	1,425
Planning, Survey & Design	75	-	-	857	932
Acquisition Expense	4	-	-	134	138
Real Estate Purchase	26	-	-	-	26
Property Management	22	-	-	516	538
Relocation Costs	-	-	-	2	2
Relocation Payments	-	-	-	19	19
Site Clearance Costs	-	-	-	5	5
Project Improvements / Construction Costs	996	-	-	2,388	3,384
Rehabilitation Costs	1,895	-	-	406	2,301
Rehabilitiation Grants/Loans	1,144	-	-	66	1,210
Capital Asset Acquisitions	-	-	-	41	41
Housing Subsidies	283	-	-	-	283
Decline in the Value of Land Held for Resale	5	-	-	1,105	1,110
City Projects	93	-	36	1,847	1,976
Tax Sharing Payments	-	32,062	-	-	32,062
Other	51	-	-	3	54
Debt Service:					
Principal	110	-	16,542	-	16,652
Interest	4	-	9,718	-	9,722
Bond Issuance Cost	-	-	239	7	246
TOTAL EXPENDITURES	5,513	32,062	26,626	16,097	80,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,246	(32,031)	22,724	(12,685)	(14,746)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	11	33,136	4,506	55,407	93,060
Transfers to Other Funds	(3,895)	-	(88,418)	(747)	(93,060)
Proceeds from Bonds	-	-	13,930	-	13,930
Proceeds from Other Long-Term Debt	13,750	-	-	1,111	14,861
Discount on Bonds Issued	-	-	(92)	-	(92)
TOTAL OTHER FINANCING SOURCES (USES)	9,866	33,136	(70,074)	55,771	28,699
NET CHANGE IN FUND BALANCES	17,112	1,105	(47,350)	43,086	13,953
FUND BALANCES AT JUNE 30, 2009	71,379	12,414	77,181	37,673	198,647
FUND BALANCES AT JUNE 30, 2010	$ 88,491	$ 13,519	$ 29,831	$ 80,759	$ 212,600

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2010
(In Thousands)

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 446	$ 106	$ 1,413	$ 5
Investments	-	-	950	-
Receivables:				
Taxes	7	-	23	-
Notes and Contracts	-	-	-	-
Accrued Interest	-	-	2	-
Land Held for Resale	-	-	690	-
TOTAL ASSETS	$ 453	$ 106	$ 3,078	$ 5
LIABILITIES				
Accounts Payable	$ 81	$ -	$ 3	$ -
Deferred Revenue	4	-	14	-
Sundry Trust Liabilities	-	-	-	-
TOTAL LIABILITIES	85	-	17	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	690	-
Reserved for Notes and Contracts Receivable	-	-	-	-
Reserved for Encumbrances	63	41	1,001	164
Reserved for Low and Moderate Income Housing	305	-	1,370	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	-	-	-
Designated for Subsequent Years' Expenditures	-	58	-	-
Undesignated	-	7	-	(159)
TOTAL FUND BALANCES	368	106	3,061	5
TOTAL LIABILITIES AND FUND BALANCES	$ 453	$ 106	$ 3,078	$ 5

City Heights		College Community		College Grove	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 2,720	$ 4,460	$ 1,159	$ 217	$ 124	$ 166
-	-	-	-	-	-
117	-	10	-	8	-
8,471	-	-	-	397	-
4	1	3	-	-	-
-	-	-	-	-	-
$ 11,312	$ 4,461	$ 1,172	$ 217	$ 529	$ 166
$ 98	$ -	$ -	$ -	$ -	$ -
74	-	7	-	5	-
-	-	-	-	-	-
172	-	7	-	5	-
-	-	-	-	-	-
8,471	-	-	-	397	-
3,919	810	-	54	-	47
-	-	1,165	-	127	-
-	27	-	1	-	1
-	3,624	-	66	-	118
(1,250)	-	-	96	-	-
11,140	4,461	1,165	217	524	166
$ 11,312	$ 4,461	$ 1,172	$ 217	$ 529	$ 166

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2010
(In Thousands)

	Crossroads		Gateway Center West	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 1,349	$ 989	$ 198	$ -
Investments	-	-	-	-
Receivables:				
Taxes	36	-	3	-
Notes and Contracts	1,607	-	-	-
Accrued Interest	1	-	-	-
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 2,993	$ 989	$ 201	$ -
LIABILITIES				
Accounts Payable	$ 249	$ -	$ -	$ -
Deferred Revenue	22	-	2	-
Sundry Trust Liabilities	-	-	-	-
TOTAL LIABILITIES	271	-	2	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes and Contracts Receivable	1,607	-	-	-
Reserved for Encumbrances	535	283	-	23
Reserved for Low and Moderate Income Housing	580	-	199	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	4	-	-
Designated for Subsequent Years' Expenditures	-	702	-	-
Undesignated	-	-	-	(23)
TOTAL FUND BALANCES	2,722	989	199	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2,993	$ 989	$ 201	$ -

Grantville		Horton Plaza		Linda Vista		Mount Hope	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 560	$ 305	$ 5,029	$ 14	$ 26	$ 7	$ 1,328	$ 3
-	-	-	-	-	-	-	-
18	-	77	-	1	-	14	-
-	-	14,198	-	-	-	150	-
1	-	7	-	-	-	2	-
-	-	-	-	-	-	-	-
$ 579	$ 305	$ 19,311	$ 14	$ 27	$ 7	$ 1,494	$ 3
$ -	$ -	$ 11	$ 2	$ -	$ -	$ 4	$ -
7	-	49	-	1	-	9	-
-	-	-	-	-	-	-	-
7	-	60	2	1	-	13	-
-	-	-	-	-	-	-	-
-	-	14,198	-	-	-	150	-
-	35	775	710	-	7	50	168
572	-	4,278	-	26	-	1,281	-
-	1	-	-	-	-	-	-
-	269	-	-	-	-	-	-
-	-	-	(698)	-	-	-	(165)
572	305	19,251	12	26	7	1,481	3
$ 579	$ 305	$ 19,311	$ 14	$ 27	$ 7	$ 1,494	$ 3

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2010
(In Thousands)

	Naval Training Center		North Bay	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 3,793	$ 1,404	$ 10,909	$ 2,401
Investments	-	-	-	-
Receivables:				
Taxes	48	-	80	-
Notes and Contracts	5,600	-	6,930	-
Accrued Interest	5	-	17	-
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 9,446	$ 1,404	$ 17,936	$ 2,401
LIABILITIES				
Accounts Payable	$ 24	$ -	$ 110	$ -
Deferred Revenue	30	-	54	-
Sundry Trust Liabilities	-	-	-	-
TOTAL LIABILITIES	54	-	164	-
FUND BALANCES				
Fund Balances:				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes and Contracts Receivable	5,600	-	6,930	-
Reserved for Encumbrances	2,635	296	8,968	539
Reserved for Low and Moderate Income Housing	1,157	-	1,874	-
Unreserved:				
Reported in Special Revenue Funds:				
Designated for Unrealized Gain	-	5	-	10
Designated for Subsequent Years' Expenditures	-	639	-	1,520
Undesignated	-	464	-	332
TOTAL FUND BALANCES	9,392	1,404	17,772	2,401
TOTAL LIABILITIES AND FUND BALANCES	$ 9,446	$ 1,404	$ 17,936	$ 2,401

North Park		San Ysidro		Southcrest		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 3,684	$ 1,879	$ 4,227	$ 1,559	$ 1,843	$ 6	$ 38,808	$ 13,521
-	-	-	-	-	-	950	-
69	-	52	-	23	-	586	-
9,451	-	-	-	1,599	-	48,403	-
7	-	7	-	4	-	60	1
-	-	-	-	22	-	712	-
$ 13,211	$ 1,879	$ 4,286	$ 1,559	$ 3,491	$ 6	$ 89,519	$ 13,522
$ -	$ -	$ 72	$ -	$ 7	$ 1	$ 659	$ 3
44	-	33	-	14	-	369	-
-	-	-	-	-	-	-	-
44	-	105	-	21	1	1,028	3
-	-	-	-	22	-	712	-
9,451	-	-	-	1,599	-	48,403	-
2,703	430	3,738	279	62	120	24,449	4,006
1,013	-	443	-	1,787	-	16,177	-
-	9	-	8	-	-	-	66
-	1,440	-	917	-	-	-	9,353
-	-	-	355	-	(115)	(1,250)	94
13,167	1,879	4,181	1,559	3,470	5	88,491	13,519
$ 13,211	$ 1,879	$ 4,286	$ 1,559	$ 3,491	$ 6	$ 89,519	$ 13,522

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

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 130	$ -	$ 420	$ -
Investment Income	9	-	31	-
Private Sources	-	-	-	-
TOTAL REVENUES	139	-	451	-
EXPENDITURES				
Administrative Costs	19	-	96	-
Professional Services	73	-	4	-
Planning, Survey & Design	31	-	16	-
Acquisition Expense	4	-	-	-
Real Estate Purchase	-	-	-	-
Property Management	-	-	-	-
Project Improvements / Construction Costs	-	-	-	-
Rehabilitation Costs	-	-	83	-
Rehabilitiation Grants/Loans	25	-	-	-
Housing Subsidies	-	-	-	-
Decline in the Value of Land Held for Resale	-	-	5	-
City Projects	-	-	-	-
Tax Sharing Payments	-	258	-	506
Other	-	-	50	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	152	258	254	506
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13)	(258)	197	(506)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	274	-	511
Transfers to Other Funds	-	-	(194)	-
Proceeds from Other Long-Term Debt	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	274	(194)	511
NET CHANGE IN FUND BALANCES	(13)	16	3	5
FUND BALANCES AT JUNE 30, 2009	381	90	3,058	-
FUND BALANCES AT JUNE 30, 2010	$ 368	$ 106	$ 3,061	$ 5

City Heights		College Community		College Grove	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 2,330	$ -	$ 212	$ -	$ 159	$ -
49	20	21	-	2	2
45	-	-	-	-	-
2,424	20	233	-	161	2
105	-	17	-	15	-
1	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66	-	-	-	-	-
450	-	-	-	125	-
301	-	-	-	75	-
172	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,382	-	435	-	359
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,095	8,382	17	435	215	359
1,329	(8,362)	216	(435)	(54)	(357)
-	7,793	-	501	-	314
(1,415)	-	-	-	-	-
2,855	-	-	-	-	-
1,440	7,793	-	501	-	314
2,769	(569)	216	66	(54)	(43)
8,371	5,030	949	151	578	209
$ 11,140	$ 4,461	$ 1,165	$ 217	$ 524	$ 166

Continued on next page

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

	Crossroads		Gateway Center West	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 703	$ -	$ 71	$ -
Investment Income	26	3	3	-
Private Sources	-	-	-	-
TOTAL REVENUES	729	3	74	-
EXPENDITURES				
Administrative Costs	70	-	8	-
Professional Services	-	-	-	-
Planning, Survey & Design	-	-	-	-
Acquisition Expense	-	-	-	-
Real Estate Purchase	-	-	-	-
Property Management	-	-	-	-
Project Improvements / Construction Costs	-	-	-	-
Rehabilitation Costs	290	-	-	-
Rehabilitiation Grants/Loans	227	-	-	-
Housing Subsidies	-	-	-	-
Decline in the Value of Land Held for Resale	-	-	-	-
City Projects	-	-	-	-
Tax Sharing Payments	-	2,235	-	148
Other	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	587	2,235	8	148
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	142	(2,232)	66	(148)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	2,417	-	148
Transfers to Other Funds	-	-	(22)	-
Proceeds from Other Long-Term Debt	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	2,417	(22)	148
NET CHANGE IN FUND BALANCES	142	185	44	-
FUND BALANCES AT JUNE 30, 2009	2,580	804	155	-
FUND BALANCES AT JUNE 30, 2010	$ 2,722	$ 989	$ 199	$ -

Grantville		Horton Plaza		Linda Vista		Mount Hope	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 269	$ -	$ 1,605	$ -	$ 22	$ -	$ 285	$ -
10	2	132	-	-	-	32	-
-	-	-	-	-	-	-	-
279	2	1,737	-	22	-	317	-
25	-	136	-	-	-	22	-
-	-	12	-	-	-	-	-
-	-	8	-	-	-	2	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4	-	-	-	-	-
-	-	926	-	-	-	-	-
24	-	-	-	-	-	373	-
136	-	-	-	17	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	93	-	-	-	-	-
-	405	-	3,450	-	36	-	1,005
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
185	405	1,179	3,450	17	36	397	1,005
94	(403)	558	(3,450)	5	(36)	(80)	(1,005)
-	453	10	3,462	-	43	-	1,006
-	-	(1,022)	-	-	-	(115)	-
-	-	-	-	-	-	-	-
-	453	(1,012)	3,462	-	43	(115)	1,006
94	50	(454)	12	5	7	(195)	1
478	255	19,705	-	21	-	1,676	2
$ 572	$ 305	$ 19,251	$ 12	$ 26	$ 7	$ 1,481	$ 3

Continued on next page

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

	Naval Training Center		North Bay	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 1,041	$ -	$ 1,821	$ -
Investment Income	70	-	181	2
Private Sources	-	-	-	-
TOTAL REVENUES	1,111	-	2,002	2
EXPENDITURES				
Administrative Costs	29	-	44	-
Professional Services	-	-	-	-
Planning, Survey & Design	-	-	-	-
Acquisition Expense	-	-	-	-
Real Estate Purchase	-	-	-	-
Property Management	-	-	-	-
Project Improvements / Construction Costs	-	-	-	-
Rehabilitation Costs	43	-	-	-
Rehabilitiation Grants/Loans	78	-	-	-
Housing Subsidies	-	-	111	-
Decline in the Value of Land Held for Resale	-	-	-	-
City Projects	-	-	-	-
Tax Sharing Payments	-	2,420	-	4,394
Other	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	150	2,420	155	4,394
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	961	(2,420)	1,847	(4,392)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	2,897	-	4,947
Transfers to Other Funds	(94)	-	(335)	-
Proceeds from Other Long-Term Debt	2,965	-	6,325	-
TOTAL OTHER FINANCING SOURCES (USES)	2,871	2,897	5,990	4,947
NET CHANGE IN FUND BALANCES	3,832	477	7,837	555
FUND BALANCES AT JUNE 30, 2009	5,560	927	9,935	1,846
FUND BALANCES AT JUNE 30, 2010	$ 9,392	$ 1,404	$ 17,772	$ 2,401

North Park		San Ysidro		Southcrest		Total	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 1,450	$ -	$ 1,031	$ -	$ 399	$ -	$ 11,948	$ -
85	-	76	2	39	-	766	31
-	-	-	-	-	-	45	-
1,535	-	1,107	2	438	-	12,759	31
47	-	35	-	43	-	711	-
1	-	1	-	2	-	94	-
-	-	14	-	4	-	75	-
-	-	-	-	-	-	4	-
26	-	-	-	-	-	26	-
18	-	-	-	-	-	22	-
-	-	-	-	4	-	996	-
38	-	17	-	452	-	1,895	-
213	-	72	-	-	-	1,144	-
-	-	-	-	-	-	283	-
-	-	-	-	-	-	5	-
-	-	-	-	-	-	93	-
-	3,638	-	3,054	-	1,337	-	32,062
-	-	1	-	-	-	51	-
110	-	-	-	-	-	110	-
4	-	-	-	-	-	4	-
457	3,638	140	3,054	505	1,337	5,513	32,062
1,078	(3,638)	967	(3,052)	(67)	(1,337)	7,246	(32,031)
-	3,871	-	3,158	1	1,341	11	33,136
(456)	-	-	-	(242)	-	(3,895)	-
1,605	-	-	-	-	-	13,750	-
1,149	3,871	-	3,158	(241)	1,341	9,866	33,136
2,227	233	967	106	(308)	4	17,112	1,105
10,940	1,646	3,214	1,453	3,778	1	71,379	12,414
$ 13,167	$ 1,879	$ 4,181	$ 1,559	$ 3,470	$ 5	$ 88,491	$ 13,519

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2010
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 2	$ 349	$ 92
Cash and Investments with Fiscal Agent	-	1,205	1,899
Receivables:			
Taxes	26	92	469
Accrued Interest	-	1	19
TOTAL ASSETS	$ 28	$ 1,647	$ 2,479
LIABILITIES			
Deferred Revenue	$ 17	$ 56	$ 298
TOTAL LIABILITIES	17	56	298
FUND BALANCES			
Reserved for Encumbrances	-	-	-
Reserved for Debt Service	-	1,205	1,899
Unreserved:			
Reported in Debt Service Funds:			
Designated for Debt Service	11	386	274
Designated for Subsequent Years' Expenditures	-	-	8
Undesignated	-	-	-
TOTAL FUND BALANCES	11	1,591	2,181
TOTAL LIABILITIES AND FUND BALANCES	$ 28	$ 1,647	$ 2,479

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza
$ 12	$ 10	$ 30	$ 363	$ 5	$ 9,629
-	-	-	118	-	8,419
42	32	142	12	72	309
2	2	9	2	1	56
$ 56	$ 44	$ 181	$ 495	$ 78	$ 18,413
$ 27	$ 20	$ 90	$ 8	$ 29	$ 196
27	20	90	8	29	196
-	-	-	-	-	-
-	-	-	118	-	8,461
27	24	91	369	49	9,756
-	-	-	-	-	-
2	-	-	-	-	-
29	24	91	487	49	18,217
$ 56	$ 44	$ 181	$ 495	$ 78	$ 18,413

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2010
(In Thousands)

	Linda Vista	Mount Hope	Naval Training Center
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 1	$ 124	$ 31
Cash and Investments with Fiscal Agent	-	313	-
Receivables:			
Taxes	4	57	190
Accrued Interest	-	-	7
TOTAL ASSETS	$ 5	$ 494	$ 228
LIABILITIES			
Deferred Revenue	$ 2	$ 36	$ 121
TOTAL LIABILITIES	2	36	121
FUND BALANCES			
Reserved for Encumbrances	-	-	-
Reserved for Debt Service	-	313	-
Unreserved:			
Reported in Debt Service Funds:			
Designated for Debt Service	3	145	107
Designated for Subsequent Years' Expenditures	-	-	-
Undesignated	-	-	-
TOTAL FUND BALANCES	3	458	107
TOTAL LIABILITIES AND FUND BALANCES	$ 5	$ 494	$ 228

North Bay	North Park	San Ysidro	Southcrest	Total
$ 80	$ 225	$ 20	$ 25	$ 10,998
953	3,378	-	1,545	17,830
321	276	210	93	2,347
19	11	4	2	135
$ 1,373	$ 3,890	$ 234	$ 1,665	$ 31,310
$ 216	$ 177	$ 131	$ 55	$ 1,479
216	177	131	55	1,479
-	-	8	-	8
953	3,378	-	1,545	17,872
204	335	95	65	11,941
-	-	-	-	8
-	-	-	-	2
1,157	3,713	103	1,610	29,831
$ 1,373	$ 3,890	$ 234	$ 1,665	$ 31,310

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

	Barrio Logan	Central Imperial	City Heights
REVENUES			
Tax Increments	$ 521	$ 1,680	$ 9,321
Investment Income	5	18	213
City Participation	-	-	-
TOTAL REVENUES	526	1,698	9,534
EXPENDITURES			
Administrative Costs	-	38	-
City Projects	-	-	-
Debt Service:			
Principal	10	270	2,139
Interest	-	821	1,481
Bond Issuance Cost	-	-	-
TOTAL EXPENDITURES	10	1,129	3,620
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	516	569	5,914
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	225	1,690
Transfers to Other Funds	(705)	(1,394)	(17,225)
Proceeds from Bonds	-	-	-
Discount on Bonds Issued	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(705)	(1,169)	(15,535)
NET CHANGE IN FUND BALANCES	(189)	(600)	(9,621)
FUND BALANCES AT JUNE 30, 2009	200	2,191	11,802
FUND BALANCES AT JUNE 30, 2010	$ 11	$ 1,591	$ 2,181

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza
$ 849	$ 636	$ 2,810	$ 282	$ 1,077	$ 6,420
27	29	106	11	15	313
-	-	-	-	-	-
876	665	2,916	293	1,092	6,733
-	-	-	9	-	-
-	-	-	-	-	-
750	-	578	95	100	1,815
-	-	156	52	-	2,069
-	-	-	-	-	-
750	-	734	156	100	3,884
126	665	2,182	137	992	2,849
-	-	-	22	-	1,022
(1,345)	(1,975)	(6,205)	(303)	(1,537)	(8,047)
-	-	-	-	-	-
-	-	-	-	-	-
(1,345)	(1,975)	(6,205)	(281)	(1,537)	(7,025)
(1,219)	(1,310)	(4,023)	(144)	(545)	(4,176)
1,248	1,334	4,114	631	594	22,393
$ 29	$ 24	$ 91	$ 487	$ 49	$ 18,217

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	Mount Hope	Naval Training Center
REVENUES			
Tax Increments	$ 87	$ 1,142	$ 4,164
Investment Income	2	13	90
City Participation	-	-	140
TOTAL REVENUES	89	1,155	4,394
EXPENDITURES			
Administrative Costs	-	19	-
City Projects	-	36	-
Debt Service:			
Principal	100	220	510
Interest	-	359	847
Bond Issuance Cost	-	-	-
TOTAL EXPENDITURES	100	634	1,357
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11)	521	3,037
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	100	194	94
Transfers to Other Funds	(221)	(1,846)	(6,544)
Proceeds from Bonds	-	-	-
Discount on Bonds Issued	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(121)	(1,652)	(6,450)
NET CHANGE IN FUND BALANCES	(132)	(1,131)	(3,413)
FUND BALANCES AT JUNE 30, 2009	135	1,589	3,520
FUND BALANCES AT JUNE 30, 2010	$ 3	$ 458	$ 107

North Bay	North Park	San Ysidro	Southcrest	Total
$ 7,284	$ 5,800	$ 4,123	$ 1,596	$ 47,792
285	166	102	23	1,418
-	-	-	-	140
7,569	5,966	4,225	1,619	49,350
-	-	-	25	91
-	-	-	-	36
265	9,095	255	340	16,542
766	1,968	301	898	9,718
-	239	-	-	239
1,031	11,302	556	1,263	26,626
6,538	(5,336)	3,669	356	22,724
336	456	-	367	4,506
(16,693)	(14,717)	(6,837)	(2,824)	(88,418)
-	13,930	-	-	13,930
-	(92)	-	-	(92)
(16,357)	(423)	(6,837)	(2,457)	(70,074)
(9,819)	(5,759)	(3,168)	(2,101)	(47,350)
10,976	9,472	3,271	3,711	77,181
$ 1,157	$ 3,713	$ 103	$ 1,610	$ 29,831

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2010
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 279	$ 1,052	$ 9,367
Investments	-	3,329	-
Receivables:			
Notes and Contracts	400	471	2,638
Accrued Interest	-	1	4
Accounts	-	-	2
Working Capital Advances:			
Centre City Development Corporation	-	-	-
Southeastern Economic Development Corporation	-	29	-
City of San Diego	-	-	231
Land Held for Resale	40	1,494	1,880
TOTAL ASSETS	$ 719	$ 6,376	$ 14,122
LIABILITIES			
Accounts Payable	$ 708	$ 89	$ 149
Sundry Trust Liabilities	-	64	-
TOTAL LIABILITIES	708	153	149
FUND BALANCES			
Reserved for Land Held for Resale	40	1,494	1,880
Reserved for Notes and Contracts Receivable	400	471	2,638
Reserved for Encumbrances	102	902	978
Reserved for Working Capital Advances	-	29	231
Unreserved:			
Reported in Capital Project Funds:			
Designated for Unrealized Gain	-	6	11
Designated for Subsequent Years' Expenditures	-	3,283	8,070
Undesignated	(531)	38	165
TOTAL FUND BALANCES	11	6,223	13,973
TOTAL LIABILITIES AND FUND BALANCES	$ 719	$ 6,376	$ 14,122

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza
$ 476	$ 1,469	$ 2,902	$ 357	$ 847	$ 12,834
-	-	-	-	-	-
-	-	-	-	-	-
-	1	2	2	1	20
-	-	-	-	-	-
-	-	-	-	-	275
-	-	-	-	-	-
-	30	30	-	-	-
-	-	-	165	-	-
$ 476	$ 1,500	$ 2,934	$ 524	$ 848	$ 13,129
$ 560	$ 133	$ 62	$ 14	$ 106	$ 177
-	-	-	-	-	-
560	133	62	14	106	177
-	-	-	165	-	-
-	-	-	-	-	-
87	111	1,635	158	125	2,447
-	30	30	-	-	275
-	-	-	2	3	42
-	1,222	1,148	166	446	10,095
(171)	4	59	19	168	93
(84)	1,367	2,872	510	742	12,952
$ 476	$ 1,500	$ 2,934	$ 524	$ 848	$ 13,129

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2010
(In Thousands)

	Linda Vista	Mount Hope	Naval Training Center
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 943	$ 608	$ 4,019
Investments	-	-	-
Receivables:			
Notes and Contracts	-	-	-
Interest	2	1	2
Accounts	-	-	16
Working Capital Advances:			
Centre City Development Corporation	-	-	-
Southeastern Economic Development Corporation	-	187	-
City of San Diego	30	-	71
Land Held for Resale	1,487	446	-
TOTAL ASSETS	$ 2,462	$ 1,242	$ 4,108
LIABILITIES			
Accounts Payable	$ 3	$ 49	$ 25
Sundry Trust Liabilities	-	-	-
TOTAL LIABILITIES	3	49	25
FUND BALANCES			
Reserved for Land Held for Resale	1,487	446	-
Reserved for Notes and Contracts Receivable	-	-	-
Reserved for Encumbrances	229	76	1,246
Reserved for Working Capital Advances	30	187	71
Unreserved:			
Reported in Capital Project Funds:			
Designated for Unrealized Gain	4	2	-
Designated for Subsequent Years' Expenditures	568	446	1,658
Undesignated	141	36	1,108
TOTAL FUND BALANCES	2,459	1,193	4,083
TOTAL LIABILITIES AND FUND BALANCES	$ 2,462	$ 1,242	$ 4,108

North Bay	North Park	San Ysidro	Southcrest	Total
$ 11,154	$ 7,086	$ 2,935	$ 6,733	$ 63,061
-	3,936	-	2,327	9,592
-	-	-	-	3,509
4	4	4	11	59
1	2	1	-	22
-	-	-	-	275
-	-	-	16	232
231	-	-	-	623
-	892	-	203	6,607
$ 11,390	$ 11,920	$ 2,940	$ 9,290	$ 83,980
$ 529	$ 288	$ 58	$ 71	$ 3,021
-	62	74	-	200
529	350	132	71	3,221
-	892	-	203	6,607
-	-	-	-	3,509
1,209	5,774	550	2,276	17,905
231	-	-	16	1,130
12	7	-	32	121
8,259	2,907	2,137	6,618	47,023
1,150	1,990	121	74	4,464
10,861	11,570	2,808	9,219	80,759
$ 11,390	$ 11,920	$ 2,940	$ 9,290	$ 83,980

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

	Barrio Logan	Central Imperial	City Heights
REVENUES			
Investment Income	$ 3	$ 16	$ 153
Rents	-	-	-
Private Sources	-	-	181
Other Agencies	15	-	-
Other Revenue	156	3	-
TOTAL REVENUES	174	19	334
EXPENDITURES			
Administrative Costs	255	726	1,112
Professional Services	204	109	152
Planning, Survey & Design	51	75	17
Acquisition Expense	44	-	27
Property Management	13	81	70
Relocation Costs	-	-	1
Relocation Payments	-	-	19
Site Clearance Costs	-	-	5
Project Improvements / Construction Costs	10	138	830
Rehabilitation Costs	-	-	-
Rehabilitiation Grants/Loans	-	-	-
Capital Asset Acquisitions	-	-	-
Decline in the Value of Land Held for Resale	-	505	600
City Projects	4	10	72
Other	-	-	-
Debt Service:			
Bond Issuance Cost	-	-	-
TOTAL EXPENDITURES	581	1,644	2,905
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(407)	(1,625)	(2,571)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	477	883	9,635
Transfers to Other Funds	(46)	(31)	(478)
Proceeds from Other Long-Term Debt	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	431	852	9,157
NET CHANGE IN FUND BALANCES	24	(773)	6,586
FUND BALANCES AT JUNE 30, 2009	(13)	6,996	7,387
FUND BALANCES AT JUNE 30, 2010	$ 11	$ 6,223	$ 13,973

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza
$ -	$ -	$ 11	$ 5	$ 10	$ 177
-	-	-	-	-	-
-	-	113	19	-	1,966
-	-	-	-	-	-
-	-	-	3	-	-
-	-	124	27	10	2,143
154	61	521	105	285	632
33	1	70	1	69	408
2	-	5	63	-	184
2	-	-	-	-	-
3	-	-	7	-	86
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	20
-	-	-	-	-	256
-	-	-	-	-	-
-	-	-	-	-	41
-	-	-	-	-	-
202	131	561	-	1	-
3	-	-	-	-	-
-	-	-	-	-	-
399	193	1,157	176	355	1,627
(399)	(193)	(1,033)	(149)	(345)	516
844	1,661	3,788	155	1,084	4,372
-	-	-	-	-	203
-	-	-	-	-	-
844	1,661	3,788	155	1,084	4,575
445	1,468	2,755	6	739	5,091
(529)	(101)	117	504	3	7,861
$ (84)	$ 1,367	$ 2,872	$ 510	$ 742	$ 12,952

Continued on next page

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

	Linda Vista	Mount Hope	Naval Training Center
REVENUES			
Investment Income	$ 14	$ 9	$ 1
Rents	234	-	-
Private Sources	25	6	-
Other Agencies	-	-	-
Other Revenue	2	-	-
TOTAL REVENUES	275	15	1
EXPENDITURES			
Administrative Costs	64	652	338
Professional Services	2	3	45
Planning, Survey & Design	19	35	23
Acquisition Expense	-	-	-
Property Management	45	10	-
Relocation Costs	-	-	-
Relocation Payments	-	-	-
Site Clearance Costs	-	-	-
Project Improvements / Construction Costs	-	3	555
Rehabilitation Costs	3	-	-
Rehabilitiation Grants/Loans	-	-	-
Capital Asset Acquisitions	-	-	-
Decline in the Value of Land Held for Resale	-	-	-
City Projects	-	35	451
Other	-	-	-
Debt Service:			
Bond Issuance Cost	-	-	-
TOTAL EXPENDITURES	133	738	1,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	142	(723)	(1,411)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	178	839	3,647
Transfers to Other Funds	(100)	(78)	-
Proceeds from Other Long-Term Debt	-	-	1,111
TOTAL OTHER FINANCING SOURCES (USES)	78	761	4,758
NET CHANGE IN FUND BALANCES	220	38	3,347
FUND BALANCES AT JUNE 30, 2009	2,239	1,155	736
FUND BALANCES AT JUNE 30, 2010	$ 2,459	$ 1,193	$ 4,083

North Bay	North Park	San Ysidro	Southcrest	Total
$ 33	$ 45	$ 16	$ 122	$ 615
5	-	-	-	239
-	3	-	63	2,376
-	-	-	-	15
-	1	-	2	167
38	49	16	187	3,412
513	556	649	747	7,370
72	79	76	7	1,331
225	7	107	44	857
18	25	18	-	134
14	179	-	8	516
-	-	1	-	2
-	-	-	-	19
-	-	-	-	5
790	-	18	24	2,388
-	147	-	-	406
-	-	66	-	66
-	-	-	-	41
-	-	-	-	1,105
10	353	7	10	1,847
-	-	-	-	3
-	7	-	-	7
1,642	1,353	942	840	16,097
(1,604)	(1,304)	(926)	(653)	(12,685)
11,745	10,846	3,770	1,483	55,407
-	-	(91)	(126)	(747)
-	-	-	-	1,111
11,745	10,846	3,679	1,357	55,771
10,141	9,542	2,753	704	43,086
720	2,028	55	8,515	37,673
$ 10,861	$ 11,570	$ 2,808	$ 9,219	$ 80,759

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*

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

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, as of and for the year ended June 30, 2010, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 29, 2010. 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

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, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. 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.*

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.

Macias Gini & O'Connell LLP

Certified Public Accountants

San Diego, California
December 29, 2010

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2010

Findings related to the financial statements:

Reference Number:	**2009-1**
Financial Statement Area:	*Documentation Retention for Property Held for Resale*
Audit Finding:	The Agency could not provide the supporting documents to verify reasonableness of the addition amount of property held for resale for the fiscal year ended June 30, 2010. The property was originally acquired as a capital asset prior to 1980. This was due to the fact that the addition was made prior to the Comptroller's Office revised documentation retention policy, which was implemented in 2003.
Status of Corrective Action:	Corrected. The Agency has implemented the corrective action and all additions are properly documented and the supporting transactions are added to the land held for the resale and capital assets permanent folder.

Reference Number:	**2003-1**
Financial Statement Area:	*Material Weakness in Internal Controls over Financial Reporting*
Audit Finding:	There were several internal control deficiencies that resulted in numerous errors and restatements of previously issued financial statements. Some of the deficiencies noted were as follows: • Improper financial statement presentation of debt transactions • Failure to properly record certain loan transactions • Failure to transfer completed projects out of CIP and begin depreciating assets • Improper classification of assets • Improper valuations of land held for resale • Incomplete capture of capitalizable expenditures • Failure to recognize certain revenues that met applicable revenue recognition criteria
Status of Corrective Action:	Implemented. During the audit, we did not identify the same or similar matters related to the items identified in the finding above. The Agency has worked very closely with the City of San Diego to revise and implement accounting procedures to ensure controls are adequate over the financial activity relating to the Agency.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2010

Findings related to compliance:

Reference Number:	**2009-a**
Compliance Area:	*Continuing Annual Disclosure Requirement*
Audit Finding:	The Agency did not submit a required Annual Report for fiscal year 2008 to the National Recognized Municipal Securities Repository Agencies within the required time frame (270 days after the fiscal year-end).
Status of Corrective Action:	Corrected. The Agency prepared and submitted the required Annual Report for fiscal year 2009 to the National Recognized Municipal Securities Repository Agencies within the required time frame.

Reference Number:	**2009-b**
Compliance Area:	*Inappropriate Open Encumbrance*
Audit Finding:	In accordance with California Health & Safety Code §33334.12(g)(2), an encumbrance is deemed if committed pursuant to a legally enforceable contract or agreement for expenditure for purposes specified in §33334.2 or 33334.3. During the performance of our testing over the encumbrance requirement, we noted one out of twenty-four (24) samples selected for testing was opened without a legally enforceable contract or agreement.
Status of Corrective Action:	Corrected. The Agency has implemented the corrective action.

This page intentionally left blank

Supplemental Information Section

(Unaudited)

This page intentionally left blank

Schedule of Changes to Loans from the City of San Diego

SCHEDULE OF CHANGES TO LOANS
FROM THE CITY OF SAN DIEGO
Year Ended June 30, 2010

CHANGES IN PRINCIPAL DUE TO CITY BY PROJECT AREA

	Balance July 1, 2009	Additions	Repayments	Balance June 30, 2010
Barrio Logan	$ 12,826	$ -	$ 10	$ 12,816
Central Imperial	18,916	-	100	18,816
Centre City	43,185	-	1,500	41,685
City Heights	8,562	-	631	7,931
College Community	722	-	-	722
College Grove	41	-	-	41
Crossroads	793	-	578	215
Gateway Center West	6,530	-	-	6,530
Grantville	507	-	100	407
Linda Vista	1,945	-	100	1,845
Mount Hope	3,918	-	-	3,918
Naval Training Center	6,921	-	510	6,411
North Bay	1,735	-	-	1,735
North Park	1,688	-	220	1,468
San Ysidro	739	-	225	514
Southcrest	9,439	-	-	9,439
Total Principal Due	$ 118,467	$ -	$ 3,974	$ 114,493

CHANGES IN INTEREST DUE TO CITY BY PROJECT AREA

	Balance July 1, 2009	Additions	Repayments	Balance June 30, 2010
Barrio Logan	$ 14,200	$ 673	$ -	$ 14,873
Central Imperial	14,927	990	-	15,917
Centre City	77,097	2,228	-	79,325
City Heights	7,361	451	115	7,697
College Community	923	38	-	961
College Grove	33	2	-	35
Crossroads	393	26	155	264
Gateway Center West	14,546	343	-	14,889
Grantville	189	24	-	213
Linda Vista	4,530	99	-	4,629
Mount Hope	1,664	206	-	1,870
Naval Training Center	972	361	313	1,020
North Bay	676	91	-	767
North Park	1,306	83	-	1,389
San Ysidro	964	30	-	994
Southcrest	10,350	496	-	10,846
Total Interest Due	$ 150,131	$ 6,141	$ 583	$ 155,689

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 2009-10 (BASE YEAR 1991-92)
(UNAUDITED)

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	3,664	3,664	7,746
Unsecured - Locally Assessed	-	-	-
Total Exemptions	3,664	3,664	7,746
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 36,647	$ 40,966	$ 36,612
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			(4,354)
Percentage Increase (Decrease) Over Base Year			-10.63%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 217	$ 217	$ 217
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	217	217	217
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 36,430	$ 40,749	$ 36,395

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

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

Continued on next page

BARRIO LOGAN REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2009-10 (BASE YEAR 1991-92)

	2004-05	2005-06	2006-07
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
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
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 65,969	$ 74,622	$ 82,151
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 175	$ 168	$ 175
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	175	168	175
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 65,794	$ 74,454	$ 81,976

2007-08	Revised Base Year 1991-92	2008-09	2009-10
$ 112,516	$ 37,013	$ 131,869	$ 149,364
611	756	-	-
113,127	37,769	131,869	149,364
5,417	4,692	5,300	5,700
118,544	42,461	137,169	155,064
14,088	3,664	28,962	46,949
960	-	933	1,283
15,048	3,664	29,895	48,232
98,428	33,349	102,907	102,415
611	756	-	-
99,039	34,105	102,907	102,415
4,457	4,692	4,367	4,417
$ 103,496	$ 38,797	$ 107,274	$ 106,832
62,847		68,477	68,035
154.61%		176.50%	175.36%
$ 147	$ 217	$ 154	$ 154
-	-	-	-
147	217	154	154
98,281	33,132	102,753	102,261
611	756	-	-
98,892	33,888	102,753	102,261
4,457	4,692	4,367	4,417
$ 103,349	$ 38,580	$ 107,120	$ 106,678

CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2009-10 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1995-96	1996-97
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	6,693	16,244	15,218
Unsecured - Locally Assessed	-	137	86
Total Exemptions	6,693	16,381	15,304
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 90,837	$ 82,634	$ 82,723
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(8,203)	(8,114)
Percentage Increase (Decrease) Over Base Year		-9.03%	-8.93%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,033	$ 1,219	$ 1,347
Total Homeowners' Exemptions	1,033	1,219	1,347
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 89,804	$ 81,415	$ 81,376

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

Continued on next page

CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2009-10 (BASE YEAR 1992-93)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	14,936	16,287	19,393
Unsecured - Locally Assessed	5	290	391
Total Exemptions	14,941	16,577	19,784
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 111,646	$ 126,287	$ 145,482
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,946	$ 1,994	$ 2,020
Total Homeowners' Exemptions	1,946	1,994	2,020
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 109,700	$ 124,293	$ 143,462

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

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 2
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2009-10 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01	2001-02
GROSS				
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)				
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
NET ASSESSED VALUATIONS FOR TAX RATE				
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
NET ASSESSED VALUATION FOR TAX RATE	$ 15,037	$ 14,915	$ 16,172	$ 17,292
INCREMENT				
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS				
Secured - Locally Assessed	$ 721	$ 721	$ 714	$ 742
Unsecured - Locally Assessed	-	-	-	-
Total Homeowners' Exemptions	721	721	714	742
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS				
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
NET ASSESSED VALUATION	$ 14,316	$ 14,194	$ 15,458	$ 16,550

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
$ 32,461	$ 37,450	$ 51,100	$ 62,540	$ 65,967	$ 65,926	$ 69,083	$ 65,375
32,461	37,450	51,100	62,540	65,967	65,926	69,083	65,375
1,399	2,340	2,532	3,715	4,347	4,353	3,868	4,526
33,860	39,790	53,632	66,255	70,314	70,279	72,951	69,901
1,156	1,180	1,201	1,226	1,250	1,275	1,301	1,277
-	184	166	159	-	134	122	119
1,156	1,364	1,367	1,385	1,250	1,409	1,423	1,396
31,305	36,270	49,899	61,314	64,717	64,651	67,782	64,098
31,305	36,270	49,899	61,314	64,717	64,651	67,782	64,098
1,399	2,156	2,366	3,556	4,347	4,219	3,746	4,407
$ 32,704	$ 38,426	$ 52,265	$ 64,870	$ 69,064	$ 68,870	$ 71,528	$ 68,505
17,667	23,389	37,228	49,833	54,027	53,833	56,491	53,468
117.49%	155.54%	247.58%	331.40%	359.29%	358.00%	375.68%	355.58%
$ 805	$ 826	$ 819	$ 840	$ 846	$ 853	$ 819	$ 819
-	-	-	-	-	-	-	-
805	826	819	840	846	853	819	819
30,500	35,444	49,080	60,474	63,871	63,798	66,963	63,279
30,500	35,444	49,080	60,474	63,871	63,798	66,963	63,279
1,399	2,156	2,366	3,556	4,347	4,219	3,746	4,407
$ 31,899	$ 37,600	$ 51,446	$ 64,030	$ 68,218	$ 68,017	$ 70,709	$ 67,686

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 3
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2001-02 TO 2009-10 (BASE YEAR 2001-02)
(UNAUDITED)

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

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
$ 14,793	$ 17,357	$ 18,491	$ 19,303	$ 19,689	$ 25,783	$ 26,267
14,793	17,357	18,491	19,303	19,689	25,783	26,267
1,982	1,835	1,826	2,266	2,161	2,251	2,440
16,775	19,192	20,317	21,569	21,850	28,034	28,707
14,793	17,357	18,491	19,303	19,689	25,783	26,267
14,793	17,357	18,491	19,303	19,689	25,783	26,267
1,982	1,835	1,826	2,266	2,161	2,251	2,440
$ 16,775	$ 19,192	$ 20,317	$ 21,569	$ 21,850	$ 28,034	$ 28,707
13,560	15,977	17,102	18,354	18,635	24,819	25,492
421.77%	496.95%	531.94%	570.89%	579.63%	771.98%	792.91%
14,793	17,357	18,491	19,303	19,689	25,783	26,267
14,793	17,357	18,491	19,303	19,689	25,783	26,267
1,982	1,835	1,826	2,266	2,161	2,251	2,440
$ 16,775	$ 19,192	$ 20,317	$ 21,569	$ 21,850	$ 28,034	$ 28,707

CENTRE CITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	62,189	78,849	78,614
Unsecured - Locally Assessed	-	413	552
Total Exemptions	62,189	79,262	79,166
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 1,095,693	$ 913,159	$ 872,329
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(182,534)	(223,364)
Percentage Increase (Decrease) Over Base Year		-16.66%	-20.39%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 714	$ 805	$ 812
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	714	805	812
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 1,094,979	$ 912,354	$ 871,517

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 2009-10 (BASE YEAR 1992-93)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
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
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 1,676,830	$ 2,102,525	$ 2,645,250
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,239	$ 2,680	$ 3,670
Unsecured - Locally Assessed	112	114	110
Total Homeowners' Exemptions	1,351	2,794	3,780
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 1,675,479	$ 2,099,731	$ 2,641,470

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

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 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,507	3,521	3,558
Unsecured - Locally Assessed	-	157	22
Total Exemptions	1,507	3,678	3,580
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 54,209	$ 509,809	$ 482,909
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		455,600	428,700
Percentage Increase (Decrease) Over Base Year		840.45%	790.83%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 839	$ 802
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	839	802
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	178	-	-
Unsecured - Locally Assessed	1,602	-	-
Total Business Inventory Exemptions	1,780	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 52,429	$ 508,970	$ 482,107

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
$ 53,048	$ 494,579	$ 36,954	$ 567,685	$ 614,757	$ 659,637	$ 702,374
	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
$ 51,268	$ 493,719	$ 35,174	$ 566,817	$ 613,830	$ 658,671	$ 701,387

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 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1976-77
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,122	2,163	1,507
Unsecured - Locally Assessed	-	653	-
Total Exemptions	2,122	2,816	1,507
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 785,114	$ 1,012,520	$ 36,954
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	748,160	975,566	
Percentage Increase (Decrease) Over Base Year	2024.57%	2639.95%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 930	$ 980	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	930	980	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 784,184	$ 1,011,540	$ 36,954

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

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 2009-10 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,047	1,355	1,365
Unsecured - Locally Assessed	-	-	-
Total Exemptions	1,047	1,355	1,365
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 34,106	$ 85,705	$ 88,727
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		51,599	54,621
Percentage Increase (Decrease) Over Base Year		151.29%	160.15%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ 7
Total Homeowners' Exemptions	-	-	7
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 34,106	$ 85,705	$ 88,720

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	$ 105,400	$ 31,114	$ 126,908	$ 160,567	$ 214,793	$ 233,212
26	29	61	42	45	46	-
100,530	105,429	31,175	126,950	160,612	214,839	233,212
7,048	8,446	2,306	11,987	13,202	17,680	19,390
107,578	113,875	33,481	138,937	173,814	232,519	252,602
1,644	1,631	1,047	1,634	-	291	297
-	-	-	6	10	8	24
1,644	1,631	1,047	1,640	10	299	321
98,860	103,769	30,067	125,274	160,567	214,502	232,915
26	29	61	42	45	46	-
98,886	103,798	30,128	125,316	160,612	214,548	232,915
7,048	8,446	2,306	11,981	13,192	17,672	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	103,762	30,067	125,274	160,560	214,495	232,908
26	29	61	42	45	46	-
98,879	103,791	30,128	125,316	160,605	214,541	232,908
7,048	8,446	2,306	11,981	13,192	17,672	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 2009-10 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	303	309	315
Unsecured - Locally Assessed	-	8	35
Total Exemptions	303	317	350
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 272,913	$ 303,879	$ 337,352
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 7	$ 7	$ -
Total Homeowners' Exemptions	7	7	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 272,906	$ 303,872	$ 337,352

2005-06	2006-07	2007-08	2008-09	2009-10
$ 418,867	$ 583,747	$ 768,725	$ 857,715	$ 844,324
36	33	-	-	-
418,903	583,780	768,725	857,715	844,324
32,268	34,934	38,445	40,460	43,741
451,171	618,714	807,170	898,175	888,065
321	327	334	341	0
58	77	118	188	415
379	404	452	529	415
418,546	583,420	768,391	857,374	844,324
36	33	-	-	-
418,582	583,453	768,391	857,374	844,324
32,210	34,857	38,327	40,272	43,326
$ 450,792	$ 618,310	$ 806,718	$ 897,646	$ 887,650
418,358	585,876	774,284	865,212	855,216
1289.87%	1806.36%	2387.26%	2667.61%	2636.79%
$ 133	$ 454	$ 556	$ 564	$ 564
133	454	556	564	564
418,413	582,966	767,835	856,810	843,760
36	33	-	-	-
418,449	582,999	767,835	856,810	843,760
32,210	34,857	38,327	40,272	43,326
$ 450,659	$ 617,856	$ 806,162	$ 897,082	$ 887,086

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 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	142	20,114	18,771
Unsecured - Locally Assessed	-	322	-
Total Exemptions	142	20,436	18,771
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 19,508	$ 759,861	$ 750,408
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		740,353	730,900
Percentage Increase (Decrease) Over Base Year		3795.13%	3746.67%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 1,477	$ 1,560
Unsecured - Locally Assessed	-	49	95
Total Homeowners' Exemptions	-	1,526	1,655
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	212	-	-
Unsecured - Locally Assessed	1,539	-	-
Total Business Inventory Exemptions	1,751	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 17,757	$ 758,335	$ 748,753

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	$ 721,827	$ 9,814	$ 758,292	$ 816,598	$ 873,181	$ 1,078,100
2,672	353	964	501	534	544	-
12,486	722,180	10,778	758,793	817,132	873,725	1,078,100
6,475	59,208	6,475	64,822	60,580	66,559	69,427
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527
143	19,397	143	19,782	20,400	20,558	22,941
-	-	-	97	88	88	3,553
143	19,397	143	19,879	20,488	20,646	26,494
9,671	702,430	9,671	738,510	796,198	852,623	1,055,159
2,672	353	964	501	534	544	-
12,343	702,783	10,635	739,011	796,732	853,167	1,055,159
6,475	59,208	6,475	64,725	60,492	66,471	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	$ 867	$ 2,001	$ 2,351	$ 2,280	$ 2,744
-	95	-	-	-	116	90
867	1,887	867	2,001	2,351	2,396	2,834
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,804	700,638	8,804	736,509	793,847	850,343	1,052,415
2,672	353	964	501	534	544	-
11,476	700,991	9,768	737,010	794,381	850,887	1,052,415
6,475	59,113	6,475	64,725	60,492	66,355	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 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
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
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 1,314,478	$ 1,616,299	$ 1,954,721
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,828	$ 4,673	$ 6,086
Unsecured - Locally Assessed	83	105	119
Total Homeowners' Exemptions	3,911	4,778	6,205
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 1,310,567	$ 1,611,521	$ 1,948,516

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

CITY HEIGHTS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2009-10 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	25,677	25,064	25,816
Unsecured - Locally Assessed	-	-	41
Total Exemptions	25,677	25,064	25,857
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 1,217,144	$ 1,210,849	$ 1,106,263
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			(104,586)
Percentage Increase (Decrease) Over Base Year			-8.64%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 19,985	$ 19,674
Total Homeowners' Exemptions	-	19,985	19,674
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 1,217,144	$ 1,190,864	$ 1,086,589

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

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 2009-10 (BASE YEAR 1992-93)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1992-93
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	49,928	59,297	24,921
Unsecured - Locally Assessed	122	801	-
Total Exemptions	50,050	60,098	24,921
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 1,342,942	$ 1,503,858	$ 1,009,805
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	319,513	480,429	
Percentage Increase (Decrease) Over Base Year	31.22%	46.94%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 21,143	$ 21,707	$ 19,985
Total Homeowners' Exemptions	21,143	21,707	19,985
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 1,321,799	$ 1,482,151	$ 989,820

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

COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1993-94)
(UNAUDITED)

	Base Year 1993-94	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	10,367	11,029	10,723
Unsecured - Locally Assessed	-	-	-
Total Exemptions	10,367	11,029	10,723
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 49,032	$ 52,174	$ 51,043
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		3,142	2,011
Percentage Increase (Decrease) Over Base Year		6.41%	4.10%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Total Homeowners' Exemptions	14	14	14
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 49,018	$ 52,160	$ 51,029

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

Continued on next page

COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1993-94)
(UNAUDITED)

	2003-04	2004-05	2005-06
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	57,296	59,194	59,461
Unsecured - Locally Assessed	203	110	511
Total Exemptions	57,499	59,304	59,972
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 70,624	$ 72,544	$ 83,309
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Total Homeowners' Exemptions	14	14	14
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 70,610	$ 72,530	$ 83,295

2006-07	2007-08	Revised Base Year 1993-94	2008-09	2009-10
$ 171,370	$ 183,039	$ 52,840	$ 188,446	$ 183,513
171,370	183,039	52,840	188,446	183,513
7,526	9,633	3,033	10,405	11,524
178,896	192,672	55,873	198,851	195,037
60,173	37,185	10,367	40,701	39,409
2,939	2,698	-	1,958	2,113
63,112	39,883	10,367	42,659	41,522
111,197	145,854	42,473	147,745	144,104
111,197	145,854	42,473	147,745	144,104
4,587	6,935	3,033	8,447	9,411
$ 115,784	$ 152,789	$ 45,506	$ 156,192	$ 153,515
66,752	103,757		110,686	108,009
136.14%	211.61%		243.23%	237.35%
$ 14	$ 14	$ 14	$ 35	$ 35
14	14	14	35	35
111,183	145,840	42,459	147,710	144,069
111,183	145,840	42,459	147,710	144,069
4,587	6,935	3,033	8,447	9,411
$ 115,770	$ 152,775	$ 45,492	$ 156,157	$ 153,480

COLLEGE GROVE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Unsecured - Locally Assessed	-	2	2
Total Exemptions	-	2	2
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	19,937	38,064	30,563
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		18,127	10,626
Percentage Increase (Decrease) Over Base Year		90.92%	53.30%
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 19,937	$ 38,064	$ 30,563

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 2009-10 (BASE YEAR 1986-87)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	71,243	67,293	90,587
INCREMENT			
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%
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 71,243	$ 67,293	$ 90,587

2005-06	2006-07	2007-08	2008-09	2009-10
$ 85,793	$ 86,772	$ 86,274	$ 90,728	$ 95,383
-	-	-	-	-
85,793	86,772	86,274	90,728	95,383
9,832	10,274	10,212	9,782	8,828
95,625	97,046	96,486	100,510	104,211
-	-	-	-	-
-	-	-	-	-
85,793	86,772	86,274	90,728	95,383
-	-	-	-	-
85,793	86,772	86,274	90,728	95,383
9,832	10,274	10,212	9,782	8,828
95,625	97,046	96,486	100,510	104,211
75,966	77,387	76,827	80,851	84,552
386.42%	393.65%	390.80%	411.27%	430.09%
85,793	86,772	86,274	90,728	95,383
-	-	-	-	-
85,793	86,772	86,274	90,728	95,383
9,832	10,274	10,212	9,782	8,828
$ 95,625	$ 97,046	$ 96,486	$ 100,510	$ 104,211

CROSSROADS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2002-2003 TO 2009-10 (BASE YEAR 2002-2003)
(UNAUDITED)

	Base Year 2002-2003	2002-03	2004-05	2005-06
GROSS				
Secured - Locally Assessed	$ 530,192	11,090	$ 638,610	$ 743,762
Total Secured Valuation	530,192	11,090	638,610	743,762
Unsecured - Locally Assessed	24,811	8	22,662	28,847
Total Gross Valuation	555,003	11,098	661,272	772,609
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)				
Secured - Locally Assessed	35,700	0	42,163	42,528
Unsecured - Locally Assessed	475	0	862	1,176
Total Exemptions	36,175	0	43,025	43,704
NET ASSESSED VALUATIONS FOR TAX RATE				
Secured - Locally Assessed	494,492	11,090	596,447	701,234
Net Secured	494,492	11,090	596,447	701,234
Unsecured - Locally Assessed	24,336	8	21,800	27,671
NET ASSESSED VALUATION FOR TAX RATE	$ 518,828	11,098	$ 618,247	$ 728,905
INCREMENT				
Net Assessed Valuation Increase (Decrease) Over Base Year		(507,730)	99,419	210,077
Percentage Increase (Decrease) Over Base Year		N/A	19.16%	40.49%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS				
Secured - Locally Assessed	$ -	0	$ 4,278	$ 4,731
Total Homeowners' Exemptions	-	0	4,278	4,731
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS				
Secured - Locally Assessed	494,492	11,090	592,169	696,503
Net Secured	494,492	11,090	592,169	696,503
Unsecured - Locally Assessed	24,336	8	21,800	27,671
NET ASSESSED VALUATION	$ 518,828	11,098	$ 613,969	$ 724,174

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

2006-07	2007-08	2008-09	2009-10
$ 857,715	$ 934,057	$ 968,761	$ 891,601
857,715	934,057	968,761	891,601
25,739	27,132	29,450	32,469
883,454	961,189	998,211	924,070
49,389	48,452	50,933	52,274
973	1,166	1,140	1,604
50,362	49,618	52,073	53,878
808,326	885,605	917,828	839,327
808,326	885,605	917,828	839,327
24,766	25,966	28,310	30,865
$ 833,092	$ 911,571	$ 946,138	$ 870,192
314,264	392,743	427,310	351,364
60.57%	75.70%	82.36%	67.72%
$ 5,212	$ 5,782	$ 5,954	$ 5,954
5,212	5,782	5,954	5,954
803,114	879,823	911,874	833,373
803,114	879,823	911,874	833,373
24,766	25,966	28,310	30,865
$ 827,880	$ 905,789	$ 940,184	$ 864,238

GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	87	3,612	87
Unsecured - Locally Assessed	-	135	-
Total Exemptions	87	3,747	87
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 5,514	$ 20,224	$ 5,509
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		14,710	
Percentage Increase (Decrease) Over Base Year		266.78%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 189	$ 63	$ 189
Total Homeowners' Exemptions	189	63	189
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	54	-	-
Unsecured - Locally Assessed	80	-	-
Total Business Inventory Exemptions	134	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 5,191	$ 20,161	$ 5,320

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
25,011	24,798	3,756	24,425	24,478	25,105	28,933
4,912	5,010	87	5,111	5,205	5,309	5,415
-	201	-	118	109	165	186
4,912	5,211	87	5,229	5,314	5,474	5,601
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
$ 20,099	$ 19,587	$ 3,669	$ 19,196	$ 19,164	$ 19,631	$ 23,332
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
$ 20,036	$ 19,517	$ 3,480	$ 19,126	$ 19,094	$ 19,561	$ 23,276

Continued on next page

GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2009-10 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	5,524	5,634	5,739
Unsecured - Locally Assessed	-	177	162
Total Exemptions	5,524	5,811	5,901
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 24,028	$ 25,520	$ 26,823
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 56	$ 63	$ 35
Total Homeowners' Exemptions	56	63	35
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 23,972	$ 25,457	$ 26,788

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

HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1972-73)
(UNAUDITED)

	Base Year 1972-73	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	522	-	-
Unsecured - Locally Assessed	-	608	660
Total Exemptions	522	608	660
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 18,772	$ 438,284	$ 377,718
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		419,512	358,946
Percentage Increase (Decrease) Over Base Year		2234.78%	1912.14%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 609	$ 595
Total Homeowners' Exemptions	-	609	595
BUSINESS INVENTORY EXEMPTIONS			
Unsecured - Locally Assessed	307	-	-
Total Business Inventory Exemptions	307	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 18,465	$ 437,675	$ 377,123

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
$ 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

Continued on next page

HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	7,279	7,672	7,823
Total Exemptions	7,279	7,672	7,823
NET ASSESSED VALUATIONS FOR TAX RATE			
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
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 714	$ 725	$ 734
Total Homeowners' Exemptions	714	725	734
BUSINESS INVENTORY EXEMPTIONS			
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
$ 697,888	$ 781,280	$ 796,901	$ 820,675	$ 769,806
-	-	-	-	-
697,888	781,280	796,901	820,675	769,806
55,487	59,958	60,885	59,367	51,204
753,375	841,238	857,786	880,042	821,010
-	-	-	-	-
8,057	8,731	8,840	8,929	9,031
8,057	8,731	8,840	8,929	9,031
697,888	781,280	796,901	820,675	769,806
-	-	-	-	-
697,888	781,280	796,901	820,675	769,806
47,430	51,227	52,045	50,438	42,173
$ 745,318	$ 832,507	$ 848,946	$ 871,113	$ 811,979
727,916	815,105	831,544	853,711	794,577
4182.94%	4683.97%	4778.44%	4905.82%	4566.01%
$ 756	$ 763	$ 734	$ 721	$ 721
756	763	734	721	721
-	-	-	-	-
-	-	-	-	-
697,132	780,517	796,167	819,954	769,085
-	-	-	-	-
697,132	780,517	796,167	819,954	769,085
47,430	51,227	52,045	50,438	42,173
$ 744,562	$ 831,744	$ 848,212	$ 870,392	$ 811,258

LINDA VISTA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2009-10 (BASE YEAR 1972-73)
(UNAUDITED)

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

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 2009-10 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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	11,988	10,875	10,593
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 11,988	$ 10,875	$ 10,593
INCREMENT			
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%
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 11,988	$ 10,875	$ 10,593

2005-06	2006-07	2007-08	2008-09	2009-10
$ 8,779	$ 9,006	$ 9,398	$ 9,583	$ 10,413
-	-	-	-	-
8,779	9,006	9,398	9,583	10,413
2,044	1,939	1,864	1,750	2,196
10,823	10,945	11,262	11,333	12,609
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,779	9,006	9,398	9,583	10,413
-	-	-	-	-
8,779	9,006	9,398	9,583	10,413
2,044	1,939	1,864	1,750	2,196
$ 10,823	$ 10,945	$ 11,262	$ 11,333	$ 12,609
8,570	8,692	9,009	9,080	10,356
380.38%	385.80%	399.87%	403.02%	459.65%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,779	9,006	9,398	9,583	10,413
-	-	-	-	-
8,779	9,006	9,398	9,583	10,413
2,044	1,939	1,864	1,750	2,196
$ 10,823	$ 10,945	$ 11,262	$ 11,333	$ 12,609

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	443	1,124	1,153
Unsecured - Locally Assessed	-	3	3
Total Exemptions	443	1,127	1,156
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 18,781	$ 78,061	$ 78,574
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		59,280	59,793
Percentage Increase (Decrease) Over Base Year		315.64%	318.37%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,414	$ 1,356	$ 1,399
Total Homeowners' Exemptions	1,414	1,356	1,399
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 17,367	$ 76,705	$ 77,175

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
$ 79,246	$ 83,575	$ 18,065	$ 92,218	$ 94,589	$ 104,827	$ 111,385
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
$ 77,804	$ 82,056	$ 16,651	$ 90,686	$ 93,071	$ 103,309	$ 109,859

Continued on next page

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	905	9,748	12,392
Unsecured - Locally Assessed	-	7	1,800
Total Exemptions	905	9,755	14,192
NET ASSESSED VALUATIONS FOR TAX RATE			
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
INCREMENT			
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%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,557	$ 1,589	$ 1,651
Total Homeowners' Exemptions	1,557	1,589	1,651
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
$ 130,153	$ 143,370	$ 159,305	$ 167,245	$ 153,734
-	-	-	-	-
130,153	143,370	159,305	167,245	153,734
23,294	24,099	24,322	26,352	25,970
153,447	167,469	183,627	193,597	179,704
12,689	12,941	14,341	5,846	18,426
1,662	1,107	1,402	1,295	1,114
14,351	14,048	15,743	7,141	19,540
117,464	130,429	144,964	161,399	135,308
-	-	-	-	-
117,464	130,429	144,964	161,399	135,308
21,632	22,992	22,920	25,057	24,856
$ 139,096	$ 153,421	$ 167,884	$ 186,456	$ 160,164
121,031	135,356	149,819	168,391	142,099
669.98%	749.27%	829.33%	932.14%	786.60%
$ 1,630	$ 1,694	$ 1,610	$ 1,617	$ 1,617
1,630	1,694	1,610	1,617	1,617
115,834	128,735	143,354	159,782	133,691
-	-	-	-	-
115,834	128,735	143,354	159,782	133,691
21,632	22,992	22,920	25,057	24,856
$ 137,466	$ 151,727	$ 166,274	$ 184,839	$ 158,547

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2009-10 (BASE YEAR 1999-2000)
(UNAUDITED)

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

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	2008-09	2009-10
$ -	$ 11,090	$ 100,366	$ 209,737	$ 352,054	$ 391,692	$ 430,423	$ 502,817	$ 544,858
-	11,090	100,366	209,737	352,054	391,692	430,423	502,817	544,858
-	8	481	541	2,226	6,794	44,697	32,060	30,591
-	11,098	100,847	210,278	354,280	398,486	475,120	534,877	575,449
-	-	-	13,385	16,504	7,051	51,190	65,320	69,351
-	-	-	-	1,715	3,158	38,735	16,584	12,710
-	-	-	13,385	18,219	10,209	89,925	81,904	82,061
-	11,090	100,366	196,352	335,550	384,641	379,233	437,497	475,507
-	11,090	100,366	196,352	335,550	384,641	379,233	437,497	475,507
-	8	481	541	511	3,636	5,962	15,476	17,881
$ -	$ 11,098	$ 100,847	$ 196,893	$ 336,061	$ 388,277	$ 385,195	$ 452,973	$ 493,388
-	11,098	100,847	196,893	336,061	388,277	385,195	452,973	493,388
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
$ -	$ -	$ -	$ 399	$ 1,301	$ 1,648	$ 1,631	$ 1,637	$ 1,637
-	-	-	399	1,301	1,648	1,631	1,637	1,637
-	11,090	100,366	195,953	334,249	382,993	377,602	435,860	473,870
-	11,090	100,366	195,953	334,249	382,993	377,602	435,860	473,870
-	8	481	541	511	3,636	5,962	15,476	17,881
$ -	$ 11,098	$ 100,847	$ 196,494	$ 334,760	$ 386,629	$ 383,564	$ 451,336	$ 491,751

NORTH BAY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2009-10 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	63,278	61,649	62,940
Unsecured - Locally Assessed	-	-	7,945
Total Exemptions	63,278	61,649	70,885
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 683,472	$ 781,795	$ 811,347
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		98,323	127,875
Percentage Increase (Decrease) Over Base Year		14.39%	18.71%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 2,153	$ 2,222
Unsecured - Locally Assessed	-	-	35
Total Homeowners' Exemptions	-	2,153	2,257
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 683,472	$ 779,642	$ 809,090

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	$ 671,088	$ 879,653	$ 907,188	$ 969,695	$ 1,049,980	$ 1,210,657	$ 1,402,190
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
836,959	676,005	887,256	913,758	975,948	1,056,355	1,216,628	1,402,190
84,023	76,363	92,229	103,680	102,426	104,798	117,423	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	63,278	72,720	36,897	43,514	45,075	49,204	53,369
6,530	-	3,177	5,769	5,825	8,003	11,658	7,180
67,509	63,278	75,897	42,666	49,339	53,078	60,862	60,549
767,540	607,810	806,933	870,291	926,181	1,004,905	1,161,453	1,348,821
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
775,980	612,727	814,536	876,861	932,434	1,011,280	1,167,424	1,348,821
77,493	76,363	89,052	97,911	96,601	96,795	105,765	105,354
$ 853,473	$ 689,090	$ 903,588	$ 974,772	$ 1,029,035	$ 1,108,075	$ 1,273,189	$ 1,454,175
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	$ -	$ 2,286	$ 2,300	$ 2,237	$ 2,328	$ 2,359	$ 2,649
49	-	42	56	41	7	7	37
2,320	-	2,328	2,356	2,278	2,335	2,366	2,686
765,269	607,810	804,647	867,991	923,944	1,002,577	1,159,094	1,346,172
8,440	4,917	7,603	6,570	6,253	6,375	5,971	-
773,709	612,727	812,250	874,561	930,197	1,008,952	1,165,065	1,346,172
77,444	76,363	89,010	97,855	96,560	96,788	105,758	105,317
$ 851,153	$ 689,090	$ 901,260	$ 972,416	$ 1,026,757	$ 1,105,740	$ 1,270,823	$ 1,451,489

NORTH BAY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2009-10 (BASE YEAR 1999-2000)
(UNAUDITED)

	Revised Base Year 1999-2000	2008-09	2009-10
GROSS			
Secured - Locally Assessed	$ 667,570	$ 1,478,969	$ 1,524,034
Public Utilities - State Assessed	53	-	-
Total Secured Valuation	667,623	1,478,969	1,524,034
Unsecured - Locally Assessed	76,363	129,587	121,039
Total Gross Valuation	743,986	1,608,556	1,645,073
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	63,278	66,857	71,509
Unsecured - Locally Assessed	-	8,607	14,998
Total Exemptions	63,278	75,464	86,507
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	604,292	1,412,112	1,452,525
Public Utilities - State Assessed	53	-	-
Net Secured	604,345	1,412,112	1,452,525
Unsecured - Locally Assessed	76,363	120,980	106,041
NET ASSESSED VALUATION FOR TAX RATE	$ 680,708	$ 1,533,092	$ 1,558,566
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		852,384	877,858
Percentage Increase (Decrease) Over Base Year		125.22%	128.96%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 2,883	$ 2,883
Unsecured - Locally Assessed	-	78	78
Total Homeowners' Exemptions	-	2,961	2,961
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	604,292	1,409,229	1,449,642
Public Utilities - State Assessed	53	-	-
Net Secured	604,345	1,409,229	1,449,642
Unsecured - Locally Assessed	76,363	120,902	105,963
NET ASSESSED VALUATION	$ 680,708	$ 1,530,131	$ 1,555,605

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

This page intentionally left blank

NORTH PARK REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2009-10 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	8,911	8,912	9,775
Unsecured - Locally Assessed	-	-	305
Total Exemptions	8,911	8,912	10,080
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 423,551	$ 460,782	$ 492,423
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		37,231	68,872
Percentage Increase (Decrease) Over Base Year		8.79%	16.26%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 5,228	$ 5,410
Total Homeowners' Exemptions	-	5,228	5,410
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 423,551	$ 455,554	$ 487,013

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	2008-09	2009-10
$ 528,168	$ 571,211	$ 628,854	$ 707,419	$ 828,989	$ 953,399	$ 1,129,916	$ 1,179,744	$ 1,151,310
528,168	571,211	628,854	707,419	828,989	953,399	1,129,916	1,179,744	1,151,310
15,355	15,780	20,267	17,587	16,948	17,946	18,771	18,453	20,261
543,523	586,991	649,121	725,006	845,937	971,345	1,148,687	1,198,197	1,171,571
9,691	10,735	11,675	12,536	13,282	14,545	15,105	28,173	30,894
446	115	675	701	656	657	1,611	1,294	1,192
10,137	10,850	12,350	13,237	13,938	15,202	16,716	29,467	32,086
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811	1,151,571	1,120,416
518,477	560,476	617,179	694,883	815,707	938,854	1,114,811	1,151,571	1,120,416
14,909	15,665	19,592	16,886	16,292	17,289	17,160	17,159	19,069
$ 533,386	$ 576,141	$ 636,771	$ 711,769	$ 831,999	$ 956,143	$ 1,131,971	$ 1,168,730	$ 1,139,485
109,835	152,590	213,220	288,218	408,448	532,592	708,420	745,179	715,934
25.93%	36.03%	50.34%	68.05%	96.43%	125.74%	167.26%	175.94%	169.03%
$ 5,624	$ 5,676	$ 5,741	$ 6,042	$ 6,815	$ 7,132	$ 7,687	$ 8,687	$ 8,687
5,624	5,676	5,741	6,042	6,815	7,132	7,687	8,687	8,687
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124	1,142,884	1,111,729
512,853	554,800	611,438	688,841	808,892	931,722	1,107,124	1,142,884	1,111,729
14,909	15,665	19,592	16,886	16,292	17,289	17,160	17,159	19,069
$ 527,762	$ 570,465	$ 631,030	$ 705,727	$ 825,184	$ 949,011	$ 1,124,284	$ 1,160,043	$ 1,130,798

SAN YSIDRO REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1997-98 TO 2009-10 (BASE YEAR 1996-97)
(UNAUDITED)

	Base Year 1996-97	1997-98	1998-99
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	23,960	26,042	26,857
Unsecured - Locally Assessed	-	-	23
Total Exemptions	23,960	26,042	26,880
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 200,637	$ 192,988	$ 203,669
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(7,649)	3,032
Percentage Increase (Decrease) Over Base Year		-3.81%	1.51%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,250	$ 1,287	$ 1,281
Total Homeowners' Exemptions	1,250	1,287	1,281
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 199,387	$ 191,701	$ 202,388

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

1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
$ 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
10,870	11,982	14,042	19,867	25,139	26,329	25,219
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
27,612	29,802	13,264	54,484	56,828	57,956	58,785
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
10,812	11,910	13,905	19,867	23,325	24,890	24,533
$ 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
1,260	1,224	1,551	1,540	1,603	1,809	1,866
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
10,812	11,910	13,905	19,867	23,325	24,890	24,533
$ 210,336	$ 225,660	$ 294,584	$ 320,458	$ 344,738	$ 374,152	$ 455,483

Continued on next page

SAN YSIDRO REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1997-98 TO 2009-10 (BASE YEAR 1996-97)
(UNAUDITED)

	2007-08	2008-09	2009-10
GROSS			
Secured - Locally Assessed	$ 607,957	$ 802,708	$ 805,415
Total Secured Valuation	607,957	802,708	805,415
Unsecured - Locally Assessed	35,640	36,361	38,868
Total Gross Valuation	643,597	839,069	844,283
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	60,704	61,190	113,869
Unsecured - Locally Assessed	1,553	1,242	1,620
Total Exemptions	62,257	62,432	115,489
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	547,253	741,518	691,546
Net Secured	547,253	741,518	691,546
Unsecured - Locally Assessed	34,087	35,119	37,248
NET ASSESSED VALUATION FOR TAX RATE	$ 581,340	$ 776,637	$ 728,794
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	380,703	576,000	528,157
Percentage Increase (Decrease) Over Base Year	189.75%	287.09%	263.24%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,889	$ 1,967	$ 1,967
Total Homeowners' Exemptions	1,889	1,967	1,967
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	545,364	739,551	689,579
Net Secured	545,364	739,551	689,579
Unsecured - Locally Assessed	34,087	35,119	37,248
NET ASSESSED VALUATION	$ 579,451	$ 774,670	$ 726,827

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

This page intentionally left blank

SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
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
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,501	5,607	4,609
Unsecured - Locally Assessed	-	10	-
Total Exemptions	2,501	5,617	4,609
NET ASSESSED VALUATIONS FOR TAX RATE			
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
NET ASSESSED VALUATION FOR TAX RATE	$ 47,207	$ 69,951	$ 75,389
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		22,744	28,182
Percentage Increase (Decrease) Over Base Year		48.18%	59.70%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,080	$ 3,114	$ 3,059
Total Homeowners' Exemptions	3,080	3,114	3,059
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
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
NET ASSESSED VALUATION	$ 44,127	$ 66,837	$ 72,330

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

SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2009-10 (BASE YEAR 1986-87)
(UNAUDITED)

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

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