

Capital Improvements Program

Funding Sources

The Capital Improvements Program (CIP) uses a variety of funding sources to support projects. This section outlines some of the more common funding sources used in the CIP.

Bond Financing

Bond Financing is used to support General Fund asset type projects, such as fire stations, libraries, parks, road improvements, and storm drain improvements, through the issuance of Lease Revenue Bonds. This also includes the use of the Commercial Paper Notes program as an interim source until the issuance of Lease Revenue Bonds to pay off the notes.

Capital Outlay

Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public improvements of a permanent character. Repair or maintenance expenditures cannot be made from the Capital Outlay Funds. Revenue for the Capital Outlay Fund is derived primarily from the sale of City-owned property but may also come from other sources per Section 77 of the San Diego City Charter. In addition, San Diego City Ordinance No. 12685 (New Series) further specifies that all proceeds from sales or leases of the Pueblo Lands of San Diego be utilized to finance police substations and other permanent improvements for police purposes.

Climate Equity Fund

The Climate Equity Fund (CEF) was created by [Resolution 313454](#) in March 2021 to help underserved communities effectively respond to impacts of climate change. CEF revenues are received from a portion of the gas and electric franchise fees. CEF projects must have an impact on reducing greenhouse gas emissions, enhancing safety in the public right-of-way, relieving congestion, or achieving other climate equity concerns and be in a disadvantaged community located within an area that scores between 0 and 60 on the Climate Equity Index. The Climate Equity Index is a tool that measures the level of access to opportunity residents have within a census tract.

Development Impact Fees

In urbanized communities which are near buildout, as defined in the City's General Plan, Development Impact Fees (DIF) are collected to mitigate the impact of new development through provisions of a portion of the financing needed for public facilities identified in the Impact Fee Study, and to maintain existing levels of service for that community. Upon determination of the community buildout population, the estimated cost to construct the facilities is divided amongst residential and nonresidential development.

Facilities Benefit Assessments

Facilities Benefit Assessments (FBAs) provide 100 percent of funding for public facilities projects that service a designated area of benefit and are identified in the Public Facilities Financing Plan (PFFP). The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area. Assessments are recorded as liens with the County Assessor's Office. Property being developed is assessed at the time the building permit is issued. The amount of the assessment is determined by the type and size of the development.

Gas Tax Fund

The Gas Tax Fund collects revenue resulting from a State tax on the sale of gasoline. The City's share of gas tax revenue is based on a formula that considers vehicle registration and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way. The Gas Tax Fund includes a Maintenance of Effort (MOE) provision which establishes minimum base levels of discretionary

Capital Improvements Program

Funding Sources

funds spending annually on the maintenance and improvement of public right-of-way to continue to receive funding.

General Fund

The General Fund is the City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings. Some allocations to the CIP budget are contributed from the operating budget of General Fund departments.

Golf Course Enterprise Funds

The Golf Course Enterprise Funds support the City's three municipal golf courses: Balboa Park, Mission Bay and Torrey Pines. These funds receive revenue from the operations of the golf courses, which are in turn used to fund capital projects that improve and/or maintain the condition of the courses.

Infrastructure Fund

The Infrastructure Fund is used exclusively for "the acquisition of real property, construction, reconstruction, rehabilitation, repair and maintenance of infrastructure," including the associated financing and personnel costs. The Infrastructure Fund was established by the City Charter, Article VII, Section 77.1 to be a dedicated source of revenue to fund General Fund infrastructure costs. Generally, the amount of revenue received by the fund is determined based on a formula that accounts for growth in major General Fund revenues and reductions in pension costs.

Loans

Loans are a form of financing used to support specific projects or a specific group of assets, such as storm drain improvements. These loans can be used on both General Fund and Non-General Fund assets. Typical loans that the City uses are State Revolving Fund (SRF) loans, Water Infrastructure Finance and Innovation Act (WIFIA) loans, and California Infrastructure and Economic Development Bank (IBank) loans.

Mission Bay Park and San Diego Regional Parks Improvement Funds

Mission Bay rents and concessions revenue is allocated to the Mission Bay Park and San Diego Regional Parks Improvement Funds in accordance with the San Diego City Charter, Article V, Section 55.2. The funds in the Mission Bay Park Improvement Fund may only be expended in Mission Bay Park for permanent or deferred capital improvements of existing facilities, as well as to improve environmental conditions consistent with the Mission Bay Park Master Plan. The funds in the San Diego Regional Parks Improvement Fund may only be expended for permanent or deferred capital improvements in San Diego's regional parks. The City of San Diego's regional parks include Balboa Park, Chicano Park, Chollas Creek Park, Chollas Lake Park, Mission Trails Regional Park, Otay River Valley Park, Presidio Park, San Diego River Park, open space parks, and coastal beaches and contiguous coastal parks.

Mission Trails Regional Park Fund

The Mission Trails Regional Park Fund mainly consists of rent monies from a variety of different leases for the communication facilities on Cowles Mountain. Funds are to be used for capital improvements in the Mission Trails Regional Park.

Parking Meter Districts

Parking Meter District revenues shall be used to address parking supply and mobility issues. Improvements and activities that increase the availability, supply, and effective use of parking to residents, visitors, and employees within the area in which the meter is located will be the primary focus of expenditures of the funds.

Capital Improvements Program

Funding Sources

Recycling Fund

The Recycling Fund is an enterprise fund that supports the City's recycling programs and infrastructure, receiving revenue from a variety of fees associated with recycling.

Refuse Disposal Fund

Refuse Disposal Fund is an enterprise fund that is used to operate the City's Miramar Landfill and maintain the City's inactive landfills. Most of the capital projects supported by this fund are focused on ensuring regulatory compliance at these landfills. Projects are funded and prioritized based on deferred capital and regulatory requirements.

Sewer Funds

Sewer Funds are enterprise funds that support the Municipal and Metropolitan Sewer Systems. Funding for sewer capital projects is provided by sewer rates and grants. Projects utilize a variety of financing strategies, including pay-as-you-go cash financing, bond financing, and state revolving fund loans.

TransNet Funds

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort (MOE) provision which establishes minimum base levels of discretionary funds spending annually on the maintenance and improvement of the public right-of-way to continue to receive funding. The City utilizes TransNet cash for projects as much as possible to minimize the issuance of bonds which increases the costs of funding the project. TransNet Commercial Paper is a borrowing tool that can be used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. The issuance of TransNet Commercial Paper may be utilized when feasible to further reduce debt service costs.

Trench Cut/Excavation Fee Fund

Pavement deterioration studies show that pavement excavations will significantly degrade and shorten pavement life. Street Damage Fees are collected from excavators to recover the increased repaving and reconstruction costs incurred by the City because of trenching. The Streets Preservation Ordinance, adopted in January 2013, established fees that depend on the size of the trench, the age of the pavement, and the type of utility.

Utilities Undergrounding Program Fund

This fund provides for the undergrounding of City utilities. San Diego Gas & Electric (SDG&E), AT&T, and the cable companies all contribute funds for the purpose of undergrounding overhead facilities. This amount is deposited with the City to be used solely for the undergrounding of electrical lines and associated activities.

Water Fund

The Water Fund is an enterprise fund that supports the City's Water System. Funding for water capital projects is provided by water rates and grants. Projects utilize a variety of financing strategies, including pay-as-you-go cash financing, bond financing, commercial paper, and state revolving fund loans.

A complete list of funding sources in the CIP and their budgets are provided below in **Table 1**.

Capital Improvements Program

Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2024	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 6,780,690	\$ 4,614,497	\$ 69,808,115	\$ 81,203,302
Antenna Lease Fund	1,452,748	-	-	1,452,748
Bond Financing	361,557,371	104,631,689	190,101,597	656,290,657
Bus Stop Capital Improvement Fund	4,942	-	490,000	494,942
Capital Outlay - Land Sales	24,215,792	-	-	24,215,792
Capital Outlay - Other	30,896,407	-	-	30,896,407
Capital Outlay - Police Decentralization Land Sales	212,331	-	-	212,331
Climate Equity Fund	15,449,806	9,450,000	-	24,899,806
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	31,948,579	-	-	31,948,579
Developer Funding	31,641,972	-	1,690,298	33,332,270
Development Impact Fees	205,503,077	24,844,796	150,000	230,497,873
Donations	9,531,032	-	8,942,561	18,473,593
EDCO Community Fund	735,514	325,521	-	1,061,035
Energy Conservation Program Fund	475,599	-	-	475,599
Energy Upgrades CEC Loan Fund	10,031,381	-	(10,031,381)	-
Enhanced Infrastructure Financing District Fund	3,669,150	1,150,000	7,725,425	12,544,575
Environmental Growth Funds	2,331,341	-	-	2,331,341
Facilities Benefit Assessments	323,863,420	26,792,948	(443,099)	350,213,269
Federal Grants	209,697,132	-	98,521,558	308,218,690
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	3,674,774	2,028,631	-	5,703,405
Gas Tax Fund	46,752,582	4,742,656	-	51,495,238
General Fund	59,234,202	8,050,000	381,482	67,665,684
Golf Course Enterprise Fund	20,821,551	4,000,000	58,660,000	83,481,551
Infrastructure Fund	30,218,840	27,156,372	-	57,375,212
Library System Improvement Fund	237,405	300,000	-	537,405
Loans	130,493,987	6,830,094	221,875,919	359,200,000
Maintenance Assessment Districts	1,528,408	-	-	1,528,408
Mission Bay Park Improvement Fund	69,794,445	12,869,721	75,021,829	157,685,995
Mission Trails Regional Park Fund	864,552	-	-	864,552
Non-CIP Funds	8,135,372	-	-	8,135,372

Capital Improvements Program Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2024	Future Fiscal Years	Funding Source Total
Other Funding	74,646,826	2,346,515	-	76,993,341
Other Grants	6,072,274	-	-	6,072,274
Parking Meter Districts	10,551,580	-	-	10,551,580
Park Service District Funds	4,724,997	-	-	4,724,997
Proposition 42 Replacement - Transportation Relief Fund	8,873,892	-	-	8,873,892
Recycling Fund	23,014,400	10,000,000	-	33,014,400
Redevelopment Funding	7,397,212	713,171	-	8,110,383
Refuse Disposal Fund	24,824,517	400,000	12,700,000	37,924,517
Regional Transportation Congestion Improvement Program	56,643,401	50,000	6,000,000	62,693,401
San Diego Regional Parks Improvement Fund	29,316,777	6,329,850	40,784,739	76,431,366
Sea World Traffic Mitigation Fund	10,987,156	-	-	10,987,156
Sewer Funds	1,469,733,374	136,411,094	1,844,094,125	3,450,238,593
State Grants	104,747,123	-	70,923,279	175,670,402
Sunset Cliffs Natural Park Fund	1,188,131	-	-	1,188,131
TransNet - Extension Bikeways	212,227	-	-	212,227
TransNet Funds	211,276,179	27,324,625	93,337,267	331,938,071
Trench Cut/Excavation Fee Fund	16,929,910	2,000,000	8,000,000	26,929,910
Unidentified Funding	-	-	6,570,345,447	6,570,345,447
Utilities Undergrounding Program Fund	40,746,526	-	41,261,459	82,007,985
Water Fund	2,083,986,913	280,753,141	3,954,297,579	6,319,037,633
Total	\$ 5,834,213,631	\$ 704,115,321	\$ 13,364,638,199	\$ 19,902,967,151

Unidentified Funding

Some projects may lack sufficient identified funding to complete the project. These projects display an “unidentified funding” amount in the project pages. Each project with an unidentified amount is summarized in each department's Unfunded Needs List. A complete list of all projects with unidentified funding is provided below in **Table 2**.

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
University Avenue Complete Street Phase1 / S18001	445	85	High	\$ 441	0.00 %
Carmel Grove NP Comfort Station and Park / S16038	194	58	Low	1,365	0.10 %
Pump Station D Upgrade / S22015	362	43	Low	114,089	0.30 %

Capital Improvements Program

Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Market Street-47th to Euclid-Complete Street / S16061	419	95	High	50,000	0.40 %
Otay Mesa Truck Route Phase 4 / S11060	427	66	Medium	94,196	0.50 %
Canon Street Pocket Park / S16047	191	58	Low	27,231	0.80 %
University Avenue Mobility / S00915	446	82	High	105,559	0.90 %
Wangenheim Joint Use Facility / S15007	254	59	Medium	142,674	1.50 %
Ocean Beach Branch Library / S20015	169	62	Low	200,000	1.60 %
North Park Mini Park / S10050	226	53	Low	157,393	2.60 %
Chollas Creek Oak Park Trail / S20012	200	85	High	100,000	2.90 %
Olive St Park Acquisition and Development / S10051	232	63	High	201,585	3.40 %
N Torrey Pines Rd Bridge/ Los Penasquitos / S00935	422	56	Medium	710,000	4.40 %
Golf Course Drive Improvements / S15040	210	49	Low	500,000	7.10 %
Traffic Calming / AIL00001	442	Annual	Annual	775,161	7.20 %
Carmel Knolls NP Comfort Station-Development / S16033	195	58	Low	183,760	7.90 %
Carmel Del Mar NP Comfort Station-Development / S16034	193	58	Low	301,000	9.30 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	407	82	High	7,610,733	9.50 %
Palm Avenue Interstate 805 Interchange / S00869	428	53	Low	4,895,916	11.10 %
Carmel Valley CP-Turf Upgrades / S16029	197	59	Medium	640,421	11.80 %
Mohnike Adobe and Barn Restoration / S13008	223	59	Medium	390,000	12.00 %
Balboa Park Botanical Bldg Improvments / S20005	185	50	Low	3,500,000	12.50 %
Solana Highlands NP-Comfort Station Development / S16032	242	58	Low	507,270	12.70 %
Normal Street Promenade / S22012	424	76	High	1,939,162	14.60 %
Pump Station G & 17 Full Improvement / S24006	363	67	Medium	9,648,295	14.90 %
Guard Rails / AIE00002	411	Annual	Annual	558,807	18.30 %
Torrey Highlands Trail System / RD21003	251	53	Low	17,369	18.90 %
Beyer Park Development Phase II / S23008	188	65	High	2,890,610	19.00 %
Rancho Bernardo CP Improvements / L20000	235	61	Medium	932,716	19.60 %
Camino Del Sur Widening - North / RD21005	399	50	Low	1,236,456	21.20 %
Dennery Ranch Neigh Park / RD22001	203	66	High	4,811,468	21.90 %
Carmel Mountain Road Widening / RD21006	401	50	Low	545,574	22.90 %
City Hts Library Performance Annex Imp / S23013	167	61	Low	1,526,975	23.50 %
TH 16" Water Mains / RD21007	337	69	Low	155,295	24.90 %
Ocean Air Comfort Station and Park Improvements / S16031	228	58	Low	776,979	26.30 %

Capital Improvements Program Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Streamview Drive Improvements Phase 2 / S18000	437	81	High	4,582,760	26.70 %
Old Logan Heights Library Renovation / S22010	170	75	Medium	992,785	26.70 %
Mission Bay Improvements / AGF00004	222	Annual	Annual	75,843,984	31.70 %
Police Range Refurbishment Phase II / S18005	267	86	High	5,800,000	32.60 %
Oak Park Library / S22011	168	65	Low	10,584,255	33.00 %
Carmel Country Road Low Flow Channel / S00969	357	41	Low	5,129,898	34.20 %
Median Installation / AIG00001	420	Annual	Annual	13,637,635	39.00 %
Flood Resilience Infrastructure / ACA00001	359	Annual	Annual	323,015,838	40.60 %
Street Light Circuit Upgrades / AIH00002	438	Annual	Annual	15,407,000	47.30 %
Traffic Signals - Citywide / AIL00004	443	Annual	Annual	30,025,565	58.90 %
Resource-Based Open Space Parks / AGE00001	238	Annual	Annual	10,375,109	65.10 %
Traffic Signals Modification / AIL00005	444	Annual	Annual	30,794,000	65.20 %
San Carlos Branch Library / S00800	172	54	Low	24,047,258	68.10 %
Bicycle Facilities / AIA00001	396	Annual	Annual	99,239,498	68.70 %
John Baca Park / S22004	214	55	Low	3,430,366	69.00 %
Street Resurfacing and Reconstruction / AID00005	439	Annual	Annual	865,791,506	69.60 %
Regional Park Improvements / AGF00005	237	Annual	Annual	112,731,740	71.20 %
Fleet Operations Facilities / L14002	156	84	High	8,324,151	72.50 %
Coastal Erosion and Access / AGF00006	202	Annual	Annual	47,300,000	76.90 %
Fire-Rescue Air Ops Facility - PH II / S18007	145	77	Medium	18,382,446	79.40 %
New Walkways / AIK00001	423	Annual	Annual	116,472,700	80.90 %
Sidewalk Repair and Reconstruction / AIK00003	432	Annual	Annual	119,884,592	82.30 %
Maple Canyon Storm Drain Upgrade / S20003	361	86	High	31,755,532	83.00 %
La Media Improv-Siempre Viva to Truck Rte / S22006	416	70	Medium	14,831,849	84.30 %
Sunset Cliffs Seawall Improvement / S23006	440	66	Medium	6,627,900	84.70 %
Fairmount Avenue Fire Station / S14018	139	78	Medium	24,272,206	86.70 %
Fire Station No. 51 - Skyline Hills / S14017	143	87	High	12,890,957	86.90 %
Stormwater Green Infrastructure / ACC00001	365	Annual	Annual	1,365,797,888	87.60 %
Park Improvements / AGF00007	234	Annual	Annual	434,408,607	87.70 %
Via de la Valle Widening / RD11001	448	45	Low	31,138,340	88.90 %
Fire Station No. 49 - Otay Mesa / S00784	141	81	Medium	27,750,000	89.30 %
Market St-Euclid to Pitta-Improvements / S16022	418	50	Low	4,976,600	89.40 %
City Facilities Improvements / ABT00001	155	Annual	Annual	326,371,679	89.40 %
Install T/S Interconnect Systems / AIL00002	412	Annual	Annual	101,050,000	89.60 %
Alvarado Canyon Rd Realignment Project / S22005	394	67	Medium	35,768,954	89.90 %
Ocean Beach Pier Replacement / L22001	230	47	Low	90,750,000	90.80 %
Village Center Loop Rd-N Carmel Valley Rd / S19002	449	68	Medium	49,200,000	92.80 %
North Pacific Beach Lifeguard Station / S10119	146	83	High	10,705,178	93.00 %

Capital Improvements Program

Funding Sources

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Chollas Creek Restoration 54th St & Euclid Ave / S22009	358	91	High	56,072,158	93.60 %
North Chollas CP Improvements / L22004	225	64	High	21,172,000	93.70 %
Upper Auburn Creek Revitalization Project / S22008	367	64	Medium	84,851,117	93.90 %
Sunshine Bernardini Restoration / S24005	366	80	High	62,619,122	93.90 %
Southwest Neighborhood Park / S22002	244	62	Medium	25,603,698	95.30 %
Bridge Rehabilitation / AIE00001	397	Annual	Annual	150,542,721	95.70 %
Citywide Energy Improvements / ABT00003	377	Annual	Annual	235,831,380	97.30 %
Installation of City Owned Street Lights / AIH00001	413	Annual	Annual	558,080,926	97.70 %
Sea World Dr/I5 Interchange Improvement / S00888	431	74	High	119,072,571	99.10 %
Convention Center Phase III Expansion / S12022	109	N/A	N/A	681,640,478	99.50 %
Fire Station No. 54 - Paradise Hills / S00785	144	81	Medium	18,522,000	99.60 %
Total				\$ 6,570,345,447	