

# 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.

### Climate Equity Fund

The Climate Equity Fund (CEF) was recently 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 achieve other climate equity concerns and be located 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 tax on the sale of gasoline. The City's share of gas tax revenue is based on a formula that considers vehicle registration, assessed property valuation, 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 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.

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### 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 Section 77.1 of Article VII of the City Charter 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.

### 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 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. Improvement 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.

### Recycling Fund

The Recycling Fund is an enterprise fund that supports the City's recycling programs, 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

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right-of-way in order 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 as a result of trenching. In conjunction with the Streets Preservation Ordinance adopted in January 2013, Council approved a graduated increase in fees towards full cost recovery. Fees 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**.

**Table 1: Capital Improvements Program by Funding Source**

Funding Source	Prior Fiscal Years	FY 2022	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 4,216,494	\$ -	\$ -	\$ 4,216,494
Antenna Lease Fund	1,098,013	484,735	-	1,582,748
Bond Financing	116,979,484	-	269,663,670	386,643,154
Bus Stop Capital Improvement Fund	4,942	-	866,000	870,942
Capital Outlay - Land Sales	33,204,948	-	-	33,204,948
Capital Outlay - Other	22,765,934	-	-	22,765,934
Climate Equity Fund	-	6,965,178	-	6,965,178
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	58,403,587	-	-	58,403,587
Developer Funding	33,587,582	-	2,800,298	36,387,880
Development Impact Fees	157,349,661	10,231,420	2,832,770	170,413,851
Donations	10,414,579	-	3,000,000	13,414,579
EDCO Community Fund	970,185	-	-	970,185
Energy Conservation Program Fund	658,594	-	1,000,000	1,658,594
Energy Upgrades CEC Loan Fund	30,273,755	-	-	30,273,755
Enhanced Infrastructure Financing District Fund	369,048	727,500	2,572,602	3,669,150
Environmental Growth Funds	3,363,418	-	-	3,363,418
Facilities Benefit Assessments	280,314,328	9,580,000	57,255,458	347,149,786

# Capital Improvements Program Funding Sources

**Table 1: Capital Improvements Program by Funding Source**

Funding Source	Prior Fiscal Years	FY 2022	Future Fiscal Years	Funding Source Total
Federal Grants	206,023,644	-	55,148,614	261,172,258
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	2,567,973	391,801	-	2,959,774
Gas Tax Fund	40,596,083	-	-	40,596,083
General Fund	53,575,341	7,716,600	-	61,291,941
Golf Course Enterprise Fund	31,436,467	3,510,000	2,000,000	36,946,467
Infrastructure Fund	33,601,117	10,000,000	-	43,601,117
Library System Improvement Fund	237,405	-	227,225	464,630
Maintenance Assessment Districts	1,116,408	20,000	-	1,136,408
Mission Bay Park Improvement Fund	56,911,173	-	26,000,000	82,911,173
Mission Trails Regional Park Fund	864,552	-	-	864,552
Non-CIP Funds	300,000	-	-	300,000
OneSD/ERP Funding	248,000	-	-	248,000
Other Funding	68,590,496	197,919	1,177,000	69,965,415
Other Grants	5,150,529	-	-	5,150,529
Parking Meter Districts	7,053,043	1,225,000	-	8,278,043
Park Service District Funds	4,410,139	-	-	4,410,139
Proposition 42 Replacement - Transportation Relief Fund	12,286,689	50,000	-	12,336,689
Recycling Fund	16,000,000	814,400	-	16,814,400
Redevelopment Funding	8,319,504	-	-	8,319,504
Refuse Disposal Fund	35,994,080	-	800,000	36,794,080
Regional Transportation Congestion Improvement Program	48,922,837	1,075,287	-	49,998,124
San Diego Regional Parks Improvement Fund	24,237,062	-	21,331,492	45,568,554
San Diego Unified School District	500,000	-	-	500,000
Sea World Traffic Mitigation Fund	10,987,156	-	-	10,987,156
Sewer Funds	1,001,811,732	321,697,358	801,376,798	2,124,885,888
State Grants	37,033,090	-	34,200,000	71,233,090
Sunset Cliffs Natural Park Fund	933,702	100,000	-	1,033,702
TransNet - Extension Bikeways	212,227	-	-	212,227
TransNet Funds	181,049,852	20,369,504	84,704,749	286,124,105
Trench Cut/Excavation Fee Fund	16,951,167	2,000,000	8,000,000	26,951,167
Unidentified Funding	-	-	3,922,105,494	3,922,105,494
Utilities Undergrounding Program Fund	50,033,169	5,000,000	40,000,000	95,033,169
Water Fund	1,459,515,756	387,368,939	1,090,128,607	2,937,013,302
<b>Total</b>	<b>\$ 4,178,030,756</b>	<b>\$ 789,525,641</b>	<b>\$ 6,427,190,777</b>	<b>\$ 11,394,747,174</b>

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## 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
Beyer Park Development / S00752	176	51	Low	\$ 152,493	0.80 %
Coastal Rail Trail / S00951	372	82	High	756,580	3.30 %
La Media Road Improvements / S15018	383	77	High	1,416,660	3.30 %
EB Scripps Pk Comfort Station Replacement / S15035	194	70	High	200,000	3.50 %
SR94/Euclid Av Interchange Phase 2 / S14009	403	57	Low	300,000	4.20 %
University Avenue Complete Street Phase1 / S18001	414	86	High	454,433	4.80 %
Balboa Park West Mesa Comfort Station Replacement / S15036	173	63	High	123,000	5.20 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	374	82	High	3,131,838	6.10 %
Southeastern Mini Park Improvements / L16000	231	57	Medium	611,930	7.00 %
Hickman Fields Athletic Area / S00751	200	60	Medium	1,000,000	9.50 %
Guard Rails / AIE00002	378	Annual	Annual	441,332	9.90 %
Jerabek Park Improvements / S20007	203	62	High	649,549	13.80 %
Carmel Del Mar NP Comfort Station-Development / S16034	181	58	Medium	400,000	14.70 %
Traffic Signals - Citywide / AIL00004	412	Annual	Annual	6,518,000	29.80 %
Traffic Signals Modification / AIL00005	413	Annual	Annual	7,747,904	31.10 %
Mira Mesa Community Pk Improvements / L16002	208	54	Low	11,000,454	33.60 %
Otay Mesa Truck Route Phase 4 / S11060	392	66	Medium	10,630,702	37.80 %
Dennerly Ranch Neighborhood Park / S00636	192	47	Low	8,203,802	38.00 %
Rancho Bernardo CP Improvements / L20000	220	61	High	496,737	38.20 %
Egger/South Bay Community Park ADA Improvements / S15031	195	60	Medium	1,803,855	39.80 %
Traffic Calming / AIL00001	411	Annual	Annual	6,785,000	40.90 %
Median Installation / AIG00001	387	Annual	Annual	9,750,000	44.30 %
Bridge Rehabilitation / AIE00001	363	Annual	Annual	15,011,333	45.50 %
Street Resurfacing and Reconstruction / AID00005	407	Annual	Annual	257,585,324	47.90 %
SD River Dredging Qualcomm Way to SR163 / S00606	228	69	Medium	1,000,000	52.30 %
Ocean Beach Branch Library / S20015	156	62	Medium	4,448,511	52.30 %
Canon Street Pocket Park / S16047	178	58	Medium	1,550,908	54.10 %
Street Light Circuit Upgrades / AIH00002	406	Annual	Annual	15,589,000	56.20 %
Mohnike Adobe and Barn Restoration / S13008	211	62	High	1,583,973	58.70 %
City Heights Sidewalks and Streetlights / S19005	371	91	High	1,500,000	60.00 %
Flood Resilience Infrastructure / ACA00001	335	Annual	Annual	246,508,068	60.70 %
Sidewalk Repair and Reconstruction / AIK00003	400	Annual	Annual	47,738,001	61.00 %
Junipero Serra Museum ADA Improvements / S15034	204	60	Medium	1,684,461	66.60 %

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**Table 2: Capital Improvement Projects Unfunded Needs**

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Ocean Beach Pier Improvements / S20011	215	47	Low	1,817,094	67.30 %
State Route 56 Freeway Expansion / RD14000	404	N/A	N/A	90,000,000	72.80 %
Fleet Operations Facilities / L14002	105	84	High	6,792,350	74.50 %
New Walkways / AIK00001	390	Annual	Annual	85,167,000	75.20 %
Golf Course Drive Improvements / S15040	199	52	Low	4,894,614	75.30 %
Palm Avenue Interstate 805 Interchange / S00869	393	53	Low	29,813,578	76.40 %
Sunset Cliffs Park Drainage Improvements / L14005	233	69	High	6,008,664	77.40 %
NTC Aquatic Center / S10000	213	56	Low	7,419,365	78.20 %
Fire-Rescue Air Ops Facility - PH II / S18007	143	77	Low	18,382,448	81.80 %
Streamview Drive Improvements Phase 2 / S18000	405	67	Medium	12,559,900	82.30 %
Bicycle Facilities / AIA00001	362	Annual	Annual	124,139,000	82.60 %
Olive Grove Community Park ADA Improve / S15028	216	65	High	3,099,369	83.30 %
Chollas Lake Improvements / L18001	190	65	High	4,700,000	84.70 %
City Facilities Improvements / ABT00001	326	Annual	Annual	433,059,708	86.40 %
San Carlos Branch Library / S00800	158	N/A	N/A	23,786,984	88.00 %
Fire Station No. 49 - Otay Mesa / S00784	139	81	Medium	20,000,000	88.60 %
Market St-Euclid to Pitta-Improvements / S16022	385	50	Low	4,976,600	89.40 %
North Pacific Beach Lifeguard Station / S10119	144	83	Medium	6,492,777	89.50 %
Fairmount Avenue Fire Station / S14018	135	83	Medium	20,000,000	89.60 %
Stormwater Green Infrastructure / ACC00001	339	Annual	Annual	1,063,328,463	90.60 %
Fire Station No. 51 - Skyline Hills / S14017	141	83	Medium	12,640,957	91.00 %
Install T/S Interconnect Systems / AIL00002	379	Annual	Annual	127,810,381	92.30 %
Village Center Loop Rd-N Carmel Valley Rd / S19002	418	68	Medium	49,200,000	92.80 %
Kearny Mesa Facility Improvements / S20009	107	54	Medium	15,400,000	93.90 %
Installation of City Owned Street Lights / AIH00001	380	Annual	Annual	237,762,999	96.00 %
Maple Canyon Storm Drain Upgrade / S20003	338	86	High	29,250,000	96.70 %
Sea World Dr/I5 Interchange Improvement / S00888	399	74	High	119,072,571	99.10 %
Fire Station No. 54 - Paradise Hills / S00785	142	81	Medium	16,116,346	99.50 %
Convention Center Phase III Expansion / S12022	103	N/A	N/A	681,640,478	99.50 %
<b>Total</b>				<b>\$ 3,922,105,494</b>	