



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: November 20, 2025

IBA Report Number: 25-32 REV

FY 2027 City Council Budget Priorities

OVERVIEW

Per the City Charter, the first step for the City Council in the City's annual budget process is the development of the annual Budget Priorities Resolution. This annual resolution has been approved by the City Council each year since 2006; and steps in its development process are included in the [FY 2027 Budget Development and FY 2026 Budget Monitoring Key Dates \("Key Dates"\)](#) calendar.

The annual Budget Priorities Resolution is first developed and approved in the fall; and Council also has the opportunity to update its initial Budget Priorities Resolution in February. The next section covers the adoption of the initial FY 2027 Budget Priorities Resolution, which was approved by Council on November 18, 2025. That section is followed by an overview of the FY 2027 process and a description of how the remainder of this report is organized.

Adoption of the Initial FY 2027 Budget Priorities Resolution

The Budget and Government Efficiency (B&GE) Committee reviewed the budget priorities contained in the original version of this report – IBA Report 25-32 – on November 5, 2025. The Committee recommended Council accept the report with one modification: to include *expenditure* priorities supported by four Councilmembers in the FY 2027 Budget Priorities Resolution. At its November 18, 2025 meeting, the Council formally adopted its initial FY 2027 Budget Priorities Resolution, as recommended by the B&GE Committee.

This updated report – IBA Report 25-32 REV – contains the City Council's budget priorities that constitute its initial FY 2027 Budget Priorities Resolution. The approved Budget Priorities Resolution will be submitted to the Mayor for consideration in the development of the FY 2027 Proposed Budget.

As mentioned, Council will have the opportunity to update its initial FY 2027 Budget Priorities Resolution in February 2026; to start that process, a call memorandum will be issued mid-December 2025 for Councilmembers' updates to their budget priorities memoranda.

FY 2027 Budget Priorities Resolution Process

To start the FY 2027 Budget Priorities Resolution process, B&GE Committee Chair Foster issued a memorandum on August 28, 2025 requesting that all Councilmembers submit their FY 2027 budget priorities to the Office of the Independent Budget Analyst (IBA) by September 24, 2025. The memo also requested that Councilmembers incorporate their Capital Improvements Program (CIP) priorities within their budget priorities memoranda.

Additionally, the memo noted that the Office of the IBA and the Department of Finance would provide a future presentation on Zero-Base Budgeting (ZBB)¹ and requested that each Councilmember identify departments they would like included in related discussions. Two Councilmembers provided departmental recommendations for ZBB: Homelessness Strategies and Solutions and Transportation. Council President LaCava expressed an openness to shifting toward ZBB, also requesting the development of new tools to assess operational efficiency and effectiveness; and Council President Pro Tem (CPPT) Lee expressed that he plans to share his potential ZBB department recommendations in his priorities update memo in January.

All nine Council Districts submitted their memos to the IBA's Office, which are attached to this report. Notably, instead of outlining individual priorities, CPPT Lee's memo emphasizes the City's budgetary challenges and highlights the importance of receiving updates on the implementation of the FY 2026 Adopted Budget to help shape his priorities. For his January memo, CPPT Lee anticipates using the information available at that time to inform his submission. Several other Councilmembers noted similar concerns and scaled back their priorities memos to varying degrees.

As in prior years, the IBA compiled City Council's FY 2027 budget priorities from the individual Councilmember memoranda that outline their priorities for the upcoming fiscal year. All Councilmember priorities were reviewed, and those receiving majority support are summarized in the *Identified Budget Priorities* section of this report. Majority-supported priorities are the basis for the FY 2027 Budget Priorities Resolution. Additionally, this report highlights priorities that were supported by *four* Councilmembers. As these priorities were not majority-supported in Councilmembers' memoranda, they were not initially contemplated as being part of the FY 2027 Budget Priorities Resolution. However, the B&GE Committee recommended, and Council approved, the inclusion of *expenditure* priorities supported by four Councilmembers in the FY 2027 Budget Priorities Resolution. The *How Identified Budget Priorities Are Organized* section summarizes where various priorities groupings are located within this report.

¹ Zero-Base Budgeting (ZBB) is a method that builds a budget from the ground up – starting at zero – rather than using the previous fiscal year's budget as the starting point. For additional information, see [IBA Report 16-16 Zero-Base Budgeting Concepts and Examples](#).

1¢ Transient Occupancy Tax (TOT) Expenditure Recommendation

Another component of the Budget Priorities Resolution is Council’s recommendation for the use of 1¢ of the City’s Transient Occupancy Tax (TOT) ².

By way of background, per [Municipal Code §35.0101](#), the purpose and intent of TOT is to “promot[e] the City of San Diego, including the planning, construction, maintenance and operation of tourist-related cultural, recreational and convention facilities.” In addition to the Municipal Code, City Council has approved additional guidelines for the use of TOT revenue via [Council Policy 100-03](#) (Transient Occupancy Tax), [Council Policy 100-23](#) (Arts, Culture and Community Festivals), and [Resolution 307760](#) (Penny for the Arts Blueprint).

While the City Council ultimately has budgeting control over all TOT revenue through its authority to adopt an annual budget, the City Council determined it will provide additional recommendations during budget development on its expenditure priorities for the 1¢ share of TOT revenue considered “Council Discretionary TOT”. Council Policy 100-03 states that the City Council will:

provide the Mayor with a recommendation, via the City Council’s annual budget priorities resolution, regarding the use of the 1¢ TOT. As part of its annual recommendation, the City Council may request to use 1¢ TOT as a mechanism to bridge the funding gap for arts and culture funding, or for other purposes. Any combination of TOT revenue that meets the Penny for the Arts goal is acceptable.

Note that the 1¢ of TOT revenue at Council’s discretion is distinct from the Penny for the Arts Blueprint funding goal which also happens to be 1¢ of TOT revenue. For FY 2027, this amount was projected to be around \$31.2 million in October, when this report was initially developed; the projection will be updated several times as we approach FY 2027.

The process for effecting the Council’s recommendation for use of the 1¢ TOT is addressed in [Resolution 315257](#), with the first step being that the Economic Development and Intergovernmental Relations (ED&IR) Committee provides an initial recommendation to the B&GE Committee for consideration. If accepted by the B&GE and ultimately approved by the full City Council, this recommendation will be part of the Budget Priorities Resolution.

For the FY 2027 budget process, the ED&IR Committee, at its October 8, 2025 meeting, forwarded a recommendation for proposed use of the 1¢ TOT to the B&GE Committee for consideration. The 1¢ TOT is equal to 9.5% of total TOT revenue (excluding Measure C revenue). Of the 9.5%, the ED&IR Committee recommendation is to:

² Measure C was an initiative that passed in 2020 that went into effect in 2025, that increased the TOT rate from 10.5% to a range from 11.75% to 13.75% with the additional revenue to be allocated to convention center modernization and expansion, homelessness, and street repairs. Regarding the 10.5%, per the municipal code, 5.5% of the tax rate goes to the General Fund, 4.0% of the tax rate goes to Special Proportional Programs, and 1.0% of the tax rate goes to Council discretionary uses. Per SDMC §35.0132, all revenue from recreational vehicles and campgrounds goes directly into the General Fund.

“[allocate] 4.28% of total TOT revenue, [an estimated \$14.1 million], for Arts, Culture, and Community Festivals and the remaining funds [an estimated \$17.1 million] to balance General Fund needs.”³

Based on October estimates, this would require that approximately \$200,000 beyond the \$13.9 million included in the FY 2026 Adopted Budget be dedicated to Arts, Culture, and Community Festivals, to maintain the same funding percentage as FY 2026, at 4.28% of TOT revenue.

As part of its November 5, 2025 action, the B&GE Committee accepted the ED&IR Committee’s 1¢ TOT recommendation and forwarded it to Council for approval as part of the recommended Budget Priorities Resolution. Subsequently, the ED&IR and B&GE Committees’ 1¢ TOT recommendation was included as part of Council’s approved FY 2027 Budget Priorities Resolution.

Additionally, in accordance with Resolution 315257, the Budget Priorities Resolution includes the Council’s request that the Mayor and Department of Finance, as part of the Mayor’s Proposed Budget and presentation to the Budget Review Committee, provide the Council with a report on the 1¢ TOT allocation within the Mayor’s Proposed Budget as it relates to meeting the Council’s 1¢ TOT recommendation included in the Budget Priorities Resolution.

How Identified Budget Priorities Are Organized

The next section of this report, *Identified Budget Priorities*, categorizes and discusses the highest priority fiscal and policy items that received support from a majority (five or more) of Councilmembers in their budget priorities memoranda and are included in the FY 2027 Budget Priorities Resolution. We have grouped the majority-supported priorities into two major sections: operating budget priorities and infrastructure budget priorities. Within those areas, we further grouped most priorities into categories, as outlined below. Following the operating and infrastructure budget priorities is a section on budget resources and mitigations, and then a section with additional expenditure priorities that received support from *four* Councilmembers, which as mentioned, are also included in the FY 2027 Budget Priorities Resolution.

Majority-Supported Operating Budget Priorities

For the FY 2027 operating budget, the items receiving support from a majority of Councilmembers have been grouped into the following categories. Specific activities and programs within these categories are detailed in the next section of this report.

- Homelessness and Housing
- Other Priorities

³ During the October 8, 2025 ED&IR meeting, Council President Pro Tem Lee expressed the intent that funding for arts, culture, and community festivals be comprised principally from the 4¢ special promotion portion of the Transient Occupancy Tax Fund revenue and that any gaps in meeting a 4.28% of total TOT revenue goal be filled by the 1¢ council discretionary portion of the Transient Occupancy Tax Fund revenue. This is in alignment with Council Policy 100-03. As previously stated, per the policy, “the City Council may request to use 1¢ TOT as a mechanism to bridge the funding gap for arts and culture funding, or for other purposes. Any combination of TOT revenue that meets the Penny for the Arts goal is acceptable.”

Majority-Supported Infrastructure Budget Priorities

A number of infrastructure needs were further listed as FY 2027 budget priorities by a majority of Councilmembers. These are also discussed later in this report.

- Transportation and Mobility Safety
- Streets
- Sidewalks
- Stormwater
- Facilities
- American Disabilities Act (ADA) Projects

Budget Resources and Mitigations

Although no specific resources were identified in a majority of Councilmembers' memos, six Councilmembers discussed *exploration* of various new revenues and resources. Additionally, five Councilmembers referenced exploring grants and State or federal funding opportunities.

Since the City is in the early stages of the FY 2027 budget process, we anticipate more in-depth discussions about revenues and resources as the budget process evolves. To move that discussion forward, ***we recommend that the full Council designate its preferred revenue options so the executive branch can consider and present a plan to implement options that are feasible for FY 2027. Other revenue options that could be implemented in future years should also be designated by the Council.***

Expenditure Priorities Receiving Support from Four Councilmembers

In addition to majority-supported priorities, expenditure priorities receiving support from *four* Councilmembers are also included in the FY 2027 Budget Priorities Resolution. These are comprised of various types of programs and services and include eight operating budget and two infrastructure budget priorities.

IDENTIFIED BUDGET PRIORITIES

Most Councilmembers’ budget priorities memos this year reference the City’s fiscal challenges, with several mentions of need to address the continuing structural budget deficit. Additionally, several memos highlight the need for a better understanding of the City’s fiscal position before establishing more targeted priorities.

Two reports released on November 7 provide further insight into the City’s fiscal position. The [FY 2026 First Quarter Budget Monitoring Report](#) includes major revenue and certain expenditure forecasts, though that analysis only includes three months of actual revenues and expenditures. Additionally, the [FY 2027-2031 Five-Year Financial Outlook](#) provides an early projection of the anticipated budgetary shortfall for FY 2027, which totals \$110.6 million.

With lingering fiscal concerns and economic uncertainties in mind, several Councilmember have taken a more reserved approach to their priorities memos at this point in time, scaling back the volume of their priorities to varying degrees from their prior-year submissions.

City Council Operating Budget Priorities

This section discusses all FY 2027 *operating budget* priorities mentioned by a majority of Councilmembers, which are also listed in the table on the right.

Homelessness and Housing

Seven Councilmembers expressed support for a variety of homelessness and housing-related services and programs. A majority of Councilmembers specifically supported more affordable housing including preservation efforts, rental assistance through the Housing Instability Prevention Program, eviction prevention services, prevention and diversion resources, and LGBTQ+ affirming shelter and supportive services, which are discussed below.

| Operating Budget Priorities |
|---|
| <ul style="list-style-type: none">● Homeless and Housing<ul style="list-style-type: none">– Affordable Housing Preservation and Creation– Housing Instability Prevention Program– Eviction Prevention Program– Prevention and Diversion Resources– LGBTQ+ Affirming Shelter and Related Services● Other Operating Priorities<ul style="list-style-type: none">– Penny for the Arts– Climate Action Plan– Lifeguard Staffing– Weed Abatement– Maintaining Library and Parks & Recreation Funding– Office of the City Clerk |

Affordable Housing Preservation and Creation (Seven Councilmembers)

Seven Councilmembers signaled support for additional affordable housing with five Councilmembers specifically supporting continued funding for the Affordable Housing Preservation Fund (Preservation Fund). For the FY 2026 Adopted Budget, Council took action to allocate \$5.0 million from the Neighborhood Enhancement Fund (a fee collected as part of Complete Communities

– Housing Solutions) to create the Preservation Fund. To be administered by the San Diego Housing Commission (SDHC), the Preservation Fund is intended to acquire and extend the affordability of both naturally occurring and deed-restricted affordable units at risk of converting to market rate. Requested funding levels ranged from \$3.0 million to \$5.0 million with two Councilmembers requesting funds identified by SDHC be allocated to the Preservation Fund.

Housing Instability Prevention Program (Six Councilmembers)

Six Councilmembers prioritized funding for the Housing Instability Prevention Program (HIPP), which provides financial assistance to low-income households. The program provides tiered subsidies between \$250 and \$1,000 each month for up to two years to households with low income and unstable housing conditions. Payments can be used to assist with rent and other housing-related expenses. For FY 2026, HIPP is budgeted to receive \$5.8 million ongoing from the City General Fund, which supports case management services (seven housing specialists and 1.50 FTEs for program supervision and support) and financial assistance for up to 300 households. Requested funding levels ranged from maintaining current funding at \$5.8 million to providing up to \$10.0 million, which would allow HIPP to serve an estimated 210 additional households.

Eviction Prevention Program (Five Councilmembers)

Five Councilmembers requested continued funding for the Eviction Prevention Program, which provides education and legal services for low-income renters facing eviction. The program was initially funded in FY 2022 in response to the expiration of statewide pandemic-related eviction protections. The FY 2026 Adopted Budget included \$3.0 million to continue the program for FY 2026. Three Councilmembers specifically requested \$3.0 million to maintain current funding levels.

Prevention and Diversion Resources (Five Councilmembers)

Five Councilmembers expressed support for homelessness prevention and diversion. Four Councilmembers specifically requested an additional \$2.1 million to augment SDHC's current prevention and diversion efforts. SDHC's FY 2026 Adopted Budget includes \$3.2 million from the Affordable Housing Fund and other funds for prevention and diversion, which is expected to serve a total of 365 households. The augmentation would enable SDHC to provide 225 additional households with prevention resources and 40 additional households with diversion resources.

LGBTQ+ Affirming Shelter and Related Services (Five Councilmembers)

Five Councilmembers expressed support for shelter beds and wrap-around services designated for LGBTQ+ individuals. Three Councilmembers specifically requested maintaining funding for the SafeSTAY Wellness Center Shelter, a 43-bed semi-congregate shelter serving LGBTQ+ transition aged youth (between ages 18 and 24) that opened in April 2025. SDHC administers the program, which is budgeted at slightly more than \$2.0 million in FY 2026.

Other Operating Budget Priorities

The following priorities were also supported by a majority of Councilmembers.

Penny for the Arts (Six Councilmembers)

Six Councilmembers expressed various levels of support for funding dedicated to arts and culture, as summarized in the table below.

Three Councilmembers supported arts and culture funding levels equal to 4.3% of citywide TOT revenue (excluding Measure C revenue) which would require additional expenditures of approximately \$200,000 beyond what was included in the FY 2026 Adopted Budget. A fourth Councilmember expressed support for partially funding Penny for the Arts but did not specify a percentage or dollar amount.

Two other Councilmembers supported arts and culture funding levels equal to the full Penny for the Arts goal of 9.5% of citywide TOT revenue (excluding Measure C funds) which would require additional expenditures of approximately \$17.3 million beyond what was included in the FY 2026 Adopted Budget (AB).

| Level of Support | Councilmembers | % of Citywide TOT | FY 2027 Amount | Difference from FY 2026 AB |
|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------------------|
| Partial Funding | 1 | Unknown | Unknown | Unknown |
| Partial Funding | 3 | 4.3% | \$14.1 million | \$200,000 |
| Full Funding | 2 | 9.5% | \$31.2 million | \$17.3 million |

Climate Action Plan (Five Councilmembers)

Five Councilmembers discussed additional funding for implementing the Climate Action Plan in their memos. Some of the activities were also highlighted in other priorities within this report, such as supporting stormwater facilities, pedestrian and bicycle facilities, and Vision Zero, among other priorities.

Lifeguard Staffing (Five Councilmembers)

Five Councilmembers prioritized the addition of 1.00 Marine Safety Captain to oversee business operations and logistics for the Fire-Rescue Department's Lifeguard Division. This addition would allow the Division's sole existing Marine Safety Captain to focus exclusively on emergency operations.

Weed Abatement (Five Councilmembers)

Five Councilmembers prioritized continued funding for weed abatement services performed by the Transportation Department in the public right-of-way, including roads and medians. Councilmembers called for increased service frequency to improve responsiveness to community requests, reduce fire risks, and ensure well-maintained public spaces.

Maintaining Library and Parks and Recreation Funding (Five Councilmembers)

Five Councilmembers prioritized maintaining FY 2026 funding and/or operating hours for both the Library and Parks and Recreation Departments’ facilities.

Office of the City Clerk (Five Councilmembers)

Five Councilmembers expressed support for adding 1.00 Deputy City Clerk to respond to increased workload related to legally mandated functions within the Elections and City Connections Division. Four of the memos specifically requested that the position have an annual salary of \$66,000, plus fringe benefits.

City Council Infrastructure Budget Priorities

This section summarizes FY 2027 infrastructure-related budget priorities identified by a majority of Councilmembers. These priorities, presented in the accompanying table and further detailed in the subsections below, include both capital projects funded through the Capital Improvements Program (CIP) and maintenance or repair needs supported through the operating budget. Infrastructure needs were highlighted in every Council District priority memorandum. While the specific project requests vary by District, the overall types of projects are consistent – centering on investments in safe streets, sidewalks, stormwater systems, and enhancements to parks, recreation centers, and fire-rescue facilities.

| Infrastructure Budget Priorities |
|---|
| <ul style="list-style-type: none"> • Transportation & Mobility Safety <ul style="list-style-type: none"> - Pedestrian & Bicycle Safety - Traffic Calming - Streetlights • Streets • Sidewalks • Stormwater • Facilities <ul style="list-style-type: none"> - Parks and Recreation - Fire-Rescue, including Life-guards • American with Disabilities Act (ADA) Projects |

Transportation and Mobility Safety

Transportation and mobility safety remains a priority shared by a majority of Councilmembers, reflecting the City’s Vision Zero commitment to eliminate severe injuries and fatalities and the Complete Streets framework to ensure safe access for all users. The common elements emphasized by Councilmembers within this category are outlined below.

Pedestrian and Bicycle Safety (Seven Councilmembers)

Seven Councilmembers prioritized a range of pedestrian and bicycle safety measures in support of the City’s Vision Zero goals, with specific project requests varying by District. Six Councilmembers placed additional emphasis on expanding bicycle mobility through the development of dedicated Class II bike lanes, new protected lanes, and Class IV bikeways, as well as the installation of physical barriers to enhance safety on existing bike lanes. Five Councilmembers specifically highlighted the importance of crosswalk upgrades and new installations, flashing beacons, horizontal deflection treatments, audible pedestrian signals, countdown timers, expanded Class IV bikeways, and mid-block crossings – while also supporting the use of quick-build methods to accelerate project delivery.

Traffic Calming (Seven Councilmembers)

Seven Councilmembers prioritized traffic calming and control measures aimed at reducing vehicle speeds and lessening the severity of collisions. Strategies identified include speed humps, roundabouts, raised medians, guardrails, electronic speed indicators, and enhanced signage – all intended to improve safety, prevent accidents, and create safer neighborhood streets.

Streetlights (Five Councilmembers)

Repair, replacement, and new streetlight installations were identified as critical needs by five Councilmembers, with upgrades intended to enhance neighborhood safety, improve visibility, and support the overall quality of life for residents and pedestrians. Priority locations include sites identified in City traffic studies and areas with high pedestrian activity such as parks, schools, community centers, business corridors, and transit stations.

Streets (Seven Councilmembers)

Seven Councilmembers prioritized investments in street infrastructure, with a majority supporting resurfacing and maintenance efforts such as asphalt overlay and slurry seal. Four Councilmembers requested specific street modification projects, including realignments, extensions, widenings, and other targeted improvements.

Sidewalks (Seven Councilmembers)

Seven Councilmembers prioritized sidewalk installation and repair. Priorities include constructing new sidewalks in high-use areas where gaps exist and undertaking ramp upgrades, slicing, rebuilding, widening, and other improvements to ensure accessibility and safety.

Stormwater (Seven Councilmembers)

Seven Councilmembers supported allocating additional resources to strengthen Stormwater operations, highlighting the urgent need for investments in new and upgraded storm drains, enhanced flood mitigation projects, and routine channel maintenance.

Facilities

Councilmembers consistently identified significant needs across the City's core public facilities, many of which suffer from longstanding deferred maintenance. While levels of support varied among the operating departments, common areas of emphasis included funding for Fire-Rescue (including Lifeguards), as well as repairs and improvements to Parks and Recreation facilities which are described further below.

Parks & Recreation (Six Councilmembers)

Six Councilmembers prioritized improvements for Parks and Recreation facilities. Requests for specific improvement projects varied by Council District but commonly included upgrades to play structures, renovations and expansions of recreation centers, installation and resurfacing of sports courts, and the addition of shade structures. Other requests highlighted comfort station renovations, improved lighting, turf replacement, picnic areas, and accessibility upgrades.

Fire-Rescue, Including Lifeguards (Five and Six Councilmembers, respectively)

Five Councilmembers supported funding for new fire stations to improve emergency response times in their communities, as well as upgrades to existing facilities that have significant deferred maintenance. Many fire stations mentioned by Councilmembers require major renovations, including kitchens, dormitories, bathrooms, flooring, and HVAC systems. Specific requests varied by Council District, including: Fire Stations 25, 27, 30, and 36 which remain in their original condition and are nearing the end of their functional lifespans. Fire Stations 49 and 51 will be new facilities but require funding to move forward.

Six Councilmembers supported funding for lifeguard towers and stations, of which five highlighted the Ocean Beach Lifeguard Tower. Four Councilmembers supported addressing urgent needs of the North Pacific Beach Lifeguard Tower and replacement of the Mission Beach Lifeguard Station, which has reached the end of its service life and currently depends on emergency repairs.

Americans with Disabilities Act (Five Councilmembers)

Five Councilmembers expressed support for a variety of projects with ADA improvement components, many located within parks or the City's right-of-way. Examples include replacing noncompliant curb ramps, upgrading paths of travel and playgrounds, repaving parking lots with adjusted ADA parking spaces to ensure accessible routes, and renovating comfort stations to achieve full ADA compliance.

Budget Resources and Mitigations

Although no specific resources were identified in a majority of Councilmembers' memos, six Councilmembers discussed *exploration* of new revenues and resources. Various types of resources were mentioned, such as a sales tax increase, general obligation bonds, non-resident revenues, a fee for vacant storefronts, renegotiation of City-owned property leases, and renegotiation of leases where the City is a lessee, among others. Additionally, five Councilmembers referenced exploring grants and State or federal funding opportunities.

Also noteworthy, four Councilmembers mentioned paid beach and bay parking, including several ideas for parameters on a *non-resident* paid parking program that would be free to residents. These potential parameters include finding low-cost ways to maintain coastal access, as well as implementing low-income permits, frequent user badges, large vehicle fees, inflation increases, and credit card pass-through charges.

Since the City is in the early stages of the FY 2027 budget process, we anticipate more in-depth discussions about revenues and resources as the budget process evolves. To move that discussion forward, ***we recommend that the full Council designate its preferred revenue options (including beach and bay parking, if desired) so the executive branch can consider and present a plan to implement options that are feasible for FY 2027. Other revenue options that could be implemented in future years should also be designated by the Council.***

Expenditure Priorities Receiving Support from Four Councilmembers

In addition to majority-supported priorities, expenditure priorities receiving support from *four* Councilmembers are also included in the FY 2027 Budget Priorities Resolution. These are comprised of various types of programs and services and include eight operating budget and two infrastructure budget priorities, which are discussed below.

Operating Budget Priorities

Veteran’s Village Shelter

Four Councilmembers requested additional funding to operate 72 currently unutilized shelter beds for veterans experiencing homelessness at the Veteran’s Village of San Diego (VVSD) campus. The FY 2026 Adopted Budget provides \$1.1 million from the City’s General Fund to operate the 40-bed Veterans Interim Shelter Program at the VVSD campus. Three Councilmembers specifically requested funding be increased to \$2.3 million to expand the program to 112 beds – an increase of \$1.3 million to operate 72 additional beds above current levels. We note that the requested program funding excludes SDHC administrative costs, and total funding, including administrative costs, would be slightly less than \$2.5 million.

| <i>Four Councilmembers in Support: Operating Budget Priorities</i> |
|---|
| <ul style="list-style-type: none">• Veteran’s Village Shelter• Climate Equity Fund• Police Recruitment and Retention• No Shots Fired• Library Materials and Maintenance• Equity in Park Programming• Lifeguard Wellness• SD Access4All |

Climate Equity Fund

Four Councilmembers prioritized full funding of the Climate Equity Fund, which was not fully funded in the Mayor’s FY 2026 Proposed Budget. Additionally, those Councilmembers also prioritized using this Fund for eligible CIP projects.

Police Recruitment and Retention

Four Councilmembers discussed the need to fill existing Police Department vacancies and enhance recruitment and retention efforts. We note that as of September 29, 2025, the Department has 209 sworn officer vacancies, constituting a vacancy rate of 11.5%.

No Shots Fired Program

Four Councilmembers supported continued funding of the No Shots Fired Youth Intervention Program which provides comprehensive outreach and wraparound support services aimed at preventing and reducing gun violence. Currently, \$250,000 is funded for this program on an ongoing basis within the Police Department’s General Fund budget.

Library Materials and Maintenance

In addition to the majority support for maintenance of Library funding and/or hours at FY 2026 levels as discussed earlier in this report, four Councilmembers prioritized an increase in funding for library materials and library maintenance.

Equity in Park Programming

Four Councilmembers expressed support to maintain or increase funding for equitable park programming, including existing programs such as the Parks After Dark and Come Play Outside Programs.

Lifeguard Wellness

Four Councilmembers prioritized additional funding in the Fire Recue Department budget to provide all full-time Lifeguards with access to the Fire Rescue Department’s Wellness Program.

SD Access4All

Four Councilmembers prioritized funding to maintain or expand the City’s Digital Equity Program, SD Access 4 All. The Program provides public WiFi access in City parks and libraries, a mobile hotspot lending program, digital literacy and navigation services, and public outreach activities. While all core SD Access 4 All services now have dedicated ongoing funding, funding for the mobile hotspot program was reduced from \$875,000 in the FY 2025 budget, which covered 4,000 units, to \$336,000 in FY 2026, which covers 2,000 units. This reduction assumed the City would be awarded E-rate grant funding for this purpose; however, on September 30, 2025, the Federal Communications Commission determined E-rate grants could not be used for mobile hotspot lending services. \$858,000 will be needed for the Department of IT to restore the prior core service level of 4,000 mobile hotspots. Councilmembers’ support for additional program funding ranged from \$1.0-\$1.3 million.

Infrastructure Budget Priorities

Traffic Signals

Four Councilmembers identified traffic signal improvements as another key Vision Zero priority, emphasizing the need for new, modified, and optimized signals to enhance safety and improve traffic flow.

| |
|---|
| <i>Four Councilmembers in Support: Infrastructure Budget Priorities</i> |
| <ul style="list-style-type: none"> • Traffic Signals • Library Facilities |

Library Facilities

Four Councilmembers included in their budget priority memoranda requests for maintenance, improvements, expansions, or replacements of existing library facilities, with specific projects varying by Council District.

CONCLUSION

The B&GE Committee reviewed the budget priorities contained in the original version of this report – IBA Report 25-32 – on November 5, 2025. The Committee recommended Council accept the report with one modification: to include *expenditure* priorities supported by four Councilmembers in the FY 2027 Budget Priorities Resolution. At its November 18, 2025 meeting, the Council formally adopted its initial FY 2027 Budget Priorities Resolution, as recommended by the B&GE Committee. *This updated report – IBA Report 25-32 REV – contains the City Council’s budget priorities that constitute its initial FY 2027 Budget Priorities Resolution.* The approved Budget Priorities Resolution will be submitted to the Mayor for consideration in the development of the FY 2027 Proposed Budget.

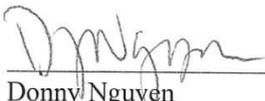
The City Council will have the opportunity to update its initial FY 2027 Budget Priorities Resolution in February 2026; to start that process, a call memorandum will be issued mid-December 2025 for Councilmembers’ updates to their budget priorities memoranda. Those updates will be further informed by the City’s *FY 2026 First Quarter Budget Monitoring Report* and *FY 2027-2031 Five-Year Financial Outlook*, which were released November 7.



Lisa Byrne
Principal Fiscal and Policy Analyst



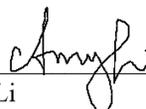
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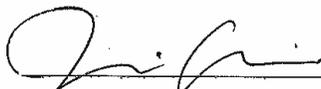
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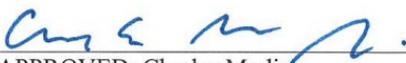
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APPROVED: Charles Modica
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Attachment 1: Councilmembers’ FY 2027 Initial Budget Priorities Memoranda