

The City of  
**SAN DIEGO**

**FISCAL YEAR 2026**  
**CAPITAL IMPROVEMENTS PROGRAM**  
**YEAR-END BUDGET MONITORING REPORT**



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# INTRODUCTION

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The Fiscal Year 2026 Capital Improvements Program (CIP) Year-End Budget Monitoring Report presents a semi-annual review and monitoring overview of the City's CIP available allocations and key funding source activity. This includes a request for City Council to approve budget adjustments that supplement the City's capital budgeting and internal monitoring processes.

Included in this report are details of the approximately \$69.9 million in requested City Council approvals for new budget appropriations, reallocations of funds, and de-appropriation of CIP project savings resulting from the City's continued cash management and streamlining efforts:

- **Summary of CIP Budget Adjustments:** A thorough CIP budget review process has consolidated 42 fund management actions into one semi-annual budget adjustment request, saving significant staff hours and resources. These requests include:
  - Expedited appropriation of \$9.3 million from fund balance to projects
  - Reallocation of \$7.4 million in funding to priority projects
  - Accelerated de-appropriation of approximately \$43.6 million of excess and expired funding
  - \$1.6 million of Mission Bay and Regional Park Improvements Fund Reallocations
  - Expedited appropriation of \$6.2 million in Non-CIP revenues from fund balance
  - Return of \$1.7 million of Non-CIP revenues to fund balance

Requests for City Council action to adjust CIP project budgets are detailed in Attachment I. Additionally, City Council approval is requested for the items in Attachments II, IV, and V which include the following:

- Authority to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocation of TransNet funding
  - Authority to close projects
  - Authority to rename projects
  - Non-CIP budget adjustments and General Fund Mitigation
  - Mission Bay and Regional Parks Adjustments
- **CIP Fund Monitoring:** Provides an update on several significant areas and CIP funding sources include:
    - TransNet Funds
    - Gas Tax Funds
    - General Fund Asset Funds
    - Appropriation Ordinance Uses
    - Capital Debt Financing Programs

# CIP BUDGET MONITORING

Proactive budget monitoring allows for the timely reallocation of idle funds to higher priority projects and helps mitigate any fund availability impacts on priority CIP projects. The Fiscal Year 2026 CIP Year-End Budget Monitoring Report includes the results of internal budget monitoring and cash management processes. It also includes a request for City Council approval of new budget appropriations, reallocation of funds, and other CIP project changes.

## Summary of CIP Budget Adjustments

The Department of Finance (DoF) works in collaboration with the Engineering and Capital Projects Department (ECP) and asset-managing departments to review project activity, available resources, and planned project funding needs. As part of the semi-annual reporting effort, asset-managing departments can include City Council requests that allocate newly available financial resources to projects with known funding needs. This effort expedites the use of the most restricted funding sources and fills previously identified or newly identified project funding gaps.

### CIP Budget Adjustment Requests

Table 1 summarizes CIP Budget Adjustment Requests by the categories outlined in the report.

**Table 1: Summary of Budget Adjustment Requests**

Action	Decreasing Adjustments	Increasing Adjustments	Net Change in Allocation
CIP Appropriation Adjustments	\$(43,600,874)	\$9,282,315	\$(34,318,559)
Transfers within the CIP	(7,419,648)	7,419,648	-
Park Fund Reallocations	(1,639,590)	1,639,590	-
Non-CIP Requests	(1,718,481)	6,212,414	4,493,933
<b>Total</b>	<b>\$(54,378,593)</b>	<b>\$24,553,967</b>	<b>\$(29,824,626)</b>

Details, including justifications for each request, are included within Attachments I, II, and V. All adjustments will positively impact project delivery timelines, and in summary, there are three types of budget adjustments being requested:

- Increasing Appropriation: addition of new budgeted funding to projects from fund balance
- Transfer within the CIP: moving budgeted funding between CIP projects
- Decreasing Appropriation: removing excess or expired funding from projects

The \$9.3 million in increasing appropriations come from three restricted funding sources:

- \$5.3 million from North University City DIF
- \$2.1 million from TransnNet 70% Cap
- \$1.8 million from grant fund interest earnings

Of the \$7.4 million in appropriation transfers. Approximately 83 percent come from two restricted funding sources:



- \$5.3 million from Transnet RTCIP
- \$0.8 million from San Diego Regional Parks Improvements Fund

And 94 percent of de-appropriations are from three restricted funding sources:

- \$22.4 million from Water SDG&E Utility Relocation Fund
- \$13.2 million from Metro SDG&E Utility Relocation Fund
- \$5.3 million from Citywide Mobility DIF

## Additional Approvals Requested

In addition to the requested CIP budget adjustments, City Council is requested to amend the TransNet Regional Transportation Improvement Program (RTIP) pursuant to TransNet Extension Ordinance requirements and approve CIP adjustments related to the expenditure of TransNet funds. The requested approvals are detailed in Attachment IV.

Additional requests to amend the CIP by closing projects or moving subprojects between annual allocations are detailed in Attachment V. Attachment V also includes requests for Non-CIP.

## CIP Fund Monitoring

DoF, ECP, and CIP asset-managing departments have put additional focus on the monitoring of CIP expenditures over the last several fiscal years. These efforts have focused on providing improved budget monitoring and cash management of CIP funds, which has been achieved by increasing coordination between technical project managers and financial support staff in ECP and DoF. The following sections provide updates on the status of these ongoing efforts, which include updates on key CIP funds.

## Public Utilities Department Funding Sources

The Public Utilities Department continues to carefully prioritize capital improvement projects based on risk, with the most critical needs addressed first and lower-risk projects deferred when necessary. This is a key pillar in controlling the size and scale of rate increases, maintaining infrastructure and managing the utilities' long term financial health.

## TransNet Funds

DoF and the Transportation Department closely monitor the expenditure trends and available project budgets in the TransNet Funds, which derive revenue from a one-half cent local sales tax and must be used for congestion relief-related improvements to the City right-of-way.

**Table 2** summarizes the fund balance estimates for TransNet Funds through March 31, 2026.

**Table 2: TransNet Extension Fund Balances (\$ millions)<sup>1</sup>**

Sources of TransNet Extension Assets	Congestion Relief	Maintenance	Admin
<b>Available Fund Balance as of 06/30/2025 (Audited)</b>	<b>\$45.7</b>	<b>\$1.8</b>	<b>\$0.0</b>
Revenues as of 03/31/2026 (Unaudited)	23.2	10.3	0.3
Expenditures/Encumbrances as of 03/31/2026	(52.8)	(10.3)	(0.4)
<i>Expenditures</i>	(28.5)	(10.3)	(0.4)
<i>Encumbrances</i>	(24.3)	0.0	0.0
<b>Remaining Fund Balance as of 03/31/2026 (Unaudited)</b>	<b>16.1</b>	<b>1.8</b>	<b>(0.1)</b>
FY26 Estimated Remaining Revenues 04/01/2026 – 06/30/2026	10.2	4.9	0.2
Board Policy #31 Rule 18 30% Cap Maintenance - Reserve	0.0	(1.0)	0.0
FY26 Remaining Unencumbered Appropriated Budget for Projects	(23.4)	(3.4)	(0.1)
Pending FY26 Year-End Requests	(2.9)	(2.3)	0.0
<b>Uncommitted Fund Balance</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

1. Table totals may not sum due to rounding.

As of March 31, 2026, the City of San Diego has expended approximately 94.8 percent of cumulative TransNet Extension funds received from Fiscal Year 2008 through the third quarter of Fiscal Year 2026. As a result of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City is above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC).

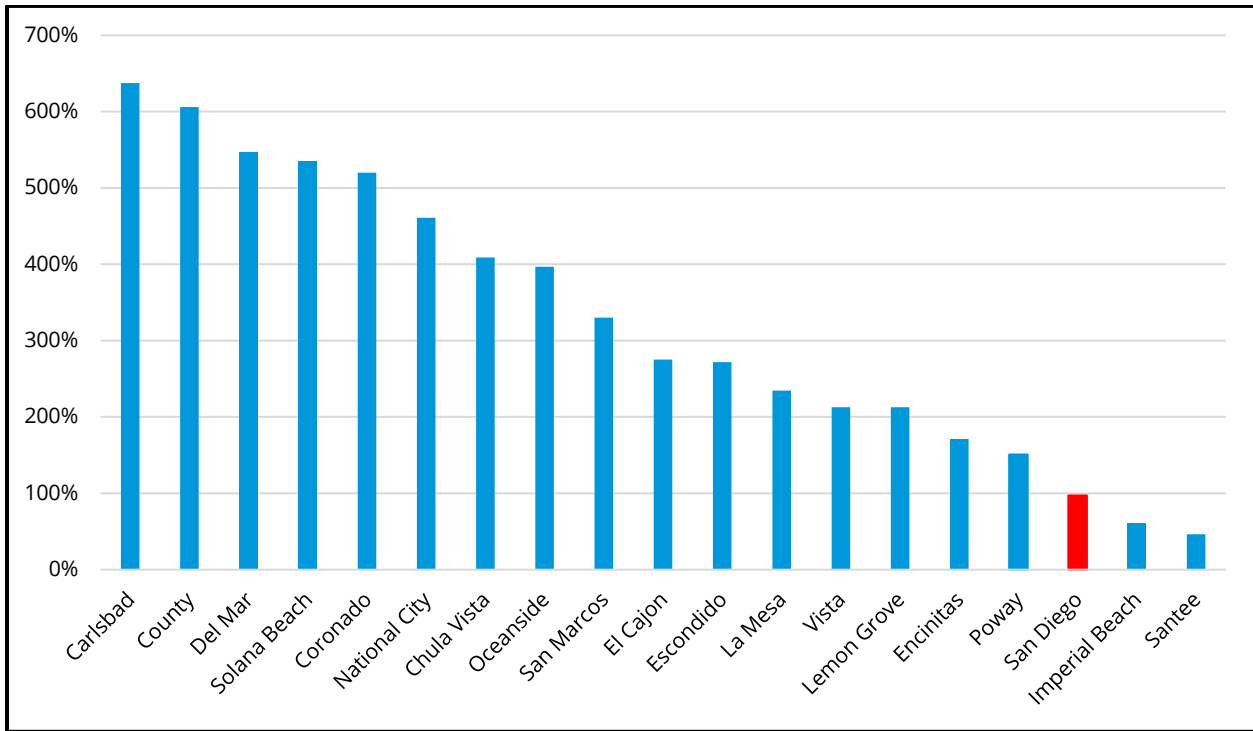
For Fiscal Year 2026, TransNet expenditures are estimated to be approximately \$49.0 million; \$34.5 million for Congestion-Relief activities and \$14.5 million for Administration and Maintenance Activities. The Congestion Relief expenditures are expected to be primarily in streets and roads paving and modification projects, as well as traffic signal projects.

As of March 31, 2026, the City's TransNet cash balance was approximately 101 percent of its projected annual revenue. **Figure 1** compares the City's TransNet cash balance as a percentage of its annual revenue in relation to all other jurisdictions in the region. The City has one of the lowest cash balances as a percentage of annual revenue in the region.

The Transportation Department currently estimates that the TransNet Extension cash balance with the City and held at SANDAG will be approximately \$39.0 million by June 30, 2026, representing approximately 81 percent of the City's annual revenue.

The Transportation Department and the Department of Finance will continue to monitor Transnet revenue received, and if the projections do indeed come in at or above projections, future action will be taken to appropriate the funding.

**Figure 1: TransNet Cash Balance as a Percent of Annual Revenue<sup>1</sup>**



1. Data source: SANDAG, as of March 31, 2026

## Gas Tax Funds

In addition to TransNet, there are two other major funding sources for projects that implement improvements in the public right-of-way. These two funding sources are Gas Tax and the Road Maintenance and Rehabilitation Account (RMRA).

On April 28, 2017, Governor Brown signed SB1: Road Repair and Accountability Act. This bill, among other changes, increased fuel taxes beginning on November 1, 2017, and stabilized the Prop 42 rate at the FY 2011 level beginning on July 1, 2019. Prop 42 revenues have been combined with the traditional gas tax revenue in the Gas Tax Fund and the new gas taxes from SB 1 (RMRA) are deposited in a separate fund due to enhanced reporting requirements for those funds. Due to the volatile nature of gas prices, actual revenues may vary from projections. If revenues come in lower than budgeted amounts, mitigation efforts will be needed, such as a reduction in the transfer from the Gas Tax fund to the General Fund, or a reduction in Slurry Seal budgets. If revenues come in higher than budgeted amounts, there would be excess funding available for appropriations. The Department of Finance and Transportation Department will continue to closely monitor in the fiscal year and take appropriate action if needed on these funding sources in a future request for council action.

**Table 3** provides updates on cash balance trends for each fund through March 31, 2026.

**Table 3: Gas Tax Fund Balances (\$ millions)<sup>1, 2</sup>**

<b>Fund Name</b>	<b>Gas Tax</b>	<b>RMRA</b>
<b>Available Fund Balance as of 06/30/2025 (Audited)</b>	<b>\$3.1</b>	<b>\$26.3</b>
Revenues as of 03/31/2026 (Unaudited)	22.8	23.3
Expenditures/Encumbrances as 03/31/2026	(33.7)	(38.9)
<i>Expenditures</i>	(32.1)	(18.6)
<i>Encumbrances</i>	(1.6)	(20.3)
<b>Remaining Fund Balance as of 03/31/2026 (Unaudited)</b>	<b>(7.9)</b>	<b>10.6</b>
FY26 Estimated Remaining Revenues 04/01/2026 – 06/30/2026	14.9	15.3
FY26 Remaining Unencumbered Appropriated Budget for Projects	(8.0)	(15.5)
<b>Pending Swap between RMRA and Gas Tax</b>	<b>1.7</b>	<b>(1.7)</b>
Pending FY26 Year-End Requests	(0.7)	
FY27 Appropriations	0.0	(8.7)
<b>Uncommitted Fund Balance</b>	<b>\$0.0</b>	<b>\$0.0</b>

1. Table totals may not sum due to rounding.
2. These funds are used in both the Operating and Capital Budget.

The City continues to spend down the balances in these funds and anticipates the trend to continue in Fiscal Year 2026. These funds support important infrastructure projects and must be spent in the right-of-way, unlike the Capital Outlay Fund and the General Fund Contributions to the CIP Fund, which are less restrictive sources of funding.

### General Fund Asset Funds

The Capital Outlay Fund supports capital activities across all asset types, including acquisition, financing, and construction related costs only for permanent public improvements. The Infrastructure Fund supports those same activities as well as non-capital infrastructure efforts, such as Slurry Seal. Funding from General Fund Contributions to the CIP is the least restrictive and can be used for any General Fund purpose, including being returned to the General Fund to support general operations.

The Climate Equity Fund (CEF) revenues are derived 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, increasing resilience to climate impacts, or achieving other climate equity concerns. Eligible projects must also be located within an area that scores between 0 and 60 on the Climate Equity Index.

**Table 4** provides updates on cash balance trends for each fund as of March 31, 2026.

DoF, ECP, and CIP asset-managing departments, work together to propose the best uses for these flexible funding sources as part of the CIP budget process.

**Table 4: General Fund Asset Fund Balances (\$ millions)<sup>1</sup>**

Fund Name	GF Contrib. to CIP	Capital Outlay <sup>2</sup>	Infrastructure Fund <sup>2</sup>	Climate Equity <sup>2</sup>
<b>Available Fund Balance as of 06/30/2025 (Unaudited)</b>	<b>\$19.5</b>	<b>\$11.1</b>	<b>\$9.9</b>	<b>\$13.5</b>
Revenues as of 03/31/2026 (Unaudited)	0.2	0.0	0.0	0.4
Expenditures/Encumbrances as of 03/31/2026	(8.4)	(9.4)	(4.2)	(3.1)
<i>Expenditures</i>	(3.2)	(8.5)	(1.3)	(1.5)
<i>Encumbrances</i>	(5.2)	(0.9)	(3.0)	(1.6)
<b>Remaining Fund Balance as of 03/31/2026 (Unaudited)</b>	<b>11.3</b>	<b>1.7</b>	<b>5.7</b>	<b>10.8</b>
<b>Pending Revenue Transfers from the General Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</b>
<b>Adjusted Fund Balance</b>	<b>11.3</b>	<b>1.7</b>	<b>5.7</b>	<b>12.3</b>
FY26 Remaining Unencumbered Appropriated Budget for Projects	(11.3)	(1.7)	(5.1)	(11.8)
Pending FY26 Year-End Requests	0.0	0.0	(0.6)	0.0
Additional FY27 Appropriations	0.0	0.0	0.0	(0.5)
<b>Uncommitted Fund Balance</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

1. Table totals may not sum due to rounding.
2. These funds are used in both the Operating and Capital Budget.

### Appropriation Ordinance Uses

The Fiscal Year 2026 Appropriation Ordinance (O-21981) authorizes the CFO to modify project appropriations, for various fund or project management purposes, under certain conditions. During the second and third quarters of the fiscal year, several budget adjustments were made that amended the overall CIP Program budget, using various authorities granted to the CFO via the Appropriation Ordinance.

Section 2C(2) authorizes the CFO to close completed CIP projects and transfer unexpended balances to the appropriate reserve, or to fund balance, or up to \$100,000 to an Annual Allocation of the same asset type. **Table 5** summarizes the uses of this authority.

**Table 5: Appropriations Ordinance (O-21981) 2C(2) Budget Adjustments**

From Project	Fund	To	Amount
P23007 – Civic Center Complex Redevelopment	400265 – GFCIP Contributions	Fund Balance	\$570.49
S20009 – Kearny Mesa Facility Improvement	400676 – Fleet Services CIP Fund	Fund Balance	85.34

Section 2C(3) authorizes an asset that has been put into service (Technically Completed “TECO”), the CFO is authorized to transfer unexpended balances not required to close the project to the appropriate reserve, or to fund balance, or up to \$100,000 to an Annual Allocation

of the same asset type (e.g., water/sewer mains, facilities, streets or storm drains). **Table 6** summarizes the uses of this authority.

**Table 6: Appropriations Ordinance (O-21675) 2C(3) Budget Adjustments**

From Project	Fund	To	Amount
RD24001 – Barrio Logan Harbor Dr SANDAG Pave Repair	400881 – Debt Funded GF CIP	AID00005 – St Resurface/Reconst	\$0.01

Section 2C(5) once an asset has been put into service (Technically Completed) authorizes the CFO to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Annual Allocations, earned interest or unappropriated fund balances to CIP projects to support remaining project cost in excess of approved appropriations in order to complete and/or close the project. **Table 7** summarizes the uses of this authority.

**Table 7: Appropriations Ordinance (O-21981) 2C(5) Budget Adjustments**

From (Fund Balance)	To (Project Name)	Amount
700046 – Mission Bay Golf Course – CIP	S01090 – MBGC Clubhouse Demo/Prtbl Building Inst	\$100,000.00

Section 2C(7) authorizes the CFO to reallocate revenue sources between CIP projects in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets. **Table 8** summarizes the uses of this authority.

**Table 8: Appropriations Ordinance (O-21981) 2C(7) Budget Adjustments**

From (Project Name)	To (Project Name)	Fund	Amount
AIL00001 – Traffic Calming	AID00005 – St Resurface/Reconst	400169 – Transnet Extension 7	\$500,000.00
AID00005 – St Resurface/Reconst	AIL00001 – Traffic Calming	400881 – Debt Funded GF CIP	500,000.00
AIA00001 – Bicycle Facilities	AIL00005 – Traffic Signal Mods	400122 – Downtown DIF (Formerly Centre)	51,000.00
AIL00005 – Traffic Signal Mods	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	51,000.00
AIA00001 – Bicycle Facilities	AIL00004 – Traffic Signals	400122 – Downtown DIF (Formerly Centre)	60,000.00
AIL00004 – Traffic Signals	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	60,000.00
AIA00001 – Bicycle Facilities	AIL00004 – Traffic Signals	400122 – Downtown DIF (Formerly Centre)	170,619.00
AIL00004 – Traffic Signals	AIL00005 – Traffic Signal Mods	400169 – Transnet Extension 7	170,619.00
AIL00005 – Traffic Signal Mods	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	170,619.00

From (Project Name)	To (Project Name)	Fund	Amount
AIA00001 – Bicycle Facilities	AIK00003 – Sidewalk Repair	400122 – Downtown DIF (Formerly Centre)	160,000.00
AIK00003 – Sidewalk Repair	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	160,000.00
AIA00001 – Bicycle Facilities	AIL00005 – Traffic Signal Mods	400122 – Downtown DIF (Formerly Centre)	14,314.28
AIL00005 – Traffic Signal Mods	AIL00004 – Traffic Signals	400169 – Transnet Extension 7	14,314.28
AIL00004 – Traffic Signals	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	14,314.28
AIL00005 – Traffic Signal Mods	AIL00004 – Traffic Signals	400122 – Downtown DIF (Formerly Centre)	0.29
AIL00004 – Traffic Signals	AIL00005 – Traffic Signal Mods	400169 – Transnet Extension 7	0.29
ACA00001 – Flood Resilience Infrastructure	AID00005 – St Resurface/Reconst	400169 – Transnet Extension 7	23,828.25
AID00005 – St Resurface/Reconst	ACA00001 – Flood Resilience Infrastructure	400881 – Debt Funded GF CIP	23,828.25
AID00005 – St Resurface/Reconst	AIL00001 – Traffic Calming	400881 – Debt Funded GF CIP	23,625.12
AIL00001 – Traffic Calming	AID00005 – St Resurface/Reconst	400169 – Transnet Extension 7	23,625.12
AIA00001 – Bicycle Facilities	AID00005 – St Resurface/Reconst	400169 – Transnet Extension 7	5,612.46
AID00005 – St Resurface/Reconst	AIA00001 – Bicycle Facilities	400881 – Debt Funded GF CIP	5,612.46
AIL00004 – Traffic Signals	AIA00001 – Bicycle Facilities	400169 – Transnet Extension 7	5,622.46
AIA00001 – Bicycle Facilities	AIL00004 – Traffic Signals	400122 – Downtown DIF (Formerly Centre)	5,622.46
AIH – City Owned St Lights	AID00005 – St Resurface/Reconst	400169 – Transnet Extension 7	88,727.24
AID00005 – St Resurface/Reconst	AIH – City Owned St Lights	400881 – Debt Funded GF CIP	88,724.24
ACA00001 – Flood Resilience Infrastructure	AIL00001 – Traffic Calming	400881 – Debt Funded GF CIP	164,802.68
AIL00001 – Traffic Calming	ACA00001 – Flood Resilience Infrastructure	100012 – Infrastructure Fund (Proposition H)	113,871.99
AIL00001 – Traffic Calming	ACA00001 – Flood Resilience Infrastructure	400265 – CIP Contributions from the General Fund	50,930.69

From (Project Name)	To (Project Name)	Fund	Amount
AIL00004 – Traffic Signals	L26000 – Marie Widman Comfort	400265 – CIP Contributions from the General Fund	350,000.00
L26000 – Marie Widman Comfort	AIL00004 – Traffic Signals	400881 – Debt Funded GF CIP	350,000.00
S24013 – Paradise Hills Community Park Trail	L26000 – Marie Widman Comfort	400265 – CIP Contributions from the General Fund	400,000.00
L26000 – Marie Widman Comfort	S24013 – Paradise Hills Community Park Trail	400881 – Debt Funded GF CIP	400,000.00

Section 2C(8) authorizes the CFO to appropriate revenue sources to CIP projects from fund balance in accordance with the restrictions placed on various revenues, and to return existing revenue sources to fund balance within the same CIP project where the net change in funding does not result in a net change to the project budget. **Table 9** summarizes the uses of this authority.

**Table 9: Appropriations Ordinance (O-21675) 2C(8) Budget Adjustments**

Return to Fund Balance	Appropriation	Project Name	Amount
400112 – North Park Urban Community	400110 – Park North-East Dev FD	S10050 – North Park Mini-Park	\$14,785.50
700008 – Mini Sewer CIP	700009 – Metro Sewer CIP	AJB00001 – MWWWD Truck Sewers	900,000.00
700010 – Water Utility CIP	700009 – Metro Sewer CIP	ALA00001 – Pure Water Program Phase 1	5,000,000.00
700008 – Mini Sewer CIP	700009 – Metro Sewer CIP	L22000 – Alvarado Laboratory Improvements	294,070.00
700010 – Water Utility CIP	700009 – Metro Sewer CIP	L22000 – Alvarado Laboratory Improvements	2,377,250.00
700010 – Water Utility CIP	700009 – Metro Sewer CIP	ALA00001 – Pure Water Program Phase 1	3,000,000.00

Section 2C(9)a authorizes the CFO to modify individual project appropriations, close projects, and/or add new projects to the CIP in accordance with City Council-Approved Development Impact Fee plans (Public Facilities Financing Plans and Impact Fee Studies), provided funding is available for such action. **Table 10** summarizes the uses of this authority.

**Table 10: Appropriations Ordinance (O-21981) 2C(9)a Budget Adjustments**

Project Name	Fund	Amount
S20007 – Jerabek Park Improvements	400863 – Scripps Miramar Ranch DIF	\$50,000.00
AIG00001 – Median Installation	400118 – Peninsula Urban Community	26,500.00
AIG00001 – Median Installation	400118 – Peninsula Urban Community	40,000.00

Section 2C(12) authorizes the CFO to appropriate and expend the remaining fund balances and/or interest earnings from funds up to \$25,000 for the purpose of fully expending and closing that fund. Funds shall be used solely for their intended or restricted purpose and for previously Council-approved projects. Table 11 summarizes the uses of this authority.

**Table 11: Appropriations Ordinance (O-21675) 2C(12) Budget Adjustments**

Project Name	Fund	Amount
S10050 – North Park Mini-Park	400318 – NP LOC – Bank of America (T)	\$97.98
S10050 – North Park Mini-Park	400319 – NP LOC – Bank of America (TE)	2,099.46
AGE00001 – Resource Based Open Space Parks	400035 – Serra Mesa-Major District	5,255.97

Section 2C(15) authorizes the CFO to modify the accounting of CIP projects to ensure the use of the most appropriate project type among the following types: P: Preliminary Engineering, S: Standalone, L: Large, T: Technology, and RD: Reimbursement to Developer. Table 12 summarizes the uses of this authority.

**Table 12: Appropriations Ordinance (O-21981) 2C(15) Budget Adjustments**

Old Project Number	New Project Number	Project Name	Amount
P24015	S26004	EB Scripps Park Sidewalk Widening	\$824,444.00

Section 2C(16) authorizes the CFO to convert a sub-project within an Annual Allocation into a new standalone CIP project and transfer the associated appropriation. Table 13 summarizes the uses of this authority.

**Table 13: Appropriations Ordinance (O-21981) 2C(16) Budget Adjustments**

Old Project Number	New Project Number	Project Name	Amount
B26055	Rd26003	Lone Qual Road Roadway Resurfacing	\$268,186.81

## Capital Program General Fund Debt Financing

The City has access to both short- and long-term financing instruments to fund capital needs via the traditional municipal bond markets, capital leases, as well as state and federal loan programs. The following discussion focuses on the City’s use of its lease revenue bonds issued for General Fund assets.

Lease Revenue bonds are typically long-term (30-year) financings, which can fund a mix of asset types with both short and long-term useful lives.

The City previously utilized an \$88.5 million Lease Revenue Commercial Paper Program (CP Program), established in November 2018, to provide interim financing for citywide capital projects, including City facility improvements, green infrastructure, flood resilience, parks, and transportation projects. The City elected to terminate its Lease Revenue Commercial Paper Notes Program in July 2025.

### General Fund Debt-Supported Priority Needs

Debt financing through bonds is important for the needs of the City’s Capital Improvement Program (CIP). Various programs such as the Street Repair Program or Stormwater infrastructure rely on debt funding, in addition to other asset types. In August 2021, City Council also approved an appropriation of bond/CP Note proceeds for priority capital equipment and vehicle purchases including the Public Safety Radios Modernization (PSRM) Project, Fire Engines and SB 1383 Implementation Capital Costs.

**Table 14** summarizes the debt related activity for bonds within the CIP as of March 31, 2026.

**Table 14: General Fund CIP Debt Update<sup>1,2</sup>**

Asset Type	Carryforward Budget from Prior Years	FY26 Adopted Budget	FY26 Budget Changes	Encumbered	Expended	Available Budget
Flood Resilience Infrastructure	\$227,516,157	\$50,834,929	\$444,557	\$166,086,909	\$41,676,526	\$71,032,208
Facilities	14,356,387	5,547,892	598,347	8,559,861	3,391,456	8,551,308
Guard Rails	315,956	-	-	-	-	315,956
Landfill	1,224,506	-	-	57,000	325,849	841,657
Citywide	-	5,500,000	1,474,349	870,478	5,988,892	114,978
Parks	25,313,939	4,200,000	(764,246)	2,715,064	3,633,866	22,400,763
Streets	87,143,231	24,873,918	(841,793)	43,738,836	28,486,917	38,949,604
Transportation	37,898,124	9,343,261	(1,347,580)	2,025,922	10,309,714	33,558,170
Green Infrastructure	17,263,132	-	436,366	9,197,162	4,569,249	3,933,088
<b>Total</b>	<b>\$411,031,433</b>	<b>\$100,300,000</b>	<b>\$-</b>	<b>\$233,251,232</b>	<b>\$98,382,469</b>	<b>\$179,697,732</b>

1. Table totals may not sum due to rounding.
2. As of March 31, 2026.

**Table 15** summarizes the activity shown above in Table 14 as well as the debt activity for capital equipment and vehicles purchased through bonds as of March 31, 2026.

**Table 15: General Fund Bonds-Supported CIP and Capital Equipment<sup>1,2,3</sup>**

Asset Type	Carryforward Budget from Prior Years	FY26 Adopted Budget	Encumbered	Expended	Remaining
Total CIP Activity (From Table 14)	\$411,031,433	\$100,300,000	\$233,251,232	\$98,382,469	\$179,697,732
Fire Engines	24,824,398	-	12,106,779	12,295,049	422,571
<b>Total</b>	<b>\$435,855,831</b>	<b>\$100,300,000</b>	<b>\$245,358,011</b>	<b>\$110,677,518</b>	<b>\$180,120,303</b>

1. Table totals may not sum due to rounding.
2. As of March 31, 2026.
3. The PSRM Project was completed in Fiscal Year 2023 and the SB1383 implementation was completed in Fiscal Year 2025.

Lease revenue bonds will be used to fund the remaining appropriations of \$180.1 million and encumbrances of \$245.4 million as shown in **Table 15**. Proceeds from the recently issued 2025A Lease Revenue Bonds totaling \$465.0 million along with additional future debt, will be required to cover the remaining appropriations and encumbrances. Lease Revenue bonds are expected to continue to support future CIP appropriations.

**Water Infrastructure Finance and Innovation Act (WIFIA) Update**

In August 2022, the City executed a master agreement with the U.S. Environmental Protection Agency for a WIFIA loan for \$359.2 million to fund critical projects within the Stormwater Capital Improvement Program. Under the agreement, the WIFIA loan will fund 49% of the total \$733.0 million in project costs with the City using other sources including grants, state loans, and debt financing for the 51% match of \$373.8 million. The City has also executed the first credit agreement in the amount of \$225 million to be used on identified Stormwater projects.

**Table 16: WIFIA Loan**

Loan Amount (Available for Spend)	Encumbered	Expended	Remaining
\$225,110,226	\$62,321,699	\$41,711,609	\$121,076,918

## CONCLUSION

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Cash management and proactive budget monitoring, combined with the requests for Council Action detailed in this report have resulted in the allocation of \$9.3 million in new funds to the CIP program, as well as the reallocation of \$7.4 million between projects in the CIP program. DoF will continue to provide these reports to the City Council on a semi-annual basis to ensure that the cash in the CIP continues to be managed as efficiently and effectively as possible.

## ATTACHMENTS

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- I. CIP Budget Adjustment Requests
- II. SD Regional Parks Improvement Fund and Mission Bay Park Improvement Fund
- III. Related CIP Adjustments
- IV. TransNet RTIP Amendment Resolutions
- V. Additional Approvals Requested
- VI. New Projects Receiving Funding



# CIP Budget Adjustment Requests

## Summary

The table below summarizes the CIP budget adjustment requests by the categories outlined in the report. Details, including a justification for each request, are included in the tables following the summary. Additionally, an “X” in the CAP column indicates that the Funded Program to the left was included in the Fiscal Year 2027 Climate Action Plan Budget Analysis. There are four types of CIP budget requests included in this report:

- Increasing Appropriation: addition of new budgeted funds to a project from fund balance
- Decreasing Appropriation: return of budgeted funds from a project back to fund balance
- Transfer in the CIP: moving budgeted funds between CIP projects

## Increasing Appropriation

Funded Program	CAP	Fund	Amount	Justification
S22011 - Oak Park Library	X	600001 - Grant Fund - State	\$1,842,197.39	Funding is being allocated to support construction of S22011 - Oak Park Library
S00856 - El Camino Real to ViaDeLaValle (1/2 mile)	X	400169 - Transnet Extension 70% Cap	2,129,127.00	Funding is being allocated to support design and construction of S00856 - El Camino Real to ViaDeLaValle (1/2 mile)
S00951 - Coastal Rail Trail		400849 - North University City DIF	5,310,990.14	Funding is being allocated to support construction of S00951 - Coastal Rail Trail
<b>Total Appropriations</b>			<b>\$9,282,314.53</b>	



### Decreasing Appropriation

Funded Program	CAP	Fund	Amount	Justification
S19003 - Torrey Pines Fire Station		400871 - UCSD Fire Station	\$1,187,573.29	Funding is de-appropriated due to project surplus.
S14023 - Pacific Highlands Ranch Branch Library		400089 - Del Mar Mesa FBA	90,978.55	Funding is de-appropriated due to project surplus
S14023 - Pacific Highlands Ranch Branch Library		400090 - Pacific Highlands Ranch FBA	178,361.95	Funding is de-appropriated due to project surplus
S14023 - Pacific Highlands Ranch Branch Library		400091 - Black Mountain Ranch FBA	154,449.51	Funding is de-appropriated due to project surplus
ALA00001 - Pure Water Program	X	700104 - Metro SDGE&E Utility Relocation	8,897,477.86	Funding is de-appropriated due to no other project eligible for funding
ALA00001 - Pure Water Program	X	700104 - Metro SDGE&E Utility Relocation	4,299,590.93	Funding is de-appropriated due to no other project eligible for funding
ALA00001 - Pure Water Program	X	700105 - Water SDG&E Utility Relocation	231,854.56	Funding is de-appropriated due to no other project eligible for funding
ALA00001 - Pure Water Program	X	700105 - Water SDG&E Utility Relocation	1,805,224.98	Funding is de-appropriated due to no other project eligible for funding
ALA00001 - Pure Water Program	X	700105 - Water SDG&E Utility Relocation	7,496,630.65	Funding is de-appropriated due to no other project eligible for funding
S11026 - Montezuma/Mid-City Pipeline Phase II		700105 - Water SDG&E Utility Relocation	1,389,000.00	Funding is de-appropriated due to no other project eligible for funding
S16027 - Morena Pipeline		700105 - Water SDG&E Utility Relocation	11,558,742.00	Funding is de-appropriated due to no other project eligible for funding
AKB00008 - Backflow Preventer Replacement		700010 - Water Utility - CIP Funding Source	500,000.00	Funding is de-appropriated due to prioritization of other projects.
S23001 - Kearny Villa Rd Pipeline		700010 - Water Utility - CIP Funding Source	500,000.00	Funding is de-appropriated due to project cancellation.



Funded Program	CAP	Fund	Amount	Justification
S22012 - Normal Street Promenade	X	400888 - Citywide Mobility DIF	5,310,990.14	Funding is de-appropriated due ineligibility of funds. Project is backfilled with other funds
<b>Total Decreasing Appropriation</b>			<b>\$43,600,874.42</b>	

**Transfer within the CIP**

Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
ACA00001 - Flood Resilience Infrastructure	X	S15034 - Junipero Serra Museum ADA Improvements		200391 - San Diego Regional Parks Improvements	\$90,578.19	Funding is being transferred to support construction of S15034 - Junipero Serra Museum ADA Improvements
ACA00001 - Flood Resilience Infrastructure	X	AGF00007 - Park Improvements	X	200391 - San Diego Regional Parks Improvements	200,000.00	Funding is being transferred to support construction of new subproject - Martin Luther King (MLK) Park ADA Path Improvements



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
AGF00006 - Coastal Erosion and Access	X	S14006 - El Cuervo Adobe Improvements		200391 - San Diego Regional Parks Improvements	48,593.42	Funding is being transferred to support construction of S14006 - El Cuervo Adobe Improvements
AGF00006 - Coastal Erosion and Access		S14006 - El Cuervo Adobe Improvements	X	200391 - San Diego Regional Parks Improvements	51,406.58	Funding is being transferred to support construction of S14006 - El Cuervo Adobe Improvements
S20005 - Balboa Park Botanical Bldg Improvments		S15034 - Junipero Serra Museum ADA Improvements		200391 - San Diego Regional Parks Improvements	198,597.24	Funding is being transferred to support construction of S15034 - Junipero Serra Museum ADA Improvements
AFA00001 - Landfill Improvements	X	ACA00001 - Flood Resilience Infrastructure	X	400881 - Debt Funded General Fund CIP Projects	588,852.59	Funding is being transferred to support emergency projects in ACA00001 - Flood Resilience Infrastructure



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
P24001 - Mission Beach Seawall Repair		ACA00001 - Flood Resilience Infrastructure	X	400265 - CIP Contributions from the General Fund	578,983.00	Funding is being transferred to support emergency projects in ACA00001 - Flood Resilience Infrastructure
ABT00001 - City Facilities Improvements	X	S15034 - Junipero Serra Museum ADA Improvements		200391 - San Diego Regional Parks Improvements	248,000.00	Funding is being transferred to support construction of S15034 - Junipero Serra Museum ADA Improvements
S10051 - Olive St Park Acquisition and Development		ACA00001 - Flood Resilience Infrastructure	X	400881 - Debt Funded General Fund CIP Projects	50,000.00	Funding is being transferred to support emergency projects in ACA00001 - Flood Resilience Infrastructure
S00951 - Coastal Rail Trail		S22012 - Normal Street Promenade	X	400174 - Transnet Extension RTCIP Fee	5,310,990.14	Funding is being transferred to support construction of B19096 - Normal Street Promenade
S20005 - Balboa Park Botanical Bldg Improvments		ACA00001 - Flood Resilience Infrastructure	X	400881 - Debt Funded General Fund CIP Projects	467.66	Funding is being transferred to support emergency projects in ACA00001 - Flood Resilience Infrastructure



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
S20005 - Balboa Park Botanical Bldg Improvments		ACA00001 - Flood Resilience Infrastructure	X	400000 - Capital Outlay-Sales Tax	53,179.54	Funding is being transferred to support emergency projects in ACA00001 - Flood Resilience Infrastructure
<b>Total Transfer</b>					<b>\$7,419,648.36</b>	

# San Diego Regional Parks Improvement Fund and Mission Bay Park Improvement Fund

## San Diego Regional Parks Improvement Fund

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00006 - Coastal Erosion and Access	B22012 - Old Salt Pool Stairs	200391 - San Diego Regional Parks Improvement	\$235,000.00	Funding is being transferred to support construction of B22012 - Old Salt Pool Stairs
<b>Total Transfer</b>			<b>\$235,000.00</b>	

## Mission Bay Park Improvement Fund

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 - Mission Bay Improvements	B20107 - DeAnza North East Parking Lot	200386 - Mission Bay Park Improvement	\$10,000.00	Funding is being transferred to support construction of B20107 - DeAnza North East Parking Lot
AGF00004 - Mission Bay Improvements	B19180 - Dusty Rhodes Comfort Station Improvement	200386 - Mission Bay Park Improvement	660,000.00	Funding is being transferred to support construction of B19180 - Dusty Rhodes Comfort Station Improvement
AGF00004 - Mission Bay Improvements	B19158 - Dusty Rhodes Parking Lot Improvements	200386 - Mission Bay Park Improvement	179,138.00	Funding is being transferred to support construction of B19158 - Dusty Rhodes Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19181 - Dusty Rhodes Playground	200386 - Mission Bay Park Improvement	250,000.00	Funding is being transferred to support construction of B19181 - Dusty Rhodes Playground

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 – Mission Bay Improvements	B19021 – Crown Point Playground Improvements	200386 – Mission Bay Park Improvement	305,452.00	Funding is being transferred to support construction of B19021 – Crown Point Playground Improvements
<b>Total Transfer</b>			<b>\$1,404,590.00</b>	



# Related Transfers and Appropriations

## Summary

To provide additional clarity and transparency, the table below summarizes the related CIP budget adjustment from Attachment I. Unless indicated, there is no net change to one project; funding sources are reallocated to facilitate spenddown of restricted funding sources or for other cash management objectives. Adjustments from “Fund Balance” are appropriations of new money from the indicated fund to cover planned expenditures.

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
Fund Balance	S00951 - Coastal Rail Trail	400849 - North University City DIF	\$5,310,990.14	Community-restricted DIF, identified in City Planning’s Annual DIF Report, is allocated to Coastal Rail Trail. An equal amount of RTCIP is transferred to Normal Street Promenade. Citywide Mobility DIF is then returned to Fund Balance from Normal Street Promenade.
S00951 - Coastal Rail Trail	S22012 - Normal Street Promenade	400174 - Transnet Extension RTCIP Fee	5,310,990.14	
S22012 - Normal Street Promenade	Fund Balance	400888 - Citywide Mobility DIF	5,310,990.14	



# TransNet RTIP Amendment Resolutions

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## TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its POP (“the Amendment”) as programmed in the 2025 RTIP; and
2. That pursuant to Section 2(C)(1) of the TransNet Extension Ordinance, the City of San Diego certifies that no more than 30 percent of its cumulative revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment.
3. That pursuant to Section 4(E)(3) of the TransNet Extension Ordinance, the City of San Diego certifies that all new or changed projects, or major reconstruction projects included in the Amendment and funded by TransNet revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed was clearly noticed as part of City of San Diego’s public hearing process for the Amendment.
4. That the City of San Diego does hereby certify that all applicable provisions of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.
5. That the City of San Diego continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to City of San Diego’s TransNet funded projects.

# Additional CIP Adjustment Requests

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## Rename CIP Projects

1. Rename S22002 from “Grove Neighborhood Park” to “Grove Neighborhood Park Phase I.”  
This revised naming convention better reflects the phasing of improvements for this new neighborhood park.

## Close CIP Projects

1. Close S23001 – Kearny Villa Rd Pipeline  
This project was cancelled by PUD. Improvements are contemplated under a future project with a revised scope of work.

## Move Project Between Annual Allocations

1. Move B22032 – PQPS VFD Replacement Project from ABP00002 – Metropolitan System Pump Stations to ABP00001 – Pump Station Restorations
2. Move B22035 – PQPS Gas Sensor Replacement from ABP00002 – Metropolitan System Pump Stations to ABP00001 – Pump Station Restorations  
It was determined that improvements to the Penasquitos Pump Station are more appropriate in the ABP00001 annual allocation based on the scope of the projects.

## Non-CIP Adjustments

1. Appropriate and expend not to exceed \$850,000 from fund 400169 – Transnet Extension 70% Cap in the Transportation Department.
2. Appropriate and expend not to exceed \$17,940 from fund 400171 – Transnet Admin to support administrative costs in Department of Finance and Transportation Department.

## General Fund Mitigation

1. Appropriate and expend not to exceed \$2,273,846 from fund 400170 – Transnet Extension 30% Non-Cap as a transfer to fund 100000 – General Fund.
2. Appropriate and expend not to exceed \$625,028 from fund 100012 – Infrastructure Fund (Proposition H) to re-allocate debt service from the General Fund.
3. De-appropriate \$1,718,481 from 200118 – Gas Tax in the Transportation Department
4. Appropriate and expend not to exceed \$1,718,481 from 200731 – Road Maintenance & Rehabilitation in the Transportation Department.
5. Appropriate and expend not to exceed \$500,000 from fund 200118 – Gas Tax as a transfer to fund 100000 – General Fund.
6. Appropriate and expend not to exceed \$227,119 from fund 200118 – Gas Tax in the Parks and Recreation Department.

## New Subprojects Receiving Funding

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### **Martin Luther King (MLK) Park - Accessible Path of Travel Improvements (AGF00007 – Park Improvements)**

\$200,000 (Fund 200391 – San Diego Regional Parks Improvements)

Estimated Project Cost: \$200,000

Priority Score: 50

This project provides for an accessible path of travel improvements at Martin Luther King Community Park to connect to the Mountain View Sports and Racquet Club (MVSRA). The improvements would consist of demolition and replacement of a segment of sidewalk to Americans with Disabilities Act (ADA) requirements. It also includes the improvement of four existing parking stalls to ADA spaces, which would include some repaving, installing curbs/ramps, and ADA striping. This project is being conducted to meet ADA requirements for a companion project at the MVSRA (reference project RD23006) being developed by a non-profit tennis group. The MVSRA was awarded a State grant to install a modular building to support their programs. The Transportation Department will conduct this work.