



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Recommended City Council Modifications to the Mayor's Proposed FY 2024 Budget and Review of the May Revision

This report presents the Office of the Independent Budget Analyst's (IBA's) final FY 2024 budget review and recommendations for Council budget modifications. Recommendations primarily reflect our review of Councilmember budget modification memoranda that were submitted to our Office on May 26, 2023 and released separately as [IBA Report 23-13](#), as well as consideration of feedback from the public, City staff, and City Councilmembers received during the Budget Review Committee hearings. Recommendations are also based on the following: our analysis of the May Revision to the FY 2024 Proposed Budget ([May Revision](#)), the FY 2023 Third Quarter Budget Monitoring Report ([Third Quarter Report](#)), and the [FY 2024 Proposed Budget](#).

This report is released at the end of a budget development process that has included extensive review of the Mayor's FY 2024 Proposed Budget by the City Council and the IBA, including:

- The IBA's review of the Mayor's FY 2024 Proposed Budget issued on April 28, 2023 as [IBA Report 23-08](#)
- Departmental and agency budget hearings with the Budget Review Committee that took place on May 3-9, 2023
- An evening Budget Review Committee meeting held on May 3, 2023 and an evening City Council meeting held on May 10, 2023 to solicit input from the community on the Mayor's budget proposals and City Council's budget priorities for FY 2024
- Department of Finance responses to Budget Review Committee requests for additional information released following Budget Review Committee hearings
- The discussion of the May Revision and Third Quarter Report (both of which were released on May 16, 2023) at the Budget Review Committee meeting on May 18, 2023 (Our review of the Third Quarter Report is presented in [IBA Report 23-14](#).)

This report presents our Office’s recommended budget modifications, as well as other budget modifications that were included in a majority (five or more) of Councilmembers’ budget modification memoranda. The total cost of all majority-supported modifications exceeds resources that we believe are available to allocate responsibly. Because resources are limited, we begin the discussion with a review of recommended resources for modifications. The resources section is followed by IBA-recommended expenditure modifications, which are based on Councilmembers’ priorities included in their budget modification memoranda and reflect modifications that are consistent with past IBA recommendations and/or that are necessary to support existing or critical City programs and needs.

After the recommended expenditures section, we address remaining majority-supported modifications that could be funded with remaining resources, as well as one priority that we recommend *not* be funded (because funding is no longer needed). Because there are additional resources beyond our recommended expenditure modifications, we also include two tables with options for funding priorities that are generally over the thresholds of eight Councilmembers in support (Option 1) or seven Councilmembers in support (Option 2). Our review of the May Revision to the FY 2024 Proposed Budget is included as Attachment 2 to this report.

IBA RECOMMENDED RESOURCES

Table 1 below lists the IBA-recommended resources available for budget modifications, which total \$15.2 million.¹ Included are \$11.0 million in General Fund resources (\$2.6 million ongoing and \$8.3 million one-time) and \$4.2 million in non-General Fund resources. This table also deducts from available resources the IBA’s recommended expenditure modifications, including \$3.1 million for the General Fund (\$975,000 ongoing and \$2.1 million one-time) and \$4.2 million for non-general funds. Individual components and discussion of the IBA’s recommended expenditure modifications are included in the next section – *IBA Recommended Budget Modifications*. Remaining resources after use of IBA-recommended expenditure modifications total \$7.9 million.

Table 1: Recommended Resources for Modifications to FY 2024 Budget	
General Fund Resources	Amount
<i>Ongoing Resources</i>	
Residual RPTTF	\$ 1,882,000
Sidewalk Vending Ordinance - Impounding Reduction	1,460,000
TOT Revenue Reduction	(702,000)
<i>Subtotal Ongoing Resources</i>	2,640,000
IBA Recommended Use of Ongoing Resources	(975,000)
<i>Ongoing Resources Remaining</i>	\$ 1,665,000
<i>One-Time Resources</i>	
Excess Equity	\$ 4,454,000
General Fund Reimbursements from TOT Fund Balance	3,377,000
Smart Streetlights Reduction	500,000
<i>Subtotal One-Time Resources</i>	8,331,000
IBA Recommended Use of One-Time Resources	(2,085,000)
<i>One-Time Resources Remaining</i>	\$ 6,246,000
Total Identified General Fund Resources	\$ 10,971,000
Total IBA Recommended Use of General Fund Resources	(3,060,000)
Total General Fund Resources Remaining	\$ 7,911,000
Non General Fund Resources	
Amount	
<i>One-Time Resources</i>	
TOT Fund Balance	\$ 3,000,000
Additional Opioid Settlement Fund Revenue	1,215,000
<i>Total One-Time Resources</i>	4,215,000
IBA Recommended Use of One-Time Resources	(4,215,000)
Total Non-General Fund Resources Remaining	\$ -
Total Identified Resources	\$ 15,186,000

¹ This amount reflects both newly identified resources, as well as *decreases* in projected sales and TOT tax revenue that reflect recent actual receipts, as will be discussed.

Residual RPTTF Property Tax – \$1.9 million (ongoing)

The Redevelopment Property Tax Trust Fund (RPTTF) represents payments to the City as a result of the dissolution of the former Redevelopment Agencies. On June 5, the County released the final distributions for the next round of RPTTF payments, which included higher deposits than the April forecast, which was the basis for the May Revision RPTTF estimate. Based on these higher deposits, there is an additional \$1.9 million available within the General Fund on an ongoing basis. Increased RPTTF payments also positively impact available Excess Equity, as will be discussed.

Sidewalk Vending Cart - Impounding Reduction – \$1.5 million (ongoing)

In the FY 2023 Adopted Budget, 12.00 FTEs and \$1.6 million was added to the Environmental Services Department (ESD) for ESD’s share of Sidewalk Vending Ordinance (SVO) implementation costs.² This addition included positions and expenditures for the impounding of equipment of vendors that were found to be out of compliance with the SVO. The ongoing costs for this addition in the FY 2024 Proposed Budget total \$1.7 million. However, to date none of these ESD positions have been hired as most were going through the classification process, and no funding has been spent for impounding under the Ordinance. Additionally, as discussed at Council on May 15, no impounding services have been required to date for the implementation of the SVO.

We do note that as part of the ESD’s reorganization of CleanSD into its own division, a Deputy Director position originally added for SVO implementation has been reassigned to be a Deputy Director over all of CleanSD. With the exception of that Deputy Director position, however, given the apparent lack of need for impounding services at this time, our Office recommends that the positions and associated funding that were added in FY 2023 for the SVO within ESD be removed from the FY 2024 Budget. This reduction includes 11.00 FTEs and \$1.5 million.

Note that this reduction does *not* include any changes or reductions to staff budgeted in the Parks and Recreation and Development Services Departments associated with education and enforcement of the SVO.

Transient Occupancy Tax Revenue Reduction (General Fund) – (\$702,000) (ongoing)

As discussed in the General Fund revenues section of Attachment 2 to this report, our Office believes that projections for Transient Occupancy Tax (TOT) should be updated to reflect the actual TOT disbursement for April, which came in \$1.1 million below projections. Since FY 2024 revenue projections build upon FY 2023 revenues, the decrease in the FY 2023 April TOT disbursement negatively impacts projected revenue available in FY 2024. This has both General Fund and TOT Fund impacts. The General Fund impact of this update results in a \$702,000 revenue reduction in FY 2024. The TOT Fund impact is a reduction in available fund balance which is discussed below.

² The FY 2023 Adopted Budget added a total of 44.00 FTEs and \$5.1 million across multiple departments for SVO implementation. Other SVO additions included 27.00 FTEs in the Parks and Recreation Department and 5.00 FTEs in the Development Services Department to provide outreach, education, and progressive enforcement of the SVO, as well as general maintenance needs associated with sidewalk vending activities.

Excess Equity – \$4.5 million (one-time)

The Third Quarter Report projects \$123.0 million in year-end Excess Equity for FY 2023. As of the May Revision, \$63.0 million of this estimated balance is utilized as a resource in FY 2024, leaving an estimated \$60.0 million unallocated and available for use in FY 2025. However, our Office has identified the following changes that reduce unallocated Excess Equity to \$57.1 million.

Table 2: Adjustments to Unallocated Excess Equity	
Revenue Impacts	Amount
<i>Unallocated Excess Equity in May Revision</i>	\$ 60.0
Updated Sales Tax Impacts ¹	(6.6)
Updated TOT Impacts ¹	(0.7)
Updated FY 2023 Residual RPTTF Impacts ¹	1.8
Additional Environmental Growth Fund Reimbursements ²	1.6
Portable Shower Settlement ³	0.9
<i>Updated Unallocated Excess Equity</i>	\$ 57.1

¹ Sales Tax, TOT and RPTTF impacts are described in the General Fund Revenues section of Attachment 2 to this report.

² Utilizing \$1.6 million in Environmental Growth Fund balance to reimburse the Parks and Recreation Department’s General Fund budget for eligible expenditures incurred in FY 2023 will increase available Excess Equity.

³ Portable Shower Settlement funds were awarded to the City for the overcharge of showers for homeless individuals during the COVID-19 pandemic. Of the total \$1.2 million settlement, \$942,000 is General Fund revenue.

The net decrease in Excess Equity is primarily associated with recent actual sales tax and TOT disbursements. The City’s sales tax distribution for May came in \$5.1 million under projections, and the City’s total TOT disbursement for April came in \$1.1 million under projections. These impact anticipated FY 2023 year-end Excess Equity and are discussed in the General Fund Revenues section of Attachment 2 to this report.

While these changes lead to a net reduction in unallocated Excess Equity, we note the total unallocated Excess Equity amount is still \$4.5 million *above* the \$52.6 million that was unallocated in the Proposed Budget. **We recommend that this \$4.5 million increase in unallocated Excess Equity be available as a resource for FY 2024 Council budget modifications.** Because of the City’s existing structural budget deficit, and the significant projected FY 2025 deficit, however, we recommend retaining at least the same level of unallocated Excess Equity as was assumed in the Proposed Budget.

Environmental Growth Fund Reimbursements – Additional Information

The Environmental Growth Funds (EGFs) are projected to end FY 2024 with an ending fund balance totaling approximately \$12.1 million. The Department of Finance is currently assuming that \$10.5 million of the EGF fund balance will be utilized to mitigate the projected FY 2025 General Fund budget deficit, which our Office supports. We recommend utilizing the balance, \$1.6

million, to reimburse the Parks and Recreation Department's General Fund budget for eligible expenditures incurred in FY 2023, which will increase unallocated Excess Equity.

TOT Fund Balance – \$3.4 million Reimbursement to the General Fund and \$3.0 million Non-General Fund Use of TOT Fund Balance (one-time)

At the end of FY 2024, there is expected to be a \$15.3 million fund balance in the TOT Fund. We note that, like the General Fund, the TOT Fund is structurally imbalanced. Although there is a projected \$15.3 million fund balance, \$7.6 million of that amount is expected to be needed in FY 2025 to continue FY 2024 expenditures. Since the FY 2023 April TOT disbursement came in \$1.1 million below revised third quarter projections, this results in a reduction in TOT Fund balance available for future years (as well as the General Fund impact discussed above). Therefore, to leave enough fund balance to continue FY 2024 expenditures in FY 2025, we recommend using *up to* \$6.4 million in TOT Fund balance in FY 2024. Of this amount, we recommend \$3.4 million be used to reimburse the General Fund for eligible expenditures, and \$3.0 million be used directly from the TOT Fund to fund the World Design Capital 2024, which will be discussed in the next section of this report.

Smart Streetlights Reduction – \$500,000 (one-time)

The Proposed Budget included \$4.0 million in ongoing non-personnel expenditures to deploy up to 1,000 new smart streetlights with video and automated license plate recognition (ALPR) technology throughout the City.³ As we noted in our review of the Police Department's Proposed Budget, the Department is planning for the initial deployment of this technology to occur at 500 locations (which would equate to an ongoing cost of \$2.0 million based on an estimate per unit cost of \$4,000) and would fund one-time installation costs with the remaining funding. Considering the General Fund's current structural budget imbalance, our Office recommended that the May Revision include an adjustment that better aligns ongoing and one-time costs with expected deployment plans. A corresponding adjustment has been included in the May Revision which consists of \$2.0 million in ongoing expenditures and \$2.0 million in one-time installation costs. However, according to the Police Department, installation costs for the new smart streetlight equipment are now anticipated to consist of \$1.5 million. The remaining \$500,000 is not necessary for the Police Department to implement their new smart streetlight program, and it is an available one-time resource for the Council's budget modifications.

Opioid Settlement Fund (Non-General Fund Resource) – \$1.2 million (one-time)

Approximately \$4.4 million in Opioid Settlement Funds that have been collected by the City were included in the Proposed Budget. In addition to those funds, the City Attorney's Office now anticipates that an additional \$1.2 million will be received on or around July 15, 2023 from the 2021 National Opioid Settlements. This amount can be used to support an opioid education/prevention campaign, as will be discussed in the next section.

³ We note that this proposal is currently undergoing review by the Privacy Advisory Board (PAB), per requirements of the City's surveillance ordinance. After that review, the proposal will also require Council approval. **Council could consider holding all anticipated FY 2024 program costs (\$3.5 million; see write-up above) in Excess Equity, and authorizing the appropriation of that amount concurrent with or subsequent to Council consideration of the proposal.**

IBA RECOMMENDED BUDGET MODIFICATIONS

Following the release of the May Revision and Council’s subsequent review at the Budget Review Committee hearing on May 18, 2023, Councilmembers submitted budget modification memoranda to our Office on May 26, 2023. Our Office reviewed all budget priorities mentioned in Councilmembers’ memos and determined those that had majority support (five or more Councilmembers). The modification memos identified \$34.9 million in majority-supported expenditure priorities that we believe could feasibly be spent in FY 2024 and that were not included in the FY 2024 Proposed Budget or May Revision – see Attachment 1 for a full listing of these priorities. However, because of the City’s structural budget deficit and the significant projected deficit for FY 2025, we do not believe that sufficient resources exist to responsibly fund *all* majority-supported modifications in FY 2024. Instead, we advise that up to \$15.2 million in expenditure additions can be responsibly supported, consistent with the resources identified in the prior section of this report.

In this section we discuss our recommended expenditure modifications. Each recommended expenditure modification was supported in a majority of Councilmember budget modification memos. Additionally, each recommended expenditure modification is either consistent with past IBA recommendations, or is necessary to support existing or critical City programs and needs.

Our Office recommends expenditure modifications totaling \$7.3 million, \$3.1 million in the General Fund and \$4.2 million in non-general funds, as summarized below in Table 3 on the following page. Descriptions of recommended expenditure modifications are presented following Table 3. We have consulted with various impacted departments regarding appropriate funding levels for the programs supported.

The recommended expenditure modifications by our Office detailed in this section are \$7.9 million *below* the total available resources we have identified. Accordingly, in the next section, “*Remaining Council Priorities*,” we address majority-supported modifications that could be supported with remaining resources, as well as one priority that we recommend *not* be funded (because funding is no longer needed). Because there are additional resources beyond our recommended expenditure modifications, the “*Remaining Council Priorities*” section also includes two tables with potential options for funding modifications that are generally over the thresholds of eight Councilmembers in support (Option 1) or seven Councilmembers in support (Option 2).

Table 3: IBA Recommended Expenditure Modifications (see Final Budget Actions, #2)			
General Fund Expenditures	# CMs in Support	FTEs	Amount
<i>Operating Budget Items</i>			
Office of the City Auditor (ongoing)	7	2.00	\$ -
Opioid Education & Prevention Program/Campaign (one-time)	5	-	135,000
Building Decarbonization Roadmap - Program Manager (ongoing)	8	1.00	175,000
Tenant Protection Ordinance Eviction Notice Registry (\$400,000 ongoing, \$100,000 one-time)	7	-	500,000
Cannabis Equity Study and Program Implementation (\$400,000 ongoing and \$600,000 one-time)	5	3.00	1,000,000
<i>Subtotal Operating Budget Items</i>		6.00	\$ 1,810,000
<i>One-Time Capital Improvement Projects</i>			
Mission Beach Sea Wall Repair	5	-	\$ 750,000
Convoy District Gateway Sign	8	-	500,000
<i>Subtotal One-Time Capital Improvement Projects</i>		0.00	\$ 1,250,000
Total General Fund Expenditure Modifications		6.00	\$ 3,060,000
Non General Fund Expenditures			
		FTE	Amount
Opioid Education & Prevention Program/Campaign (one-time)	5	-	\$ 1,215,000
Penny for the Arts/World Design Capital 2024 (one-time)	9	-	3,000,000
Total Non-General Fund Expenditure Modifications		0.00	\$ 4,215,000
Total Recommended Expenditure Modifications: All Funds		6.00	\$ 7,275,000

Office of the City Auditor – 2.00 FTEs, Budget Neutral for FY 2024 (ongoing) – 7 Supporting

Seven Councilmembers supported adding two new positions to the Office of the City Auditor, including one Performance Auditor and one Administrative position. These new positions would help provide sufficient audit coverage of high-risk areas and needed administrative support. The Office plans to fund the two new positions within its currently proposed budget, using higher than anticipated FY 2024 salary increases. Hence, no additional funding is requested for the two new positions. The Office assumes these positions will only be filled for six months in FY 2024 due to the recruiting and hiring process. Because this is a budget-neutral request, our Office recommends including it in the final Adopted budget.

Opioid Education & Prevention/Opioid Settlement Fund – \$1.35 million (one-time) – 5 Supporting

Five Councilmembers expressed the need for an opioid and fentanyl prevention program/campaign, of which four councilmembers suggested a funding level of \$1.35 million utilizing Opioid Settlement Funds. Our Office recommends utilizing \$1.2 million in additional Opioid Settlement Funds that are anticipated to be received by the City on or around July 15, 2023 to fund the proposed opioid and fentanyl prevention program/campaign (see “*IBA Recommended Resources*” section above for more information). Using newly-anticipated Opioid Settlement

Funds to support an education and prevention campaign is consistent with recommendations in [IBA Report 23-06](#) to use settlement funds to support new, enhanced, or expanded programs. The balance of approximately \$135,000 (one-time) to meet the requested funding level of \$1.35 million would be required from the General Fund.

Building Decarbonization Roadmap - Program Manager – 1.00 FTE, \$175,000 (ongoing) – 8 Supporting

Eight Councilmembers requested the addition of a Program Manager position for the Sustainability and Mobility Department to oversee the Building Decarbonization Program, which is part of the Climate Action Plan (CAP). This position, which was identified in the CAP staffing analysis from last year, would oversee the development of strategies and programs related to the decarbonization of new and existing buildings, including the Roadmap to Decarbonize Existing Buildings. Because this is the highest priority Foundational item under the newly adopted [Council Policy 900-22 Prioritizing Actions for Climate Action Plan Implementation](#), our Office recommends that it be funded.

Tenant Protection Ordinance Eviction Notice Registry – \$500,000 (ongoing and one-time) – 7 Supporting

Seven Councilmembers requested \$500,000 (\$400,000 ongoing and \$100,000 one-time) for the creation of the Eviction Notice Registry. This registry is needed to implement the Residential Tenant Protection Ordinance, approved by Council on April 25, 2023. The San Diego Housing Commission will develop the online registry to receive at-fault and no-fault just cause eviction notices from landlords. Start-up costs include \$215,000 for the portal, website, and tenant guide, as well as \$285,000 for two positions for program administration and support. The Housing Commission expects ongoing administrative costs for staffing, the registry, and website maintenance to be \$400,000 annually. These expenditures are necessary to support an already approved Council action.

Cannabis Equity Study and Program Implementation – 3.00 FTEs, \$1.0 million (ongoing and one-time) – 5 Supporting

Five Councilmembers supported the addition of \$1.0 million (\$400,000 ongoing and \$600,000 one-time) to be used as local matching funds for State Cannabis Equity Grants. Funding will support the implementation of recommendations from the City’s Cannabis Equity Assessment, completed in October 2022. A major recommendation from the Assessment is to establish a Cannabis Social Equity and Economic Development (SEED) Task Force to oversee the SEED program, including creating SEED program guidelines, supporting cannabis related code amendments, and ultimately regulating permitting, financial assistance, and outreach initiatives. Funding will also support staffing for the Cannabis Business Division in the Development Services Department to review and process SEED project applications, and monitor and track grant expenditures to ensure compliance with grant requirements. Starting in FY 2024, application for the State Cannabis Equity Grants Program will require matching funds from the local jurisdiction. Without a local matching fund, the City’s grant application could be put at risk.

Mission Beach Sea Wall Repair – \$750,000 (one-time) – 5 Supporting

Five Councilmembers supported the addition of funding to provide structural repairs and/or replacement of the Mission Beach Sea Wall. Based on information provided by Parks and Recreation officials, we are recommending the addition of \$750,000 for the creation of a new project and initial project design. We believe this project is a priority, particularly given that the condition of the sea wall below grade is important to maintaining the integrity of the beach. Mission Beach is vulnerable to significant flooding, and this risk will continue to increase with continued sea-level rise and changes in the frequency and intensity of winter storms. The sea wall is included in the Mission Bay 10-year plan as a high priority deferred maintenance project, and a preliminary engineering study and an environmental review are currently ongoing. We recommend a “P” project be created until the project is ready to move forward to design and a funding plan has been developed.

Convoy District Gateway Sign – \$500,000 (one-time) – 8 Supporting

Eight Councilmembers supported the addition of \$500,000 in one-time funding for the Convoy District Gateway Sign project (CIP S23007). Initial funding of \$1.0 million was included in the FY 2023 Adopted Budget; the addition would bring the total project budget to \$1.5 million. The project will install a custom 30-foot illuminated sign welcoming visitors to the Convoy District with the goal of providing civic brand identity to the community. The overall project is managed by the Asian American Business Association Foundation through a compensation agreement with the City. The Economic Development Department indicates that a considerable amount of work has been performed in FY 2023, including community outreach and workshops to finalize design of the sign, permit applications, plan review, etc. The project is anticipated to be completed in FY 2024, and the addition of these funds will enable the project to be completed as intended. No additional costs are anticipated.

Penny for the Arts/World Design Capital 2024 – \$3.0 million (one-time) – 9 Supporting

All nine Councilmembers included additional support for the Penny for the Arts goal as well as \$3.0 million for World Design Capital in their budget memoranda. These are the only items that received unanimous support. Requested funding levels for arts and cultural programs supported by Penny for the Arts varied across Councilmembers, ranging from unspecified to \$7.7 million. However, four Councilmembers requested to maintain the same proportion of FY 2023 TOT funding for arts and culture, which would require an additional allocation of roughly \$3.0 million.

Additionally, San Diego and Tijuana were jointly selected as the World Design Capital 2024 (WDC), which provides the region a year-long showcase of design and innovation in the community and will feature a series of public events, conferences, exhibitions, summits, and celebrations. A \$3.0 million allocation from the City would represent a share of the overall \$8-\$10 million budget for WDC to be funded by multiple partners to support program development and implementation. According to the Cultural Affairs Department, about 45% of the allocation would support staffing and operations, 45% would support marking and branding of future events, and the remaining 10% would go towards implementing events. It is anticipated that visitors will come

to the region throughout calendar year 2024 to participate in events which would generate TOT revenue for the region.

Given the unanimous support for these items, and the overlap between WDC programs and arts and cultural funding typically counted towards Penny for the Arts goals, our Office recommends a \$3.0 million allocation for a contract with WDC to be administered by Cultural Affairs, with that amount considered as a contribution towards the Penny for the Arts goal. This allocation would bring the total proportion of TOT funds allocated for arts and culture in FY 2024 to 5.6%, in line with the proportion of 5.6 % provided in FY 2023.

REMAINING COUNCIL PRIORITIES

This section includes descriptions of all remaining budget modifications that were supported by a majority of Councilmember memos. One of those modifications – LGBTQ+ Youth Housing and Related Services – does not appear to need additional funding, as will be discussed.

All other Council majority-supported modifications, however, could be implemented in FY 2024, provided sufficient resources exist to support them. For some modifications, we have revised expenditure amounts in memos to amounts that could be feasibly spent in FY 2024.

Because there are additional resources beyond our recommended expenditure modifications, but not enough resources to support *all* majority supported modifications, at the end of this section we include two tables with options for funding priorities that are generally over the thresholds of eight Councilmembers in support (Option 1) or seven Councilmembers in support (Option 2). Our Office recommends the Council select budget modifications from this section that represent no more than \$7.9 million in total expenditures.

Council Modification Not Recommended

LGBTQ+ Youth Housing and Related Services – 6 Supporting

Six Councilmembers requested an additional \$500,000 be provided for the LGBTQ+ Youth shelter, but this additional funding is no longer needed. The San Diego Housing Commission administers this program and recently finalized the budget with the program operator for FY 2024. The FY 2024 operating budget for the shelter will fall within the budget proposed for FY 2024 (\$1.5 million) and, hence, no additional funding is needed at this time. The request for additional funding was made by the program operator but has been retracted since the additional funding was determined to be no longer necessary. The program is expected to start in June 2023 and will continue to operate fully in FY 2024.

Other Majority-Supported Modifications

Operating Budget Items - Homelessness/Housing Priorities

Middle-Income First-Time Homebuyers Pilot Program – \$6.0 million (one-time) – 8 Supporting
Eight Councilmembers requested \$6.0 million to create the Middle-Income First-Time Homebuyer Pilot Program. This initial funding is estimated to assist 30 households with incomes between 80% to 150% area median income (currently \$110,250 to \$175,200 for a household of four) in becoming homebuyers. The tentative pilot design would provide down payment loans of up to 22% of the purchase price at a 3% interest rate, which is deferred for 30 years, with certain exceptions. The pilot would also provide closing cost assistance of up to 4% of the purchase price, not to exceed \$10,000. The pilot would be operated by the San Diego Housing Commission, which also operates an existing First-Time Homebuyer program for low-income households up to 80% area median income (the existing program is primarily funded through federal HOME Investment Partnership grant funds, with additional funding from other sources).

While this program was supported in eight of the nine Council budget modification memos, we note that the \$6.0 million requested for this program represents the single-largest modification that received majority support. *Given the context of limited resources, with a number of other widely-supported modifications that could be funded with this amount, we present this modification in the ‘Option 1’ table below, but **not** in the ‘Option 2’ table.*

Eviction Prevention Program – \$3.0 million (one-time) – 8 Supporting

Eight Councilmembers requested \$3.0 million to fund a one-year contract extension with the Legal Aid Society of San Diego to operate the Eviction Prevention Program. The program provides education and legal services for low-income renters facing eviction. The program was initially funded in FY 2022 (\$5.0 million) in response to the expiration of statewide pandemic-related eviction protections. As of April 2023, the program has assisted 1,572 low-income renters, including 325 renters who received full legal assistance and 1,365 renters who received some legal assistance. The program is set to expire June 30, 2023 and would end without additional funding.

Affordable Housing Preservation Fund – \$1.0 million (one-time) – 7 Supporting

Seven Councilmembers support providing \$1.0 million to develop an Affordable Housing Preservation Fund to help preserve naturally occurring affordable housing and deed-restricted units. This request aligns with a recommendation from the San Diego Housing Commission’s “Preserving Affordable Housing in the City of San Diego” report to provide seed funding to create a public-private Affordable Housing Preservation Fund dedicated to preservation activities. The initial \$1.0 million would allow the Housing Commission to facilitate fund creation, including contracting a consultant to lead this work. Fund creation activities include determining the types of loans the fund would make, creating documents and term sheets for the loans, and developing the fund structure. Any remaining funds would contribute to the seed funding needed to attract investor partners or support a smaller upcoming preservation effort as a demonstration project. The Housing Commission’s preservation study outlined setting aside at least 20% of the Redevelopment Property Tax Trust Fund for the Affordable Housing Preservation Fund (recently

estimated to be \$5.9 million), but since the requested funding of \$1.0 million is less than the full amount intended for seed funding, the remaining funds would need to be identified through future allocations or other funding sources, such as philanthropic funds.

Housing Instability Prevention Program/Rental Assistance – \$2.0 million (one-time) – 5 Supporting

Five Councilmembers requested an additional \$2.0 million to provide financial assistance to low-income households through the Housing Instability Prevention Program (HIPP). The program provides tiered subsidies between \$250 and \$750 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 2024, HIPP is anticipated to receive \$4.0 million, including \$2.3 million from City General Fund and \$1.8 million from carryover HIPP savings from FY 2023. This funding will assist 300 households. With an additional \$2.0 million (totaling \$6.0 million for FY 2024), the Housing Commission expects to serve an additional 125 households. However, the Housing Commission will likely need ramp-up time to hire staff to support these additional households, likely resulting in some unspent funding by the end of FY 2024. Note, because the 125 additional families first being served in FY 2024 are eligible for up to two years of assistance, this additional funding of \$2.0 million would need to continue into FY 2025 (the following fiscal year).

Other Operating Budget Priorities

Library Materials – \$250,000 (one-time) – 8 Supporting

Eight Councilmembers prioritized the addition of \$250,000 to support the procurement of library materials. If the Council chooses to fund this priority, our Office recommends that funding be included in FY 2024 on a one-time basis given the General Fund's current structural imbalance.

Bicycle Master Plan Update – \$350,000 (one-time) – 7 Supporting

Seven Councilmembers support the addition of funding to begin the updating process for the City's Bicycle Master Plan. Updating this plan, which was last updated in December 2013, would incorporate current best practices for facility designation, reflect current community plan updates and proposed regional connections, and incorporate changes in the soon to be released Mobility Master Plan, all of which would improve the safety of bicycle facilities as well as support the shift in transit mode called for in the Climate Action Plan. Adding \$350,000 in one-time funds would allow the Sustainability and Mobility Department to begin the updating process without waiting for grant approvals. Any subsequent grants received for this work would then either increase the scope or fund work in future years.

Library Maintenance – \$500,000 (one-time) – 7 Supporting

Seven Councilmembers prioritized the addition of \$500,000 for Library Maintenance that is not conducted by the City's General Services Department. If the Council chooses to fund this priority, our Office recommends that funding be included in FY 2024 on a one-time basis given the General Fund's current structural imbalance.

Youth Service Librarians – 8.00 FTEs, \$793,000 (ongoing) – 7 Supporting

Seven Councilmembers supported the addition of 8.00 full-time Youth Service Librarians and \$793,000 in expenditures to ensure that each library branch is equitably staffed with 1.00 FTE per location to provide youth, family, and teen services.

Office of the City Attorney – 1.00 FTE, \$99,000 (ongoing) – 6 Supporting

Six Councilmembers support the addition of one Legal Secretary 2 to support the Assistant City Attorney and Chief Deputy City Attorney of Prosecution Operations in the Criminal and Community Justice Divisions. According to staff, the position is needed to effectively manage the two divisions.

Small Business Enhancement Program (SBEP) – \$500,000 (one-time) – 6 Supporting

Six Councilmembers support additional funding for SBEP, the majority of whom requested \$500,000. According to the Economic Development Department, this funding would restore the Capacity Building and Storefront Improvement programs. Capacity building grants would be awarded to nonprofit organizations that directly support small businesses in under resourced communities. Examples of eligible expenditures include technical assistance to businesses and website building. The Storefront Improvement Program revitalizes building facades and funding would provide free professional design assistance and financial incentives to improve curb appeal of small business storefronts. The FY 2024 Proposed Budget includes \$765,000 for SBEP and an additional \$500,000 would bring total funding for the program to \$1.2 million. (We note the funding goal outlined in Council Policy 900-15 for this program would amount to \$1.9 million.)

Youth Care and Development Program – \$1.0 million (one-time) – 6 Supporting

Six Councilmembers supported the addition of \$3.0 million to initiate a pilot Youth Care and Development Program. Through this program, the City, in partnership with community-based organizations, would support adolescents and young adults in Southeast San Diego with education, after-school programs, youth development programs, and access to mental health and trauma informed-care. It is currently unclear which department would be the lead administrator of this program, though it may be the Office of Child and Youth Success. According to the Office, services would be offered through contracted partners, which would require up to six months to award as well as time to ramp up services. Therefore, it may not be feasible to spend \$3.0 million in FY 2024. If Council would like to fund this priority, our Office suggests scaling the pilot program down to \$1.0 million in FY 2024. Additionally, **since this new program would involve multiple internal and external partners, we recommend that the Council request staff to develop an implementation plan for the pilot program and present it to the Community and Neighborhood Services (C&NS) committee for consideration and input.**

Recreation Programming (Four Recreation Centers) – \$168,000 (ongoing) – 5 Supporting

Five Councilmembers supported an increase of \$168,000 for recreation programming to be distributed equally among four Recreation Center Funds (RCF): Encanto RCF, Linda Vista RCF, Southcrest RCF, and Stockton RCF. If the Council chooses to fund this priority, we recommend that \$42,000 be transferred directly to each RCF, respectively. See Attachment 3 for a Revised FY

2024 Budget Allocation Outlook for the RCFs prepared by the Parks and Recreation Department after accounting for this additional funding. We note that, in addition to the five council offices that supported this priority, two other Councilmembers supported the addition of \$33,000 for the Stockton RCF only.

Gas Tax Median Maintenance Program (Parks & Recreation) – 1.00 FTE, \$534,000 (ongoing) and \$375,000 (one-time) – 5 Supporting

Five Councilmembers prioritized the addition of 1.00 FTE and \$909,000 in expenditures to support the Citywide Gas Tax Median Maintenance Program that is managed by the Parks and Recreation Department. The additions consist of the following:

- 1.00 Grounds Maintenance Manager and \$209,000 in expenditures (of which \$109,000 is ongoing and \$100,000 is one-time)
- \$400,000 for ongoing contractual expenditures to increase frequency of maintenance for existing and anticipated medians/landscaping areas
- \$275,000 for one-time costs to support one-time repairs
- \$25,000 for additional ongoing water costs

Safe and Sustainable Transportation for All Ages and Abilities Team (STAT) – \$1.1 million (ongoing) – 5 Supporting

Five Councilmembers support the addition of 12.00 FTEs and \$1.1 million for a new STAT team. The original STAT team was added in FY 2022 and supported the development of 9 miles per year of quick-build bicycle facilities. This addition would add another full team, including 1.00 Public Works Supervisor, 1.00 Traffic Striper Operator, 3.00 Utility Worker 1s, 2.00 Utility Worker 2s, 2.00 Equipment Operator 1s, and 1.00 Traffic Signal Technician within the Streets Division, and 2.00 Assistant Traffic Engineers within the Transportation Engineering Division, as well as relevant supplies. The current STAT team is funded with TransNet funding, but that source is now fully subscribed, and so General Funds would need to be used if an offsetting decrease in TransNet funding is not identified.

Parks and Recreation Security Guards – \$2.3 million (one-time) – 5 Supporting

Five Council offices discussed the need for additional security at Parks and Recreation Department facilities, of which four Councilmembers specifically requested funding for security guard services. As we noted in our review of the Parks and Recreation Department's Proposed Budget, the Department requested, but did not receive funding for, \$2.3 million for security guard services. Among the Council offices that supported this priority, there was a general consensus to provide funding for these services at the level requested by the Department. If the Council chooses to fund this priority, our Office recommends that funding be included in FY 2024 on a one-time basis given the General Fund's current structural imbalance.

Office of the City Clerk – \$200,000 (one-time) – 5 Supporting

Five Councilmembers recommended \$200,000 to support reorganization of cubicles which would consolidate the Office of the City Clerk staff on the second floor of the City Administration Building and promote operational efficiencies as well as create a safer working environment.

Capital Improvement Projects

Fix the City's Most Dangerous Intersections – \$1.5 million (one-time) – 7 Supporting

Seven Councilmembers supported the addition of \$1.5 million in one-time funding to fix the most dangerous intersections based on the [Systemic Safety Report](#) analysis. This includes effective, low-cost measures like installing lead pedestrian interval blank out signs, audible pedestrian signals, countdown timers, and high visibility crosswalks. The FY 2024 Proposed Budget includes approximately \$3.9 million to fund traffic calming and signals for seven of the City's most dangerous intersections. A significant number of unfunded needs for intersection improvements throughout the City remain. Transportation Department officials confirmed that additional budget for intersection improvements could be used to further fund in-progress projects or for new project initiation. The cost of these improvements will vary depending on scope and complexity.

North Park Recreation Center – \$750,000 (one-time) – 6 Supporting

Six Councilmembers requested the addition of \$500,000 in one-time funding for a new capital project to enhance and repair the North Park Recreation Center. We revised this amount to \$750,000 based on input from Parks and Recreation officials on what will be needed for creation of a new project and initial design, given the poor condition of the three buildings and the requirements that may be triggered (such as ZEMBOP and ADA). This project would include several capital improvements, such as repairing the gym roof (which leaks significantly); upgrading the ceiling, windows, and lighting in the multi-purpose room; replacing the craft room cabinets and repairing the ceiling; resurfacing tennis courts, installing new netting, and replacing benches; constructing a pickleball court adjacent to the basketball court; and installing new playground equipment for children.

Paradise Hills Community Park Trail – \$750,000 (one-time) – 6 Supporting

Six Councilmembers supported the addition of \$600,000 in one-time funding for a new capital project to add a trail within the canyon west of/adjacent to the Paradise Hills Community Park. We revised this amount to \$750,000 based on input from Parks and Recreation officials on what will be needed for creation of a new project and initial design, given the sensitive habitat in the canyon, related environmental impacts, and potential restoration requirements. The project will involve clearing, grubbing, grading, or other disturbance of vegetated or unpaved areas to create a trail, enabling open space and walkability in the Skyline - Paradise Hills Community Planning Area.

Install Class IV Bike Lanes with Physical Protection – \$1.0 million (one-time) – 6 Supporting

Six Councilmembers included language about increasing the budget to build additional physical separation barriers for all new Class IV bikeways that will be developed during FY 2024, including the installation of either concrete curbs or bollards. The Transportation Department informed our Office that doing so would require approximately \$2.8 million in additional funding, which would cover the 12.02 miles of Class IV bikeways anticipated to be developed within the Overlay program and 15.73 miles under the Slurry Seal program. However, this amount does not include costs for potential intersection modifications that might be required, and further, it is unclear as to if all these miles could support the installation of physical separation infrastructure due to space

and other engineering concerns. Since this addition would require a new design standard that is only just now being developed and vetted within the City, and given that it is unclear if all of the mileage of bikeways could support this improvement, our Office recommends that FY 2024 expenditures be limited to \$1.0 million in one-time funding in order to fund a pilot program to develop physical separation projects for Class IV bikeways in order to inform City design standards for Class IV bikeways in the future.

Barrio Logan Traffic Calming Truck Route – \$1.2 million (one-time) – 6 Supporting

Six Councilmembers requested \$1.2 million in one-time funding to be added to the Barrio Logan Traffic Calming Truck Route capital project (CIP P22003) to install street-calming infrastructure on Beardsley Street (from Logan Avenue to Harbor Drive) and Boston Avenue (from 28th Street to 32nd Street). These traffic calming measures are needed to prevent large semi-trucks from driving through residential neighborhoods, which impacts air quality. This project was initiated in FY 2022 as a planning/feasibility study, which recommended construction of two roundabouts in the Barrio Logan community (the first is at Newton Avenue and Beardsley Street and the second is at Boston Avenue and South 30th Street). The total estimated cost for the project is \$3.3 million. Thus far \$350,000 has been budgeted in the CIP, including \$100,000 in FY 2022 and \$250,000 in FY 2023. The Transportation Department will be transferring this project to Engineering & Capital Projects (E&CP) for preliminary engineering, design, and construction. Transportation Department officials indicated the cost estimate will be refined during the preliminary engineering phase, however \$1.2 million is expected to cover project design. While Transportation Department officials do not believe the full \$1.2 million would be expended in FY 2024, any unspent capital funds roll over and can be spent on the project in future fiscal years.

City Heights Urban Village/Henwood Park – \$750,000 (one-time) – 5 Supporting

Five Councilmembers supported the addition of \$750,000 in one-time funding for the creation of a new capital project and initial project phases to revitalize the City Heights Urban Village. The Urban Village refers to the hub in City Heights including Henwood Park, City Heights Library and Recreation Center, and is adjacent to Rosa Parks Elementary School. The project would include upgrades and improvements to the park and playground equipment, seating areas, lighting, bathrooms, trash cans, and hydration stations.

Saturn Boulevard Sidewalk Installation – \$1.5 million (one-time) – 5 Supporting

Five Councilmembers requested the addition of \$1.5 million in one-time funding for a new capital project to install sidewalks on the west side of Saturn Boulevard, between Dahlia Avenue and Elm Avenue. There are currently no sidewalks in this location. The Transportation Department determined in 2016 that this location qualifies for sidewalks, and it is currently on the City's unfunded needs list competing for funding (SN 15-770299). Department officials confirmed the preliminary estimated cost of the project is \$1.5 million. The project scope includes the installation of approximately 900 linear feet of sidewalk, curb and gutter, curb ramps, and pavement. While Transportation Department officials do not believe the full \$1.5 million would be expended in FY 2024, any unspent capital funds roll over and can be spent on the project in future fiscal years.

Options For Council Consideration

We conclude the “*Remaining Council Priorities*” section with two tables that present options for funding priorities that are over the thresholds of eight Councilmembers in support (Option 1) or seven Councilmembers in support (Option 2). Both of these options also include the IBA’s recommended expenditure modifications, several of which are under the threshold of seven or eight Councilmembers in support. As noted in the description of the Middle-Income First-Time Homebuyers Pilot Program in this section above, funding for that priority is included in Option 1, but *not* included in Option 2.

Option 1

Option 1 includes IBA recommended modifications, as well as all modifications that received support in eight or more Council memos. Note that the \$16.5 million total additional expenditures in Option 1 *exceeds* available identified resources by \$1,339,000. If Council wishes to proceed with Option 1, it could either draw on unallocated excess equity by \$1.3 million (*given the projected FY 2025 deficit, our office does not recommend this*), or reduce proposed expenditures in the budget or budget modifications by \$1.3 million.

Table 4 - Option 1 for Budget Modification Priorities (see Final Budget Actions, #3a)			
FY 2024 Expenditures	# CMs in Support	FTEs	Amount
<i>IBA Recommended Modifications (see Table 3)</i>		6.00	\$ 7,275,000
<i>Additional Modifications</i>			
<i>Homelessness/Housing</i>			
Eviction Prevention Program (one-time)	8	-	3,000,000
Middle-Income First-Time Homebuyers Pilot Program (one-time)	8	-	6,000,000
<i>Other Items</i>			
Library Materials (one-time)	8	-	250,000
<i>Subtotal Additional Modifications</i>		0.00	\$ 9,250,000
Total Council Budget Modifications		6.00	\$ 16,525,000

Option 2

Option 2 includes IBA recommended modifications, as well as all modifications that received support in seven or more Council memos, *except for the Middle-Income First-time Homebuyers Pilot Program*. Note that the \$14.7 million in Option 2 is \$518,000 *below* identified resources available. If Council wishes to proceed with Option 2, it could either allow that amount to fall to Excess Equity for use in reducing the projected FY 2025 deficit, or allocate up to \$518,000 for other FY 2024 Council priorities.

Option 2 for Budget Modification Priorities			
FY 2024 Expenditures	# CMs in Support	FTEs	Amount
<i>IBA Recommended Modifications</i>		6.00	\$ 7,275,000
<i>Additional Modifications</i>			
<i>Homelessness/Housing</i>			
Eviction Prevention Program (one-time)	8	-	3,000,000
Affordable Housing Preservation (one-time)	7	-	1,000,000
<i>Other Items</i>			
Library Materials (one-time)	8	-	250,000
Bicycle Master Plan Update (one-time)	7	-	350,000
Library Maintenance (one-time)	7	-	500,000
Youth Services Librarians (ongoing)	7	8.00	793,000
<i>Capital Items</i>			
Fix the City's Most Dangerous Intersections	7	-	1,500,000
<i>Subtotal Additional Modifications</i>		8.00	\$ 7,393,000
Total Council Budget Modifications		14.00	\$ 14,668,000

FINAL BUDGET ACTIONS

In order to approve the FY 2024 budget, the City Council is being asked to approve the following actions:

1. Approve the Mayor’s FY 2024 Proposed Budget, as modified by the Mayor’s May Revision.
2. Approve the IBA’s recommended final budget expenditure and resource modifications included in this report, as summarized in Table 1 (*Recommended Resources; page 3*) and Table 3 (*Recommended Expenditure Modifications; page 8*).
3. Allocate the remaining \$7.9 million in identified resources to selected budget modifications; options for these allocations could include **one** of the following alternatives:
 - a. Allocating this funding for all remaining budget modifications that received support from *eight* or more Council Budget Modification Memoranda, as summarized in Table 4 (*Option 1; page 18*), while identifying \$1.3 million in expenditure reductions; **OR**
 - b. Allocating this funding for all remaining budget modifications that received support from *seven* or more Council Budget Modification Memoranda, *except for the Middle-Income First-Time Homebuyers Pilot Program*, as summarized in Table 5 (*Option 2; page 19*); **OR**
 - c. Allocating this funding for some other combination of budget modifications that totals up to \$7.9 million.
4. To effectuate actions 2 and 3 above, we recommend \$3.4 million be transferred from TOT Fund balance to support eligible General Fund activities in FY 2024.


CONCLUSION


This report represents our Office’s final FY 2024 budget review and recommendations for Council budget modifications. After taking into account recent decreases in sales tax and TOT revenue projections, we identify \$15.2 million in resources that we believe can be responsibly allocated to additional FY 2024 budget expenditures. We recommend that \$52.6 million be reserved in unallocated Excess Equity to begin addressing projected FY 2025 deficits. As our Office has continually noted, it is critical that as the City moves past the worst impacts of the pandemic, it returns to the best practice of adopting *structurally balanced* budgets, supporting all ongoing expenditures with ongoing resources. Adopting budgets with structural imbalances restricts the ability of the Council to address future needs and priorities.

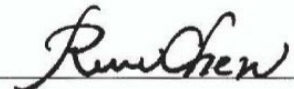
Additional detail on revenue and expenditure adjustments in the Mayor’s May Revision to the Proposed Budget is included as Attachment 2 to this report; we also provide analysis of current FY 2023 year-end financial projections in our review of the FY 2023 Third Quarter Budget Monitoring Report (IBA Report 23-14).


Our Office would like to thank staff from all City departments and offices who responded to our many questions throughout the budget process, as well as each Council Office for your budget modification memoranda, and your participation in the many budget hearings, town-halls, and

Council meetings. Our Office remains available to assist Council as it moves forward with adoption of a final FY 2024 budget.



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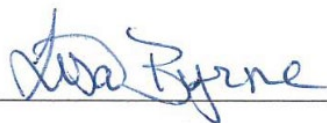

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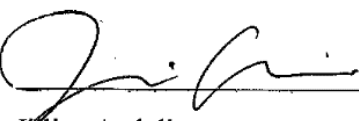

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- Attachment 1: City Council Budget Modification Priorities
- Attachment 2: IBA Review of the May Revision to the FY 2024 Proposed Budget
- Attachment 3: Revised FY 2024 Recreation Center Fund Budget Allocation Outlook

City Council Budget Modification Priorities (Majority-Supported)^a			
General Fund Expenditures	# CMs in Support	FTEs	Amount
Ongoing Operating Budget Items			
Office of the City Auditor	7	2.00	\$ -
LGBTQ+ Youth Housing and Related Services (funding no longer needed)	6	-	-
Office of the City Attorney	6	1.00	99,000
Recreation Programming - Four Recreation Centers ^b	5	-	168,000
Building Decarbonization Roadmap - Program Manager	8	1.00	175,000
Cannabis Equity Study and Program Implementation (ongoing portion)	5	3.00	400,000
Tenant Protection Ordinance Eviction Notice Registry (ongoing portion)	7	-	400,000
Gas Tax Median Maintenance Program - Parks & Recreation (ongoing portion)	5	1.00	534,000
Youth Services Librarians	7	8.00	793,000
Safe and Sustainable Transportation for All Ages and Abilities Team (STAT)	5	12.00	1,100,000
Subtotal Ongoing Items		28.00	\$ 3,669,000
One-Time Operating Budget Items			
<i>Homelessness/Housing</i>			
Tenant Protection Ordinance Eviction Notice Registry (one-time portion)	7	-	\$ 100,000
Affordable Housing Preservation	7	-	1,000,000
Housing Instability Prevention Program/Rental Assistance	5	-	2,000,000
Eviction Prevention Program	8	-	3,000,000
Middle-Income First-Time Homebuyers Pilot Program	8	-	6,000,000
<i>Other Items</i>			
Opioid Education & Prevention Program/Campaign	5	-	135,000
Office of the City Clerk	5	-	200,000
Library Materials	8	-	250,000
Bicycle Master Plan Update	7	-	350,000
Gas Tax Median Maintenance - Program Parks & Recreation (one-time portion)	5	-	375,000
Small Business Enhancement Program (SBEP)	6	-	500,000
Library Maintenance	7	-	500,000
Cannabis Equity Study and Program Implementation (one-time portion)	5	-	600,000
Youth Care and Development Program	6	-	1,000,000
Parks and Recreation Security Guards	5	-	2,300,000
Subtotal One-Time Operating Budget Items		0.00	\$ 18,310,000
One-Time Capital Improvement Projects			
<i>Parks and Recreation Improvements</i>			
City Heights Urban Village/Henwood Park	5	-	\$ 750,000
Mission Beach Sea Wall Repair	5	-	750,000
North Park Recreation Center	6	-	750,000
Paradise Hills Community Park Trail	6	-	750,000
<i>Vision Zero Improvements</i>			
Install Class IV Bike Lanes with Physical Protection	6	-	1,000,000
Barrio Logan Traffic Calming Truck Route	6	-	1,200,000
Fix the City's Most Dangerous Intersections	7	-	1,500,000
<i>Other Infrastructure Items</i>			
Convoy District Gateway Sign	8	-	500,000
Saturn Boulevard Sidewalk Installation	5	-	1,500,000
Subtotal One-Time Capital Improvement Projects		0.00	\$ 8,700,000
Subtotal One-Time Items		0.00	\$ 27,010,000
Total General Fund Council Budget Modification Priorities		28.00	\$ 30,679,000
Non General Fund Expenditures			
Opioid Education & Prevention Program/Campaign (one-time)	5	-	\$ 1,215,000
Penny for the Arts/World Design Capital 2024 (one-time)	9	-	3,000,000
Total Non-General Fund Council Budget Modification Priorities		0.00	\$ 4,215,000
Total Council Budget Modification Priorities: All Funds		28.00	\$ 34,894,000

^aNote - Funding amounts represent dollars that the IBA has vetted as being feasible to expend in FY 2024.

^bEncanto, Linda Vista, Southerest, and Stockton Recreation Centers

IBA Review of the May Revision to the FY 2024 Proposed Budget

After reviewing adjustments proposed in the May Revision, our Office has no significant concerns with proposed expenditure adjustments. We do suggest a revised sales tax revenue projection which is discussed in more detail in our main report providing recommended modifications to the FY 2024 Proposed Budget, and note impacts of recent declines in Transient Occupancy Tax (TOT) receipts. In the following sections, we highlight selected items included in the May Revision.

Overall for the General Fund, the May Revision adds approximately \$31.8 million in new revenues and \$25.0 million in new expenditures to the FY 2024 Proposed Budget. Revenue increases are largely related to increased sales tax and Transient Occupancy Tax (TOT) projections, as well as \$10.0 million related to Monsanto settlement proceeds.

Subsequent to the release of the May Revision, however, the City received its May 2023 sales tax payment, which was \$5.1 million less than anticipated and our office anticipates revenue to come in lower than projected for the fourth quarter as well. This has a negative impact on remaining Excess Equity as well as base projections for FY 2024. Additionally, the April TOT disbursement came in \$1.1 million below projections which has a negative impact to remaining Excess Equity and available TOT Fund balance as well as base projections in FY 2024. Although these are FY 2023 receipts, they impact funding available in FY 2024. Additional detail on these revenues is provided in the “*May Revision Changes: General Fund Revenues*” section of this report.

Net General Fund expenditure increases in the May Revision total \$25.0 million, which includes offsetting increases and decreases. The largest increases include \$9.4 million for the transfer to the Infrastructure Fund; \$6.8 million for fringe benefits increases, primarily related to increased workers’ compensation costs; \$6.5 million for salaries and wages increases that are primarily related to recently negotiated compensation increases for FY 2024; and \$2.9 million in increased termination pay costs. The largest offsetting decreases include \$3.8 million for Budgeted Personnel Expenditure savings, largely related to vacancy savings, and \$3.2 million in debt service payments. Together, these largest adjustments make up 74.9% of the total net General Fund expenditure increases.

MAY REVISION CHANGES: GENERAL FUND REVENUES

As shown in the following table, overall revenues have increased by \$31.8 million, almost half of which is driven by the increased FY 2023 year-end sales tax and Transient Occupancy Tax (TOT) projections in the Third Quarter Budget Monitoring Report. We describe these changes in more detail below.

General Fund Revenues in the May Revision (\$ in millions)			
	Proposed Budget	May Revision	Change
<i>Major General Fund Revenues</i>			
Property Tax	\$ 756.9	\$ 756.7	\$ (0.2)
Sales Tax	392.2	401.7	9.4
Transient Occupancy Tax	168.0	173.2	5.2
Franchise Fees	108.1	108.5	0.4
Other Major General Fund Revenues	87.2	97.2	10.0
<i>Subtotal Major General Fund Revenues</i>	\$ 1,512.4	\$ 1,537.4	\$ 24.8
<i>Departmental Revenues</i>			
General Services - Facilities Services	\$ 3.9	\$ 4.2	\$ 0.3
Fire-Rescue	63.2	67.7	4.5
Parks & Recreation	48.6	50.2	1.6
Stormwater	12.2	12.6	0.4
Other Departments	289.0	289.0	0.1
<i>Departmental Revenues Subtotal</i>	\$ 416.8	\$ 423.8	\$ 7.0
<i>American Rescue Plan Act</i>	\$ 52.1	\$ 52.1	\$ -
Total General Fund Revenue	\$ 1,981.5	\$ 2,013.2	\$ 31.8

Note: Figures may not total due to rounding.

Property Tax

The May Revision kept property taxes essentially flat with estimates released in the Proposed Budget. Updated estimates for FY 2023 property tax revenue decreased by \$0.2 million. Since FY 2024 projections are based on FY 2023, there is a similar decline in FY 2024 projections for property tax. More details on the net impacts of changes are detailed in the Third Quarter Budget Monitoring Report. The growth rate of 5.64% between FY 2023 and FY 2024 remained the same. Our office agrees with these projections.

Based on the release of the final RPTTF disbursements from the County on June 5, the City is anticipated to receive \$1.8 million more from the RPTTF tax sharing and residual payments. After updating the final FY 2023 disbursement calculations, our Office projects that the FY 2024 RPTTF amounts will be \$1.9 million higher than what is contained in the May Revision. This funding increase represents an ongoing revenue increase to the Property Tax received by the City, and as such has been recognized as a revenue source for Council Budget Modifications, as previously discussed.

Sales Tax

In the May Revision, FY 2024 sales tax projections increased from \$392.2 million in the Proposed Budget to \$401.7 million, an increase of \$9.4 million. While there are no changes to the assumed 1.5% growth rate in FY 2024, this increase is driven by changes to the FY 2023 sales tax revenue projection which impacts the FY 2024 projection. Two changes included in the FY 2023 Third

Quarter Budget Monitoring Report include: 1) a projected increase to the May sales tax payment bringing the year-over-year growth rate for the quarter up from 3.4% to 6.2%, and 2) a change to the base from which the fourth quarter of FY 2023 projections were built to tie to FY 2022 actual receipts.¹

Our Office believes the increased FY 2023 sales tax projection reflected in the Third Quarter Report may be too high, which also impacts the FY 2024 projection. This is largely due to the Third Quarter Report's projected increase to the May sales tax payment. However, after the Third Quarter Report was released, the City received the *actual* May sales tax payment, which came in \$5.1 million lower than the Third Quarter Report projection. Additionally, we have seen FY 2023's year-over-year quarterly growth rate decline from 8.3% in the first quarter, to 4.0% in the second quarter, and 0.3% in the third quarter. We believe a reasonable year-over-year growth rate for the fourth quarter is 1.8%, as opposed to 3.4%; this is in line with our Office's projection at the adoption of the FY 2023 Budget, as well as the City's sales tax consultant's projection for the fourth quarter.

Assuming a fourth quarter growth rate of 1.8%, and updated actual sales tax receipts, our Office projects FY 2023 sales tax revenue to total \$389.1 million, which is \$6.6 million less than the Third Quarter projection (but still higher than the mid-year projection). Since FY 2024 projections are built from FY 2023 revenue, this revised projection would result in a \$6.7 million reduction in sales tax revenue in FY 2024 totaling \$395.0 million.

We note that the incremental projected growth of \$9.4 million for sales tax revenue in the May Revision results in an increase in the contribution to the Infrastructure Fund of \$9.4 million which is proposed to be allocated to various capital improvement projects as well as streetlight repair and maintenance in the operating budget. However, as we discuss above, we believe the sales tax projection in the May Revision is too high, resulting in an inflated contribution requirement to the Infrastructure Fund. Rather than removing some of the proposed Infrastructure Fund allocations to align with our revised projection, in the event that revenue does come in low, the Department of Finance would likely search for other available resources to fund currently proposed projects. Once *actual* sales tax revenue is known after the close of FY 2024, the FY 2024 Infrastructure Fund contribution will be reconciled (either up or down) as part of the FY 2026 Proposed Budget. Likewise, the FY 2023 contribution will be trued up as part of the FY 2025 budget.

Transient Occupancy Tax (TOT)

In the May Revision, the overall FY 2024 transient occupancy tax projections (TOT)² increased from \$319.3 million in the Proposed Budget to \$329.3 million, an increase of \$10.0 million (\$5.2 million of which is associated with the General Fund allocation). This increase is driven by the

¹ The previous methodology attempted to discount for what was thought to be at the time a temporary surge in revenues coming out of the pandemic.

² "Overall" TOT revenue includes the three components of the total 10.5% hotel tax: the General Fund allocation of 5.5%, the allocation for Special Promotional Programs of 4.0%, and the Council discretionary allocation of 1.0% which gets transferred into the General Fund.

updated third quarter projections as FY 2023 becomes the base upon which FY 2024 revenues grow. The FY 2023 TOT projections assume an increase in the fourth quarter growth rate from 11.5% in the Mid-Year Report relative to FY 2019 (to reflect pre-pandemic seasonality) to 23.9% in the Third Quarter Report. The May Revision maintains the same growth rate of 5.9% year-over-year in FY 2024 as was assumed in the Proposed Budget.

As discussed in our review of the Third Quarter Report, though the increased projections are plausible, we do want to highlight some risks. Since the release of the Third Quarter Report, the April TOT disbursement came in \$1.1 million below the revised projection. We also observed in our analysis of FY 2023 TOT revenue that the beginning of the fiscal year experienced more robust growth than the most recent third quarter, and there has been consistent deceleration in revenue growth year-to-date relative to FY 2019 of approximately 1% each month since October 2022. However, it is unknown whether slower growth will continue into the summer months. Preliminary data suggests that the City had a strong Memorial Day weekend in terms of hotel occupancy, room night demand, and room rates. It will be important to continue to closely monitor and adjust for potential softening of TOT revenue growth.

Since FY 2024 revenue projections build upon FY 2023 revenues, the \$1.1 million decrease in the April TOT disbursement results in a \$702,000 General Fund revenue reduction in FY 2024. It also decreases the amount of TOT Fund Balance available for future years by \$432,000. We have recognized this impact in our display of revenue sources available for Council Budget Modifications.

Franchise Fees

Between the Proposed Budget and May Revise, the FY 2024 franchise fee projections remain basically flat, increasing from \$108.1 million to \$108.5 million, an increase of \$0.4 million related to a slight increase in cable fees in FY 2023. Our office agrees with these projections.

MAY REVISION CHANGES: GENERAL FUND EXPENDITURES

The following table shows May Revision adjustments to General Fund expenditures, which net to a \$25.0 million increase over the FY 2024 Proposed Budget. Most of these items are described in the May Revision itself. We further discuss several notable adjustments after the table.

General Fund Expenditure Adjustments in the May Revision (\$ in millions)			
Item	Department	FTEs	Amount
Transfer to Infrastructure Fund (one-time)	Citywide	-	\$ 9.4
Fringe Benefits Adjustments Not Included Elsewhere (ongoing; including \$7.0m for Workers' Compensation)	Multiple Departments	-	6.8
Salary/Wage Adjustments Not Included Elsewhere (ongoing; primarily related to negotiated compensation increases)	Multiple Departments	-	6.5
Termination Pay (ongoing; including \$2.0m for Police)	Multiple Departments	-	2.9
Animal Services Contract (one-time)	Parks & Rec	-	1.2
Budgeted PE Savings Adjustment (ongoing)	Library	-	0.9
Community Projects, Programs, and Svcs. Adjustments (one-time)	City Council	-	0.9
Sidewalk Ramping Crew (one-time; incl. \$703k vehicle purchase)	Transportation	-	0.7
Non-Discretionary Fuel Adjustment (ongoing)	Multiple Departments	-	0.5
IT Project Mgmt. for Billing Solution/Software Integration to Implement Measure B (one-time)	ESD	-	0.5
Lease Management Software (one-time)	DREAM	-	0.4
Harbor Drive Pedestrian Bridge Elevator Security Services (ongoing)	Facilities Services	-	0.3
CIP/WIFIA Support (ongoing; partial year)	Stormwater	3.00	0.3
Conversion of HR Analyst FTEs to Program Coordinators (ongoing)	Human Resources	-	0.3
Enhanced Police Officer Recruiting (one-time)	Police	-	0.2
Recruiting Section Program Coordinator (ongoing)	Personnel	1.00	0.2
Sidewalk Ramping Crew (ongoing; partial year)	Transportation	4.00	0.2
Network Access at Your Safe Place (one-time)	City Attorney	-	0.2
Biannual SDG&E Franchise Audit (one-time)	Sustainability & Mobility	-	0.2
Litigation/Claims Support (ongoing; partial year)	Transportation	1.00	0.1
Reservoir Recreation Services (ongoing)	Public Utilities	-	0.1
Tenant Improvements/Rent for Montgomery Gibbs Executive Airport Office (ongoing)	DSD	-	0.1
Outside General Counsel (one-time)	Commission on Police Practices	-	0.1
Office Relocation to Montgomery Gibbs Exec. Airport (one-time)	DSD	-	0.1
City Council District Budget Equity (one-time)	City Council	-	(0.1)
Park Ranger NPE Budget Correction (\$95.2k ongoing increase, offset with \$168.8k one-time reduction)	Parks & Rec	-	(0.1)
Reduction of Public Use Lease Budget (ongoing)	Citywide	-	(0.1)
Animal Services Contract (ongoing)	Parks & Rec	-	(0.8)
Debt Service Reduction (ongoing)	Citywide	-	(3.2)
Budgeted Personnel Expenditure Savings Adjustment Not Included Elsewhere (ongoing; including \$2.1m for Police)	Multiple Departments	-	(3.8)
Total General Fund Expenditure Adjustments		9.00	\$ 25.0

Transfer to Infrastructure Fund – \$9.4 million (one-time)

Due to the increase in sales tax projections in the May Revision, the Infrastructure Fund contribution increased by \$9.4 million from the Proposed Budget. Funds are proposed to be used for streetlight repair and maintenance and various capital improvement projects including facilities improvements, storm water infrastructure, park improvements, bicycle facilities, guard rails, among others.

Fringe Benefit Adjustments Not Included Elsewhere in the Table – \$6.8 million (ongoing)

The net \$6.8 million for fringe benefits increases is primarily due to \$7.0 million in increased workers' compensation costs, spread across General Fund departments. The difference between the two figures is due to fringe benefits being included in the line items with position adjustments.

Salary/Wage Adjustments Not Included Elsewhere – \$6.5 million (ongoing)

The \$6.5 million in salaries and wages increases is primarily due to recently completed negotiations with the City's non-public safety employee organizations, including related impacts for unrepresented employees. Results of negotiations produced higher compensation increases for FY 2024 than were estimated in the Proposed Budget, when it was earlier in the negotiations process.

Termination Pay: Multiple Departments – \$2.9 million (ongoing)

The May Revision includes increases in several departments' termination pay budgets – totaling \$2.9 million – to better align with past trends. Of the \$2.9 million, \$2.0 million is for the Police Department, which brings the total Police Department termination pay budget to \$2.4 million. The Police Department's termination pay expenditures have increased recently, given the rise in sworn officer attrition that has occurred over the last two years. Actual expenditures in FY 2021 and FY 2022 totaled \$2.0 million and \$3.5 million, respectively. For FY 2023, Termination Pay expenditures are projected to total \$2.3 million.

Budgeted PE Savings Reduction: Library Department – \$900,000 (ongoing)

The Proposed Budget included a \$1.3 million increase in Budgeted Personnel Expenditure Savings. In our review of the Library Department's budget, we noted that this increased level of savings is unlikely to be realized given the notable improvement in the Department's vacancy rate following the City's Career Fair that was held in March 2023. Based on our Office's recommendation, the Department of Finance has determined that an adjustment to the Library Department's budget is warranted and has included in the May Revision a related reduction to Budgeted Personnel Expenditure Savings of approximately \$900,000 (effectively a budget increase).

Contractual Security Services for the Harbor Drive Pedestrian Bridge: Facilities Services – \$300,000 (ongoing)

The May Revision adds \$300,000 in ongoing non-personnel expenditures for contractual security services for the Harbor Drive Pedestrian Bridge elevators, based on a request by Facilities Services that was not funded in the Proposed Budget. The bridge is located in a highly traversed location

near both the Convention Center and Petco Park. Currently, there is no security presence at the two elevators and facilities from 6:00pm to 6:00am, and significant damage and vandalism has been occurring during those hours. Addressing these issues has required constant repair and maintenance by Facilities Services (such as replacing floors, doors, power boards, and other equipment) as well as contractual services such as electrical and hazmat. The City also receives ADA-related complaints when the elevators are not in service. Once the FY 2024 Budget is adopted, Facilities Services plans to begin an RFP process to procure security services during those hours to reduce/eliminate vandalism which will also decrease the need for and costs of maintenance and repair. This is also intended to reduce elevator downtime and maintain public accessibility to the elevators.

Conversion of HR Analyst FTEs to Program Coordinators – \$260,000 (ongoing)

In our review of the Proposed Budget, we discussed a request made by the Human Resources Department to swap six existing Human Resources Analyst positions for six new Program Coordinator positions. This request was not included in the Proposed Budget, but it was resubmitted and included in the May Revision. The net budget impact of the conversion of these positions is \$260,000. City Council approved the exemption of the six new Program Coordinator positions from classified service on April 25, 2023.

City Council District Budget Equity – (\$61,000) (one-time)

The May Revision includes a one-time decrease of \$61,000 spread across all Council offices (with an average decrease of roughly \$7,000 per office) to maintain an equal budget for Personnel Costs among offices, regardless of staffing levels. This is consistent with action taken by Council upon adopting the FY 2023 budget.

Debt Service Reduction – (\$3.2 million) (ongoing)

The May Revision includes a decrease of \$3.2 million in debt service spending. The primary driver of the decrease is lower than anticipated actual principal amounts in the 2023A bond issuance, which is expected to reduce bond debt service by \$4.4 million. This will be partially offset with additional Commercial Paper issuances to keep up with Capital Improvements Program and equipment spending, resulting in estimated \$1.2 million for Commercial Paper debt service interest. Therefore, the total decrease to debt service is \$3.2 million.

Budgeted Personnel Expenditure Savings: Multiple Departments – (\$3.8 million) (ongoing)

The May Revision includes \$3.8 million in increased Budgeted Personnel Expenditure Savings across several departments, which effectively decreases overall personnel expenditures. This has been implemented in order to align total personnel expenditures (including salaries/wages, overtime, special pay, and pay-in-lieu expenditures) with current projections for FY 2024. Of the \$3.8 million adjustment, \$2.1 million is in the Police Department.

MAY REVISION CHANGES: NON-GENERAL FUNDS

Development Services Fund

The May Revision includes a \$10.1 million increase in expenditures and \$7.0 million increase in revenues in the Development Services Department (DSD)'s Development Services Fund. The most notable addition is staffing and resources to support permit processing, including 40.00 FTE and associated \$5.5 million in funding. The addition of 40.00 FTE represents just over half of the total 76.00 FTE DSD requested in the FY 2024 Proposed Budget. These positions will expand DSD's operational capacity to support housing related permit reviews and provide the expertise necessary to review and process permits that are increasingly complex due to changing laws and initiatives. The Department is currently on-boarding a provisional employee to work with the Personnel Department to conduct a study and create these positions and facilitate the reclassification of existing positions. Once these positions are created, the Department will prioritize filling positions that are most critical to help address operational backlogs. DSD aims to fill all 40 positions within six months, as the Department did with the 44 positions provided in the FY 2023 budget.

Other additions include \$3.0 million for as-needed plan check and inspections services to accommodate increased workload for all permit types. Contractual services will temporarily augment and support City staff with processing and reviewing permits to clear the current backlog. The contracts for these services have been authorized by the City Council and are already in place. Additionally, the May Revision includes a total of \$90,000 to enhance public services by providing an online homeowner permit process tutorial, an online self-certification program, and additional customer kiosk stations and records self-service stations. DSD plans to engage the City's IT program developer vendor, CGI, to assist with the development of the online self-certification program and the permit process tutorial. The tentative timeline to roll out these programs is spring 2024.

The May Revision also includes \$312,000 for tenant improvement, relocation, and rent costs associated with relocating 80 positions in the Telecom & Utility Division to office space at the Montgomery-Gibbs Executive Airport. The relocation will include 96 positions in Building & Land Use Division as well, to be funded with \$220,000 provided in the May Revision from the General Fund and the Local Enforcement Agency Fund.

We note that the projected revenue shortfall in the Development Services Fund increases from \$5.7 million in the Proposed Budget to \$8.9 million after May Revision adjustments. DSD is currently conducting a fee study. The updated fee schedules could help recover the costs of additional staffing, services, and programs.

Emergency Medical Services Fund

The Fire-Rescue Department is in the process of transitioning the EMS system to an Alliance Model for EMS delivery under which the Department would take over provider/billing responsibilities and contract out ambulance services on a per hour basis. The implementation is

proposed to occur via two amendments to the City's current Emergency Ambulance Transportation Services Contract with Falk Mobile Health. The First Amendment, which was approved by the City Council in May 2023, allows Falck to subcontract out ambulance services to meet performance standards and waives penalty fees for non-compliance of performance metrics. The Second Amendment, which effectuates the remainder of the Department's transition to the Alliance Model is anticipated to be brought for Council consideration later this summer.

In accordance with the First Amendment, the May Revision includes a reduction of \$1.5 million in penalty revenue that was anticipated to be received from Falck due to non-compliance. Additionally, 2.00 Clerical Assistant II positions and \$140,000 in personnel expenditures are included in the May Revision in preparation for the Fire-Rescue Department assumption of functions related to medical billing and collection. While the specialized responsibility for medical billing is anticipated to be outsourced to a third-party contractor, the 2.00 Clerical Assistant II positions will work with the billing contract to process including revenue transactions and provide other administrative support to the EMS Division.

REVISED

FY 2024 RECREATION CENTER FUND BUDGET ALLOCATION OUTLOOK

CD	Division	Coc or Servicing Coc Sites	Fund Name	OF Score	FY23 Est. Carry Forward	FY24 Budget	Opp. Fund Effective July 1 2022 (1)	P&R O&M Come Play Outside Budget (2)	Grants PAD & HUD* (3)	Add'l Budget Allocation (4)	FY24 Budget Outlook
9	CP2	Yes	Azalea RCF	40	\$ 2,006	\$ 1,300	\$ 82,700	\$ -		\$ -	\$ 84,000
8	CP2	Yes	Cesar Solis RCF	40	\$ 5,962	\$ 16	\$ 34,500	\$ -		\$ -	\$ 34,516
9	CP2	Yes	Stockton RCF	40	\$ 404	\$ 200	\$ 51,000			\$ 42,000	\$ 93,200
4	CP2	Yes	Mountain View RCF	39	\$ 19,499	\$ 3,300	\$ 80,700	\$ -		\$ -	\$ 84,000
4	CP2	Yes	Skyline Hills RCF	38	\$ 20,719	\$ 7,600	\$ 76,400	\$ -	\$ 113,640	\$ -	\$ 197,640
4	CP2	Yes	Penn RCF	37	\$ 37,257	\$ 6,520	\$ 74,700	\$ 2,780		\$ -	\$ 84,000
8	CP2	Yes	Southcrest RCF	37	\$ 32,732	\$ 5,800	\$ -	\$ 36,200		\$ 42,000	\$ 84,000
4	CP2	Yes	Willie Henderson RCF	37	\$ 38,920	\$ 6,300	\$ -	\$ 77,700		\$ -	\$ 84,000
8	CP2	Yes	Cesar Chavez RCF	36	\$ 45,960	\$ 7,700	\$ -	\$ 76,300		\$ -	\$ 84,000
4	CP2	Yes	Chollas Lake RCF	36	\$ 49,153	\$ 4,700	\$ -	\$ -		\$ -	\$ 4,700
9	CP2	Yes	Colina del Sol RCF	36	\$ 33,744	\$ 19,500	\$ -	\$ 50,215	\$ 14,285	\$ -	\$ 84,000
4	CP2	Yes	Encanto RCF	36	\$ 37,478	\$ 15,100	\$ -	\$ 12,615	\$ 14,285	\$ 42,000	\$ 84,000
9	CP2	Yes	City Heights RCF	35	\$ 49,129	\$ 13,000	\$ -	\$ 71,000	\$ 127,925	\$ -	\$ 211,925
9	CP2	Servicing	Park De La Cruz RCF	35	\$ 2,432	\$ 2,000	\$ -	\$ 8,865	\$ 14,285	\$ -	\$ 25,150
8	CP2	Yes	San Ysidro RCF	34	\$ 45,531	\$ 21,160	\$ -		\$ -	\$ -	\$ 21,160
8	CP2	Yes	Dolores M. Memorial RCF	31	\$ 50,176	\$ 45,350	\$ -	\$ -	\$ 113,640	\$ -	\$ 158,990
4	CP2	Yes	Martin Luther King, Jr. RCF	31	\$ 76,747	\$ 24,100	\$ -	\$ -	\$ -	\$ -	\$ 24,100
3	CP2	Yes	Golden Hill RCF	30	\$ 82,392	\$ 20,250	\$ -	\$ -	\$ -	\$ -	\$ 20,250
8	CP2	Servicing	Silverwing RCF	30	\$ 45,842	\$ 13,700	\$ -	\$ -	\$ -	\$ -	\$ 13,700
2	CP1	N/A	Dusty Rhodes RCF	29	\$ 12,490	\$ 1,509	\$ -	\$ -	\$ -	\$ -	\$ 1,509
2	CP2	Yes	Presidio RCF	29	\$ 104,638	\$ 13,965	\$ -	\$ -	\$ -	\$ -	\$ 13,965
2	CP1	No	Cadman RCF	28	\$ 29,147	\$ 4,094	\$ -	\$ -	\$ -	\$ -	\$ 4,094
8	CP2	Yes	Montgomery-Waller RCF	28	\$ 98,260	\$ 33,231	\$ -	\$ -	\$ -	\$ -	\$ 33,231
7	CP1	No	Tecolote RCF	28	\$ 20,052	\$ 4,350	\$ -	\$ -	\$ -	\$ -	\$ 4,350
6	CP1	No	Lopez Ridge RCF	27	\$ 35,803	\$ 5,100	\$ -	\$ -	\$ -	\$ -	\$ 5,100
ALL	CP2	Servicing	Therapeutic Recreation RCF	27	\$ 73,147	\$ 67,750	\$ -	\$ -	\$ -	\$ -	\$ 67,750
7	CP2	Servicing	Serra Mesa RCF	25	\$ 79,912	\$ 32,050	\$ -	\$ 58,100	\$ -	\$ -	\$ 90,150
2	CP1	No	South Clairemont RCF	25	\$ 30,868	\$ 24,500	\$ -	\$ -	\$ -	\$ -	\$ 24,500
9	CP2	No	Adams RCF	24	\$ 50,041	\$ 13,975	\$ -	\$ -	\$ -	\$ -	\$ 13,975
4	CP2	Yes	Paradise Hills RCF	24	\$ 128,931	\$ 48,400	\$ -	\$ -	\$ 14,285	\$ -	\$ 62,685
8	CP2	Servicing	Robert Egger/ South Bay RCF	24	\$ 98,636	\$ 29,050	\$ -	\$ -	\$ -	\$ -	\$ 29,050
5	CP1	No	Hilltop RCF	22	\$ 65,178	\$ 27,450	\$ -	\$ -	\$ -	\$ -	\$ 27,450
7	CP1	Yes	Linda Vista RCF	22	\$ 114,085	\$ 75,200	\$ -	\$ 20,025	\$ 113,640	\$ 42,000	\$ 250,865
1	CP1	No	Pacific Highlands Ranch RCF	22	\$ 64,121	\$ 25,800	\$ -	\$ -	\$ -	\$ -	\$ 25,800
2	CP1	No	Santa Clara RCF	20	\$ 85,128	\$ 22,900	\$ -	\$ -	\$ -	\$ -	\$ 22,900
3	CP2	No	North Park RCF	19	\$ 86,237	\$ 34,410	\$ -	\$ -	\$ -	\$ -	\$ 34,410
3	DRP	Servicing	BP Activity Center RCF	16	\$ 112,952	\$ 87,635	\$ -	\$ -	\$ -	\$ -	\$ 87,635
7	CP1	No	Tierrasanta RCF	16	\$ 88,372	\$ 62,991	\$ -	\$ -	\$ -	\$ -	\$ 62,991
7	CP1	No	San Carlos RCF (3)	13	\$ 132,417	\$ 48,863	\$ -	\$ -	\$ -	\$ -	\$ 48,863
6	CP1	Servicing	Kearny Mesa RCF	12	\$ 169,626	\$ 67,000	\$ -	\$ -	\$ -	\$ -	\$ 67,000
6	CP1	No	Mira Mesa RCF	12	\$ 140,598	\$ 45,500	\$ -	\$ -	\$ -	\$ -	\$ 45,500
2	CP1	No	Cabrillo RCF	11	\$ 151,260	\$ 30,950	\$ -	\$ -	\$ -	\$ -	\$ 30,950
2	CP1	No	Ocean Beach RCF	11	\$ 145,141	\$ 51,050	\$ -	\$ -	\$ -	\$ -	\$ 51,050
7	CP1	No	Allied Gardens RCF	8	\$ 157,203	\$ 62,300	\$ -	\$ -	\$ -	\$ -	\$ 62,300
2	CP1	No	Robb Field RCF	8	\$ 152,162	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ 63,000
1	CP1	No	La Jolla RCF	6	\$ 57,399	\$ 188,820	\$ -	\$ -	\$ -	\$ -	\$ 188,820
1	CP1	No	Pacific Beach RCF	6	\$ 203,807	\$ 38,430	\$ -	\$ -	\$ -	\$ -	\$ 38,430
3	DRP	Yes	Muni Gym RCF	5	\$ 204,135	\$ 145,200	\$ -	\$ -	\$ -	\$ -	\$ 145,200
2	CP1	No	North Clairemont RCF	5	\$ 171,394	\$ 72,458	\$ -	\$ -	\$ -	\$ -	\$ 72,458
6	CP1	No	Standley RCF	4	\$ 150,877	\$ 102,600	\$ -	\$ -	\$ -	\$ -	\$ 102,600
5	CP1	No	Carmel Mountain/SS RCF	0	\$ 174,500	\$ 169,070	\$ -	\$ -	\$ -	\$ -	\$ 169,070
5	CP1	No	Rancho Bernardo RCF	-6	\$ 245,200	\$ 115,400	\$ -	\$ -	\$ -	\$ -	\$ 115,400
6	CP1	No	Nobel RCF	-10	\$ 235,652	\$ 155,500	\$ -	\$ -	\$ -	\$ -	\$ 155,500
6	CP1	No	Hourglass RCF	-13	\$ 308,420	\$ 129,000	\$ -	\$ -	\$ -	\$ -	\$ 129,000
5	CP1	No	Scripps Ranch RCF	-17	\$ 220,842	\$ 233,494	\$ -	\$ -	\$ -	\$ -	\$ 233,494
1	CP1	No	Ocean Air RCF	-22	\$ 186,626	\$ 321,499	\$ -	\$ -	\$ -	\$ -	\$ 321,499
5	CP1	No	Canyonside RCF	-67	\$ 507,079	\$ 457,900	\$ -	\$ -	\$ -	\$ -	\$ 457,900
6	CP1	No	Doyle RCF	-84	\$ 598,804	\$ 537,000	\$ -	\$ -	\$ -	\$ -	\$ 537,000
1	CP1	No	Carmel Valley RCF	-118	\$ 653,110	\$ 815,580	\$ -	\$ -	\$ -	\$ -	\$ 815,580
					\$ 7,020,333	\$ 4,682,570	\$ 400,000	\$ 413,800	\$ 525,985	\$ 168,000	\$ 6,190,355

*HUD Funds of \$14,285 allocated to: Colina, Encanto, City Heights, Park De La Cruz, Bay Terrace Senior Center

*HUD Funds of \$14,285 in Paradise Hills is for Bay Terrace Senior Center

*Additional sites receiving HUD funds of \$14,285: MLK Pool, City Heights Pool

*PAD Funds of \$113,640 to specified sites: City Heights, Memorial, Linda Vista, and Skyline