

Funding Sources

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

Capital Outlay

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

Developer Funding

Contributions may be received from developers to support City CIP projects. These funds are provided to satisfy conditions placed on development and are usually restricted to certain projects, or types of projects, in specific areas

Enhanced Infrastructure Financing District Fund

Enhanced Infrastructure Financing District (EIFD) are authorized under California Government Code section 53398 to establish enhanced infrastructure financing districts and use specified property tax increment revenue generated within such districts to finance certain infrastructure and community benefit projects. In 2017, City Council set up an EIFD in the Otay Mesa Community Planning Area.

The Fleet Services Internal Service Fund

The Fleet Services Internal Service Fund is utilized by the Public Works - General Services Department to provide all City Departments with motive equipment and comprehensive fleet management services. As an internal service fund, the Fleet Services Internal Service Fund is funded by other City departments on a cost-reimbursement basis.

Gas Tax Fund

The Gas Tax Fund collects revenue resulting from a tax on the sale of gasoline. The City's share of gas tax revenue is based on a formula that considers vehicle registration, assessed property valuation, and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way.

Capital Improvement Program Funding Sources

General Fund

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

Grants

Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. The receipts of certain grants and reimbursements typically follow the award of contracts; therefore, other City funding is programmed for front-end financing of the total estimated project costs. Grant funding includes State and federal grants and grants from proceeds from State bond issuances. For example, Community Development Block Grant (CDBG) funding is programmed in accordance with Council Policy 700-02, Community Development Block Grant Program (CDBG). CIP priorities are developed irrespective of whether CDBG funding is to be received by the City. CDBG funding is to be used to supplement the City's CIP program and not as a substitute for other City funding.

Infrastructure Fund

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

Maintenance Assessment Districts

Maintenance Assessment Districts (MADs) are established by the City of San Diego as a means of providing property owners with the opportunity to assess themselves to pay for enhanced improvements, maintenance, services, and activities. Certain projects requested by a district may be capital in nature and are funded by the specific MAD. MAD budgets are developed with sufficient funding for current year maintenance and capital projects.

Capital Improvement Program Funding Sources

Mission Bay Park and San Diego Regional Parks Improvement Funds

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

OneSD/ERP Funding

The OneSD Support Fund is a special revenue fund which receives revenue from other City departments to manage and maintain the City's Enterprise Resource Planning (ERP) system. While most of the funding is used to maintain the existing system, efforts are also underway to implement and/or integrate additional modules into the ERP system.

Redevelopment Funding

The Redevelopment Agency of the City of San Diego was created by the City Council in 1958 to alleviate conditions of urban blight in designated areas of the City. Recently, the State of California passed legislation that impacted Redevelopment Agencies. Any redevelopment funding in the CIP was approved prior to the State's actions.

Refuse Disposal Fund

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

Sewer Funds

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

Capital Improvement Program Funding Sources

TransNet Funds

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

Trench Cut/Excavation Fee Fund

Pavement deterioration studies show that pavement excavations will significantly degrade and shorten pavement life. Street Damage Fees are collected from excavators to recover the increased repaving and reconstruction costs incurred by the City because of trenching. In conjunction with the Streets Preservation Ordinance adopted in January 2013, Council approved a graduated increase in fees towards full cost recovery. Fees depend on the size of the trench, the age of the pavement, and the type of utility.

Utilities Undergrounding Program Fund

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

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

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2019	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 9,018,867	\$ -	\$ -	\$ 9,018,867
Antenna Lease Fund	1,250,000	-	-	1,250,000
Bond Financing	129,625,781	-	46,903,470	176,529,251
Bus Stop Capital Improvement Fund	111,872	-	296,000	407,872
Capital Outlay - Land Sales	34,010,655	2,300,000	-	36,310,655
Capital Outlay - Other	4,670,300	-	-	4,670,300
Capital Outlay - Police Decentralization Land Sales	1,012,864	-	-	1,012,864
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	180,780,511	-	126,090	180,906,601
Developer Funding	31,710,978	2,081,000	2,134,916	35,926,894
Development Impact Fees	160,262,820	-	(2,178,762)	158,084,058

Capital Improvement Program Funding Sources

Funding Source	Prior Fiscal Years	FY 2019	Future Fiscal Years	Funding Source Total
Donations	88,245,496	-	30,250,000	118,495,496
EDCO Community Fund	920,000	-	300,000	1,220,000
Energy Conservation Program Fund	3,263,045	-	-	3,263,045
Energy Upgrades CEC Loan Fund	30,273,755	-	-	30,273,755
Enhanced Infrastructure Financing District Fund	-	369,048	-	369,048
Environmental Growth Funds	9,676,102	-	-	9,676,102
Facilities Benefit Assessments	353,263,158	-	86,182,336	439,445,494
Federal Grants	188,133,867	-	57,222,188	245,356,055
Fleet Services Internal Service Fund	3,367,028	250,000	-	3,617,028
Gas Tax Fund	6,949,212	12,510,879	13,066,629	32,526,720
General Fund	82,571,086	1,218,800	25,464	83,815,350
Golf Course Enterprise Fund	25,737,729	-	-	25,737,729
Infrastructure Fund	10,962,560	17,091,068	43,715,520	71,769,148
Infrastructure Improvement Funds	7,651	-	-	7,651
Lease Purchase Fund	11,902,504	-	-	11,902,504
Library System Improvement Fund	13,136,378	-	-	13,136,378
Maintenance Assessment Districts	3,796,865	170,000	-	3,966,865
Mission Bay Park Improvement Fund	36,784,990	6,591,611	33,460,661	76,837,262
Mission Trails Regional Park Fund	1,551,126	-	-	1,551,126
Non-CIP Funds	300,000	-	-	300,000
OneSD/ERP Funding	6,187,815	299,679	-	6,487,494
Other Funding	58,694,011	2,578,580	-	61,272,591
Other Grants	767,429	-	-	767,429
Parking Meter Districts	-	-	4,700,000	4,700,000
Park Service District Funds	4,934,054	-	-	4,934,054
Proposition 42 Replacement - Transportation Relief Fund	15,482,454	-	-	15,482,454
Recycling Fund	17,020,000	55,200	-	17,075,200
Redevelopment Funding	89,286,500	2,500,000	17,246,349	109,032,849
Refuse Disposal Fund	49,056,677	4,076,800	9,600,000	62,733,477
Regional Transportation Congestion Improvement Program	37,038,654	-	14,181,510	51,220,164
San Diego Regional Parks Improvement Fund	18,479,548	3,549,329	15,193,127	37,222,004
San Diego Unified School District	21,141,657	-	-	21,141,657
Sea World Traffic Mitigation Fund	10,750,000	-	-	10,750,000
Sewer Funds	608,063,777	213,757,647	678,022,516	1,499,843,940
Stadium Fund	808,734	-	-	808,734

Capital Improvement Program Funding Sources

Funding Source	Prior Fiscal Years	FY 2019	Future Fiscal Years	Funding Source Total
State Grants	50,364,309	-	-	50,364,309
Sunset Cliffs Natural Park Fund	825,613	-	-	825,613
TransNet - Extension Bikeways	1,857,298	-	-	1,857,298
TransNet Funds	175,794,279	19,786,554	87,950,088	283,530,921
Trench Cut/Excavation Fee Fund	9,551,302	2,000,000	8,000,000	19,551,302
Unidentified Funding	-	-	2,444,275,650	2,444,275,650
Utilities Undergrounding Program Fund	79,843,270	5,100,000	20,000,000	104,943,270
Water Fund	808,751,207	262,568,145	1,049,238,356	2,120,557,708
Total	\$ 3,489,739,831	\$ 558,854,340	\$ 4,659,912,108	\$ 8,708,506,279

Unidentified Funding

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

Table 2: Capital Improvement Projects Unfunded Needs

Project	PageNo	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
N Torrey Pines Rd Bridge/ Los Penasquitos / S00935	463	56	Medium	\$ 100,000	0.70 %
Pacific Highlands Ranch Branch Library / S14023	167	58	Low	500,846	2.30 %
Torrey Highlands NP Upgrades / S16036	292	58	Medium	21,784	2.80 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	441	53	Medium	2,965,000	8.20 %
Junipero Serra Museum ADA Improvements / S15034	239	60	High	296,694	9.00 %
University Avenue Complete Street Phase1 / S18001	495	81	High	622,180	9.30 %
Taft Joint Use Facility Development / S15026	287	62	High	472,546	12.00 %
Otay Mesa Truck Route Phase 4 / S11060	466	55	Medium	3,630,000	15.50 %
Street Resurfacing and Reconstruction / AID00005	487	Annual	Annual	70,295,963	20.70 %
Traffic Calming / AIL00001	492	Annual	Annual	3,740,000	27.30 %
Hickman Fields Athletic Area / S00751	236	44	Low	2,720,417	28.50 %
Villa Monserate Neighborhood Park Upgrades / S16048	300	58	Medium	434,517	30.50 %
Egger/South Bay Community Park ADA Improvements / S15031	226	36	Low	779,886	32.00 %
Traffic Signals - Citywide / AIL00004	493	Annual	Annual	5,414,200	33.50 %
Guard Rails / AIE00002	447	Annual	Annual	1,806,300	34.20 %
Balboa Pk Bud Kearns Aquatic Complex Imp / S17000	191	57	Low	1,228,417	36.50 %

Capital Improvement Program Funding Sources

Project	PageNo	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Market Street-47th to Euclid-Complete Street / S16061	458	87	High	2,901,916	38.20 %
Canon Street Pocket Park / S16047	195	58	Medium	550,000	39.60 %
Interstate 5 Underpass-Bikeway/Ped Conn / S00982	451	66	High	1,116,010	40.60 %
Traffic Signals Modification / AIL00005	494	Annual	Annual	9,013,000	41.50 %
Rolando Joint Use Facility Development / S15029	272	64	High	1,030,000	45.80 %
Mohnike Adobe and Barn Restoration / S13008	254	62	High	1,583,973	46.60 %
SD River Dredging Qualcomm Way to SR163 / S00606	277	69	Medium	550,000	50.50 %
Median Installation / AIG00001	460	Annual	Annual	5,160,000	52.50 %
Sunset Cliffs Park Drainage Improvements / L14005	285	66	High	6,000,000	62.40 %
City Facilities Improvements / ABT00001	400	Annual	Annual	146,450,408	63.00 %
Sidewalk Repair and Reconstruction / AIK00003	477	Annual	Annual	47,000,000	64.10 %
MB GC Clbhouse Demo/Prtbl Building Instl / S01090	245	60	Medium	2,811,652	66.80 %
La Media Road Improvements / S15018	455	85	High	24,834,262	67.10 %
Canyon Hills Resource Park Improvements / S15006	196	45	Low	4,454,932	72.20 %
Olive Grove Community Park ADA Improve / S15028	260	65	High	1,170,000	72.30 %
Street Light Circuit Upgrades / AIH00002	486	Annual	Annual	16,600,000	72.70 %
State Route 56 Freeway Expansion / RD14000	483	N/A	N/A	91,000,000	73.60 %
Palm Avenue Interstate 805 Interchange / S00869	469	53	Medium	27,500,000	78.90 %
Talmadge Traffic Calming Infrastructure / S17001	289	53	Medium	1,119,993	80.00 %
Drainage Projects / ACA00001	440	Annual	Annual	304,867,669	80.60 %
Martin Luther King Jr. Promenade / S13020	459	15	Low	1,005,000	81.70 %
Golf Course Drive Improvements / S15040	233	50	Medium	5,050,000	82.20 %
Market St-Euclid to Pitta-Improvements / S16022	457	84	High	4,651,600	83.50 %
NTC Aquatic Center / S10000	257	56	Low	8,000,000	84.30 %
New Walkways / AIK00001	464	Annual	Annual	104,615,000	85.10 %
Fairmount Avenue Fire Station / S14018	153	86	High	13,822,205	85.60 %
San Carlos Branch Library / S00800	168	N/A	N/A	20,128,201	87.00 %
North Pacific Beach Lifeguard Station / S10119	155	83	Medium	6,319,697	87.10 %
Coastal Rail Trail / S00951	437	72	High	21,425,628	87.60 %
Minor Bike Facilities / AIA00001	461	Annual	Annual	86,731,000	87.70 %
Watershed CIP / ACC00001	500	Annual	Annual	239,639,203	90.20 %
Beyer Park Development / S00752	193	51	Low	11,149,427	90.70 %
Install T/S Interconnect Systems / AIL00002	449	Annual	Annual	118,575,400	91.20 %
Fire Station No. 51 - Skyline Hills / S14017	150	83	Medium	12,890,957	92.80 %
Switzer Canyon Bridge Enhancement Prog / S10054	286	47	Low	1,225,000	94.20 %
Installation of City Owned Street Lights / AIH00001	450	Annual	Annual	182,509,832	95.10 %

Capital Improvement Program Funding Sources

Project	PageNo	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Los Penasquitos Cyn Preserve STRl Restor / S13014	243	35	Low	1,865,540	95.50 %
Sea World Dr/I5 Interchange Improvement / S00888	476	74	High	119,072,571	99.10 %
Fire Station No. 54 - Paradise Hills / S00785	151	81	Medium	13,216,346	99.40 %
Convention Center Phase III Expansion / S12022	106	N/A	N/A	681,640,478	99.50 %
Total				\$ 2,444,275,650	