

Capital Improvements Program

Funding Sources

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

Climate Equity Fund

The Climate Equity Fund (CEF) was created by [Resolution 313454](#) in March 2021 to help underserved communities effectively respond to impacts of climate change. CEF revenues are received from a portion of the gas and electric franchise fees. CEF projects must have an impact on reducing greenhouse gas emissions, enhancing safety in the public right-of-way, relieving congestion, or achieving other climate equity concerns and be in a disadvantaged community located within an area that scores between 0 and 60 on the Climate Equity Index. The Climate Equity Index is a tool that measures the level of access to opportunity residents have within a census tract.

Development Impact Fees

In urbanized communities which are near buildout, as defined in the City's General Plan, Development Impact Fees (DIF) are collected to mitigate the impact of new development through provisions of a portion of the financing needed for public facilities identified in the Impact Fee Study, and to maintain existing levels of service for that community. Upon determination of the community buildout population, the estimated cost to construct the facilities is divided amongst residential and nonresidential development.

Facilities Benefit Assessments

Facilities Benefit Assessments (FBAs) provide 100 percent of funding for public facilities projects that service a designated area of benefit and are identified in the Public Facilities Financing Plan (PFFP). The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area. Assessments are recorded as liens with the County Assessor's Office. Property being developed is assessed at the time the building permit is issued. The amount of the assessment is determined by the type and size of the development.

Gas Tax Fund

The Gas Tax Fund collects revenue resulting from a State tax on the sale of gasoline. The City's share of gas tax revenue is based on a formula that considers vehicle registration and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way. The Gas Tax Fund includes a Maintenance of Effort (MOE) provision which establishes minimum base levels of discretionary funds spending annually on the maintenance and improvement of public right-of-way to continue to receive funding.

General Fund

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

Golf Course Enterprise Funds

The Golf Course Enterprise Funds support the City's three municipal golf courses: Balboa Park, Mission Bay and Torrey Pines. These funds receive revenue from the operations of the golf courses, which are in turn used to fund capital projects that improve and/or maintain the condition of the courses.

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Infrastructure Fund

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

Mission Bay Park and San Diego Regional Parks Improvement Funds

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

Mission Trails Regional Park Fund

The Mission Trails Regional Park Fund mainly consists of rent monies from a variety of different leases for the communication facilities on Cowles Mountain. Funds are to be used for capital improvements in the Mission Trails Regional Park.

Parking Meter Districts

Parking Meter District revenues shall be used to address parking supply and mobility issues. Improvements and activities that increase the availability, supply, and effective use of parking to residents, visitors, and employees within the area in which the meter is located will be the primary focus of expenditures of the funds.

Recycling Fund

The Recycling Fund is an enterprise fund that supports the City's recycling programs and infrastructure, receiving revenue from a variety of fees associated with recycling.

Refuse Disposal Fund

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

Sewer Funds

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

TransNet Funds

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort (MOE) provision which establishes minimum base levels of discretionary funds spending annually on the maintenance and improvement of the public

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right-of-way to continue to receive funding. The City utilizes TransNet cash for projects as much as possible to minimize the issuance of bonds which increases the costs of funding the project. TransNet Commercial Paper is a borrowing tool that can be used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. The issuance of TransNet Commercial Paper may be utilized when feasible to further reduce debt service costs.

Trench Cut/Excavation Fee Fund

Pavement deterioration studies show that pavement excavations will significantly degrade and shorten pavement life. Street Damage Fees are collected from excavators to recover the increased repaving and reconstruction costs incurred by the City because of trenching. The Streets Preservation Ordinance, adopted in January 2013, established fees that depend on the size of the trench, the age of the pavement, and the type of utility.

Utilities Undergrounding Program Fund

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

Water Fund

The Water Fund is an enterprise fund that supports the City's Water System. Funding for water capital projects is provided by water rates and grants. Projects utilize a variety of financing strategies, including pay-as-you-go cash financing, bond financing, commercial paper, and state revolving fund loans.

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

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2023	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 5,273,228	\$ 700,000	\$ 5,375,676	\$ 11,348,904
Antenna Lease Fund	1,502,748	-	-	1,502,748
Bond Financing	269,643,696	-	348,000,000	617,643,696
Bus Stop Capital Improvement Fund	4,942	-	570,000	574,942
Capital Outlay - Land Sales	29,872,956	425,000	90,000	30,387,956
Capital Outlay - Other	22,590,764	-	-	22,590,764
Climate Equity Fund	6,963,368	7,404,246	-	14,367,614
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	45,285,796	-	-	45,285,796
Developer Funding	32,641,114	-	3,338,123	35,979,237
Development Impact Fees	181,597,277	471,119	25,698,305	207,766,701
Donations	15,537,137	-	11,936,568	27,473,705
EDCO Community Fund	970,185	-	-	970,185
Energy Conservation Program Fund	475,599	-	500,000	975,599
Energy Upgrades CEC Loan Fund	10,031,381	-	-	10,031,381
Enhanced Infrastructure Financing District Fund	2,234,150	-	4,235,000	6,469,150
Environmental Growth Funds	2,333,331	-	-	2,333,331
Facilities Benefit Assessments	326,776,663	205,851	13,462,128	340,444,642

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Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2023	Future Fiscal Years	Funding Source Total
Federal Grants	210,443,316	-	52,932,311	263,375,627
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	2,959,774	-	-	2,959,774
Gas Tax Fund	40,596,083	6,993,631	-	47,589,714
General Fund	55,460,793	40,198,276	(3,518)	95,655,551
Golf Course Enterprise Fund	18,321,551	2,000,000	500,000	20,821,551
Infrastructure Fund	39,395,285	28,444,223	(4,550,000)	63,289,508
Library System Improvement Fund	237,405	-	-	237,405
Maintenance Assessment Districts	1,515,408	-	-	1,515,408
Mission Bay Park Improvement Fund	57,557,550	7,566,612	26,000,000	91,124,162
Mission Trails Regional Park Fund	864,552	-	-	864,552
Non-CIP Funds	100,000	-	-	100,000
OneSD/ERP Funding	248,000	-	-	248,000
Other Funding	69,781,128	-	5,714,875	75,496,003
Other Grants	5,150,529	-	5,000,000	10,150,529
Parking Meter Districts	8,251,580	-	-	8,251,580
Park Service District Funds	4,373,948	-	-	4,373,948
Proposition 42 Replacement - Transportation Relief Fund	11,794,648	-	-	11,794,648
Recycling Fund	16,814,400	6,200,000	10,000,000	33,014,400
Redevelopment Funding	7,509,291	-	-	7,509,291
Refuse Disposal Fund	31,265,189	3,100,000	4,500,000	38,865,189
Regional Transportation Congestion Improvement Program	58,100,571	-	-	58,100,571
San Diego Regional Parks Improvement Fund	25,341,690	4,074,329	16,231,492	45,647,511
San Diego Unified School District	10,010	-	-	10,010
Sea World Traffic Mitigation Fund	10,987,156	-	-	10,987,156
Sewer Funds	1,262,740,426	270,615,618	2,043,475,509	3,576,831,553
State Grants	62,675,860	-	85,084,000	147,759,860
Sunset Cliffs Natural Park Fund	1,188,131	-	-	1,188,131
TransNet - Extension Bikeways	212,227	-	-	212,227
TransNet Funds	195,370,611	27,832,594	93,848,835	317,052,040
Trench Cut/Excavation Fee Fund	18,951,167	2,000,000	8,000,000	28,951,167
Unidentified Funding	-	-	5,145,379,259	5,145,379,259
Utilities Undergrounding Program Fund	47,001,629	5,000,000	40,000,000	92,001,629
Water Fund	1,804,295,396	420,846,792	3,427,490,049	5,652,632,237
Total	\$ 5,029,835,451	\$ 834,078,291	\$ 11,372,808,612	\$ 17,236,722,354

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

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summarized in each department's Unfunded Needs List. A complete list of all projects with unidentified funding is provided below in **Table 2**.

Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
N Torrey Pines Rd Bridge/ Los Penasquitos / S00935	403	56	Low	\$ 110,000	0.70 %
Torrey Pines Fire Station / S19003	135	87	High	300,000	1.40 %
City Heights Pedestrian Improvements / S15044	385	91	High	100,000	2.80 %
Hidden Trails Neighborhood Park / S00995	204	65	High	346,191	3.80 %
Fire Station No. 48 - Black Mountain Ranch / S15015	128	86	High	1,800,000	8.50 %
Junipero Serra Museum ADA Improvements / S15034	207	60	Medium	264,461	9.40 %
University Avenue Complete Street Phase1 / S18001	427	86	High	1,532,000	12.40 %
Golf Course Drive Improvements / S15040	202	52	Low	981,175	15.10 %
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	389	82	High	13,187,838	21.30 %
Miramar Road-I-805 Easterly Ramps / S00880	402	71	High	2,510,857	22.00 %
Beyer Park Development / S00752	180	51	Low	8,092,634	24.10 %
Traffic Signals - Citywide / AIL00004	425	Annual	Annual	6,742,150	28.20 %
Ocean Beach Branch Library / S20015	158	62	Low	3,350,813	28.20 %
Dennerly Ranch Neigh Park / RD22001	195	N/A	N/A	6,757,648	30.70 %
Police Range Refurbishment Phase II / S18005	257	86	High	5,800,000	32.60 %
Otay Mesa Truck Route Phase 4 / S11060	408	66	Medium	10,630,702	35.00 %
Traffic Calming / AIL00001	424	Annual	Annual	5,851,000	36.00 %
Streamview Drive Improvements Phase 2 / S18000	418	67	Medium	6,023,961	36.00 %
Median Installation / AIG00001	401	Annual	Annual	12,192,000	36.40 %
Sunset Cliffs Park Drainage Improvements / L14005	238	69	High	2,968,630	38.10 %
Mission Bay Improvements / AGF00004	214	Annual	Annual	65,952,318	40.60 %
Traffic Signals Modification / AIL00005	426	Annual	Annual	11,123,000	41.80 %
Coastal Erosion and Access / AGF00006	194	Annual	Annual	8,770,228	42.70 %
Guard Rails / AIE00002	392	Annual	Annual	1,218,700	44.00 %
Mohnike Adobe and Barn Restoration / S13008	215	62	Medium	1,408,973	49.40 %
Street Resurfacing and Reconstruction / AID00005	420	Annual	Annual	356,672,916	54.90 %
SD River Dredging Qualcomm Way to SR163 / S00606	350	69	Medium	1,075,000	56.20 %
Street Light Circuit Upgrades / AIH00002	419	Annual	Annual	16,983,000	56.40 %
Flood Resilience Infrastructure / ACA00001	346	Annual	Annual	290,120,869	58.90 %
Resource-Based Open Space Parks / AGE00001	229	Annual	Annual	6,409,780	64.10 %
Palm Avenue Interstate 805 Interchange / S00869	409	53	Low	20,702,642	69.20 %
Via de la Valle Widening / RD11001	430	N/A	N/A	24,607,623	70.20 %
Bicycle Facilities / AIA00001	378	Annual	Annual	104,879,435	71.80 %
City Heights Sidewalks and Streetlights / S19005	386	91	High	2,600,000	72.20 %
Stormwater Green Infrastructure / ACC00001	351	Annual	Annual	1,001,637,347	73.50 %
Sidewalk Repair and Reconstruction / AIK00003	413	Annual	Annual	72,627,000	73.60 %
Chollas Lake Improvements / L18001	193	65	High	4,909,966	74.50 %
San Carlos Branch Library / S00800	160	54	Low	20,786,984	76.90 %
Fleet Operations Facilities / L14002	146	84	Medium	8,324,151	78.10 %

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
New Walkways / AIK00001	404	Annual	Annual	102,997,000	79.00 %
Fire-Rescue Air Ops Facility - PH II / S18007	133	77	Medium	18,382,448	79.40 %
NTC Aquatic Center / S10000	218	56	Low	8,000,000	79.50 %
Sunset Cliffs Seawall Improvement / S23006	421	66	Medium	4,838,775	80.10 %
Fairmount Avenue Fire Station / S14018	127	83	Medium	20,000,000	84.30 %
La Media Improv-Siempre Viva to Truck Rte / S22006	397	70	Medium	15,231,849	86.50 %
Fire Station No. 51 - Skyline Hills / S14017	131	87	High	12,890,957	86.90 %
Fire Station No. 49 - Otay Mesa / S00784	129	81	Medium	22,932,000	88.10 %
Market St-Euclid to Pitta-Improvements / S16022	399	50	Low	4,976,600	89.40 %
North Pacific Beach Lifeguard Station / S10119	134	83	Medium	6,492,777	89.50 %
Park Improvements / AGF00007	225	Annual	Annual	450,408,309	90.30 %
Bridge Rehabilitation / AIE00001	379	Annual	Annual	148,039,989	90.50 %
Install T/S Interconnect Systems / AIL00002	393	Annual	Annual	132,617,000	92.60 %
Village Center Loop Rd-N Carmel Valley Rd / S19002	431	68	Medium	49,200,000	92.80 %
Regional Park Improvements / AGF00005	228	Annual	Annual	131,204,032	93.30 %
City Facilities Improvements / ABT00001	145	Annual	Annual	782,966,216	94.80 %
Installation of City Owned Street Lights / AIH00001	394	Annual	Annual	264,858,900	95.20 %
Maple Canyon Storm Drain Upgrade / S20003	348	86	Medium	34,925,000	97.00 %
John Baca Park / S22004	206	80	High	4,830,366	97.10 %
Sea World Dr/I5 Interchange Improvement / S00888	412	74	High	119,072,571	99.10 %
Convention Center Phase III Expansion / S12022	100	N/A	N/A	681,640,478	99.50 %
Fire Station No. 54 - Paradise Hills / S00785	132	81	Medium	18,522,000	99.60 %
Total				\$ 5,145,379,259	