

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.

Bond Financing

Bond Financing is used to support General Fund asset type projects, such as fire stations, libraries, parks, road improvements, and storm drain improvements, through the issuance of Lease Revenue Bonds. This also includes the use of the Commercial Paper Notes program as an interim source until the issuance of Lease Revenue Bonds to pay off the notes.

Capital Outlay

Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public 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.

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

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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.

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.

Loans

Loans are a form of financing used to support specific projects or a specific group of assets, such as storm drain improvements. These loans can be used on both General Fund and Non-General Fund assets. Typical loans that the City uses are State Revolving Fund (SRF) loans, Water Infrastructure Finance and Innovation Act (WIFIA) loans, and California Infrastructure and Economic Development Bank (IBank) loans.

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.

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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 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**.

Capital Improvements Program Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2025	Future Fiscal Years	Funding Source Total
Airport Funds	\$ 11,395,187	\$ -	\$ 39,521,967	\$ 50,917,154
Antenna Lease Fund	1,452,748	-	-	1,452,748
Bond Financing	496,161,928	169,570,171	312,574,374	978,306,473
Bus Stop Capital Improvement Fund	4,942	140,255	392,000	537,197
Capital Outlay - Land Sales	23,945,137	-	348,576	24,293,713
Capital Outlay - Other	30,896,407	-	-	30,896,407
Capital Outlay - Police Decentralization Land Sales	1,157,990	-	-	1,157,990
Climate Equity Fund	24,899,806	1,500,000	-	26,399,806
Convention Center Funds	1,744,026	-	-	1,744,026
Deferred Capital Projects Bonds	16,582,690	-	-	16,582,690
Developer Funding	30,507,964	-	1,690,298	32,198,262
Development Impact Fees	239,129,049	35,981,692	6,032,578	281,143,319
Donations	9,531,032	-	3,000,000	12,531,032
EDCO Community Fund	1,061,035	-	-	1,061,035
Energy Conservation Program Fund	45,610	-	-	45,610
Energy Upgrades CEC Loan Fund	10,031,381	-	(10,031,381)	-
Enhanced Infrastructure Financing District Fund	6,469,150	7,468,165	6,075,425	20,012,740
Environmental Growth Funds	2,331,341	-	-	2,331,341
Facilities Benefit Assessments	329,563,448	5,169,866	8,959,660	343,692,974
Federal Grants	212,228,795	-	78,432,876	290,661,671
Fiesta Island Sludge Mitigation Fund	4,841,784	-	-	4,841,784
Fleet Services Internal Service Fund	5,703,405	2,191,678	-	7,895,083
Gas Tax Fund	49,769,032	-	-	49,769,032
General Fund	62,706,742	3,700,000	1,972,552	68,379,294
Golf Course Enterprise Fund	27,821,551	2,000,000	64,260,000	94,081,551
Infrastructure Fund	54,248,033	-	3,556,341	57,804,374
Library System Improvement Fund	537,405	745,450	800,000	2,082,855
Loans	152,885,385	-	231,810,662	384,696,047
Maintenance Assessment Districts	1,500,358	-	-	1,500,358
Mission Bay Park Improvement Fund	87,899,509	13,708,605	70,161,151	171,769,265
Mission Trails Regional Park Fund	864,552	-	-	864,552
Non-CIP Funds	8,135,372	-	-	8,135,372

Capital Improvements Program Funding Sources

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY 2025	Future Fiscal Years	Funding Source Total
OneSD/ERP Funding	-	3,760,000	-	3,760,000
Other Funding	73,527,036	57,857	(886,165)	72,698,728
Other Grants	6,072,274	-	-	6,072,274
Parking Meter Districts	10,551,580	-	-	10,551,580
Park Service District Funds	1,675,695	-	-	1,675,695
Proposition 42 Replacement - Transportation Relief Fund	5,401,066	-	-	5,401,066
Recycling Fund	33,014,400	-	-	33,014,400
Redevelopment Funding	8,820,077	-	-	8,820,077
Refuse Disposal Fund	23,224,517	9,874,362	3,250,000	36,348,879
Regional Transportation Congestion Improvement Program	61,909,217	2,389,339	-	64,298,556
San Diego Regional Parks Improvement Fund	38,389,673	7,381,557	23,500,816	69,272,046
Sea World Traffic Mitigation Fund	10,987,156	-	-	10,987,156
Sewer Funds	1,608,391,001	223,505,045	1,905,149,689	3,737,045,735
State Grants	167,447,123	-	38,474,942	205,922,065
Storm Drain Fund	-	-	229,510	229,510
Sunset Cliffs Natural Park Fund	1,188,131	-	-	1,188,131
TransNet - Extension Bikeways	212,227	-	-	212,227
TransNet Funds	211,640,807	25,053,538	91,723,390	328,417,735
Trench Cut/Excavation Fee Fund	16,323,812	2,470,000	8,000,000	26,793,812
Unidentified Funding	-	-	4,972,866,074	4,972,866,074
Utilities Undergrounding Program Fund	39,009,768	-	40,000,000	79,009,768
Water Fund	2,346,796,337	355,226,075	3,850,019,391	6,552,041,803
Total	\$ 6,570,634,691	\$ 871,893,655	\$ 11,751,884,726	\$ 19,194,413,072

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	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
University Avenue Complete Street Phase1 / S18001	464	85	High	\$ 441	0.00%
Coastal Erosion and Access / AGF00006	219	Annual	Annual	1,500	0.00%

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Cypress Dr Cultural Corridor / S23011	427	74	High	17,808	0.40%
Interstate 5 Underpass-Bikeway/Ped Conn / S00982	435	66	Medium	10,000	0.40%
Pump Station D Upgrade / S22015	382	65	Medium	350,805	0.80%
Junipero Serra Museum ADA Improvements / S15034	233	57	Medium	24,782	0.90%
Golf Course Drive Improvements / S15040	226	47	Low	124,383	1.30%
Ocean Beach Branch Library / S20015	178	53	Low	200,000	1.60%
Children's Park Improvements / S16013	216	60	High	300,000	3.20%
Market Street-47th to Euclid-Complete Street / S16061	440	84	High	407,122	3.50%
Beyer Park Development / S00752	203	68	High	1,000,000	4.50%
Fire Station No. 48 - Black Mountain Ranch / S15015	137	70	Medium	2,000,000	6.30%
Mohnike Adobe and Barn Restoration / S13008	242	30	Low	350,000	9.70%
Traffic Signals - Citywide / AIL00004	461	Annual	Annual	4,000,000	13.20%
Traffic Calming / AIL00001	460	Annual	Annual	1,628,000	14.00%
Oak Park Library / S22011	177	86	High	5,947,892	16.00%
New Walkways / AIK00001	444	Annual	Annual	5,151,894	16.10%
Chollas Creek Oak Park Trail / S20012	217	73	High	755,500	18.40%
Install T/S Interconnect Systems / AIL00002	433	Annual	Annual	3,600,000	19.40%
Carmel Country Road Low Flow Channel / S00969	377	41	Low	2,128,441	21.60%
Coastal Rail Trail / S00951	426	82	High	6,597,220	21.90%
El Camino Real to ViaDeLaValle (1/2 mile) / S00856	428	55	Medium	24,959,187	27.20%
Beyer Park Development Phase II / S23008	205	67	High	5,290,610	29.40%
Mission Bay Improvements / AGF00004	241	Annual	Annual	75,843,984	30.00%
Old Logan Heights Library Renovation / S22010	179	76	Medium	1,300,000	32.30%
Police Range Refurbishment Phase II / S18005	287	56	Low	5,800,000	32.60%
Traffic Signals Modification / AIL00005	462	Annual	Annual	14,212,043	40.40%
Flood Resilience Infrastructure / ACA00001	379	Annual	Annual	522,142,626	42.10%
Linda Vista Library Patio Improv / S24007	176	76	Medium	500,000	43.50%
Median Installation / AIG00001	441	Annual	Annual	19,316,523	49.80%
Guard Rails / AIE00002	432	Annual	Annual	2,708,161	51.10%
Park Improvements / AGF00007	255	Annual	Annual	67,003,735	56.30%
Fleet Operations Facilities / L14002	156	57	Low	7,324,152	63.80%
Bicycle Facilities / AIA00001	417	Annual	Annual	84,521,498	65.60%
John Baca Park / S22004	232	80	High	3,403,366	68.10%
Sidewalk Repair and Reconstruction / AIK00003	452	Annual	Annual	73,868,000	71.40%
Street Resurfacing and Reconstruction / AID00005	458	Annual	Annual	1,069,969,585	71.50%
City Facilities Improvements / ABT00001	155	Annual	Annual	103,580,127	72.60%
North Chollas CP Improvements / L22004	246	55	Medium	16,971,077	75.10%

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Table 2: Capital Improvement Projects Unfunded Needs

Project	Page No	Priority Score	Priority Category	Unidentified Funding	Percent Unfunded
Street Light Circuit Upgrades / AIH00002	457	Annual	Annual	55,548,400	76.20%
San Carlos Branch Library / S00800	181	76	Medium	36,245,759	76.30%
Stormwater Green Infrastructure / ACC00001	386	Annual	Annual	604,021,613	77.10%
Fire-Rescue Air Ops Facility - PH II / S18007	142	57	Low	18,382,446	79.40%
La Media Improv-Siempre Viva to Truck Rte / S22006	437	75	High	14,831,849	84.30%
Fire Station No. 49 - Otay Mesa / S00784	138	71	Medium	30,663,705	85.20%
Regional Park Improvements / AGF00005	258	Annual	Annual	112,731,740	86.50%
Fairmount Avenue Fire Station / S14018	136	78	High	24,272,205	86.70%
Via de la Valle Upgrades & Improvements / RD11001	467	45	Low	31,138,340	88.90%
Alvarado Canyon Rd Realignment Project / S22005	414	69	Medium	35,768,955	89.90%
Fire Station No. 51 - Skyline Hills / S14017	140	80	High	23,882,260	92.50%
Grove Neighborhood Park / S22002	227	62	High	24,954,016	92.80%
North Pacific Beach Lifeguard Station / S10119	143	76	High	10,705,178	92.90%
Bridge Rehabilitation / AIE00001	418	Annual	Annual	130,606,918	95.10%
Ocean Beach Pier Replacement / L22001	251	49	Medium	180,413,000	95.10%
Installation of City Owned Street Lights / AIH00001	434	Annual	Annual	298,926,400	95.60%
Upper Auburn Creek Revitalization Project / S22008	388	88	High	58,804,437	95.90%
Chollas Creek Restoration 54th St & Euclid Ave / S22009	378	82	High	62,733,943	95.90%
Maple Canyon Storm Drain Upgrade / S20003	381	86	High	37,310,159	97.50%
SAP Modernization / T25000	115	N/A	N/A	134,000,000	97.80%
Sea World Dr/I5 Interchange Improvement / S00888	451	42	Low	119,072,571	99.10%
Convention Center Phase III Expansion / S12022	103	59	Low	681,640,478	99.50%
Fire Station No. 54 - Paradise Hills / S00785	141	76	Medium	29,916,347	99.70%
Sunshine Bernardini Restoration / S24005	387	80	High	82,984,893	100.00%
Total				\$ 4,972,866,074	