



Mayor's Message – Fiscal Year 2024 Budget

Dear San Diegans:

I am proud to present the Fiscal Year 2024 Adopted Budget. Over the last two years, we have invested millions in federal and State relief dollars to jumpstart San Diego's economic recovery, provide aid to small businesses and help our most vulnerable residents. My "Getting it Done" budget builds on the considerable progress made over the last two fiscal years while continuing to invest in my administration's top priorities of homelessness, housing, infrastructure, and public safety.

This year, we are making the greatest ever General Fund investment to achieve greater progress on homelessness. We are expanding General Fund ongoing support by an additional \$24.5 million to maintain the 70 percent increase in additional shelter bed capacity we've achieved to date, with an additional \$5.0 million to further expand shelter capacity in Fiscal Year 2024. This includes funding for a Safe Sleeping program, which is offering unhoused San Diegans a safer alternative to sleeping on our sidewalks, and in parks and canyons. The program connects participants with services that can help end people's homelessness and put them on a path to permanent housing.

Addressing homelessness effectively requires a comprehensive approach that includes keeping housing-insecure people in their homes. As part of this effort, we are allocating an additional \$3.0 million to provide education and legal services for low-income renters facing eviction, \$2.3 million for rental assistance for San Diegans who are at risk of losing their housing, and \$500,000 to support the tenant protection ordinance and create an Eviction Notice Registry. By supporting individuals and families in maintaining stable housing and preventing unjust evictions, we can prevent homelessness before it occurs – by far the most cost-effective approach to ending homelessness.

This budget also adds \$1.4 million in funding to support additional positions and vehicles to remove waste from the public right-of-way, in areas most heavily impacted by encampments. This investment will help to address impacts to the health and safety of our communities and improve the quality of life for all San Diegans.

Last year's budget significantly expanded the capacity of our City's workforce to deliver critical capital projects that benefit San Diego communities, and we are continuing to prioritize infrastructure investments in the Fiscal Year 2024 Adopted Budget. We are transferring \$39.0 million from the General Fund to continue making necessary improvements to our city's buildings and parks and to fund stormwater infrastructure, which helps prevent water pollution, reduces the risk of flooding and erosion, and protects the environment. Other General Fund investments in capital projects include funding to fix the City's most dangerous intersections; install street calming infrastructure and sidewalks; resurface City streets; improve trails, recreation centers and parks; repair the Mission Beach sea wall; and install a gateway sign in the Convoy District.

Historically, San Diego has struggled to keep up with needed repair and maintenance of our public right-of-way, a challenge my administration has prioritized with additional funding for road repair in my first two budgets as Mayor, as well as efforts to identify and fix processes and policies that slow down repair. This budget will continue to ramp up these investments. Through our capital financing program, we are allocating more than \$100 million toward street resurfacing, which is the most we have invested in any given year. When including slurry seal, this will allow us to maintain and repair 157 miles of streets. This funding will also lay the foundation for additional investments in future years and will significantly improve the quality of our city's streets, making them safer and more accessible for all San Diegans.

This budget includes \$38.6 million in capital improvement program funding for parks, which will allow us to enhance recreational opportunities for community members and visitors alike. These investments will include improvements to our parks and playgrounds, as well as the development of new amenities and green spaces throughout the city. Access to parks and open spaces is vital to the health and well-being of our communities, particularly in underserved neighborhoods. This funding will help us continue to provide safe, accessible, and inclusive parks and recreation facilities for all San Diegans to enjoy.

Keeping our communities safe is job number one for City government, and we are committed to providing our public safety departments with the resources they need to do their jobs effectively. We are investing \$3.5 million in smart streetlights that will be placed strategically throughout the city to help solve crimes, as well as to investigate collisions involving fatal and serious injuries. This investment in public safety is essential, and we are committed to ensuring that it's done in a way that carefully balances public safety with San Diegans' expectations of privacy.

We are also right-sizing the overtime budget for our public safety departments. This includes an increase in overtime of \$15.7 million for the Fire-Rescue Department and \$9.2 million for the Police Department. This increase will allow our departments to meet their current safety needs while we continue to enhance our recruitment and retention efforts to achieve full staffing.

In addition, this budget also adds ten Police Investigative Service Officer positions to support administrative functions more cost-effectively for the Police Department, freeing up our sworn police officers to patrol and respond to calls for service.

We are also adding positions to the Fire-Rescue Department that will be focused on fire safety inspections and hazardous materials management throughout the city. By expanding these functions, we can proactively identify and address potential hazards, making our city safer for all San Diegans.

In addition to the positions in the Fire-Rescue Department, we are also adding lifeguard positions at La Jolla Shores beach and funding the Lifeguard Division's biannual Advanced Lifeguard Academy. The 10-week lifeguard academy provides advanced training in a variety of critical disciplines, including law enforcement, cliff rescue, and water rescue. This training is essential to ensure our lifeguards have the advanced skills and knowledge they need to respond effectively to all types of water emergencies.

This budget reflects our commitment to environmental sustainability. One major initiative continued in this year's budget is the implementation of organic waste diversion from the City's landfills, a program which will reduce greenhouse gas emissions and produce compost to improve soil quality. To support this effort, Citywide public benefit programs that are currently funded in the Refuse Disposal Enterprise Fund will be reallocated to the General Fund to support the Refuse Disposal Enterprise Fund's long-term solvency.

To promote climate equity, we are allocating \$11.1 million to the Climate Equity Fund, which will help historically underserved communities better respond to the impacts of climate change. Projects that receive funding 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 located in a Community of Concern as identified using the Climate Equity Index.

Finally, we are adding \$1.1 million for an Urban Forestry Program to implement an aggressive and robust tree planting and tree well cutting program in historically underserved communities. This investment reflects our commitment to environmental sustainability and equity, and we are confident the program will have a positive impact on our communities for years to come.

We recognize the importance of arts and culture in creating vibrant communities and are proud to support our local artists and arts organizations. This budget makes permanent the prior year's one-time funding and adds additional support through the City of San Diego's Commission for Arts and Culture, for a total ongoing allocation of \$15.3 million. In addition to this ongoing support, the City is investing in the World Design Capital by committing \$3.0 million in one-time funds. This investment represents the highest funding level for the arts in the City's history and reflects our commitment to ensuring that the arts remain accessible to all San Diegans. We believe that investing in the arts not only enhances our community's cultural vibrancy but also drives economic development, promotes tourism, and enriches our residents' quality of life.

As we continue to recover from the pandemic and work to ensure the long-term financial stability of our city, it is important that we maintain a healthy level of reserves. That is why we are restarting General Fund reserve contributions to protect the City from service reductions in the event of a recession, as well as to fund emergencies. I am proud to announce that we did not use reserves during the COVID-19 pandemic, which is a testament to our city's strong financial management and the resilience of our community. This budget adds \$8.1 million to General Fund reserves, which will bring our total reserves to a level that is both responsible and prudent. These reserves will provide us with the necessary resources to respond to unexpected challenges while maintaining our commitment to delivering high-quality services to our residents.

Investing in our personnel is critical to delivering high-quality services to our residents and promoting inclusive work environments. After nearly a decade of stagnant salaries, we recognize that City employees' compensation is not competitive with other agencies throughout the region. While this budget continues to take steps to address this issue by increasing compensation and restoring benefits to better align salaries with the current employment market, we acknowledge that there is still more work to be done to attract and retain talented, dedicated individuals to serve our community members.

To further support recruitment efforts and address vacancies, this budget includes general salary and wage increases for represented and unrepresented employees; special salary adjustments for specific positions experiencing recruitment challenges; additional citywide benefits including free transit passes for all employees, and expanded paid parental leave and bereavement leave benefits; and six positions to support our Recruitment Program and provide general Human Resources support to departments.

This budget reflects my administration's commitment to equity by addressing longstanding disparities between communities. For the first time ever, we have worked to incorporate an equity lens into the budget process, from identifying priority areas for investment to evaluating the impact of proposed expenditures on historically underserved communities. The budget takes concrete steps to address these disparities, increasing funding for programs that benefit historically underserved communities; strategically allocating resources from the Climate Equity Fund to address the impacts of climate change on underserved neighborhoods; and investing in affordable housing and homelessness solutions. We will continue to prioritize equity in our budget decisions to ensure that we address institutional racism and systemic disparities, providing everyone with equitable access to opportunity and resources to thrive, no matter where they live or how they identify.

In conclusion, this Fiscal Year 2024 Adopted Budget reflects our priorities and commitment to enhancing the well-being of our community. By focusing on key areas such as infrastructure, public safety, housing, and homelessness, we aim to create a better and more equitable San Diego. I thank the City Council and all stakeholders for working with us to ensure that this budget is a success and that we continue to build a thriving, equitable and inclusive community for all.

Sincerely,

A handwritten signature in black ink that reads "Todd Gloria". The signature is written in a cursive, flowing style.

Todd Gloria

Mayor

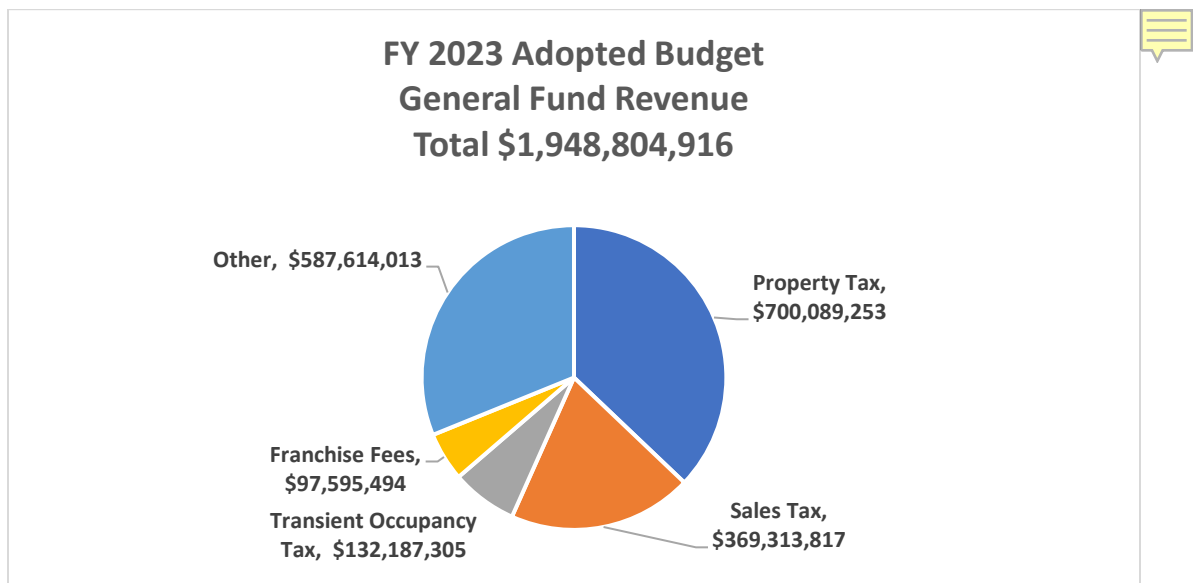
City of San Diego Budget

The City of San Diego's Fiscal Year 2024 Adopted Budget is \$5.17 billion and is comprised of five operating fund types and the Capital Improvements Program (CIP). This represents an increase of \$98.1 million, or 1.9 percent, compared to the Fiscal Year 2023 Adopted Budget. This is primarily due to increases in the Enterprise Funds and General Fund, offset with a decrease in the Capital Improvements Program (CIP) associated with fewer appropriations for the Pure Water Program.

General Fund Revenues

The Fiscal Year 2024 Adopted General Fund revenue budget is \$2.02 billion, which represents an increase of \$69.0 million, or 3.5 percent, from the Fiscal Year 2023 Adopted Budget. General Fund revenues are comprised of four major revenue sources, federal funding from the American Rescue Plan Act (ARPA), and a series of other revenue sources, which are primarily generated by departments. The City's four major General Fund revenue sources are property taxes, sales taxes, transient occupancy taxes (TOT), and franchise fees. These sources account for 71.5 percent of the Fiscal Year 2024 Adopted Budget General Fund revenues, and are projected to increase by \$126.0 million, or 9.6 percent, from the Fiscal Year 2023 Adopted Budget. The increase in major General Fund revenues are based on projections included in the Fiscal Year 2023 Third Quarter Budget Monitoring Report (Third Quarter Report), and most recent economic data available at the time of development.

In addition to increases in the major General Fund revenues, other revenue sources reflect a decrease of \$57.0 million, or 9.0 percent, primarily attributed to a decrease of \$95.6 million in the use of one-time American Rescue Plan Act (ARPA) funds included in the Fiscal Year 2023 Adopted Budget. The decrease is partially offset with an increase of \$30.5 million in TOT revenues to support the safety and maintenance of visitor-related facilities, and \$5.9 million in reimbursements from the Environmental Growth Funds to support eligible expenditures.



General Fund Expenditures

The Fiscal Year 2024 Adopted Budget for General Fund expenditures is \$2.08 billion, which represents an increase of \$126.8 million, or 6.5 percent, from the Fiscal Year 2023 Adopted Budget. These expenditures are primarily supported by major General Fund revenue sources that include property tax, sales tax, transient occupancy tax, and franchise fees. These expenditure additions maintain current services, with notable critical adds and enhancements to address the needs of residents.

The Fiscal Year 2024 Adopted Budget includes funding to maintain current service levels and adds resources in areas of importance for the public. New and expanded services include additional homelessness services, social equity programs, eviction prevention programs, youth care and support, SD Access 4 All, public safety, urban forestry, Clean SD, and new facilities.

Administrative Support

<i>Civic Center Revitalization</i>	Funding of positions to support the Civic Center Revitalization project.
<i>Consulting Services</i>	Funding of one-time expenditures associated with space planning, fiscal analysis, and lease negotiations.
<i>External Services DCOO</i>	Funding of a Deputy Chief Operating Officer to support external services departments.
<i>Get It Done Support</i>	Funding of positions to support Get it Done requests.
<i>Grant Support</i>	Funding of positions to support grant operations and compliance.
<i>Revenue Audit Program</i>	Funding of positions to support the auditing of transient occupancy tax revenues.

City Facilities

<i>Condition Assessments</i>	Funding of non-personnel expenditures to support facilities and service yard condition assessments.
<i>Facilities Maintenance and Support</i>	Funding of positions and non-personnel expenditures to support procurement, the Capital Improvements Program, repair and maintenance, and operations of city facilities.
<i>Janitorial and Maintenance Services</i>	Funding of non-personnel expenditures to support janitorial and maintenance services at various city facilities.
<i>Lease Management Software</i>	Funding of non-personnel expenditures to support the replacement and upgrade of a lease management software solution.
<i>Harbor Drive Pedestrian Bridge Elevator</i>	Funding of non-personnel expenditures to support the security and maintenance of elevators on the Harbor Drive pedestrian bridge.
<i>Tenant Improvements, Relocation, and Rent</i>	Funding of non-personnel expenditures to support the rent, relocation, and tenant improvements at Montgomery-Gibbs Executive Airport.

Climate Action Plan

<i>American with Disabilities Act Evaluation</i>	Funding of one-time non-personnel expenditures to update citywide pedestrian evaluation and remediation plans.
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<i>Building Decarbonization Support</i>	Funding of a position to support a citywide building decarbonization roadmap and education strategy.
<i>Organic Waste Recycling Program</i>	Funding of positions and non-personnel expenditures to support compliance with organic waste diversion requirements (SB 1383).

Employee Compensation and Support

<i>Employee Compensation</i>	Funding to support increases in employee compensation consistent with labor negotiations.
<i>Employee Support</i>	Funding of positions and non-personnel expenditures to support labor negotiations, employee empowerment, recruitment and retention, professional development, employee appreciation and relations, and compensation studies.
<i>Overtime Adjustments</i>	Funding of overtime expenditures for Public Safety Departments to align with approved wage increases and add-on pay adjustments.
<i>Recruitment Section Expansion</i>	Funding of a position to manage and coordinate classified recruiting efforts citywide.

Equity and Diversity

<i>Cannabis Social Equity Program Support</i>	Funding of positions to support the establishment of a Cannabis Social Equity and Economic Development task force.
<i>Digital Navigator Program</i>	Funding of positions and non-personnel expenditures to support the City's Digital Navigator Program.
<i>SD Access 4 All</i>	Funding of positions and non-personnel expenditures to expand the SD Access 4 All program via hot spots, provide community outreach, and develop the Digital Equity and Digital Literacy programs.

Homelessness and Housing

<i>Coordinated Outreach Support</i>	Funding of non-personnel expenditures to continue outreach efforts that connect unsheltered residents with shelter, housing, and supportive services.
<i>Day Center Site Improvements</i>	Funding of non-personnel expenditures to support site improvements and operating cost increases at the Day Center for Homeless Adults.
<i>Eviction Prevention Program and Eviction Notice Registry</i>	Funding of non-personnel expenditures to provide education and legal services for low-income renters and establish the Eviction Notice Registry.

<i>Homelessness Response Center</i>	Funding of non-personnel expenditures to maintain previously grant supported services at the Homelessness Response Center.
<i>Homeless Programs and Services</i>	Funding of non-personnel expenditures to support existing homelessness programs and services.
<i>Homeless Shelter Operations</i>	Funding of non-personnel expenditures to support beds at existing shelters and new safe camping sites.
<i>Housing Instability Prevention Program</i>	Funding of non-personnel expenditures to provide rental assistance and other housing-related expenses for families in unstable housing situations and at risk of homelessness.
<i>Inclement Weather Shelter Beds</i>	Funding of non-personnel expenditures to expand inclement weather shelter bed offerings during winter months.
<i>Safe Parking Program</i>	Funding of non-personnel expenditures for the Safe Parking Program which was expanded in the prior fiscal year to provide support for individuals experiencing homelessness in their vehicles.
<i>Storage Center Operations</i>	Funding to continue operations of (previously grant supported) storage centers to provide safe storage of belongings, security, outreach work, and social services to individuals experiencing homelessness.
Independent Departments	
<i>City Clerk Software Enhancements</i>	Funding of non-personnel expenditures to enhance user navigation of city documents.
<i>Civil Advisory for the Pure Water Program</i>	Funding of personnel and one-time non-personnel expenditures to support the Pure Water Program.
<i>Network Access at Your Safe Place</i>	Funding of one-time, non-personnel expenditures for additional network infrastructure with community justice partners of Your Safe Place, a Family Justice Center.
<i>Outside Legal Counsel</i>	Funding of one-time, non-personnel expenditures for legal support and advice in carrying out the duties of the Commission on Police Practices.
Livable Neighborhoods	
<i>Animal Services Contract</i>	Funding of non-personnel expenditures to support animal services.
<i>Economic Development Strategy</i>	Funding of one-time non-personnel expenditures to implement a focused economic development strategy.
<i>Library Branches Security</i>	Funding of non-personnel expenditures for security at branch libraries.

<i>Median Maintenance</i>	Funding of a position and non-personnel expenditures to support median landscaping and maintenance.
<i>New Library Branches</i>	Funding of positions and non-personnel expenditures to operate new and expanded branch libraries.
<i>New Parks and Recreation Facilities</i>	Funding of positions and non-personnel expenditures to operate new parks and recreation facilities.
<i>Park Rangers</i>	Funding of positions to support enhanced security at community and open space parks.
<i>Youth Care and Development Program</i>	Funding of one-time non-personnel expenditures for adolescent programing, education, and care.
Public Safety	
<i>Assistance to Firefighters Grant</i>	Funding of one-time non-personnel expenditures to support the Assistance to Firefighters Grant.
<i>Assistant Police Chief</i>	Funding of an additional Assistant Police Chief.
<i>Cellphones for Sworn Personnel</i>	Funding of non-personnel expenditure to support cellphones for all sworn and some civilian positions in the Police Department.
<i>Community Planning Group Reform</i>	Funding of positions to support Community Planning Group reform.
<i>Contractual Increases</i>	Funding of non-personnel expenditures for contractual increases for supplies and equipment in the Police Department.
<i>Emergency Services Training</i>	Funding of non-personnel expenditures for department staff to attend emergency management training and credentialing courses.
<i>Enhanced Sworn Recruiting Efforts</i>	Funding of one-time non-personnel expenditures to support recruitment efforts.
<i>Firearms Training Facility</i>	Funding of non-personnel expenditures for the rental of a firearms training facility.
<i>Lifeguard Support</i>	Funding of positions to provide lifeguard support during non-summer months as well as support personnel.
<i>Mandated Building Inspections</i>	Funding of personnel and non-personnel expenditures to support new and existing mandated building inspections.
<i>Operations Staffing Unit</i>	Funding of positions to support the Fire-Rescue Operations Staffing Unit.
<i>Opioid and Fentanyl Prevention Program</i>	Funding of one-time non-personnel expenditures to support an opioid and fentanyl education and prevention campaign.
<i>Overtime Expenditure Alignment</i>	Funding of overtime expenditures to align overtime with historical actuals in the Public Safety Departments.

Smart Street Lights	Funding of non-personnel expenditures to support deployment of Smart Streetlights.
Supplemental Positions	Funding of positions to support Police supplemental positions in the investigative units, property room, and operations.
Test Monitors	Funding of positions that will assist in conducting written and physical ability examinations for Police Recruits, Fire Recruits, Lifeguards, and Dispatchers.
Wellness Center Rent	Funding of non-personnel expenditures for a new leased space that will house the wellness center for the Fire-Rescue Department.
Stormwater	
Administrative Support	Funding of a position to provide administrative support for the Stormwater Department.
Time Schedule Order and Compliance Monitoring	Funding of non-personnel expenditures to support compliance monitoring and comply with the Time Schedule Order.
WIFIA Support	Funding of positions to support the capital projects ramp-up supported by the WIFIA program.
Transportation	
Asphalt and Concrete Materials	Funding of non-personnel expenditures to support cost increases for asphalt and concrete materials.
Department Litigation and Claims Support	Funding of a position to support the Risk Management and City Attorney's Office with transportation-related claims investigations and litigation.
Electrical Engineering Support	Funding of a position to support electrical engineering management and planning for streetlights, traffic signals, and utility undergrounding.
Sidewalk Ramping Crews	Funding of positions and non-personnel expenditures to reduce sidewalk hazards, address increased sidewalk ramping requests, and mitigate sidewalk deficiencies.
Urban Forestry	Funding of positions and non-personnel expenditures to support tree planting and maintenance in order to meet requirements of the Air Pollution Control District settlement agreement.
Waste & Recycling Management	
Billing Solution Software Implementation	Funding of non-personnel expenditures to support a billing solution and software integration to implement Measure B.

<i>Corrective Action Plan</i>	Funding of personnel and non-personnel expenditures to support the Asbestos, Lead, and Mold Program.
<i>Cost of Service Study</i>	Funding of personnel and non-personnel expenditures to support a refuse disposal cost of service study and stakeholder process.
<i>Enhanced Hot Spot Crew</i>	Funding of personnel and non-personnel expenditures for an enhanced hot spot crew to support the Clean SD Program.
<i>Refuse Disposal Fee</i>	Funding of non-personnel expenditures to support the increased refuse disposal fee.
<i>Transfer of Vehicles</i>	Funding of one-time non-personnel expenditures associated with the transfer of vehicles from the Refuse Disposal Fund to support the Clean SD Program.

Balanced Budget and Conclusion

The Fiscal Year 2024 Adopted Budget continues to focus on the City's goals and make investments to address the City's various needs including: public safety, waste management, right-of-way maintenance, libraries and recreational facilities, arts and culture, eviction prevention, youth programming, homelessness programs and services, and infrastructure. This balanced budget includes funding to maintain current services and fund areas of importance to the public. Based on current projections, balancing the General Fund budget in future years will require minimizing additions and refraining from the addition of ongoing programs, unless additional dedicated funding sources are identified.