

10

FUNDING



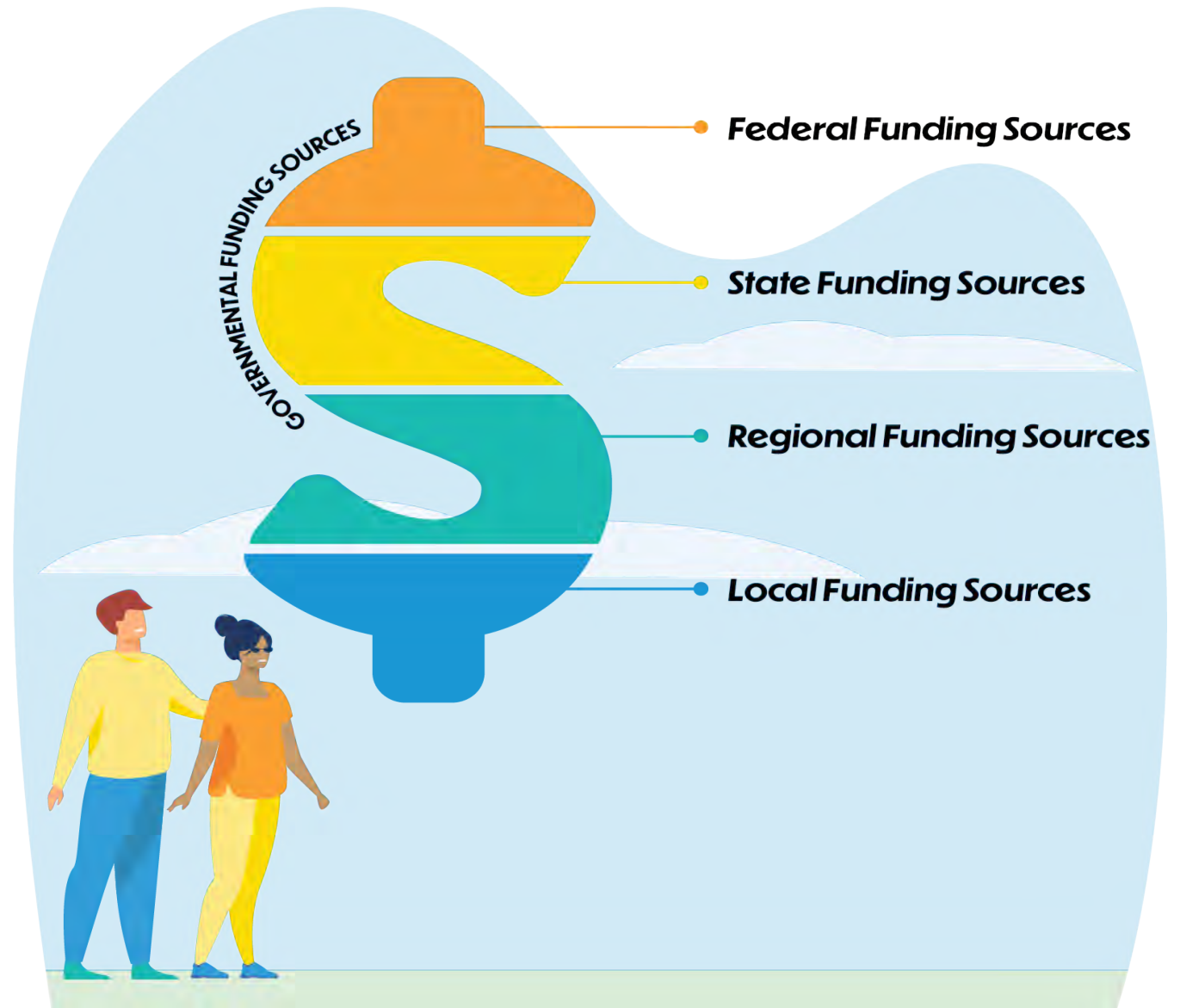


10.1 FUNDING OVERVIEW

By prioritizing mobility projects in areas of San Diego with the greatest need, the Mobility Master Plan sets a pathway for CAP implementation success. These mobility projects and programs will need sustainable funding sources to support implementation and long-term operations and maintenance. A robust monitoring framework can provide justification for funding opportunities over time, track effectiveness of the expenditures, and can help ensure there are sufficient resources in the long-term to achieve the multiple goals and objectives of this Plan.

This chapter outlines the types of governmental funding sources that are available to the City. Each funding source and program has specific eligibility criteria and requirements to ensure funds are allocated to projects that would contribute to or achieve the funding programs' goals, such as climate resilience, traffic safety, and sustainable transportation. With this framework of funding options, the City can consider the best funding source, or combination of sources, to develop a funding strategy for this Plan and secure individual project and program funds.

FIGURE 10-1: Governmental Funding Sources



10.2 PLANNING AND IMPLEMENTATION FUNDING SOURCES

The following sections outline many of the possible funding sources that are available for mobility projects in the first phases of their lifecycles from planning to implementation. Typically, funding is distributed to recipients either via a competitive grant process or as formula funding:

- » **Competitive Grant** (i.e., “discretionary funding”) refers to funding that is distributed competitively through grant programs. The funding administrator uses “discretion” in determining who receives funding and how much they receive based on the eligibility and evaluation criteria of the grant program. Applicants “compete” for the funding by submitting grant applications for consideration by the funding administrator.
- » **Formula Funding** refers to funding that is distributed using a formula – typically based on population (per capita). Recipients of formula funding do not need to compete for the funding.

In the descriptions below, Federal, State, and Regional funding sources allocated via a formula are designated with an “FF” while those awarded as part of a grant process are designated with a “CG.” Some funding types are distributed both as formula and grant funds.

Funding for these programs is dependent on Federal, State, or Regional budgets and the City must often provide some type of local match and is not guaranteed programs.

10.2.1 FEDERAL FUNDING SOURCES

USDOT REBUILDING AMERICAN INFRASTRUCTURE WITH SUSTAINABILITY AND EQUITY (RAISE) DISCRETIONARY GRANTS (CG)

Established in 2009, as the Transportation Investments Generating Economic Recovery (TIGER) grants, and later renamed RAISE under the Biden Administration in 2021, this competitive grant program provides \$1.5 billion in funding each fiscal year (FY) from FY22 to FY26 to support multimodal and multi-jurisdictional projects of local or regional significance. Projects are evaluated on safety, environmental sustainability, mobility and community connectivity, economic competitiveness, and opportunity criteria. Strong preference is given to projects that address transportation-related disparities and climate change and improve equity and environmental justice.¹ Both capital and planning projects are eligible for RAISE grants.

FEDERAL HIGHWAY ADMINISTRATION (FHWA) PROMOTING RESILIENT OPERATIONS FOR TRANSFORMATIVE, EFFICIENT, AND COST-SAVING TRANSPORTATION (PROTECT) PROGRAM (CG, FF)

The PROTECT program provides funding for capital and planning projects that improve the resilience of transportation infrastructure and facilities to climate change and natural disasters. Between FY22 to FY26, a total of \$8.7 billion will be made available for formula funding and competitive grants. While formula funding is apportioned to each state, the competitive grant is open to a variety of entities including metropolitan planning organizations (MPOs) and local governmental entities.²

¹ RAISE Grants Notice of Funding Opportunity, US Department of Transportation. <https://www.transportation.gov/RAISEgrants/raise-nofo>

² Bipartisan Infrastructure Law - Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program Fact Sheet, Federal Highway Administration. https://www.fhwa.dot.gov/bipartisan-infrastructure-law/docs/PROTECT_Discretionary.pdf

FHWA SURFACE TRANSPORTATION BLOCK GRANTS (STBG) & TRANSPORTATION ALTERNATIVES (FF)

The STBG is a formula funding program that supports states and localities in capital and planning projects aimed at preserving and improving the conditions and performance of surface transportation, including transit. Between FY22 and FY26, \$72 billion has been authorized for allocation. Ten percent of the annual available STBG funds is required to be set aside for Transportation Alternatives, which funds smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, and safe routes to school projects.^{3, 4}

US DOT RECONNECTING COMMUNITIES PILOT (RCP) PROGRAM (CG)

The RCP was established by the Bipartisan Infrastructure Law (BIL) to provide competitive grants to restore community connectivity by removing, retrofitting, or mitigating highways or other transportation facilities that have historically segregated communities and acted as barriers to mobility and economic opportunities. From FY22 to FY26, an estimated \$1 billion will be made available to a range of entities, including local governments and MPOs, for both capital and planning projects.⁵

US DOT SAFE STREETS AND ROADS FOR ALL (SS4A) GRANT PROGRAM (CG)

In 2022, the BIL created the new SS4A discretionary grant program to support local safety initiatives aimed at preventing fatalities and serious injuries on roads and streets. From FY22 to FY26, the US Department of Transportation will award up to \$1 billion annually to fund planning and capital projects, including the development of comprehensive safety action plans. Funding is provided directly to and exclusively for local entities such as MPOs and political subdivisions of a state.⁶

FEDERAL TRANSIT ADMINISTRATION (FTA) CAPITAL INVESTMENT GRANTS (CIG) PROGRAM (CG)

The CIG program provides approximately \$4.6 billion per fiscal year from FY22 to FY26 to fund large-scale light, heavy, and commuter rail, streetcar, and bus rapid transit capital projects. State and local government agencies, including transit agencies, may apply for funding to support new or expansion projects. To be awarded funding through this program, proposed projects must complete a multi-year, multi-step development process outlined in the CIG statute.⁷

FTA STATE OF GOOD REPAIR AND RAIL VEHICLE REPLACEMENT PROGRAM (FF, CG)

The State of Good Repair formula grant program allocates funding to state and local government authorities in urbanized areas operating high-intensity fixed guideway and bus systems for the maintenance, replacement, and rehabilitation of capital assets, as well as development and implementation of transit asset management plans. From FY22 to FY26, \$22.8 billion will be made available to support this program.

³ Implementation Guidance for the Surface Transportation Block Grant Program (STBG) as Revised by the Bipartisan Infrastructure Law, US Department of Transportation. https://www.fhwa.dot.gov/specialfunding/stp/bil_stbg_implementation_guidance-05_25_22.pdf

⁴ Bipartisan Infrastructure Law - Surface Transportation Block Grant (STBG) Fact Sheet, Federal Highway Administration. <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/stbg.cfm>

⁵ Reconnecting Communities Pilot (RCP) Program - Fact Sheets, Federal Highway Administration. https://www.fhwa.dot.gov/bipartisan-infrastructure-law/rcp_fact_sheet.cfm

⁶ Safe Streets and Roads for All (SS4A) Grant Program, US Department of Transportation. <https://www.transportation.gov/grants/SS4A>

⁷ Fact Sheet: Capital Investment Grants Program, Federal Transit Administration. <https://www.transit.dot.gov/funding/grants/fact-sheet-capital-investment-grants-program>

Additionally, \$300 million of the annual available funding is set aside for competitive grants under the Rail Vehicle Replacement Program to assist state and local government agencies in reinvestments for rail rolling stock.^{8, 9}

FTA GRANTS FOR BUSES AND BUS FACILITIES PROGRAM (CAPITAL) (FF, CG)

The Grants for Buses and Bus Facilities Program (Buses and Bus Facilities Program) includes formula and competitive grants to support a range of capital projects including replacement, rehabilitation, and acquisition of buses and related equipment, and construction of bus-related facilities. The program also includes the Low or No Emission Grant Program (Low-No Program), a competitive grant which aims to support the transition of transit fleets to least-polluting and most energy efficient vehicles. From FY22 to FY26, approximately \$3.16 billion and \$1.96 billion will be made available for Buses and Bus Facilities Program formula and competitive grants respectively; a total of \$5.62 billion will be made available under the Low-No Program.¹⁰ State, local governmental entities, and designated recipients that operate fixed-route bus service or allocate funding to fixed-route bus operators are eligible to apply.¹¹ While the City of San Diego is not an eligible recipient of these funds, transit improvements resulting from this Program may advance non-auto mode-share in the City.

FTA URBANIZED AREA FORMULA GRANTS (FF)

The Urbanized Area Formula Funding program provides \$33.1 billion from FY22 to FY26 to support capital and planning projects and operating costs of equipment and facilities for public transportation use in urbanized areas.¹² In urbanized areas with populations greater than 200,000, funding is disbursed directly to the MPO, whereas Caltrans administers funds for urbanized areas with populations of fewer than 200,000.¹³ While the City of San Diego is not an eligible recipient of these funds, transit improvements resulting from this Program may advance non-auto mode-share in the City.

FTA PILOT PROGRAM FOR TRANSIT ORIENTED DEVELOPMENT PLANNING (CG)

This program provides funding for site-specific or comprehensive planning projects that are associated with a new fixed guideway or core capacity transit capital project. Plans funded through this program must explore ways to improve transit access for active mobility options, create opportunities for economic development and increased ridership, identify infrastructure needs, and enable mixed-use development near transit stations. As the City works with SANDAG to plan and implement more flex lanes to support the Transit Leap strategy, integrating land use and transportation planning with any new fixed guideway and core capacity transit corridor projects will become more critical and may be an eligible use of this funding.

8 Fact Sheet: State of Good Repair and Rail Vehicle Replacement Program, Federal Transit Administration. <https://www.transit.dot.gov/funding/grants/fact-sheet-state-good-repair-and-rail-vehicle-replacement-program>

9 2022 State of Good Repair Program Guidelines, California Department of Transportation. https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202207-sgr_2022_guidelines-ver1-a11y.pdf

10 Low or No Emission and Grants for Buses and Bus Facilities Competitive Programs FY2023 Notice of Funding Opportunity, Federal Transit Administration. <https://www.transit.dot.gov/notices-funding/low-or-no-emission-and-grants-buses-and-bus-facilities-competitive-programs-fy2023>

11 Fact Sheet: Buses and Bus Facilities Program, Federal Transit Administration. <https://www.transit.dot.gov/funding/grants/fact-sheet-buses-and-bus-facilities-program>

12 An urbanized area is defined here as an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

13 Infrastructure Investment and Jobs Act: Transportation Overview, California Senate Office of Research. <https://sor.senate.ca.gov/sites/sor.senate.ca.gov/files/IIJA%20Transportation%20Overview%20-%20SOR-FINAL.pdf>

From FY22 to FY26, approximately \$68.9 million will be available to state or local government authorities for such projects.¹⁴

10.2.2 STATE FUNDING SOURCES

CALTRANS AND CTC ACTIVE TRANSPORTATION PROGRAM (ATP) (CG)

The ATP was established to encourage greater use of active mobility options such as walking or rolling and biking, as well as to increase the safety and mobility of non-motorized users. Approximately \$200 million of state and federal funding is made available each year to support capital, planning, and other non-infrastructure projects by entities within California, including local, regional, or transit agencies.^{15, 16} Since 2013, there have been seven application cycles.

CALTRANS SUSTAINABLE TRANSPORTATION PLANNING GRANTS¹⁷ (CG)

The Sustainable Transportation Planning Grant Program consists of three separate grants which aim to support Caltrans' mission of providing a safe and reliable transportation network that serves all people and respects the environment. The level of funding varies annually; for the FY23/24 cycle that closed in March 2023, a total of \$84 million was made available for planning projects that maintain and integrate the state's multimodal transportation system while improving public health, social equity, the environment, and environmental justice. The following list outlines the three grants that comprise the Sustainable Transportation Grant Program.

- » **Sustainable Communities Grant.** This state-funded grant is intended to support and implement local and regional multimodal transportation and land use planning projects that further the region and state's GHG emissions reduction targets. Typically, approximately \$12.5 million is distributed annually to MPOs on a formula basis; the amount for competitive grants varies from year to year. In the last four cycles, between \$17.4 and \$29.5 million were awarded to qualifying projects. Competitive grants are open to a range of applicants, including eligible MPOs, Regional Transportation Planning Agencies (RTPA), transit agencies, and cities.
- » **Climate Adaptation Planning Grant.** Newly created in FY23/24, this state-funded competitive grant is dedicated to tribal, local, and regional identification of transportation-related climate vulnerabilities. \$50 million was available for development of climate adaptation plans and project-level adaptation planning. MPOs, RTPAs, transit agencies, cities, and more entities are eligible to apply.
- » **Strategic Partnerships and Strategic Partnerships (Transit) Grants.** The Strategic Partnerships Grants are funded by the FHWA and FTA for planning projects that partner with Caltrans to address projects on or connecting to the State Highway System; the transit sub-category addresses multimodal planning projects which have a transit focus. In the last four cycles (FY21-FY24), between \$3.2 and \$4.5 million were available annually under the Strategic Partnerships and Transit subcategory respectively.

14 Biden-Harris Administration Announces \$13.1 Million in Grant Awards to Help Communities Plan for Transit-Oriented Development. <https://www.transit.dot.gov/about/news/biden-harris-administration-announces-131-million-grant-awards-help-communities-plan>

15 Active Transportation Program Fact Sheet, California Transportation Commission, Caltrans. <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/atp/2020/atpfactsheet20202024.pdf>

16 2023 Active Transportation Program Guidelines, California Transportation Commission. <https://catc.ca.gov/-/media/ctc-media/documents/programs/atp/2022/adopted-2023-active-transportation-program-guidelines-a11y.pdf>

17 Sustainable Transportation Planning Grants Webpage, Caltrans. <https://dot.ca.gov/programs/transportation-planning/division-of-transportation-planning/regional-and-community-planning/sustainable-transportation-planning-grants>



UC San Diego Blue Line Trolley station.

CTC LOCAL TRANSPORTATION CLIMATE ADAPTATION PROGRAM (LTCAP) (CG)

The LTCAP provides competitive grants to local agencies to support development and implementation of capital projects that adapt local transportation infrastructure to climate changes while advancing environmental justice.¹⁸ From FY22 to FY26, approximately \$400 million will be available over two funding cycles to MPOs, RTPAs, cities, counties, local transportation authorities and entities, and tribal governments.¹⁹

CALIFORNIA NATURAL RESOURCES AGENCY ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM FOR RELATED TRANSPORTATION FACILITY (CG)

The EEM program seeks to provide funding to projects for the purposes of mitigating environmental impacts caused by new or modified public transportation facilities, such as mass transit guideways, transit stations, or park-and-ride facilities. Each year, this competitive grant awards up to \$7 million to local, state, and federal agencies and non-profit entities.²⁰

CALIFORNIA AIR RESOURCES BOARD CLEAN MOBILITY OPTIONS (CMO) PILOT PROGRAM (CG)

The CMO program is funded by California Climate Investments, a statewide initiative that allocates Cap-and-Trade dollars to capital projects that improve access to clean transportation and to increase zero-emission mobility choices for disadvantaged and low-income communities. Project locations must be in a community that is either a Disadvantaged Community or a California Assembly Bill (AB) 1550-designated low-income community. Funding amounts vary annually; for FY21/22, \$20 million was made available while the FY22/23 cycle which closed in April 2023 provided \$33 million for bikesharing, ride-on-demand services, carpooling services, and other similar mobility projects.^{21, 22}

18 Local Transportation Climate Adaptation Program (LTCAP), California Transportation Commission. <https://catc.ca.gov/programs/local-transportation-climate-adaptation-program>

19 Local Transportation Climate Adaptation Program Guideline Development Workshop 3. <https://catc.ca.gov/-/media/ctc-media/documents/programs/ltpap/november-27-ltcap-presentation-a11y.pdf>

20 Environmental Enhancement and Mitigation Grant Program, California Natural Resources Agency. <https://resources.ca.gov/grants/environmental-enhancement-and-mitigation-eem/>

21 Clean Mobility Options Webpage. <https://cleanmobilityoptions.org/>

22 Implementation Manual for the Clean Mobility Options Voucher Pilot Program (CMO), Clean Mobility Options. <https://cleanmobilityoptions.org/wp-content/uploads/2022/12/Final-Implementation-Manual-December-23-2022.pdf>

CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) GRANTS (CG)

The OTS provides funding for non-infrastructure projects that prevent serious injury and death resulting from motor vehicle crashes. Funds can be used for bicycle and pedestrian safety. Only public entities, or non-profit organizations with a public entity as a host agency, are eligible to apply for funding. The amount of funding varies annually, and project expenses are reimbursed after expenditure.²³

TRANSPORTATION DEVELOPMENT ACT (TDA) (FF)

The TDA authorizes the use of revenues from fuel and sales taxes to support projects improving public transportation services and encouraging regional transportation coordination.²⁴ Two funding sources are established under TDA:

- » **State Transit Assistance (STA) funds.** STA funds are allocated by formula to planning agencies and other selected agencies for transportation planning and mass transportation purposes only. These funds may not be used for administration, streets, or road projects.
- » **Local Transportation Fund (LTF).** LTF is derived from a quarter-cent general sales tax collected statewide. The State Board of Equalization returns the tax revenue to the originating county to be administered by the designated RTPA for local public transit planning, operations, and capital projects.

10.2.3 REGIONAL FUNDING SOURCES

Regional funding sources stem primarily from *TransNet*, a half-cent sales tax for transportation projects administered by SANDAG. Through the *TransNet* Extension Ordinance approved by San Diego County voters in 2004, approximately \$13.85 billion (2002 dollars) is expected to be available for capital and planning projects over the 40-year lifetime of *TransNet*.²⁵

SANDAG TRANSNET ACTIVE TRANSPORTATION GRANT PROGRAM (ATGP)²⁶ (CG)

The ATGP provides competitive grants to the San Diego region's cities and the County of San Diego for capital, planning, and non-infrastructure projects that encourage the increased use of active transportation, including walking, rolling, and biking. Projects must be consistent with San Diego's regional bike plan, Riding to 2050, and SANDAG's *Planning and Designing for Pedestrians: Model Guidelines for the San Diego Region*.

SANDAG TRANSNET SMART GROWTH INCENTIVE PROGRAM (SGIP)²⁷ (CG)

The SGIP provides competitive grants to the region's cities and the County of San Diego for transportation-related infrastructure and planning projects that support smart growth and transit-oriented development in Smart Growth Opportunity Areas.

23 California Office of Traffic Safety Grant Program Manual For Federal Fiscal Year 2023, California Office of Traffic Safety. <https://www.ots.ca.gov/wp-content/uploads/sites/67/2022/11/GRANT-PROGRAM-MANUAL-FFY-2023.pdf>

24 Transportation Development Act, California State Controller's Office. https://www.sco.ca.gov/aud_transportation_development_act.html

25 SANDAG *TransNet* Program Webpage, SANDAG. <https://www.sandag.org/-/media/SANDAG/Documents/PDF/funding/transnet/transnet-extension-ordinance-and-expenditure-plan.pdf>

26 SANDAG – Active Transportation Grant Program Fact Sheet. <https://www.sandag.org/-/media/SANDAG/Documents/PDF/funding/grant-programs/active-transportation/TransNet-active-transportation-grant-program/active-transportation-grant-program-fact-sheet-2019.pdf>

27 SANDAG – Smart Growth Incentive Program Fact Sheet. <https://www.sandag.org/-/media/SANDAG/Documents/PDF/funding/grant-programs/smart-growth-and-housing/TransNet-smart-growth-incentive-program/smart-growth-incentive-program-fact-sheet-2023.pdf>

10.2.4 LOCAL FUNDING SOURCES

Local funding may come from a variety of sources, including loans, bonds, taxes and fees, and budgets. One of San Diego’s key local funding sources is the Capital Improvements Program (CIP) Budget, the City’s financial plan for the construction of its capital projects.

CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET

The CIP Budget allocates existing funds and anticipated revenues to both new and continuing projects in San Diego’s CIP. Multiple sources, shown in Table 10-1, contribute funding to the budget, such as *TransNet*, the General Fund, the Infrastructure Fund, and the Climate Equity Fund. Under the adopted FY25 budget, an additional \$950 million has been added to the City’s multi-year CIP budget, a portion of which is allocated to transportation projects.

TABLE 10-1: City of San Diego Fiscal Year 2025 Adopted Capital Improvements Program Budget

Funding Source	FY 2025	Percent of Total CIP Budget
Bond Financing	\$177,084,217	18.64%
Bus Stop Capital Improvement Fund	\$382,490	0.04%
Climate Equity Fund	\$2,600,000	0.27%
Development Impact Fees	\$39,516,513	4.16%
Enhanced Infrastructure Financing District Fund	\$7,718,165	0.81%
Facilities Benefit Assessments	\$5,442,024	0.57%
Fleet Services Internal Service Fund	\$2,191,678	0.23%
General Fund	\$4,850,000	0.51%
Golf Course Enterprise Fund	\$2,000,000	0.21%
Infrastructure Fund	\$ 785,000	0.08%
Library System Improvement Fund	\$745,450	0.08%
Mission Bay Park Improvement Fund	\$ 13,708,605	1.44%
OneSD/ERP Funding	\$3,960,000	0.42%
Other Funding	\$ 57,857	0.01%
Refuse Disposal Fund	\$9,874,362	1.04%
Regional Transportation Congestion Improvement Program	\$3,077,735	0.32%
San Diego Regional Parks Improvement Fund	\$6,726,682	0.71%
Sewer Funds	\$266,811,590	28.09%
TransNet Funds	\$25,243,490	2.66%
Trench Cut/Excavation Fee Fund	\$2,470,000	0.26%
Water Fund	\$374,719,415	39.45%
Grand Total	\$ 949,965,273	

Source: City of San Diego

The funding sources that are more specifically tied to mobility are listed below. “CI” indicates that the funding source can be used to fund capital improvements while “O” indicates that the fund can be used for ongoing operations. Some funding sources may be utilized for both purposes.

- » **Gas Tax (CI/O):** The State gasoline tax, originally approved in 1923, is generated through an ~\$0.58 excise tax on the sale of gasoline to improve the State’s streets, traffic safety, and public transit systems. This funding source is generally used by the City for operations, slurry seal, or asphalt overlay projects.
- » **Road Maintenance and Rehabilitation Act (RMRA) (CI/O):** Senate Bill (SB) 1 (2017) created the Street Maintenance and Rehabilitation Program (RMRP) to address deferred maintenance on the State Highway System and the local street system. The Road Maintenance and Rehabilitation Account (RMRA) is used for basic street maintenance, rehabilitation, and critical safety projects on the local streets and streets system. This funding source is generally used by the City for slurry seal, cape/scrub seal, crack seal, and other road maintenance.
- » **TransNet (CI/O):** - Local, ½ cent gasoline sales tax originally approved by San Diego County voters in 1987 and extended to 2048 in November 2004. TransNet is dedicated to specific transportation improvement projects and is administered by the San Diego Association of Governments (SANDAG). This funding source is generally used by the City for a wide variety of capital projects such as asphalt overlay, bridges, traffic signals, and 30% can be used for maintenance activities.
- » **Trench Cut Fee (CI):** Local City funding source derived from the Street Preservation Ordinance adopted in 2013. This fee is applied to entities performing excavation in the City right-of-way to recover maintenance and additional rehabilitation costs incurred by the City. This funding source is generally used by the City for asphalt overlay projects.
- » **Utilities Undergrounding Program (CI/O):** 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, which can include right-of-way activities.
- » **Regional Transportation Congestion Improvement Program (RTCIP) (CI):** The Regional Transportation Congestion Improvement Program (RTCIP) is an element of the TransNet Extension Ordinance requiring the City to collect an exaction for new residential developments. RTCIP Fees are to be spent only on improvement to the Retinal Arterial System (RAS) to mitigate development impact. Generally used by the City for larger transportation projects that impact larger avenues or corridors.
- » **Various community-based Development Impact Fees (DIF) (CI):** 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. Funds are restricted by community and can fund various projects types such as libraries, parks, fire stations, and transportation infrastructure.
- » **Citywide Mobility DIF (CI):** 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 Citywide Mobility Development Impact Fee Nexus Study. The Citywide Mobility DIF can be used solely to fund mobility improvements throughout the City.
- » **Otay Mesa Mobility DIF (CI):** In addition to the Citywide Mobility DIF, residential and non-residential developments in the Otay Mesa community shall be required to pay this additional fee, which shall be used to fund local mobility needs in Otay Mesa.
- » **Active Transportation In-Lieu Fee (CI/O):** Fee imposed for the purpose of addressing burdens posed by new development that increase citywide vehicle miles traveled. Funding may only be used to fund walking, bicycling, or transit infrastructure projects that reduce citywide vehicle miles traveled.

- » **Community Parking Districts (CI/O):** 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. Parking meter revenue has been used to finance the operation of two neighborhood electric vehicles in the City of San Diego: FRED in downtown and the Beach Bug in Pacific Beach.
- » **Maintenance Assessment Districts (MADs) (CI/O):** Property owners in Maintenance Assessment Districts (MADs) assess themselves in order to pay for enhanced improvements, maintenance, services, and activities in their community. If those improvements are capital in nature, they are included in the CIP budget. These funds may contribute to mobility improvements for projects in their specific locations.
- » **Business Improvement Districts (BIDs) (CI/O):** San Diego's Business Improvement Districts (BIDs) are City-designated geographic-based areas where the business owners are assessed annually to fund activities and improvements to promote their individual business districts. If those improvements are capital in nature, they are included in the CIP budget. These funds may contribute to mobility improvements for projects in their specific locations.

In addition to the funding sources listed above, the following funding sources are used for all of the General Fund asset types, including mobility improvement: General Fund contributions to the CIP, the Capital Outlay fund, the Infrastructure Fund, Debt Financing (which includes lease revenue bonds and Commercial Paper Notes), and the Climate Equity Fund.

Table 10-2 summarizes the CIP budget, supplemented by grant awards, for fiscal years (FY) 2019-2024 for the following mobility-related expenditures: bike facilities, sidewalks, streetlights, streets and roads modifications and pavement, traffic signals and intelligent transportation system (ITS) technology, traffic calming, utilities undergrounding, and bridges. As noted in the table, grants can significantly help to supplement the existing budget for projects within these categories. Changes to the adopted budget usually occur as a result of City Council action or via the Appropriations Ordinance (O-21675), which allows the City's Chief Financial Officer (CFO) to make certain budget changes. Grants may include negative budget changes when the amount of grant funding expected to be used is not fully expended due to ineligible costs not reimbursed by the granting agency or the inability to spend the funding in the required timeframe.

SPECIAL FINANCING DISTRICTS

Special financing districts such as Infrastructure Financing Districts (IFDs), Enhanced Infrastructure Financing Districts (EIFDs) and Climate Resiliency Districts (CRDs), where established, could provide dedicated funding for mobility projects in the City. While technically not new revenue sources, as they divert future property tax revenue away from the City's General Fund, they can be beneficial by partnering with other tax sharing entities that would benefit from the project and can be used in conjunction with other funding sources. The City formed the Otay Mesa EIFD in 2017, which provides funding support for many infrastructure projects in the Otay Mesa community, approximately 70% of which are transportation related. In 2022, the City Council authorized staff to join the County of San Diego in analyzing the feasibility of forming a joint EIFD to provide funding support for the expansion of the San Diego River Trail park system.

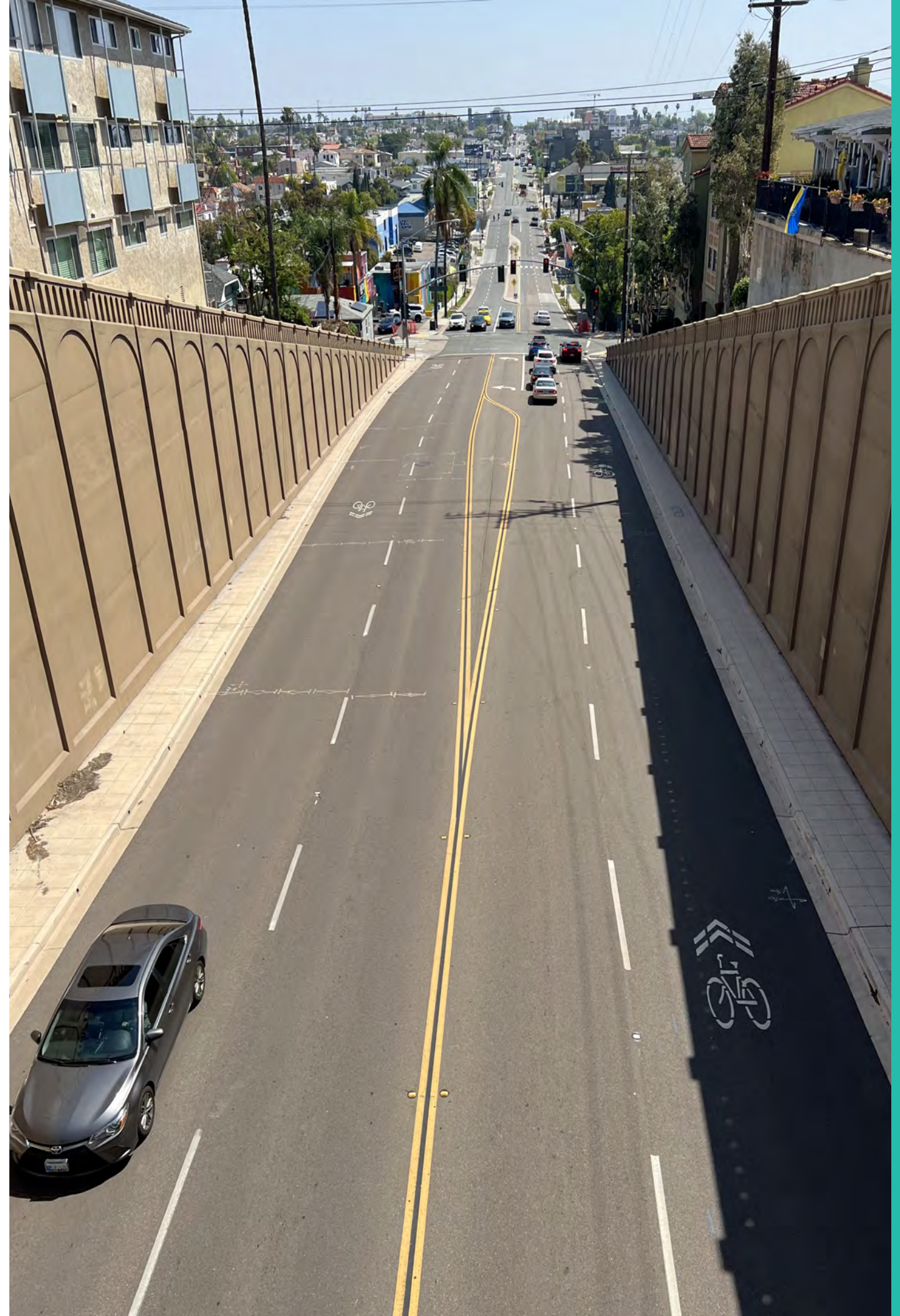


TABLE 10-2: City of San Diego Fiscal Year 2019-2024 Mobility Expenditures

	Bike Facilities	Sidewalks	Streetlights	Streets and Roads Modification	Streets and Roads Pavement	Traffic Signals and ITS	Traffic Calming	Utilities Undergrounding	Bridges
FY19 Adopted	\$900,000.00	\$6,382,000.00	\$4,190,168.00	\$1,789,048.00	\$33,604,913.00	\$3,515,000.00	\$1,400,000.00	\$5,000,000.00	\$4,986,000.00
FY19 Budget Changes	\$6,189,112.16	\$2,381,144.56	\$(800,160.00)	\$110,927.51	\$(5,269,763.89)	\$204,203.95	\$2,354,000.00	\$(0.00)	\$918,602.60
FY19 Grants	\$2,630,240.10	\$(7,796.01)	\$ -----	\$1,161,909.55	\$585,950.00	\$(71,019.73)	\$(0.00)	\$ -----	\$1,828,490.40
FY19 Total	\$9,719,352.26	\$8,755,348.55	\$3,390,008.00	\$3,061,885.06	\$28,921,099.11	\$3,648,184.22	\$3,754,000.00	\$5,000,000.00	\$7,733,093.00
FY20 Adopted	\$2,635,000.00	\$3,375,000.00	\$200,000.00	\$4,450,000.00	\$14,757,302.00	\$1,600,000.00	\$750,000.00	\$5,000,000.00	\$2,400,000.00
FY20 Budget Changes	\$(147,127.09)	\$(4,415,094.43)	\$(2,786,000.00)	\$7,616,146.67	\$1,006,113.65	\$348,046.72	\$268,856.98	\$0.00	\$(10,067,778.67)
FY20 Grants	\$171,709.54	\$0.00	\$ -----	\$2,925,300.00	\$6,579,298.00	\$ -----	\$ -----	\$ -----	\$13,266,968.36
FY20 Total	\$2,659,582.45	\$(1,040,094.43)	\$(2,586,000.00)	\$14,991,446.67	\$22,342,713.65	\$1,948,046.72	\$1,018,856.98	\$5,000,000.00	\$5,599,189.69
FY21 Adopted	\$4,500,000.00	\$7,300,000.00	\$2,563,897.00	\$3,300,000.00	\$24,673,352.00	\$2,500,000.00	\$1,125,000.00	\$10,000,000.00	\$200,000.00
FY21 Budget Changes	\$(1,698,147.25)	\$(2,109,326.02)	\$(1,265,823.00)	\$(82,463.18)	\$26,979,744.93	\$1,559,901.64	\$273,693.00	\$ -----	\$505,655.65
FY21 Grants	\$2,267,357.73	\$2,092,060.00	\$ -----	\$ -----	\$ -----	\$ -----	\$4,469,580.00	\$ -----	\$1,992,000.00
FY21 Total	\$5,069,210.48	\$7,282,733.98	\$1,298,074.00	\$3,217,536.82	\$51,653,096.93	\$4,059,901.64	\$5,868,273.00	\$10,000,000.00	\$2,697,655.65
FY22 Adopted	\$10,694,866.00	\$5,725,000.00	\$2,150,000.00	\$3,706,168.00	\$13,149,504.00	\$6,157,716.00	\$1,275,000.00	\$5,000,000.00	\$750,000.00
FY22 Budget Changes	\$909,000.00	\$4,270,664.23	\$10,450,000.00	\$12,772,379.75	\$57,915,020.56	\$487,442.49	\$1,911,130.00	\$(0.00)	\$1,414,225.98
FY22 Grants	\$ -----	\$(55,057.49)	\$ -----	\$(5,571.75)	\$ -----	\$ -----	\$1,100,000.00	\$ -----	\$250,541.98
FY22 Total	\$11,603,866.00	\$9,940,606.74	\$12,600,000.00	\$16,472,976.00	\$71,064,524.56	\$6,645,158.49	\$4,286,130.00	\$5,000,000.00	\$2,414,767.96
FY23 Adopted	\$5,573,439.00	\$7,789,000.00	\$3,655,100.00	\$11,648,919.00	\$20,986,726.00	\$3,610,850.00	\$1,700,000.00	\$5,000,000.00	\$200,000.00
FY23 Budget Changes	\$272,003.12	\$159,748.60	\$850,650.00	\$6,485,623.49	\$12,008,283.56	\$2,870,443.11	\$6,417,838.86	\$(0.00)	\$568,952.28
FY23 Grants	\$ -----	\$535,000.00	\$270,000.00	\$23,341,193.00	\$2,391,201.07	\$ -----	\$18,000.00	\$ -----	\$1,419,925.71
FY23 Total	\$5,845,442.12	\$8,483,748.60	\$4,775,750.00	\$41,475,735.49	\$35,386,210.63	\$6,481,293.11	\$8,135,838.86	\$5,000,000.00	\$2,188,877.99
FY24 Adopted	\$11,101,172.00	\$7,583,000.00	\$555,000.00	\$4,510,091.00	\$112,156,019.00	\$5,509,774.00	\$2,941,000.00	\$ -----	\$16,997,804.00
FY24 Budget Changes	\$783,689.00	\$615,994.18	\$ -----	\$1,921,365.13	\$4,282,850.38	\$3,683,220.38	\$(428,588.46)	\$0.00	\$5,619,662.87
FY24 Grants	\$0.00	\$ -----	\$ -----	\$ -----	\$400,000.00	\$1,002,500.00	\$2,200,000.00	\$ -----	\$1,662.19
FY24 Total	\$11,884,861.00	\$8,198,994.18	\$555,000.00	\$6,431,456.13	\$116,838,869.38	\$10,195,494.38	\$4,712,411.54	\$0.00	\$22,619,129.06

Source: City of San Diego

10.2.5 MARKET FUNDING SOURCES

PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships (P3s) are agreements between a government and a private entity to deliver projects. In a P3, the private entity is responsible for providing some or all of the capital funding for a project and takes on some components of the risk - such as design, construction, maintenance, and operation - and any direct revenue or operational savings is shared between the government and private entity based on the expected returns, operational responsibilities, or other contractual terms. Among other funding sources, P3s are uniquely poised to take advantage of Private Activity Bonds (PABs) which provide private developers and operators with access to tax-exempt interest rates which lower the cost of capital significantly, enhancing the investment prospects for transportation infrastructure. P3s can also be utilized for projects with tax credit or other tax-related enhancements are available that the private sector partner can access, offsetting or improving the financial position of both parties under the contract.

EXAMPLES OF P3 PROJECTS

- » Public right-of-way improvements as part of a development project
 - Installation and maintenance of shade trees
 - Benches
 - Sidewalk bulb-outs at crossings adjacent to the development
 - High-visibility crosswalk striping
- » Smart infrastructure installations (with operations and maintenance contracts)
 - EV Charging Stations
 - Energy Services and Performance Contracts
 - Smart/Adaptive lighting sensors



Explore private sector partnerships to implement technology-enabled infrastructure that enhances safety and optimizes the performance of roadways.

- » Signage/information installations and operations and maintenance (in exchange for share of advertising revenue)
 - Neighborhood wayfinding signage
 - Transit wayfinding signage
 - Wayfinding and mobility kiosks



Concept of a visitor in Downtown San Diego interacting with a digital kiosk that provides an interactive source of information

- » Shared mobility
 - Bikeshare/scootershare
 - Neighborhood electric shuttles
 - Autonomous shuttles



Autonomous shuttles could be designed as circulators

10.2.6 GREEN/CLIMATE BONDS

“Green Bonds” (or Climate Bonds) is a designation to attract specific investors based on the sustainable projects funded by the proceeds generated. The security for Green Bonds is no different from the other City bonds issued for infrastructure funding including General Fund backed Lease Revenue Bonds or Utility Fund backed revenue bonds however their designation as “green” may be helpful in driving new investors to City bonds.

Among other project types, they may be used to finance energy efficiency and clean transportation projects. As the Mobility Master Plan takes an initial step toward mode shift, this type of financing mechanism may be useful in pursuing EV charging projects, micromobility projects, or those projects which include a climate resilience element such as shelters at transit stops to protect from extreme heat or the installation of solar panels at bike lockers to charge e-bikes.



10.2.7 LOANS

A number of loan programs are available at the state and federal level to fund transportation investments at the jurisdictional level. Some examples are described below.

TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides direct loans, loan guarantees, and standby lines of credit, to finance surface transportation projects of national and regional significance. Some example project types include: highways and bridges, intelligent transportation systems (ITS), transit vehicles and facilities, and pedestrian bicycle infrastructure networks. Generally, credit assistance is limited to 33 % of reasonably anticipated eligible project costs but in certain cases up to 49 % of the project cost may be eligible for TIFIA funding.

SECTION 129 LOANS

Section 129 (a)(7) of Title 23 commonly referred to as “Section 129 loans” allow states to lend Federal-aid highway funds to toll and non-toll projects generating dedicated revenue streams. Revenue sources can include, but not be limited to, tolls, excise taxes, sales taxes, real property taxes, incremental property taxes, and motor vehicle taxes. States have the flexibility to negotiate interest rates and other terms of Section 129 loans.

STATE INFRASTRUCTURE BANKS (SIBS)

State Infrastructure Banks (SIBs) are state-run revolving infrastructure investments that can be used for surface transportation projects. Similar to a private bank, SIBs offer loans, provide credit enhancements, and other forms of non-grant assistance. SIBs give states the capacity to make more efficient use of their transportation funds and significantly leverage Federal resources by attracting non-Federal public and private investment. In addition, SIB capital can be used as collateral to borrow in the bond market or to establish a guaranteed reserve fund. For example, the City currently has executed loans with the California Infrastructure and Economic Development Bond (“iBank”) for Convention Center improvements and the new, in-progress Organic Waste Recycling Facility.

TRANSPORTATION FINANCE BANK REVOLVING LOAN PROGRAM

The Transportation Finance Bank (TFB) Revolving Loan Program provides flexible, short-term financing to public entities and public-private partnerships for the purpose of accelerating the delivery of transportation projects in California. The program is implemented by the California Transportation Commission and the California Department of Transportation and loans are available to local public entities and public/private partnerships.

