



Rashi Kesarwani
Councilmember, District 1

To: City Council Budget and Finance Policy Committee
From: Councilmember Rashi Kesarwani, District 1
Date: May 4, 2023

Subject: Recommendations for T1 Budget Shortfall

BACKGROUND

Due to a 26 percent increase in construction costs over the last two years and unanticipated cost overruns for several key projects throughout the City, there is a sizeable budget shortfall for Measure T1 Phase 2 infrastructure projects. This funding gap needs to be addressed by the City Council in order to program remaining Measure T1 funds.¹

The City Council established criteria for prioritizing projects during a January 31, 2023 Special Meeting, specifying that projects should be prioritized with a consideration for being (1) public-facing, (2) public-serving, (3) leveraging non-City funds, or (4) already undergoing significant planning. At the April 20, 2023 Budget and Finance Committee Meeting, Councilmember Rashi Kesarwani recommended that the committee also consider two additional criteria: (1) equity for under-resourced neighborhoods and (2) staff availability to deliver projects given an ongoing staffing crisis.

West Berkeley Projects are Disproportionately Represented in the Second Phase of Measure T1 Spending. City staff prioritized shovel-ready projects in the first tranche of T1 spending due to a three-year timeframe to spend down bond proceeds. Projects that improved existing amenities, such as the Live Oak Community Center, North Berkeley Senior Center, and Rose Garden were thus easily added to the first phase. Fewer permanent facilities exist in West Berkeley, so the projects addressing this amenities-deficit require a more intensive level of design and planning. As such, these projects were more likely to be grouped in the second phase of bond spending, such as the Tom Bates Community Space and Restrooms and Cesar Chavez Restrooms—both of which are citywide resources in West Berkeley that benefit all residents and regional visitors.

¹ See staff's [April 20, 2023 Item 2 Supplemental memo to the Budget and Finance Policy Committee](#)

RECOMMENDATIONS TO ADDRESS \$5,362,000 FUNDING GAP

Reassign \$3,450,000 Intended for Hopkins Street Bike and Pedestrian Upgrades Due to Public Works Transportation Division Staffing Shortage. In an April 4, 2023 memo to the City Council, City Manager Dee Williams-Ridley cited “vacancies and project management changes within the Transportation Division of the Public Works Department” that necessitated putting the Hopkins Corridor project on hold. Because of the City’s inability to deliver this project under the previously anticipated timeline of summer 2023 (FY 2023-24), it is recommended that the portion of the project estimated to go towards bike and pedestrian improvements be redirected to fund other Measure T1 projects. **It is intended that these funds would be restored for bike and pedestrian safety improvements at a future time, when staffing in the Transportation Division is available to deliver these projects.** We arrive at the estimate of \$3,450,000 because the Metropolitan Transportation Commission for the nine-county San Francisco Bay Area estimates that a Complete Streets project can average additional costs up to 25 percent, including pavement and non-pavement costs.² Given the extensive upgrades planned for the Hopkins Corridor, we consulted with Public Works Director Llam Garland and estimate that in this case, 30 percent of total costs would go towards bike and pedestrian upgrades—a total of **\$3,450,000**. **We recommend that the balance of funds (\$8,050,000) be redirected to street paving of other streets using a Complete Streets approach, in accordance with City-adopted plans and policies.**

Cost Savings for Security Cameras in the Public Right-Of-Way. Costs for purchasing security cameras to be installed in the public right-of-way are lower than originally projected for the 10 locations identified by Councilmembers Taplin and Kesarwani in their budget referral. Cost savings would provide **\$650,000** to be used to close the T1 Phase 2 shortfall.

Delay Emergency Power Supply Solar Batteries at the North Berkeley Senior Center Due to Public Works Engineering Division Staffing Shortage. The April 20, 2023 memo to the Budget and Finance Policy Committee notes that staff vacancies in the Public Works Engineering Division will cause a delay in delivering the emergency power supply solar batteries at the North Berkeley Senior Center to FY 2024-25 or beyond. It is recommended that the allocation of **\$500,000** be used to close the T1 Phase 2 shortfall.

Delay 62nd Street Conversion to Permanent Cul-De-Sac Due to Public Works Engineering Division Staffing Shortage. This project was originally part of a neighborhood request to improve traffic conditions and public safety in South Berkeley. Large bollards have already been installed to prevent through-traffic on this street and a permanent cul-de-sac is planned. The April 20, 2023 memo to the Budget and Finance Policy Committee notes that staff vacancies in the Public Works Engineering Division will cause a delay in delivering the permanent cul-de-sac to FY 2024-25 or beyond. It is recommended that the allocation of **\$300,000** be used to close the T1 Phase 2 shortfall.

² Berkeley City Auditor, [Rocky Road: Berkeley Streets at Risk and Significantly Underfunded](#), p. 13, Nov. 19, 2020

**SUMMARY OF RECOMMENDATIONS TO CLOSE MAJORITY OF MEASURE T1
BUDGET SHORTFALL**

Project	Amount
Hopkins Bicycle/Pedestrian Improvements	\$3,450,000
Security Cameras	\$650,000
Battery Storage at North Berkeley Senior Center	\$500,000
62nd Street Permanent Cul-De-Sac	\$300,000
TOTAL	\$4,900,000

We note that a remaining \$462,000 shortfall needs to be closed by the Budget and Finance Policy Committee.

African American Holistic Service Center. At a minimum, the City Council needs to provide staff direction on developing a 4,000 square foot or 6,000 square foot building. The existing city-owned building at 1890 Alcatraz Street has significant structural problems, requiring replacement. The cost is \$3.15 million for a 4,000 square-foot building versus \$6.85 million for a 6,000 square-foot building. These funds would need to be identified in FY 2024-25.