



Office of the City Manager

To: City Council Budget and Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Date: April 20, 2023

Submitted by: Sharon Friedrichsen, Budget Manager
Scott Ferris, Director, Parks Recreation & Waterfront
Liam Garland, Director, Public Works

Subject: Measure T1 Funding Gap

INTRODUCTION

The purpose of this memo is to help City Council identify funding for the \$5.362M or \$9.062M gap for Measure T1 projects. Included in this document are discussions of existing capital projects funded by General Fund (GF) and T1, borrowing options, GF excess equity, public liability fund and the Capital Improvement Project (CIP) fund. Staff made City Council aware of this gap on [January 31, 2023](#) and City Council referred it to the Budget and Finance Commission.

T1 FUNDING GAP

This T1 funding gap exists because of significant construction cost increases over the last two years and unanticipated costs to the African American Holistic Resource Center (AAHRC), Civic Center Upper Plaza Improvements – Turtle Island Monument (TIM) and the North Berkeley Senior Center (NBSC) projects (see Attachment 1). These increases and unanticipated costs are discussed below.

Construction Cost Increases (\$981,750)

Construction costs have increased 26% over the last two years (2020 – 2022). These increases have required staff to reduce design and construction scopes and identify other funding sources where possible in order to complete many T1 phase 2 (T1P2) projects. Examples of these issues can be seen in the Willard Clubhouse replacement project and the new Ohlone ages 2-5 and 5-12 Playgrounds and Mural Garden project. Less than 16 months ago, the Willard Clubhouse preferred conceptual design was reduced by more than 30% in order to complete the total project with the original T1 budget allocation of \$7M. The construction contract at Ohlone Park, which was recently awarded at City Council in December of 2022, needed an additional \$200,000 (or 10% additional project funding) of PRW CIP funds in order to proceed.

Unfortunately, eight T1P2 projects cannot be reduced in scope, and in fact, need an additional 15% in funding in order to produce a baseline project. This list includes four public restrooms, Marina Docks D&E replacement, the 1947 Center St. building improvements, and two projects at the Corporation Yard. In total, an additional \$981,750 is needed to complete these projects.

North Berkeley Senior Center (NBSC): \$350K

This \$11.086M project is currently in the close-out phase and has approximately \$350,000 of existing costs that are over and above the existing project budget (T1, FEMA grant and CIP funds). These costs include construction and legal fees incurred to-date.

Civic Center Park Upper Plaza Improvements - Turtle Island Monument: \$880K

In March of 2023, this project received approval from the Landmarks Preservation Commission. This approval will result in the issuance of a Structural Alteration Permit and construction in FY24. With construction cost increases and the recent scope changes that include additional indigenous art, water and lighting elements, the cost of the overall project has increased to \$2.5M, without the artwork. It is anticipated that the artwork, which is estimated to be in the \$500,000 range, will be funded by the Civic Arts Commission budget. This project is funded by T1, a Clean California grant, Civic Arts and Parks Tax. This project could be reduced by \$300,000 if the stonework in the upper plaza were only partially replaced.

African American Holistic Service Center (AAHRC): \$3.15M- \$6.85M)

The AAHRC currently has \$8.25M in total project funding (comprised of \$7M T1, \$225K GF and \$1M in a federal earmark). Until last year, this funding would have been enough to complete the renovation of the 4,000 square foot city-owned building at 1890 Alcatraz Street. With increasing construction costs and the completion of a recent engineering assessment of the building and site (structural and geotechnical) which found significant structural problems¹, City staff recommended that this building be replaced. At the January 31, 2023 meeting, City Council acted to eliminate the option of renovating the existing structure at 1890 Adeline, leaving only the size of building to be determined. A 4,000 square foot building will cost an additional \$3.15M and a 6,000 square foot building will cost an additional \$6.85M.

The 6,000 square foot building will allow for a community room and additional therapy rooms and a youth space that will be used to help reduce the effects of racism. The project architect cannot proceed with the design phase until direction on this issue can be provided.

CITY COUNCIL'S JANUARY 31 DIRECTION

The City Manager was directed to:

¹Problems identified include inadequate shear capacity, diaphragm discontinuities, insufficient anchorage and cross ties, and expansive and unknown subsurface soils.

1. Fully fund the replacement of the African American Holistic Resource Center.
2. Fully fund the Civic Center Upper Plaza Improvements - Turtle Island Monument project.
3. Use the following criteria and return to the City Council with options for how to close the project funding gap: a. Prioritize projects that are public facing and public serving; b. Prioritize projects that have matching funds; and c. Prioritize projects that are in significant progress in the planning stage.
4. Look at all funding options including grants, General Fund excess equity, and any additional funding sources to close the funding gap, including potentially deferring projects that do not meet the outlined criteria.
5. Present the funding recommendations, and provide an update on the City's capital improvement projects, to the Budget & Finance Committee for consideration prior to returning to the full City Council.
6. Provide recommendations for the replacement of the African American Holistic Resource Center that reflect a 4,000 square foot project and a 6,000 square foot project.

POSSIBLE SOLUTIONS TO T1 FUNDING GAP

The solutions to the Measure T1 Phase Two (T1P2) overage could involve finding new funding, or reducing phase of a project (e.g., design but not construction), or deleting certain projects from the [T1P2 list](#). Per the [T1 Operations Manual](#) (Section 4.5), such changes require consultation with the two Measure T1 lead commissions and action by City Council. After discussing this gap in their March meeting, the Parks, Recreation and Waterfront Commission took action during the April 12, 2023 meeting to suggest options for alternative funding (see Attachment 2). The Transportation and Infrastructure Commission discussed this item at their January and February 2023 meetings and did not take any action.

Halfway through Measure T1 Phase 1, a similar funding gap arose because extra projects were added to the original T1 list and there was a similar surge in construction costs. The T1 lead commissions both recommended that City Council proceed with the projects and allocate the needed \$5.3M to finish all projects. Ultimately, this gap was borrowed from unallocated Phase 2 T1 Bond funds. A similar solution for the current gap is not possible because all Measure T1 bond funding has now been fully allocated.

In the January 31, 2023 City Council meeting, Council gave direction to staff to return with a list of all currently funded CIP projects; to evaluate these projects on whether they were public facing, public serving, contained matching or leveraged funds and if significant planning has occurred; to consider any other possible funding sources for this gap. Below is a discussion of these alternatives:

Defer Existing CIP Projects with General Funding (up to \$1.7M)

Attachments 3a, 3b and 3c contain all current capital projects funded with T1, GF or CIP funds. Of these projects, staff are recommending the following four projects, totaling \$1.7M, for possible deferral:

1. \$400,000 – FY24 PRW CIP Fund Allocation- This allocation is designated for replacing Cedar Rose 2-5 and 5-12 Play Structures. The design for this work is underway and construction funding for 1 of the 2 play structures is already available in FY24 Parks Tax funding. Funding for the second structure could be reallocated in FY26 PRW CIP from GF or Parks Tax.
2. \$650,000 – 50% of FY23 GF Allocation for Cameras in the Public Right of Way. This \$1,293,889 project was the result of a referral by Councilmember Taplin. Ten locations have been identified by City Council. The acquisition and use policies will be up for City Council adoption in May. Should those policies be approved, this remaining budget will ensure staff can implement cameras at least half of these intersections and potentially more. Should further budget be required, staff would return to City Council to make that request.
3. \$300,000 – FY23 CIP Fund Allocation for 62nd Street Conversion to Cul De Sac. This project was the result of a referral by Councilmember Bartlett. Work on this project has not been started.
4. \$350,000 – FY23 CIP Fund Allocation for Dredging of South Sailing Basin. This funding was the result of a referral by Councilmember Robinson. Work on this project has not been started.

None of these General Funded projects have reached the threshold of “significant planning occurred” and 3 out of 4 of these projects do not have other funding sources.

Defer, Reduce or Eliminate Existing CIP Projects with T1 Funding (up to \$11.175M)

Attachment 4 contains a list of all current T1 projects and notes and information about each project’s status. City staff is recommending the following 6 projects for possible deferral, reduction or elimination.

1. \$6.75M Street Paving Improvements - This T1 funding has been assigned to the Hopkins Street project and while significant planning and public process has occurred, this project has been delayed indefinitely. These funds could be used to help close the T1 funding gap. All of the allocation is unspent.
2. \$2.8M Tom Bates Community Space and Restroom - While the \$390,000 of T1P1 funding has been invested in establishing a sewer line in front of the Tom Bates Sports Complex and costs for conceptual design, the project has not reached the “significant planning threshold.” PRW staff has been working on and will submit a \$3M grant to augment additional work on site that uses this \$2.8M as a match.
3. \$1.5M 1947 Center Street Improvements - This project would improve the HVAC system throughout the 1947 Center Street building. \$300,000 of the original \$1.8M has already been allocated for design.
4. \$680,000 Ohlone Lighting Project – This project is still in the planning phase and has \$680k remaining of the \$700k budgeted.

5. \$445,000 Cesar Chavez Park Restroom – This project has just started preliminary design, and significant planning has not yet occurred. If reduced, a portable toilet will remain in the same location until future funding is located.
6. \$500,000 North Berkeley Senior Center: Emergency Power Supply Solar Batteries – This project has not yet started.

Use of FY24 Streets Funding

The FY23 & 24 Biennial Budget includes \$7M for streets in FY23 (not including an additional \$1M for the Southside Streets project) and \$11M for streets in FY24. Should City Council reduce FY24 General Funds for street maintenance, Public Works would begin deleting street segments proposed to be paved in summer 2024. A reduction in streets funding may contradict the City Council's July 26, 2022 policy, *Adequate General Fund Contribution for Street Maintenance to Prevent Deterioration of Pavement Condition*.

Use of General Fund FY22 Excess Equity

The FY22 Excess Equity calculation resulted in a balance of \$4M, of which \$1.5 million was allocated to reserves consistent with City policy. Of the remaining balance of \$2.5M, approximately \$1.5M was allocated as part of the AAO#1 for various projects and programs, including \$1M to the Southside Complete Streets. The current FY22 Excess Equity balance is \$986,000; however, approximately \$746,000 of the balance is recommended to be allocated toward FY23 expenses as part of the forthcoming AAO#2, resulting in a balance of \$240,000.

Use of General Fund Reserves

On January 24, 2017, the City Council adopted Resolution No. 67,821-N.S., establishing the City's Council's Policy for the General Fund Reserves. The T1 funding gap shortfall does not meet the criteria established within the policy to access either the Stability Reserve or the Catastrophic Reserve.

Use of Public Liability Fund

The public liability fund is intended to cover costs related to damage, loss, or injury that results from the routine operations of the City that is not covered by the City's insurance policies and programs. The budget for FY23 and 24 is \$3.9M annually and funded by an annual transfer from the General Fund. The fund is projected to end FY23 with a shortfall of approximately \$600,000.

Use of CIP Fund

The FY23 Adopted ending available cash balance is approximately \$3 million. Given the nature of capital improvement projects, funding is often appropriated in one fiscal year, but not fully spent in that year, and more often, takes multiple years to be fully spent. If there are no salary savings associated with the personnel that are charged to the CIP fund and all funded projects were completed within the fiscal year, the ending available cash balance for FY 24 is anticipated to be approximately -\$700,000. Absent any project deferments or deletions of capital projects, the CIP Fund is not a viable option for filling the current T1 funding gap.

OPTIONS TO SOLVE T1 FUNDING GAP

Measure T1 project staff have worked hard to reduce scope or find additional funding from existing Public Works (PW) and Parks, Recreation and Waterfront (PRW) Capital funds in FY23 - FY25, but staff have determined that 11 projects cannot be completed without additional funding, (see Attachment 1). The funding needed for “construction cost only increases (8 projects)”, the NBSC and the Civic Center Park Upper Plaza Improvements – Turtle Island Monument totals \$2,211,750 and is needed in FY24. The remaining funding for the AAHRC (\$3.15M or \$6.85M) is not needed until FY25.

Option 1

Identify the \$2,211,750 needed for FY24 and commit to either the 4,000 or 6,000 square foot AAHRC and allocate the needed funding (\$3.15M or \$6.85M) in FY25. Staff need knowledge of the size of the AAHRC now in order to proceed with design. Changing that commitment would lead to waste of up to \$1M in design work over the next year.

Option 1 can be accomplished by doing one of the following:

- a. Use funding from FY22 Excess Equity (\$240K), reassign \$400K of T1 street funds, and defer the following projects (totaling \$1.58M) to the FY25 budget process:

\$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds

\$680K of T1 for Ohlone Lighting

\$500K of T1 for NBSC Solar Battery Storage

Or...

- b. Reassign \$2,211,750 of T1 Street Funds.

Option 2

Identify all \$9,062,000 in funding needed for the shortfall in all 11 T1 projects, including the 6,000 square foot AAHRC. Option 2 can be accomplished by doing the following:

- a. Use funding from FY22 Excess Equity (\$240K), reassign \$6.75M of T1 street funds, and defer the following projects (totaling \$2.072M) to the FY25 budget process:

\$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds

\$522K of 40% of FY23 GF for Cameras in the Public Right of Way

\$300K of FY23 CIP Funds for 62nd Street Conversion to Cul De Sac

\$350k of FY23 CIP Fund Allocation for Dredging of South Sailing Basin

\$500K of T1 funding for NBSC Solar Battery Storage

Or...

- b. Use FY22 Excess Equity (\$240K), reassign \$1.197M of T1 street funds and defer the following projects (totaling \$7.625M) to the FY25 budget process:

\$2.8M of T1 funding for Tom Bates Restroom and community space

\$1.5M of T1 funding for 1947 Center Street HVAC Improvements

\$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds
\$650K of 50% of FY23 GF for Cameras in the Public Right of Way
\$300K of FY23 CIP Funds for 62nd Street Conversion to Cul De Sac
\$350K of FY23 CIP Fund Allocation for Dredging of South Sailing Basin
\$500K of T1 funding for NBSC Solar Battery Storage
\$680K of T1 Funding for Ohlone Lighting Project
\$445K of T1 Funding for Cesar Chavez Restroom

Option 3

Identify all \$5,361,750 in funding needed for the shortfall in all 11 T1 projects, including the 4,000 square foot AAHRC. Option 3 can be accomplished by doing the following:

- a. Reassign \$5.361M of T1 street funds

Or...

- b. Use FY22 Excess Equity (\$240K), reallocate \$321,750 of T1 Streets funds, and defer the following projects (totaling \$4.8M) to the FY25 budget process:
 - \$2.8M of T1 funding for Tom Bates Restroom and Community Space
 - \$1.5M of T1 funding for 1947 Center Street Improvements
 - \$500K of T1 funding for NBSC Solar Battery Storage

Attachments:

- 1 – T1 Summary of Additional Needs
- 2 – Parks, Recreation & Waterfront Commission Communication on T1 Funding Gap
- 3a – Current PRW Capital Projects
- 3b – Current PW Capital Projects
- 3c – Current Other Capital Projects
- 4 – Current T1 Projects

Measure T1 Funding Gap

April 2023

ATTACHMENT 1

Projects Requiring Additional Escalation

Category	Project Name/Description	Budgeted	Leverages other funds	Completed / Bidding / Encumbered	In Design	Apply Escalation?	Add 15% Escalation	Possible to Reduce Scope?	Additional Funding Required	Public-Facing	Matching Funds	Significant Planning has Occurred	Notes
Care and Shelter and Non- Departmental Citywide Facilities	Restrooms in the ROW San Pablo/University	450,000			x	Yes	67,500	No	67,500	x		x	At 50% design, location being identified.
	Restrooms in the ROW Alcatraz/Adeline	450,000			x	Yes	67,500	No	67,500	x		x	At 50% design, location being identified.
Buildings in Parks	Harrison Park - Restroom Renovation	450,000			x	Yes	67,500	No	67,500	x		x	In conceptual design
	Ohlone Park - New Restroom	500,000			x	Yes	75,000	No	75,000	x		x	At 35% design, location and model determined.
Waterfront	Marina D and E Dock Replacement	595,000	\$5.5M DBAW loan (MF); \$1.5M State earmark		x	Yes	89,250	No	89,250		x	x	At 60% design.
Facilities	1947 Center Street Improvements	1,800,000			x	Yes	270,000	No	270,000	x		x	HVAC component is at 35% design; seismic assessment to start by June 2023.
	Corporation Yard - Green Room Lockers, Bathroom, Training Room, Floor, Cabinets - Building B	1,700,000		x	x	Yes	255,000	No	255,000			x	Design completed, project bidding.
	Corporation Yard - Storage Room - Roof Repair Bldg H	600,000			x	Yes	90,000	No	90,000			x	At 50% design.
Totals		\$ 6,545,000							\$ 981,750	Escalation Min Need			

Projects Requiring Additional Escalation and Unanticipated Costs

Category	Project Name/Description	Budgeted	Leverages other funds	Completed / Bidding / Encumbered	In Design	Possible to Reduce Scope?	Additional Funding Required	Public-Facing	Matching Funds	Significant Planning has Occurred	Notes	
Care and Shelter and Non- Departmental Citywide Facilities	North Berkeley Senior Center	8,848,332	\$363k PW CIP Fund FY23; \$1.875M FEMA grant	x		N/A	350,000	x	x	x	This \$350K is needed over and above allocated funding	
	African American Holistic Resource Center (4,000 sq ft)**	7,000,000	\$1M federal earmark; \$250k GF		x	No	3,150,000	x	x		4K sq ft building require additional \$3.15M to	
	African American Holistic Resource Center (6,000 sq ft)***	7,000,000	\$1M federal earmark; \$250k GF		x	No	6,850,000	x	x		6K sq ft building require additional \$6.85M to	
Parks	Civic Center Park Upper Plaza Improvements - Turtle Island Monument	300,000	\$596k Clean CA grant; \$750K Parks Tax; Art Funding from Civic Arts Fund		x	No	880,000	x	x	x	Landmark Commission approval received in March 2023	
							\$ 4,380,000	**Additional Funding Needed (AAHRC-4,000 sq ft)				
							\$ 8,080,000	***Additional Funding Needed (AAHRC-6,000 sq ft)				

Total Funding Required	\$ 5,361,750	Total Funding Needed (AAHRC-4,000 sq ft)
	\$ 9,061,750	Total Funding Needed (AAHRC-6,000 sq ft)

MEMORANDUM

Date: April 12, 2023
To: Honorable Mayor and Members of the Berkeley City Council, and the Budget & Finance Committee
From: Parks, Recreation and Waterfront Commission
Subject: Measure T1 Phase 2 Shortfall Solution

Dear Mayor and Council Members,

The Parks, Recreation and Waterfront Commission (PRW) is committed to ensuring the success of the T1 Bond effort. We write now to share our recommendations on the current funding gap in Phase 2 T1 projects. These recommendations were an action item at the regular meeting of the PRW on April 12, 2023 and approved unanimously.

BACKGROUND

Working with the Public Works Commission we successfully advocated for the passage of the T1 Bond in 2016 and now want to ensure the best use of those funds, to address critical infrastructure needs, promote transparency, support the community, address inequities, and, of critical importance, **build long-lasting trust with Berkeley residents**. For example, to ensure the optimal allocation of T1 funds our commissions developed criteria on which to base selections for T1 projects. The original list of 7 criteria was defined in 2017 and used to prioritize Phase 1 projects. In 2020 those criteria were updated to include:

- Greatest Benefit
- Equity
- Health, Safety and Resilience
- Environmental Sustainability/Durability

Very importantly, we wanted to provide our residents with additional improvements in the areas of the city that have fewer parks, and in areas that have received less funding over the past decades. Addressing racial equity played a major part in formulating our final recommendations and we request that our focus on equity and our original project list remain a priority.

Those decisions were made before Covid-19, long before we witnessed the increased importance of our parks, open space, and a functioning infrastructure for the health and safety of our community. Providing our residents access to clean, accessible, and available facilities and open space is one of the most important duties we have before us.

CURRENT SITUATION

Staff have now identified a funding gap of \$4.5 to \$8.2M for the Phase 2 T1 projects. The City has faced T1 budgetary deficits in the past and found elegant solutions.

In 2019, the City faced a \$6.8 million funding gap between the cost of the approved T1 Phase 1 Projects and the available Phase 1 bond funds. This was caused by “an increase in energy upgrades included in the facility projects, and soaring escalation in construction costs.”

Because delay would increase the project costs and the importance of leveraging the voter approved T1 funds, the Council approved

- * \$1.5 million in interest income and
- * the transfer of \$5.3 million from the General Fund (GF) to the T1 fund to close the funding gap.

With this additional funding, all of the Phase 1 projects were fully funded.

In 2023, the City again faces a large gap of \$4 – \$8M between the estimated cost of the approved Phase 2 Projects and the available bond funding. While some of the shortfall is caused by large increases in construction costs, requiring the T1 fund to pay back the \$5.3M GF transfer significantly decreased the bond funding available for Phase 2 T1 projects.

The Parks, Recreation and Waterfront Commission believes that all the approved T1 Phase 2 projects should be completed as they were recommended by both the Parks and Waterfront Commission and the Public Works Commission and approved by the City Council on Dec. 15, 2020. As discussed above, the projects in Phase 2 attempted to provide a more equitable distribution of facilities in the City, whereas Phase 1 projects were selected from existing shovel ready projects to meet the three-year bond spending requirement.

To solve the FY2023 funding cap, we ask the Council to come up with creative solutions that allow all approved projects to be complete. To facilitate finding a creative solution, we list several options for Council consideration.

Option 1. Over the next five years, allocate the increase in General Fund interest income over the 2022 baseline to the T1 Fund. The recent FY 2023 Mid-Year Budget Update presented to the Council reported that the increase in interest income over the 2022 baseline was \$0.9M for the first six months. Due to the significantly higher interest rates in 2023, the annual increase in interest income for the full year is likely to be ~\$2M/yr. Since interest rates are projected to remain high for some time, the excess interest income over 5 years would fund all of the T1 Phase 2 projects, including the preferred 6,000 ft² AAHRC.

Option 2. Forgive the 2019 General Fund loan and transfer \$5.3 million back to the T1 account. As of June 30, 2022, the “unassigned” portion of the GF balance in the City’s Investment Portfolio was \$75 million. Transfer of 7% of the “unassigned” funds to the T1 fund would allow the completion of all of the Phase 2 projects and the construction of new 4,000 ft² African American Holistic Research Center (AAHRC).

Option 3. To get us to the preferred 6,000 ft² AAHRC, in addition to Option 2, borrow an additional \$3.7M from the Workers Compensation Fund (WC), à la the Premier Cru building purchase of \$6.6M, and pay back the loan from the ten annual contributions from the GF capital equipment funds. This would allow all Phase 2 Projects to be completed and the construction of a 6,000 ft² AAHRC. In FY 22, the WC fund revenues exceeded expenses by \$3M, increasing its “cash and cash equivalents, as of June 30, 2022, to over \$49M.

Option 4. Assign the cost of connecting the proposed three public restrooms in the ROW at (a) Telegraph/Channing, (b) San Pablo/University, and (c) Alcatraz/Adeline to the City's Sanitary Sewer Fund. These three projects are estimated to cost \$1.35M of which 50% is due to connecting the public toilets to the City's sewer lines. In 2022 the City's Sanitary Sewer Fund had revenues of \$25.5M and expenses of \$16.7M, generating a surplus of \$8.8M, which increased its fund balance to \$35M. Since these public toilets will address a great scarcity of public toilets in Berkeley and the Sewer funds has ample monies, they should pay the \$0.7M cost of connecting the three new public restrooms to the sanitary sewer system. Implementing this policy of sharing the costs will facilitate the creation of more public restrooms.*

Option 4a. If the Sewer Fund is legally restricted from contributing to the cost of making a public restroom operational, then the City should consider using some of the interest revenue from the Sewer Fund's large balance to fund these costs.

Option 5. Consider assigning the Hopkins Corridor Project T1 funds to help close the T1 Phase 2 funding gap, if these funds cannot be spent within the three-year window specified by the bond covenants. Since the Hopkins Corridor Project has been indefinitely postponed, it may not be possible to reserve assigned T1 funds, since such funds have to be spent within 3 years of the bond tranche issue date. If the Hopkins project is delayed sufficiently, such that T1 funds cannot be used, the surplus funds could be used to close the T1 Phase 2 funding gap.

Authors: Gordon Wozniak, Erin Diehm and Claudia Kawczynska

Noted:

**We reached our conclusions after listening carefully to the public and other Commission commentary, that identified restrooms and play equipment as high priorities. As part of Phase 1 funding the City conducted a [Citywide Restroom Study](#) that helped to direct our selection of eight restrooms, three of which are located in the ROW requiring an additional expensive of sewer line hookups. [Public restrooms](#) are a vital community resource and a basic necessity.*

Citywide Restroom Study: **Berkeley Wash Assessment**, Hyphae Design Laboratory (2020)

<https://berkeleyca.gov/sites/default/files/documents/Citywide%20Restroom%20Study%20and%20Executive%20Summary%20-%202020-10-06%20-%20Final.pdf>

Public Restrooms a vital resource: "Why Are Public Restrooms Still So Rare", NY Times (March 22, 2023)

<https://www.nytimes.com/2023/03/22/business/public-restrooms-bathrooms-us-city.html>

Project Status	Capital Projects	Budget*	Construction			
Projects in Construction or have been awarded	Grove Park 2-5 and 5-12 Playgrounds and Sport Field	T1- \$1.125M, Grant- \$503K, CIP- \$603K	Now			
	King Pool Tile, Electrical and Plaster	T1- \$350K, CIP- \$190K	Now			
	Ohlone 2-5, 5-12 Playgrounds, Mural Garden	T1- \$500K, CIP- \$391K	Now			
	Waterfront: Marina Finger Docks- Phase 4	MF- \$550K	Now			
	Waterfront: Marina O and K Electrical Replacement	CIP- \$870K, MF- \$883K	Now			
	Waterfront: Key Fob System	MF- \$100K	Now			
Projects Bidding /Construction in Spring-Summer 2023	Aquatic Park Dock Access/Parking Lot	PT- \$640K	Spring 2023			
	Aquatic Park – West Side Irrigation and Tree Planting	Grant- \$100K, Bayer- \$260K	Summer 2023			
	Aquatic Park – Street and Landscaping renovation: Addison- Dreamland	PT- \$357K CIP- \$55k	Spring 2023			
	Echo Lake Camp ADA- Phase 1	CIP- \$200K, Camps Fund- \$705K	Summer 2023			
	Solano- Peralta Play Equipment/ Furniture	GF- \$50K, CIP- \$80K	Summer 2023			
	Tuolumne Camp EV Charging Stations	Cat Res- \$350K	Spring 2023			
	Waterfront: Marina Pilling Replacements	T1- \$1.2M, CIP- \$1.85M, MF- \$575K	Summer 2023			

Project Status	Capital Projects	Budget	Amount Spent to date Feb 2023	Amount Remaining	Anticipated Construction	Public-Facing	Public-Serving	Other Funding Besides T1	Significant Planning has Occurred
Construction Projects in Design/Planning	African American Holistic Resource Center	T1- \$7M GF- \$250K Grant- \$1M	T1- \$48K GF- \$133K Grant- \$0	T1- \$6.95M GF- \$117K Grant- \$1M	FY25	x	x	x	
	Cedar Rose 2-5, 5-12 Play Structures	CIP- \$400K PT- \$875K	CIP- \$0 PT- \$0	CIP- \$400K PT- \$875K	FY24	x	x	x	
	Civic Center Upper Plaza -Turtle Island Project Improvements	T1- \$300K Grant- \$592K	T1- \$84K Grant- \$0	T1- \$216K Grant- \$592K	FY24	x	x	x	x
	Harrison Park Restroom Renovation	T1- \$450K	T1 \$0	T1- \$450K	FY24	x	x		x
	MLK Jr. Youth Services Center/YAP Renovation	T1- \$7M Grant- \$1.2M Earmark- \$750k	T1- \$208K Grants- \$47K Earmark- \$0K	T1- \$6.8M Grants- \$1.9M Earmark- \$750K	FY25	x	x	x	x
	Ohlone Park Lighting	T1- \$700k	T1- \$20K	T1- \$680k	FY25	x	x		x
	Ohlone Park Restroom	T1- \$500k	T1- \$20K	T1- \$480k	FY25	x	x		x
	Santa Fe ROW: Convert 4 blocks to New Park	Grant- \$5M	Grant- \$278K	Grant- \$4.7M	FY25	x	x	x	x
	Tom Bates Restroom, Soccer Field, PB Courts	T1- \$3.2M CIP- \$1.5M	T1- \$390K CIP- \$0	T1- \$2.8M CIP- \$1.5M	FY24-FY25	x	x	x	x
	Waterfront: Cesar Chavez Park Restroom	T1- \$445K	T1- \$0	T1- \$445K	FY25	x	x		
	Waterfront: Cesar Chavez Perimeter Pathway	SCC Grant- \$2.1M	SCC Grant- \$0	SCC Grant- \$2.1M	FY26	x	x	x	
	Waterfront: DE Dock Replacement	T1- \$595K MF- \$5.5M SCC Grant- \$1.6M	T1- \$222K MF- \$0 SCC Grant- \$0	T1- \$373K MF- \$5.5M SCC Grant- \$1.6M	FY25		x	x	x
	Waterfront: K Dock Restroom Renovation	T1- \$495K	T1- \$0	T1- \$495K	FY25	x	x		
	Waterfront- Dredging Main Channel	MF- \$300K SSC Grant- \$7.4M	MF- \$42K SSC Grant- \$0	MF- \$258K SSC Grant- \$7.4M	FY25	x	x	x	x
	Waterfront- South Cove West Parking Lot	SCC Grant - \$1M	SCC Grant- \$0	SCC Grant- \$1M	FY25	x	x	x	x
	Willard Clubhouse and Restroom	T1- \$7M CIP- \$500K	T1- \$535K CIP- \$0	T1- \$6.46M CIP- \$500K	FY24-FY25	x	x	x	x

Design/Planning Only Projects -Construction Not Funded	Aquatic Park Dreamland-2-12 Play Structure***	CIP \$300k							
	Codomices Park 2-5 and 5-12 Play Structures***	PT \$200k							
	Glendale - Laloma Park 2-5 and 5-12 Play Structures***	CIP \$175k							
	James Kenney Park Skate Area	PT- \$7K CIP- \$40K	PT- \$1K CIP- \$17K	PT- \$6K CIP- \$23K		x	x	x	x
	John Hinkel Park Hut- Conceptual Design Only	PT- \$151K	PT- \$39K	PT- \$112K		x	x	x	x
	Waterfront: Shorebird Park 2-12 Play Structure***	CIP \$200k							
	Waterfront: Bike Park - Conceptual Design	CIP- \$100K	CIP- \$51K	CIP- \$49K		x	x		x
	Waterfront- South Sailing Basin Dredging	CIP- \$350K	CIP- \$0	CIP- \$350K		x	x		
	Waterfront: Waterfront Specific Plan-BMASP	CIP- \$1.05MMF- \$2K	CIP- \$678K MF-\$2K	CIP- \$372K MF- \$0		x	x	x	x
	Waterfront: Pier-Water Transportation EIR/Design	SCC Grant- \$2.9M	SCC Grant- \$0	SCC Grant- \$2.9M		x	x	x	

*Funding Sources
 Cat Res- Catastrophic Reserve
 CIP- Capital Improvement Fund
 GF- General Fund
 MF- Marina Fund
 PT- Parks Tax
 SCC Grant- State Coast Conservancy Grant
 T1- Measure T1, Phase 1 and 2

**in-kind contribution of \$4M from Berkeley Commons Project.

***funding re-allocated because of increase in construction costs for existing projects.

PW Capital Projects Not in Construction in Spring / Summer 2023

Project Status	Capital Projects	Budget	Anticipated Construction	Public-Facing	Public-Serving	Matching Funds	Significant Planning has	
Projects in Construction or have been awarded	Fire Station # Roof Upgrades	CIP-\$422,245	now	.	X	.	X	
	Corp Yard Lift Pits- Building G	CIP-\$380,000	complete	.	X	.	X	
	Fire Station #7 Fire Alarm CP Replacement	CIP-\$27,452	FY23	.	X	.	X	
	Old City Hall & Veteran's Building Leak Repair	GF-\$68,000	complete	X	X	.	X	
	WBSC HVAC Evaluation	CIP-\$16,698	complete	.	X	.	X	
	MHSC Roof Repair	CIP-\$44,744	FY24	.	X	.	X	
	1947 Center Street Bottle Fill Stations	CIP-\$27,661	complete	.	X	.	X	
	2180 Milvia Carpet Replacement-CCB Phase 2	CIP-\$185,283	complete	.	X	.	X	
	Civic Center Door Card Readers	CIP-\$82,569	complete	.	X	.	X	
	On Call HVAC Services	CIP-\$42,186	complete	.	X	.	X	
	Retaining Wall- 1322 Glendale Ave	CIP-\$436,510	now	X	X	.	X	
	Street Rehab FY 2021	CIP-\$1,881,875 Meas BB-\$2,300.00	Meas F-\$155,000 Meas B-\$1,000,000 SB1-\$2,195,303	now	X	X	X	X
	Street Rehab FY 2022	CIP-\$2,130,920 Meas BB-\$2,700,000	Meas F-\$155,000 SB1-\$2,195,303	now	X	X	X	X
	Wildcat Canyon Emergency Repairs	CIP-\$148,919			X	X	X	X
	Street Rehab FY 2023	CIP-\$2,131,875 Meas BB-\$2,980,000	Meas F-\$155,000 CIP (PAVING FUNDS)-\$3,250,000 SB1-\$2,195,303	now	X	X	X	X
	FY20 Sidewalk Repair Program	CIP-\$974,402 Meas F-\$220,200	Meas BB-\$1,279,800 SB1-\$100,000 Private Party-\$250,000	now	X	X	X	X
	Sidewalk Shaving- FY2020	CIP-\$1,253,571 Meas F-\$47,548	SB1-\$399,800 Meas BB-\$420,000	now	X	X	X	X
	UUD Grizzly Peak #48	CIP-\$274,911	Streetlight-\$47,342 GF-\$949,256	now	X	X	X	X
	MLK Jr. Way Vision Zero Quick Build	CIP-\$385,140	Meas F-\$215,000 Streetlight-\$129,000 Meas BB-\$162,000	now	X	X	X	X
	University Ave Bus Stop Improvements	CIP-\$200,000	Capital Grants-State-\$500,285	now	X	X	X	X
	Ashby/San Pablo Traffic Improvements	CIP-\$242,080	Meas F-\$27,198 Meas BB-\$825,422	now	X	X	X	X
	7th/ Anthony Traffic Signal Project	CIP-\$82,559	Meas BB-\$334,500	now	X	X	X	X
	Hopkins Street Corridor Project	CIP-\$150,000-Tier 1		now	X	X	X	X
	BerkDOT	GF-\$184,283		now	.	X	.	X
	Dwight and California Intersection Improvements	GF-\$399,998	Meas BB-\$348,478 CIP-\$50,000	now	X	X	X	X

PW Capital Projects Not in Construction in Spring / Summer 2023

Project Status	Capital Projects	Budget			Anticipated Construction	Public-Facing	Public-Serving	Matching Funds	Significant Planning has
	Woolsey Street and Eton Ave Traffic Calming	CIP-\$38,743	Meas B-\$187,270		now	X	X	X	X
	Ashby-Newbury Traffic Calming	CIP-\$50,000			now	X	X	.	X
	Southside Complete Streets	GF-\$1,000,000 CIP- (paving funds) \$4,987,860	Meas BB-\$1,082,800 UC-\$2,254,548	Capital Grants-Fed-\$9,335,000	now	X	X	X	X
	T1 PH2 Pathway Repairs	GF-\$99,897 CIP-\$50,000	T1-\$200,000		now	X	X	X	X
	1947 Center Street	T1-\$1,800,000			now	X	X	X	X
	PW Corp Yard Improvements-Green Building	T1-\$1,700,000			FY24	.	X	X	X
	PW Corp Yard Improvements-Deferred Maintenance	T1-\$350,000			FY25	.	X	X	X
	PW Corp Yard Improvements-Building H	T1-\$600,000			FY24	.	X	X	X
	Storm Drain Improvements-Marin/Spruce	T1-\$600,000			now	X	X	X	X
	T1 PH2 Sidewalks Maintenance and Safety Repair	T1-\$1,850,000			now	X	X	X	X
Projects Bidding /Construction in Spring-Summer 2023	NBSC Upgrades- Kitchen & Data	CIP-\$202,683			FY24	X	X	.	X
	EV Charge Station	CIP-\$600,000	GF-\$1,750,000		FY 24	.	X	X	X
	Purchase of Electric Bikes	GF-\$25,000			FY 23	.	X	.	X
	Street Rehabilitation PCI Improvement Project-FY23	CIP-\$5,000,000			now	X	X	.	X
	Street Rehabilitation PCI Improvement Project-FY24	CIP-\$9,100,000			Start of FY24	X	X	.	X
	Piedmont/Channing Traffic Circle	UC Settlement-\$250,000			end of FY23	X	X	.	X
	T1 Phase 2--Hopkins Corridor Improvements	T1-\$6,750,000 Meas BB-\$2,160,000	Meas F-\$625,000 CIP (Tier 1)-\$150,000	CIP (Paving Funds)-\$2,977,000	TBD	X	X	X	X
	Oxford & Telegraph/Channing Garage Restroom	T1-\$406,350			FY24	X	X	X	X
	Restrooms in the ROW	T1-\$1,610,000			FY23-FY25	X	X	X	X
	PW Corp Yard Improvements-Wash Station	T1-\$200,000			FY24	.	X	X	X
Project Status	Capital Projects	Budget	Amount Spent to date Feb 2023	Amount Remaining		Public-Facing	Public-Serving	Matching Funds	Significant Planning has Occurred
	Retaining Wall & Storm Drain Repair	CIP- \$335,000 Clean Storm-\$322,791 SB1- \$290,000	CIP- \$48,790 Clean Storm-\$30,000 SB1- \$12,175	CIP- \$286,210 Clean Storm-\$292,791 SB1- \$277,825	FY24	X	X	X	X
	Cameras in Public Right of Way	GF-\$1,293,889	GF-\$0.00	GF-\$1,293,889	FY24	X	X	.	.
	Bus Canopies/Bulbouts-Durant Complete Streets	GF-\$336,000			FY24	X	X	.	.
	Convert 62nd Street Between King Street, and Adeline Street into a cul de sac	CIP-\$300,000			FY24	X	X	.	.
	Semi-Divert traffic bollards at the intersection of Newbury Street and Ashby Street	CIP-\$50,000			FY24	X	X	.	.
	Implement State Law AB 43 for Reduced Speed Limits on High-Injury Commercial Corridors	CIP-\$50,000			FY24	X	X	.	.

Project Status	Capital Projects	Budget		Anticipated Construction	Public-Facing	Public-Serving	Matching Funds	Significant Planning has
Projects in Design/Planning	ADA Transposition Plan Update Implementation - FY 23 Allocation	CIP-\$250,000		FY24	X	X	.	X
	ADA Transposition Plan Update Implementation - FY 24 Allocation	CIP-\$500,000		FY25	X	X	.	X
	Facilities Deferred Maintenance Investment (Increase in baseline) - FY 23 Allocation	CIP-\$250,000		FY24	X	X	.	X
	Facilities Deferred Maintenance Investment (Increase in baseline) - FY 24 Allocation	CIP-\$500,000		FY25	X	X	.	X
	Building Assessment	CIP-\$77,175		FY24	.	X	.	X
	Carpet Replacement	CIP-\$150,000		FY24	.	X	.	X
	Evidence Storage	CIP-\$36,750		FY24	.	X	.	X
	Public Safety Projects	CIP-\$150,000		FY24	.	X	.	X
	Roof Replacement	CIP-\$180,000		FY24	.	X	.	X
	Telegraph/Channing Elevator Upgrade	CIP-\$3,600,000	Off Street Parking-\$804,959	FY24	X	X	X	X
	EBCE Solar & Storage at Fire Station #3	CIP-\$600,000		FY24-FY25	.	X	.	X
	Old City Hall Temporary Fire Sprinklers	CIP-\$73,207		FY24	.	X	.	X
	PSB Cooling Redundancy	GF-\$209,190		FY25	.	X	.	X
	STAIR Center ADA	CIP-\$412,640		FY24	X	X	.	X
	Civic Center Vision & Imp Plan Phase 2	GF-\$200,000		FY23	X	X	.	X
	Corp Yard Comprehensive Plan	CIP-\$447,344		FY24	.	X	.	X
	PSB Bicycle Bunker Roof Repair	CIP-\$179,962		FY24	.	X	.	X
	Street Rehab FY 2024	CIP-\$2,127,562	Meas BB-\$2,980,000	FY24	X	X	X	X
	Emergency Power Supply Solar Batteries	T1-\$400,000	Meas F-\$155,000 SB1-\$2,195,303	FY25	.	X	.	X
	South Berkeley Senior Center	T1-\$3,000,000		FY25-26	X	X	.	X
	Fire Station #2 Improvements	T1-\$1,536,765		FY24-25	.	X	.	X
	Fire Station #6 Improvements	T1-\$1,213,235		FY24-25	.	X	.	X
	Bollard Conversion to Landscaping	T1-\$150,000		FY24	.	X	.	X
Strawberry Creek Culverts Repairs	CIP-\$250,000	Meas M-\$926,720	FY24	X	X	X	X	

Project Status	Capital Projects	Budget	Amount Spent to date Feb 2023	Amount Remaining	Anticipated Construction/ Implementation	Public-Facing	Public-Serving	Other Funding Besides T1 and GF	Significant Planning has Occurred
Construction Projects in Design/Planning	Business Licensing System Replacement	CIP - \$500k	\$0	CIP - \$500k		X	X		
	Jail Control Panel Replacement	CIP - \$500k	\$0	CIP - \$500k	FY 2024	X	X		X
	Paperless Contract Workflow System	CIP - \$400k	\$0	CIP - \$400k	FY 2024		X		X
	Property Tax Assessment System Replacement	CIP - \$450k	\$0	CIP - \$450k		X	X		

ATTACHMENT 4

Measure T1 Phase 2 Project Status Matrix

Updated:04/13/2023

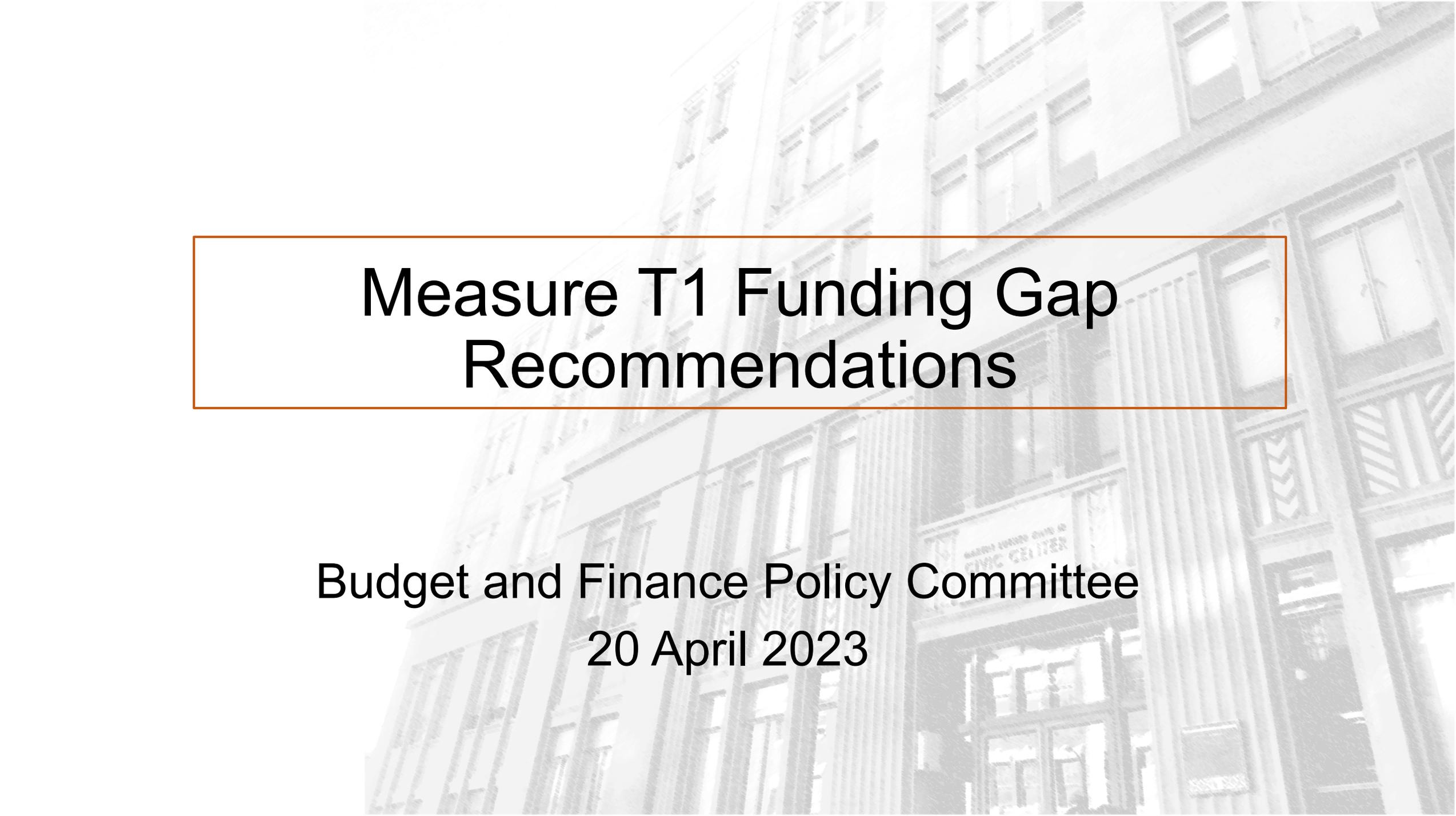
Category	Project Name/Description	Budgeted	Leverages other funds	Completed / Bidding / Encumbered	In Design	Apply Escalation?	Add 15% Escalation	Possible to Reduce Scope?	Additional Funding Required	Public-Facing	Matching Funds	Significant Planning has Occurred	Notes
Care and Shelter and Non- Departmental Citywide Facilities	MLK Jr. Youth Services Center	7,000,000	\$1.2M FEMA grant; \$750k federal earmark		x	Yes	1,050,000	Yes	-	x	x	x	Conceptual design complete, headed to ZAB in late Summer. Additional funding available in PRW CIP FY25.
	South Berkeley Senior Center	3,000,000	\$1.5M FEMA grant		x	Yes	450,000	Yes	-	x	x		Finalizing FEMA grant before design.
	African American Holistic Resource Center **	7,000,000	\$1M federal earmark; \$250k GF		x	Yes	1,050,000	No	See note*	x	x		4K and 6K sq ft building require additional \$3.15M and \$6.85M to complete.
	Restrooms in the ROW Telegraph/Channing	450,000	\$260k UC settlement	x		No		No	-	x	x	x	Project bidding.
	Restrooms in the ROW San Pablo/University	450,000			x	Yes	67,500	No	67,500	x		x	At 50% design, location being identified.
	Restrooms in the ROW Alcatraz/Adeline	450,000			x	Yes	67,500	No	67,500	x		x	At 50% design, location being identified.
Camps	Cazadero Dining Hall & ADA Improvements	400,000	\$800k from nonprofit tenant	x		No			-	-	-	-	Required by lease.
Buildings in Parks	Willard Clubhouse/Restroom Replacement	7,000,000	\$500k of PRW CIP FY24; \$175K Parks Tax		x	Yes	1,050,000	No		x	x	x	Scope already reduced. ZAB hearing scheduled in April.
	Tom Bates Restroom, Community Space, Soccer Field and PB Courts	2,900,000	\$1.5M of PRW CIP FY24; \$175K Parks Tax		x	Yes	435,000	Yes	-	x	x	x	At 35% design. \$3M Grant application pending for parking lot and other amenities
	Harrison Park - Restroom Renovation	450,000			x	Yes	67,500	No	67,500	x		x	In conceptual design
	Ohlone Park - New Restroom	500,000			x	Yes	75,000	No	75,000	x		x	At 35% design, location and model determined.
Parks - Play structures	Ohlone (Milvia) Ages 2-5, 5-12, Garden Mural, Exercise	500,000	\$558k Parks Tax	x		Yes	75,000	No	-	-	-	-	Contract awarded; gap covered by FY23 PRW CIP.
	John Hinkel Lower Ages 2-12, picnic, parking	408,510	\$565k Parks Tax + \$11k GF CIP	x		No			-	-	-	-	Completed
	Grove Park Ages play structures 2-5, 5-12 yrs old	700,000	\$762k Parks Tax; \$392k GF CIP; \$503k Prop 68	x		Yes	105,000	No	-	-	-	-	Contract awarded; Gap covered by FY23 PRW CIP
Parks	Aquatic Park Tide Tubes Clean out, Phase 1B	206,490		x		No			-	-	-	-	Completed
	Ohlone Park - Lighting	700,000			x	Yes	105,000	Yes		x		x	At 35% design. In public process.
	Civic Center Park Upper Plaza Improvements - Turtle Island Monument	300,000	\$596k Clean CA grant; \$750K Parks Tax; Art Funding from Civic Arts Fund		x	Yes	45,000	No	See note*	x	x	x	LPC approval received March 2023. \$880k needed to complete additional scope.
Pools	King Pool Tile and Plaster Replacement	350,000	\$178k GF CIP	x		No			-	-	-	-	Completed
Waterfront	Marina Timber Piling Replacements	1,200,000	\$300k MF; \$1.7M GF	x		Yes	180,000	Yes		x	x	x	Project bidding.
	Marina D and E Dock Replacement	595,000	\$5.5M DBAW loan (MF); \$1.5M State earmark		x	Yes	89,250	No	89,250		x	x	At 60% design.
	Marina K Dock Restroom Renovation	495,000			x	Yes	74,250	No		x			In pre-design phase.
	Cesar Chavez Park - New Restroom (on Spinnaker)	445,000			x	Yes	66,750	No		x			In pre-design phase.
Streets	T1 Streets Contribution to Annual Street Paving Improvements	6,750,000			x	Yes	1,012,500	Yes	-	x	x	x	At 65% design.
	Bollard Conversion to Landscaping	150,000	Stormwater Fund, Parks Tax Fund		x	Yes	22,500	Yes	-	x			Not yet started-finding locations
Sidewalks	Sidewalks Maintenance & Safety Repairs	1,850,000	\$250k (Multiple sources)	x		No		No	-	-	-	-	Project in construction.
Pathways	Pathway Repairs/Improvements	200,000	\$50k Annual Sidewalk Prg		x	No	30,000	No		x	x	x	At 35% design.
Storm Facilities	Storm Drain Imprv - Marin/Virginia/Spruce/Hinkel	600,000		x		No			-	-	-	-	Completed
	1947 Center Street Improvements	1,800,000			x	Yes	270,000	No	270,000	x		x	HVAC component is at 35% design; seismic assessment to start by June 2023.

Measure T1 Phase 2 Project Status Matrix

Updated:04/13/2023

Category	Project Name/Description	Budgeted	Leverages other funds	Completed / Bidding / Encumbered	In Design	Apply Escalation?	Add 15% Escalation	Possible to Reduce Scope?	Additional Funding Required	Public-Facing	Matching Funds	Significant Planning has Occurred	Notes
	Fire Station #2	1,536,765	FY24 PW ADA funds		x	Yes	217,500	No			x	x	At 50% design. PW CIP funding will fill gap
	Fire Station #6	1,213,235	FY24 PW ADA funds		x	Yes	181,985	No			x	x	At 35% design. PW CIP funding will fill gap
	Corporation Yard -Gate, Paving, Parking, Fuel Island	350,000			x	Yes	52,500	Yes					Not yet started.
	Corporation Yard - Wash Station Compliance	200,000			x	Yes	30,000	No					Not yet started.
	Corporation Yard - Green Room Lockers, Bathroom, Training Room, Floor, Cabinets - Building B	1,700,000		x	x	Yes	255,000	No	255,000			x	Design completed, project bidding.
	Corporation Yard - Storage Room - Roof Repair Bldg H	600,000			x	Yes	90,000	No	90,000			x	At 50% design.
	Telegraph Channing Garage Restroom	300,000			x	No		No		x		x	At 90% Design. Additional funding not needed.
	NBSC-Emergency Power Supply Solar Batteries	500,000			x	No		No					Additional funding not needed.
	Totals	53,250,000							981,750				Additional Funding Required
	Art	650,000											
	Staffing / FESS	7,100,000											
	Total Phase 2 Budget	61,000,000											
	COLOR KEY												
	● Projects that are completed or bidding or encumbered												
	● Projects that need escalation to complete												

*Note:			
880,000			Gap - CC Turtle Island
350,000			Gap-NBSC
3,150,000			Gap-AAHRC 4,000 sq ft replacement
5,361,750			Gap- Includes Escalation
880,000			Gap - CC Turtle Island
350,000			Gap-NBSC



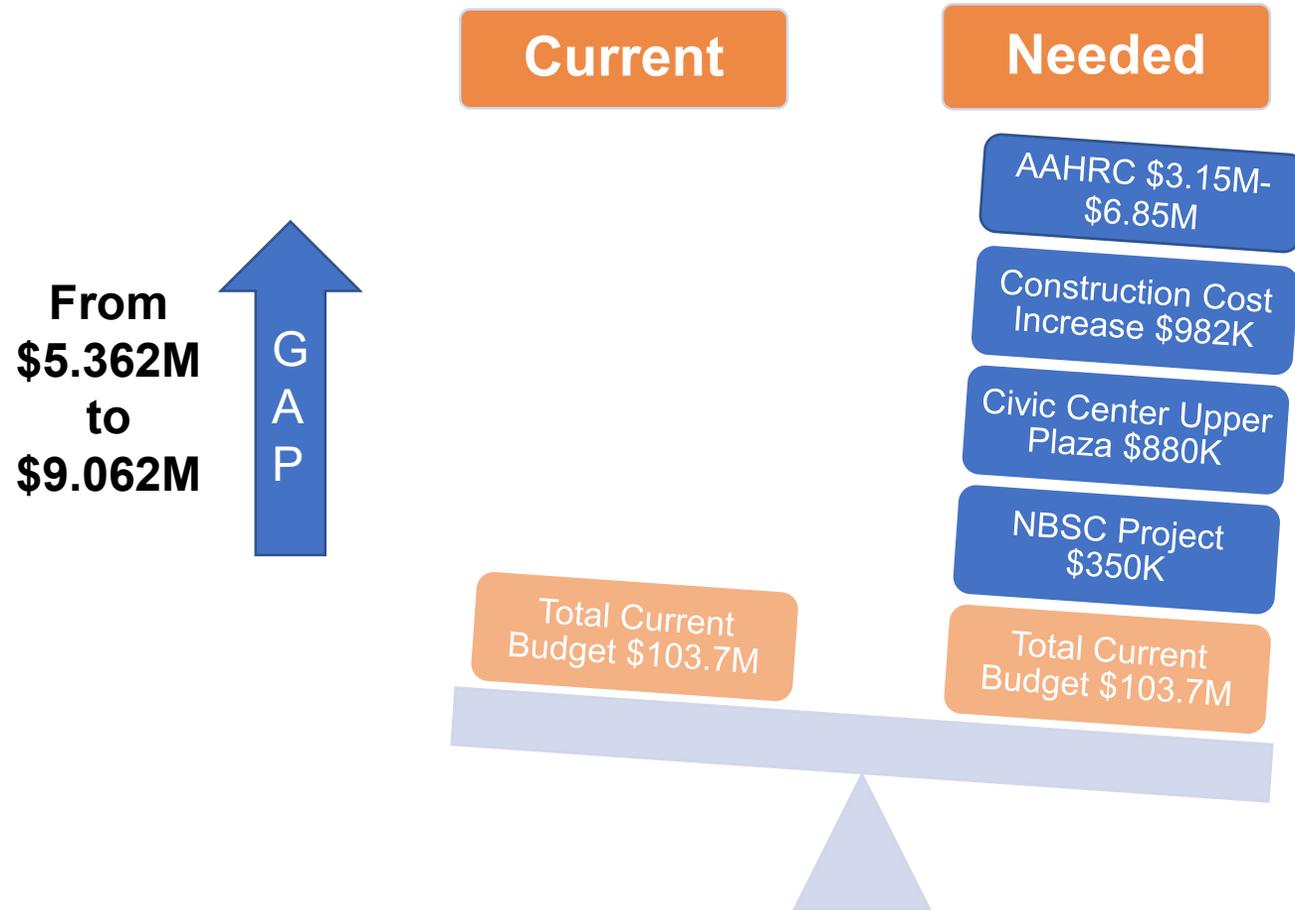
Measure T1 Funding Gap Recommendations

Budget and Finance Policy Committee
20 April 2023

PURPOSE

- Review T1 funding gap
- Discussion of non-CIP funding sources
- Discussion of current CIP projects and funding sources
- Options for Council action

MEASURE T1 FUNDING GAP

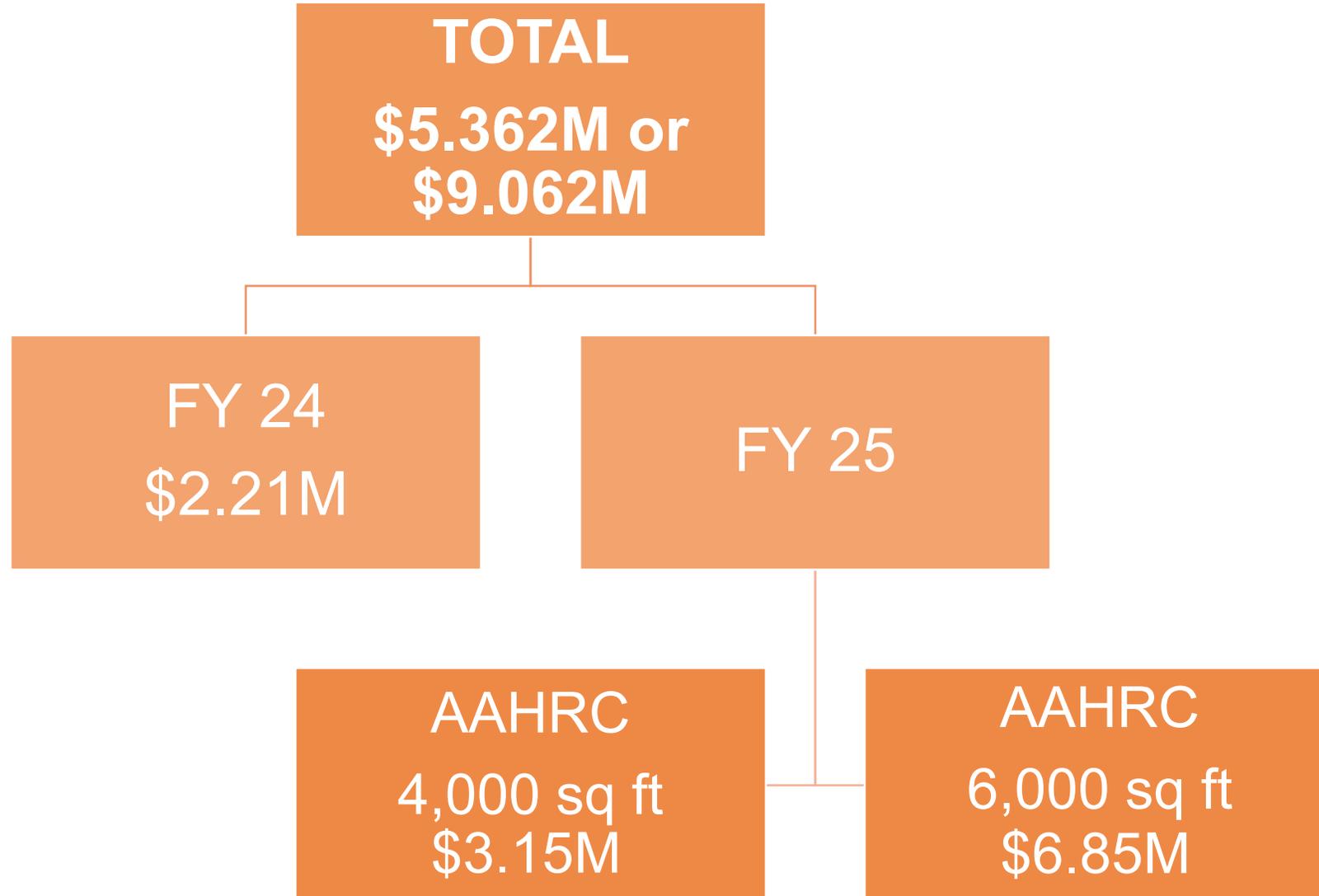


COUNCIL DIRECTION

Council Jan 31, 2023 Direction:

- Fully Fund African American Holistic Resource Center & the Upper Civic Center Plaza Improvements - Turtle Island Monument
- Use criteria to develop funding options
 - Public-facing
 - Public-serving
 - Leveraging funds
 - Significant planning
- Funding options - grants, excess equity, other funding sources and project deferral
- Recommendations for AAHRC based on size

TIMING OF FUNDING NEED

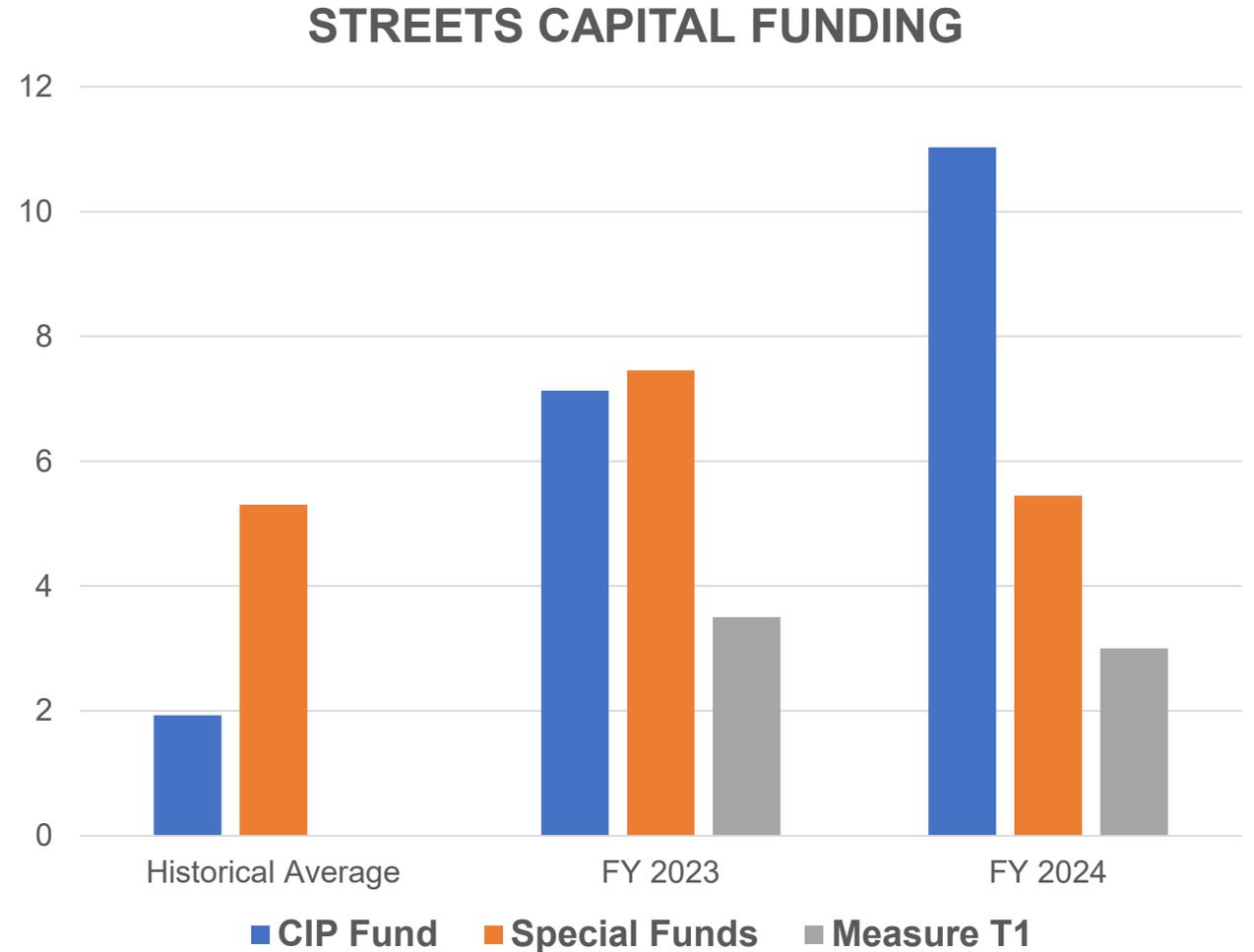


ALTERNATIVE FUNDING SOURCES

- Use of FY 2024 Streets Funding
- Use of General Fund FY 2022 Excess Equity
- Use of General Fund Reserves
- Use of Public Liability Fund
- Use of CIP Fund

STREETS FUNDING SOURCES

- Historically, CIP Streets Funding consisted of the following recurring baseline funding sources and **averaged \$7.00 million annually.**
 - \$1.93 million – CIP Fund**
 - \$2.00 million – SB1**
 - \$2.70 million – Measure BB LS&R**
 - \$450k – State Transportation Tax**
 - \$155k – Measure F**
- Due to Measure T1, an increase in 1x CIP Fund allocation, and overall increase from the baseline funding sources, **the FY 2023 Adopted Budget is \$18.03 million and FY 2024 Adopted Budget is \$19.48 million.**



GENERAL FUND EXCESS EQUITY

Use of Excess Equity in the AAO#1 & AAO#2:

- \$67.8K for Employer of Choice Initiative
- \$230K for Labor Standards Enforcement & \$50K for Fair Work Week Ordinance Outreach
- \$100K for Harriet Tubman Terrace Tenant \$150K for La Peña Cultural Center Capital Grant; \$50K for Strawberry Creek Lodge Food Program & \$6K for Berkeley Junior Jackets Field Use
- \$50K for MLK and Addison Intersection Imprvmt & \$1.0 million for Southside Complete Streets
- \$1.5 million for additional GF Reserves
- \$100K for Homeless Outreach Coordinator
- \$376K for November 2022 Election; \$200K for Tree work for storm damage; \$70K for Police staffing assessment & \$120K for mailings and outreach for eviction moratorium

**Recommendation for Measure T1 Projects
Funding Gap = \$240K**

GENERAL FUND EXCESS EQUITY CALCULATION (EXCLUDES MEASURE P)	
FY 2022 Beginning Balance	\$ 19,806,333
FY 2022 Revenues	\$ 263,936,692
FY 2022 Expenditures	\$ (236,342,638)
Available Balance	\$ 47,400,387
Less:	
FY 2022 G. F. Encumbrances Restricted (AAO #1)	\$ (8,980,951)
FY 2022 G.F. Carryover (AAO #1)	\$ (5,936,110)
FY 2023 Other Adjustments (AAO #1)	\$ (2,309,412)
	\$ (17,226,473)
Available Balance After AAO #1 Items	\$ 30,173,914
Excess Property Transfer Tax to Balance FY 23 & 24 Operating Budget	\$ (17,268,170)
Excess Property Transfer Tax to Replenish Reserves	\$ (1,500,000)
Excess Property Transfer Tax Available for Capital	\$ (8,569,573)
	\$ (27,337,743)
Available Balance After Pre-Funding of Excess Property Transfer Tax	\$ 2,836,171
Additional Allocation to Reserves (part of AAO#2)	\$ 1,522,439
Excess Equity Balance	\$ 1,313,732
Less other AAO#2 Items	\$ 845,831
Net Available Excess Equity Balance	\$ 467,901

GENERAL FUND RESERVES

- T1 funding gap does not meet criteria based on policy.
- However, Council has the option to reduce the \$4M in pre-funding of reserves included as part of the FY 24 Adopted Budget.
- Option would delay the repayment of the \$10M borrowed from the reserves during the pandemic.

- On January 24, 2017, the City Council adopted Resolution No. 67, 821-N.S., establishing the City's Council's Policy for the General Fund Reserves.
- A **Stability Reserve** will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects.
- A **Catastrophic Reserve** will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

PUBLIC LIABILITY FUND

- Purpose to cover costs related to damage, loss, or injury that results from the routine operations of the City that is not covered by the City's insurance
- Funded by General Fund
- Projected deficit in FY 23

	FY 2023 Adopted	FY 2023 Revised	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	696,664	696,664	133,993	404,188	384,894
Revenues	3,895,888	3,895,888	3,895,888	3,895,888	3,895,888
<i>Program (Transfer In from GF. 491011)</i>	3,895,888	3,895,888	3,895,888	3,895,888	3,895,888
<i>Transfer from General Fund</i>					
Expenditures	3,797,298	4,458,559	3,811,342	3,880,569	3,951,180
<i>Personnel</i>	335,963	335,963	350,007	350,007	350,007
<i>Non-Personnel</i>	3,461,335	4,122,596	3,461,335	3,530,562	3,601,173
Annual Surplus/Shortfall	98,590	-562,671	84,546	15,319	-55,292
Ending Balance	795,254	133,993	218,539	419,507	329,602

PRELIMINARY CIP FUND FIVE-YEAR PROJECTION

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected*	FY 2026 Projected*	FY 2027 Projected*
BEGINNING AVAILABLE CASH BALANCE	\$8,165,917	\$3,154,520	(\$739,349)	(\$3,069,806)	(\$5,398,143)
TRANSFER FROM FUND 011 (ANNUAL BASELINE TRANSFER)	\$4,950,905	\$4,950,905	\$4,950,905	\$4,950,905	\$4,950,905
TRANSFER FROM FUND 011 (EXCESS PROPERTY TRANSFER TAX)	\$14,050,000	\$13,420,000	\$0	\$0	\$0
TOTAL REVENUES	\$19,000,905	\$18,370,905	\$4,950,905	\$4,950,905	\$4,950,905
PERSONNEL - ZERO COLA	\$2,269,652	\$2,317,067	\$2,317,067	\$2,317,067	\$2,317,067
NON-PERSONNEL	\$21,742,650	\$19,947,707	\$4,964,295	\$4,962,175	\$4,962,175
TOTAL EXPENDITURES	\$24,012,302	\$22,264,774	\$7,281,362	\$7,279,242	\$7,279,242
ANNUAL SURPLUS/(DEFICIT)	(\$5,011,397)	(\$3,893,869)	(\$2,330,457)	(\$2,328,337)	(\$2,328,337)
ENDING AVAILABLE CASH BALANCE	\$3,154,520	(\$739,349)	(\$3,069,806)	(\$5,398,143)	(\$7,726,480)

*FY 2025 and outward years projections shows a return to baseline revenue and baseline expenditures.

REVIEW OF FUNDED CAPITAL PROJECTS

Review of all Capital Projects in Attachments 3a, 3b and 3c:

1. Council Criteria from 1/31 Meeting
 - Public-Facing
 - Public-Serving
 - Leveraging Funds
 - Significant Planning
2. Project Progress
3. Identified Funding Spent to Date
4. Funding Source

POSSIBLE PROJECTS TO DEFER TO FY25 OR BEYOND

General or CIP Funded Projects representing up to \$1.7M

- **\$400,000 – FY24 PRW CIP Fund Allocation**

This allocation is designated for replacing Cedar Rose 2-5 and 5-12 Play Structures. The design for this work is underway and construction funding for 1 of the 2 play structures is already available in FY24 Parks Tax funding.

- **\$650,000 – 50% of FY23 GF Allocation for Cameras in the Public ROW**

This \$1,293,889 project was the result of a referral by Councilmember Taplin. Ten locations have been identified by City Council. The acquisition and use policies will be up for City Council adoption in May. The remaining budget will ensure staff can implement cameras at least half of these intersections and potentially more. Should further budget be required, staff would return to City Council to make that request.

- **\$300,000 – FY23 CIP Fund for 62nd Street Conversion to Cul De Sac.**

This project was the result of a referral by Councilmember Bartlett. Work on this project has not been started.

- **\$350,000 – FY23 CIP Fund for Dredging of South Sailing Basin.**

This funding was the result of a referral by Councilmember Robinson. Work on this project has not been started.

T1 Funded Projects representing up to \$12.675M

- **\$6.75M- Street Paving Improvements**

This T1 funding has been assigned to the Hopkins Street project and while significant planning and public process has occurred, this project has been delayed indefinitely..

- **\$2.8M- Tom Bates Community Space and Restroom**

While the \$390,000 of T1P1 funding has been invested in establishing a sewer line in front of the Tom Bates Sports Complex and doing conceptual design, the project has not reached the “significant planning threshold.” PRW staff will submit a \$3M grant to augment additional work on site that uses this \$2.8M as a match.

- **\$1.5M- 1947 Center Street Improvements**

This project would improve the HVAC system throughout the 1947 Center Street building. \$300,000 of the original \$1.8M has already been allocated for design.

- **\$680,000- Ohlone Lighting Project**

This project is still in the planning phase and has \$680k remaining of the \$700k budgeted.

- **\$445,000- Cesar Chavez Park Restroom**

This project has just started preliminary design, and significant planning has not yet occurred. If reduced, a portable toilet will remain in the same location until future funding is located.

- **\$500,000- North Berkeley Senior Center: Emergency Power Supply Solar Batteries**

This project has not yet started.

OPTION 1

Option 1 – Identify the \$2,211,750 needed for FY24 and commit to either the 4,000 or 6,000 square foot AAHRC and allocate the needed funding (\$3.15M or \$6.85M) in FY25.

Option 1a

- Use funding from FY22 Excess Equity (\$240K)
- Reassign \$400K of T1 street funds
- Defer the following projects (totaling \$1.58M) to the FY25 budget process:
 - \$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds
 - \$680K of T1 for Ohlone Lighting
 - \$500K of T1 for NBSC Solar Battery Storage

Option 1b

- Reassign \$2,211,750 of T1 street funds.

OPTION 2

Option 2 – Identify all \$9,062,000 in funding needed for the shortfall in all 11 T1 projects, including the 6,000 square foot AAHRC.

Option 2a

- Use funding from FY22 Excess Equity (\$240K)
- Reassign \$6.75M of T1 street funds
- Defer the following projects (totaling \$2.072M) to the FY25 budget process:
 - \$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds
 - \$522K of 40% of FY23 GF for Cameras in the Public Right of Way
 - \$300K of FY23 CIP Funds for 62nd Street Conversion to Cul De Sac
 - \$350k of FY23 CIP Fund Allocation for Dredging of South Sailing Basin
 - \$500K of T1 funding for NBSC Solar Battery Storage

Option 2b

- Use funding from FY22 Excess Equity (\$240K)
- Reassign \$1.197M of T1 street funds
- Defer the following projects (totaling \$7.625M) to the FY25 budget process:
 - \$2.8M of T1 funding for Tom Bates Restroom and community space
 - \$1.5M of T1 funding for 1947 Center Street HVAC Improvements
 - \$400K of PRW FY24 GF CIP for Cedar Rose Playgrounds
 - \$650K of 50% of FY23 GF for Cameras in the Public Right of Way
 - \$300K of FY23 CIP Funds for 62nd Street Conversion to Cul De Sac
 - \$350K of FY23 CIP Fund Allocation for Dredging of South Sailing Basin
 - \$500K of T1 funding for NBSC Solar Battery Storage
 - \$680K of T1 Funding for Ohlone Lighting Project
 - \$445K of T1 Funding for Cesar Chavez Restroom

OPTION 3

Option 3 – Identify all \$5,361,750 in funding needed for the shortfall in all 11 T1 projects, including the 4,000 square foot AAHRC.

Option 3a

- Reassign \$5.361M of T1 street funds

Option 3b

- Use FY22 Excess Equity (\$240K)
- Reallocate \$321,750 of T1 streets funds
- Defer the following projects (totaling \$4.8M) to the FY25 budget process:
 - \$2.8M of T1 funding for Tom Bates Restroom and Community Space
 - \$1.5M of T1 funding for 1947 Center Street Improvements
 - \$500K of T1 funding for NBSC Solar Battery Storage

NEXT STEPS

- Budget and Finance Policy Committee to discuss staff presentation and options during the April 20, 2023 meeting
- Budget and Finance Policy Committee to provide direction on closing the fund gap to complete Measure T1 Projects during the April 20, 2023 meeting
- City Manager to return to the full City Council at one of the May 2023 meetings with recommendations for how to close the project funding gap (after direction from the Budget and Finance Policy Committee)