



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Sheriff's Office



DATE: September 19, 2011
BOARD MEETING DATE: October 4, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Sheriff Greg Munks
SUBJECT: **Executive Summary:** Interest Statement and Application for Local Jail Construction Funding Program funds under AB 900 Phase II

RECOMMENDATION:

Adopt a Resolution authorizing the Sheriff and County Manager to submit an Interest Statement and Application for AB 900 Phase II local jail construction funds for the San Mateo County Replacement Jail on Chemical Way in Redwood City

BACKGROUND:

In 2007, the California Legislature passed AB 900, the Local Jail Construction Funding Program. This legislation provided up to \$1.4 billion dollars in state issued bond funds for local counties to help with the construction of local county jail beds. As part of the disbursement of bond proceeds to local counties, the respective counties would agree to assist the State in finding sites for state owned and operated "Re-entry" prisons that would house state inmates that were nearing the end of their prescribed terms of incarceration.

In 2009, the Corrections Standards Authority conditionally awarded \$750 million dollars to eleven counties as part of Phase I of the AB 900 funding. State funding for Phase II of AB 900 is now available. Over \$600 million dollars of funding for local jail construction will be awarded to local counties in this phase.

There are significant differences in both the process and preferences that will determine awards in Phase II versus how Phase I was administered. Instead of an RFP process, Phase II will include an interest statement and an application process.

Two significant policy changes to AB 900 Phase II preference ratings have been enacted by the State Legislature. First, counties will no longer be required to site a state re-entry prison in their county as a pre-requisite to receive Phase II AB 900 local jail construction funds. Second, counties will be ranked within their respective funding pools based on the number of inmates each county sends to state custody.

DISCUSSION:

In December of 2010, the Board of Supervisors acquired 4.67 acres of land in Redwood City just east of Highway 101 for the express purpose of constructing a new or replacement jail.

With the advent of Phase II of AB 900 funding, the Sheriff is requesting the Board of Supervisors for authorization to apply for these local jail construction funds. With total project costs still estimated at approximately \$150-165 million dollars, San Mateo County could apply for the maximum allowable award of \$100 million dollars. A 10% local match is required consisting of cash and/or in kind contributions.

The first step in the Phase II application process is the preparation of an interest statement for AB 900 funds to be sent to CSA before 5pm on October 14, 2011. Following the October 14th submission of the interest statement, the major AB 900 Phase II milestones are as follows:

- Applications due January 4, 2012 (it should be noted that counties will be invited to submit an application).
- CSA staff conducts technical review of all applications January 5th-12th, 2012
- CSA Executive Steering Committee (ESC) makes final funding recommendations to full CSA Board February 8th and 9th, 2012
- The CSA board grants awards on February 23rd, 2012.

The current cost estimates for the San Mateo County Replacement Jail include approximately \$10.5 million dollars for debt service yearly, assuming that no AB 900 monies will be forthcoming. If San Mateo County were to receive the maximum AB 900 funding, debt service costs could be reduced making the application for AB 900 funds worthwhile. The Sheriff urges the Board to authorize both the interest statement and subsequent application to be prepared and submitted to the CSA.

Applying for AB 900 funds contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring a safe and cost effective Replacement Jail Facility.

County Counsel has reviewed and approved the Resolution as to form and content.

FISCAL IMPACT

None



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BACKGROUND:

In 2007, the California Legislature passed AB 900, the Local Jail Construction Funding Program. This legislation provided up to \$1.4 billion dollars in state issued bond funds for local counties to help with the construction of local county jail beds. As part of the disbursement of bond proceeds to local counties, the respective counties would agree to assist the State in finding sites for state owned and operated "Re-entry" prisons that would house state inmates that were nearing the end of their prescribed terms of incarceration.

In 2009, the Corrections Standards Authority conditionally awarded \$750 million dollars to eleven counties as part of Phase I of the AB 900 funding. Since then, nine counties have proceeded with local jail construction projects in conjunction with state re-entry facilities. San Mateo County was originally awarded \$100 million dollars of AB 900 funds as well, but opted out of the award because of the re-entry requirement.

Awards during Phase I of AB 900 were based in large part by the results of a Request for Proposal (RFP) process. Twenty five counties submitted responses to the RFP issued by the State. Individual county responses were then ranked based on their willingness to help site state re-entry facilities, parolee services, new jail bed gains and net jail bed gains. Award amounts ranged from the maximum per county of \$100 million dollars (San Bernadino, Kern and San Diego) to as little as \$15 million dollars (San Benito).

State funding for Phase II of AB 900 is now available. Over \$600 million dollars of funding for local jail construction will be awarded to local counties in this phase. For the purposes of funding decisions, counties will again be divided into three categories: Large (population of more than 700,000 residents), Medium (population of 200,001 to 700,000) and Small (200,000 and less). San Mateo County will be part of the Large county pool. Large counties will compete for \$300 million dollars, Medium counties \$200 million and approximately \$100 million for Small counties.

There are significant differences in both the process and preferences that will determine awards in Phase II versus how Phase I was administered. Instead of an RFP process, Phase II will include an interest statement and an application process. The Corrections Standards Authority (CSA) has indicated that the application process will include the following elements: project need, detention alternatives, scope of work, project impact, characteristics of the jail to be built, administrative work plan, budget, timetable including key dates, effects of re-alignment and staffing plan.

In addition to process changes, two significant policy changes to AB 900 Phase II preference ratings have been enacted by the State Legislature as part of state prison inmate re-alignment. First, counties will no longer be required to site a state re-entry prison in their county as a pre-requisite to receive Phase II AB 900 local jail construction funds. Second, counties will be ranked within their respective funding pools (Large, Medium and Small) based first and foremost on the number of inmates each county sends to state custody. The exact language in the re-alignment legislation says “ The CDCR and the CSA shall give funding preference to counties that committed the largest percentage of inmates to state custody in relation to the total inmate population of CDCR in 2010”. This policy has been referred to as a “hard preference” by the CSA Executive Steering Committee. Final decisions on this issue will be made by the full CSA board.

DISCUSSION:

In December of 2010, the Board of Supervisors acquired 4.67 acres of land in Redwood City just east of Highway 101 for the express purpose of constructing a new or replacement jail. Additionally, the Board approved a negative declaration for the replacement jail on that location, clearing the way for the project to enter the design phase. Since then, the Board also approved the jail project User Liaison (Sares Regis) and has held a series of workshops with the Sheriff and the Jail Planning Unit (JPU) to discuss project scope and delivery method. The next steps include hiring of Architects and Engineers and project funding alternatives.

With the advent of Phase II of AB 900 funding, the Sheriff is requesting the Board of Supervisors for authorization to apply for these local jail construction funds. With total project costs still estimated at approximately \$150-165 million dollars, San Mateo County could apply for the maximum allowable award of \$100 million dollars. A 10% local match is required consisting of cash and/or in kind contributions. As stated earlier, the hard preference in favor of counties with the highest contribution of state inmates puts San Mateo County at a competitive disadvantage. There are fourteen counties in the large population competitive pool with San Mateo ranked twelfth in terms of

numbers of inmates admitted to CDCR in 2010 (see Attachment A). Of the eleven higher ranked counties in our group, three received conditional awards in Phase I: San Bernadino, San Diego and Kern. It can be assumed that these counties will not compete with us for Phase II monies. Los Angeles and Orange counties received conditional awards (as we did) but for unknown reasons, did not proceed with their project. Both of these counties are likely to seek AB 900 Phase II monies with the proviso that state re-entry facilities are no longer a condition for receiving local jail construction funding. Six other counties in our pool have a larger CDCR inmate contribution than San Mateo County, but did not apply for Phase I money. These counties include Sacramento, Santa Clara, Riverside, Fresno, Alameda and Ventura. It is not known if these counties will compete in Phase II. Rounding out our county grouping are San Francisco and Contra Costa. Both have smaller CDCR population contributions than San Mateo County and neither applied for Phase I funding.

Another challenge pertains to the requirements related to the State Public Works Board and the leasing of the jail site and completed buildings. As with Phase I awardees, the counties receiving Phase II awards will be required to sign a land and facility lease with the State that will remain in effect for the life of the bond, probably 25-30 years. Concurrently, the State will sublease the completed jail back to the County for the same specified period with all maintenance, operational and staffing costs being borne by the County.

The first step in the Phase II application process is the preparation of an interest statement for AB 900 funds to be sent to CSA before 5pm on October 14, 2011. This interest statement will include the following components: a commitment from the County to steadily move through the planning and construction phases; the County acknowledges all the terms and conditions set forth in the application; (which have not been finalized); an agreement by the County that local matching funds will be available; the County will in fact submit the application on time; the County agrees to staff and occupy the jail within 90 days from the construction completion; the County will declare the amount of their funding request and finally, the interest statement will be signed by both the County Manager and the Sheriff. The Sheriff is prepared to agree to all these terms for the interest statement.

Following the October 14th submission of the interest statement, the major AB 900 Phase II milestones are as follows:

- Applications due January 4, 2012 (it should be noted that counties will be invited to submit an application).
- CSA staff conducts technical review of all applications January 5th-12th, 2012
- CSA Executive Steering Committee (ESC) makes final funding recommendations to full CSA Board February 8th and 9th, 2012
- The CSA board grants awards on February 23rd, 2012.

The current cost estimates for the San Mateo County Replacement Jail include approximately \$10.5 million dollars for debt service yearly, assuming that no AB 900 monies will be forthcoming. If San Mateo County were to receive maximum AB 900

funding, debt service costs would be reduced making the application for AB 900 funds worthwhile. The Sheriff urges the Board to authorize both the interest statement and subsequent application to be prepared and submitted to the CSA.

Applying for AB 900 funds contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring a safe and cost effective Replacement Jail Facility.

County Counsel has reviewed and appointed the Resolution as to form and content.

FISCAL IMPACT

None

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING THE SHERIFF AND COUNTY MANAGER TO SUBMIT AN INTEREST STATEMENT AND APPLICATION FOR AB900 PHASE II LOCAL JAIL CONSTRUCTION FUNDS FOR THE SAN MATEO COUNTY REPLACEMENT JAIL ON CHEMICAL WAY IN REDWOOD CITY

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the Board of Supervisors acquired 4.67 acres of land in Redwood City east of Highway 101 for the purpose of constructing a replacement jail, additionally, the Board approved a mitigated negative declaration for the replacement jail on that location, and

WHEREAS, in 2007, the California legislature passed AB900, the Local Jail Construction Funding Program, San Mateo County applied and was awarded \$100 million dollars but opted out of the award because of the re-entry requirement; and

WHEREAS, State funding for Phase II of AB900 is now available and over \$600 million dollars of funding for local jail construction will be awarded to local counties in this phase; and

WHEREAS, San Mateo County could apply for the maximum allowable award of \$100 million dollars; and

WHEREAS, the first step in the Phase II application process is the preparation of an

interest statement for AB 900 funds to be sent to CSA before 5pm on October 14, 2011; and

WHEREAS, following the October 14, 2011 submission of the interest statement, applications are due on January 4, 2012 ; and

WHEREAS, a technical review will be conducted, then a recommendation will be presented to the CSA Board; and

WHEREAS, the CSA Board grants awards on February 23rd, 2012.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors authorizes and direct the Sheriff and County Manager to submit the required Interest Statement and Application for AB 900 Phase II funding.

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