



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff's Department
Department No.: 032
For Agenda Of: 3/11/08
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: Yes
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Sheriff, Bill Brown, Ext 4290
Contact Info: Cmdr Tom Jenkins Ext 4249
SUBJECT: County Jail – Northern Branch, AB 900 Proposal

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Make CEQA Findings for the project (Attachment A) regarding potential alternatives, mitigation measures and impacts to public services, agricultural resources, and aesthetic/visual resources in the Final Subsequent Environmental Impact Report (SCN: 2007111099); and
2. Make a Statement of Overriding Consideration for the project (Attachment B) regarding identified impacts to public services, agricultural resources, and aesthetic/visual resources in the Final Subsequent Environmental Impact Report (SCN: 2007111099);
3. Adopt a Resolution Authorizing the Submission of the Application for Local Jail Construction Grant funds and Providing for the County's Participation in, and Other Assurances required under, Assembly Bill 900 (AB-900):
4. Authorize the Sheriff to sign and submit the application, and to enter into an agreement to accept an award on behalf of the County of Santa Barbara, and for the Sheriff to make non-substantive changes to the draft for the final Proposal for Submission.

Summary Text:

This hearing has the following purposes:

- Make CEQA Findings for the project
- Make a Statement of Overriding Considerations for the proposed project.
- Adopt a Resolution that demonstrates the County's resolve to participate in the AB 900 program, and authorizes the Sheriff authority to submit the request for proposal (RFP) submission to the Corrections Standards Authority (CSA) for an award of funds to construct a

new county jail. The attached Resolution is a required step for application for the Grant Funding, and includes the assurances required by the RFP.

- Authorize the Sheriff to sign and submit the Application and to enter into an agreement to accept the award on behalf of the County of Santa Barbara, and to give him the ability to make edits to the draft for creation of the final Proposal that are non-substantive in nature.

The Corrections Standards Authority (CSA) is acting as the approval agency for the California Department of Corrections and Rehabilitation (CDCR) to authorize funding the County up to \$80 million with a 25% match by the County for the construction of new jail beds under Assembly Bill 900. The total estimated construction cost of the project is approximately \$80.2 million, where \$56.3 million would be financed under the grant by the State and \$23.9 million by the County. This would require an issuance of up to \$29 million (with additions for reserve and interest costs during construction) in COP debt. The new facility, when fully operational, would cost an estimated \$12.9 million in operating costs in FY08-09 dollars.

The Board is faced with a policy decision to Adopt a finding of Overriding Considerations, Adopt the Resolution, and to Authorize the Sheriff to enter into an agreement to accept the award on behalf of the County of Santa Barbara.

Option 1: The Board may elect to adopt the Resolution and submit the application, thereby fully committing to funding the construction match and funding the ongoing operations cost.

This option may require an issuance of COP in the estimated amount of up to \$29 million. The estimated payments for the COP issuance repayment are estimated to be approximately \$2.4 million per year. In addition, approximately \$12.9 million will be required in operating costs based on FY08-09 dollars and growing at an estimated 5.5% per year thereafter.

The *advantage* of this option is the County's affirmation of a strong commitment to the proposal - an advantage in the competitive application process. This is a rare opportunity for the County to receive the 75% of construction funding from the State, which is estimated to be \$56.3 million for the proposed project. It also provides indirect cost savings to the ongoing need to construct and operate a new jail facility through the reduced cost of capital construction to the county and the related annual debt service payments, and the reduced costs from shared infrastructure and services with a Secure Community Reentry Facility (SCRF).

The *disadvantage* of this option is that it has not been determined how the ongoing operations shall be funded. This may cause a reduction in other County operations, or require the creation of new or expanded revenue streams. In addition, the County assumes overrun costs on the construction project based on the conditions of the proposal.

Based on staff analysis, transaction and use tax is the most feasible venue for generating the additional revenues. A countywide transaction and use tax for the purpose of public safety would be recommended and is most feasible based on the countywide nature of the service provided. A two thirds vote of the Santa Barbara County voters would be required. The transaction and use tax can be increased in increments of ¼ percent by statute. A ¼ percent increase is estimated to generate \$15 million per year and a ½ percent increase is estimated to generate \$30 million per year.

Option 2: The Board may elect not to submit the proposal application.

The *advantages* of this option are that the County will not be faced with the possibility that discretionary funds, which are currently funding other existing County operations, will need to be redirected to fund the operations of this project. The County will have the flexibility of starting the construction and operations in accordance with overall County strategy and economic conditions. The County will also be able to pursue other revenue streams prior to beginning operation in order to assure proper funding for the project.

The *disadvantages* of this option are that the County will lose the opportunity to have the State pay for $\frac{3}{4}$ of the construction costs of the new jail (approximately \$56.3 million). The County will continue to be faced with the problem of jail overcrowding. As the Chief Executive Officer has agreed on February 19, 2008, the construction and operation of a new jail should proceed. However, further effort without the assistance of AB 900 funding would require that the County fully fund construction, debt service, and the cost of operations. Other steps taken to mitigate the problem of jail overcrowding will also continue and may need to increase until a new facility is approved and built. These include:

- Early release prior to completion of sentence
- Restricted booking practices
- Immediate citation release of many arrestees

Not addressing the jail overcrowding problem, over time will lead to public safety issues both to the general public, custody staff, and the inmates. Based upon the two needs assessments (1999 and 2008 by Rosser International), and a National Institute of Corrections Justice System assessment (2005), the problem of jail overcrowding cannot be effectively managed without the new facility and without potential impediments to the criminal justice system and to public safety.

If the County chooses to act on its own, the cost of debt service of the same sized facility would cost an additional \$4 million annually (a total of \$6.4 million annually). This \$4 million equates to the approximate annual cost of 40 Custody Deputies.

Lastly, the County's exposure to liability stemming from lawsuits and court sanctions with regard to jail overcrowding would significantly increase under this plan.

Background:

The necessity for a new County Jail facility has been present for over twenty years. Since 1986 the County has been subject to court orders to limit overcrowding and the impacts therein. This has resulted in capacity limits to the Main Jail, the formulation of limitations to the intake of inmates into the jail system, and early release programs. These actions allow convicted criminals to avoid portions if not all of court ordered sanctions upon their behavior. Over 20 grand jury reports have reiterated the need for a new jail.

The North County Jail project has been presented to the Board several times and as part of the Capital Improvement Plan (CIP) where it has been the largest project presented.

A study conducted by County staff in 2005 proposed construction of a 808 bed facility with the infrastructure to support up to 1520 inmate beds at a cost of \$153 million. An acute need for additional jail beds was again recognized. That facility would cost in excess of \$20 million annually to operate today, and was planned to cost \$19.2 million annually to operate in 2005. That study also presented

several options for funding the construction and operations of facility. The most feasible of these was the transaction and use tax, (commonly referred to as a sales tax). It is estimated that a countywide ½¢ tax would generate \$30 million annually.

The State of California is also faced with Prison overcrowding problems, and the problem of continuing recidivism.

Assembly Bill 900 was enacted and became law on May 7, 2007. This bill authorizes jail construction funding totaling \$1.2 billion in two phases. Phase One (\$750 million) is targeted to build more than 4000 local jail beds and 2000 Secure Community Reentry Facility (SCRF) beds in the State of California. The second Phase of funding (\$470 million) will not be authorized unless those benchmarks are attained. The CDCR published an RFP on Dec 20, 2007 for the Construction or Expansion of County Jails.

Proposals from counties submitted to the State will be evaluated and compared based using a point scale.

The Sheriff's Department proposes that the Board authorize the Sheriff to sign and submit the AB 900 RFP Proposal on behalf of the County of Santa Barbara. The County's Proposal will provides a detailed description of the project, lists the costs and obligations of the County, including the required match, and other necessary elements of the proposal.

County Counsel was asked for an opinion on when the County's commitment to the AB 900 program would become irrevocable. The answer depends on whether or not preference points are sought for the siting of a Secure Reentry Facility (SRF) at the proposed jail. If so, the County will be required negotiate the terms to sign a binding siting agreement within 90 days of receipt of conditional award. The penalty for failure to sign is that the County's proposal would be brought back before the CSA board for reconsideration. There are other agreements that follow between CDCR and the County that do not have specified return dates because they do not pertain to an award preference and so need not be returned while the award process is still ongoing.

In the event preference points are not sought for SRF siting, the County would not be obligated under AB900 until it executed the Project Delivery and Construction Agreement (PDCA), which has not yet been drafted. Although no time period is specified, the County should be prepared to negotiate in good faith to reach agreement within a reasonable time in the absence of extenuating circumstances. The PDCA is required to be executed in order to participate in the program.

Project Site:

An offer to purchase has been made to a prospective seller for a 50 acre parcel located at the south west corner of Black and Betteravia roads. For this project at this site, an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) has been performed, is complete, and will be brought to the Board for certification on March 11, 2008. Acquisition of the property is anticipated through fee simple ownership or by order of pre-judgment possession, within the time period required by the State's RFP, (90 days after notice of intent to award the funds).

Proposed Project:

The Sheriff's Department proposes to build a Type II county jail with 304 beds. This will include the necessary supporting infrastructure; including inmate receiving, laundry, kitchen, administration, programming and related functions. The facility will house both male and female inmates, in a mix of medium, high security and isolation cells. When designed, the facility will take advantage of construction elements that reduce the cost of materials and to reduce long term operational cost. Though the infrastructure will be what is necessary for initial operation of the 304 beds, the design will take into account the ability to expand important support functions if future expansions and additions are required. These design principles will maximize the value of investment while minimizing initial costs.

The project is scoped to balance the cost of construction, debt service payments, operational cost, and the State operational.

Statement of Overriding Considerations:

The scoped project within the proposal has identified impacts to public service, agricultural resources, and aesthetic/visual resources. The Board must make CEQA Findings and a Statement of Overriding Considerations for this project pursuant to the Final Subsequent Environmental Impact Report (SCN: 2007111099).

Board of Supervisors Resolution:

The State's RFP requires a responding proposal to include a Resolution with specified language, to be adopted by the Board. Included in language are certain assurances, providing that the County will:

- Fund its 25% match portion of construction of the facility
- Fully staff and safely operate the facility within 90 days of completion
- Identify the authorized county representatives
- Have possession of the site needed for the project within 90 days of intent to award (Scheduled for May 8, 2008)
- Sign an agreement to cooperate with placement of a State Reentry facility (performed by the Board on June 19, 2007)
- Identify a State Reentry Facility building site
- Provide a continuum of care for mentally ill paroles within the county and identify a physical location
- Approve the Sheriff to submit and sign the final proposal

Staff finds that each of these is achievable.

Following intent to award, which is anticipated in May of 2008, the County will be expected to participate in good faith negotiations to sign several agreements as listed below, (The exact language of these agreements is not available at this time.):

1. Siting Agreement for a Secure Reentry Program Facility
2. Project Delivery and Construction Agreement
3. Ground Lease for the Jail site
4. Right of Entry for Construction
5. Site Lease –

a. Lease Revenue Bond Financing agreement for the jail site

6. Facility Sublease – Lease back to the County for use of the Jail

Staff finds that each of these are reasonable based upon information existing at this time. .

When construction occurs,

- County must provide the facility listed within the scope of the project
- State will not provide additional funding beyond the original award
- County cannot reduce the scope of the project
- County will receive State funding in arrears, payable quarterly
- State will withhold 20% of its funding until the facility is operational and fiscal audit report has been approved.

Staff finds that each of these can be reasonably achieved. The maximum cash flow impact represented by the last two points is estimated to be \$11.2 million.

Project Budget Summary:

The attached table provides data similar to that required in the Proposal. Additional data is provided to allow for the Board to review how the project costs fit into different categories. The amounts that the County needs to fund are:

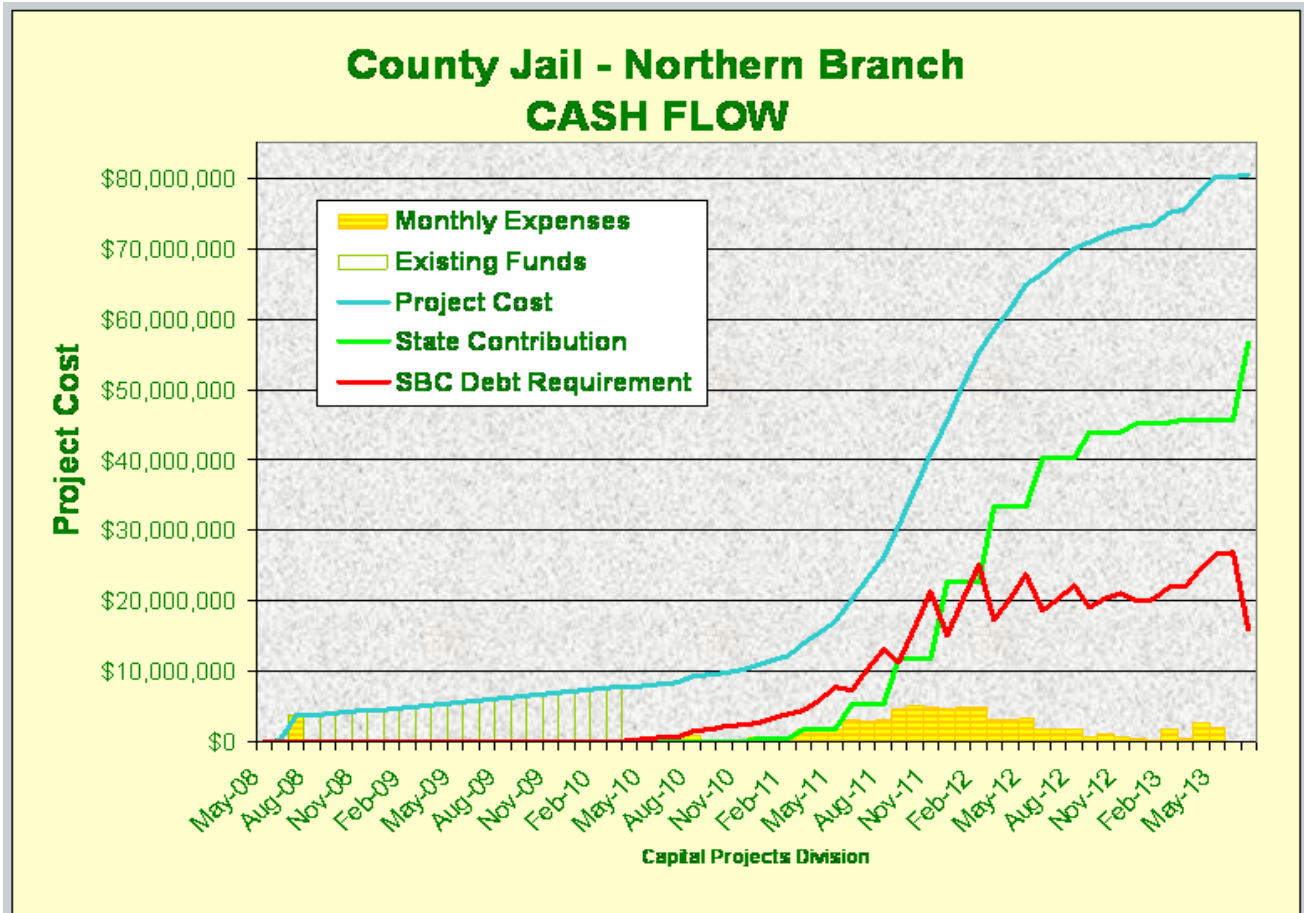
- County Cash Match
- County In-Kind Match, and
- Ineligible for State Match.

Line Item	State Funds	County Cash Match	County In-Kind Match	Ineligible for State Match
Construction- No Movable Equipment	\$ 56,295,019	\$ 6,524,386	\$ -	\$ -
Architectural		\$ 4,610,096		
CEQA		\$ 300,000		
Construction Management		\$ 2,125,953		
Audit of Grant			\$ 20,000	
Site Acquisition (Cost or Current Fair Market Value)			\$ 3,500,000	
Needs Assessment			\$ 70,000	
County Administration			\$ 1,414,572	
Transition Planning			\$ 200,000	
Ineligible Costs- County Responsibility				\$ 5,127,953
<i>Subtotals</i>	\$ 56,295,019	\$ 13,560,435	\$ 5,204,572	\$ 5,127,953
County Project Cost				\$ 23,892,960
Total Project Cost				\$ 80,187,979

These costs estimates are current effective February 27, 2008 and are escalated through the mid-point of construction; or the year 2011.

Project Cash Flow:

Staff has carefully studied the capital and operational costs of the proposed project, its match obligation, and the State’s conditions on its participation. Staff has analyzed the cash flow requirement imposed by these, and presents them graphically below:



As shown, the County has sufficient funds with set aside in designations to complete purchase of the site and nearly all of the design effort. The “Debt Requirement” (red line in chart) is meant to show the amount of debt proceeds that will be utilized to cover the project’s costs at certain given times under the cost-versus-state reimbursement requirements. As shown, the maximum debt required is \$27 million, but \$29 million will be borrowed to ensure coverage of the County’s match and other financing costs. The total investment will be \$29 million. The proceeds issuance would not occur before March of 2010, to comply with IRS proceeds spending regulations. The existing funds described above would be sufficient to carry the project to this point in time. A reimbursement resolution would be proposed and adopted by the County Board of Supervisor’s so that expenditures made prior to proceeds issuance are also reimbursed.

Operating Cost Estimates

The net ongoing operational cost of the proposed facility is \$12.9 million (FY 08/09).

Item	Cost
Staffing Estimate - 304 bed facility (Gross)	\$ 11,642,232
Services and Supplies-S&S (Gross)	\$ 4,365,837
Less Existing Staff-Transferred to facility	\$ (2,648,101)
Less Existing S&S-Santa Maria Branch Jail	\$ (150,000)
Less Reduced Inmate Transportation Overtime	\$ (160,000)
Less Reduced Inmate Transportation Mileage	\$ (112,276)
Net Cost - Stand alone Jail	\$ 12,937,692
Cost reductions for collocated Jail/SCRF	\$ (3,616,711)
Net County Cost - Collocated with SCRF	\$ 9,320,981

The above staffing estimates include the following additional fulltime positions:

- o 60 additional Custody Deputies at various ranks
- o 40 civilian support positions including: Custody Records, Utility workers, Accounting, Food Services, Maintenance and Laundry.

The Services and supplies estimate takes into account all the costs relative to the inmates housed in the facility based upon Sheriff’s current experience.

To fund operation of the new facility would require increasing revenues by \$12.9 million, or redirecting funds from other discretionary programs. Some level of “phase-in” of the project is planned. Portions of the main jail where actual beds exceed the rated number of allowed beds could be reduced with some reduction in personnel costs.

State’s AB 900 program for Funding of County Jails:

The Final RFP for Construction or Expansion of County Jails was published on December 20, 2007. Large counties (population of more than 700,000 population) and medium counties (populations between 200,001 and 700,000) compete against each other for the same pool of \$650 million.

As a medium sized County, Santa Barbara County is eligible to receive up to \$80 million with a 25% local match funding for the construction of new jail beds under Assembly Bill 900. Only one project proposal is allowed from each county.

The proposals will be evaluated and compared against other Proposals from both large and medium sized counties. Grants will be based on the factors and points system outlined in the following chart. The maximum number of points a county can receive is 1325.

EVALUATION FACTOR	MAXIMUM POINTS
Project Need	250
Detention Alternatives	100
Scope of Work and Project Impact	100
Administrative Work Plan	100
Net Gain in Beds	200
Cost Effectiveness	150
Cash Match (<i>County's capital expense</i>)	25
Preference Points for Assisting the State in Siting a Reentry Facility	300
Preference Points for Assisting the State with Mental Health and Crisis Care Services for State Parolee and Ex-Offender Population	100
TOTAL POINTS	1325

The proposal anticipates that the State will provide approximately \$56.3 million for construction and the county will provide (hard and soft match) approximately \$29 million for the counties proposed project. The estimated annual debt service for this match would be approximately \$2.4 million when amortized over 30 years, none of which is eligible for State funding under the AB 900 program.

The estimated additional cost to the county for annual operation and maintenance is \$12.9 million for staff salaries and services and supplies in based upon FY 08/09 financial estimates. An analysis of an example of the impacts that the County would face was done in 2005 as part of the “New Jail Planning Study” performed by County staff. The summary of the impacts can be found in Attachment D. Please note that the cost of operation for the project considered in 2005 was significantly higher then that of the current project and not all of the reductions to other County service would be needed to finance the operation of the currently proposed new jail.

The final proposal is due no later than March 18, 2008 to the CSA and is scheduled for delivery on March 17, 2008. The document was submitted to the CSA for a Technical Review to the CSA prior to March 4, 2008. That technical review may result in comments from the CDCR that require edits to the Proposal which assure that the final Proposal submission meets the necessary elements to be accepted and compete in the scoring process. The Sheriff will be responsible for reviewing and authorizing the final edits to the Proposal prior to submission.

Even though the funding for AB 900 is listed in two phases, the CSA has indicated that Phase Two funding may be authorized to those that submitted proposals, but were not funded, in Phase One.

Alcohol Drug and Mental Health Services:

The Resolution contains language specific to Mental Health Services and parolees. Based upon conversations with CDCR and County Alcohol Drug and Mental Health Services (ADMHS), these are services already provided to parolees in the County by ADMHS, and which they are already entitled to. There is no anticipation that these services will increase or the costs associated with them. A total of 100 additional preference points is received due to the enclosed language:

1. 50 points for agreeing to assist the state in siting mental health treatment for parolees and/or providing a continuum of care upon completion of parole.
2. Another 50 points, for identifying a physical location where those services may be provided.

Al Rodriguez of ADMHS worked closely with the Proposal Team and CDCR to protect the County's interest. A letter of support for the Resolution from ADMHS Director Dr. Ann Detrick is attached to this Board Letter.

Reentry Facility:

The project proposal from Santa Barbara County is planned to propose that a Reentry Facility be collocated with the Northern Branch County Jail.

The RFP allows counties to qualify for 300 preference points if the County agrees to assist the State in siting a Reentry Facility.

The first 150 points is earned if the County has signed an Agreement to Cooperate with CDCR, and if a Reentry Planning Team is planned or exists. To qualify for these preference points, included in the attached Draft Proposal submission to the CDCR are:

- A copy of the agreement signed by the Board on June 19, 2007, and
- The copy of a letter from the County Reentry Project dated January 18, 2008 agreeing to act as the Reentry Planning Team.

The additional 150 preference points are received if the reentry facility site is identified in the Board Resolution. The Resolution includes this site location for the SCRF sharing the parcel currently being purchased for the new jail.

A State Reentry Facility located on the same campus as the Jail would share in the development of additional infrastructure for future necessary growth. This collocation would mitigate the costs of certain shared functions, reducing the net impact to the county by as much as \$3.6 million annually in operating costs (FY 08/09).

The concept of the Reentry Facility is not only helpful in creating efficiency by cost sharing between the State and the County but also provides a preventive function in providing necessary programs for those whose last residence was Santa Barbara County and who are about to be released back into the community from the State Prison system. This preventative function is anticipated to reduce the long term demand for jail beds by reducing the recidivism of parolees.

Collocation provides the opportunity to benefit from evidence based inmate programming opportunities offered to Reentry Inmates that may not otherwise be available to County inmates. These programs are anticipated to reduce recidivism of released County inmates.

Special Instructions

Upon approval and execution, the Clerk of the Board should distribute as follows:

- | | |
|------------------------------|--|
| 1. File | Statement of Overriding Considerations |
| 2. Minute Order | Official File |
| 3. Minute Order | Gen Svcs – Attn: Grady Williams |
| 4. Minute Order | Sheriff’s Dept. – Attn: Sheriff Brown |
| 5. Minute Order | Sheriff’s Dept. – Attn: Cmdr Tom Jenkins |
| 6. Copy of Signed Resolution | Sheriff’s Dept. – Attn: Cmdr Tom Jenkins |

Attachments:

- A. CEQA Findings of Identified Impacts to Public Service, Agricultural Resources and Aesthetic/Visual Resources for the project.
- B. Statement of Overriding Considerations
- C. Board Resolution
- D. Draft Version of the Proposal for Santa Barbara County Jail Northern Branch. Includes:
 - Agreement of Cooperation from Board action on June 19, 2007
 - Letter dated January 17, 2008 forming a Reentry Planning Team
- E. Alcohol, Drug and Mental Health Services Letter of Support

Authored by:

Tom Jenkins, Sheriff’s Department Commander, Ext 4249

cc:

Ann Detrick PhD, Director ADMHS