



**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 Office
Department No.: 032
For Agenda Of: October 8, 2013
Placement: Departmental
Estimated Time: 60 minutes
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Sheriff's Office Sheriff Bill Brown (Ext. 4290)
Contact Info: Lieutenant Kelly Hamilton (Ext. 4251)

**SUBJECT: Application for SB1022 State Financing for Northern Branch Jail Project
Expansion**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors takes the following actions:

A). Receive a presentation and report from Sheriff Bill Brown on the opportunity to expand the Northern Branch Jail using funding provided by SB1022. (Attachment A.)

B). Receive and consider an addendum (Attachment B) to the Final Subsequent Environmental Impact Report (State Clearinghouse Number 2007111099) that the Board of Supervisors certified on March 11, 2008.

C). After considering the Final Subsequent Environmental Impact Report (SEIR), State Clearinghouse Number 2007111099, that the Board of Supervisors certified on March 11, 2008, the December 6, 2011 SEIR addendum, and the SEIR addendum attached to this Board Agenda Letter as Attachment B, adopt the CEQA findings in Attachment C, and determine, pursuant to 14 CCR 15162(a), that no subsequent EIR or Negative Declaration is required for this project because:

1. no substantial changes are proposed in the project which require major revisions of the 2008 Final Subsequent EIR;
2. no substantial changes have occurred with respect to the circumstances under which the project is undertaken which require major revisions of the 2008 Final Subsequent EIR; and
3. no new information of substantial importance concerning the project's significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the Final Subsequent EIR was certified in 2008, has been received that requires a subsequent EIR or Negative Declaration.

D). Receive the Planning Commission's report that construction of the proposed 228-bed facility is consistent with the Comprehensive Plan of the County of Santa Barbara pursuant to Government Code section 65402.

E). Adopt a Resolution (Attachment D), which includes:

1. Authorizing the Sheriff to submit an Application (Attachment D) under SB1022 for beds and program space, for funding the expansion of the Northern Branch Jail project in the amount of \$38,976,000, and other provisions related to the application;
2. Approving submission of the four funding preference criteria (1. Commitment of adequate county contribution funds, 2. Initial real estate due diligence, 3. Compliance with CEQA, and 4. Authorization of project documents);
3. Approving the form of following project documents:
 - o Project Delivery and Construction Agreement
([http://www.bscc.ca.gov/download.php?f=/AB_900_Phase_I_-_Project_Delivery_and_Construction_Agreement_\(11-28-12\)_V.1.pdf](http://www.bscc.ca.gov/download.php?f=/AB_900_Phase_I_-_Project_Delivery_and_Construction_Agreement_(11-28-12)_V.1.pdf))
 - o Board of State and Community Corrections Jail Construction Agreement
([http://www.bscc.ca.gov/download.php?f=/AB_900_Phase_II_Form_of_BSCC_Construction_Agreement_\(07-09-13\)_V.1.pdf](http://www.bscc.ca.gov/download.php?f=/AB_900_Phase_II_Form_of_BSCC_Construction_Agreement_(07-09-13)_V.1.pdf))
 - o Ground Lease
(http://www.bscc.ca.gov/download.php?f=/AB_900_Ground_Lease_February_2,_2011_V.1.pdf)
 - o Right of Entry for Construction and Operation
(http://www.bscc.ca.gov/download.php?f=/AB_900_Right_of_Entry_061213_V.1.pdf), and
 - o Facility Sublease
(http://www.bscc.ca.gov/download.php?f=/AB_900_Facility_Sublease_V.1.pdf).
4. Authorize the Chair of the Board of Supervisors to execute the project documents referenced above.

F.) Contingent upon approval of Recommended Action (E), approve the attached Budget Revision #0003143 in the amount of \$3,900,100 transferring such amount from the Strategic Reserve Committed Fund Balance Account to the SB1022 Committed Fund Balance Account, both in the General Fund. This amount, combined with the \$785,000 of land value, constitutes the 10% County Match required for SB1022 financing. (Attachment E).

G). Authorize the County Counsel to sign the CEQA Certification (Attachment F).

H). Authorize the Sheriff to make non-substantive edits to the Application (Attachment D) prior to submission to the Board of State and Community Corrections (BSCC), and to correct any technical deficiencies requested by the BSCC following submission.

Summary Text:

Santa Barbara County is eligible to submit an application to the Board of State and Community Corrections (BSCC) for up to \$40 million of funding from the SB1022 (2012) Adult Local Criminal Justice Facilities Construction Financing Program. For counties awarded financing, SB1022 will pay up to 90% of eligible expense for the design and construction, including expansion or renovation of adult local criminal justice facilities, to maximum of \$40 million for a medium sized county. The BSCC classifies Santa Barbara as a medium sized county. The proposed application for Santa Barbara would add 228 beds to the previously approved 376-bed detention facility at the Northern Branch Jail. The proposed expansion includes (2) 64-bed pods designated for treatment and programming and (2) 50-bed units to be used as for transitional housing. The expansion will also

include office space for the Sheriff's Alternative Sentencing Bureau. The proposed expansion will add approximately 52,208 square feet to the previously approved portion of the Northern Branch Jail.

SB1022 Application Process

Applications for SB1022 financing are due to the BSCC by October 24, 2013, and conditional awards are anticipated to be made in January 2014. Preference will be given to those counties that are the most prepared to proceed in a timely manner. (Cal. Government Code § 15820.96(b).) The BSCC created 4 funding preference criteria for applications:

1. Commitment of adequate county contribution funds,
2. Initial real estate due diligence package submittal,
3. Documentation evidencing CEQA compliance has been completed, and
4. Review and authorization to execute the financing program project documents.

The proposed application seeks to meet each of the 4 preference criteria. (See Attachment D.) The first preference criterion is mandatory if any funding preferences are sought and is based upon the County providing documentation of adequate, available matching funds authorized by the Board of Supervisors "from a source or sources compatible with this financing authority as determined by the State Public Works Board (SPWB)." (See the fiscal analysis section below.) The remaining three criteria are optional for submission with the initial application and are addressed below.

Resolution

The BSCC requires submission of a resolution with the application regarding each of the preference criteria sought in the application as well as other required actions summarized below. (See Attachment D.) The proposed resolution allows the County to request a conditional award of up to \$38,976,000 from the BSCC for construction of the 228-bed detention facility. The resolution also provides assurances that the County will take certain actions following conditional award. Key elements of the resolution include:

- County has appropriated the amount of contribution identified by the County on the application. Currently the estimated contribution for this project is \$3,900,100.
- County's contribution funds are lawfully available, legal and authorized, and not subject to a prior pledge, and the proposed 228-bed detention facility is authorized to proceed in its entirety when and if state financing is awarded.
- Authorization of the Sheriff to sign the Applicant's Agreement and submit the application for funding.
- Assurance that the County will adhere to state requirements and terms of the agreements between the County, the Board of State and Community Corrections and the State Public Works Board in the expenditure of any state financing allocation and county contribution funds.
- Assurance that the County will safely staff and operate the facility that is being constructed within (90) days after project completion.
- The County certifies that it is not and will not be leasing housing capacity in this SB1022 financed adult local criminal justice facility to any other public or private entity for a period of 10 years beyond the completion date of the adult local criminal justice facility.

- Assurance that the County has project site control through either fee simple ownership of the site or comparable long-term possession of the site, and right of access to the project sufficient to assure undisturbed use and possession of the site, and will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site of facility subject to construction, or lease the facility for operation to other entities, without permission and instruction from the BSCC.
- Attestation to \$785,000 as the current fair market land value for the proposed expanded facility.

Project Documents

One of the SB1022 application preference criterion is the review and authorization to execute the financing program project documents, including the Project Delivery and Construction Agreement, the BSCC Jail Construction Agreement, the Ground Leases, the Right of Entry for Construction and Operation, and the Facility Sublease. A hyperlink to each of these documents is provided above and summaries of each of the documents can be found in the BSCC's Request for Proposals, pages 40-46. (http://www.bscc.ca.gov/download.php?f=/SB_1022_Final_RFP_7.23.13_-_1_FOR_WEB.pdf)

In regard to refund obligations, the State has amended the Jail Construction Agreement, to the County's benefit from the version used in the AB900 funding, to include the following:

In the event of termination as provided in Article 1(C)(1), and unless the Parties agree in writing otherwise, Participating County shall, upon notification, refund to the Agencies an amount equal to all State Financing previously disbursed to the Participating County. Any State Financing so remitted to the Agencies may be subject to interest equal to the rate earned by the State Pooled Money Investment Account. *Participating County shall not be required to refund any State Financing in the event of termination solely because, through no fault of Participating County, the Board determines it is not feasible or appropriate to issue bonds or is unable to issue bonds to finance the Participating County's Project. (Italics added)*

CEQA

In 2008 the Board of Supervisors certified a Final Subsequent Environmental Impact Report (SEIR) for the New County Jail Project, for a jail with 808 to 1,520 beds and a reentry facility on a 50-acre site, in Northern Santa Barbara County. In 2011, the County approved within that project a 376-bed detention facility on that 50-acre site, to be funded primarily by State financing via AB900. The Sheriff now proposes within that same project an additional structure for 228 beds and inmate transitional reentry programs, on that 50-acre site and within about 15 feet of the approved 376-bed detention facility, to be funded primarily by State financing via SB1022.

A CEQA addendum to the SEIR has been prepared for the 228-bed facility which proposes minor technical changes or additions to the 2008 Final SEIR (Attachment B). As is described more fully in the addendum, since certification of the Final SEIR on March 11, 2008, no substantial changes are proposed in the project which require revision of the 2008 SEIR; no substantial changes have occurred with respect to the circumstances under which the project is undertaken; and no new information of substantial importance has been received with respect to the project's significant effects or mitigation measures. Therefore, no new EIR or Negative Declaration is required for the recommended actions, as provided in CEQA Guideline 15162. If, in the future, substantial changes occur or circumstances change or new information warrants, additional CEQA review and compliance will occur prior to commencement of the project. The BSCC environmental requirements allow counties to initiate the CEQA process no later than 90 days from notice of conditional award.

Background:

On July 23, 2013, the State of California released a Request for Proposals (RFP) for the SB1022 Construction Financing Program. Different from AB900, this Financing Program does not require beds to be added to the existing system. This Program allows for a range of opportunities to manage the offender population.

This Financing Program provides construction funding for adult local criminal justice facilities. Medium sized counties may be awarded up to \$40 million out of a total of \$160 million available for that county category. Construction funding may include custodial housing, reentry program space and mental health or treatment space. The RFP states that the applicant counties are "expected to judiciously consider programming needs to manage the offender population, and the range of alternative to incarceration that may affect bed space needs. The legislation specifies funding consideration shall be given to counties that are seeking to replace existing compacted outdated, or unsafe housing capacity or are seeking to renovate existing or build new facilities that provide adequate space for the provision treatment and rehabilitation services, including mental health."

On March 8, 2011, the Board of Supervisors authorized the County to proceed with construction of a Northern Branch Jail facility consisting of 376 rated beds. This project is primarily funded through the State AB900 Phase II Project. This project required that the construction add bed capacity to the existing system. This project is currently underway and is expected to be complete in the summer of 2018. The status of this project places Santa Barbara County in an excellent position for award since the project proposed under SB1022 will align with the construction of the new facility

County's Need for SB1022 Financing

Although the AB900 construction will provide much needed beds to the existing system, the Santa Barbara County criminal justice system is still in great need of programming space and housing to address the needs of the expanding population due to the 2011 Public Safety Realignment Act (AB109).

As a direct result of the implementation of AB109, County jail facilities experienced an 11% increase in the housed population in 2012. To adequately address the programming needs of these inmates, the Santa Barbara County Community Corrections Partnership (CCP) has been very active in identifying unmet needs. The CCP has focused some of its limited resources on identifying and implementing evidenced-based programming designed to assist the incarcerated individual in successfully transitioning from jail to the community.

On August 20, 2013, a snapshot of the Santa Barbara County Jail facilities population revealed that 53% of the sentenced inmate population were AB109 inmates. Additionally, approximately 55% of those inmates had sentences of more than one year. Our existing facilities were simply not designed for the detention and service needs of long-term inmates. The additional housing units proposed in the SB1022 application will provide the programming space needed to address these inadequacies.

Should the County be successful in receiving the requested \$38,976,000 funding, 228 rated beds will be added the Northern Branch Jail along with programming space and community accessibility that will enhance the ability of the inmate to successfully re-enter the community and reduce the rate of recidivism.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:**Construction**

The application documents a proposal for a 52,208 sq. ft. facility, housing 228 inmates in four different housing units. If successful, the cost of the project would be divided between State funds from SB1022 and County costs. At this time the allocation of those costs are as follows:

(rounded to \$00's)

	State Costs	County Costs	Total Costs	Required Match
State funds from SB 1022	\$ 38,976,000	\$ -	\$ 38,976,000	\$ 3,897,600
County Cash Match	-	2,210,000	2,210,000	\$ 221,000
County In-Kind Match	-	2,156,100	2,156,100	\$ 215,600
County In-Kind Overmatch	-	92,900	92,900	\$ 9,300
Sub-total Eligible Costs	\$ 38,976,000	\$ 4,459,000	\$ 43,435,000	\$ 4,343,500
County Ineligible Costs	-	226,100	226,100	22,600
Total Proposed Project Cost	\$ 38,976,000	\$ 4,685,100	\$ 43,661,100	\$ 4,366,100

Total County Costs	\$ 4,685,100
Land cost, paid	(785,000)
Total funds to be set aside	\$ 3,900,100

The County is required by the RFP to provide a minimum of 10% of the total cost of the application in match funds or \$4,366,100. Matching funds are provided in cash or eligible in-kind expenses, to qualify for the SB1022 financing program. For this project the County's total match of estimated costs is made up of Cash Match, In-Kind Match, In-Kind Overmatch and Ineligible Costs totaling \$4,685,100, or 10.8% of the Application cost of \$43,435,000. Examples of in-kind match expenses include an allocation of the cost of the land that the facility will reside on, internal management fees and transition costs to prepare to open the facility. Examples of ineligible costs include travel expenses for consultants and county staff and printing and mailing costs for the bid process. Since the land for the project was already purchased, the proportional value of the land (\$785,000) will reduce the County's total match required to be set aside to \$3,900,100.

In addition, some costs that must be incurred for the project are not eligible for in-kind match status and are shown as Ineligible Costs. Examples of these costs include travel costs for consultants and county staff, printing and advertising costs for bid process, and archiving costs. The projected total of such costs are \$226,100.

Budget Journal Entry #0003143 uses County Strategic Reserve to fund the Cash Match requirement of \$3,900,100 to demonstrate the commitment of the County to this project. The final source of the match funds can be determined once the County receives a conditional award and agreements between the County and the BSCC and SPWB are finalized.

Operating Costs

The 228-bed facility will require four "posts" of five Custody Deputies each to safely operate one post for each housing module. Therefore, total staffing for the facility will be 20 Custody Deputies. Due to the adjacencies to the Northern Branch Jail facility, several operational needs for the new facility will be leveraged from the larger facility such as supervision of staff, infrastructure and administrative support. Costs in addition to staff include utilities, medical services and food for the inmates, and some non-personnel administrative costs associated with the new facility.

As noted in the chart below, the total cost to operate the 228 bed facility in FY2018-19, the first year the facility would operate, is estimated to be \$4,799,200. However, it is anticipated that 15 Custody Deputies positions will be transferred from the Main Jail and Medium Security Facility, requiring the authorization of only five additional Custody Deputy positions be created and filled.

Staffing Estimate – 228-bed facility (gross)	\$2,950,900
Services & Supplies & Other Charges	\$1,848,300
sub-total	\$ 4,799,200
Less: Existing Staff transferred to facility	(2,269,900)
Less: Services & Supplies transferred/saved	(1,276,900)
Plus: General Services Staff (\$98,500) & materials (\$60,500)	159,000
Net Additional Operating Cost in FY2018-19	\$1,411,400

Maintenance of the new facility will require two Maintenance Workers in the General Services Department plus costs for materials and equipment. One of those positions will be transferred from the Main Jail. Therefore, for FY2018-19, the net cost totals \$159,000.

A source of funding for the majority of the operating cost from this application has been realized in the reevaluation of the AB900 Operating Cost model. When AB900 was last brought to your Board, it was reported that the ultimate Net Operating Costs projected for FY2018-19 would be \$17,345,300. Since that presentation, the Sheriff's Office has reevaluated the cost of services for AB900 and made the following changes:

- Lower salary and benefit costs due to the implementation of Public Employees' Pension Reform Act (PEPRA);
- Higher Inmate Medical costs due to an understatement of cost for a full care facility in the original estimate;
- Higher Services & Supplies costs due to an omission of costs for the full 376 bed facility
- Inclusion of greater levels of savings, both Inmate Medical and other Services & Supplies, due to transfers from the Main Jail to the Northern Branch Jail that follow the inmates shifted to the new facility.

These adjustments reduce the cost of the AB900 operation by \$1,100,700 to \$16,244,600. These projected savings can be applied to the cost of the SB1022 operation, creating a total cost for both facilities of \$17,656,000, a net increase of only \$310,700 over the original AB 900 cost model.

A table of the originally projected AB900 operating costs, recent AB900 adjustments and projected SB1022 costs is shown below.

	AB900 Cost Estimate 12/2011	AB900 Changes	Total Adjusted AB900	SB1022 Op. Costs	Total AB900 & SB1022
Gross Operating Costs:					
Personnel	\$ 16,989,700		\$ 16,989,700	\$ 2,950,900	\$ 19,940,600
Non-personnel	\$ 3,515,100		3,515,100	\$ 1,848,300	5,363,400
Adjustments:					
Retirement costs (PEPRA)		(1,278,000)	(1,278,000)		(1,278,000)
Inmate Medical Costs		823,900	823,900		823,900
Other Services & Supplies		487,600	487,600		487,600
Adj. Gross Costs	\$ 20,504,800	\$ 33,500	\$ 20,538,300	\$ 4,799,200	\$ 25,337,500
Transfer costs to No. Co. Jail:					
Staffing	(3,824,100)	114,100	(3,710,000)	(2,269,900)	(5,979,900)
Inmate Medical		(660,922)	(660,922)	(1,276,900)	(1,937,822)
Services & Supplies	(63,000)	(587,378)	(650,378)		(650,378)
General Services Staff & Materials	727,600		727,600	159,000	886,600
Adjusted Total Net Operating Costs	\$ 17,345,300	\$ (1,100,700)	\$ 16,244,600	\$ 1,411,400	\$ 17,656,000
AB900 Operating Cost Estimate 12/2011					\$ 17,345,300
Net Increase in Costs					\$ 310,700

It should be noted that all costs represented here are based on FY2013-14 budgeted expenditures for Custody Operations in the Sheriff's Office, rolled forward to FY2018-19 levels. Certain assumptions on costs in the new facility were made including, but are not limited to:

- Salaries & Benefits are increased 3% per year
- Costs for new employees hired to staff the facilities were modified to account for the implementation of PEPRA. Fully loaded costs from the FY2013-14 Salary Model were reduced by 10% to account for the savings from PEPRA retirement costs.
- All Services & Supplies are increased 3% per year except for Outside Medical Costs and Pharmaceuticals, which are increased 7% per year.
- The staffing models for both SB1022 and AB900 are pre schematic design for the facilities. Once schematic design is complete, the State requires an outside consultant to complete a staffing model for the design. That final study could differ from the models presented here.

Special Instructions:

Request Clerk of the Board to return a certified copy of the resolutions to Lieutenant Hamilton at the Sheriff's Department, along with a copy of the minute order.

Attachments:

- A: Presentation
- B: October 8, 2013 Addendum to the 2008 Final SEIR
- C: CEQA Findings
- D: SB1022 Application
 - Tab 1: Project Information
 - Tab 2: Cost and Budget Summary
 - Tab 3: Project Timetable
 - Tab 4: Fact Sheet
 - Tab 5: Narrative
 - Tab 6: Board of Supervisors Resolution
- E: Budget Revision
- F: CEQA Certification
- G: Other Attachments:
 - SB1022 Project Details
 - Site Plan
 - Needs Assessment
 - Sheriff's Treatment and Re-Entry (S.T.A.R.) Space Outline
 - SB-1022 RFP
 - Real Estate Due Diligence
 - o Preliminary Title Report
 - o Appraisal Report
 - o Records Search and copies of documents and assessor's map
 - o Unrecorded rights certification letters
 - o Title exceptions map
 - 65402 Action Letter

Authored by:

Commander Sams and Lieutenant Hamilton, 681-4251

cc: