



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



**Date:** August 28, 2013  
**Board Meeting Date:** September 17, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Sheriff Greg Munks

**Subject:** Response to Request for Proposals from the Board of State and Community Corrections seeking \$80 million dollars in local jail construction funding pursuant to SB 1022

**RECOMMENDATION:**

Adopt a Resolution authorizing the Sheriff to apply for local jail construction funding from the State of California Board of State and Community Corrections pursuant to the provisions of SB 1022.

**BACKGROUND:**

On June 27, 2012, SB 1022 became law, authorizing \$500 million dollars in state lease-revenue bond financing for the construction of local county criminal justice facilities. These funds are provided to help counties deal with the effects of realignment relating to both bed capacity and the provision of inmate programming. An RFP was issued by the Board of State and Community Corrections (BSCC) on July 23, 2013. Responses to the RFP are due back to the BSCC on October 24, 2013.

**DISCUSSION:**

San Mateo County has been planning and designing a new jail since 2005. In 2008, the County applied for the first round of state lease-revenue bond funding for local jail construction under the auspices of AB 900. The BSCC (then the Corrections Standards Authority) issued a preliminary award of \$100 million dollars to San Mateo County. Ultimately, the County opted not to accept the award due to the onerous requirement to site a state re-entry prison in the County.

SB 1022 regulations do not require the inclusion of a state re-entry prison. However, the process that is dictated in SB 1022 relating to the eventual ownership of the newly constructed jail and the subsequent re-leasing provisions are the same as AB 900.

SB 1022 contains some rating factors that are favorable to San Mateo County. For example, a County's "readiness to build" is given a preference in the rating process. The BSCC has set aside \$240 million dollars of SB 1022 funding for the large sized counties in the State. There are 14 counties, including San Mateo, in this grouping. The maximum award for any one county is \$80 million dollars. Counties are required to provide a 10% local dollar match, which amounts to \$8 million dollars for San Mateo County. Counties are allowed to apply for projects consisting of only programming space or alternatively, both new beds and programming space together. San Mateo County's SB 1022 application includes the approved 576 bed capacity and a significant program space component. Counties can apply for only one project under SB 1022.

An Executive Steering Committee consisting of Sheriffs, County Managers, Probation Officials and County Supervisors has been appointed by the BSCC to evaluate all RFP responses and will make a recommendation for funding preferences in mid-December of 2013 and the full BSCC Board is expected to make its final conditional awards of SB 1022 funding in January 2014.

Following a conditional award, the County will work closely with the BSCC and the State Public Works Board (SPWB) to develop all the required leasing and financing documents that will stay in place until the state bonds are fully retired. As construction of our new jail progresses, the project's construction manager and the Jail Planning Unit will collaborate with the BSCC to ensure that all applicable building codes, State standards and financing provisos are strictly adhered to. These requirements could delay the construction schedule for the jail which may increase project costs. These cost increases would of course be more than offset by the \$80 million dollar SB 1022 award.

Applying for SB 1022 funding contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring a safe and cost effective new jail facility. County Counsel has reviewed and approved the resolution and application as to form.

**Performance Measure(s):**

<b>Measure</b>	<b>FY 2012-03 Actual</b>	<b>FY 2013-14 Projected</b>
<b>State Lease-Revenue Bond Funding</b>	<b>0</b>	<b>\$80,000,000</b>

**FISCAL IMPACT:**

If the County is awarded the full \$80 million dollars in State lease-revenue bonds, it is expected to save the County as much as \$120 million dollars in capital outlay and on-going bond financing costs.

