

FILE NO.

RESOLUTION NO.

1 [Application – Sheriff’s Department - Renovation of County Jail No. 2]

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3 **Resolution authorizing the Sheriff’s Department to submit a funding application to the**
4 **Board of State and Community Corrections pursuant to California State Senate Bill 844**
5 **(2016) for a proposed project to renovate County Jail No. 2; outlining the cash**
6 **contribution and additional funds for the proposed project; and conditionally**
7 **approving the form and execution of associated financing and construction**
8 **documents.**

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10 WHEREAS, Under Senate Bill 844, Chapter 34, Statutes of 2016 ("SB 844"), the State
11 of California authorized the California State Public Works Board ("SPWB") to issue up to
12 \$270,000,000 in lease revenue bonds, notes, or bond anticipation notes to finance the
13 acquisition, design, renovation, and construction of approved adult local criminal justice
14 facilities; and

15 WHEREAS, On December 30, 2016, the Board of State and Community Corrections
16 ("BSCC") issued a Request for Proposals for Construction of Adult Local Criminal Justice
17 Facilities ("SB 844 RFP"), a copy of which is on file with the Clerk of the Board of Supervisors
18 in File No. _____, and is incorporated herein by reference; and

19 WHEREAS, In 1992, the City and County of San Francisco ("County") developed
20 Seismic Hazard Ratings for over 200 of its public buildings on a scale from one to four, with
21 four representing the most seismically deficient, and County’s Hall of Justice building at 850
22 Bryant Street ("HOJ") is a seismically deficient building that received a rating of three; and

23 WHEREAS, County Jail No. 3 and County Jail No. 4 are located in the HOJ and have a
24 combined total of 905 (826 rated) bed facilities; and

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1 WHEREAS, If the HOJ sustains significant damage due to a major seismic event, the
2 estimated cost to relocate and transport inmates housed in County Jail No. 3 and County Jail
3 No. 4 is estimated to be tens of millions of dollars, and replacing County Jail No. 3 and County
4 Jail No. 4 has been a high priority of the County’s Ten-Year Capital Plan since its inception in
5 2006; and

6 WHEREAS, If County Jail No. 2, which is located at 425 Seventh Street, is renovated
7 to house higher security classifications, it could house some prisoners who otherwise need to
8 be housed in County Jail No. 3 or County Jail No. 4; and

9 WHEREAS, Renovating County Jail No. 2 to house higher security classifications (the
10 “Proposed Renovation Project”) is currently estimated to cost \$82,000,000; and

11 WHEREAS, The County is qualified to receive up to \$70,000,000 of SB 844 funds for
12 the Proposed Renovation Project, which would substantially offset its cost; and

13 WHEREAS, The County would need to apply for the SB 844 funds by submitting an
14 Proposal Form in substantially the form on file with the Clerk of the Board of Supervisors in
15 File No. _____ (“Proposal Form”), which is incorporated herein by reference; and

16 WHEREAS, If County received the SB 844 funds, it would need to provide a matching
17 County contribution of \$8,200,000 (“County’s Cash Contribution”) and fund the additional
18 \$3,800,000 (“Additional Contribution”) needed to fully fund the Proposed Renovation Project;
19 and

20 WHEREAS, If the County receives a conditional intent to award SB 844 financing for
21 the Proposed Renovation Project, County staff will submit legislation authorizing the use of
22 \$12,000,000 of commercial paper to fund the remainder of the County’s Cash Contribution
23 and the Additional Contribution to this Board of Supervisors for consideration; and

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1 WHEREAS, The submitted application for SB 844 financing must include a resolution
2 that is adopted by this Board of Supervisors and authorizes an adequate amount of available
3 funds for County’s Cash Contribution; and

4 WHEREAS, The submitted application for SB 844 financing must include a resolution
5 that is adopted by this Board of Supervisors that authorizes the execution of a Project Delivery
6 and Construction Agreement, a Jail Construction Agreement, and a Right of Entry for
7 Construction and Operation (collectively, “Construction Documents”), and a Ground Lease,
8 Site Lease, Facility Lease, and a Facility Sublease (collectively, the “Financing Documents”),
9 which are substantially the forms on file with the Clerk of the Board of Supervisors in File No.
10 _____, and the Construction Documents and the Financing Documents are hereby
11 declared to be a part of this resolution as if set forth fully herein; and

12 WHEREAS, The Planning Department determined the Proposed Renovation Project is
13 categorically exempt from the California Environmental Quality Act and issued a Notice of
14 Exemption for Case No. 2017-000401ENV with respect to such determination, which letter is
15 on file with the Clerk of the Board of Supervisors in File No. _____ and is incorporated
16 herein by reference; now therefore be it

17 RESOLVED, The County is authorized to submit an application for \$70,000,000 of SB
18 844 funds in response to the SB 844 RFP; and, be it

19 FURTHER RESOLVED, The County Sheriff is authorized to execute and submit the
20 Proposal Form to the BSCC; and, be it

21 FURTHER RESOLVED, The County will be authorized to proceed with the Proposed
22 Renovation Project if County is awarded and accepts the SB 844 financing for the Proposed
23 Renovation Project and this Board of Supervisors approves the contracts for the design of the
24 Proposed Renovation Project, if such contract is for more than \$10,000,000 (the “Acceptance
25 Conditions”); and, be it

1 FURTHER RESOLVED, This Board of Supervisors does hereby approve the form of
2 the Construction Documents and the Financing Documents, as may be modified by mutual
3 agreement of County and BSCC to allow County Jail No. 2 to be encumbered with the
4 Financing Documents for the SB 844 funds awarded for the Proposed Renovation Project and
5 the financing documents related to the issuance of County's General Fund certificates of
6 participation for the Proposed Renovation Project if necessary; and, be it

7 FURTHER RESOLVED, If the Acceptance Conditions are fully satisfied, the
8 Controller's Director of Public Finance is hereby authorized and directed to cause the
9 issuance of not more than \$12,000,000 of County's commercial paper for the Proposed
10 Renovation Project, such commercial paper to be refinanced on a long term basis from
11 available County funds or certificates of participation or other forms of indebtedness as this
12 Board shall approved; and, be it

13 FURTHER RESOLVED, If the Acceptance Conditions are fully satisfied, the following
14 persons (collectively, the "Authorized Officers"), will be authorized to execute the Construction
15 Documents and the Financing Documents as specified below for and in the name of the
16 County at such time and in such manner as is required for the awarded SB 844 financing,
17 modified as may be necessary for a design-build project, with such additions thereto and
18 changes therein as are required by the BSCC or the SPWB to effectuate the financing
19 program for the SB 844 financing, if the applicable Authorized Officers, determine, in
20 consultation with the County's City Attorney, such changes are in the best interest of the
21 County, do not materially increase the obligations or liabilities of the County, are necessary or
22 advisable to effectuate the purposes of the Construction Documents, the Financing
23 Documents or this Resolution, and are in compliance with all applicable laws, including the
24 County's Charter, and approval of such changes shall be conclusively evidenced by the
25 execution and delivery thereof by the applicable Authorized Officers, with (i) County's Director

1 of Property or his or her designee, acting alone, authorized to sign the Financing Documents,
2 (ii) County's Director of Property or his or her designee, authorized to sign the Right of Entry
3 for Construction and Operation and the Facilities Sublease on behalf of the County, (iii)
4 County's Controller or his or her designee, County's Sheriff or his or her designee, and the
5 Director of San Francisco Public Works or his or her designee, acting together, authorized to
6 sign the BSCC Jail Construction Agreement, and (iv) County's Controller or his or her
7 designee, and County's Sheriff or his or her designee, acting together and with the
8 recommendation of the Director of San Francisco Public Works or his or her designee,
9 authorized to sign the Project Delivery and Construction Agreement.

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RECOMMENDED BY:

Vicki L. Hennessy, Sheriff