

1 [Issuance of Tax Exempt and Taxable Commercial Paper Notes - Construction of
2 Rehabilitation Detention Facility - Not to Exceed \$11,310,000]

3 **Resolution authorizing the execution and delivery of tax-exempt and/or taxable**
4 **commercial paper notes in an aggregate amount of up to \$11,310,000 to provide interim**
5 **funding for the construction of the Rehabilitation Detention Facility to replace County**
6 **Jail No. 3 and County Jail No. 4, and determining other matters in connection therewith.**

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8 WHEREAS, Under Senate Bill 863, Chapter 37, Statutes of 2015 ("SB 863"), the State
9 of California authorized the Board of State and Community Corrections ("BSCC"), the
10 California State Public Works Board ("SPWB"), and participating counties to acquire, design
11 and construct adult local criminal justice facilities approved by the BSCC; and

12 WHEREAS, SB 863 authorized the SPWB to issue up to \$500,000,000 in lease
13 revenue bonds to finance the acquisition, design, renovation, and construction of approved
14 adult local criminal justice facilities; and

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

19 WHEREAS, If the HOJ sustains significant damage due to a major seismic event, the
20 estimated cost to relocate and transport inmates housed in County Jail No. 3 and County Jail
21 No. 4 is estimated to be tens of millions of dollars, and replacing County Jail No. 3 and County
22 Jail No. 4 has been a high priority of the City's Ten-Year Capital Plan since its inception in
23 2006; and

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1 WHEREAS, This Board of Supervisors adopted a FY 2016-2025 Ten-Year Capital Plan
2 on April 30, 2015, showing that the City could fully fund a replacement jail facility in an amount
3 equal to \$278,000,000 with General Fund supported certificates of participation; and

4 WHEREAS, The replacement of County Jail No. 3 and County Jail No. 4 with a new
5 Rehabilitation Detention Facility adjacent to HOJ (the “Proposed Facility”) is currently
6 estimated to cost \$240,000,000; and

7 WHEREAS, On July 21, 2015, this Board of Supervisors adopted Resolution No. 261-
8 15, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 150701 and
9 is incorporated herein by reference, to adopt the Mitigated Negative Declaration and
10 Mitigation Monitoring & Reporting Program and to authorize the City to submit an application
11 for \$80,000,000 of SB 863 funds for the Proposed Facility; and

12 WHEREAS, On November 12, 2015, the BSCC delivered a conditional intent to award
13 \$80,000,000 in SB 863 funds to City for the Proposed Facility (the “State Funds”), a copy of
14 which is on file with the Clerk of the Board of Supervisors in File No. 151185 and is
15 incorporated herein by reference, which award amount requires a matching City contribution
16 of \$24,000,000 (“City’s Cash Contribution”) that is compatible with the lease revenue financing
17 that comprises the State Funds; and

18 WHEREAS, Under budgets adopted by this Board of Supervisors for FYs 2012-2016,
19 \$12,690,000 was appropriated to the City’s Sheriff’s Department through the capital budget
20 for the Proposed Facility, which amount could partially fund City’s Cash Contribution; and

21 WHEREAS, This Board of Supervisors has established a General-Fund backed
22 commercial paper program (the “Program”) by Resolution No. 85-09, adopted on March 17,
23 2009, and Resolution No. 136-10, adopted on April 6, 2010, copies of which are on file with
24 the Clerk of the Board of Supervisors in File No. 151185, and incorporated herein by
25 reference; and

1 WHEREAS, This Board of Supervisors has determined to authorize the issuance of
2 Commercial Paper in an amount up to \$11,310,000 to provide interim financing to fund the
3 remaining portion of the City's Cash Contribution; now, therefore, be it

4 RESOLVED, That the City's Controller or Director of the Office of Public Finance is
5 authorized to issue commercial paper notes in an aggregate principal amount not to exceed
6 \$11,310,000 to finance the remainder of City's Cash Contribution for the construction of the
7 Proposed Facility, and, be it

8 FURTHER RESOLVED, That the City Controller, the Director of Public Finance, the
9 Clerk and other officers of the City and their duly authorized deputies, designees and agents
10 are hereby authorized and directed, jointly and severally, to take such actions and to execute
11 and deliver such certificates, agreements, requests or other documents as they may deem
12 necessary or desirable to accomplish the purposes of this Resolution with respect to the
13 issuance of commercial paper notes, any such actions being solely intended to further the
14 purposes of this Resolution, and are subject in all respects to the terms of this Resolution, and
15 no such actions shall increase the risk to the City or require the City to spend any resources
16 not otherwise granted herein, and, be it

17 FURTHER RESOLVED, That all actions authorized consistent with any documents
18 presented herein and approved by this Resolution but heretofore taken are hereby ratified,
19 approved and confirmed by the Board, and, be it

1 FURTHER RESOLVED, This Resolution shall take effect immediately.

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3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA, City Attorney

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By: _____

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MARK D. BLAKE
Deputy City Attorney

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