

File No. 151187

Committee Item No. 41

Board Item No. 40

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date December 2, 2015

Board of Supervisors Meeting

Date DECEMBER 15, 2015

Cmte Board

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Completed by: Linda Wong Date November 23, 2015
Completed by: LW Date 12/10/15

1 [Accept and Expend State Bond Financing - State Public Works Board - Construction of
2 Rehabilitation and Detention Facility - \$80,000,000]

3 **Resolution authorizing the Sheriff's Department to accept and expend \$80,000,000 of**
4 **lease revenue bond financing from the State Public Works Board to fund the**
5 **construction of the Rehabilitation and Detention Facility project to replace County Jail**
6 **No. 3 and County Jail No. 4.**

7
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

1 WHEREAS, This Board of Supervisors adopted a FYs 2016-2025 Ten-Year Capital
2 Plan on April 21, 2015, showing that the City could fully fund a replacement jail facility in an
3 amount 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 and 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. 151187 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, Under companion legislation on file with the Clerk of the Board of
22 Supervisors in File No. 151174 (the "Companion Resolution"), which is incorporated herein by
23 reference, this Board of Supervisors would authorize the issuance of commercial paper to
24 fund the remaining portion of the City's Cash Contribution; now, therefore, be it

25

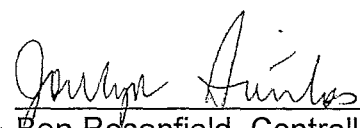
1 RESOLVED, That if this Board of Supervisors adopts the Companion Resolution, the
2 City's Sheriff's Department is authorized to accept and expend \$80,000,000 of lease revenue
3 bond financing from the SPWB to fund the construction of the Proposed Project.
4

5
6 RECOMMENDED:

7 
8 _____
9 Ross Mirkarimi
10 Sheriff

11
12 APPROVED:

13 
14 _____
15 Mayor Edwin Lee

16
17 
18 _____
19 for Ben Rosenfield, Controller

Items 37 through 41
Files 15-1174, 15-1175, 15-1184,
15-1185 & 15-1187

Departments: Department of Public Works (DPW)
 Controller's Office of Public Finance
 Sheriff's Department

EXECUTIVE SUMMARY

Legislative Objectives

The proposed legislation related to the Jail Replacement Project would authorize: (1) the Sheriff's Department to accept Board of State and Community Corrections (BSCC) funds of \$80,000,000; (2) acquisition of property for the replacement jail, and execution of the purchase agreement without further Board of Supervisors approval; (3) issuance of up to \$11,300,000 as a match to the BSCC funds; (5) issuance of up to \$215,000,000 of Certificates of Participation (COPs), and (e) appropriation of \$215,000,000 in COPs.

Key Points

- The City has determined that County Jails No. 3 and No. 4, located in the Hall of Justice (HOJ), are seismically deficient and outdated. The proposed replacement jail is 384 beds located on property adjacent to the HOJ.
- Total projects costs for a new replacement jail facility are estimated to be \$240,000,000. The BSCC awarded the Sheriff's Department \$80,000,000 to partially fund construction of a new jail. The balance of funding of \$160,000,000 would come from the issuance of COPs.
- The BSCC funds require a match of \$24,000,000, of which \$12,690,000 were previously appropriated General Fund monies, and \$11,310,000 are commercial paper.
- The BSCC funds additionally require that the City must obtain title to the property no later than 90 days of the award, by February 11, 2016.

Fiscal Impact

- File 15-1175 would appropriate \$215,000,000 in COPs including: \$160,000,000 for Jail Replacement Project costs, \$48,305,000 for associated financing costs; and \$6,695,000 to allow for market fluctuations.

Policy Consideration

- File 15-1184 authorizes the Director of Real Estate to purchase four properties for the Jail Replacement Project without further approval by the Board of Supervisors if the purchase price is fair market value. According to the Director of Real Estate, bringing the purchase agreement back to the Board of Supervisors for approval is not feasible because the property purchase needs to close and the City obtain title by February 11, 2016.
- While the legislation does not define how "fair market value" will be determined, the appraised value is \$14,350,000; however the legislation does not define the amount for the purchase price. Sale of land to a public entity does not require the seller to pay transfer tax. The value to the sellers of not paying transfer tax is not included in determination of fair market value.

Policy Consideration (continued)

- The proposed replacement jail would include 384 beds, based on a 2014 study of average daily inmate population by the Budget and Legislative Analyst. However, in June 2015, the Controller's Office published a report that forecasts a need for only 120 to 393 beds in a new facility. The low end of the forecast range of 120 beds is 264 beds less than the proposed 384 replacement beds

Recommendations

- Amend File 15-1175 to specify that the COPs proceeds will be used to refund \$12,690,000 in General Fund monies, which were previously appropriated by the Board of Supervisors in FY 2012-13 through FY 2015-16 to fund Jail Replacement Program costs.
- Amend File 15-1184 to require the Director of Real Estate to report on the details of the purchase agreement(s) for the four properties to be acquired within five days of the execution of the purchase agreement. As noted above, under the proposed resolution, the Directory of Real Estate would be authorized to purchase the subject properties without further Board of Supervisors approval.
- Amend File 15-1184 to state that the Director of Real Estate is authorized to acquire the four properties for "up to \$14,500,000".
- Amend File 15-1184 to request the Director of Real Estate to include consideration of the benefit to the sellers of not paying \$248,850 in real property transfer taxes in the negotiations of the final purchase price.
- Approval of the proposed resolutions (15-1184, 15-1185, 15-1187) and ordinances (15-1174 and 15-1175) are a policy matter for the Board of Supervisors.

MANDATE STATEMENTS

File 15-1187: City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

File 15-1185: Charter Section 9.113(e) states that the Board of Supervisors shall have the power to borrow money by the issuance of tax anticipation notes, temporary notes, commercial paper, or any other short-term debt instruments in the manner provided by state law or City ordinance.

File 15-1175: City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

File 15-1174: Charter Section 9.118 requires Board of Supervisors approval for (1) contracts exceeding ten years or expenditures of \$10,000,000; and (2) leases with a term of over ten years or expenditures of over \$10,000,000. The proposed not-to-exceed issuance of \$215,000,000 of Certificates of Participation requires the City to enter into a lease which exceeds ten years and \$10,000,000.

File 15-1184: Administrative Code Section 23.1 requires Board of Supervisors approval of all resolutions and ordinances approving real property transactions. Administrative Code Section 23.4 requires Board of Supervisors approval of the granting of real property to the City before the Director of Real Estate can accept the deed to the property.

BACKGROUND

The City's Capital Planning Committee has determined that County Jails No. 3 and No. 4, located in the Hall of Justice (HOJ) at 850 Bryant Street, are seismically deficient and outdated. Replacing County Jails No. 3 and No. 4 has been a high priority in the City's Ten-Year Capital Plan since 2006.

Project Description

The proposal for a replacement jail has 384 beds, a 57 percent decrease from the 903 beds currently in County Jails No. 3 and No. 4. The replacement jail with 384 beds would reduce the system wide number of beds by 21 percent.¹

In addition to being seismically deficient, the design of County Jails No. 3 and No. 4 is outdated, using unsafe linear housing units and has insufficient medical, health and program spaces. The proposed replacement jail would be designed similar to County Jail #5 located in San Bruno, with a modern direct supervision layout including modular housing units, increased program space and increased space for the medical and mental health treatment services. Table 1

¹ The Sheriff's Department has 2,515 beds in five county jails. Replacing the 903 beds in County Jails No. 3 and 4 with 384 beds in the proposed replacement jail reduces the total number of beds to 1,996, a reduction of 519 beds. Of the existing 2,515 beds, only 2,438 are deemed useable.

below compares square footage in the existing County Jails No. 3 and No. 4 to the proposed replacement jail.

Table 1: Comparison of Number of Beds and Square Feet

Space Type	Current CJs #3 & #4	Replacement Jail	Percentage Change
Number of Beds	903	384	-57%
	<u>Square Feet</u>	<u>Square Feet</u>	
Housing	41,300	15,000	-64%
Dayroom	22,200	50,000	125%
Classrooms- Program Areas	680	9,000	1224%
Exercise Yard	5,900	5,100	-14%
Medical/Health Services	1,200	7,000	483%
Total Square Feet	71,280	86,100	20.8%

Source: Presentation to November 16, 2015 Capital Planning Committee

The City's Real Estate Division is proposing to purchase four properties located at 814-820 Bryant Street, 444 6th Street, 450 6th Street and 470 6th Street, adjacent to the HOJ to construct the replacement jail, as shown in the Exhibit below.

Exhibit: Hall of Justice and New Jail Facility Site Map



Project Timeline

The Department of Public Works (DPW) expects to issue a Request for Qualifications (RFQ) for the design-build contractor to design and construct the replacement jail in March 2016 and award the contract by November 2016. Construction is expected to commence in the September 2017 and be completed by the end of 2020.

DETAILS OF PROPOSED LEGISLATION

File 15-1187: The proposed resolution would authorize the Sheriff's Department to accept and expend \$80,000,000 of funds from the Board of State and Community Corrections (BSCC) and the State Public Works Board to partially fund the construction of the new jail to replace County Jail No. 3 and County Jail No.4.

File 15-1184: The proposed resolution would authorize the acquisition of real property at 814-820 Bryant Street, 444 6th Street, 450 6th Street and 470 6th Street (Lots 009, 012, 014, 043 and 045 all in Assessor's Block 3759) from Lin Trust, Musso Trust, and Myung Chun respectively; and (b) issuance of Commercial Paper Notes in an aggregate principal amount not to exceed \$14,500,000.

File 15-1185: The proposed resolution would authorize the execution and delivery of tax-exempt and/or taxable commercial paper notes in an amount up to \$11,310,000 to provide interim funding to meet the matching fund requirement for the grant and for the construction of the Rehabilitation Detention Facility ("Jail Replacement Project") to replace County Jail No. 3 and County Jail No. 4.

File 15-1174: The proposed ordinance would:

- Authorize the execution and delivery of not to exceed \$215,000,000 of Certificates of Participation (COPs) to finance the costs of acquisition, construction and installation of certain additions and improvements for the replacement jail;
- Authorize the issuance of commercial paper notes in advance of the delivery of the COPs;
- Authorize the Director of Public Finance to cause the preparation of documents necessary for the execution and delivery of the COPs including a Trust Agreement, Property Lease and a Lease Agreement, Purchase Contract, Official Notice of Sale and Notice of Intention to Sell Certificates including publication, approving the form of the Preliminary Official Statement and Official Statement, and approving the form of the Continuing Disclosure Certificate;
- Grant general authority to City officials to take necessary actions in connection with the authorization, execution, sale and delivery of the COPs;
- Approve modifications to documents and agreements;
- Declare the City's intent to reimburse certain expenditures; and
- Ratify previous actions taken.

File 15-1175: The proposed ordinance would appropriate \$215,000,000 in Certificates of Participation (COPs) for construction of the replacement jail and associated costs in Fiscal Year (FY) 2015-16 and place these funds on Controller's Reserve pending the sale of the COPs.

California Board of State and Community Corrections (BSCC) Funds (File 15-1187)

In July 2015, the Board of Supervisors authorized the Sheriff's Department to apply for \$80,000,000 in California Board of State and Community Corrections (BSCC) funds designated for construction of correctional facilities and funded by Senate Bill 863. The City previously

applied for these funds in 2013, but was not awarded any funding. On November 13, 2015, the BSCC awarded the City \$80,000,000 in funding as a partial funding source for the construction of the replacement jail. The BSCC requires the title of land for the replacement jail to be secured within 90 days of the conditional award, or by February 11, 2016.

Acquisition of Real Property to Construct the Replacement Jail (File 15-1184)

The City has identified four properties for the jail to replace County Jails No. 3 and No. 4 located immediately adjacent to the current HOJ, as shown in the Exhibit above. The City's Real Estate Division expects to begin negotiations with the property owners to acquire these sites upon approval of the proposed resolution.

Commercial Paper (File 15-1185)

The BSCC funds of \$80,000,000 require a City match of \$24,000,000. \$12,690,000 in General Fund monies were previously appropriated by the Board of Supervisors in FY 2012-13 through FY 2015-16, and can be allocated toward the City's required match. The balance of the match will come from the requested \$11,310,000 in commercial paper.²

Certificates of Participation (File 15-1174)

The Office of Public Finance expects to issue up to \$215,000,000 in COPs for the Jail Replacement Project in September 2017. The COPs will be structured as an abatable³ asset-transfer lease by and between the City and a third-party trustee, in which the City leases a City-owned property to a trustee, and the City leases back the leased property from the trustee. The City would make annual rental payments to the trustee in amounts required to repay the COPs. When they COPs are paid, the lease would terminate, and the City would return to owning the asset outright.

In this case, the asset and leased property for the COPs is expected to be a portion of City-owned San Francisco General Hospital located at 1001 Potrero Avenue (Lot 001, Block 4154). The City's General Fund secures repayment of the COPs.

Environmental Findings

On July 21, 2015, the Board of Supervisors approved the Final Mitigated Negative Declaration and Mitigation Monitoring & Reporting Program for the jail replacement project (File 15-0701).

² Commercial paper is a form of interim financing for capital projects that permits the City to pay project costs as project expenditures are incurred. The City's \$250,000,000 Commercial Paper program was previously authorized by the Board of Supervisors. As of October 2015, the City has issued \$59,300,000 in Commercial Paper, leaving \$190,700,000 available to be issued.

³ "Abatable" is a legal concept whereby the lessee reduces its rent proportionately or totally to the extent it does not have use of the leased asset..

FISCAL IMPACT**Jail Replacement Project Sources and Uses of Funds**

The Jail Replacement Project budget is \$240,000,000 as shown in Table 2 below.

Table 2: Sources and Uses of Funds for the Jail Replacement Project

	Total Budget
Sources of Funds	
BSCC Funds	\$80,000,000
COPs Proceeds (Includes repayment of prior appropriations) – See Table 3	160,000,000
Total Sources	\$240,000,000
Uses of Funds	
DPW Project Management	\$7,520,000
Sheriff's Project Management	2,000,000
City Administrative Services	500,000
Regulatory Agency Approvals	3,500,000
Geotechnical Services/ Site Clean Up	8,200,000
Real Estate Costs/ Property Acquisition	14,875,000
Criteria Development	5,500,000
Architectural and Engineering Services	10,500,000
Site Demolition	6,000,000
Construction Management	5,000,000
Construction and Close Out	151,000,000
Construction Contingency (12% of Construction)	17,625,000
Program Contingency	7,300,000
City Services Auditor (0.2% of Project)	480,000
Total Uses	\$240,000,000

Sources: DPW, Office of Public Finance

Appropriation of Certificates of Participation (File 15-1175)

File 15-1175 appropriates \$215,000,000 in COPs proceeds, as shown in Table 3 below.

Table 3: Certificates of Participation Uses

Project Costs	
Jail Facility Construction Costs	\$159,680,639
Controller's Audit Fund (0.2%)	319,361
Subtotal Project Costs	\$160,000,000
Costs of Issuance	
Capitalized Interest	\$28,953,214
Debt Service Reserve	17,821,498
Underwriter's Discount	729,068
Other Costs of Issuance	801,220
Subtotal Costs of Issuance	\$48,305,000
Total Project and Issuance Costs	\$208,305,000
Reserve for Market Uncertainty	\$6,695,000
Total Required Appropriation	\$215,000,000

As noted above, \$12,690,000 in General Fund monies were previously appropriated by the Board of Supervisors in FY 2012-13 through FY 2015-16 to fund Jail Replacement Program costs. These previous General Fund appropriations are to be reimbursed by the COPs proceeds. Section 11 of the COPs issuance ordinance (File 15-1174) authorizes the City to reimburse prior expenditures related to the Jail Replacement Project. Therefore, the proposed ordinance should be amended to specify that the COPs proceeds will be used to refund \$12,690,000 in General Fund monies.

Principal and Interest on the COPs

The Office of Public Finance estimates a 5.02 percent fixed interest rate for the COPs, with a not-to-exceed interest rate of 12 percent, resulting in approximately \$98,815,666 in interest payments over the life of the COPs. The principle amount of \$208,305,000, as shown in Table 3 above, plus the estimated interest payments of \$98,815,666 would result in \$307,120,666 in total debt service payments over the life of the COPs, as shown in Table 4 below.

Table 4: Total Debt Service Payments, Certificates of Participation

COP Payment Type	Amount
Par Amount	\$208,305,000
Estimated interest payments	\$98,815,666
Total	\$307,120,666

The Office of Public Finance estimates annual average COPs payments of \$15,356,033 over approximately 20 years.

The proposed ordinance would authorize the Director of Public Finance to sell the COPs by either competitive or negotiated sale. Proceeds from the issuance of COPs would be placed on

Controller's Reserve pending the sale of the COPs and/or issuance of commercial paper notes in the interim.

POLICY CONSIDERATION

Purchase of Property for the Jail Replacement Project (File 15-1184)

According to the proposed resolution (File 15-1184), the Director of Real Estate may purchase four properties - 814-820 Bryant Street, 444 6th Street, 450 6th Street, and 470 6th Street - without further Board of Supervisors approval if (a) the Real Estate Division uses standard purchase agreement forms and (b) the purchase price is no greater than fair market value.

Acquisition of Property without Board of Supervisors Approval of the Purchase Agreement

According to Mr. John Updike, Director of Real Estate, the Board of State and Community Corrections requires the City to obtain title to the property no later than 90 days after the notification of the award of BSCC funding. The City was notified of the award of BSCC funding on November 13, 2015, and must close escrow and obtain title to the properties by February 11, 2016. According to Mr. Updike, the Real Estate Division will begin negotiations for the property after approval by the Board of Supervisors, which is tentatively calendared for December 8, 2015, and would need to complete negotiations and obtain Board of Supervisors approval in early January in order to close escrow by February 11, 2016. Because of the Christmas and New Year holidays, Mr. Updike does not consider it feasible to bring the agreement for the purchase of the four properties to the Board of Supervisors in time to close escrow by February 11, 2016.

Authorizing the Director of Real Estate to acquire the four properties without further Board of Supervisors approval is a policy decision for the Board of Supervisors. If the Board of Supervisors does authorize the property acquisition without further Board of Supervisors approval, then the resolution should be amended to require the Director of Real Estate to report on the specific terms of the acquisition within five days of execution of the purchase agreement.

Fair Market Value

The proposed resolution (File 15-1184) does not define "fair market value". The Real Estate Division selected Carneghi and Partners, Inc. (Carneghi) through a competitive process to appraise the four properties. The October 2015 appraisal reports gave a combined appraised value of \$14,350,000 for the four properties. According to Mr. Updike, the property sellers will likely obtain a separate appraisal that will likely show a higher appraised value. The purchase price will be based on negotiations between the City and the sellers in which the parties agree on the appraised (or fair market) value.

The proposed resolution (File 15-1184) provides for the issuance of up to \$14,500,000 in commercial paper to be used as interim financing for the purchase of the property, or \$150,000 more than the current appraised value of \$14,350,000. However, the proposed resolution does not authorize a specific amount for the purchase of the four properties. Therefore, the proposed resolution should be amended to state that the Director of Real Estate is authorized

to acquire the four properties for “up to \$14,500,000”, which allows for negotiations based on two or more appraisals of the four properties.

Real Property Transfer Taxes

The practice in San Francisco is for the seller of property to pay real property transfer taxes generated by the sale. However, because the City is a public entity, the sale of the four properties does not generate real property transfer taxes, which the Budget and Legislative Analyst estimates to be \$248,850, based on a purchase price of \$14,500,000. This amount of \$248,850 represents a benefit to the sellers of the four properties, which would otherwise have been paid by the sellers if the properties were sold to a private entity instead of being sold to the City.

According to Mr. Updike, under the terms of the BSCC funding, the purchase of the four properties by the City must follow federal rules, including negotiating the purchase price based on the highest and best use as determined by the appraisals. According to Mr. Updike, consideration of the benefit to the sellers of not paying the real property transfer tax is not included in determination of the appraised value based on highest and best use, in accordance with federal rules. However, because the purchase price is a negotiated price, the Board of Supervisors should request the Director of Real Estate to include consideration of the benefit to the sellers of not paying \$248,850 in real property transfer taxes in the negotiations, even though this benefit is not included in the determination of the properties' highest and best use according to federal rules.

Number of Replacement Beds Needed

Although the City's 2014-2023 Capital Plan provided for a replacement jail with 640 beds based on average daily inmate population data from 1996-2011, the current proposal is for a replacement jail with 384 beds. The Budget and Legislative Analyst's January 2014 report, "Analysis of the Proposed County Jail #3 and County Jail #4 Replacement Project", found that the City could construct a 384 bed replacement jail at the Hall of Justice. This finding was based on average daily inmate population data from 1996 to December 2013, reflecting the continued downward trend in the average daily inmate population.

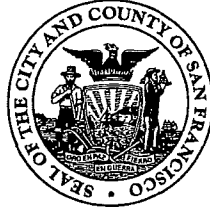
According to the Controller's most recent jail population forecast published in June 2015, the average daily population in 2014 was the lowest it has been since 1982. The Controller's report forecast a need for between 120 and 393 beds to replace County Jails #3 and #4. This forecast assumes that the existing County Jail #6, which is a minimum security dormitory-style jail, and which is currently closed, would not be reopened.⁴ The low end of the forecast range of 120 replacement jail beds is 264 beds less than the proposed replacement beds of 384.

⁴ The Controller's June 2015 report identified limitations to re-opening County Jail #6, including the Sheriff's Department's transportation costs between San Mateo County where the jail is located and the City; lack of public transit to the jail; lack of access to in-custody programs; and lack of appropriate space for mental health and other services.

RECOMMENDATIONS

1. Amend File 15-1175 to specify that the COPs proceeds will be used to refund \$12,690,000 in General Fund monies, which were previously appropriated by the Board of Supervisors in FY 2012-13 through FY 2015-16 to fund Jail Replacement Program costs.
2. Amend File 15-1184 to require the Director of Real Estate to report on the details of the purchase agreement(s) for the four properties to be acquired within five days of the execution of the purchase agreement. As noted above, under the proposed resolution, the Directory of Real Estate would be authorized to purchase the subject properties without further Board of Supervisors approval.
3. Amend File 15-1184 to state that the Director of Real Estate is authorized to acquire the four properties for "up to \$14,500,000".
4. Amend File 15-1184 to request the Director of Real Estate to include consideration of the benefit to the sellers of not paying \$248,850 in real property transfer taxes in the negotiations of the final purchase price.
5. Approval of the proposed resolutions (15-1184, 15-1185, 15-1187) and ordinances (15-1174 and 15-1175) are a policy matter for the Board of Supervisors.

Youth Commission
City Hall ~ Room 345
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4532



(415) 554-6446
(415) 554-6140 FAX
www.sfgov.org/youth_commission

YOUTH COMMISSION MEMORANDUM

TO: Supervisor Mark Farrell, Chair, Budget & Finance Committee
Honorable Mayor Edwin Lee
Nicole Elliot, Mayor's Legislative Director

CC: Board President London Breed
Honorable Members, Budget & Finance Committee
Angela Calvillo, Clerk of the Board of Supervisors
Linda Wong, Clerk, Budget & Finance Committee
Jess Montejano, Legislative Aide to Supervisor Farrell
Margaux Kelly, Legislative Aide to Supervisor Farrell
Catherine Stefani, Legislative Aide to Supervisor Farrell
Cris Plunkett, Youth Commission Legislative Affairs Officer
Cecilia Galeano, Youth Justice Committee co-chair
Jessica Calderon, Youth Justice Committee co-chair
Luis Avalos, Chair, Youth Commission

FROM: Adele Failes-Carpenter, Youth Commission Director

DATE: Monday, November 23, 2015

RE: Youth Voice Scheduling Request for File Numbers: ~~151187~~, 151185, 151184, 151174, 151180, and 151175

Board of Supervisors File numbers 151187 [Accept and Expend State Bond Financing - State Public Works Board - Construction of Rehabilitation and Detention Facility - \$80,000,000], 151185 [Issuance of Tax Exempt and Taxable Commercial Paper Notes - Construction of Rehabilitation Detention Facility - Not to Exceed \$11,310,000], 151184 [Real Property Acquisition - 814-820 Bryant Street, 444-6 Street, 450-6 Street, and 470-6 Street - Various Owners - At Fair Market Value - Not to Exceed \$14,500,000], 151174 [Authorizing Certificates of Participation - Rehabilitation Detention Facility Project - Not to Exceed \$215,000,000], 151180 [Amended Ten-Year Capital Expenditure Plan - FYs 2016-2025], and 151175 [Appropriation - Certificates of Participation for Construction of the Rehabilitation Detention Facility - \$215,000,000 - FY2015-2016] were recently referred to the Youth Commission for comment and recommendation.

I am writing pursuant to Board Rule 2.12.1, to request that discussion on the aforementioned files be scheduled at a youth-friendly afterschool hour (4:00 pm or later) in order to allow for young people to hear presentations from city staff and provide input and public comment on these important pieces of legislation.

Since 2013, Youth commissioners have invested significant effort in working to improve policies and services for children and youth with incarcerated parents, who made up some 17,993 children and youth in San Francisco at the time of DCYF's last Community Needs Assessment. Their work has included extensive investigation and advising on the topics of children's jail visiting rights, phone calls with incarcerated parents, transitions to out-of-county detention, and reentry services. Questions around the scope and design of the proposed rehabilitation detention facility and foregoing plans for other county detention facilities are important to young San Franciscans, and to youth commissioners in particular.

The recently introduced legislation on the Rehabilitation Detention facility is a substantive legislative package with many still-moving parts. Because the 30-day rule has been waived and we are entering a holiday week, the Youth Commission's 12-day report on referred legislation may not be appropriate to the timeframe associated with this legislation. Youth commissioners would like to request an afterschool hearing on these items in order to allow them to hear from presenters to better discern the proposal's effects on young people and inform their advising to the Board, as well as to fulfill their chartered duty by providing comment and recommendation during the public comment period.

We understand that the invocation of this request does not disqualify the matter from being heard outside of the requested time frame. We sincerely appreciate your consideration, and would greatly appreciate your response to this request within 48 hours, if possible.

Please do not hesitate to contact our office at (415) 554-6446 with any questions.





Youth Commission Director
November 23, 2105
2015-2016 San Francisco Youth Commission
Adele.Carpenter@sfgov.org

OFFICE OF THE MAYOR
SAN FRANCISCO




EDWIN M. LEE
MAYOR

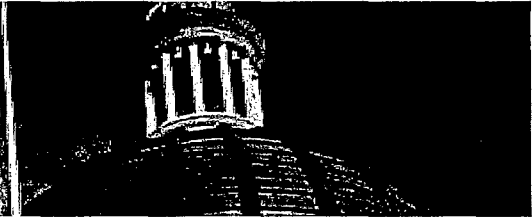
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM:  Mayor Edwin M. Lee 
RE: Accept and Expend State Bond Financing - State Public Works Board -
Construction of Rehabilitation and Detention Facility - \$80,000,000
DATE: November 17, 2015

Attached for introduction to the Board of Supervisors is a resolution authorizing the Sheriff's Department to accept and expend \$80,000,000 of lease revenue bond financing from the State Public Works Board to fund the construction of the Rehabilitation and Detention Facility project to replace County Jail No. 3 and County Jail No. 4.

I respectfully request a waiver of the 30-day hold on this legislation.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

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BOARD MEMBERS

FOR IMMEDIATE RELEASE
November 12, 2015

CONTACT: Tracie Cone, 916.322.1054
tracie.cone@bscc.ca.gov

LINDA M. PENNER
Chair, BSCC

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Secretary, CDCR

DANIEL STONE
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Adult Parole Operations,
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Juvenile Justice Program
Commonweal

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President
Delancey Street Foundation

KATHLEEN T. HOWARD
Executive Director, BSCC

15 Counties to Receive \$500m for Jail Construction, Improvements

SACRAMENTO (Nov. 12, 2015) – The Board of State and Community Corrections today approved conditional awards totaling \$500 million to 15 counties seeking to improve and replace the state's aging local jails.

The lease-revenue bond financing program was established in the Governor's 2014-15 budget and Senate Bill 863, the Adult Local Criminal Justice Facility Financing legislation. The legislation calls for the expansion of programming and treatment space, as well as reentry program space and mental health and treatment space.

Successful conditional applicants include San Francisco County, which will decommission 828 beds when it vacates two outdated jails and replaces them with a 384-bed facility that includes classroom and vocational program spaces, and Humboldt County, which plans a 38-bed community transitional reentry facility and a six-bed mental health housing unit with areas for counselors.

The Board placed a condition on Butte County's award until it is determined whether the county legally can use inmate welfare funds for its required construction match. The Board also encouraged the county to find an alternative funding source for that match.

A list of conditionally financed projects is below, along with a synopsis of the 12 fully funded and three partially funded proposals.

The awarded projects represent a reduction of 310 general population jail beds statewide, and an addition of 196 medical and mental health beds.

The successful counties were chosen from a field of 32 applicants asking for a total of \$1.2 billion to improve local jail facilities.

The legislation specified that counties could replace outdated, compacted housing with more efficient facilities that emphasize the space needed to achieve the dual goals of reducing recidivism while protecting public safety.

The BSCC, established in 2012, is a multi-faceted organization that provides assistance to the counties on community corrections issues. The agency annually administers and awards millions of dollars in grants designed to reduce recidivism and address juvenile justice and delinquency prevention, sets standards for the training of local corrections officers and the operations of local corrections facilities, and administers the current lease-revenue bond process for local jail improvements.

For more information about this press release please contact Tracie Cone at 916-322-1054 or tracie.cone@bscc.ca.gov.

Conditionally Financed Projects

FINAL RANKING					
Small	Applicant	Code	Requested	Recommended Conditional Award	Score
\$100,000,000	Amador	C25	17,179,000	17,179,000	103.74
	Colusa	C15	20,000,000	20,000,000	103.63
	Yuba	C13	20,000,000	20,000,000	99.99
	Trinity	C18	20,000,000	20,000,000	97.41
	Humboldt	C27	20,000,000	20,000,000	95.94
	Napa	C20	20,000,000	2,821,000	94.70
Medium	Applicant	Code	Requested	Recommended Conditional Award	Score
\$160,000,000	Butte	C2	40,000,000	40,000,000	104.04
	Sonoma	C32	40,000,000	40,000,000	99.44
	Yolo	C11	30,500,000	30,500,000	94.72
	Merced	C22	40,000,000	40,000,000	92.23
	Placer	C1	40,000,000	9,500,000	92.18
Large	Applicant	Code	Requested	Recommended Conditional Award	Score
\$240,000,000	San Francisco	C16	80,000,000	80,000,000	106.98
	Santa Clara	C19	80,000,000	80,000,000	103.66
	Alameda	C21	54,340,000	54,340,000	102.09
	Ventura	C12	55,137,000	25,660,000	99.80

Senate Bill 863 Adult Local Criminal Justice Facilities Construction Summary Of Awarded Projects

November 12, 2015

County	Proposed Project	Amount Requested
Large Counties		
Alameda	The proposed Mental Health, Program and Service Unit project will consist of approximately 38,000 square feet of program and treatment space. The project will include renovations to existing housing spaces and construction of a new mental health treatment and program facility. Due to renovation of existing housing, there will be a net decrease of 18 beds.	\$ 54,340,000
San Francisco	The proposed project is a new standalone Rehabilitation and Detention Facility (RDF) of approximately 150,000 sf. The facility will consist of 384 beds configured in four, 32-cell and four, 16-cell direct supervision pods designed to fit inmate programming and treatment needs. The project will also include classroom, educational, and vocation programming spaces. In addition, there will be medical and mental health treatment spaces, staff support spaces, multipurpose and visiting space. Two existing jails with a total of 828 beds will be vacated, leaving a net decrease of 444 beds.	\$ 80,000,000

Santa Clara	<p>The proposed project will consist of a new open-floorplan, standalone facility of seven-stories and approximately 203,000 sf. Each floor is designed to accommodate program and treatment needs of a specific population, including mental health and reentry. The new facility will consist of 465 cells (105 single cells, 710 beds in double-occupancy cells). The project will also include multipurpose and programing spaces, visitation and recreation spaces, mental health and program space. There will also be custody administration, security operations, staff support, and institutional support spaces. The facility will allow for optimal programming and reentry opportunities for high-risk, high need offenders. Of the new bed total, 797 will replace ones at existing facilities.</p>	\$ 80,000,000
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Ventura	<p>The proposed project will construct a new standalone facility located at the Todd Road Jail. The project will consist of 64 special use beds specifically designated to serve and treat the medical/mental health inmate-patient population. The project will also include programming, medical, and therapy spaces. (Partial Award)</p>	\$ 26,660,000
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Medium Counties

Butte	<p>The proposed project will construct a new standalone facility adjacent to the existing jail. The facility will be approximately 45,000 square feet of replacement housing, medical and mental health housing, medical and dental clinics, intake/release, and support services space. The replacement housing will consist of 96 beds, four units of 24 beds each (double and dormitory style housing), dayrooms, program and educational spaces, counseling and treatment, and outdoor recreation. The medical and mental health housing will consist of 36 beds, two units with 18 beds each in single- and double-occupancy cells. Each medical and mental health unit will include a dayroom, program, counseling, treatment spaces, outdoor recreation, nurse's station, staff support, and security areas.</p>	\$ 40,000,000
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Merced	<p>The proposed project will remodel dormitory space at the existing John Latorraca Correctional Center and construct four new buildings totaling approximately 47,500 sf. The existing dormitory style housing of 476 beds will be remodeled. The four new buildings will be constructed specifically for health care, programs and services, kitchen and laundry services, intake, release, and administration. The healthcare building will have 30 new special use beds.</p>	\$ 40,000,000
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Placer	<p>The proposed project will construct a new standalone 168-bed facility at the existing South Placer County Jail, South Placer Inmate Rehabilitation and Instructional Training Facility (SPIRIT). The new facility will replace housing units 1 and 3 at Auburn Jail. The SPIRIT facility will include re-entry housing units for men and women, including spaces for programming, group, and interview rooms, staff and administrative support spaces, program, vocational, and treatment spaces. (Partial Award)</p>	\$ 9,500,000
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Sonoma	The proposed project will construct a new Behavioral Health Unit (BHU) facility at the existing facility location. The facility will be single story and consist of approximately 33,000 sf. to provide housing for behavioral health inmates, along with programming space to support the unit. The BHU will have 72 special use beds, 40 designed for competency restoration for mentally ill offenders awaiting trial, and 32 beds for treating seriously mentally ill inmates.	\$ 40,000,000
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Yolo	The proposed project will construct a new replacement jail of 150 medium security beds at the existing Leinberger Center. The new facility will consist of three 30-bed dormitory units and one 60-bed dormitory unit arranged in a podular fashion for central supervision, as well as an expansion of programming space. Each dormitory will contain a day room, toilets, and lavatories. The proposed design also includes spaces for programming, multipurpose rooms, and staff support services. The new facility will further the county's reentry programming plan.	\$ 30,500,000
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Small Counties

Amador	The proposed project will construct a new facility north of the existing jail to add space for programming, medical and mental health treatment, and furthermore address the issue of a lack of beds that meet custody security housing needs by adding 40 additional maximum security replacement beds.	\$ 17,179,000
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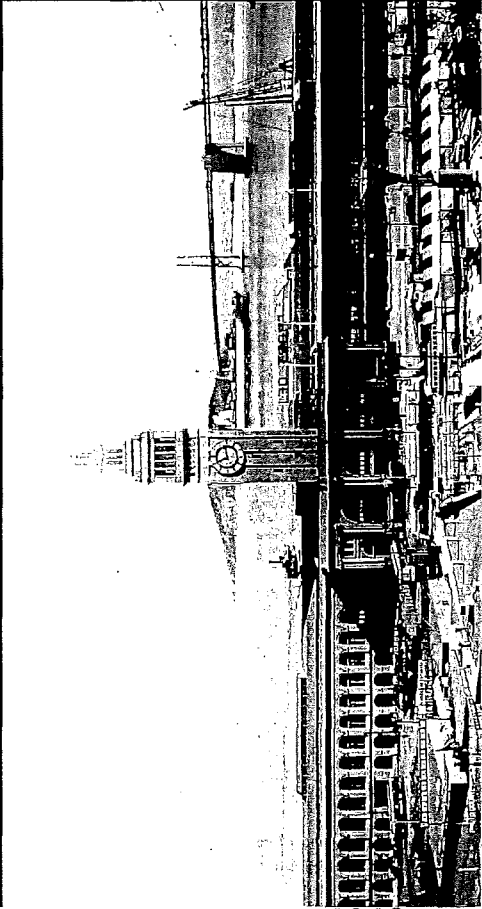
Colusa	The proposed project will construct a new facility that will provide adequate programming, mental health treatment and recreation space. The project will replace substandard housing with podular housing units and provide a medical and dental clinic/exam space. This will allow safety and respiratory isolation cells and expand work areas with support space for medical, mental health treatment, and jail staff.	\$ 20,000,000
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Humboldt	The proposed project, which is a 23,712 sf. multi-purpose facility, will add a new 38-bed community transitional re-entry inmate housing unit with (in-custody) programming spaces, and a six-bed mental health treatment housing unit with program and support areas for counselors. The new Reentry Resource Center construction will consolidate various programs and alternatives into one centralized location to improve cost effectiveness and efficiency. The project will also address critical needs for custody beds and program service support space in three major areas: mental health staff support space, jail community re-entry housing unit, and mental health treatment beds. In addition, the construction of the new center will seek to provide a short-term service-focused custody environment for all inmate security classifications and allow them to participate in mental health, education, drug counseling, life skills development, and reentry services. Probation's day reporting center, the Sheriff's jail alternative programs staff, and counselors from the Department of Health and Human Services Behavioral Health, Clinical Health and Substance Abuse will jointly staff the facility.	\$ 20,000,000
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Napa	<p>The proposed project will construct a 64-cell secure housing facility. The project will include the construction of a majority of the core functions for the new jail including a 17 bed medical and mental health treatment unit, central control, kitchen and laundry facilities, intake processing area and administrative offices. Programming space will be provided within the housing units through two 500 sf. classrooms and individual counseling rooms. The county will be able to decommission 60 antiquated beds within the current downtown jail facility. (Partial Award)</p>	\$ 2,821,000
Trinity	<p>The proposed 72-bed project will address the lack of high-security cells, the lack of medical and mental health beds, the increasing cost of operation, and the lack of critically needed program space. The proposed project, which would be constructed next to the County's existing juvenile facility, will provide a new administration suite, intake, medical suites, laundry facility, staff facilities, program space, kitchen, new housing, new recreational yard, and parking area. It replaces 53 antiquated beds. In the current jail, programs can be offered only once a week; this project allows for increased frequency of programming.</p>	\$ 20,000,000
Yuba	<p>The proposed project will address the existing deficiencies in medical and mental health treatment space by adding 12 special use beds. It will also address inmate programming, with the emphasis on increasing public safety and reducing recidivism by constructing a two-story, (approximately 14,000 sf.) space containing a medical and mental health treatment department. There will also be space for dental treatment, classrooms, program space, support space, mental health staff offices, laundry area, and interview rooms.</p>	\$ 20,000,000

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4043

SF

Building Our Future

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There's only one San Francisco. Let's take care of it.

San Francisco Rehabilitation Detention Facility SB 863 Award and Project Financing Board of Supervisors, Budget and Finance Committee



December 2, 2015

Rehabilitation Detention Facility

Current Risks and Needs

2

The HOJ is **seismically deficient and dangerous**

- Poses appreciable life hazards to inmates and staff
- Uninhabitable after a major earthquake
- Highly vulnerable to structural and non-structural damage
- Outdated, unsafe linear housing units
- Poor visibility and indirect supervision due to linear design increase risk of suicide and assault

San Francisco region				
Magnitude (greater than or equal to)	Average repeat time (years)		30-year likelihood of one or more events	Readiness
5	1.2	(0.7)	100% (1.0)	1.0
6	8.9	(1.0)	98% (1.2)	1.0
6.7	29	(1.1)	72% (1.1)	1.1
7	48	(0.9)	51% (1.2)	1.1
7.5	125	(0.7)	20% (1.6)	0.9
8	825	(0.7)	4% (1.9)	1.0

United States Geological Survey Fact Sheet 2015-3009, March 2015

Up to 3,000 people use the Hall of Justice on a given day, making it the 2nd most used City building

There are **urgent treatment and service needs** for the HOJ inmate population

- Inadequate access to treatment and support programs
- Insufficient confidential interview and group treatment rooms
- Shortage of treatment beds for persons with severe mental illness

4044

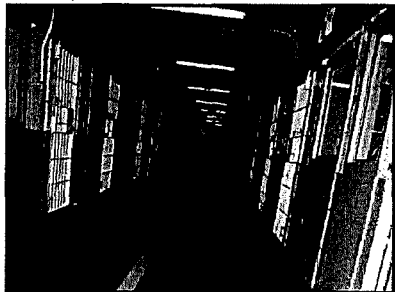


Photo: San Francisco Chronicle

Rehabilitation Detention Facility

Costs of “No Jail”

3

- Failing to advance the RDF project comes at a heavy price to San Francisco

Loss of \$80M in State revenue to advance one of San Francisco’s most pressing capital and public safety needs

No savings to fund new psychiatric respite program

Out-of-county placements for inmates, creating distance from support networks

Prolonged structural safety risk to staff, inmates, and the public at the HOJ

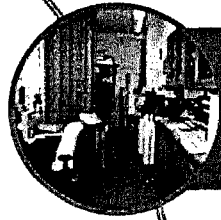
Correctional and rehabilitative **staff unable to properly do their jobs** due to poor building design and lack of space

Risk of court order or other action requiring construction of a replacement jail

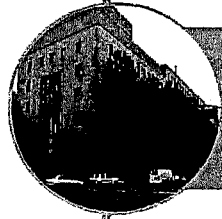
Rehabilitation Detention Facility Objectives

4

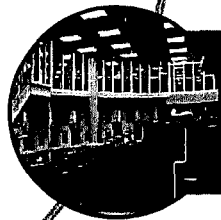
- The RDF project addresses several urgent needs for San Francisco



Better Treatment & Outcomes



Safety for Inmates, Staff & Visitors



**Finding the Best, Most Cost-Effective
Option**

Rehabilitation Detention Facility

RDF Design for Improved Service Delivery

5

- Pod-based design of RDF would mean greater access to successful in-house and nearby transitional support programs

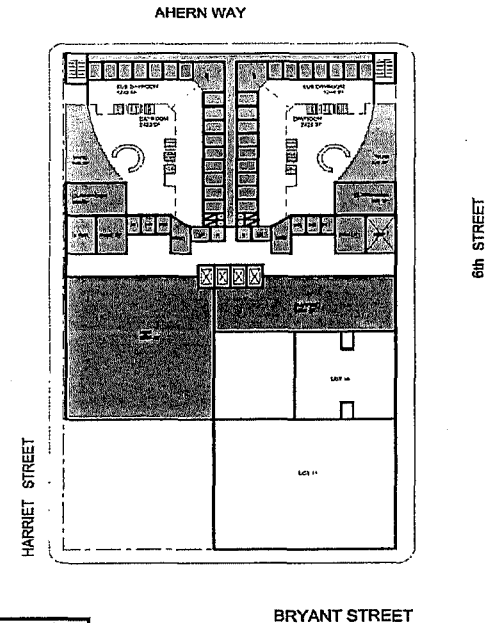
Percentage of Population in Programs

CJ #5
80%

HOJ
20%

HOJ vs RDF Building Areas Comparison (square feet)

Space Type	CJs #3 & #4	RDF	Difference Increase (Decrease)
Beds	905	384	(57)%
Housing	41,300	15,000	(64)%
Dayroom	22,200	50,000	125%
Classrooms - Program Areas	680	9,000	1,224%
Exercise Yard	5,900	5,100	52% per inmate
Medical/Health Services	1,200	7,000	483%



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Rehabilitation Detention Facility

Programmatic Need – HOJ Public Health Issues

6

4048

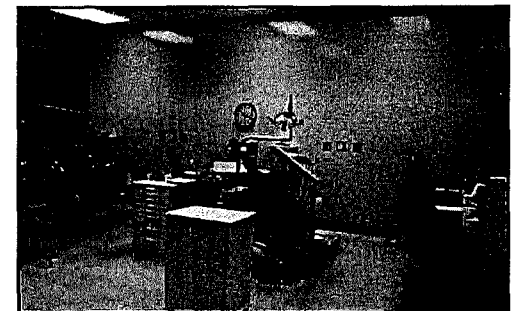
- Insufficient confidential interview, group treatment, and staff office space
 - Compromises patient confidentiality law compliance
 - Reduces treatment efficiency and effectiveness
 - Hampers placement upon release
- Poor visibility and indirect supervision increase risk of suicide and assault
- Limited access to gym area
 - Impacts health, wellness and recovery

Treatment Space

County Jails 3 & 4
(Current HOJ Facility)



County Jail 5
(Vision for RDF)



Rehabilitation Detention Facility

Who Do We Serve?

7

Top ten diagnoses are primarily substance use,
mental illness, and chronic diseases

1. Substance use
2. Asthma, lung diseases
3. Hypertension
4. Fractures and orthopedic problems
5. Psychosis
6. Skin disorders
7. HIV and AIDS
8. Hepatitis and liver disease
9. Chronic pain
10. Diabetes

Rehabilitation Detention Facility

Behavioral Health in the Jails

8

- 36% of inmates had contacts with Behavioral Health (BH) staff:
4,918 in FY14-15
- 6.2%** of inmates were diagnosed with **serious mental illness (SMI)**:
839 total unduplicated in FY14-15 (vs. 11-17% national average)
 - 80% had Substance Use Disorder co-morbidities
 - Each SMI inmate had an average of 62 contacts per year with BH staff due to higher medical needs and longer length of stay
- As we have seen at County Jail #5, improved jail housing design has the potential to:
 - Reduce inmate and staff stress
 - Positively impact inmate behavior and safety
 - Improve staff morale
 - Facilitate treatment

Rehabilitation Detention Facility

Additional Psych Respite Program

9

- Acceptance of SB 863 financing allows for reallocation of funds to another pressing concern for San Franciscans: **addressing the needs of justice-involved persons with mental illness in the community**
- Enables creation of a **new Psychiatric Respite Program** run by the Department of Public Health (DPH)
 - Program will provide transitional housing and comprehensive mental health and substance abuse services for individuals being discharged from jail and collaborative court programs
 - Annual \$4M operational cost made possible by the SB 863 award
 - San Francisco to invest \$1.5M to assist with upfront capital development of the new voluntary Psychiatric Respite Program
 - Program projected to be operational by FY 17-18

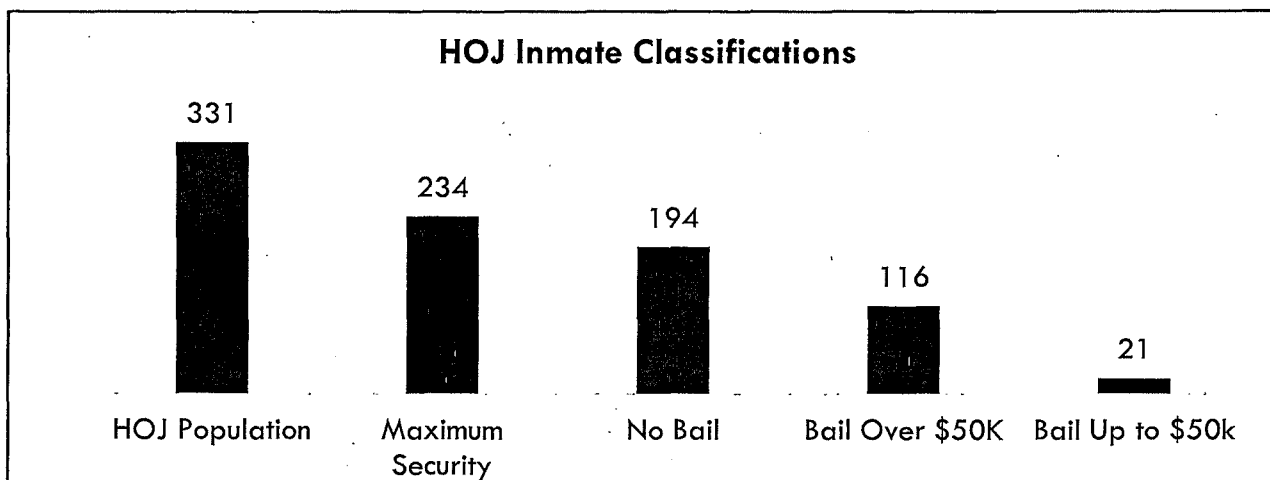
Rehabilitation Detention Facility

SF County Jail Population

10

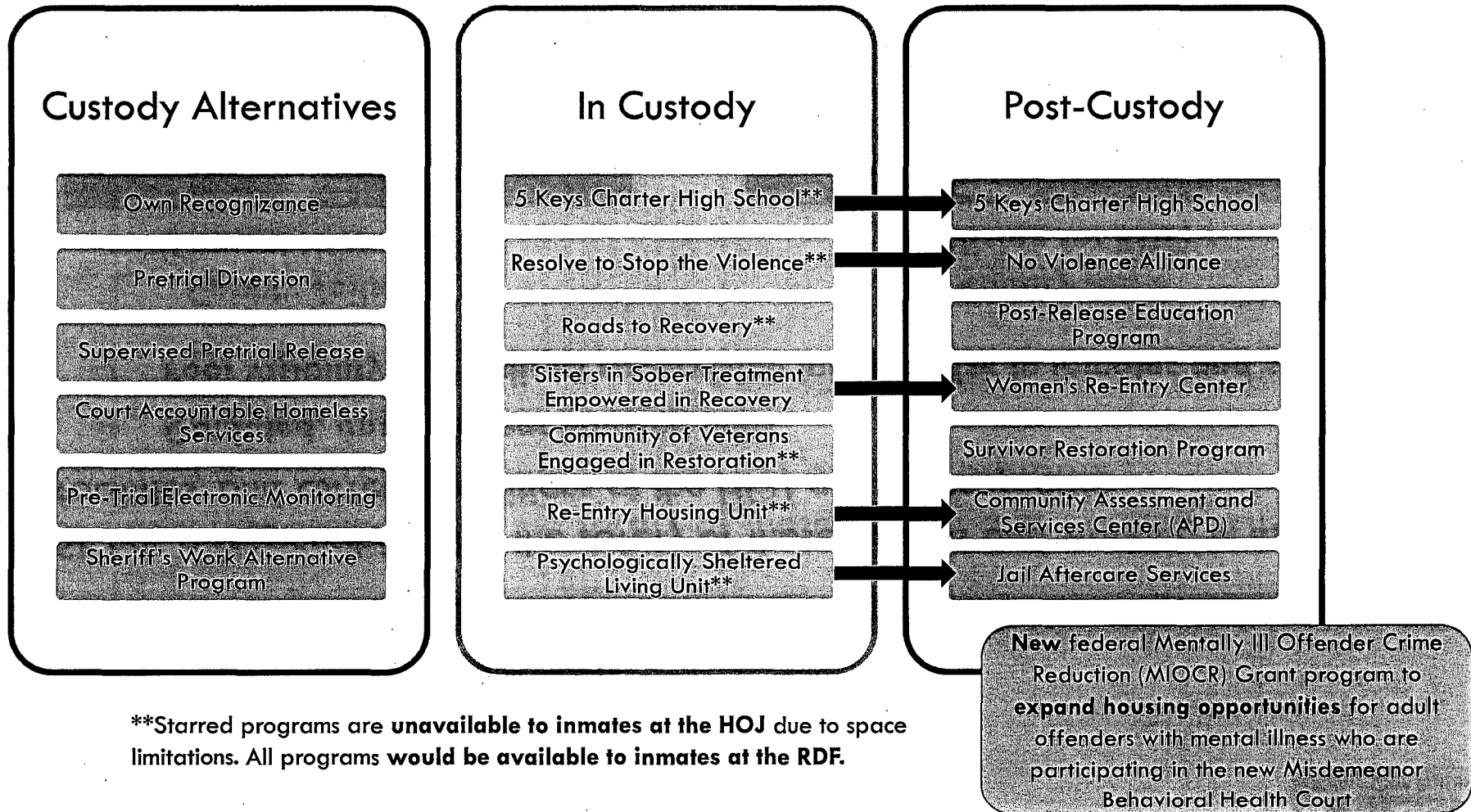
- Total booked (daily figure): 58
- Total in Alternative Sentencing Programs (daily figure): **112**
- Total number of inmates: 1270
 - Percentage with “no bail” status: **43.9%**
 - Percentage with **felony charges: 89.9%**
- Total in Community-Based and Contracted Programs: **840**
- SVP and Gang classification factors
- Total Out-of-Custody Program Participants: **952**

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Rehabilitation Detention Facility

Existing SHF Programs



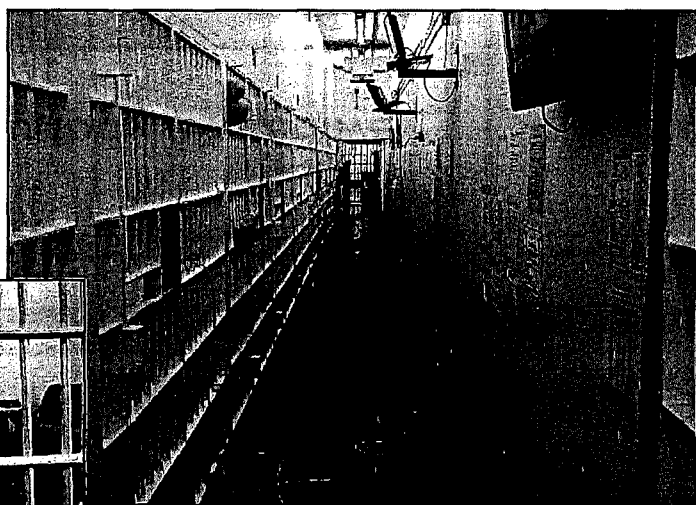
Rehabilitation Detention Facility

Safety – Linear Layout

12

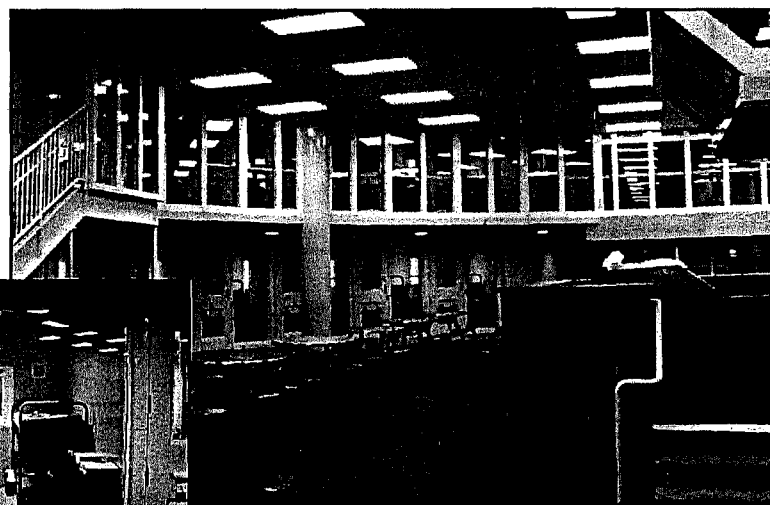
- ❑ SF has a responsibility for the safety of those housed and working in its facilities, and current conditions at the HOJ are unacceptable
 - ❑ **Outdated, unsafe linear housing units**
 - ❑ **Poor visibility and indirect supervision increase risk to inmates and staff**

County Jails 3 & 4
(Current HOJ Facility)



Indirect Supervision

County Jail 5
(Vision for RDF)



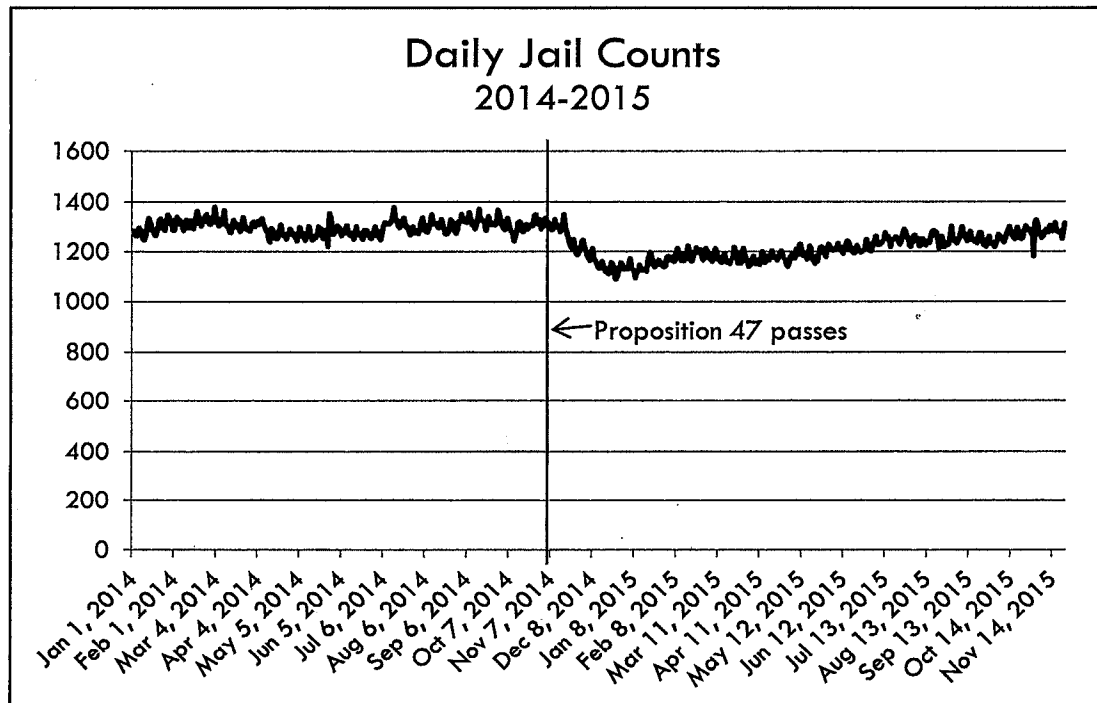
Direct Supervision

4054

Rehabilitation Detention Facility Controller's Jail Population Forecast

13

- Large drop in jail population from 2009-2014
- Population flat in 2014 except for decline after Prop 47
- Population trending upward in 2015



4055

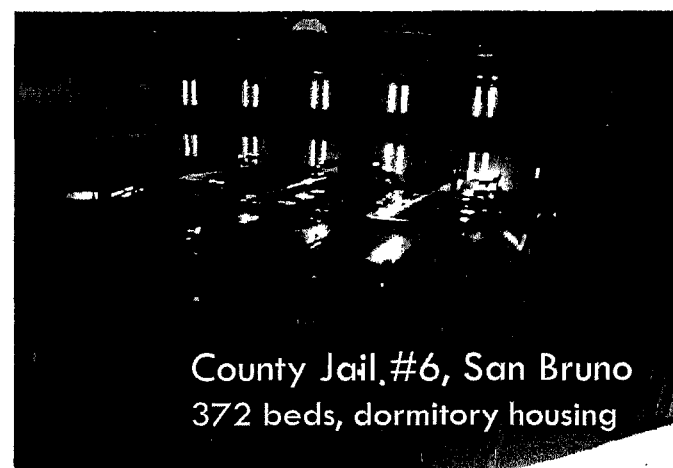
Rehabilitation Detention Facility Controller's Population-Based Analysis

14

- Forecast suggests need for RDF unless CJ #6 can be used at full capacity

	Forecasted Replacement Jail Bed Need
Option 1: County Jail 6 can be used	252 to 21 beds
Option 2: County Jail 6 cannot be used	120 to 393 beds

- Significant issues with CJ #6
 - Low security
 - Insufficient program/treatment space
 - High costs associated with use



County Jail #6, San Bruno
372 beds, dormitory housing

Rehabilitation Detention Facility Jail Housing Options Assessment

15

- City sought contractor to analyze whether CJ#6 could be used instead of constructing new facility
- Controller hired Dr. James Austin of JFA Institute for analysis
 - Dr. Austin recommended by Adult Probation Department and Office of the District Attorney

Conclusion:

“Existing facilities not sufficient to meet programmatic and security needs.”

Rehabilitation Detention Facility Jail #6 Alternative – Cost Analysis

16

County Jail #6 is not a cost effective alternative

4058

RDF size
reduced from
640 beds

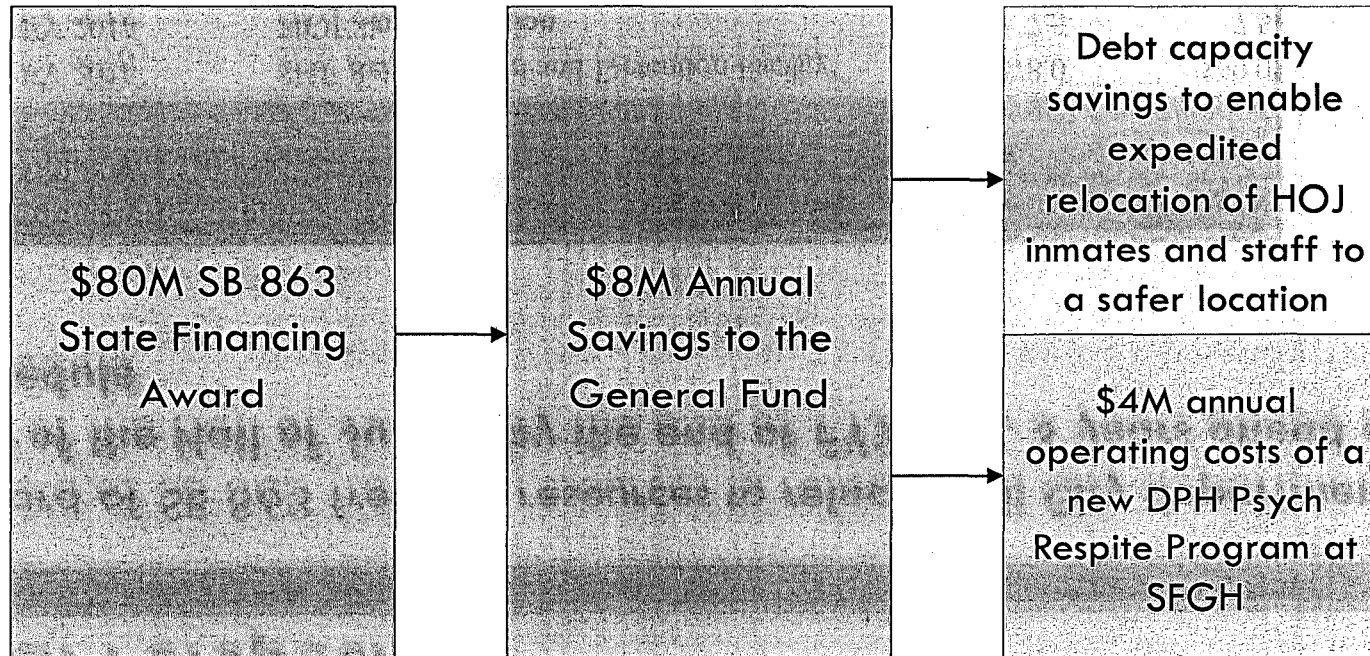
RDF scope
reduced from
\$290M

	SCENARIO 1 San Francisco RDF	SCENARIO 2 San Mateo CJ #6 Reconfigured
Project Description	New pod-based single facility in SF PLUS new Psych Respite Program and expedited relocation from HOJ	Retrofit of CJ #6 to pod-based design PLUS annex facility for additional beds and required modifications to CJs #1 and #2
Facility Beds	384	384
Operational Considerations	Self-contained design with proximity to courts, family, Public Defender, and local support services No transportation costs required Enables urgently needed housing support program and earthquake safety preparedness	Insufficient space to retrofit existing structure for the number of beds needed Pod-based design in remote location requires transportation CEQA approval still needed
Total Project Budget	\$240,000,000 RDF component w/ SB 863 award: \$160,000,000	\$305,000,000*

*Scenario 2 does not include cost of replacing CJ #6 in ~25 years or transportation operations

Rehabilitation Detention Facility Application of Award Savings

17



4059

Rehabilitation Detention Facility Capital Perspective

- Award of SB 863 frees up resources to **relocate all City departments out of the Hall of Justice by the end of FY20-21, 3 years ahead of schedule**

4060

General Fund Debt Program			
(Dollars in Millions)			
	<i>Proposed Debt Issuance</i>	<i>Current</i>	<i>As Amended</i>
FY 2016	SHF Rehabilitation and Detention Facility*	278.0	160.0
FY 2016	HOJ Site Acquisition	7.5	7.5
FY 2019 2018	Adult Probation Relocation from HOJ	59.3	59.3
FY 2019	DPH Admin Building Relocation	59.5	59.5
FY 2024 2018	DA and SFPD Relocation from HOJ	227.0	227.0
FY 2022	HOJ Land Purchase, Demolition & Enclosure	48.0	48.0
FY 2024	JUV Admin Building Replacement	106.6	106.6
FY 2025	Yard Consolidation	100.0	100.0
General Fund Debt Total		\$886	\$768
* Note the RDF budget was reduced by \$38M prior to submission of the SB 863 application.			

Rehabilitation Detention Facility

Conclusion

19

San Francisco was awarded **\$80M and the top score** of all counties by the California Board of State & Community Corrections for its Rehabilitation Detention Facility (RDF) project to **reduce recidivism while protecting public safety**.

This award is the last foreseeable opportunity to use State funds to:

- Provide safer and more suitable conditions** for the inmates and staff currently at risk at the Hall of Justice (HOJ)
- Reduce the number of beds** to 384 at the RDF, down 57% from the total at the HOJ, a 19% system-wide reduction
- Vastly improve access to treatment and successful programs**
- Create and fund a new DPH Psych Respite Program** to address the health and housing needs of justice-involved persons with severe mental illness
- Build the most cost-effective, rehabilitation-minded option**
- Uphold a fundamental capital and public safety responsibility**

Questions & Comments

20

Naomi Kelly, City Administrator

Brian Strong, Capital Planning Program

Chief Deputy Sheriff Matt Freeman and Kevin Lyons, Sheriff's Office

Barbara Garcia, Jo Robinson and Albert Yu, Public Health

Ben Rosenfield, Jessie Rubin and Kyle Patterson, Controller's Office

Jumoke Akin-Taylor and Charles Higuera, Public Works

John Updike, Real Estate



George Gascón
District Attorney

December 2, 2015

The Honorable Edwin Lee
Mayor, City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, Ca 94102

Dear Mayor Lee,

As the chief law enforcement official for the City and County of San Francisco, I write today with serious concerns regarding plans to construct another jail. As you know, San Francisco is a national leader in developing alternatives to incarceration, and due to the excellent work of individuals across the public safety spectrum our jail is 50 percent empty. Meanwhile, we continue to experience historically low crime rates. With this backdrop building a new jail at a cost of at least \$240,000,000 in finite taxpayer resources would be taking a cue from history and from our nation's sordid past of mass incarceration. I ask that you join me, the Public Defender, and former Adult Probation Chief Wendy Still - your partners in the criminal justice system - in taking a step forward as we implement a modern approach to public safety that meets San Francisco's current needs. As cities and states across the country look to the models developed and implemented in San Francisco to reduce their reliance on jails and prisons, the construction of a new detention facility would be a giant step backward and would send the wrong message from a city that has taken so many innovative strides forward.

A more accurate depiction of our current needs can be deduced by an assessment of those individuals currently in-custody, or by simply looking at street corners across San Francisco. With as many as 40 percent of our in-custody population suffering from some degree of mental illness, it is clear that San Francisco has a mental health treatment problem, not a jail capacity problem. We do not need any more jail beds - we need mental health beds.

Many individuals with mental illness have committed low-level crimes that may not warrant ongoing incarceration. Additionally, the bench will generally not keep such offenders in-custody if we lack inpatient facility space to get them treatment. This is unfortunate, as prosecutors in my office recommend treatment for offenders every day

who, with limited exception, must get help in order to reduce their likelihood of recidivating. The need for these services cannot be overstated, as we are currently running a 90-day average wait time for mental health beds through our Behavioral Health Court (BHC), so only those offenders who commit more serious crimes will be in-custody long enough to receive a referral to an inpatient treatment facility. The result is that individuals with mental illness are released back onto our streets without receiving the treatment they need, and they often reoffend only to be re-released under the same circumstances. This is unsustainable, and it is a primary cause of both homelessness and the quality of life crimes that San Franciscans endure without relief.

Many contend that the jail must be built in order to accommodate the 344 inmates at CJ-4 who need to be moved from that aging facility. While I completely agree that these inmates need to be moved, I disagree with the assertion that the only answer for housing them is to build a new \$240,000,000 facility. I understand that this project has been in the works for years, but this is a massive infrastructure investment that was developed in another era, and it does not meet our current needs.

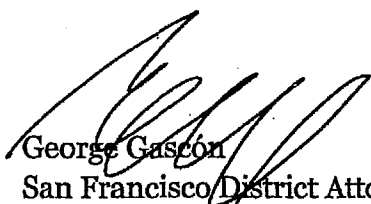
As indicated, our jails are at roughly 50 percent capacity, and accordingly there is more than enough room to house the 344 inmates currently located at CJ-4. The disagreement is not around capacity; it revolves around the classification of inmates and how they may be housed together in order to ensure their safety. I ask that you take into consideration the fact that there is currently an entire pod that remains vacant at CJ-2, that a recent study released by the Controller found that the Sheriff's classification system is over classifying many inmates, and the fact that no study has ever adequately investigated the prospect of renovating CJ-6 with the \$80 million grant from the state to house medium-risk inmates and additional programming space. Moreover, we continue to lease approximately 45 jail beds to the federal government at the seismically vulnerable Hall of Justice. The Sheriff's Department entered into this agreement a year ago in order to increase revenues, but such an agreement should be terminated and alternatives must be considered before we make such a massive infrastructure investment. Above all, however, it is imperative to consider the fact that roughly 40 percent of our entire in-custody jail population suffers from some level of mental illness. Our current strategy of warehousing these offenders with the general population ignores the findings of leading researchers which indicate that these individuals cannot get the treatment they need in our jails. If even a fraction of the 40 percent of our in-custody population that suffers from some level of mental illness had their cases handled through a mental health treatment facility, instead of through the traditional criminal justice process, we would have more than ample space to house the 344 inmates currently located at CJ-4, we would reduce recidivism among individuals with mental illness, and could avoid building a \$240,000,000 jail.

The decision before the board is a value judgment that weighs a project originally envisioned when our jail population was nearly twice what it is today - and a huge expenditure in support of the project - versus our current needs. This is a significant sum of taxpayer resources that should be focused where currently needed: San Francisco should invest in mental health treatment services.

In closing, I believe San Francisco is on the cusp of making a terrible mistake that we will look back on as wasteful and out of touch for years to come. San Franciscans expect us to make sound investments for their public safety. Rushing to build a new jail at a cost of \$240,000,000, without considering alternatives that address current trends in the criminal justice system is irresponsible. I strongly urge the Board to direct the Controller to conduct a comprehensive assessment of alternatives to a new jail in partnership with your public safety leaders. We have a rare opportunity to invest in mental health treatment services, thereby meeting current public safety needs which will bring relief to the citizens of San Francisco.

Thank you for your time and consideration.

Sincerely,



George Gascon
San Francisco District Attorney

CC:

London Breed, President, SF Board of Supervisors
Eric Mar, SF Board of Supervisors
Mark Farrell, SF Board of Supervisors
Julie Christensen, SF Board of Supervisors
Katy Tang, SF Board of Supervisors
Jane Kim, SF Board of Supervisors
Norman Yee, SF Board of Supervisors
Scott Weiner, SF Board of Supervisors
David Campos, SF Board of Supervisors
Malia Cohen, SF Board of Supervisors
John Avalos, SF Board of Supervisors
Angela Calvillo, SF Board of Supervisors, Clerk of Board

Causes and Consequences (2014)].

I have been studying the effects of various conditions of confinement for many decades and often have testified in state and federal courts in cases challenging the constitutionality of various prison conditions and practices, especially those that affect mentally ill inmates. My research and testimony has been cited by many courts, including the United States Supreme Court in the landmark case that required a significant reduction in the size of the overall California prison population [Brown v. Plata/Coleman, 131 S.Ct. 1910 (2011)] and precipitated the "realignment" of responsibilities between the state prisons and county jails.

With that background and experience in mind, I write as a long-time "veteran" of the attempt to provide constitutionally adequate mental health care to California jail inmates and state prisoners. Indeed, I began working on the Coleman case (that led to the ruling in Brown v. Plata/Coleman) more than 20 years ago, and I have I watched (and often participated in) the process by which the California Department of Corrections and Rehabilitation has struggled to address the myriad failures and flaws in its mental health care delivery system. Indeed, in part because of my early involvement in Coleman, I have studied this process in many other states as well. I have become very mindful of both the extraordinary expense involved and nearly insurmountable hurdles that prison and jail systems face when they try to effectively and humanely address the needs of this vulnerable population of prisoners inside the walls of a correctional institution.

Jails and prisons are fundamentally places of punishment and control, not treatment and caring. I intend this statement less as a criticism than an observation about their essential nature, design, and purpose. But it is an observation that is critically important for understanding why it is so difficult to create and maintain an effective system of mental health care inside a jail or prison. All of the momentum inside such institutions—from their architecture to ideology—presses in the opposite direction. Moreover, because of the way they are run and the assumptions by which they operate, ultimate decision-making authority is virtually always vested in the hands of correctional staff, not treatment personnel.

My own view—based on many years of experience studying these issues in California and elsewhere—and confirmed by every study I know of that has been done on the topic, is that it is extraordinarily difficult to provide even minimally adequate mental health treatment and care inside jails and prisons. Mentally ill prisoners are especially vulnerable to a wide range of potential harms in correctional facilities. Thus, they are more likely to incur disciplinary infractions, are more likely to be victimized by other prisoners, and are more likely to be the targets of use of force by correctional staff. In fact, they often find themselves mired in

a vicious cycle in which their disciplinary infractions lead to sanctions that include isolation or solitary confinement, where their mental health further deteriorates and the likelihood of future infractions increases, and their psychiatric condition continues to spiral downward.

It is essential that San Francisco's decision-makers recognize that these intrinsic problems are not born of bricks and mortar, and the construction of a cleaner, more modern and very expensive jail will *not* solve them.

The extraordinary expense and enormous hurdles involved in trying to surmount these myriad problems could not have been more clearly demonstrated than in the Coleman litigation itself, where hundreds of millions of dollars and two decades of hard work were still not sufficient to create a constitutionally adequate mental health delivery system for thousands of California prisoners. I urge you not to make the same mistake as some other California counties have, by trying to "build your way out of" the crisis of mental health care in the county's jails, or assume that a massive new treatment jail, and an additional measure of training and influx of personnel (both of which can be salutary) will come close to solving the problem.

Instead, I would urge you to abandon plans to build a new jail, plans first developed roughly a decade ago. A lot has changed in the past nine years, as San Francisco's in-custody needs have been reduced drastically, while the city's mental health treatment needs continue to rise. With your leadership San Francisco should develop a significant program of diversion for people with mental illness who are arrested and charged with non-violent offenses. Failing to do so would be a disservice to the progress made by San Francisco's criminal justice entities. Indeed, the most recent figures I am aware of indicate that as many as 40% of the individuals currently in-custody in San Francisco's jails have some degree of mental illness. Their very significant needs can be better addressed in community-based treatment programs.

In addition, the cost of building and operating a "treatment" or "mental health" jail will be far higher than community treatment and an aggressively pursued program of diversion.

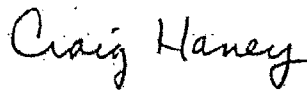
I recognize that many inmates with mental illness are not suitable candidates for diversion, and that the Board may need to consider some new construction of mental health beds for that population. But the number of new beds should be kept at an absolute minimum and only after a strong and effective diversion program has been implemented and expanded. New construction should be calculated as necessary only after the effects of an expanded program of diversion are taken into account.

In a certain sense, diversion embodies the logic of "realignment" but extends it from the jail system into the surrounding community. That is, in the same way that realignment envisions local jails as places that are better able to anticipate and respond to the needs of local residents, and to draw on community resources in order to do so, the current Motion recognizes that community mental health agencies and programs are even better positioned to respond with even more sensitivity to the specialized needs, problems, and issues of local residents. In the same way that realignment was designed to alleviate prison overcrowding and ensure that it would no longer stand as an insurmountable barrier to the delivery of adequate mental health care in prison, diversion into community mental health agencies and programs alleviates overcrowding in the jails, thus allowing those jail inmates who cannot be placed in the community for safety-related reasons to receive adequate mental health care that is not impeded by serious levels of jail overcrowding. It also has the great advantage of providing those persons who can be more appropriately treated in the community with the opportunity to receive more appropriate, specialized treatment that is tailored to their individual needs. In addition, they can avoid the negative dynamics and effects of being housed in a harsh correctional setting, and be spared the kind of victimization that too often occurs there.

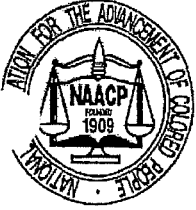
From my perspective, and for the aforementioned reasons, a community diversion and alternative community treatment model promises to be a far more cost-efficient and humane approach to addressing the needs of the mentally ill in the criminal justice system than the construction of a large "mental health jail." I sincerely hope that you will seriously consider the negative legal and humanitarian consequences that will almost invariably follow from the construction of an expensive "mental health jail."

Thank you for considering my comments.

Sincerely,



Craig Haney, Ph.D., J.D.
Distinguished Professor of Psychology,
Director, Program in Legal Studies,
and UC Presidential Chair, 2015-2018



SAN FRANCISCO BRANCH **NAACP**

Many African Americans who haven't been forced from their San Francisco homes following decades of unjust city policies have been herded into the city's jails. Now an effort is underway to keep them locked up.

San Francisco was just awarded an \$80 million state grant that it intends to use to build a brand new \$240 million jail to replace its current facility at 850 Bryant St.

As the lack of emphasis on education, jobs and affordable housing continue to decimate the city's African American population, the city is considering spending hundreds of millions of dollars on the kind of housing that leads to despair instead of hope.

Our people helped build this city as a technology powerhouse. During WWII, we traveled here from around the country to work in the shipyards. When the war and shipbuilding ended, we were passed over for whatever jobs remained and our once thriving communities became ghettos. That led to so-called "urban renewal," which did nothing more than displace our merchants and slash the African American population of this city in half over the course of a few decades.

Today, with the city economically thriving, instead of investing in plans to boost our most vulnerable communities in terms of education, jobs, affordable housing and health care, we are considering spending hundreds of millions of dollars on a new jail. The plan would effectively withhold investment in our communities until after our most at-risk members become desperate enough to break the law. It makes no sense. This city should celebrate the innovative community programs and legislation that helped reduce San Francisco's jail capacity by increasing its contributions to them. We should be building forward-thinking job-training programs, not fancy warehouses for inmates. This jail plan goes against everything this city stands for in terms of tolerance and innovation.

Some people are apparently so earnest to jail us, they'll have the city go into debt. A large chunk of the funds to build the new jail facility would be loaned. A report stated payments will cost taxpayers about \$600 million for the project.

As Andrew Szeto of Critical Resistance Oakland has said, imagine what a fraction of that money could do to help solve San Francisco's affordable housing crisis.

We vow to fight any plan that attempts to incarcerate rather than celebrate African Americans who have spilled the blood, sweat and tears to make this city great.

Dr. Amos C. Brown, President
NAACP Branch, San Francisco

(December 2, 2015)

name: Steve Lammert
 #2 Pacific Pl.
 SF, CA 94115

district: Pacific Heights
 #2

organization: Resident
 → participating
 tax payers.

SF should spend \$215 million on:

- (1) smaller jail for violent felons
- (2) mental health services in non-jail environment
- (3) low income housing subsidies for the poorest residents.
- (4) jail diversion programs such as drug treatment
 and/or nurse consult; job training etc
 Financially: Financially: Program ~~\$6,000,000~~ (\$17.5 million)
 in less term costs is fiscally irresponsible.
 ← for the proposed new jail

We demand funding for community based alternatives to incarceration

No New Jail in San Francisco

My family/community/neighborhood will be harmed if SF builds this jail because _____.
We need the City to spend our funds on _____ (resources and services) instead.

Don't push this jail plan forward without hearing from the community and budget analysts on possible alternatives to creating more cages.

1. The state financing is not free money.

- The jail will cost the City at least \$216 million from our own budget. It will create 30 years of debt for our taxpayers.
- This is money that could be used for mental health services (tell the Board of Supervisors what you think our money should be used for and why).

2. Jail capacity is already low. We don't need more beds.

- **As of June 11, 2015, SF jail capacity was at 50%. With simple bail reform and expansion of diversion programs, that number will continue to drop, making a new jail even more unnecessary than it already is.**
- Over 85% of the county's jail population is pre-trial. ***These are primarily people locked up simply for not being able to afford bail.*** We must stop punishing people for being poor.
- The City of SF and State of CA have just been sued for bail reform. If successful, bail reform would dramatically reduce the number of people in SF's jail system, possibly even before the proposed ground breaking date.

3. We need Mental Health in Communities not Cages

- At least one in five people in the SF jail system is in need of mental health support.
- ***Jails are not and will never be adequate places to provide for people with mental health needs because _____*** (tell the Supervisors why).
- SF needs to expand out of custody programs where people with mental health needs have access to healthcare within their communities.

4. San Francisco can be Safer and Stronger without the Proposed New Jail.

- African Americans are approximately of 5% of SF's population and 56% of SF jail population. **San Francisco must stand against this kind of racism.**
- About 25% of those in jail were homeless before being imprisoned and many more may be homeless upon release. A new jail will worsen homelessness in SF.
- There are currently more than 2.7 million children in the United States with a parent who is incarcerated. Jails do not make cities safer or communities stronger. Jails tear families apart. They take parents away from their children.

Oppose the Proposed Costly and Unnecessary New San Francisco Jail

Whereas, while San Francisco is in critical need of funding for public education, affordable housing, social services and health care, the Sheriff proposes to spend \$240 million [up to \$465 million including financing; 30 years of debt] of taxpayer dollars to build an unnecessary new 384 bed jail in downtown San Francisco; and

Whereas, the reality is that San Francisco already has *too much* jail space. There are approximately 1,000 empty beds every single day in S.F. county jails. Jail population has been declining steadily, remaining at 62-65% of its total jail capacity for almost four years [50% capacity of current buildings with the entire CJ#6 sitting empty]. In other words, over 35% of the city's jail system is unused and 85% of the S.F. jail population is simply awaiting trial; and

Whereas, proponents of the plan say we need their new jail to replace the old one at 850 Bryant Street because the building is seismically unsound. However, there is already an excess of empty jail beds and no need to increase jail capacity. The jail at 850 Bryant can be closed immediately without building a replacement; and

Whereas, this controversial jail construction plan is opposed by S.F. District Attorney Gascon, the teachers' union (United Educators of San Francisco), National Lawyers Guild, Coalition on Homelessness, Community United Against Violence, S.F. Human Services Network, People Organized to Win Employment Rights, S.F. Tenants Union, Critical Resistance, and Western Regional Advocacy Project, among many others; and

Whereas, San Francisco can expand its prevention, pretrial alternatives and diversion programs and promote bail and sentencing reform – and thereby reduce the jail population for a fraction of the cost of building a new jail and paying huge interest and annual General Fund operating expenses over many years. These alternatives to incarceration have proven to be best for keeping families together, stabilizing communities, and preparing prisoners for a productive life on the outside; and

Whereas, 42 California counties are currently choosing the dangerous path of jail construction and expansion instead of community-based alternatives to incarceration. Prison and jail expansion has had a particularly devastating effect on poor and working people of color. San Francisco has an opportunity to act against this destructive trend of unrestrained prison and jail growth.

Therefore be it resolved, that Golden Gate Branch 214 of the National Association of Letter Carriers formally oppose the costly and unnecessary San Francisco Jail Replacement Project, and urge others, including the San Francisco Labor Council, to do the same.

