


**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

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POLICY ANALYSIS REPORT

To: Supervisor Sheehy
From: Budget and Legislative Analyst's Office 
Date: June 5, 2017
Re: Costs of Accelerating the Exit from the Hall of Justice

SUMMARY OF REQUESTED ACTION

Pursuant to your request, this report: (1) presents the timing for the relocation of the Medical Examiner, Traffic Company, and Forensic Services Division to new facilities; (2) the costs of leasing space for the District Attorney's Office, Adult Probation Department, and Police Investigations; (3) the plan for the Superior Court; and (4) options for relocating County Jail #4.

For further information about this report, contact Severin Campbell at the Budget and Legislative Analyst's Office.

Executive Summary

- The Hall of Justice (HOJ), located at 850 Bryant Street, currently houses the State Superior Court and five City departments: the District Attorney's Office, Adult Probation, various offices of the Police Department, the Office of the Chief Medical Examiner, and the Sheriff's Department (County Jails #3 and #4). The HOJ is seismically deficient, and a major earthquake would seriously damage the building and potentially endanger the people inside.
- In January 2017, the City Administrator declared that the offices and jail located at the HOJ should be shuttered as quickly as possible (ideally by the end of 2019), given serious concerns about the safety and working conditions of those housed and working in the building. The most recent 10-Year Capital Plan calls for debt issuance to begin in FY 2020-21 in anticipation of fully relocating City departments from the HOJ into new City facilities by 2024. Accelerated relocation of these City departments from the HOJ requires the Adult Probation Department, District Attorney's Office, and Police Department to lease new office space, and requires the Sheriff's Department to develop a plan for relocating inmates currently housed within County Jail #4.
- Each department has specific needs that constrain the kinds of space that would be appropriate to their operations. These include: the need to be in close proximity to the Superior Court; the need for secure and separate rooms

and entry-ways to serve victims, defendants, and probationers; storage facilities for files and firearms; and secure jail housing for inmates. Leasing space for the Adult Probation Department, District Attorney's Office, and Police Department, including tenant improvements to meet each department's specific needs, would allow these departments to relocate from the HOJ in 2018 and 2019, rather than by 2024 under the current plan.

- Accelerated relocation of the Adult Probation Department would cost the City an estimated \$20.2 million in leasing costs over 10 years from FY 2017-18 through FY 2026-27. This is \$11.9 million less than debt service of \$32.1 million over the 10-year period to construct a new City facility for the Adult Probation Department.
- Accelerated relocation of the District Attorney's Office would cost the City an estimated \$51.1 million in leasing costs over 10 years from FY 2017-18 through FY 2026-27. This is \$31.2 million less than debt service of \$82.3 million over the 10-year period to construct a new City facility for the District Attorney's Office.
- Accelerated relocation of the Police Department to relocate the Investigations units currently located in the HOJ would cost the City an estimated \$80.5 million in leasing costs over 10 years from FY 2017-18 through FY 2026-27. This is \$52.4 million less than debt service of \$132.9 million over the 10-year period to construct a new City facility for the Police Department's Investigation units.
- Leasing provides an option for quickly moving staff out of the HOJ, but the City would still need to develop replacement facilities for the City departments currently occupying the HOJ to avoid long-term leasing costs (including exposure to significant increases in market rents). Under the accelerated plan, the City would still need to consider constructing new facilities for the Adult Probation Department, the District Attorney's Office, and the Police Investigation units, resulting in debt issuance and associated debt service payments for the new facilities. These debts would generate new City costs beyond the 10-year planning horizon analyzed in this report.
- The City is currently constructing new facilities for the Medical Examiner's Office and the Police Department's Traffic Company and Forensic Services Division. The Medical Examiner's Office will be moving into a new facility which is currently under construction at 1 Newhall Street, expected to be completed in August 2017. The Police Department plans to relocate its Traffic Company and Forensic Services Division to a new facility at 1955 Evans Avenue with expected completion by the end of 2020.

- The Sheriff's Department is in the process of developing plans for relocating the inmates currently housed at County Jail #4, which is located on the seventh floor of the HOJ. The Work Group to Re-envision the Jail Replacement Project, with the goal of reducing the total jail population to a level that would make it possible to house all inmates at existing facilities, is expected to present its final recommendations to the Board of Supervisors in June 2017.
- The Sheriff's Department is looking into the possibility of re-opening County Jail #6, located in San Bruno in San Mateo County, to house inmates currently housed in County Jail #4. This would require a number of upgrades to County Jail #6's security capacity and infrastructure, and estimates of the costs for these upgrades are not yet available.
- There are currently no plans for the closure and relocation of the Superior Court.

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Need to Relocate City Departments from the Hall of Justice

The Hall of Justice (HOJ) located at 850 Bryant Street was originally built in 1958 with later additions in 1979 and 1985. The HOJ is a seven-story building with 607,000 square feet of space that currently houses the State Superior Court and five City departments: the District Attorney's Office, Adult Probation, the Police Department, the Office of the Chief Medical Examiner, and the Sheriff's Department (County Jails #3 and #4).

After the 1989 Loma Prieta Earthquake, a seismic assessment showed that the HOJ is seismically deficient, with a major earthquake likely to seriously damage the building and potentially endanger the people inside. Based on this assessment and the costs of the substantive seismic upgrades that would be required, the City planned to demolish the HOJ entirely. However, since the HOJ also contains the State-run Superior Court, and the State of California has not yet issued any plan for closure, the City cannot proceed with demolishing the section of the HOJ where the Superior Court is located.

In 2007, the City and County of San Francisco (the City) developed the Justice Facilities Improvement Program to initiate the closure of the HOJ and to construct replacement facilities. The Justice Facilities Improvement Program involves relocating all City departments within the HOJ as well as the two County jails to new facilities that would be constructed on or near the current HOJ site using a variety of funding sources including voter-approved General Obligation (G.O.) bonds, Certificates of Participation (COPs), or other City General Fund sources.

The Justice Facilities Improvement Program Phase 1 Study conducted in 2007 identified additional reasons to vacate the HOJ, such as: (1) outdated fire and life safety systems, (2) poor accessibility for individuals with disabilities, and (3) an obsolete layout that limits security. The existing HOJ office spaces also do not meet the forecasted future space needs for City departments, which were estimated at that time to be approximately 1.2 million gross square feet. As a result of this study, the City decided to forgo any substantial investment in long-term maintenance of the HOJ and developed a timeline for relocating staff and the jails.

Need for Accelerated Relocation

In January 2017, the City received an official grievance letter from Service Employees International Union (SEIU) 1021 on the working conditions within the HOJ, along with a letter of concern from a consortium of unions. The labor unions cited recent developments that have degraded the building condition for current staff. Beyond the known seismic risk, other maintenance issues have worsened that have required substantial investment to repair. Specifically, both the plumbing and elevators have repeatedly failed in the past year and have caused parts of the building to be inaccessible or uninhabitable.

In January 2017, the City Administrator declared that the building's City offices and jails should be shuttered as quickly as possible, ideally by the end of 2019. This is a departure from the timeline of 2024 proposed in the Justice Facilities Improvement Program and in the most recent 10-Year Capital Plan, which assumes debt issuance would start in FY 2020-21. This report will compare the feasibility and costs of an accelerated exit from the HOJ compared to the current plan under the Justice Facilities Improvement Program and described in the FY 2018-27 Capital Plan.

City Departments' Requirements

Adult Probation Department

The Adult Probation Department (APD) is currently using 22,451 square feet at the HOJ for 135 staff located there. APD has 52 hard-walled offices at the HOJ, of which many house two to three staff. The unique space needs of the APD are highlighted below.

Distance from Superior Court

According to APD officials, their staff need to be located as close to the Superior Court as possible. Their sworn staff, which is a majority of their office, are required to appear in Court to testify at various hearings. Non-sworn staff also deliver reports to the Court on a daily basis in order to comply with State mandates. Finally, their clients are often ordered by the Court to report to the APD office immediately following their Court appearance. The APD has requested to be relocated no more than one block away from the current HOJ.

Special Rooms

At the HOJ, APD currently has: (a) one conference room; (b) a learning center for clients that includes several computer work stations; and (c) a reception area for individuals waiting to speak with their Probation Officer. APD also provides its staff with a lactation room and a break room. According to APD, the current space at the HOJ is inadequate and the department would prefer that their new space have: (a) 26 interview rooms; (b) two urine-testing bathrooms; (c) two conference rooms, one of which is a training room, for both staff and clients; (d) a learning center for clients that includes several computer work stations; (e) a large reception area that can accommodate 50 individuals who are waiting to speak with their Probation Officer; (f) a secured evidence room and gun locker for staff to respectively store evidence seized in searches and to safely store their firearms; (g) supply and equipment rooms; and (h) two locker rooms.

Other Considerations

APD has a fleet of 18 vehicles, one of which is an oversized van. These vehicles would need to have parking close to the new office for APD to use. Its current

public entrance is equipped with safety glass, and it would need the same security features in its new location.

District Attorney's Office

The District Attorney's Office (DA's Office) is currently using 57,993 square feet at the HOJ for its 232 staff located there. The DA's Office has an additional 57 staff members located at 732 Brannan Street. Of DA's Office employees at the HOJ, 44 are using private offices while the remaining 188 employees have cubicles or shared space. In order to relocate, the DA's Office has the following office space requirements that need to be considered.

Distance from Superior Court

Due to the fact that DA's Office staff have to bring files and other materials to the Court multiple times each day, close proximity to the Court would improve the efficiency of relocation.¹ Currently, DA's Office staff cart case materials through the HOJ to the Court. Both attorneys and support staff make multiple trips to the Court on a daily basis. When they are relocated, ideally DA staff would be within short walking distance to minimize time for staff transit of case materials. The distance also affects the efficiency of transporting victims between the Court and the DA's Office. The DA's Office has requested to be within two miles of the Court.

Special Rooms

In the HOJ, the DA's Office has two areas dedicated to victims that would need to be replicated in its future office. One area is public, and the other area is private and secured. These spaces serve as lounge areas separate from the DA's Office general reception area so that victims do not interact with anyone else but DA's Office staff. The DA's Office has a 1,104-square-foot records room where it is mandated to keep all of its current case files. The records room is at capacity and attorneys are keeping many of their current case files at their desks. All inactive case files are currently stored offsite. The DA's Office would need a similar or larger sized storage space in its new office where current files can be kept. The DA's Office has an additional 528-square-foot storage space in the basement of the HOJ where they keep miscellaneous department equipment and furniture. The DA's Office also has a firearms and tactical gear room for DA Investigators, who are sworn law enforcement that conduct investigations for cases handled by the DA's Office. The DA's Office has a 969-square-foot law library that also functions as its media press room. Aside from the law library, the DA's Office has 14 smaller conference spaces accommodating between 6 and 16 people per space. For all-staff meetings, the DA's Office currently uses the auditorium in

¹Although close proximity to the Superior Court would reduce the amount of time and resources spent transporting files and other materials, lower rent at a location further away could offset the cost of transport.

SFPD's office area, which can accommodate over 300 staff members. The DA's Office has requested that a future office would provide a conference room large enough for all-staff meetings as well as a training room where the DA conducts mandated training for its practicing attorneys. The DA's Office currently has 10 interview rooms for DA staff to interact privately with witnesses. Finally, the DA's Office provides its staff with bicycle storage, lactation room, coatroom, and several break rooms with kitchens.

Other Considerations

The DA's Office at the HOJ currently has three public entrances, but may only need two public entrances in a future office space for (1) general reception and (2) victims and witnesses. Each of these entrances, equipped with safety glass, would be needed in a future building for security reasons. Finally, the DA's Office has a fleet of 40 vehicles. The need for fleet vehicles may increase depending on the distance of the DA's Office from the Court.

Office of Chief Medical Examiner

According to the 10-Year Capital Plan, the National Association of Medical Examiners advised the City that the Medical Examiner's existing office in the HOJ is undersized and has a number of deficiencies that impact its operational protocols and threaten its accreditation. The new Medical Examiner facility currently under construction at 1 Newhall Street will meet national standards with an additional 46,000 square feet in office space. Building completion is expected in August 2017.

Police Department

Traffic Company and Forensic Services Division

The Traffic Company is the Police Department's motorcycle unit, which conducts traffic enforcement and responds to emergencies. The Forensic Services Division, which is the Police Department's crime lab and crime scene investigations units, is currently split between the HOJ and Building 606 in Hunters Point. A new facility for both the Traffic Company and the Forensic Services Division is currently under construction at 1955 Evans Avenue in southeast San Francisco.

Other Police Units at the Hall of Justice

Police Department headquarters were formerly located in the HOJ, but were relocated in 2016 to the new Public Safety Building, located at 1245 3rd Street in Mission Bay. However, a variety of Police Department units, as shown in Table 1 below, remain in the HOJ and new replacement facilities have not yet been identified.

Table 1: Police Department Staff at the HOJ

Unit	FTE Count	Offices	Cubicles	Vehicles
Special Investigations Division	30	3	27	14
Special Victims Unit	53	4	49	1
Investigations	13	3	10	2
Homicide	16	5	11	7
Gang Task Force	18	2	16	9
Night Investigations Unit	11	1	10	7
Patrol Bureau Task Force	23	3	20	13
Narcotics	30	2	28	15
Administration/Property Control	30	2	28	5
Administration/Identification Bureau	19	1	18	3
Supplies	4	0	4	0
San Francisco SAFE	8	3	7	0
Fleet	2	1	1	47
MTA	24	2	22	14
Court Liaison	10	3	7	2
Permits	11	2	9	4
TOTAL	302	35	267	143

These units are currently using approximately 88,700 gross square feet in the HOJ.² As of April 28, 2017, they have 302 staff, of which 35 are in private offices and 267 are in cubicles. They have a combined fleet of 143 vehicles, of which 15 are oversized vehicles.

[Distance from Superior Court](#)

The Court Liaison, Homicide unit, Property Control, and Identification Bureau staff interact frequently with the Superior Court and therefore prefer to be located near the Court to minimize travel time.

[Other Considerations](#)

The Homicide and various Investigations units prefer to be located in close proximity to the DA’s Office due to frequent collaboration with DA’s Office staff.

Property Control, Identification Bureau, Permits, and Court Liaison need public windows. The Identification Bureau window needs to be separate from the public access to the Investigations units. The Investigations units need interview rooms

² 88,700 square feet for 302 positions equals 294 square feet per position. While this amount of square feet per position is high, the Supplies, Fleet, Administration/Property Control and Administration/Identification Bureau units require storage space for supplies, property, and vehicles. Some Police units in the HOJ occupy more space than they need if the layout used space more efficiently; more efficient use of space in a new location could reduce the amount of square feet for these units.

and waiting rooms. Property Control has special security considerations given the need to control evidence and a safe.

Many of the units need storage for files, some of which may remain at the HOJ until the Superior Court relocates and the building is demolished.

Real Estate Division

The Real Estate Division of the City Administrator's Office currently provides facilities management services to the occupants of the HOJ, including City departments and the State-run Superior Court. The Real Estate Division currently staffs the HOJ with approximately 15 custodial staff and 11 stationary engineers. Upon relocation of the client departments currently occupying the HOJ, most of the Real Estate Division staff would be reassigned to other properties in the City's portfolio. However, some staff would need to remain at the HOJ to operate the Central Plant, which the Superior Court and County Jail #2 (located adjacent to the HOJ) will continue to rely on until the Superior Court vacates the HOJ.

Sheriff's Department

Relocating County Jail #4 Inmates

The central consideration for the Sheriff's Department is how to redistribute inmates currently housed within County Jail #4, located on the 7th floor of the HOJ.³ The jail has capacity to house 402 inmates per night and—as of the daily count on April 25, 2017—it held 345 inmates, the majority of whom (218) were classified as maximum security.⁴ The 402 rated beds⁵ at County Jail #4 account for approximately one-quarter of the 1,562 rated beds currently in operation in San Francisco, and the 218 maximum security inmates housed at County Jail #4 as of April 25, 2017, accounted for approximately 30 percent of all maximum security inmates (726) incarcerated on that day.

In FY 2015-16, the San Francisco jail population averaged 1,271 inmates per night and it is forecast to fall within the range of 1,235 and 1,402 over the next three years. The majority of inmates in the jail system (85 percent in 2014) have not been sentenced, and typically over 90 percent of inmates on a given day are classified as medium or maximum security. Inmates are assigned to specific jails based on their gender, security classification, sentence status, and special needs.

The profiles and needs (or classification considerations) of inmates, along with the design and security capacity of existing facilities, somewhat limit the ability of the

³ County Jail #3, also located in the HOJ, is currently closed.

⁴ As of April 25, 2017, the County-wide jail population was 1,299 inmates.

⁵ Rated beds conform to State requirements and have not been specifically designated to serve special populations (such as psychiatric or medical inmates).

Sheriff's Department to relocate inmates from one jail to another. The jails currently in operation feature both individual cells and group dormitories and are designed in both a linear style (County Jails #3 and 4), limiting the ability of guards to supervise inmates, and a podular⁶ style (County Jails #2, 5, and 6), which provide more visibility for full, direct supervision of inmates within a pod. This variation means that not all facilities are equally equipped to accommodate all inmate profiles. County Jail #2, for example, located adjacent to the HOJ at 425 7th Street, is the sole facility currently designated to house female inmates. Each pod in County Jail #2 also features a mixture of dormitory and cell housing, so while it is able to accommodate inmates with a range of security classifications, substantial security enhancements would be needed if the facility were to be used to house a higher proportion of maximum security inmates. Similarly, County Jail #6—currently closed, dilapidated, and being used for training purposes—consists solely of dormitory-style housing and was not originally intended to house maximum security inmates.

In FY 2015-16, the Controller's Office updated its forecast for the 2020 Jail Population with an estimate of between 1,235 and 1,402 inmates per night. With consideration of peaking and relief factors, a population estimate in this range is associated with a total need of between 1,358 and 1,631 beds. Of eight jail population forecasts prepared between 2011 and 2015⁷, this is both the most current and the lowest forecast available. As shown in Table 2 below, only 1,640 beds are currently available within existing San Francisco County facilities, given the current closures of County Jails #3 and 6 and absence of beds within County Jail #1, which is comprised only of holding cells intended for intake and release. The closure of County Jail #4 would bring the total number of General Population beds down to 1,160, which is significantly below this total estimated need of between 1,358 and 1,631 beds forecasted by the Controller's Office. Without a significant decline in the overall jail population, it will not be possible in the near term to accommodate County Jail #4 inmates using existing facilities alone.

⁶ "Podular" housing refers to a jail design in which cells or dormitories are arranged in clustered "pods" which all face a central supervisory station. This design allows for a single guard to supervise all cells directly at all times. "Linear" design features cells or dormitories arranged along a corridor instead, requiring a guard to patrol the corridor in order to supervise inmates.

⁷ Conducted by Crout and Sida, Jay Farbstein and Associates, the Controller's Office, JFA Institute, the Budget and Legislative Analyst, and the Public Policy Institute of California.

Table 2: Capacity and Security of San Francisco County Jails

County Jail	Location	Status	Beds in Operation	Rated General Population Beds in Operation	Beds in Use on April 25, 2017	Total Useable Beds (Rated + Medical/Psychiatric)
#1	Adjacent to HOJ	Intake/Release	0	0	25*	0
#2	Adjacent to HOJ	Open	466	392	255	466
#3	6 th Floor of HOJ	Closed	0	0	0	426
#4	7 th Floor of HOJ	Open	402	402	345	402
#5	San Bruno	Open	772	768	668	772
#6	San Bruno	Closed	0	0	0	372
TOTAL			1,640	1,562	1,299*	2,012

Source: Controller's Office

*The total count for April 25, 2017 includes 25 inmates located at the intake/release center at County Jail #1, and 6 inmates in medical custody at San Francisco General Hospital (not shown in the table).

Relocating Other Sheriff's Units

In addition to relocating the inmates from County Jail #4, the Sheriff's Department also will need accommodations for other Sheriff's units that operate within the HOJ. These units include: Central Records Unit, Central Warrants Bureau, and the Transportation Unit. Central Records has 22 FTEs, Central Warrants has 32 FTEs, and Transportation has 12 FTEs, for a total of 66 positions. These units currently occupy approximately 6,000 square feet in the west wing of the HOJ and will be relocated to the Court's east wing when County Jail #4 is closed. These units would remain in the HOJ until the Superior Court relocates to a new facility. The City is in the early planning stage for relocating the Central Warrants and Transportation units to the Court's section of the HOJ and relocating Central Records to the Medical Examiner's current location in the HOJ. The City has not yet determined the cost of the capital improvements necessary, but expects that they will require capital financing.

The closure of County Jails #3 and 4 will also eliminate holding cell capacity that is required to stage inmates for court appearances. The Sheriff's Department will require replacement of these holding cells to maintain jail and court operations.

Implications of HOJ Closure for County Jail #2

The closure of the HOJ will require certain modifications to County Jail #2 located at 425 7th Street. The industrial kitchen at the HOJ currently provides meals to inmates at County Jail #2 because the County Jail #2 kitchen is not operational and needs renovation. County Jail #2—like all Sheriff's Department facilities—relies upon the holding center and court staging area located at the HOJ to house and process inmates accessing the Court from other facilities. While it is conceivable

that the Sheriff's Department could close County Jail #4 but keep open access to HOJ staging and holding cells, the Sheriff's Department is developing its plans based on the expectation that new holding cells and staging areas will be constructed in the basement under County Jail #2 or within the Court's side of the HOJ.

To decouple County Jail #2 from the HOJ, a replacement boiler, natural gas line, and data lines would be required as County Jail #2 currently relies on the Central Plant in the HOJ basement. As the State has not yet developed plans for the relocation of the Superior Court, it is assumed that the building support systems will continue to operate at the HOJ regardless of whether the City departments vacate the building entirely. Therefore, County Jail #2 will be able to continue to rely upon the HOJ for building support needs even after the relocation of all County Jail #4 inmates and associated Sheriff's Department staff. Costs associated with constructing new building support systems for County Jail #2 are therefore not included in this report.

Options for Reopening County Jail #6

In order to meet some of the need for additional space for inmate housing, the City is considering the feasibility of re-opening County Jail #6 to inmates. In 2015, an assessment commissioned by the Controller's Office recommended against the use of County Jail #6 to house higher-security inmates from County Jail #4, citing the fact that the dormitory-style layout of County Jail #6 cannot safely accommodate maximum-security inmates. However, the Sheriff's Department is currently revisiting the feasibility of moving certain inmates into County Jail #6 and is starting to work with the City Administrator and Public Works to determine the scope of work and budget to put County Jail #6 back into service for inmate housing. Because the Sheriff's Department is still early in the process of evaluating options to reopen County Jail #6, this report does not include analysis of the upgrade and renovation costs associated with re-opening County Jail #6 to house inmates currently located in County Jail #4.

Superior Court

Space considerations for the Superior Court were not considered in this analysis, as decision-making and budget appropriation authority lies with the State. There are currently no plans for how, when, or where the State will relocate its Court staff and operations out of the HOJ.

Plans for Hall of Justice Exit

Under the Justice Facilities Improvement Program, the City would issue COPs in 2020, including: (1) \$308 million to finance construction of a new facility for the City offices currently located in the HOJ; and (2) \$190 million to relocate inmates

from the HOJ. Actual relocation of the City departments remaining in the HOJ would take place in 2024. Accelerating the relocation of City departments from the HOJ to leased space by the end of FY 2017-18 would result in annual leasing costs, offset by reductions in debt service for repayment of the COPs.

The current exit plan, the accelerated exit plan, and each plan’s associated costs over the 10-year period from FY 2017-18 through FY 2026-27 are presented below.⁸

Adult Probation Department

Current Plan

Under the Justice Facilities Improvement Program, APD would occupy 52,000 square feet in the new facility to be constructed for APD, the DA’s Office, and Police, which is more than twice the 22,451 square feet of APD’s current space in the HOJ. Under the current plan, APD would vacate the HOJ in early 2024.

The total estimated project budget for developing the new space for APD is \$61,200,000. Over the 10-year period analyzed in this report, the City would spend an estimated total of \$32,091,448 on (1) debt service payments for the APD’s portion of the Administrative Relocation COPs and (2) HOJ building operation costs until APD moves into its new facility, as shown in Table 3 below.

Table 3: Costs of Current Plan – Adult Probation Department

	10-Year Cost Estimate
HOJ Administrative Relocation COPs	\$29,527,289
HOJ Building Operation Costs	2,564,447
TOTAL	\$32,091,737

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

Accelerated Plan

Under the accelerated plan, APD and other City departments currently located in the HOJ would be relocated to leased office space by the end of FY 2018-19. The Real Estate Division is currently searching for leased space within a six-block radius of the HOJ and estimates the fair market rate to be up to \$72 per usable square foot per year, inclusive of janitorial and security services. The Real Estate Division is seeking to find approximately 23,000 square feet of space for a new lease, equivalent to APD’s current space at the HOJ. The City may either find a single building to house all City departments currently occupying the HOJ, or find separate individual leases for each department.

⁸ This period comprises the planning horizon for the City’s most recent 10-Year Capital Plan, which outlines the City’s funding priorities for capital improvements, including estimated amounts and dates of debt issuance to finance projects associated with exiting the HOJ.

Assuming that the leased space would be ready for occupancy beginning in the start of FY 2018-19, Table 4 below shows (1) the estimated costs to lease a 23,000 square foot space for APD through FY 2026-27 and (2) estimated operating costs at the HOJ to be paid by APD until relocation to the new leased location is completed.

Table 4: Costs of Accelerated Plan – Adult Probation Department

	10-Year Cost Estimate
Leasing Costs	\$19,450,305
HOJ Building Operation Costs	804,808
TOTAL	\$20,225,114

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

District Attorney’s Office

Current Plan

Under the Justice Facilities Improvement Program, the DA’s Office would occupy 123,000 square feet of space in a new facility, which is more than twice the 57,993 square feet of DA’s Office’s current space in the HOJ. The new building would not be ready for the DA’s Office to move into it until early 2024.

The total estimated project budget for developing the new space for the DA’s Office is \$158,100,000, funded by COPs. Over the 10-year period analyzed in this report, the City would spend an estimated total of \$82,307,038 on (1) debt service payments for the DA’s Office portion of the Administrative Relocation COPs and (2) HOJ building operation costs until the DA’s Office moves into the new facility, as shown in Table 5 below.

Table 5: Costs of Current Plan – DA’s Office

	10-Year Cost Estimate
HOJ Administrative Relocation COPs	\$74,460,120
HOJ Building Operation Costs	7,846,918
TOTAL	\$82,307,038

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

Accelerated Plan

The Real Estate Division is seeking to find approximately 58,000 square feet of space for a new lease, equivalent to DA’s Office’s current space at the HOJ.

Assuming that the leased space would be ready for occupancy beginning in the start of FY 2018-19, Table 6 below shows (1) the estimated costs to lease a 58,000 square foot space for the DA’s Office through FY 2026-27 and (2) estimated operating costs at the HOJ to be paid by the DA’s Office until the move to the new leased location is completed.

Table 6: Costs of Accelerated Plan – DA’s Office

10-Year Cost Estimate	
Leasing Costs	\$49,048,596
HOJ Building Operation Costs	2,078,867
TOTAL	\$51,127,464

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

Office of Chief Medical Examiner

Current Plan

In 2010 and in 2014, voters passed two Earthquake Safety and Emergency Response (ESER) General Obligation (G.O.) bonds to provide for improvements that will allow the City to ensure effective delivery of emergency services in the event of a major earthquake or disaster. The new facility for the Medical Examiner at 1 Newhall Street is primarily funded by the 2014 ESER G.O. bond, which will be fully repaid by 2040. Table 7 below shows the estimated debt service payments that the City will make for the Medical Examiner building’s share of the G.O. bond over the next 10 years.

Table 7: Costs of Current Plan – Medical Examiner

10-Year Cost Estimate	
Debt Service on G.O. Bond	\$54,298,099
TOTAL	\$54,298,099

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

The total budget for the new Medical Examiner building project is \$66,233,024. As of March 2017, \$44,063,301 of the project budget has been spent, \$13,512,989 is encumbered, and there is a remaining balance of \$8,656,734.

Accelerated Plan

The timeline and costs for the Medical Examiner facility are the same in the accelerated plan as the current plan. As completion of the new building is expected in August 2017, the Medical Examiner will be able to relocate from the HOJ prior to FY 2018-19, when other City departments would be relocated under the accelerated plan.

Police Department

Current Plan

Traffic Company and Forensic Services Division

The Police Department’s Traffic Company and Forensic Services Division will be relocated to a new facility being developed at 1955 Evans Avenue in southeast San Francisco using proceeds from the issuance of the 2014 ESER G.O. bond. Table 8 below shows the estimated debt service payments that the City will make for the

Traffic Company and Forensic Services Division building's share of the G.O. bond over the next 10 years.

Table 8: Costs of Current Plan – Traffic Company and Forensic Services Division

	10-Year Cost Estimate
Debt Service on G.O. Bond	\$137,833,637
TOTAL	\$137,833,637

Source: Cost estimates prepared by Budget and Legislative Analyst's Office

The total budget for this project is \$162,195,000. As of March 2017, the project is in the design phase. The City has appropriated \$46,703,201 for this project, of which it has expended \$22,554,289 and encumbered \$2,166,291, leaving a balance of \$21,982,620. To date, \$47 million in G.O. bonds have been issued, and two future issuances are expected: \$58 million in FY 2017-18 and \$58 million in FY 2018-19. The Department of Public Works is currently evaluating bids from contractors to prepare the parcel for construction, including the demolition of the current structure there. Building completion is expected in the fourth quarter of 2020.

[Other Police Units at the Hall of Justice](#)

Under the Justice Facilities Improvement Program, the Police Investigations units would occupy 98,000 square feet of space in a new facility funded by COPs. The new building would not be ready for the Police Investigations units to move into it until early 2024.

The total estimated project budget for developing the new space for Police Investigations is \$126,800,000. Over the 10-year period analyzed in this report, the City would spend an estimated total of \$113,872,632 on (1) debt service payments for the Police Department portion of the Administrative Relocation COPs and (2) HOJ building operation costs until Police Investigations moves into its new facility, as shown in Table 9 below.

Table 9: Costs of Current Plan – Police Investigations

	10-Year Cost Estimate
HOJ Administrative Relocation COPs	\$113,872,632
HOJ Building Operation Costs	19,065,945
TOTAL	\$132,938,576

Source: Cost estimates prepared by Budget and Legislative Analyst's Office

[Accelerated Plan](#)

[Traffic Company and Forensic Services Division](#)

The timeline and costs for the Traffic Company and Forensic Services Division facility would be the same in the accelerated plan as the current plan. Although the completion of the new facility is expected in FY 2020-21, after the proposed

exit of other City departments in FY 2018-19 under the accelerated plan, the Traffic Company and Forensic Services Division would remain in the HOJ until their new facility is ready for occupancy due to the infeasibility of securing a lease and moving for about one year.

Other Police Units at the Hall of Justice

In addition to ADP and the DA’s Office, the Real Estate Division is currently searching for a leased facility that matches the remaining Police Investigations units’ current usage of 88,700 square feet.⁹

Assuming that the leased space would be ready for occupancy beginning in the start of FY 2018-19, Table 10 below shows (1) the estimated costs to lease an 88,700 square foot space for the Police Department through FY 2026-27 and (2) estimated operating costs at the HOJ to be paid by the Police Department until the move to the new leased location is completed.

Table 10: Costs of Accelerated Plan – Police Investigations

	10-Year Cost Estimate
Leasing Costs	\$75,010,525
HOJ Building Operation Costs	5,541,631
TOTAL	\$80,552,157

Source: Cost estimates prepared by Budget and Legislative Analyst’s Office

Real Estate Division

Current Plan

Under the current plan, the Real Estate Division would continue providing facilities management services to the current occupants of the HOJ until City departments vacate the building by 2024. After 2024, a smaller staff of stationary engineers would continue to operate the Central Plant to serve the Superior Court and the adjacent County Jail #2. The Real Estate Division currently spends approximately \$8.4 million per year to operate the HOJ, including emergency repairs. These costs are charged to the client City departments and the Superior Court.

Accelerated Plan

Under the accelerated plan, the Real Estate Division would reassign some of their custodial and stationary engineer staff to other properties following the relocation of City departments from the HOJ in 2019. After 2020, some stationary engineers would remain at the HOJ to operate the Central Plant to serve the Superior Court and the adjacent County Jail #2. It is assumed that building operation costs would

⁹ As noted above, Police units in the HOJ occupy more space than they would in a more efficient layout, and more efficient use of space in a new location could reduce the amount of square feet for these units. However, a 1:1 replacement scenario is analyzed in this report in order to provide a conservative cost estimate.

decrease due to fewer Real Estate Division staff assigned to the HOJ and having a smaller building area to maintain.

Sheriff's Department

Current Plan

The Sheriff's Department plans for vacating the HOJ have shifted over the last several years. Recent 10-Year Capital Plans envisioned relocating inmates in County Jail #4 through the construction of a replacement jail facility to be paid for through a combination of State financing and COPs. The City was awarded \$80 million from the State in November 2015 toward the construction of a replacement jail, but, due to community opposition to new jail construction, the Board of Supervisors voted against accepting the grant, and plans for new construction have since been halted.

Following the rejection of the \$80 million State grant, the City created the Working Group to Re-Envision the Jail Replacement Project, with the goal of reducing the total jail population through a combination of increased investment in mental health programming, administrative changes in the processing and arraignment of short-term inmates, greater investment in alternatives to incarceration, and other approaches. The Work Group is scheduled to present its final report and recommendations to the Board of Supervisors in June 2017.

The City's current 10-Year Capital Plan does not lay out specific plans for developing a new facility to replace County Jail #4. If the Work Group recommendations are not able to achieve a sufficient reduction in the jail population to render new facility construction unnecessary, the Capital Plan includes the potential issuance of \$190 million in COPs in FY 2020-21 to fund construction of new facilities; however, the City has not yet committed to move ahead again with new construction plans. Therefore, the costs associated with the \$190 million in COPs for new jail facilities are not included in this report.

Given the Board of Supervisor's decision to decline State funding for new jail construction, closure of County Jail #4 in the near term will require either a decline in the overall jail population¹⁰, which is not anticipated, or improvements that bring County Jail #6 up to standards and provide a more secure direct supervision facility. The Sheriff's Department has begun looking into the costs associated with upgrades to County Jail #6, but estimates of these costs are not yet available.

¹⁰ The daily jail population would have to decline by approximately 10 percent, from an estimated 1,299 inmates (the jail population on April 25, 2017) to 1,160 (the number of jail beds without County Jail #4).

Accelerated Plan

In order to accelerate the closure of the HOJ, the Sheriff's Department is exploring the possibility of reopening County Jail #6 to house inmates. Transitioning from County Jail #4 to County Jail #6 would entail a range of different costs to the City in the form of transportation costs and improvements to make County Jail #6 habitable for inmates. The housing of inmates at County Jail #6 will also require the purchase of two new buses (at \$561,000 each), ongoing fuel and maintenance costs of approximately \$54,750 per year, and staffing five positions to conduct daily trips to and from the Court.

The City is in the early planning stages for the re-opening of County Jail #6 for inmate housing, and cost estimates for the re-opening are not yet available.

Superior Court

According to officials at the Superior Court, there are currently no plans for how, when, or where the State will relocate its Court staff and operations out of the HOJ, so we assume that the Superior Court will continue to operate at the HOJ over the 10-year period analyzed in this report.

Cost Comparison of Current and Accelerated Exit Plans

Adult Probation Department

An accelerated closure of the APD office in the HOJ with relocation to a new leased site would generate estimated savings to the City of approximately \$11,836,624 over 10 years, as shown in Table 12 below. These savings would primarily be due to delaying the issuance of debt and associated debt service payments for construction of a new facility.

District Attorney's Office

An accelerated closure of the DA's Office in the HOJ with relocation to a new leased site would generate estimated savings to the City of approximately \$31,179,574 over 10 years, as shown in Table 12 below. These savings would primarily be due to delaying the issuance of debt and associated debt service payments for construction of a new facility.

Office of Chief Medical Examiner

Since the accelerated plan is the same as the current plan, there would be no cost difference between the plans. Under each plan, the City will make debt service payments of approximately \$54,298,099 over the next 10 years for the new Medical Examiner facility.

Police Department

Traffic Company and Forensic Services Division

For the new Traffic Company and Forensic Services Division facility, there is no difference in cost between the current plan and the accelerated plan. Under each plan, the City will make debt service payments of approximately \$137,833,637 over the next 10 years.

Other Police Units at the Hall of Justice

An accelerated closure of the Police Department offices in the HOJ with relocation to a new leased site would generate estimated savings to the City of approximately \$52,386,419 over 10 years, as shown in Table 12 below. These savings would primarily be due to delaying the issuance of debt and associated debt service payments for construction of a new facility.

Real Estate Division

The costs associated with facilities management under either the current or accelerated plans would be charged to client departments and are included in the cost estimates for each City department and the Superior Court. Therefore, the estimated costs to be incurred by the Real Estate Division are incorporated into the department estimates presented in Table 12.

Sheriff's Department

The Sheriff's Department is beginning to look into the possibility of re-opening County Jail #6 to house inmates relocated from County Jail #4. The department has not yet developed cost estimates for this plan. At a minimum, an accelerated closure of the HOJ that involves re-opening of County Jail #6 would entail additional costs associated with transporting inmates from County Jail #6 in San Bruno to the Court, and upgrading security and infrastructure at County Jail #6.

Superior Court

There are currently no plans for how or when the State will relocate its court staff and operations out of the Hall of Justice, so this analysis does not include costs associated with relocation of the Superior Court. However, because the Superior Court will continue to operate in the HOJ until the State develops a new facility, the Superior Court will continue to rely on the City-run building systems and will continue to make reimbursement payments to the City for building operation costs. Those reimbursements over 10 years, which are estimated to be the same under the current plan and accelerated plan, are shown in Table 11 below.

Table 11: Comparison of Relocation Costs by Department

Department	Current Plan	Accelerated Plan	Savings of Accelerated Plan
Adult Probation	\$32,091,737	\$20,255,114	\$11,836,624
District Attorney's Office	82,307,038	51,127,464	31,179,574
Medical Examiner	54,298,099	54,298,099	0
Police	270,772,213	218,385,793	52,386,420
Sheriff	N/A	N/A	N/A
Superior Court	(10,417,782)	(10,417,782)	0
TOTAL	\$429,051,306	\$333,648,688	\$95,402,618

N/A = Not available

Source: Cost estimates prepared by Budget and Legislative Analyst's Office

Conclusion

Although the accelerated relocation plan would result in savings over a 10-year term to the City due to the delay of debt service payments for construction of new facilities, leasing space indefinitely for the Adult Probation Department, the District Attorney's Office, and various Police units could be more costly in the long term than constructing new City-owned facilities. Leasing provides an option for quickly moving staff out of the HOJ, but the City would still need to develop replacement facilities for the City departments currently occupying the HOJ to avoid long-term leasing costs (including exposure to significant increases in market rents). Under the accelerated plan, the City would still need to consider constructing new facilities for the Adult Probation Department the District Attorney's Office, and the Police units, resulting in debt issuance and associated debt service payments for the new facilities. These debts would generate new City costs beyond the 10-year planning horizon analyzed in this report. The timing and locations for these replacement facilities will depend upon the State's plans for replacing the Superior Court, which have yet to be determined.

The Board of Supervisors will need to consider the recommendations of the Work Group to Re-envision the Jail Replacement Project in an effort to further reduce the jail population, and then evaluate the possibility of expediting the re-opening of County Jail #6 to allow for the closure of County Jail #4.

**APPENDIX: ESTIMATED ANNUAL LEASE COST
 FY 2017-18 TO FY 2026-17**

	Police Investigator	District Attorney	Adult Probation
FY 2017-18	\$6,543,206	\$4,278,534	\$1,696,660
FY 2018-19	6,739,502	4,406,890	1,747,560
FY 2019-20	6,941,687	4,539,097	1,799,987
FY 2020-21	7,149,938	4,675,269	1,853,986
FY 2021-22	7,364,436	4,815,528	1,909,606
FY 2022-23	7,585,369	4,959,993	1,966,894
FY 2023-24	7,812,930	5,108,793	2,025,901
FY 2024-25	8,047,318	5,262,057	2,086,678
FY 2025-26	8,288,738	5,419,919	2,149,278
FY 2026-27	8,537,400	5,582,516	2,213,756
Total	\$75,010,525	\$49,048,596	\$19,450,305