

AMENDED IN COMMITTEE

2/9/17

FILE NO. 170065

RESOLUTION NO. 42-17

1 [Funding Application - Board of State and Community Corrections - Renovation of County Jail
2 No. 2 - \$70,000,000 of State Funding - \$12,000,000 of Additional City Funding]

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4 **Resolution authorizing the Sheriff's Department to submit a funding application to the**
5 **Board of State and Community Corrections pursuant to California State Senate Bill 844**
6 **(2016) for \$70,000,000 for a proposed project to renovate County Jail No. 2; outlining**
7 **the matching cash contribution of \$8,200,000 and additional funds of \$3,800,000 for a**
8 **total of \$12,000,000 needed for the proposed project; and conditionally approving the**
9 **form and execution of associated financing and construction documents.**

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

16 WHEREAS, On December 30, 2016, the Board of State and Community Corrections
17 ("BSCC") issued a Request for Proposals for Construction of Adult Local Criminal Justice
18 Facilities ("SB 844 RFP"), a copy of which is on file with the Clerk of the Board of Supervisors
19 in File No. 170065, and is incorporated herein by reference; and

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

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

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

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

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

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

13 WHEREAS, The County would need to apply for the SB 844 funds by submitting a
14 Proposal Form in substantially the form on file with the Clerk of the Board of Supervisors in
15 File No. 170065 ("Proposal Form"), which is incorporated herein by reference; and

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

20 WHEREAS, If the County receives a conditional intent to award SB 844 financing and
21 elects to perform the Proposed Renovation Project, County staff will cause the issuance of not
22 more than \$12,000,000 of commercial paper to fund on an interim basis the remainder of the
23 County's Cash Contribution and the Additional Contribution to this Board of Supervisors for
24 consideration, such commercial paper to be refunded with cash or the issuance of the
25 County's long-term bonds; and

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

4 WHEREAS, The submitted application for SB 844 financing must include a resolution
5 that is adopted by this Board of Supervisors and authorizes the execution of a Project Delivery
6 and Construction Agreement, a Jail Construction Agreement, and a Right of Entry for
7 Construction and Operation (collectively, "Construction Documents"), and a Ground Lease,
8 Site Lease, Facility Lease, and a Facility Sublease (collectively, the "Financing Documents"),
9 which are substantially the forms on file with the Clerk of the Board of Supervisors in File No.
10 170065, and the Construction Documents and the Financing Documents are hereby declared
11 to be a part of this resolution as if set forth fully herein; and

12 WHEREAS, The Planning Department determined the Proposed Renovation Project is
13 categorically exempt from the California Environmental Quality Act, California Public
14 Resources Code Sections 21000 et seq., and issued a CEQA Categorical Exemption
15 Determination with respect to such determination, which is on file with the Clerk of the Board
16 of Supervisors in File No. 170065 and is incorporated herein by reference, and the Board
17 adopts such determination as its own; now therefore be it

18 RESOLVED, The County is authorized to submit an application for \$70,000,000 of SB
19 844 funds in response to the SB 844 RFP; and, be it

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

22 FURTHER RESOLVED, The County will be authorized to proceed with the Proposed
23 Renovation Project if County is awarded, and this Board of Supervisors accepts and
24 appropriates, the SB 844 financing for the Proposed Renovation Project and this Board of
25

1 Supervisors approves the contract for the design of the Proposed Renovation Project, if such
2 contract is for more than \$10,000,000 (the "Acceptance Conditions"); and, be it


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

9 FURTHER RESOLVED, If the Acceptance Conditions are fully satisfied, the
10 Controller's Director of Public Finance is hereby authorized and directed to cause the
11 issuance of not more than \$12,000,000 of County's commercial paper to fund on an interim
12 basis costs for the Proposed Renovation Project, such commercial paper to be refinanced on
13 a long term basis from available County funds or certificates of participation or other forms of
14 indebtedness, the security documents of which shall be submitted to this Board of Supervisors
15 for its consideration and approval; and, be it

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

1 Documents or this resolution, and are in compliance with all applicable laws, including the
2 County's Charter, and approval of such changes shall be conclusively evidenced by the
3 execution and delivery thereof by the applicable Authorized Officers, with (i) County's Director
4 of Property or his or her designee, acting alone, authorized to sign the Financing Documents,
5 (ii) County's Director of Property or his or her designee, authorized to sign the Right of Entry
6 for Construction and Operation and the Facilities Sublease on behalf of the County, (iii)
7 County's Controller or his or her designee, County's Sheriff or his or her designee, and the
8 Director of San Francisco Public Works or his or her designee, acting together, authorized to
9 sign the BSCC Jail Construction Agreement, and (iv) County's Controller or his or her
10 designee, and County's Sheriff or his or her designee, acting together and with the
11 recommendation of the Director of San Francisco Public Works or his or her designee,
12 authorized to sign the Project Delivery and Construction Agreement.

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16 RECOMMENDED BY:

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18 _____
19 Vicki L. Hennessy, Sheriff
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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170065

Date Passed: February 14, 2017

Resolution authorizing the Sheriff's Department to submit a funding application to the Board of State and Community Corrections pursuant to California State Senate Bill 844 (2016) for \$70,000,000 for a proposed project to renovate County Jail No. 2; outlining the matching cash contribution of \$8,200,000 and additional funds of \$3,800,000 for a total of \$12,000,000 needed for the proposed project; and conditionally approving the form and execution of associated financing and construction documents.

February 09, 2017 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

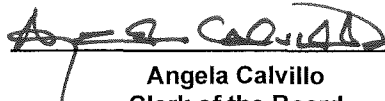
February 09, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

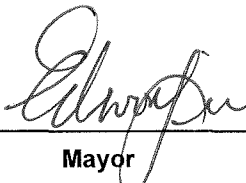
February 14, 2017 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170065

I hereby certify that the foregoing Resolution was ADOPTED on 2/14/2017 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

2/22/2017
Date Approved