

FREQUENTLY ASKED QUESTIONS
SB 81 Local Youthful Offender Rehabilitative Facility
Construction Funding Program
Updated July 2008

- 1. How much money is available to counties for youthful offender rehabilitative facility construction and is there a deadline to expend the funds?**

Up to \$100 million total is authorized by the legislation for county youthful offender rehabilitative facility construction, expansion or renovation projects. All projects shall be approved by the Corrections Standards Authority (CSA) as concurred by the State Public Works Board (SPWB). There is a June 30, 2017 deadline for funding pursuant to Senate Bill (SB) 81.

- 2. How does SB 81 differ from previous juvenile facility allocations and processes?**

The fundamental difference with SB 81 that has not previously been experienced with state-administered juvenile facility construction funding is the utilization of state lease-revenue bond financing.

- 3. Can this funding be used for operating costs of the youthful offender rehabilitative facilities?**

No. The lease-revenue bond funding authorized in SB 81 is strictly for the construction, expansion or renovation of youthful offender rehabilitative facilities.

- 4. How were the components/rules established for the youthful offender rehabilitative facilities construction proposal process?**

A Local Youthful Offender Rehabilitative Facilities Construction Funding Executive Steering Committee (ESC) appointed by the CSA Board, convened on February 19, 2008 to determine various aspects of the Draft RFP, including rating criteria and funding parameters. An initial draft RFP was reviewed and revised by the ESC, California Department of Corrections and Rehabilitation (CDCR) Legal staff, State Public Works Board (SPWB), the Governor's Office and the Office of the Attorney General. Comments from all of these sources were incorporated into the Draft RFP that was reviewed and further revised by the ESC at their second meeting on June 9, 2008. The Draft RFP was then released to the field for review and comment. A feedback session was held on June 23, 2008 for counties to express their comments to the ESC. As a result of the feedback session, minor revisions were made to the RFP. On July 10, 2008 the CSA Board approved the Final

RFP and authorized its release to the field. On July 15, 2008 the Final RFP was posted on the CSA website.

5. When are the proposals due?

County's proposals must be received by the CSA at their office located at 600 Bercut Drive, Sacramento, CA 95811 by January 6, 2009 at 5:00 pm. For more information on the submittal requirements, please refer to the RFP.

6. Will a county be penalized for having proceeded with the planning process for meeting youthful offender rehabilitative facility construction needs (i.e., conducting a needs assessment and determining a site)?

No, a county will not be penalized for proceeding with the planning process. Much of the costs incurred can be submitted as match as specified in the RFP. A county that completes the planning process and commits construction funding from another source, and proceeds to bid for construction, would not be qualified for funding under this program.

7. Can the youthful offender rehabilitative facility site acquisition costs or value of the land be included in the 25% match?

The cost or current fair market value of the site (supported by purchase documentation or an independent appraisal) is allowed as in-kind match and included in the total required 25% match. Please see the RFP.

8. Are counties responsible for any debt repayment on the lease-revenue bonds used to finance the youthful offender rehabilitative facility construction project?

No, the state will pay the debt service on the bonds.

9. Will a county's ownership interest in the youthful offender rehabilitative facility be changed in some way when state lease-revenue bonds are used for youthful offender rehabilitative facility construction, expansion or renovation?

Under this funding program, the ownership interest of the property will be vested with the state for the period of the bond financing (35 years or longer). The facility will be leased to CDCR by the SPWB, and subleased to the county.

10. Who will own the property and the youthful offender rehabilitative facility after the lease-revenue bond indebtedness is paid in full?

The ownership of the property and the youthful offender rehabilitative facility will revert to the county once the lease-revenue bond indebtedness is paid (in 35 years or longer).

- 11. Since the state will have ownership interest in the property and the youthful offender rehabilitative facility built on the property for the duration of the lease-revenue bond indebtedness, what standards will apply to the design and construction of the youthful offender rehabilitative facility?**

Local youthful offender rehabilitative facilities will be built to current Minimum Standards for Local Juvenile Facilities as established in Title 24, California Code of Regulations.

- 12. Will the state pay for the seismic and fire/life safety upgrades as required by the State Public Works Board if the county chooses to construct an addition to or remodel an existing youthful offender rehabilitative facility?**

For new construction that is added to an existing facility, or the remodeling or renovation of an existing facility, the SPWB will require that the scope of the proposed project include all work necessary for the existing facility to meet or exceed a seismic level 3 performance standard as evaluated and determined by qualified licensed structural engineers, and meet current fire and life safety standards. These improvements would qualify as necessary renovation subject to the final approval of the SPWB and could potentially be funded with state dollars.

- 13. Will a formal needs assessment study be required if counties are planning to add beds to an existing youthful offender rehabilitative facility?**

If a new juvenile facility is proposed, or if adding beds to an existing juvenile facility is proposed, a formal needs assessment study, containing the required elements as defined in Title 24, California Code of Regulations, is required. For expansion of an existing facility, a targeted needs assessment may be submitted if a comprehensive needs assessment has been submitted and accepted by the CSA within five years. Please see Title 24, Part 1, and Section 13-201 (c) 2 for further information.

- 14. If at some point it is determined that the state funding provided to a county is not the amount needed to complete the entire project, can the county scale down their project and still receive the allocated funding?**

No, the county must complete the project that was identified in the county's proposal, and that was accepted by the state as the defined scope of work. Counties are solely responsible for higher than anticipated project costs.

15. Can demolition costs be included in the acquisition or preparation of the construction site and be considered part of the allowable soft match costs?

Yes, demolition is part of site work and is considered a construction cost. Demolition costs may be included in the construction budget and is an eligible cost for use of state funds, cash (hard) match (if using a contractor) or in-kind (soft) match (if using county paid employees).

16. The RFP states that there is a June 30, 2017 deadline for funding. Is there a date for when project completion is to be done?

The date for when project completion is to be done is dependent on when the project is scheduled to begin. With this in mind, federal tax law requires that construction/expansion/renovation be substantially complete (approximately 90 percent) within three years after the participating county begins construction/expansion/renovation. Pursuant to SB 81, no projects shall be commenced after June 30, 2017, when SB 81 becomes inoperative.

17. The RFP states that counties may not build for future capacity needs beyond the year 2013. However, the RFP also states that renovation projects will not be allowed unless they extend the life of the facility for 35 years or more. Are these two statements contradictory?

The two statements are not contradictory as they pertain to two different requirements in the RFP. One requirement is that counties may not build for future capacity needs (beds) beyond what their Needs Assessment justifies to the year 2013. Unrelated to building for future needs is the requirement that renovation projects must extend the useful life of the facility for at least 35 years from the date the project is completed. This is a requirement of the Facility Lease and Facility Sub-lease agreements. This is because the lease terms run as long as the lease-revenue bonds issued for the facility are outstanding but not to exceed 35 years.

18. Does SB 81 allow for deferred maintenance projects in existing juvenile facilities?

No. Deferred maintenance projects are not eligible under this construction program.

19. According to the RFP, counties must commit to staffing and operating the facility within 90 days of construction completion. What is the definition of construction completion?

In this case, construction completion is when a contractor's notice of completion has been accepted by the county.

20. What is the purpose of the cash match and why is it mandatory, especially for small counties?

The SB 81 legislation requires counties contribute a minimum of 25% match of the total project costs, with the exception of counties with a general population under 200,000 that may petition the CSA Board for a reduction in match. The SB 81 ESC elected to allow a combination of cash match and in-kind match as has been the typical approach in past construction funding programs. Contributing cash match stretches the state dollars further and demonstrates the county's financial commitment to the project.

21. How is the 25% match requirement broken down between cash (hard) and in-kind (soft) match?

The ESC determined that small and medium sized counties must contribute at least 5% cash match and 20% in-kind match of the total eligible project costs and large sized counties must contribute at least 10% cash match and 15% in-kind match of the total eligible project costs. SB 81 allows small counties to petition the CSA Board for a reduction in match. The ESC determined that this reduction would apply to the in-kind match only.

22. Is there a minimum number of beds that must be constructed under the SB 81 funding process?

No, there is no requirement in SB 81 or the RFP to construct a minimum number of beds. In staying with the legislative intent of SB 81 with its emphasis on rehabilitative facilities, the RFP does not require that traditional juvenile hall or camp beds be constructed. The RFP allows for other types of rehabilitative facilities to be built.

23. Does the RFP allow for joint powers agreements with the courts or other agencies to build adjoining courtrooms and create justice centers to address security concerns surrounding the transportation of juveniles to the courts?

This will depend upon how the county intends to "adjoin" the SB 81 project (juvenile facility) with the court structure. The direction from the State Public Works Board is that generally, financing requires a 5 – 15 foot buffer between the financed facility and other buildings on the site. This becomes part of the

legal description of the proposed project. Any permanent structure (e.g. a tunnel or enclosed walkway) connecting the lease-revenue bond financed building (juvenile facility) with another building (court) would require that the other building (court) be incorporated into the project's footprint, meaning it too would be subject to state ownership interest, approval and oversight.

24. Does the RFP allow a county to construct a dual purpose facility that includes custody as well as a treatment center?

Yes, as long as what is meant by "treatment center" includes programs and an operational philosophy that support the rehabilitation of youthful offenders at the local level and the facility is designed and constructed to comply with applicable operational, fire and life safety and physical plant standards as contained in Titles 15 and 24, California Code of Regulations.

25. The RFP indicates the county must fully staff the juvenile facility within 90 days of construction completion and the project must be complete within three years from the start of construction. If the facility is completed prior to 2013, but the facility was built to 2013 needs, must the facility be fully staffed even if the facility is not operating at capacity when it is opened?

This is a State Public Works Board requirement in order to sell the lease-revenue bonds. The facility must be fully operational and staffed within 90 days of construction completion. This means that all housing areas, support and program components of the facility must be operational and staffed in accordance with applicable regulations.

26. Is a formal needs assessment required if a county is only adding rehabilitative program space but no beds?

No, a formal needs assessment is not required if a county is not going to add bed space. However, the county's proposal narrative must clearly and convincingly articulate the county's need for the rehabilitative program space.

CSA Staff Contact Information

Please feel free to contact CSA staff anytime throughout this funding process.

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