

TO: Chairman and Members

DATE: January 16, 2014

**SUBJECT: Executive Steering Committee Proposed
Senate Bill 1022 Construction Financing
Program Conditional Awards Recommendations.
Requesting Approval.**

AGENDA ITEM: H

**ACTION: X
INFORMATION:**

RESOURCE PERSON: Robert Oates

Summary: This agenda item requests the Board of State and Community Corrections (BSCC) Board approval of the Senate Bill (SB) 1022 Executive Steering Committee (ESC) recommendations on counties' jail construction proposals, which total \$500,000,000. The recommendations incorporate both the scores of the ESC and the funding preference criteria.

Background: At its January 7, 2014 meeting, the BSCC approved the posting of emergency regulations for SB 1022 and, on January 9, 2014, the Office of Administrative Law approved those emergency regulations. The emergency regulations are provided at Attachment A.

Following the release in July 2013 of the SB 1022 Request for Proposals – Construction or Expansion of County Jails, 36 counties formally submitted an application to request State lease-revenue bond financing for their proposed county jail construction project by the October 24, 2013 deadline.

The applications were provided to the ESC that was previously appointed by the Board to develop components of the Request for Proposals (RFP), and to evaluate the applications submitted in response to the RFP. Following the application due date, the ESC met for application evaluation training with BSCC's research and evaluation staff, and to discuss the remaining steps in the evaluation process. The ESC evaluated the applications, each on their own merit. The counties then met with the ESC in a presentation session over two days to address concerns or questions that ESC members may have had.

The funding preferences established in law for SB 1022 (Chapter 42, Statutes of 2012), in summary, state that the BSCC shall give funding preference to counties that are most prepared to proceed successfully with this financing in a timely manner. The determination of preparedness to proceed shall include, but not be limited to, counties providing documentation of adequate, available matching funds authorized by the county board of supervisors from a source or sources compatible with this financing authority as determined by the State Public Works Board (SPWB) with review and approval by the State's Department of Finance (DOF).

The determination of preparedness to proceed also included submission of the following with the county's project proposal submission:

1. All documents required in the initial county real estate due diligence submission package.
2. Documentation evidencing California Environmental Quality Act (CEQA) compliance has been completed.

3. A resolution adopted by the county's Board of Supervisors certifying the county has read the forms of the project documents for this financing program, and authorizing the appropriate county representative(s) to execute each, in substantially the form presented, at the appropriate times within the financing program, if funding is conditionally awarded.

The three set aside categories as determined by the ESC are correlated to the population of counties; small county set asides are defined as having populations of 200,000 and less; medium size county set asides are defined as having populations between 200,001 and 700,000 and; large county set asides are defined as having populations greater than 700,001.

The ESC ratings in combination with the preference criteria determined the final rank order of the proposals within each of the three set asides. Using the final rank order within each of the set asides with the available funding, it is staff's recommendation to the Board that 15 of the 36 proposals receive conditional funding awards (Attachment B).

Recommendation/Action Needed:

Staff recommends the BSCC Board approve the following:

1. Provide conditional awards for the full amounts requested to 12 counties in the three set asides (Attachment A).
2. Provide a conditional award to Tehama in the amount of \$6,526,000, which represents a partial amount of the \$20,000,000 requested due to the remaining funds within the small county set-aside.
3. Provide a conditional award to San Joaquin in the amount of \$33,352,000, which represents a partial amount of the \$40,000,000 requested due to the remaining funds within the medium county set-aside.
4. Provide a conditional award to Sacramento in the amount of \$56,432,000, which represents a partial amount of the \$80,000,000 requested due to the remaining funds within the large county set-aside.
5. Determine award protocol for counties receiving partial awards, in particular, whether maintaining original project scope with the acceptance of partial funding awards is required.

Attachments:

- A. SB 1022 Emergency Regulations
- B. List of the ESC's SB 1022 Recommendations