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## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Leanne Link for Nancy Watt - County Executive Officer  
County Executive Office  
**REPORT BY:** Liz Habkirk, PRINCIPAL MANAGEMENT ANALYST - 253-4826  
**SUBJECT:** SB 863 - New Jail Funding Application

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### **RECOMMENDATION**

County Executive Officer and Director of Corrections request the following related to the County's submittal of a Senate Bill (SB) 863 jail construction funding application:

1. Staff presentation and discussion on the development of the first phase of the County's new jail facility located at 2300 Napa-Vallejo Highway in Napa; and
2. Adoption of a resolution authorizing the submittal of a SB 863 jail construction funding application for State lease-revenue bonds in the amount of \$20,000,000.

### **EXECUTIVE SUMMARY**

The Board of State Community Corrections (BSCC) has issued a Request for Proposals (RFP) to establish conditional awards and allocate financing as authorized by Senate Bill (SB) 863 for the construction of adult local criminal justice facilities. Napa County qualifies for the funding as a "Small County" and can submit a proposal for project reimbursement up to \$20 million. The County Executive Officer and Director of Corrections recommend submitting a proposal for the construction of the first phase of the County's new jail located at 2300 Napa-Vallejo Highway. Today's recommended action will approve a resolution authorizing staff to apply for the funding and meet the requirements outlined in the RFP.

### **PROCEDURAL REQUIREMENTS**

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the resolution.

**FISCAL IMPACT**

|                                   |  |
|-----------------------------------|--|
| Is there a Fiscal Impact?         | Yes  |
| Is it currently budgeted?         | No   |
| What is the revenue source?       | Accumulated Capital Outlay   |
| Is it Mandatory or Discretionary? | Discretionary  |
| Discretionary Justification:      | The County has the opportunity to take advantage of up to \$20 million in State financing for the new jail project through this competitive application.   |
| Is the general fund affected?     | No   |
| Future fiscal impact:             | Award of the State financing will require the County to put forward funding that will later be reimbursed by the State. Additionally, the County will be required to staff the facility within 90-days of opening for both operational and programmatic staff, and must continue operations of the facility for the life of the bond, approximately 25-30 years. |
| Consequences if not approved:     | The County will not be able to leverage the \$20 million in state funding to build Phase 1 of the new jail facility, and construction of the project would be delayed until sufficient resources can be identified.  |

Additional Information:

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

The Board of State Community Corrections (BSCC) has issued a Request for Proposals (RFP) to establish conditional awardees and allocate financing as authorized by Senate Bill (SB) 863 for the construction of local adult criminal justice facilities. SB 863 follows similar programs that were established under phase 1 and phase 2 of AB 900 and SB 1022 for lease-revenue bond financing for county jail facilities. Like those programs, SB 863 authorizes state lease-revenue bond financing for acquisition, design, and construction of the approved facilities, and like the previous programs allows for the replacement of existing compacted, outdated, or unsafe housing capacity with a minimal increase in overall capacity. The SB 863 enacting legislation includes a specific priority for the provision of additional treatment and program space for inmates that was not as highly emphasized in previous rounds.

A need for a new jail was identified during the Adult Correctional System Master Planning process which concluded in 2006. That Master Plan identified significant issues with the ability of the current jail to accommodate the needs of future jail population projections. Since the implementation of the 2011 Public Safety Realignment Act, the issues with the current facility have grown significantly. The population now includes 87% felony offenders, which means that inmates are generally of a higher security classification and are staying in the facility for longer periods. The current jail does not have sufficient dedicated single cells to accommodate the current and

future housing needs, creating operational issues and general overcrowding as Napa County Department of Corrections (NCDC) staff work to house inmates appropriately. There are further problems with insufficient programming and medical/mental health treatment space to address the needs of this changing population; the County is now responsible for providing higher levels of inmate services as inmates are generally staying in the facility longer than pre-Realignment. Additionally, the current facility has an antiquated design resulting in an intensive staffing model, as well as being expensive to maintain and remain functional due to its aging infrastructure.

With these significant issues and the County of Napa's needs for safe maximum custody housing, programming areas, and a medical/mental health treatment, an application would align with the State's outlined goals for the SB 863 funding. The new jail will allow the County to increase the number of dedicated single cells for maximum security inmates, create inmate programming spaces, operate a modern medical/mental health unit, and discontinue use of some of the most antiquated cells within the current facility.

The State has divided the funding into three pools: large, medium, and small counties. With a population of under 200,000, Napa County qualifies for the funding as a "Small County". The small county pool of funding totals \$100 million, and counties can submit applications for funding of up to \$20 million. Staff recommends that the County submit an application for the first phase of the County's new jail facility to be located at 2300 Napa-Vallejo Highway and estimates the cost of the new facility to be \$66 million with the occupancy of the facility expected in the fall of 2020.

Along with the project architects, Nacht & Lewis, staff will provide a presentation on the conceptual design of Napa County Jail Phase I, as well as a discussion on the operational impacts to the NCDC and future funding needs for completing the new jail project.

#### Napa County Jail Phase I - Conceptual Design Elements

Over the last several months, staff has worked on a master plan concept that will allow the new jail facility to grow in stages as funding becomes available. With this initial phase, staff is proposing to construct the majority of the core for the facility (including kitchen, laundry, medical, central control, and intake areas), as well as an initial 64-cell housing unit. The construction of this facility will help meet a critical need for maximum custody single-cells.

Along with providing critical maximum security cell space, the facility will offer dedicated on-unit program classrooms, individual counseling rooms, and a modern medical/mental health unit. These components meet the priorities of the SB 863 legislation. More importantly the new facility allows NCDC to improve program offerings that will complete the continuum of care from secure jail custody to the Staff Secure Re-Entry Facility to supervision under Probation and finally full integration back into the community improving public safety and reducing recidivism. A modern 17-bed medical/mental health unit will allow NCDC the ability to house the seriously mentally ill (SMI) population within the jail, allowing for appropriate access to medical and mental health care, behavioral program spaces, and a rehabilitative environment. These elements help the County to meet the proposed priorities of the legislation as well as to help meet the identified needs of the County.

With the County's architects, staff has thoughtfully considered design elements that will allow the facility to be efficiently expanded over time as future funding becomes available to add needed housing units and finish the core section of the facility. The first phase includes the required site-work and extension of utilities that will service the entire master planned campus, including the Staff Secure Re-entry Facility. The intake area that will serve as the internal transfer point under a split operations model will also initially house temporary offices for facility administrators but will be designed to allow for transition to a full booking center. Hallways have been positioned to allow for natural breaks between construction phases. These types of decisions have been considered throughout the conceptual design process, with a forward thinking approach to make future phases of construction easier to complete as funding becomes available.

### Operational Impacts & Future Construction Funding

With the construction of Phase I of the New Jail, NCDC would be required to operate multiple secure jail facilities in order to meet the projected inmate population. Through the adoption of today's resolution, the County is committing to operating the new facility beginning 90-days after construction is complete through the life of the State issued bond. The impact to operating multiple facilities is significant. Staff is estimating that approximately 60 additional positions, most of which are correctional staff, would be required to operate the facilities and meet security and safety standards. There would also be increases to service costs, such as the provision of medical contract costs, and supplies costs that would come from managing multiple facilities. This translates into approximately a \$7 million increase from the Department's FY 2015-2016 budget.

With this significant increase, staff has discussed strategies that would 1) allow for a graduated cost increase over the next several years to build up to the needed budget level; and 2) limit the amount of time, if any, the Department would actually be required to operate under a split operations model.

In order to meet this potential increase in operational costs, staff requests direction to update the County's Strategic Financial Plan with a strategy to step-in anticipated costs over the next several fiscal years to accommodate NCDC's budget requirements when the new jail opens. Similar to the approach taken to increase funding for Roads maintenance and repairs, the strategy would involve increasing a set-aside year-over-year until the facility opens, building up to increased annual operating expenditures. Staff would return in January 2016 with the planned update to the Strategic Financial Plan and would include this strategy for inclusion in the policies for the FY 2016-2017 budget preparation.

Staff has also been exploring ways to limit the amount of time, if any, the jail would be required to operate multiple facilities. In the SB 863 application, staff proposes building the facility using the Design-Build method. After careful consideration, staff believes this offers the most flexibility to begin the design process now in anticipation of future funding possibilities. Each year that the construction of the new jail is delayed results in an estimated \$5 million increase to the total project cost due to construction escalation. By approaching the project with this design method, the County may be able to limit some of that impact if funding can be identified sooner without the need to begin with a "new" project.

At the FY 2015-2016 budget hearings, the Board indicated an interest in discussing potential avenues for future funding, including a General Obligation Bond process and exploration of the use of Public-Private Partnership (P3) opportunity. Staff believes that the most relevant route for funding is to research the possibility of a General Obligation Bond ballot measure. Initial research into the P3 model did not yield any examples of adult correctional facilities in California built using this model. Additionally, staff weighed the potential expenses without identified new revenue sources for payments, and the complexity that would result from the State's ownership of the facility during the life of the bond should the County's SB 863 application proposal be accepted. With these considerations, staff determined that initial effort for full construction funding would be better focused on a bond measure option. This was also a recommendation proposed by the FY 2014-2015 Grand Jury in their annual report on the Jail issued in May.

Today's action would provide direction to staff to proceed with the SB 863 application proposal and approve the required resolution to submit with the proposal. Staff would also request direction to return in January 2016 with an updated Strategic Financial Plan that includes a strategy to step-in to the increased operational costs that would exist under a split operations model and direction to continue to review the possibility of a General Obligation bond ballot measure in 2016.

### **SUPPORTING DOCUMENTS**

- A . Resolution
- B . Presentation

CEO Recommendation: Approve

Reviewed By: Molly Rattigan