



## Legislation Text

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**File #:** 21-0645, **Version:** 1

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Chief Administrative Office, Facilities Division, recommending the Board receive an update on the Senate Bill 81 Local Youthful Offender Rehabilitative Financing Program - New Placerville Juvenile Hall Facility project and provide direction on how to proceed.

**FUNDING:** Approximate SB81 60%, General Fund 40%.

### **DISCUSSION / BACKGROUND**

#### PROJECT SUMMARY

The project includes the design and construction of a new juvenile detention facility of approximately 14,000 square feet on county-owned land at 300 Fair Lane, in the city of Placerville. The new facility will provide housing, program, healthcare, custody, administrative and support space, visitation, food service, and a vehicle sally port. In addition, the project includes the demolition and removal of the existing old Sheriff facility at 300 Fair Lane.

The new housing area will house up to 20 male and female youthful offenders. The program and support spaces are expected to include a multipurpose/contact visitation area; shared dayroom; medical examination and group therapy rooms; bakery; kitchen; laundry area; intake and booking area; and public lobby area. The project will also provide an outdoor recreation area, and staff and visitor parking spaces. It is the intent that the design will incorporate considerable natural light and a simplified housing design that will contain “home-like” features and finishes.

#### BACKGROUND/HISTORY

El Dorado County has historically operated two juvenile detention facilities. The Placerville Juvenile Hall was built in 1971 as a 40-bed facility. In 2004, the County completed construction of a juvenile detention and treatment center in South Lake Tahoe (SLT). This facility was built with \$4 million in grant funds from the State Board of Corrections and approximately \$4.6 million in County funds. The SLT facility is also a 40-bed facility with two 20-bed living units and related support spaces.

A 2014 Juvenile Hall Needs Assessment Study indicated that expansion or renovation of the existing Placerville space was not cost-effective, lacked adequate program space, and was not consistent with today's juvenile treatment practices. In September 2014, the Board State of Community Corrections (BSCC) issued a Request for Proposals for Senate Bill 81 (SB81), Local Youth Offender Rehabilitative Financing Program funding. On December 2, 2014 (Legistar #14-1586), the Board authorized the submission of a funding application to the BSCC for a new West Slope Juvenile Hall and adopted Resolution 231-2014. In April, 2015, the County was issued a conditional award of \$9.6 million in grant funds to construct a 40 bed facility. At the time of the grant application, the initial project cost was estimated at \$20.8 million. The County set aside \$1.2M in General Funds as a match against the grant award for total funding of \$10.8 million, leaving a funding gap at that time of almost \$10 million.

In March 2016, Chief Probation Officer Brian Richart requested a scope change reducing the original proposal from a 40-bed facility down to a 20-bed facility. Over the course of the next 15 months, staff worked with the BSCC to obtain Project Establishment. This was a labor-intensive effort that required putting together a package for submittal to the BSCC that included all concept drawings, budget numbers for the entire project, updated cash flow analysis for the duration of the project, a land appraisal, environmental documents, and an updated milestone project schedule. Project Establishment was awarded in June 2017. Over the course of the following year, the County continued to work with the BSCC on all required documentation. On April 4, 2018, the County submitted the Request for Approval to Proceed, which included all documentation confirming the County project meets all CEQA compliance requirements by the Department of Finance standards. On November 29, 2018, the Department of Finance approved the Request for Approval to Proceed.

During this time, the Probation Department continued to work with Facilities to identify alternative designs. On February 6, 2019 (Legistar 19-0170), the Board authorized the construction of a 20-bed facility, confirming the previously approved scope of the facility and increasing the current General Fund cost by \$4.8 million for a total not to exceed the cost of \$15.5 million. Additionally, the Board approved the following:

- 1) Closure of the Placerville Juvenile Detention Facility effective June 30, 2019.
- 2) A reduction in force commensurate with the closure of the Juvenile Detention Facility in Placerville.
- 3) The closure of the South Lake Tahoe Juvenile Treatment Center upon completion of the new Placerville Juvenile Detention and Treatment facility.
- 4) Directed staff to explore alternative uses of the South Lake Tahoe Juvenile Treatment Center.

In April 2019, the County attended a Real Estate Due Diligence kick-off meeting with the Department of General Services (DGS) and the BSCC based on the approved 20-bed design. Over the next several months, the County completed the Real Estate Due Diligence package, submitted it to the DGS, and received comments back from DGS. In August 2019, the County resubmitted our Real Estate Due Diligence package incorporating comments received from DGS.

During this time, the County submitted requests to the BSCC for project time extensions. Currently, the BSCC has granted a time extension for the County to issue a Notice to Proceed to a design-build contractor by October 31, 2022. The first step in the design-build process was to release a Request for Proposal (RFP) to create Bridging Documents.

On January 14, 2020 (Legistar 19-1757), the Board approved the use of the Design-Build construction project delivery method for the New Placerville Juvenile Hall; authorized the release of an RFP for Construction Bridging Documents for the Placerville Juvenile Hall; and authorized the Chief Administrative Officer to submit a request to the United States Department of Justice (DOJ) to repay a portion of the grant funds for the South Lake Tahoe Juvenile Treatment Facility and have those funds reinvested in the new Placerville Juvenile Hall Project.

In May 2020, the County received a response from the DOJ approving the request to redirect \$4,020,000 in federal Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) grant funds toward the construction of a new juvenile detention facility in Placerville. Essentially this approval allows for the following:

- By buying out the remaining interest of the DOJ in the SLT Juvenile Treatment Center, the County will have total control and discretionary use of the SLT facility. Had this approval not been given, the County would be required to continue operating the South Lake Tahoe facility as a detention facility through 2034.
- Upon receiving approval from the DOJ in May 2020 to reinvest the funds into the new Placerville juvenile treatment facility, staff immediately began conversations with the BSCC to see if an interest by the DOJ in the new Placerville facility is allowable. Communication between the California Department of Corrections, the Department of Finance, and the County are ongoing as the Department of Finance continues to ask additional questions. Currently, staff from the Facilities Division and County Counsel are attempting to set up a meeting between all parties to address all pending questions and receive approval to move forward.

### OUTSTANDING ISSUES

**Project Costs:** The last cost estimate for the facility that was completed over two years ago totaled approximately \$15.5 million. Accounting for inflation, the current estimate is likely closer to \$16.6 million. The County has identified total funding of \$12,522,556, which includes the \$9.6 million grant, \$1.2 million original general fund set aside, and \$1,722,556 in a designated reserve from savings related to the closure of the Placerville Juvenile Hall. This leaves a funding gap of approximately \$4.1 million.

**VOI/TIS funds:** At this time the County does not have approval from the California Department of Finance to reinvest these funds into the new facility. If the request to reinvest the funds is not approved, then buying out the interest of the DOJ in the South Lake Tahoe Juvenile Treatment Center is not feasible, and the County will be required to continue operating the building as a detention facility through 2034. If the Department of Finance approves reinvestment of the VOI/TIS funds, the County must identify funds totaling approximately \$4 million to complete the buyout. These funds would then be reinvested in the new facility and would close the funding gap noted above.

**Need:** While providing all juvenile detention services out of South Lake Tahoe is not ideal, the Probation Department has successfully done so since the closure of the Placerville Juvenile Hall in June 2019. In addition, due to changes in the juvenile justice system and the reduction in the need for juvenile detention beds, it is not cost-effective to operate juvenile detention facilities in Placerville and South Lake Tahoe. (See Legistar #19-0170). Ideally, a modern treatment facility would be built in Placerville, and the South Lake Tahoe facility would be repurposed for another use; however, as identified below in the Financial Impact section, this option is not feasible without approval from the Department of Finance to reinvest funds from the 'buyout' of the South Lake Tahoe facility.

### **PRIOR BOARD ACTION**

Legistar 14-1586, Version 1, December 2, 2014 - Received needs assessment and authorized Probation to submit an application for SB81 funding. Adopted Resolution 231-2014

Legistar 14-1586, Version 2, June 8, 2016 - Formal acceptance of BSCC \$9.6 million BSCC grant award. First amendment to Resolution 231-2014

Legistar 14-1586, Version 3, December 6, 2016 - Second amendment to Resolution 231-2014

Legistar 14-1586, Version 4, March 28, 2017 - Third amendment to Resolution 231-2014

Legistar 14, 1586, Version 5, June 6, 2017 - Approval of the Project Delivery and Construction Agreement

Legistar 19-0170, February 6, 2019 - Affirmed 20-bed facility at an estimated project cost of approximately \$15.5 million

Legistar 19-0622, April 3, 2019 - Reduction in force due to closure of Placerville Juvenile Hall

Legistar 19-1757, January 14, 2020 - Approved Design-Build construction, authorize the issuance of the RFP for bridging documents and authorize CAO to send a letter to DOJ

Legistar 20-1551, December 15, 2020 - Approve plans and specs and authorize bid for demolition of old Sheriff Facility

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Probation, County Counsel

## **FINANCIAL IMPACT**

If the Department of Finance approves the reinvestment of the VOI/TIS funds, available funding for the new Placerville Juvenile Hall facility will total approximately \$16.6 million. At this time, it is unknown if this funding will be sufficient or if additional funding will be needed, which would further reduce the available reserves designated for capital improvements.

If the Department of Finance does not approve the reinvestment of VOI/TIS funds and the Board chooses to move forward with construction of the new Placerville facility, at least \$4 million in designated capital project reserves will still be needed, and the County will be required to continue operation of the South Lake Tahoe facility as a detention facility through 2034. The current annual cost to operate the South Lake Tahoe facility totals approximately \$3 million, but it is anticipated these could be reduced once the new facility in Placerville is completed.

The following chart summarizes the fiscal impact of four available options for consideration:

Option 1: This is the recommended option which assumes approval from the Department of Finance to reinvest the VOI/TIS funds in the new Placerville facility while also removing the requirement the County utilize the South Lake Tahoe building as a detention facility. This option assumes that the South Lake Tahoe facility will be repurposed for something other than a juvenile detention facility and that the County will only incur operating costs for one Juvenile Hall in Placerville.

Option 2: This option assumes the Department of Finance denies the request to reinvest the VOI/TIS funds and assumes the County builds the new Placerville facility while still operating the South Lake Tahoe facility as a detention center through 2034. This option is not recommended.

Option 3: This option assumes the Department of Finance denies the request to reinvest the VOI/TIS funds in the Placerville facility, the County continues with the construction of the Placerville facility, the County repays the VOI/TIS funds so that the South Lake Tahoe facility can be used for any purpose other than a detention facility and discontinues using the South Lake Tahoe facility as a juvenile detention center. This option would reduce the Designated Capital Replacement reserves from \$16.9 million to approximately \$8.8 million. This option is not recommended.

Option 4: Return the grant funds for the new Placerville facility thereby making the determination that juvenile detention services will be provided out of South Lake Tahoe and a new facility would not be

built in Placerville. This is the recommended option if the Department of Finance denies the request to reinvest VOI/TIS funds in the new Placerville facility, and would increase the Designated Capital Project reserves from \$16.9 million to approximately \$19.2 million which would then be used for other capital needs such as the replacement of the Spring Street facility.

|  | Option 1<br>(Recommended) | Option 2<br>(Not Recommended) | Option 3<br>(Not Recommended) | Option 4<br>(Alternative Recommendation) |
|--|---------------------------|-------------------------------|-------------------------------|--|
| <b>One Time Project/Construction Costs</b>   |                           |                               |                               |  |
| Grant Funds  | \$ 9,600,000              | \$ 9,600,000                  | \$ 9,600,000                  | \$ -                                     |
| General Fund Set Aside   | \$ 1,200,000              | \$ 1,200,000                  | \$ 1,200,000                  | \$ -                                     |
| Existing Juvenile Hall Designated Reserve  | \$ 1,722,556              | \$ 1,722,556                  | \$ 1,722,556                  | \$ -                                     |
| Transfer from Capital Replacement Designated Reserves to Juvenile Hall Designated Reserve  | \$ 4,077,444              | \$ 4,077,444                  | \$ 4,077,444                  | \$ -                                     |
| Buyout of SLT/JTC using Capital Reserves   | \$ -                      | \$ -                          | \$ 4,020,000                  | \$ -                                     |
| <b>Total Project/Construction Costs</b>  | <b>\$ 16,600,000</b>      | <b>\$ 16,600,000</b>          | <b>\$ 20,620,000</b>          | <b>\$ -</b>                              |
| <b>Ongoing Operational Costs</b>   |                           |                               |                               |  |
| Ongoing SLT JTC Annual Costs (as of FY 2021/21)  | \$ -                      | \$ 3,000,000                  | \$ -                          | \$ 3,000,000                             |
| Ongoing operation costs of Placerville Facility (assumes comparable costs to SLT Facility) | \$ 3,000,000              | \$ 3,000,000                  | \$ 3,000,000                  | \$ 0                                     |
| <b>Total Ongoing Costs</b>   | <b>\$ 3,000,000</b>       | <b>\$ 6,000,000</b>           | <b>\$ 3,000,000</b>           | <b>\$ 3,000,000</b>                      |

## CAO RECOMMENDATION / COMMENTS

It is recommended the Board direct staff to wait for a final answer from the Department of Finance regarding the use of VOI/TIS funds and either:

- 1) If the Department of Finance approves reinvestment of VOI/TIS funds into the new Placerville Juvenile Hall, return to the Board with Option 1 as described above, requesting approval of the transfer of \$4,077,444 million from the designated Capital Reserve, reducing the Capital

Reserve from \$16.9 million to \$12.8 million to the existing designated reserve for the new juvenile hall which will increase the juvenile hall designated reserve from \$1.7 million to approximately \$5.8 million for the sole purpose of buying out the Department of Justice's interest in the South Lake Tahoe Juvenile Treatment Center with the understanding that these funds will be reinvested in the new Placerville Juvenile Hall; or

- 2) In the event the Department of Finance does not approve reinvestment of VOI/TIS funds into the new Placerville Juvenile Hall, determine that the existing South Lake Tahoe juvenile treatment center is sufficient for juvenile detention services and that the new Placerville Juvenile Hall will not be constructed and direct staff to decline the \$9.6 million grant allocated from SB 81, and authorize staff to close the designated reserve for the new Placerville Juvenile Hall and transfer all funds back to the designated reserves for Capital Projects ( *Option 4*).

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

## **STRATEGIC PLAN COMPONENT**

Public Safety

Infrastructure

## **CONTACT**

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