

319



**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Probation Department

SUBMITTAL DATE:
January 19, 2011

SUBJECT: Acceptance of funding award from the Corrections Standards Authority in the amount of \$24,698,105 from the Local Youthful Offender Rehabilitative Facility Construction Funding Program.

RECOMMENDED MOTION:

Move that the Board of Supervisors:

- 1) Accept a funding award from the Corrections Standards Authority in the amount of \$24,698,105 from the Local Youthful Offender Rehabilitative Facility Construction Funding Program.
- 2) Approve and direct the Auditor-Controller to establish a special interest bearing fund for the Local Youthful Offender Facility Construction Funding Program funds.
- 3) Establish Construction Assignments as follows (modification to resolution 2008-514): County Construction Administrator: Charles Waltman; County Contact Person, Jason Bailey; Project Financial Officer, Ed Corser.

Alan M. Crogan, Chief Probation Officer

**FINANCIAL
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: State Construction Grant and County Development Impact Fees (DIF)

Positions To Be Deleted Per A-30

☐

Requires 4/5 Vote

☒

C.E.O. RECOMMENDATION:

APPROVE

BY:
Elizabeth J. Olson

County Executive Office Signature

Policy
☐

Consent
☒

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.43-12/16/08

District:

Agenda Number:

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

3.14

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS
DATE: 1/20/11
FISCAL PROCEDURES APPROVED
BY: PAUL ANGULO, CPA, AUDITOR-CONTROLLER
DATE: 1/24/11
SAMUEL WONG

BACKGROUND: On November 18, 2010, Riverside County received a conditional award from the Corrections Standards Authority (CSA) in the amount of \$24,698,105 for the construction of a youthful offender rehabilitative facility. This financing is from Assembly Bill 1628 which was signed into law on October 19, 2010. AB1628 added \$200 million dollars in lease-revenue bond financing to the SB 81 Local Youthful Offender Rehabilitative Facility Construction Funding Program. On November 18, 2010, the CSA Board unanimously agreed to grant conditional awards to the eight remaining unfunded counties which applied in 2009. Please refer to Attachment 1, Corrections Standards Authority Intent to Award Conditional Funding and Attachment 2, SB81 timeline for additional detailed information.

The Riverside County Probation Department intends to use this funding to build a secure treatment facility to house high-risk/high-needs youthful offenders no longer accepted by Division of Juvenile Justice (DJJ) facilities. Although the original proposal was to demolish the existing Van Horn Youth Center structure, the Probation Department's current plan is to repurpose the existing Van Horn Youth Center and build the new secure treatment facility on the same site. As originally proposed, the new treatment facility will have a 100 bed capacity, house both male and female high-risk/high-needs offenders and provide treatment, vocational training, and education. The existing Van Horn Youth Center will serve as an educational and transitional living facility as the youth re-enter into the community.

Financial Information:

The state funds requested in the proposal application submitted January 5, 2009 were \$24,698,105. There was a required minimum of 25% match contribution (a cash match of \$5,157,440 and an in-kind match of \$3,091,500) for a total project cost of \$32,947,045. This was approved by the Riverside County Board of Supervisors on December 16, 2008. Please refer to Attachment 3, Resolution No. 2008-514. The Executive Office has identified future Development Impact Fees (DIF) for the cash match and the Probation Department will furnish the in-kind match.

In Corrections Standards Authority (CSA) Bulletin 11-LYORF, the state has allowed counties flexibility to adjust the percent of cash match and in-kind match contributions. Although a 25 percent match is still required for medium and large counties, the cash-match can be reduced to 10 percent. Please refer to Attachment 4.

In the CSA Request for Proposal issued July 15, 2008, after notification of intent to award, for payments of state funds, the document states: "Payment will be made to counties in arrears (reimbursement) based on invoices/progress reports submitted to CSA on a quarterly basis. This means that counties will pay its construction contractor first and then submit reimbursement requests to CSA. These invoices are processed by CSA upon receipt, and then forwarded to the appropriate state agencies for payment. The typical turn-around time for payment to counties after submittal of an invoice is approximately three weeks. As such, counties should plan for needed cash flow to support the project on a quarterly reimbursement basis. Also, at such time as the balance of state funds reaches 20 percent, the state shall withhold this amount as security to be released to counties upon compliance with all state/county agreement provisions including: final construction inspection and approval by appropriate state and local officials; staffing and operating the facility within 90 days of construction completion; and state receipt and approval of the final fiscal audit report."

The Economic Development Agency will return to the Board of Supervisors for approval of future agreements regarding this project.

County Counsel has approved this document as to form.

CORRECTIONS STANDARDS AUTHORITY

600 Bercut Drive
Sacramento, CA 95811
916-445-5073
www.csa.ca.gov



2010 DEC -9 PM 12:56

FILED IN SERVICE

Date 6, 2010

Mr. Jason Bailey
Assistant Division Director
Riverside County Probation Department
PO Box 833
Riverside, CA 92502

**Subject: Corrections Standards Authority
Intent to Award Conditional Financing
SB 81 Local Youthful Offender Rehabilitative Facilities
Construction Financing Program
Proposal ID # J05-09
Amount of Conditional Award: \$24,698,105**

Dear Mr. Bailey:

Congratulations on your county receiving a conditional award for the construction of youthful offender rehabilitative facilities in an amount up to \$24,698,105 made by the Corrections Standards Authority (CSA) Board at its meeting on November 18, 2010. This financing is from Assembly Bill 1628 signed into law on October 19, 2010.

The conditional awards made by the CSA Board are in the form of an Intent to Award conditional financing. As such, each selected county has been conditionally approved for financing and is now in the position to complete the necessary approval process as outlined in the Request for Proposals (RFP) issued July 15, 2008.

CSA staff will begin working with those counties to assist them in moving forward through the approval process. This process will include, but is not limited to, approval of each county's project by the CSA, California Department of Corrections and Rehabilitation (CDCR) and the State Public Works Board (SPWB) at various stages throughout planning and construction. Each county that receives a conditional financing award will be required to enter into the various state/county agreements as referenced in the RFP and provided in form on our website at http://www.cdcr.ca.gov/CSA/CFC/SB81_program.html. In addition, the RFP includes sections titled Requirements After Notification of Intent to Award, as well as SPWB/CSA Process and Requirements. These can be found on the CSA website through the following link beginning on page 22: http://www.cdcr.ca.gov/CSA/CFC/Docs/Final_Juvenile_RFP_to_the_field_7_15_08.pdf.

Local Juvenile Facility Site Assurance. As stated in the RFP, the county must possess a suitable project site (fee simple land title or comparable long term possession) and provide assurance of the site by a Board of Supervisors' resolution at the time the proposal was submitted, or not later than 90 days following the date of notification of the Intent to Award conditional financing (receipt of this letter). This means that any land purchase options must be exercised (and escrow closed) by the end of that 90-day timeframe. In addition, county land subject to this project must be approved by the SPWB. Failure to provide adequate site assurance within the 90-day timeframe could result in suspension of the conditional financing award, pending review by the CSA Board. CSA staff will be in contact with your county if you have not yet submitted adequate site assurance.

SPWB Approval, Timing and Nature of Local Match Requirements and Expending State Loan Financing. The SPWB is responsible for the approval and oversight of local youthful offender rehabilitative facility construction projects financed through the SB 81 lease-revenue bond program. The SPWB must approve the proposed project scope, cost and schedule, as well as authorize and approve the Project Delivery and Construction Agreement (available via CSA's website at http://www.cdcr.ca.gov/CSA/CFC/SB81_program.html). In order to receive these approvals the county must demonstrate, to the state's satisfaction, that local matching requirements will be available as necessary for the timely completion of the project. A precise description of matching fund sources will be required for review and approval by the SPWB in order to ensure they are compatible with state lease-revenue bonds. If the proposed local match is to be through debt financing, the SPWB will determine whether the debt must be subordinate to the state lease-revenue bonds. The state will also conduct an independent real estate due diligence review of the county's proposed juvenile facility site. More information about this process will be forthcoming. The CSA will serve as a liaison between SPWB and the county to relay any concerns or requests for additional information about the project, its site, the source of local match funds, or other requirements for state lease-revenue financing. Counties are cautioned not to expend any funds for eligible project costs with the intention of being reimbursed with state financing until the county's project has been approved and authorized by the SPWB.

Assignments of County Construction Administrator, Contact Person and Financial Officer. As stated in the county's SB 81 proposal and in the Board of Supervisors' resolution submitted to the CSA for this project, the following persons are identified to act on the county's behalf on the day-to-day management of this project: **County Construction Administrator, Charles Waltman; County Contact Person, Jason Bailey; and Project Financial Officer, Ed Corser.**

Mr. Jason Bailey, Assistant Division Director
Page 3

Therefore, CSA staff will correspond directly with those staff empowered to act on the county's behalf. Please note that CSA staff can take no action if contacted by county consultants or county contractors.

Congratulations, again, on receiving a conditional financing award to help improve your local youthful offender rehabilitative facility needs. To assist counties with this process, CSA staff will host two seminars early in 2011; one to discuss the various State and County agreements and a second to discuss the State's due diligence process. Additionally, CSA staff is available throughout this process for each county's technical assistance needs. If you have any questions or need more information, please feel free to contact Charlene Aboytes, CSA Field Representative (916.324.1914) or me.

Sincerely,



Robert J. Takeshta, Deputy Director
County Facilities Construction Division
(916) 322-8346; bob.takeshta@cdcr.ca.gov

cc: Debbie Rives, Executive Director (A)
Charlene Aboytes, Field Representative
Alan M. Crogan, Chief Probation Officer
Riverside County Administrative Officer
Jeff Stone, Chair, Board of Supervisors
Charles Waltman, Designated County Construction Administrator
Ed Corser, Designated Project Financial Officer

SB 81 Project Timeline

ATTACHMENT 2

08/24/2007	Senate Bill 81 is signed into law. As of 09/01/07, the California Department of Corrections & Rehabilitation (CDCR) will no longer accept admission of any youth from counties to its Division of Juvenile Justice (DJJ) facilities unless they have been adjudicated for 707(b) or 290(d)(3) petitions for violent crimes or sexual offenses, respectively. SB 81 legislation also authorizes state funding for local youthful offender rehabilitative facility construction, expansion, and renovation projects. (The original bill allocated \$400 M, but this amount was reduced to \$100 M during the legislative process.)
09/2007	Riverside County Probation Department develops the Youthful Offender Program (YOP) to address the housing and programming needs of minors who would have been committed to DJJ facilities. YOP population is housed at Indio Juvenile Hall (70 beds).
07/17/2008	<p>The Corrections Standards Authority (CSA), an entity within the CDCR, releases a Request For Proposals (RFP) to distribute \$100 M in state funded lease-revenue bond financing through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program.</p> <p>Large counties like Riverside must compete for a share of \$35 M and provide a minimum 25% match for total eligible project costs. The 25% match consists of a minimum 10 % cash match (hard match) and a maximum 15% in-kind match (soft match).</p>
12/2/08	Probation submits a Form 11 recommending the BOS authorize the submission of an application to CDCR/CSA for funding in the amount of \$24.7 M as well as adoption of Resolution No. 2008-514.
12/20/08	<p>The BOS adopts Resolution No. 2008-514.</p> <ul style="list-style-type: none"> • Project officials designated. • Chief authorized to submit application for funds • County will adhere to agreements with CDCR, CSA, and SPWB • County will assure cash match of \$5.1 M – Co. General Fund • County will staff facility within 90 days of project completion • County assures ownership of project site (VHYC) • Current fair market land value of proposed facility site is \$1.6 M
01/5/2009	<p>Probation submits its proposal to CDCR/CSA.</p> <p>Proposal in brief:</p> <ul style="list-style-type: none"> • State funds requested: \$24,698,105 (75%) • Cash match: \$5,157,440 (15.60%) • In-kind match: \$3,091,500 (9.40%) • Eligible Project Cost: \$32,947,045 (100%) • Demolish existing VHYC and build a new, 100-bed secure

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

540



FROM: Probation Department

SUBMITTAL DATE:

December 2, 2008

SUBJECT: Approval of Resolution No. 2008-514 and Authorization to Apply to the California State Department of Corrections and Rehabilitation Corrections Standards Authority for Funding for Construction, Expansion or Renovation of Local Youthful Offender Rehabilitative Facilities.

RECOMMENDED MOTION: That the Board authorize the submission of an application to the California State Department of Corrections and Rehabilitation Corrections Standards Authority for funding in the amount of \$24,700,000, and adopt the attached Resolution No. 2008-514.

BACKGROUND: As of September 1, 2007, the California Department of Corrections and Rehabilitation (CDCR) is no longer accepting admission of any youth from counties to its Division of Juvenile Justice (DJJ) facilities unless they have been adjudicated for 707(b) or 290(d)(3) petitions for violent crimes or sexual offenses, respectively. This means that the Riverside County Probation Department is now supervising and treating a number of additional high-risk/high-needs youth that would have previously been placed in DJJ facilities. As a result of this mandate the Probation Department developed the Youthful Offender Program (YOP) to address the needs of this population.

Continued...

Alan M. Crogan, Chief Probation Officer

FINANCIAL DATA

Current F.Y. Total Cost:

\$ N/A

In Current Year Budget:

N/A

Current F.Y. Net County Cost:

\$ N/A

Budget Adjustment:

N/A

Annual Net County Cost:

\$ N/A

For Fiscal Year:

FY08/09

SOURCE OF FUNDS: State construction grant and County General funds

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: Grant acceptance will depend on available cash and net county cost.

APPROVE

BY:

Steve P. Schubert

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Buster and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Wilson, and Ashley

Nays: None

Absent: None

Date: December 16, 2008

xc: Probation, Fac. Mgmt., CFO

Nancy Romero

Clerk of the Board

By:

Deputy

Prev. Agn. Ref.:

District:

Agenda Number:

UNAPPROVED COUNTY OFFICIAL
DATE 12-3-08
DATE
BY: SYNTHIA M. GUNZEL
Per Exec. Off.
Policy
Consent

Form 11

Subject: Approval of Resolution No. 2008-514 and Authorization to Apply to the California State Department of Corrections and Rehabilitation Corrections Standards Authority for Funding for Construction, Expansion or Renovation of Local Youthful Offender Rehabilitative Facilities.

Page 3

Financial Information:

The total project cost is anticipated to be \$33,000,000, of this \$24,700,000 would be funded through the State grant, with \$ 5,200,000 provided by the County as a cash match, and \$3,100,000 provided by the County as an in-kind match. \$1.6 million of the in-kind match is already provided by the current fair market value of the proposed project site which is already County owned. It is anticipated the Corrections Standards Authority will issue a conditional Intent to Award to selected counties in March of 2009 and the County is not obligated to proceed until the County enters into the required state/county agreements thereafter. Should the County be awarded funding for this project on-going staffing and operational costs are estimated to be \$11 million beginning in FY 2012/2013. The Probation Department estimates it will need additional General Fund support in the amount of \$1.7 million to fully operate the facility beginning in FY 2012/2013.

The attached resolution has been approved as to form by the Office of County Counsel.

2
3 RESOLUTION NO. 2008-514

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
5 AUTHORIZING SUBMITTAL OF APPLICATION TO THE CALIFORNIA DEPARTMENT OF
6 CORRECTIONS AND REHABILITATION, CORRECTIONS STANDARDS AUTHORITY

7 Whereas, the County of Riverside Probation Department desire to undertake a certain project, to
8 build a secure treatment facility to house high-risk/high-needs youth that would have previously been
9 placed in State Department Juvenile Justice (DJJ) facilities. The Probation Department intends to build
10 this facility at its current Van Horn Youth Center Treatment Facility, to be funded in part from funds
11 made available through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding
12 Program, administered by the State of California, Department of Corrections and Rehabilitation; now
13 therefore,

14 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside,
15 State of California, in regular session assembled on December 16, 2008, that the Board of Supervisors of
16 the County of Riverside does hereby:

17 1. Identify the County Construction Administrator as Charles Waltman, Deputy Director, Design
18 and Construction, Facilities Management; Project Financial Officer, County Financial Director, Paul
19 McDonnell, Executive Office; and Project Contact Person, Division Director, Mark Hake, Probation
20 Department; and

21 2. Authorize the Chief Probation Officer, Alan M. Crogan, of the Riverside County Probation
22 Department to sign the Applicant's Agreement and to submit an application for funding to the Corrections
23 Standards Authority; and

24 3. Assure that the County will adhere to the state requirements and terms of the agreements
25 between the County, the California Department of Corrections and Rehabilitation, the Corrections
26 Standards Authority and the State Public Works Board in the expenditure of state funds and county match
27 funds; and
28

1 4. Assure that the County has appropriated, or will appropriate after conditional project award,
2 but before state/county funding agreements, the amount of match identified by the County in the funding
3 application form submitted to the Corrections Standards Authority, identify the source of cash match
4 when appropriated as County General Fund in the sum of \$5,157,440; and assures that the state and cash
5 matching funds do not supplant funds otherwise dedicated for construction activities; and

6 5. Assure that the County will fully and safely staff and operate the facility subject to
7 construction (consistent with Title 15, California Code of Regulations) within ninety (90) days after
8 project completion; and

9 6. Assure that the County has control of the project site through either fee simple ownership of
10 the site or comparable long-term possession of the site, and right of access to the project sufficient to
11 assure undisturbed use and possession of the site, and will not dispose of, modify the use of, or change the
12 terms of the real property title, or other interest in the site of facility subject to construction, or lease the
13 facility for operation to other entities, without permission and instructions from the Corrections Standards
14 Authority, for so long as State Public Works Board Lease-Revenue bonds secured by the financed project
15 remain outstanding; and

16 7. Attest to \$1,600,000 as the current fair market land value for the proposed new juvenile
17 treatment facility.

18
19
20 ROLL CALL:

21 Ayes: Buster, Tavaglione, Stone, Wilson and Ashley
22 Nays: None
23 Absent: None
24

25 The foregoing is certified to be a true copy of a resolution duly
26 adopted by said Board of Supervisors on the date therein set forth.

27 NANCY ROMERO, Clerk of said Board

28 By: _____

Deputy

BY: Cynthia M. Gunzel 12-3-07
DATE
CYNTHIA M. GUNZEL

CORRECTIONS STANDARDS AUTHORITY**600 Bercut Drive**

Sacramento, CA 95811

916-445-5073

www.cdcr.ca.gov/Divisions_Boards/CSA

January 13, 2011

**To: SB 81 CONDITIONALLY AWARDED COUNTIES –
CHIEF PROBATION OFFICERS
COUNTY CONSTRUCTION ADMINISTRATORS
PROJECT FINANCIAL OFFICERS
PROJECT CONTACT PERSONS**

**Subject: Bulletin 11-LYORF 03
Match Reduction
SB 81 Local Youthful Offender Rehabilitative Facilities Construction
Financing Program**

The purpose of this bulletin is to advise conditionally awarded counties of two actions taken by the Corrections Standards Authority (CSA) Board on January 13, 2011 related to counties' match contributions for their local youthful offender rehabilitative facilities construction projects. In the event that actual project costs are lower than they were anticipated to be in 2009 when counties submitted their proposals, the CSA Board's two actions will provide the opportunity for all affected counties, as needed to:

1. decrease their match to 25 percent, keeping with the same project scope, without additional state dollars, and within the minimum match requirements set forth in legislation, the Request for Proposals (July 15, 2008) and in regulations. This is pertinent to projects that proposed greater than 25 percent match and;
2. reduce their cash match contribution to the minimum levels previously established in the Request for Proposals (July 15, 2008) and in regulations. In so doing, the counties shall maintain the same project scope, without additional state dollars.

This action means all of the following:

- The legislated 25 percent overall match amount remains in effect for medium and large counties.
- For medium and large counties with the minimum 25 percent match, decreasing the cash match percentage will require increasing the in-kind match percentage in order to maintain the required 25 percent match balance.
- Small and medium counties must still provide at least five percent cash match.
- Large counties must still provide at least ten percent cash match.

- Counties must still maintain their original project scope as submitted to CSA in their project proposal.
- State dollars will reimburse counties for construction costs only.
- Eligible and ineligible project costs are still applicable as previously outlined in the Requests for Proposals and program regulations.
- Counties will not be awarded additional state dollars for their projects.

We recognize this CSA Board action may assist some project budgets more than others. However, we encourage your county to review the cost and budget summary submitted with your SB 81 proposal to assess whether you can benefit from the CSA Board's actions.

Counties with questions on how this may affect their specific project budget are encouraged to contact Charlene Aboytes, CSA Field Representative, at (916) 324-1914 or by email at charlene.aboytes@cdcr.ca.gov. As always, please do not hesitate to call on us at anytime.

Sincerely,



Robert J. Takeshta, Deputy Director
County Facilities Construction Division
(916) 322-8346; bob.takeshta@cdcr.ca.gov



RIVERSIDE COUNTY PROBATION DEPARTMENT

ALAN M. CROGAN
CHIEF PROBATION OFFICER



FORM 11 REVIEW/APPROVAL ROUTING SLIP

ORIGINATOR: Michelina Aybar DATE: January 19, 2011

TITLE OF DOCUMENT: Jason Bailey
Acceptance of funding award from the Corrections Standards Authority

COORDINATION REQUIRED WITH THE FOLLOWING STAFF PRIOR TO SIGNATURE BY THE CHIEF PROBATION OFFICER

1.	Division Director Approval	N/A		7.	Chief Probation Officer Approval	<i>[Signature]</i>	1/19/2011
2.	Sr. Admin Analyst Approval, Contracts and Grants Division	<i>MHA</i>	1/20/11	8.	File Copy for Fiscal		
3.	Admin Services Manager III Approval, Fiscal Services Division	<i>JEAR</i>	1/20/11	9.	File Copy for Admin		
4.	Chief Deputy Approval, Field Services			10.	File Copy for Contracts Manager		
5.	Chief Deputy Approval, Institutions			11.	Other EDA	<i>[Signature]</i>	1.20.11
6.	Chief Deputy Administrator Approval, Admin. & Business Services	<i>PR</i>	1/20/11	12.	Other E.O/ County Fiscal	<i>Auditor Controller</i> <i>[Signature]</i>	1/24/11

County Counsel Approval	County Auditor-Controller Approval	County Human Resources Approval	County Purchasing Approval
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Other County Department Approval ☐ Yes ☐ No ☐ N/A

SUBJECT: Acceptance of funding award from the Corrections Standards Authority

DEPT ID: _____

WHAT: _____

WHY: _____

COMMENTS: _____

If Proclamation: Who from the Program will be there to accept the Proclamation from the BOS:-

If no presentation of the proclamation is to be made, please state none.

COUNTY EXECUTIVE OFFICE BY NOON ON: 1/20/2011

BOARD OF SUPERVISORS AGENDA DATE: 2/1/2011