

# County of Placer

## Board of Supervisors

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May 25, 2022

Linda Penner, Chair  
Board of State and Community Corrections  
2590 Venture Oaks Way, Suite 200  
Sacramento, CA 95833

### **RE: SB 863/SB 864 Funding Gap: Potential Supplemental State Funding Opportunities for Placer County**

Dear Chair Penner:

On August 18, 2015, the Placer County Board of Supervisors approved a resolution authorizing the Placer County Sheriff's Office (PCSO) to apply to the Board of State and Community Corrections (BSCC) Jail Construction Financing Program under Senate Bill 863 for \$40 million to construct a Mental Health Facility (SB863 Project). In November 2015, Placer County was conditionally awarded a \$9.5 million partial award of the \$40 million.

In February 2017, PCSO applied to the BSCC Jail Construction Financing Program under Senate Bill 844 for \$30 million to construct the Vocational Training and Medium Security Facility (SB844 Project). In June 2017, Placer County was conditionally awarded the \$30 million.

On May 26, 2017, the county entered into a Project Delivery and Construction Agreement (PDCA) with the State Public Works Board (SPWB) and BSCC for the design-build of the SB863 Project. On November 9, 2018, the county entered into a PDCA with the SPWB and BSCC for design-build of the SB844 Project.

On September 14, 2021, the board adopted two resolutions authorizing Placer County to execute two Ground Leases, two Easement Agreements for Grants of Access, Utilities and Repairs, two Right of Entry Agreements, and two Facility Sublease Agreements with BSCC to lease and have access to portions of the Bill Santucci Justice Center for development and construction of the partially state-funded SB 863 Mental Health Facility and SB 844 Medium Security Housing and Vocational Training projects (collectively "Real Estate Agreements"). Staff reported these Real Estate Agreements are necessary for the SPWB to oversee and issue state lease revenue bonds for the SB Projects.

As per the agreement, the SB 863 and SB 844 projects collectively referred to as the "SB Projects," will bring \$39.5 million in BSCC funding with the county contributing a 10% cash match (\$3.9 million) plus additional funding to bridge project funding gaps.

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Given the passage of time related to receipt of the state approvals, Placer County staff was only recently able to conduct an RFP process in late 2021. The RFP process concluded on March 25, 2022, which resulted in the county learning of significant cost increases amounting to approximately \$20 million for the SB Projects due to inflation/escalation since the county entered into the PDCA with the state.

While this is a significant and unexpected cost increase, Placer County is committed to delivering these projects. On behalf of the Placer County Board of Supervisors, we respectfully request the BSCC work with us to identify potential supplemental funding opportunities (either through the state’s budget process or other funding opportunities) for Placer County to help fill this gap. Please reach out to Lisa James, Senior Project Manager, at [ljames@placer.ca.gov](mailto:ljames@placer.ca.gov) or at (530) 889-6838.

Thank you for your consideration - we look forward to hearing from you for solutions to get these projects across the finish line.

Sincerely  
COUNTY OF PLACER



Cindy Gustafson, Supervisor/Chair (District 5)

Cc Placer County Board of Supervisors  
Placer County Sheriff Devon Bell  
Aaron McGuire, General Counsel, BSCC  
Amy Jarvis, CA Dept. of Finance