



# **STAFF ANALYSIS**

## **STATE PUBLIC WORKS BOARD**

*Friday, May 9, 2025, at 10:00 a.m.*

**1021 O Street, Room 3110, Sacramento, California**

***This meeting can also be accessed by the public through the following zoom link or phone number:***

<https://us06web.zoom.us/j/83143671690?pwd=a7ZnLOjYFEz9A7v1GrJJrzF7E5SBfA.1>

**Meeting ID:** 831 4367 1690

**Passcode:** !LnZzL7p

**By Phone:** 1 669 219 2599

**Meeting ID:** 831 4367 1690

**Passcode:** 84736211

<b>I.</b>	Roll Call		
<b>II.</b>	Bond Items	Page	2
<b>III.</b>	Minutes	Page	4
<b>IV.</b>	Consent Items	Page	4
<b>V.</b>	Action Items	Page	6
<b>VI.</b>	Other Business	Page	10
<b>VII.</b>	General Public Comment	Page	10
<b>VIII.</b>	Reportables	Page	11

The Board meeting will take place at the physical location identified above. The public may observe the meeting and address the Board in person, through the Zoom link, or via the telephone number identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the meeting start time. Members of the public may also submit comments in advance of the meeting. If members of the public wish to submit comments, the Board asks members of the public to provide written comments to [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@dof.ca.gov) prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting.

Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the public may address the Board prior to it taking action on any matter in the agenda. This notice and the Board agenda for the current month are available on the State Public Works Board website. [Please click here to view.](#) The full Board member briefing package is available upon request. Please send an email to [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@dof.ca.gov). Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Angela Noland at (916) 445-9694 or e-mail to [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@dof.ca.gov), five days prior to the meeting.

# **BOND ITEMS**

## **BOND ITEM—1**

**DEPARTMENT OF MOTOR VEHICLES (2740)  
DELANO FIELD OFFICE REPLACEMENT  
KERN COUNTY**

*Authority: 2015 Budget Act, 2740-301-0044 (1)  
2016 Budget Act, 2740-301-0044 (1)  
2021 Budget Act, 2740-301-0001 (1), as partially reverted by the 2023  
Budget Act  
2023 Budget Act, 2740-301-0660 (3)*

**Consider adoption of an amended and restated resolution to:**

- 1) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
- 2) Authorize the sale of lease revenue bonds.**
- 3) Approve and direct the Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be needed to carry out the purpose of this resolution.**

**Total Bond Allocation**

**\$18,928,000**

## **STAFF ANALYSIS ITEM—1**

Department of Motor Vehicles  
Delano Field Office Replacement  
Kern County

### Action Requested

**If approved, the requested action would adopt an amended and restated resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.**

### Scope Description

**This project is within scope.** The scope of this project includes the design and construction of a new 12,371 square foot new single-story Department of Motor Vehicles (DMV) Field Office on a 3-acre site in the city of Delano. The project will provide 9 customer transaction terminals and will include a motorcycle test area, drive-test canopy, solar canopies for parking areas and electric vehicle charging stations.

### Funding and Cost Verification

**This project is within cost.** The 2015 Budget Act provided \$1,022,000 Motor Vehicle Account (MVA) for acquisition, which was subsequently augmented by \$207,000 in May 2018 for a total of \$1,229,000 for acquisition. The 2016 Budget Act provided \$1,483,000

MVA for the preliminary plan (\$688,000) and working drawing (\$795,000) phases of the project. The 2021 Budget Act provided \$16,982,000 General Fund for construction, of which \$11,120,000 was reverted by the 2023 Budget Act due to the original contractor being terminated for convenience by the State. Of the amount retained, \$5,451,000 was used to cover expenses incurred on the original contract, and \$411,000 was used for the new contract. The 2023 Budget Act also provided \$17,314,000 Public Buildings Construction Fund for the construction phase, and a construction augmentation of \$1,614,000 Public Building Construction Fund was delegated by the Board on April 28, 2025, and shown in the Reportables table at the end of this agenda, bringing the total bond allocation to \$18,928,000.

\$27,502,000	Total authorized project costs, less prior reversion
\$27,502,000	Total estimated project costs
\$27,502,000	Project costs previously allocated: \$1,229,000 for acquisition, \$688,000 for preliminary plans, \$795,000 for working drawings, and \$24,790,000 for construction (\$20,271,000 contract, \$1,232,000 contingency, \$1,151,000 A&E, \$1,828,000 other project costs, \$308,000 agency retained)

CEQA

The Department of Motor Vehicles (DMV) filed a Mitigated Negative Declaration with the State Clearinghouse on May 6, 2019, and the 30-day statute of limitations expired without challenge. On May 1, 2025, the Department of General Services (DGS), on behalf of the DMV, confirmed that no additional action is necessary under CEQA.

Real Estate Due Diligence

The DGS, on behalf of the DMV, completed a Summary of Conditions Letter for the project on April 14, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified. On May 2, 2025, the DGS indicated that no items were identified that would invalidate the Summary of Conditions letter.

Project Schedule

Approve preliminary plans	July 2019
Complete working drawings	October 2021
Start construction (new contract)	November 2023
Complete construction	September 2025

**Staff Recommendation: Adopt an amended and restated resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.**

# MINUTES

Consider approving the minutes from the March 27, 2025, and April 11, 2025, meetings.

Staff have reviewed the minutes from the March 27, 2025, and April 11, 2025, meetings and recommend approval.

**Staff Recommendation:** Approve minutes from the March 27, 2025, and April 11, 2025, meetings.

## CONSENT ITEMS

### CONSENT ITEM—1

**DEPARTMENT OF STATE HOSPITALS (4440)  
STATEWIDE – ENHANCED TREATMENT UNITS  
SAN LUIS OBISPO AND SAN BERNARDINO COUNTIES**

*Authority: 2014 Budget Act, 4440-301-0001(1), as reappropriated by the  
2016 Budget Act  
2015 Budget Act, 4400-301-0001(4), as reappropriated by the  
2016, 2017, and 2018 Budget Act  
2019 Budget Act, 4440-301-0001(2)  
2021 Budget Act, 4440-301-0001(1)*

**Consider:**

1) Recognizing a scope change.

2) Approving an augmentation.

**\$218,000**  
**(1.1 percent of total project appropriations)**  
**(17.7 percent cumulative)**

### STAFF ANALYSIS ITEM—1

Department of State Hospitals  
Statewide – Enhanced Treatment Units  
San Luis Obispo and San Bernardino Counties

Action Requested

**If approved, the requested action would recognize a scope change and approve an augmentation.**

Scope Description

**This project is not within scope.** The project at Patton State Hospital (PSH) consists of the conversion of existing dorm rooms into ten individual rooms with enhanced security and dedicated individual and group therapy space, the installation of lockable doors on patient rooms, the installation of toilets and sinks in patient rooms, and upgrades to the mechanical, plumbing, and electrical systems. The component of this project to

provide an Enhanced Treatment Unit (ETU) for male patients was recently completed at Atascadero State Hospital (ASH).

To enhance flexibility in patient care at the PSH ETU, staff request Board approval to modify the patient use designation from female only to anyone regardless of gender, provided this change does not displace female patients.

On April 14, 2025, the Department of Finance notified the Chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recognize a scope change and approve an augmentation and recommends that the Board approve this action no sooner than 20 days from that date.

#### Funding and Cost Verification

**This project is not within cost.** The 2014 Budget Act, as reappropriated by the 2016 Budget Act, the 2015 Budget Acts, as reappropriated by the 2016, 2017, and 2018 Budget Acts, the 2019 Budget Act, and the 2021 Budget Act appropriated a total of \$23,033,000 General Fund (\$1,234,000 for preliminary plans, \$1,004,000 for working drawings, and \$20,795,000 for construction) for the ETU projects at PSH and ASH. Prior project augmentations total \$3,284,000 General Fund.

The following issues identified during construction at the PSH site are driving the need for a project augmentation of \$218,000 General Fund:

*Design Errors:* Of the total requested augmentation, \$150,000 is required to address a redesign of ceiling interior to accommodate the fire sprinkler system required at the ETU. This led to a project delay of 14 months to update design, implement updated construction regulations, and complete regulatory review. The redesign also resulted in additional hazardous material abatement within the ceiling and improvements to the ETU hallway.

*Administrative Oversight and Contingency:* Of the total requested augmentation, \$68,000 is required as follows:

- \$18,000 for increased project management fees associated with the extended project schedule.
- \$50,000 to restore contingency, thereby best ensuring adequate funds to complete the project.

\$23,033,000	Total authorized project cost
\$23,251,000	Total estimated project cost
\$23,033,000	Costs previously allocated: \$1,234,000 for preliminary plans, \$1,004,000 for working drawings, and \$20,795,000 for construction (\$10,761,000 contract, \$4,137,000 contingency, \$2,456,000 A/E, and \$3,366,000 other project costs, and \$75,000 agency retained)
\$218,000	Augmentation to be allocated: \$218,000 for construction (\$50,000 contingency, \$150,000 A/E, and \$18,000 other project costs)

CEQA

The Department of General Services (DGS), on behalf of the Department of State Hospitals (DSH) filed a Notice of Exemption with the State Clearinghouse on October 3, 2016, and the 35-day statute of limitations expired without challenge. On May 1, 2025, the Department of General Services (DGS), on behalf of the DSH, confirmed that no additional action is necessary under CEQA.

Real Estate Due Diligence

A Summary of Conditions Letter covering the property impacted by this project at DSH-Patton was completed on September 1, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified. On May 1, 2025, the DGS indicated that no items were identified that would invalidate the Summary of Conditions letter.

Project Schedule

Approve preliminary plans	December 2016
Complete working drawings	March 2018
Start construction	February 2020
Complete construction	May 2025

**Staff Recommendation:**     **Recognize a scope change and approve an augmentation.**

# **ACTION ITEMS**

## **ACTION ITEM—1**

**HIGH-SPEED RAIL AUTHORITY (2665)  
MERCED TO BAKERSFIELD SEGMENT  
VARIOUS COUNTIES**

*Authority:*     2012 Budget Act, 2665-306-0890 (1), as reappropriated by the 2018 and 2021 Budget Acts  
                  2012 Budget Act, 2665-306-6043 (1), as reappropriated by the 2018 Budget Act  
                  2014 Budget Act, 2665-306-3228 (1),  
                  2021 Budget Act, 2665-301-6043 (1),  
                  2024 Budget Act, 2665-301-9332 (1)  
                  Section 39719(b) (2) of the Health and Safety Code  
                  Section 39719.1 of the Health and Safety Code  
                  Section 15854 of the Government Code

**Consider the adoption of three Resolutions of Necessity authorizing the use of eminent domain by the High-Speed Rail Authority to acquire the following property or interests in properties for the High-Speed Train System:**

1. **M. Friis Hansen Property (Fresno County)**  
**Authority Parcel Number: MF-10-1138-1**  
**Assessor Parcel Number: None**
  
2. **Boyd Property (Fresno County)**  
**Authority Parcel Number: MF-10-0842-1**  
**Assessor Parcel Number: None**
  
3. **Magnolia Almonds Property (Kern County)**  
**Authority Parcel Numbers: FB-15-0630-1 and FB-15-0630-4**  
**Assessor Parcel Number: 047-220-07**

## **STAFF ANALYSIS ITEM—1**

High-Speed Rail Authority  
Merced to Bakersfield Segment  
Various Counties

### Action Requested

**Adopt Resolution of Necessities authorizing the use of eminent domain by the High-Speed Rail Authority to acquire properties or interests in properties for the High-Speed Train System.**

### Background

Under California Eminent Domain Law, the Board is the governing body of the High-Speed Rail Authority (Authority) for purposes of adopting Resolutions of Necessity that are required for the Authority to initiate eminent domain proceedings. To adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record or the offer has not been made because the owner cannot be located with reasonable diligence.

The property is within the right of way for the 171-mile Merced to Bakersfield Segment and is within the preferred alignment as previously approved by both the High-Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of this property will allow the Authority to move forward with construction of the High-Speed Train System (HSTS).

The Authority notified the Board's staff that for Property 3 in January 2025, the property owners was provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of a Resolution of Necessity to authorize the use of eminent domain is required at this time. For Properties 1 and 2, a formal offer to

purchase the Property was not mailed due to an inability to locate the owner of record or confirm the identity of any appropriate heirs, descendants, or devisees.

On April 17, 2025, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the owners of Property 3. The Notices of Intent for Properties 1 and 2 were posted at the property boundary. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

**Property Specific Information:**

**1. M. Friis Hansen Property (Fresno County)**

**Authority Parcel Number: MF-10-1138-1**

**Assessor Parcel Number: NA**

Full Acquisition: Approximately 0.82 acre in fee

The property interests identified by the Authority Parcel Number are needed to clear underlying fee along North Golden State Boulevard near Ashlan Avenue.

**2. Boyd Property (Fresno County)**

**Authority Parcel Number: MF-10-0842-1**

**Assessor Parcel Number: None**

Full Acquisition: Approximately 1.10 acres in fee

The property interests identified by the Authority Parcel Number are needed to clear underlying fee along North Golden State Boulevard near West Richert Avenue.

**3. Magnolia Almonds Property (Kern County)**

**Authority Parcel Numbers: FB-15-0630-1, FB-15-0630-4**

**Assessor Parcel Number: 047-220-49 (Formerly 047-220-07)**

Partial Acquisition: Approximately 1.41 acres in easement

The property interests identified by the Authority Parcel Numbers are needed to provide access from the intersection of Magnolia Avenue and Schuster Road to the HSR corridor and install new electrical facilities for Semitropic Water Storage District.

**Staff Recommendation:**     **Adopt three Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire the above-described properties or interests in the properties for the HSTS.**

## **ACTION ITEM—2**

**CALIFORNIA COMMUNITY COLLEGES (6870)  
AFFORDABLE STUDENT HOUSING PROJECTS  
STATEWIDE**

*Authority:*     Section 15820.205 of the Education Code



**Consider adoption of a resolution to approve the forms of various agreements to facilitate lease revenue bond financing of 13 California Community College affordable student housing projects, and upon the satisfaction of specified conditions, delegate the authority to finalize and execute or consent to the execution of said agreements, as applicable.**

## **STAFF ANALYSIS ITEM—2**

California Community Colleges  
Affordable Student Housing Projects  
Statewide

### Action Requested

**If approved, the requested action would adopt a resolution to approve the forms of various agreements as outlined in the resolution and upon the satisfaction of specified conditions delegate the authority to execute or consent to the execution of said agreements, as applicable.**

### Background

The 2024 Budget Act established a new lease revenue bond program to maintain funding for 13 affordable student housing projects which were originally part of the Higher Education Student Housing Grant Program. Reductions were made to the original program, which was supported by the General Fund, to balance the budget. A total of \$804,725,000 in bond authority was authorized for the new program with specific amounts allocated to each project. The requested action would approve the forms of various agreements necessary to effectuate the financing of each individual project.

### Agreements

Project Delivery and Construction Agreement: Pursuant to the authorizing statutes, the Board of Governors of the California Community Colleges, a participating community college district as specified in Education Code section 15820.200, and the Board may enter into a lease-leaseback agreement for each approved project that provides, at a minimum, the performance expectations of the parties related to the design and construction of the project, guidelines and criteria for the use and application of the interim financing and proceeds of lease revenue bonds issued by the Board, and the ongoing maintenance and staffing responsibilities for the term of the financing. This agreement is called the Project Delivery and Construction Agreement (PDCA). There is a form PDCA used for ongoing projects and another form for completed projects.

Restrictive Covenant: Accompanied by this agreement is the Restrictive Covenant, a statutorily required commitment which defines the requirements pertaining to the construction process and use of the bond-financed facility. It specifies the participating college's responsibilities, including the rental rate cap and the unit enrollment required for eligibility. The requirements of the restrictive covenant are binding for the lifetime of the bond-financed facility.

Ground Lease: In order to facilitate the Board's financing of each approved project, the participating community college district, as lessor, must lease the property on which the

related project is located to the Board of Governors of the California Community Colleges, as the lessee (the Ground Lease). The Board is not a party to the Ground Lease but must consent to the Ground Lease.

Site Lease and Facility Lease: To establish the lease-lease back structure, the Board of Governors, as lessor, must lease the property to the State Public Works Board as the lessee (the Site Lease). The Board will then, as lessor, lease the property back to the Board of Governors (Facility Lease), which acts as the lease securing rental payments on the bonds.

Facility Sublease: A final sublease (Facility Sublease) is established between the Board of Governors of the California Community Colleges Chancellor's Office, as lessor, and the participating community college district, as lessee.

The proposed resolution includes the approval of the forms of these aforementioned agreements and delegation to the Executive Director and any of the Deputy Directors the authority to execute or consent to the agreements for each project, with changes as required or approved by the Executive Director or Deputy Director, subject to specified conditions. This delegation will facilitate timely delivery of the projects, in lieu of bringing each of the above-named agreements for the projects to the Board.

**Staff Recommendation:**                      **Adopt the resolution.**

## **OTHER BUSINESS**

**NONE**

## **GENERAL PUBLIC COMMENT**

# REPORTABLES

## REPORTABLE ITEMS

For May 9, 2025, Board Meeting

Actions Authorized by Staff from March 27, 2025, through April 27, 2025

As Authorized by Resolution of the Board dated December 13, 2019

Department/Org Code	Project Title/County	Project Authority	Action	Amount/(Percent)
Judicial Council of California (0250)	New Fresno Courthouse Fresno County	<i>2022 Budget Act, 0250-301-0001 (6)</i>	Approve two site selections	
Judicial Council of California (0250)	New Santa Clarita Courthouse Los Angeles County	<i>2022 Budget Act, 0250-301-0001 (1)</i>	Approve two site selections	
Department of Motor Vehicles (2740)	Delano Field Office Replacement Kern County	<i>2015 Budget Act, 2740-301-0044 (1) 2016 Budget Act, 2740-301-0044 (1) 2021 Budget Act, 2740-301-0001 (1), as partially reverted by the 2023 Budget Act 2023 Budget Act, 2740-301-0660 (3)</i>	Approve an augmentation	\$1,614,000  (6.2 percent of total project appropriations)  (7.0 percent cumulative)
Board of State and Community Corrections (5227)	Adult Local Criminal Justice Facilities Project Ventura County	<i>Sections 15820.93 – 15820.936 of the Government Code (SB 863)</i>	Recognize revised project costs	\$61,233,000 total authorized project costs  Decrease of \$18,500 local costs  Decrease of \$18,500 state costs