

Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jon Cicirelli

SUBJECT: COMMUNITY CENTER REUSE
PROGRAM UPDATE

DATE: March 25, 2019

Approved



Date

4/3/19

COUNCIL DISTRICT: Citywide

RECOMMENDATION

It is recommended that the Neighborhood Services and Education Committee take the following actions:

- a. Accept the staff report on the status of the Community Center Reuse program; and
- b. Accept the Reuse Policy Work Plan and direct staff to return to the Neighborhood Services and Education Committee in October 2019, with a report on the progress of implementing the work plan and audit recommendations.

OUTCOME

The Neighborhood Services and Education Committee will be informed about the Community Center Reuse program, the status of recent Council directives, and the follow-up actions taken by staff to address recent audit recommendations. In addition, staff is seeking feedback on the Reuse Policy Work Plan to address accountability, financial sustainability, and facility and community needs.

BACKGROUND

In 2000, San José voters passed Measure P to issue \$228 million in general obligation bonds to acquire new parkland and improve parks, trails, and recreation facilities. These funds went toward the expansion and construction of new community centers. Funds were not eligible for operating expenses.

Following the economic downturn in 2001 and subsequent budget reductions, the Parks, Recreation and Neighborhood Services Department (Department) could not afford to staff all community centers. Rather than close existing facilities, which residents opposed, the concept of

reusing community centers through community organizations rather than City staff operating them was proposed as the “reuse” strategy. The Council approved this approach in the FY 2005-06 budget process as a means of maintaining a level of public benefit while reducing General Fund obligations. In 2006, the Department initiated a Request for Qualifications process to identify and select qualified community organizations to provide programs and services at community centers citywide.

In 2007-2008, the Council approved 17 reuse sites of 36 assessed facilities. In 2008, the Council adopted Policy 7-12 (Attachment D), Use of Community Center Reuse Sites in Exchange for Services that Primarily Benefit San José’s Residents, to formalize the Reuse Program and communicate guidelines. The Department established a property management team to manage service provider outreach, selection, negotiation, and enforcement of property-use agreements and facility operations. The Department continued to pay utilities, maintenance, and repair costs for the facilities.

In 2010, following nine consecutive years of citywide budget cuts and massive layoffs, Council added 21 more sites, bringing the Reuse Program Inventory to a total of 38 facilities. Over time, the Department has recommended changes to the Reuse Program Inventory due to facility age, contract status, service needs, service consolidation, budget enhancements, or by Council direction.

Community Center Inventory

	2004	2007-08	2010-11	2018-19
PRNS Operated Facilities	42	9	12	11
Reuse Facilities	0	17	38	39
Total	42	36	50	50

From 2005 through 2019, the inventory of community centers has fluctuated due to the ending school district agreements, the elimination of the Strong Neighborhoods Initiative, the building of hub facilities, various real estate purchases, and other Council priorities. To date, there are 39 facilities on the Community Center Reuse Program Inventory (Attachment A) and agreements with 36 community-based organizations for service delivery.

In 2018, the City Auditor’s Office conducted an audit of the Community Center Reuse Program. The audit was accepted by the City Council on October 23, 2018, with additional recommendations from Mayor Liccardo, Councilmembers Arenas, Jimenez, and Peralez. Updates on each recommendation are contained in the City Auditor’s Office’s Status of Open Audit Recommendations as of December 31, 2018 (Attachment B), which Council accepted unanimously on March 26, 2019.

ANALYSIS

The Department's ability to manage the Community Center Reuse Program efficiently and effectively is limited by several factors, including the increased number of buildings added to the reuse inventory, the lack of a deferred maintenance and facility management plan, the age of facilities, increasing contractual compliance requirements, and the instability of ongoing community partnership development.

Currently, the budget allocates 3.0 full-time equivalent positions for the management and supervision of the Reuse Program, including facilities maintenance, program supervision, contract compliance, and management of more than 30 agreements. Program staffing has remained flat as program priorities have shifted and grown. Specifically, the Reuse Manager is responsible for citywide aquatics, citywide building rentals, citywide emergency mass care and shelter, and daily oversight of the Vietnamese American Cultural Center at the George Shirakawa, Sr. Center.

In addition to the oversight of intensive community partnerships, direct services are also managed and supervised at locations where community providers are unable to maintain expected service levels. For example, as of February 2019, the afterschool program at Gardner Community Center is being operated and absorbed by the Department's Recreation and Community Services Division staff through a combination of Willow Glen Community Center and Reuse program staffing.

Keeping up with deferred maintenance is problematic given that the annual capital budget to address repairs and preventive maintenance across all 39 buildings is approximately \$100,000 (\$2,500 annually per site). Of the 39 buildings in the inventory, many were built in the 1970s and have not received significant upgrades. Based on initial estimates by the Public Works Department, a full facility assessment to identify repairs and upgrades may range between \$10,000 - \$15,000 per building. This cost is part of the Reuse Work Plan (Attachment C), and with approved funding, the target would be to complete repairs and preventive maintenance on all buildings over a five-year period.

For quality community services to be monitored and delivered in safe spaces, the Department's Reuse Work Plan recommends presenting an appropriate staffing structure that would support the development of an immediate and long-term facility management plan, effectively manage more than 30 contracted agencies, establish a data system to regularly assess program usage and community need, regularly negotiate and identify new providers to maximize facility use, and establish evaluation tools and methodology to better understand the facility needs and investments these buildings require.

Current Status

In response to the Community Center Reuse Audit, the Department has identified several short term and long-term changes to address the 19 audit recommendations, which are included in the Reuse Policy Work Plan (Attachment C).

The immediate actions taken by staff over the past few months include:

- Complying with contract-related recommendations to ensure:
 - All existing contracts have appropriate insurance forms (Audit recommendations #4, #6, and #7).
 - Ratification of reasoning and documentation of procedures for agencies placed through Unique Services Provision (Audit recommendations #17 and #19)
 - Staff compliance with Form 700 reporting (Audit recommendation #18);
- Maintaining services within existing reuse facilities such as negotiating final agreements for program operators in the Vietnamese American Cultural Center at the George Shirakawa, Sr. Community Center, and releasing a Request for Information for the Gardner Community Center; and
- Exploring new long-term options for key reuse building uses, such as working with Housing Department and the Office of Economic Development to identify sites that could support new joint housing and community center opportunities.

Reuse Policy Work Plan

The Reuse Policy Work Plan priorities are accountability and financial sustainability; with the following five goals:

1. Maintain safe, healthy quality facilities for neighborhood services;
2. Ensure timely and transparent contract processes;
3. Implement and enforce consistent standards for all operators and providers in accordance with local, City, State regulations and policies;
4. Improve community awareness and knowledge of activities in all City-owned community centers; and
5. Increase the number of providers and services in underserved communities.

The Department developed a Reuse Policy Work Plan to capture several policy and operational changes currently in progress. In addition, it introduces new areas for further research and consideration by the City Council in 2019-2020. This aligns with the audit recommendations around accountability improvements for the Department's selection process for facility operators and community providers.

The Department is committed to addressing audit recommendations in a timely way. The City Council's direction on policy development will strengthen the Department's ability to maintain or enhance expected service levels and assist in the long-term financial approach for quality facilities and services.

EVALUATION AND FOLLOW-UP

The Neighborhood Services and Education Committee will receive a six-month report on the Reuse Policy Work Plan recommendations and Community Center Reuse Audit implementation status as directed.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the April 11, 2019 Neighborhood Services and Education Committee meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Auditor's Office, and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

This memorandum is scheduled to be presented to the Parks and Recreation Commission on April 3, 2019.

CEQA

Not a Project, Public Project Number PP17-009, Staff Reports, Assessments, Annual Reports, and Information Memos that involve no approvals of any City action.

/s/
JON CICIRELLI
Acting Director of Parks, Recreation
and Neighborhood Services

For questions, please contact Neil Rufino, Deputy Director, at (408) 535-3576.

Attachment A: Community Center Reuse Program Inventory, March 2019
Attachment B: Excerpt from the City Auditor's Report "Status of Open Audit Recommendations as of 12/31/18"
Attachment C: Community Center Reuse Policy Work Plan 2019-2020
Attachment D: Council Policy 7-12