



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jon Cicirelli

SUBJECT: UPDATE ON NEIGHBORHOOD
CENTER PARTNER PROGRAM

DATE: November 7, 2019

Approved

Date

11/7/19

RECOMMENDATION

- (a) Accept the Neighborhood Center Partner Program (formerly Community Center Reuse Program) status report.
- (b) Approve and refer the removal of seven facilities from the Neighborhood Center Partner Program facility inventory list to the full Council for consideration at the December 3, 2019 Council meeting.

OUTCOME

The Neighborhood Services and Education Committee (NSE) will be informed about the Neighborhood Center Partner Program, the status of the work plan and audit recommendations including the expiration of the unique services provision of Council Policy 7-12. The NSE will recommend to Council the removal of six facilities due to City operations and, one facility transferred to school district ownership.

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 expanding existing and constructing new community centers. The 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. Residents opposed closing the facilities, so the Department developed the concept of reusing community centers through community-based organizations. The Council approved this approach in the 2005-2006 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 “reuse” sites citywide.

In 2008, the Council adopted Policy 7-12, *Use of Community Center Reuse Sites in Exchange for Services that Primarily Benefit San José Residents*, to formalize the program and communicate guidelines for operating community center sites with community-based service providers. The Department established a team to manage service-provider outreach, selection, negotiation, and enforcement of property-use agreements and facility operations. To date, the Department continues to provide facilities at no cost and pays for utilities, maintenance, and repair costs.

Over time, the number of community centers operated by either the Department or those Council-approved reuse providers has fluctuated for various reasons including the elimination of the Strong Neighborhoods Initiative, expiring school district agreements, the building of comprehensive hub community centers, specific Council direction, various real estate purchases and lease agreements.

Community Center Reuse Audit

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, and Councilmembers Arenas, Jimenez, and Peralez.

At the April 11, 2019 NSE Committee meeting, the Department presented an overview of the long-term challenges associated with managing and maintaining the 39 reuse sites. In addition, the Committee accepted the Department’s work plan to address challenges and audit recommendations by framing the Department’s goals and priorities through accountability, stewardship, and financial sustainability. The following five goals were presented to the Committee and drive the Department’s work plan for the program (Attachment B):

1. Maintain safe, healthy, and 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, and 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 disadvantaged communities.

In June 2019, Council adopted the 2019-2020 Budget to support these goals including one ongoing position, three one-time funded positions and \$1.25 million for the assessment and maintenance of the facilities. The Department is scheduled to hire the ongoing Building Management Administrator by end of calendar year 2019 and a Senior Maintenance Worker to strengthen its ability to assess and care for City-owned assets. The Community Coordinator and Analyst positions will increase the capacity of the existing reuse program team to focus on performance and contract accountability, evaluate neighborhood needs, and identify new partners to address those needs by increasing relevant services. Extensive community partnerships remain critically important to the

sustainability and relevance of services provided in community centers throughout the city. The goal of the Community Coordinator position will be to maintain strong relationships with current providers and cultivate new partnerships with the aim of expanding services provided at neighborhood centers.

New Name

As a reflection of the City's re-investment into the program and a sharper focus on building greater partnerships and quality community services at these facilities, the Department is rebranding the "Reuse Program" to the "Neighborhood Center Partner Program." Feedback from existing operators and service providers indicate a positive response to the name as it honors their role and the value provided by the City's community partners.

ANALYSIS

Current Status of Community Center Inventory

At the beginning of 2019-2020, the Community Center Inventory list included 39 Neighborhood Center Partner Program sites operated by partners and 11 community centers operated by the Department for a total of 50 facilities. In the 39 neighborhood centers (two are closed), 30 community partners were in contract to provide services. At this time, community partners in the role of lead operator or service provider obtain access to these facilities at no cost whether or not operators are charging a fee to participants or providing free community services.

Analysis from the Office of Economic Development indicates that the 2019 fair market value rate for renting all Neighborhood Center Partner Program facilities is \$5.4 million per year and the average annual subsidy per facility is \$285,356. Depending on the square footage and class of building, the 2019 value ranges from \$9,975 for the smallest center at Backesto to \$484,560 for the largest facility at Edenvale Community Center. In addition, the City also subsidizes all utility costs. Last fiscal year, the total utility cost for these same two neighborhood centers was \$3,991 at Backesto and \$58,977 at Edenvale. During workshops held in October 2019, current partners were notified that the City intends to examine how to fairly assess utility expenses by site and that future contract consideration may include utility expenses to some degree which is consistent with Council Policy 7-12. Completed analysis of the subsidy provided for all facilities is expected as new one-time positions are filled.

According to Council Policy 7-12, the Department Director may evaluate and recommend to Council that community center facilities be removed from the Neighborhood Center Partner Program inventory list (attached) if one of the following are found:

- Council determines it is best interest of the City
- Cost of repair is prohibitive
- Cost of operations is prohibitive

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- Use by a City Department is advantageous
- Response to natural, technological and/or human-caused disasters

The Department recommends removing seven facilities from the Neighborhood Center Partner Inventory list. One will be fully removed from the inventory, as the school district has assumed property control, and the other six will be removed from the Neighborhood Center Partner inventory list, as the Department has utilized and determined ongoing Department operations are advantageous. This will bring the total number of facilities to be managed within the Neighborhood Center Partner Program to 32, and the total number of facilities in the Department's portfolio to 49.

The McKinley Community Center is recommended to be removed from the total inventory as the property's lease agreement and Community Development Block Grant restrictions has ended and the building returns to the Franklin-McKinley School District (FMSD). FMSD has committed to ensuring continued access by current community partners to the facility.

The remaining six facilities are advantageous to the Department and meet current strategic operational direction thus should be removed from the Neighborhood Center Partner Program inventory list.

The following six neighborhood center facilities are recommended for Department-led operations:

1. **Almaden Youth Center** – R.O.C.K. afterschool program with San Jose Unified School District
2. **Calabazas** – San José Recreation Preschool classroom
3. **Hank Lopez** – Youth intervention and neighborhood services
4. **Millbrook** – R.O.C.K. afterschool program with Evergreen School District
5. **Northside** – Grace Art & Wellness therapeutic program includes continued partnership with 4Cs to provide a County-funded senior nutrition program
6. **Paul Moore** – Park Ranger training center

Community Center Inventory	2017	Proposed October 2019
Department Operated Facilities	11	17
Partner Operated Facilities	39	32
Total	50	49*

*The total Community Center Inventory managed and maintained by the Department is reduced by one with the transfer of the McKinley Community Center to the Franklin-McKinley School District.

Additional Actions

During this fiscal year, the Department plans to engage three current land or facility owners to reestablish terms of agreement. As with the McKinley Center, the underlying property lease agreements with two school districts are expired. Joseph George at Alum Rock Union School District may be considered for transfer to the District because the facility is dedicated to an afterschool STEM program which can be managed by the District. In the case of Noble Modular at Berryessa Union School District, the Department is interested in renewing the lease for operational space for one San José Recreation Preschool classroom and the Veterans Supportive Services Agency.

The other lease agreement for the Spartan-Keyes Neighborhood Action Center with Bella Costella Property Management expires on June 30, 2020. The facility is not City property, thus does not officially align with the Policy 7-12. The Department is interested transferring maintenance and property management functions to the property owner while continuing the grant awards funding the afterschool provider, Catholic Charities. This is consistent with the previous transfer of Hoffman-Via Monte from City management to property owner management in 2016-2017. Negotiations will seek to maintain continuity of existing community services funded by the City.

Request for Qualifications 2020

By March 2020, the Department will issue a new citywide Request for Qualifications (RFQ) for all Neighborhood Centers on the inventory approved by Council. The last RFQs were done in 2015 and 2017. All existing and interested partners must apply to qualify as a service operator in any Neighborhood Center Partner facility. Also, the Unique Services clause in Policy 7-12, which allows for the temporary suspension of the competitive solicitations process, expires on June 30, 2020, with the option of a 12-month extension if the Director of the Department finds that a budget crisis of sufficient magnitude creates an unusual or unique situation that makes a competitive process contrary to the public's interest. Per Council's recommendation, the Department will terminate the suspension of the competitive process and use of the Unique Services clause upon expiration.

Current Status of Audit Recommendations

At the October 8, 2019 Council meeting, the City Auditor reported on the status of Audit recommendations as of June 30, 2019¹. Of the 19 recommendations, the City Auditor identified the following status: four recommendations are implemented, seven are partly implemented, and eight are not implemented.

As positions such as the Analyst, Community Coordinator, and Building Management Administrator are filled, the Department will continue to implement recommendations in a timely manner.

¹ Status of Open Audit Recommendations as of June 30 2019, Pages 74-78, City Council Meeting, October 3, 2019, Agenda Item #3.4

CONCLUSION

The Department continues its progress towards achieving the five goals in the program work plan and the priorities of accountability, transparency and community access as highlighted in the Community Center Reuse Program Audit. Recent budget actions approved by Council and positive program growth provide the Department with reliable funding to update the number of community centers available for the Department (17) and partner (32) operations for a total of 49 facilities. A robust, competitive RFQ process will be released by March 2020 to existing and new partners who strive to meet the emerging needs of residents in neighborhoods across San José. The results will align with the expiration of the Unique Services Clause of Council Policy 7-12 on June 30, 2020. Together, with additional staff to manage and protect City assets and strengthen community services, these actions further the Department's mission to connect people through relevant, quality neighborhood services for an active San José.

EVALUATION AND FOLLOW-UP

The Neighborhood Services and Education Committee will receive a six-month report on the Neighborhood Center Partner Program work plan recommendations and Audit implementation status as directed.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum does not have any impact on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the November 14, 2019 Neighborhood Services and Education Committee meeting.

COORDINATION

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

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COMMISSION RECOMMENDATION/INPUT

This memorandum is scheduled to be presented to the Parks and Recreation Commission on November 6, 2019.

CEQA

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

/s/

JON CICIRELLI
Director of Parks, Recreation and
Neighborhood Services

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

Attachment A: Neighborhood Center Partner Program Facility Inventory List
Attachment B: Neighborhood Center Partner Program Work Plan, October 2019

**NEIGHBORHOOD CENTER PARTNER PROGRAM
FACILITY INVENTORY LIST
(Reuse)**

Neighborhood Center Facilities (Reuse)		SQFT	Proposal	Agreement Type	Land Owner	Partners 19-20
SCHOOL DISTRICT PARTNERSHIPS						
R E M O V E	Almaden Youth Center "The Spot" 7050 Bret Harte Drive	2,100	Remove to PRNS, Engage School District	Agreement - Expires June 30, 2020, 5 year option	San Jose Unified School District	PRNS
	Millbrook 3200 Millbrook Dr.	3,700	Remove to PRNS	Agreement - Expires 2083	Evergreen School District	PRNS
	McKinley 651 Macredes Ave	2,700	Currently District Property	Lease - Expired 2014	Franklin-McKinley School District	CommUniverCity
1	Noble Modular 3466 Grossmont Dr.	900	Engage School District	Lease - Expired 1997	Berryessa Union School District	PRNS, Veterans Supportive Services Agency
2	Joseph George 277 Mahoney Dr.	2,000	Engage School District	Lease - Expired 2014	Alum Rock Union School District	Alliance for Youth Achievement
3	Alviso Youth Center 5050 N. 1st.	17,000	REMAIN	Joint Use - Expires June 2021; 3 renewable, 5 year options	Santa Clara Unified School District	PRNS, Boys & Girls Club
4	Sherman Oaks 1800A Fruitdale Ave.	5,900	REMAIN	Lease - Expires April 2022	Campbell Union School District	Korean American Federation
5	Edenvale YC 285 Azucar Ave.	3,840	REMAIN	Lease - Expires July 2024	Oak Grove School District	Boys & Girls Club
6	Los Paseos 12 Avenida Grande	14,000	REMAIN	Lease - Expires May 2028 with 5 year option	Morgan Hill Unified School District	YMCA
7	Alum Rock YC 137 N. White Rd.	14,650	REMAIN	Lease - Expires 2031	Alum Rock Union School District	Escuela Popular, Boys & Girls Club, Future Arts Now, PRNS
8	Berryessa Youth Center 1970 Morrill Ave.	20,000	REMAIN	Lease - Expires 2032	Berryessa School District	YMCA, PRNS
9	Edenvale Community Center 330 E. Branham Lane	20,190	REMAIN	Lease - Expires 2058	Oak Grove School District	Boys & Girls Club, South Valley YMCA, Catholic Charities, PRNS
NOT CITY PROPERTY						
10	Spartan-Keyes 570 Keyes Street	2,256	Manage as a Grant Award	Sublease between Bella Costella Property Management & CSJ expires 2/10/2020	ROEM Development Corporation	Catholic Charities
CITY OF SAN JOSE OWNERSHIP						
R E M O V E	Calabazas 1207 Blaney Rd.	1,816	Remove to PRNS	NA	City of San Jose - Park land	PRNS
	Hank Lopez 1694 Adrian Way	9,500	Remove to PRNS	NA	City of San Jose - Park land	PRNS
	Northside 488 N. 6th St.	15,418	Remove to PRNS	Agreements	City of San Jose	PRNS, 4Cs, County Probation
	Paul Moore corner of Myrtle & Zisch	1,500	Remove to PRNS	NA	City of San Jose - Park land	PRNS
11	Alma Youth & Senior Centers 136 W. Alma Ave.	6,372	REMAIN	NA	City of San Jose	PRNS
12	Almaden Winery 5730 Chambertin Dr.	15,000	REMAIN	Agreements	City of San Jose	Assyrian American, Work2Future, PRNS

**NEIGHBORHOOD CENTER PARTNER PROGRAM
FACILITY INVENTORY LIST
(Reuse)**

Neighborhood Center Facilities (Reuse)		SQFT	Proposal	Agreement Type	Land Owner	Partners 19-20
13	Alviso Community Center 1565 Liberty Street	849	Remain, non-operational	NA	City of San Jose	Closed
14	Backesto 675 E Empire St.	665	REMAIN	Agreement	City of San Jose - Park land	Downtown Enrichment
15	Bramhall 1320 Willow St.	1,392	REMAIN	NA	City of San Jose - Park land	PRNS
16	Capitol Park 800 Peter Pan Ave.	2,160	REMAIN	Service agreement ended June 25, 2019	City of San Jose - Park land	PRNS
17	Gardner 520 W. Virginia St	12,440	REMAIN	NA	City of San Jose - Park land	PRNS
18	Hamann Park 2750 Westfield Ave.	1466	REMAIN	Agreement	City of San Jose - Park land	Kaisahan
19	Hillview Library 2255 Ocala Avenue	7,148	Remain, non-operational	NA	City of San Jose	Closed
20	Houge Park 3952 Twilight Dr.	6,132	REMAIN	Agreements	City of San Jose - Park land	Arab American Cultural Center, San Jose Astronomical Society, American Youth Shakespeare
21	Kirk 1601 Foxworthy Ave	19746	REMAIN	Agreements	City of San Jose	Work2Future, Community Seva, PRNS
22	Meadowfair 2696 S. King Rd.	1,942	REMAIN	Agreement	City of San Jose	Kidango Preschool
23	Noble House 14630 Noble Ave	1,411	REMAIN	Agreement	City of San Jose	Veterans Supportive Services Agency
24	Olinder 848 E. William St.	6,251	REMAIN	Agreement	City of San Jose - Park land	Northside Theater Company
25	Rainbow 1295 Johnson Ave.	1,664	REMAIN	Agreement	City of San Jose - Park land	Ethiopian Community Services Agency
26	San Tomas 4093 Valerie Dr	1,734	REMAIN	Agreement	City of San Jose - Park land	Eastern European Community Services Agency
27	Starbird 1050 Boynton Ave.	3,840	REMAIN	Service provider gave notice of termination for 11/21/2019	City of San Jose - Park land	Available
28	Vietnamese-American Cultural Center @ Shirakawa Sr. 2072 Lucretia Ave.	15,840	REMAIN	Agreements	City of San Jose	PRNS, ICAN, VIVO
29	Vista Park 475 Hyde Park Dr.	2,280	REMAIN	NA	City of San Jose - Park land	PRNS
30	Washington United 921 South First St	17,000	REMAIN	Agreement	City of San Jose	Catholic Charities
31	West San Jose 3707 Williams	5,760	REMAIN	Agreement	City of San Jose	Silicon Valley Korean American Federation
32	Welch Park Clarice & Kenesta	800	REMAIN	NA	City of San Jose - Park land	PRNS, Library

ATTACHMENT B

**Neighborhood Center Partner Program Work Plan
Parks, Recreation and Neighborhood Services Department
2019-2020**

Policy Work Plan			
	Key Tasks	Timeline/Deadline	Status – October 2019
Goal 1: Maintain safe, quality facilities for neighborhood services			
1a.	Submit recommended staffing model to City budget process	FY19-20 Budget	Complete. Adopted Budget includes 1.0 Building Maintenance Administrator (ongoing), 1.0 Senior Maintenance Worker (one-time)
1b.	Conduct facility assessments to identify needs, risks to inform facility maintenance planning, budget and capital investment strategy	FY 19-20 Budget; completion by 2024	In progress. Adopted Budget includes \$1.25 million for infrastructure needs assessment and repairs.
1c.	Research, identify and recommend to Council various financial sustainability options (rent, lease, utilities, others) for community operator/provider contributions to facilities	Proposal to NSE in Oct 2019	In progress. Current providers notified of pending utility cost-sharing model in future contracts. Other options pending.
1d.	Analyze cost for converting specific reuse centers to hybrid model and/or hybrid centers to full PRNS operated centers	Proposal to NSE Oct 2019	In progress. Costs to be determined as agreements expire, and alignment with community needs and Council priorities
1e.	Identify reuse facilities for child care providers with Public Works per direction of council priorities	FY 20-21 Budget	In progress. contract for facilities study to be completed by end of calendar year 2019
1f.	Continue collaborating with Housing Department to analyze sites that could be rehabilitated in financial partnership with a developer to construct mixed use housing and community spaces.	Ongoing	In progress. Initial sites identified with Housing Department to be studied by architect.
Goal 2. Ensure timely, transparent process for selection of facility operators and community providers			
2a.	Update unique services protocol and develop checklist for step by step process.	7/30/19	Complete.
2b.	Review and consider updates to Policy 7-12 and Unique Services provision	Proposal to NSE October 2019	Recommend not extending Unique Services provision beyond June 30, 2020 due to lack of “budget crisis of sufficient magnitude” warranting suspension of competitive process, Council direction
Goal 3. Establish consistent, enforceable accountability standards and metrics for all operators and providers of city-owned facilities			
3a.	Submit recommended staffing model to City budget process to ensure contract management, monitoring and compliance in alignment with Department’s Special Partnerships Unit	FY19-20 Budget	Complete. Adopted Budget includes 1.0 Analyst (one-time) to implement regular contract administration, monitoring and compliance with Recreation Supervisor.
3b.	Develop verification mechanism for child care providers and license-exempt operators for declaring agency in compliance with State regulations	6/30/19	In progress. State Department of Social Services TrustLine Registry identified as database for license-exempt child care providers to submit all

ATTACHMENT B

**Neighborhood Center Partner Program Work Plan
Parks, Recreation and Neighborhood Services Department
2019-2020**

			background checks for public verification; new contracts will include requirement.
3c.	Develop metrics and data collection plan for all reuse partners, revise scope of financial and program reporting requirements to allow for more efficient monitoring	7/30/20	In progress;
Goal 4. Improve community access and knowledge of activities in all city-owned community centers			
4a.	Research and identify appropriate online tool to increase community awareness of activities in all city owned facilities with translate function; Pilot Vietnamese-American Cultural Center	8/1/19	In progress. Online calendar for VACC to be implemented by January 2020.
4b.	Publish all reuse site provider activities in the community activity guides based on geographic location/council district area	4/1/19	Complete. Summer and Fall 2019 included all Neighborhood Center Partner Program activities.
4c.	Continue discussions with school districts (Oak Grove, Berryessa) to evaluate whether current agreements meet school, neighborhood needs	8/1/19	In progress. Meetings with Oak Grove, Berryessa, Franklin-McKinley Superintendents complete. Engagement continues with other school district leaders.
Goal 5: Increase the number of providers and services in underserved communities			
5a.	Conduct community assessments in collaboration with partners such as County's Public Health Department and others to determine current priorities, conditions, and interests of neighborhood residents, providers and partners; Consider pilot with the East San Jose PEACE Partnership and utilization of interactive methods and community participation research methods	January 2020 -2021	Pending. Assessment to be completed for the release of the RFQ in February/March 2020.
5b.	Report back to NSE/Council on the results of community assessment	4/1/20	Pending.
5c.	Utilize needs assessments in the planning and procurement process for eligible services	7/1/20 - ongoing	Ongoing.