



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jon Cicirelli

**SUBJECT: NEIGHBORHOOD CENTER PARTNER
PROGRAM UPDATE**

DATE: October 26, 2020

Approved

Date

11/5/2020

RECOMMENDATION

Accept the status report on the Neighborhood Center Partner Program (formerly the Community Center Reuse Program).

OUTCOME

The Neighborhood Services and Education Committee will be informed about the Neighborhood Center Partner Program, the status of the work plan, and the follow-up actions taken by staff to address recent audit recommendations.

BACKGROUND

In response to the economic downturn of 2001, the Department of Parks, Recreation and Neighborhood Services (Department) developed the model of reusing community centers in partnership with community-based organizations as a strategy to prevent the closure of these community-serving facilities. 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 2007-2008, the Council approved the initial facilities as reuse sites and 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. The aquatics program and the City's six pools are also managed by this team. To date, the Department continues to provide community centers at no cost to community partners, with the City paying for utilities, maintenance, and repair costs at these locations.

Over time, the number of community centers operated by either the Department or community partners has fluctuated. Reasons for the fluctuation included the elimination of the Strong Neighborhoods Initiative, expiring school district agreements, the building of comprehensive hub community centers, various real estate purchases, and other Council priorities.

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.

In April 2019, to accompany the audit, the Department presented to the Committee a work plan to address the long-term challenges associated with managing and maintaining 39 partner-operated facilities, as well as the audit recommendations. In alignment with the Activate SJ Strategic Plan, the work plan is focused on principles of accountability, stewardship, and financial sustainability. The following five goals were presented to the Committee and approved by Council:

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 Building Maintenance Administrator; three one-time positions to meet contract obligations and expand community services; and \$1.25 million for the assessment and maintenance of the facilities. The Council also approved the sunset of the Unique Services clause in Policy 7-12, which allowed for the temporary suspension of the competitive solicitations process. It expired 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.

Considering the three one-time funded positions allocated to the Department in 2019-2020 (1.0 Community Coordinator, 1.0 Analyst I/II, and 1.0 Sr. Maintenance Worker), it's important to note that filling and deploying some of these positions was a challenge due to COVID-19. For that reason, the Department was able to rebudget personal services savings in 2019-2020 to continue these positions in 2020-2021 on a one-time basis. This enables the Department to continue to advance its efforts in responding to the City Auditor recommendations; conducting community needs assessments for the program in the context of administering a Request for Qualifications (RFQ) process when the timing is right; and addressing immediate facility maintenance needs in conjunction with the facilities assessments that will be led by the Building Maintenance Administrator (once that position is filled). As these activities unfold, the Department expects to

gain greater clarity on the sustainability needs of the program on an ongoing basis and plans to advance conversations about those needs in the 2021-2022 budget development process.

ANALYSIS

Status of Neighborhood Center Partner Program Inventory and Facilities Maintenance

There are currently 32 facilities on the Neighborhood Center Partner Program (Partner Program) Facility Inventory List (Attachment). 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 if one of the following are found:

- Council determines it is in the best interest of the City
- Cost of repair is prohibitive
- Cost of operations is prohibitive
- Use by a City department is advantageous
- Response to natural, technological and/or human-caused disasters

The number of facilities managed by the Department's Neighborhood Center Partner Program may continue to change based on Council action. On October 27, 2020, Council will act upon a recommendation to transfer the West San Jose Community Center from Parks, Recreation and Neighborhood Services to the Housing Department for the development of affordable housing. Housing Department will continue to allow services to be offered by the Korean American Federation until construction begins. Subsequent availability of services through the Partner Program will be determined in next Request for Qualifications process.

To support the Department's goal of maintaining safe, healthy, and quality facilities for neighborhood services, 35 work orders for the most critical repairs/improvements are in process with Public Works for those issues that have already been identified. Additionally, further facilities assessments are planned, which will guide the Department and Public Works in prioritizing future repairs and improvements, as they are identified. The start of this work is dependent on the hiring of the Building Management Administrator position, which remains vacant pending the completion of a classification/compensation revision that is presently underway.

Since March 2020, the Department made limited progress on goal 4) improve community awareness and knowledge of activities in all City-owned community centers; and goal 5) increase the number of providers and services in disadvantaged communities due to the RFQ suspension and COVID-related closures. This is due to staff's recent primary focus on food distribution and ensuring the continuity of essential services and adoption of safe practices for those partners supporting learning pods.

Request for Qualifications Update

The Department suspended the release of the scheduled citywide RFQ in March 2020 when the Shelter-in-Place orders were put into place. This decision was made due to the unknown nature of the challenges that our community would be facing. The Department continues to evaluate the appropriate timing of the RFQ release as it seeks to ensure that community organizations will have sufficient time and resources to put together comprehensive proposals. The timing of the release of the RFQ will not be before 2021. The Department will continue to communicate the status of our RFQ plans with community stakeholders, including the Silicon Valley Council of Nonprofits, as our present situation evolves.

Current Status of Audit Recommendations

Neighborhood Center Partner Program Audit Recommendations Status			
	Implemented	Partly Implemented	Not Implemented
City Auditor Report: June 2019	4	7	8
City Auditor Report: December 2019	5	8	6
Department Update: October 2020 (Pending Audit Review)	7	8	4

The Department is in the process of confirming the updated status of audit recommendations pending a meeting with the City Auditor's Office. Recommendation follow-ups are conducted twice a year, but due to COVID emergency priorities, the Auditor's Office annual plan provides that only one follow-up recommendation report will be presented for this year in December 2020.

CONCLUSION

In the face of limited capacities due to COVID-19 emergency priorities, the Department will continue to advance the goals for the Neighborhood Center Partner Program while also making progress in its response to the audit recommendations.

EVALUATION AND FOLLOW-UP

The Neighborhood Services and Education Committee will receive an annual 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 has no effect 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 12, 2020 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.

COMMISSION RECOMMENDATION/INPUT

This memorandum will be presented to the Parks and Recreation Commission at their meeting on November 4, 2020.

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 Andrea Flores Shelton, Interim Deputy Director at (408) 535-3571.

Attachment:
Neighborhood Center Partner Program Facility Inventory List