



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Albert Balagso  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** May 26, 2006

Approved

Date

5/26/06

**COUNCIL DISTRICT:** City-Wide  
**SNI AREA:** All

**SUBJECT: Follow-up to Facility Re-Use Request for Qualifications (RFQ) Process**

## RECOMMENDATION

Approval of the following actions:

1. Conduct additional neighborhood specific outreach meetings, including a Council study session following the community process, and revising the Request for Qualifications (RFQ) for Facility Re-Use given the input obtained through the community process and;
2. Explore revising the Healthy Neighborhoods Venture Fund (HNVF) and other major grant programs to follow a San Jose BEST Request for Qualifications model process or other best practices, beginning in July 2008 for the 2008-2009 cycle.

Recommend that City Council consider the following amendments to the 2006-2007 Proposed Operating Budget:

1. Increase the Parks, Recreation and Neighborhood Services Department Personal Services appropriation by \$499,264 to continue operations at the facilities on the Re-Use list for a year at current levels;
2. Increase the Parks, Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation by \$94,445 to pay building utilities costs for the facilities on the Re-Use list for a year;
3. Establish a reserve for the Parks, Recreation and Neighborhood Services Department in the amount of \$96,684 to fund in 2007-2008 building maintenance and utilities costs for community based organizations to use if awarded a school re-use facility for operations and maintenance;
4. Increase the Parks, Recreation and Neighborhood Services Department Personal Services appropriation by \$116,418 and increase the Parks, Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation by \$47,000 to continue operation of the Northside Community Center in the event there is no successful community based organization as a result of the RFP process currently underway;

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5. Establish a reserve for the Parks, Recreation and Neighborhood Services Department in the amount of \$142,000 to fund in 2007-2008 building maintenance and utilities costs for Northside Community Center in the event a community based organization is awarded the facility for operation and management and;
6. Decrease the Enhanced Parks Maintenance Reserve by \$995,811. This Reserve will be used to fund a portion of the parks maintenance and operation costs for new facilities that are scheduled to come on-line in 2006-2007, thereby freeing up General Fund funding to support the recommendations above.

## **OUTCOME**

The Facility Re-Use RFQ process will be revised to extend its schedule so that additional community outreach can be implemented at specific neighborhoods that contain the proposed sites for re-use. PRNS will coordinate an interdepartmental team to convene meetings with stakeholders including CBOs, residents, and schools within each neighborhood. These meetings will review the feasibility, options and any impact(s) of the re-use facility:

- transitioning to a CBO for operation
- continued operation by PRNS
- converting the facility to open space or a park amenity
- use by local neighborhood associations
- as well as review any existing master plan for the building or site
- assess the public safety impact of these options

Staff will return to Council in November 2006 with the findings from these meetings for discussion and direction.

PRNS will continue to provide the existing level of service at all sites proposed for re-use while the additional community outreach is underway in 2006-2007. In order to maintain the existing level of service, PRNS needs an additional appropriation of \$499,264 for personal services and \$94,445 reinstated for 2006-2007 utility costs.

Staff will also review the feasibility of transitioning the HNVPF and other grant programs to the BEST model in order to establish a long range funding resource for CBOs to sustain their operations in a re-use facility.

## **BACKGROUND**

At the May 16, 2006 Council meeting, staff was directed to return on June 6 with a six month and one year timeline that includes the following actions:

- identify funding source(s) for building maintenance and utilities costs,
- assess each site listed on the Re-use list for any impacts to public safety, should it be converted or transitioned to a CBO, and the analysis should include any existing master plan of either the building or park
- conduct a savings assessment

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- include those buildings recommended for conversion, on the re-use list to allow more stakeholders to have an opportunity to submit a proposal on using them
- review the San Jose BEST grant program as a model for revising HNVF and other grant programs
- provide an update report on the Northside Community Center

## ANALYSIS

### Identify Funding Source(s) for Building Maintenance and Utilities Costs

PRNS offered a reduction proposal valued at \$94,445 for implementation in 2006-2007 when it was anticipated that the proposed re-use facilities would be operated by a different provider or closed if no provider was identified. Since the Department will now be operating these facilities for the next year, the \$94,445 will have to be reinstated to pay building utilities costs. The General Services Department (GSD) has retained the current funds dedicated to maintenance of these buildings and will continue to make these funds available in support of the Re-use strategy. The combined funding in both Departments can sustain seed funding for building maintenance and utilities of re-use sites in 2007-2008.

However, building maintenance and utilities costs of four school sites, where the school districts have assumed these costs, would be needed. The four school re-use sites are Edenvale Youth Center, Fair Youth Center, Joseph George Youth Center, and Sherman Oaks Community Center. New funds in the amount of \$96,684 would need to be made available to CBOs to access to pay building maintenance and utilities costs if awarded a school re-use facility. PRNS and GSD will continue to pay utilities and building maintenance costs of the remaining re-use sites if awarded to a CBO.

PRNS does not have base budget funds to provide for Northside Community Center's building maintenance and utilities costs because they were borne by the previous non profit operator, the Filipino American Social Opportunities Development Council. Additional funds of \$142,000 would be needed to bridge any CBO for these costs, assuming an operator is awarded the building for use in 2007-2008.

The Northside Community Center RFP is currently circulating and its submission deadline has been extended for two additional weeks. This will enable staff the opportunity to incorporate any changes or information resulting from the June 6<sup>th</sup> Council discussion. While PRNS has sufficient operating funds until December 2006, new funds will be needed for continued operations in 2007. If the Department continues to operate the site, \$163,418 is required for a six month period ending June 2007. This would provide for staff, non personal costs, building maintenance and utilities costs. If the facility was awarded to a CBO for operations, as part of the current RFP process, \$71,000 is needed for building maintenance and utilities costs for the same six month period, \$142,000 for a full year.

Assess each site listed on the Re-use list for any impact(s) to public safety, conversion or transition to a CBO, and include any existing master plan of either the building or park

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Building on the community outreach that has already been done, the Facility Re-Use RFQ schedule will be modified to include convening additional community meetings at each site to ensure impacted neighborhoods have an opportunity to input on possible uses, services desired for the site, and to identify potential non-profit or neighborhood providers. Department staff will outreach to stakeholders, Neighborhood Associations and Committees, affected community members, schools and non-profit service providers to review all options. It is expected that the community input will be performed over a two to three month period, concluding in October 2006.

PRNS will assemble an inter-department team to conduct a site specific analysis at each of the proposed conversion and re-use facilities. The analysis will include facility condition assessments, examination of existing master plans, budgetary and negative impacts, along with prior data and input on community desired programs and services. The team will include staff from Strong Neighborhoods Initiative, General Services, San Jose Police Department, and school district staff as necessary. It is expected that the analysis will require two months to complete, concluding in August 2006 as an essential step prior to community meetings.

Twenty-five buildings on the Re-use list, including the sites recommended for conversion or surplus consideration, are included in the community outreach process to see if there is neighborhood interest in acquiring use of a site. The ten sites that will be used by PRNS or other internal City departments will not be offered for external re-use. Restrooms that are attached to any of the re-use facilities will be reviewed at the community meetings to assess their continued usefulness and need. Recommendations related to the restrooms will be included in the final staff report.

A study session with Council is proposed for November 2006 to share the key findings from the community process. Direction from the study session and from the community input would be incorporated into the Re-use RFQ. Final approval for the RFQ process would be presented to Council in early 2007. Upon approval of the revised Re-use strategy, the RFQ would be released soon thereafter with responses due in the spring 2007. Staff review of the submissions would occur in late spring with recommendations forwarded to Council for consideration and action in early summer 2007. Per Council direction, 25 facilities named as re-use sites would be included in the RFQ.

Contract negotiations with the successful providers/CBOs would occur over fall 2007 with the goal of the new operator moving into the facility in early 2008.

#### One-Year Timeline

In order to maintain the existing level of service at each of the re-use sites, PRNS would require \$499,264 in personal services and \$94,445 in utility funding reinstated for 2006-07. This level of funding will continue employment of a Gerontology Specialist and add 12.75 FTEs of part time unbenefitted Recreation Leaders. These positions are needed to continue the existing level of service at the re-use sites that are in operation now.

43.46 FTEs of community center staff was eliminated in 2003-2004 as a budget savings measure. This is exacerbated by the fact that several new centers have opened for public use in the same time period; these centers include Los Paseos Youth Center, Berryessa Youth Center, Gardner Community Center, Camden Community Center, Alum Rock Youth Center, and the recently opened

Almaden Joint Library and Community Center. No additional staff was given to the Department to manage the operations of these new facilities. Consequently, the remaining staff (75.65 FTEs) is extremely stretched in attempting to provide programming at all of these new and existing sites.

### Six-Month Timeline

The Department currently has sufficient funding for Northside Community Center to assume its operations for the balance of this calendar year. However, beginning in January 2007, if there is no successful operator, the Department would require \$163,418 for operations and maintenance through June 30, 2007. The RFP for Northside Community Center is currently circulating.

Depending on the outcome of Council discussion on June 6, 2006, the Northside Community Center RFP may be included in the revised RFQ for the 25 Re-use sites. It is recommended to allocate \$305,418 for either PRNS to operate the center or a CBO to operate the center beginning in January 2007. If the Council decides to include Northside with the 25 Re-use sites RFQ, which would synchronize the two processes, bridge funding for a CBO to assume operations of the center needs to be available by 2007-2008.

### Review the San Jose BEST grant program as a model for revising HNVF and other grant programs

Staff will have conducted its analysis on the feasibility of revising the HNVF grant process, to reflect the BEST model. The analysis will explore the opportunity of enabling HNVF to become a potential long term funding source by 2007-2008. If feasible, CBOs would be able to pursue HNVF funds for long term maintenance and community services operations.

### Update on Jacinto "Tony" Siquig Northside Community Center – Filipino American Social Opportunities Development Council (Fil-Am SODC)

Fil-Am SODC discontinued providing HNVF funded senior services on May 5, 2006 and to ensure that there were no lapses in services, former Fil-Am case management staff became temporary contract employees with the City. In July 2006, Northside Community Center will be added to the Department's list of senior nutrition sites for a one year term.

## **PUBLIC OUTREACH**

Extensive outreach has been conducted on this issue utilizing seven primary strategies:

- Formation of a Facility Re-Use Advisory Task Force
- Multiple community meetings held throughout the City in January, February and March 2006
- Written surveys completed by residents and PRNS staff
- Posting of relevant information on the City's website
- Email notification to individuals who attended community meetings
- Meetings with school district representatives
- Meetings with representatives from the Silicon Valley Council of Non-Profits and the Community Foundation

Additional outreach will be undertaken as recommended in this memo.

**COORDINATION**

This memo has been coordinated with the City Attorney's Office, Strong Neighborhoods Initiative, Police, and General Services Departments.

**COST IMPLICATIONS**

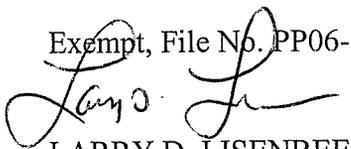
In order for PRNS to continue the current level of service at the facilities proposed for re-use, additional funds of \$499,264 for personal services and \$94,445 for utilities and facility maintenance costs will be required. Additional funds of \$163,418 will be needed to continue operations at the Northside Community Center. Two reserves in the amount of \$238,684 are recommended to be established for building maintenance and utilities costs pending the outcome of the re-use process. The requested funds are staff's best estimate of the resources we believe are needed. However, if as a result of additional community discussion there is a need for additional funding, staff will return to Council with a recommendation.

Additional General Fund resources totaling \$995,811 will be allocated to support the recommended actions. Funding from the Enhanced Parks Maintenance Reserve will be used to fund a portion of the parks maintenance and operation costs for new facilities that are scheduled to come on-line in 2006-2007, thereby freeing up General Fund funding to continue operation of existing facilities as outlined in this Facility Re-Use Strategy and to support Northside Community Center operations.

The General Services Department will continue to fund their services to these buildings at current levels.

**CEQA**

Exempt, File No. PP06-044.



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