

Independence day for hunger program

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Independence day for hunger program Neighborhood House agrees to let go of food bank By Jeff McDonald UNION-TRIBUNE STAFF WRITER May 1, 2007 After more than two years of turmoil, Neighborhood House Association is getting out of the hunger-relief business. The San Diego social services giant announced yesterday it will relinquish control of the San Diego Food Bank, the county's largest food-donation program. The food bank will become an independent organization, with the transition expected to be completed by July 1. The 13-member food bank board of directors will be reconstituted for the second time in seven months.

The five members who also sit on the Neighborhood House board will resign before July 1. Eugene "Mitch" Mitchell, who joined the food bank board in October, will continue as chairman. Securing donations for the food bank has been challenging because of its troubled relationship with Neighborhood House, Mitchell said. "Obviously I'm not taking it for granted, but I do believe we could do a much better job raising money," he said. "We received a tremendous amount of criticism. Everyone wanted us to break away from Neighborhood House."

Neighborhood House Association, which has run the food bank for 30 years, will give the new organization \$1.5 million and its trucks and forklifts. Neighborhood House will keep the multimillion-dollar warehouse and lease it to the food bank for \$1 a year for the next three years. After that, the rent will be negotiated. "This building belongs to Neighborhood House Association," said Rudolph Johnson III, Neighborhood House president. "We hold the title. . . . We won't give the building away at this point." With an annual budget of nearly \$100 million, Neighborhood House Association is the county's largest social services nonprofit. Most of its revenue comes from the federal Head Start child-development program, but the food bank historically has been a source of great pride for the organization.

The food bank has been racked with problems in recent years. In 2005, The San Diego Union-Tribune reported that hundreds of tons of donations were being withdrawn by unscrupulous charity operators

who sold the merchandise at swap meets or in 99-cent stores. Neighborhood House responded by tightening oversight and setting up the food bank as its own tax-exempt organization. The agency continued to control the food bank by appointing members of its own board to the food bank board of directors. In October, eight of nine food bank board members quit because Neighborhood House refused to provide more money to run the organization and donations had dried up in the wake of negative publicity. Just before the resignations, the food bank was forced to reject a \$1 million donation because it was conditioned upon the food bank becoming fully independent.

The exodus of board members worsened the already strained relationship Neighborhood House had with America's Second Harvest, the national organization that sanctions about 200 of the nation's largest food banks. America's Second Harvest immediately decertified Neighborhood House Association as an affiliate, which meant it no longer would be eligible for millions of pounds of food and other products donated each year by grocers and manufacturers. Neighborhood House appealed the decision, but withdrew its appeal Friday. The food bank relied on America's Second Harvest for 20 percent of the 10 million pounds of donations it distributed last year.

Food bank chairman Mitchell said directors of the newly independent organization may apply for a contract with America's Second Harvest or form partnerships with other charities. In a statement released late yesterday, America's Second Harvest said it still was committed to fighting hunger in San Diego County. The network is "urgently investigating alternative ways to secure and deliver food and grocery products to the people of San Diego County in ways that meet our stringent operational standards," the statement said. The food bank is critical to fighting hunger, which experts say affects one in eight people in the United States and nearly 30 percent of families in San Diego County.

Even though the food bank and Neighborhood House will be formally separated July 1, the two organizations still will work closely together. Johnson said Neighborhood House will give the food bank \$500,000 in each of the next three years to keep it financially stable. It also will offer administrative support until the food bank can run itself. Neighborhood House also will keep its government food-relief contracts at least until June 30, 2010. The emergency-and supplemental-food contracts are worth about \$2.2 million a year, covering nearly 75 percent of the food bank's \$3 million annual budget. Mitchell said the food bank will administer the contracts over

the next three years with the expectation that it could become the formal contractor by 2010. Some former employees and board members remain skeptical that the food bank will be fully independent, given that it must rely on Neighborhood House Association for help running the computers and performing other administrative duties. "Separating the two organizations is a good thing, but it seems like there are a number of details that need to be resolved," said Larry Sly, who was one of the board members who quit last year. "I hope that's going to work but there are some very open questions." Ginette Vicot, a former food bank employee who exposed the theft ring in 2005, said the food bank's reputation will be suspect as long as it continues to work with Neighborhood

House. "As long as Neighborhood House is somehow involved, I wouldn't be quite rejoicing just yet," Vicot said.

Mitchell said he is confident the new board will be able to raise money in the community.

He said the food bank collected more than \$600,000 in the past six months. He also said the board would be hiring a general manager and recruiting new members. "It's going to be a superb roster of people," Mitchell said. Tia Anzellotti of the San Diego Hunger Coalition said 28 percent of San Diego County families experience hunger or "food insecurity" at some point every year. Anzellotti said she hopes the new food bank board will take a leading role in advocating on behalf of poor families. "We'd love to have them as a partner," Anzellotti said. "They work with so many agencies, they have a really good picture of what's happening in the communities." -----

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