



DATE: June 24, 2025

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt Resolutions Authorizing the City Manager to Negotiate and Execute Agreements with Non-Profit Service Providers for Fiscal Year 2025-2026 Emergency and Interim Shelter Operations

RECOMMENDATION

That the City Council:

1. Adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Bay Area Community Services (BACS) for Fiscal Year 2025-2026 Hayward Navigation Center (HNC) operations for a Not-to-Exceed amount of \$2,500,894
2. Adopts a resolution (Attachment III) authorizing the City Manager to negotiate and execute an agreement with First Presbyterian Church of Hayward (FPCH) to operate the emergency shelter at South Hayward Parish (SHP) for Fiscal Year 2025-2026 for a Not-to-Exceed amount of \$339,190

SUMMARY

Over the past several years, the City has implemented proactive local measures to address the growing homelessness crisis. While these efforts have expanded resources for individuals and families experiencing homelessness, the need for emergency and interim shelter continues to outpace supply.

The purpose of this report is to request City Council authorization for the City Manager to negotiate and execute agreements for Fiscal Year 2025-2026 with two shelter operators located in Hayward, to continue providing essential shelter services and support to unhoused community members.

BACKGROUND

In October 2018, City Council declared a shelter crisis in Hayward, stating that the lack of shelter threatened the health and safety of the City's growing homeless population.¹ Since the declaration, City Council has continuously worked to address these health and safety concerns through a variety of approaches. Additional information about local and regional efforts can be found in the May 23, 2023, report to City Council² and the update on the City Council adopted Let's House Hayward Strategic Plan from December 17, 2024³.

One of the City's key initiatives to support Hayward's homeless community is the provision of transitional housing through the HNC, which serves individuals currently experiencing homelessness. The HNC is a low-barrier, interim, congregate (i.e., dorm-style) shelter that initially opened in November 2019 with a nightly capacity of 45 beds. Since its opening, BACS has operated the facility, offering housing navigation and supportive services in alignment with the Housing First model—an evidence-based approach that prioritizes stable housing as a foundation for addressing other challenges such as employment, mental health, and substance use.

The HNC has been funded through a combination of sources, including Measure C, the City's General Fund, the American Rescue Plan Act (ARPA), and various State and County grants. It remains the City's sole interim transitional housing program specifically serving single adults. In response to the need to safely social distance during the COVID-19 pandemic, City Council approved the use of CARES Act funds to acquire a third trailer. With social distancing requirements removed, the HNC can currently serve up to 66 beds individuals.

Another City-supported initiative to improve shelter access in Hayward is FPCH's Winter Warming Center at South Hayward Parish (SHP). Launched on December 1, 2018, with City funding, the center initially provided 18 beds during cold or rainy nights. In July 2021, City Council approved its expansion into a year-round program as part of the City's COVID-19 response, with extended service hours beginning in October 2021. Between FY 2022-2023 and FY 2023-2024, City Council allocated \$2.05 million to support ongoing operations. As of April 2025, SHP operates a 23-bed, year-round drop-in shelter, an essential service in South Hayward and a key partner of the Hayward Evaluation and Response Teams (HEART). Additional details are available in the previously referenced May 23, 2023, City Council report.

These shelters have been essential in supporting Hayward's unhoused community and are key activities in the Let's House Hayward Strategic Plan. They also align with the Alameda

¹ October 2, 2018 Hayward City Council meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3690554&GUID=A8DF0FBF-2F19-4648-8632-2BFE62A97107&Options=&Search=3>

² May 23, 2023 City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=6230209&GUID=B25EFB97-ADB4-45D7-BC5F-0BC0EE034F45&Options=&Search=>

³ December 17, 2024 City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=7059330&GUID=413111A4-B28F-45A2-8AAD-CA657ABE75E9&Options=&Search=>

County Home Together 2026 Plan. As State and Federal funding for homelessness prevention and response faces reductions and delays, continued City support is critical to sustaining operations at both the HNC and SHP shelters.

DISCUSSION

Hayward Navigation Center FY 2025-2026 Agreement for Services BACS has successfully operated the HNC since its opening in November 2019, focusing on outreach, housing navigation, and flexible funds administration for individuals experiencing literal homelessness. The HNC currently has a capacity of 66 beds and serves as a critical entry point to permanent housing. Since opening, the HNC has served 623 individuals, majority of whom (57%) stay 90 days or less. As of May 27, 2025, 561 individuals have exited the program, with 356 (65%) successfully transitioning into permanent housing—demonstrating strong outcomes aligned with the Housing First model.

**65% of HNC residents
have exited to
permanent housing
since it opened in
November 2019**

Staff propose funding the FY 2025-2026 HNC operations contract through the combined use of General Fund, Measure C, Opioid Settlement, and Community Development Block Grant (CDBG) funding. As part of their adoption of the FY 2025-2026 Operating Budget on June 17, 2025, City Council approved General Fund and Measure C appropriations in the combined amount of \$2,185,440 to support the continued operations at the HNC. Additionally, on March 5, 2024⁴, City Council adopted Resolution No. 24-037 authorizing the City Manager (or designee) to accept and appropriate \$1,349,312 from the Distributor Settlement Agreement for Opioid Remediation. These funds are restricted to specific eligible uses and can help cover or supplement costs of existing programs, including the HNC. Services that support HNC clients recovering from Opioid Use Disorder (OUD) and co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions qualify as eligible uses of the opioid settlement funds. CDBG funding that was unspent in prior years is also an eligible use of funds that aligns with City priorities and the City's Annual Action Plan submitted to the Department of Housing and Urban Development (HUD).

Outlined in Table 1 on the following page are the recommended sources of funding for BACS's FY 2025-2026 HNC operations agreement. In consideration of the City's financial position, staff recommend a no-growth contract from FY 2024-2025, and that City Council authorize the City Manager to negotiate and execute an agreement with BACS for FY 2025-2026 HNC operations for an amount not-to-exceed \$2,500,894 (Attachment II).

⁴ March 5, 2024, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=6561052&GUID=355597DF-7504-4108-A4BC-C67A50248439&Options=&Search=>

Table 1: PROPOSED FY 2025-2026 HAYWARD NAVIGATION CENTER FUNDING

Source	Amount
FY 2025-2026 General Fund/Measure C Allocation	\$2,185,440
Opioid Settlement Funds	\$150,000
Community Development Block Grant Funds	\$165,454
Total	\$2,500,894

Emergency Shelter at South Hayward Parish FY 2025-2026 Agreement for Services

Since 2018, the City has supported the emergency shelter at SHP. The shelter offers overnight emergency accommodation, with guest check-in beginning at 6:30 p.m. Guests receive a hot meal, a sleeping mat, and access to showers and weekly laundry services. Support staff are on-site to provide referrals to case management, community partners, and other external resources. Each morning, following breakfast, guests exit the shelter by 7:00 a.m. to allow for cleaning and preparation of the space. Guests may return at 10:00 a.m. to access daytime services offered through SHP's Resource Center, which was a key project in the Let's House Hayward Strategic Plan and was initiated through City of Hayward American Rescue Plan Act (ARPA) funding in 2021.

Most recently, in FY 2024-2025, the Hayward Evaluation and Response Teams (HEART) strengthened their ongoing collaboration with SHP staff through a \$250,000 allocation to reserve four nightly shelter beds specifically for HEART referrals. This guarantees four out of 23 shelter beds for City use at the only drop-in emergency shelter in Hayward serving single adults experiencing homelessness. If HEART referrals are not made by a daily cutoff, the beds are made available to other guests. Additional details are available in the June 25, 2024⁵ staff report.

In 2024, SHP served 416 unduplicated individuals experiencing homelessness and provided 7,460 bed nights at its emergency shelter, maintaining a 97% bed utilization rate. In addition, SHP supported hundreds more through its food pantry and other on-site services. These services play a critical role in Hayward's homelessness response system, offering essential support, stability, and pathways to recovery for some of the community's most vulnerable residents.

**SHP beds are filled
97% of the time and
416 individuals were
sheltered in 2024**

The proposed funding for the FY 2025-2026 SHP emergency shelter operation contract is funded by the combined use of the General Fund annual non-competitive allocation of \$25,000 through the Community Services Division's (CSD) operating budget, HEART program budget, and competitively allocated funding recommended by the Community Services Commission (CSC) through the Community Agency Funding (CAF) Process. Outlined in Table 2 are the

⁵ June 25, 2024, City Council Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6734720&GUID=4C67E5AB-5FA7-4CE3-B2AC-F82F2ED066A3&Options=&Search=>

proposed sources and amounts of funding for SHP's FY 2025-2026 shelter operations agreement.

Table 2: PROPOSED FY 2025-2026 SOUTH HAYWARD PARISH SHELTER FUNDING

Source	Amount
FY 2025-2026 General Fund Allocation (CSD)	\$25,000
FY 2025-2026 HEART Program Budget	\$250,000
FY 2025-2026 CAF competitive funding award	\$64,190
Total	\$339,190

The proposed funding supports the year-round shelter and daytime resource center operations. The Inclusion of the Resource Center ensures residents of the shelter who do not have employment have a place to go, reducing the likelihood that they will be displaced to nearby locations like Weekes Park, which saw a significant increase in unsheltered homelessness following the City's holiday business closure in 2024. Prior to that increase, City staff convened a working group of City of Hayward and HARD staff to discuss challenges at Weekes Park. The purpose of the working group was to identify and implement improvements that enhance the park's safety, accessibility, and overall community value, while also addressing homelessness and related quality-of-life issues in and around the park. City leadership directed staff to abate the encampment at Weekes Park in January 2025. Prior to the abatement, an interdisciplinary team of City staff and multiple nonprofit service partners engaged with 27 unhoused individuals, linking four to the Hayward Navigation Center. The encampment was abated by HARD and City staff on January 13, 2025. Since then, HPD, Maintenance Services staff, and HARD's Park and Facility Maintenance department have coordinated regular monitoring of the park, and encampments have not been reestablished. The working group has not reconvened.

Future Funding to Support Shelter Operations

Staff recommend continuing financial support to ensure these critical resources remain available to meet the ongoing needs of Hayward's unhoused population. Like many cities across California, Hayward continues to see growing housing instability and increased demand for homelessness services. This local investment enables the City to be more competitive for external funding by demonstrating that we can leverage local funds in conjunction with external resources.

As outlined in the May 27, 2025⁶, staff report, the City anticipates receiving additional funding through the Permanent Local Housing Allocation (PLHA), a state funding source administered by the California Department of Housing and Community Development (HCD), as well as Homeless Housing, Assistance, and Prevention (HHAP) funds from Alameda County. HHAP is a state program that provides local jurisdictions with resources to build capacity and address urgent homelessness challenges. City Council authorizes the receipt and appropriation of these

⁶ June 25, 2024, City Council Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7409142&GUID=FE4C708B-E008-4168-823A-2215969DB967&Options=&Search=>

funds as they become available. However, both PLHA and HHAP allocations are considered one-time funding sources, as the amounts vary annually and are often subject to delays beyond the City's control.

Efforts are currently underway in collaboration with the City's legislative partners to restore and pursue additional on-going state and federal funding. Most recently, Governor Newsom removed funding for the HHAP program from his proposed budget. To date, HHAP has made up 10% of the HNC's total budget. Staff are working with City Council and our legislative partners to advocate to the State to maintain this critical funding. Staff are also engaging with County representatives to pursue Measure W funding in support of local homelessness initiatives. Staff remain committed to identifying sustainable funding sources to support the City's homelessness initiatives and will continue to provide updates as new opportunities arise.

ECONOMIC IMPACT

There is a positive economic impact from reducing homelessness and poverty and moving individuals into permanent housing as part of the Hayward Navigation Center and South Hayward Parish operations.

FISCAL IMPACT

This item has no associated fiscal impact on the General Fund. All funds associated with the referenced agreement have been previously approved and appropriated by City Council.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, and Produce Housing, under

- Project H2: Implement the Homelessness Reduction Strategic Plan

PUBLIC CONTACT

This item is related to the Let's House Hayward (LHH) Strategic Plan, under Strategy 2.1. Through the LHH process, Homebase, City staff, and partners throughout the Hayward community have worked together to engage a diverse set of stakeholders to inform the plan and strategy for Hayward moving forward.⁷

⁷ For more information on the Let's House Hayward! Strategic Plan process, please visit <https://www.haywardca.gov/lets-house-hayward>

NEXT STEPS

If City Council adopts these resolutions, staff will work with the City Manager to negotiate and execute agreements with BACS and FPCH for the approved FY 2025-2026 amounts. Should additional funding be received during the fiscal year, staff will return to City Council to accept and appropriate the funds to offset General Fund expenses for the shelter operations in FY 2025-2026.

Prepared by: Carol Lee, Senior Management Analyst

Recommended by: Amy Cole-Bloom, Community Services Manager
Regina Youngblood, Assistant City Manager

Approved by:

A handwritten signature in blue ink, appearing to read 'M. Lawson', is positioned above a horizontal line.

Michael S. Lawson, J.D.
Acting City Manager