



DATE: November 16, 2021

TO: Mayor and City Council

FROM: City Manager

SUBJECT Adopt a Resolution 1) Authorizing the City Manager to Execute an Agreement with the State of California Department of Housing and Community Development for \$662,000 for the City of Hayward Navigation Center; 2) Accept and Appropriate State Funds; and 3) Reallocate Realized Savings to Mid-County Housing Resource Center (HRC) for Flexible Funding Administration

RECOMMENDATION

That the Council adopt a resolution (Attachment II):

- 1) Authorizing the City Manager to Execute an Agreement with the State of California Department of Housing and Community Development for \$662,000 for the City of Hayward Navigation Center;
- 2) Accept and Appropriate State Funds; and
- 3) Reallocate Realized Savings to Mid-County Housing Resource Center (HRC) for Flexible Funding Administration.

SUMMARY

In March 2021, staff worked with the City's lobbyist, Capital Advocacy Partners, to submit a request for one-time State funding for use at the Hayward Navigation Center. The City of Hayward requested \$662,000 to purchase the modular buildings at the Hayward Navigation Center. In October 2021, the City was notified that pursuant to the 2021-22 California Budget Act, (2021-22 Budget Bill Jr., Chapter 69, Section 19.56) the City of Hayward will receive the requested amount of \$662,000 from the State General Fund.

These one-time funds will assist in sustaining the Hayward Navigation Center. The purchase of the facilities at the Hayward Navigation Center will allow the City to continue providing support and services to individuals experiencing homelessness. The Center provides immediate shelter, intensive case management, and housing navigation services to homeless adults in Hayward. Since the November 2019 opening, 153 individuals have exited the Hayward Navigation Center, with 98 exits to permanent housing. Exits to permanent housing comprise 64% of all exits (n=98) from the Hayward Navigation Center. After exits to permanent housing, 17% of exits (n=26) were to Safer Ground or other emergency services,

8% (n=12) were housed in temporary placements (primarily through family or friend reunification), and the remaining 11% of exits (n=17) were back to homelessness, medical exits, or to the juvenile justice system.

Annually, the City of Hayward spends approximately \$130,000 on building rentals at the Hayward Navigation Center. With this grant, there will be FY21-22 realized cost savings that would have otherwise been spent on building rental costs for the remaining portion of this fiscal year. With realized savings, staff recommend reallocating these funds to the Mid-County Housing Resource Center (HRC) in the form of flexible funding for direct client support. Bay Area Community Services is the newly selected Mid-County HRC operator and has a proven track record of successfully managing flexible funds for direct client support to overcome barriers for individuals experiencing homelessness to move into and stabilize in permanent housing

BACKGROUND AND DISCUSSION

Request for State Funding

In March 2021, staff worked with the City's lobbyist, Capital Advocacy Partners, to submit a request for State funding for use at the Hayward Navigation Center. The City of Hayward requested \$662,000 to purchase the modular buildings at the Hayward Navigation Center. In October 2021, the City was notified that pursuant to the 2021-22 California Budget Act, (2021-22 Budget Bill Jr., Chapter 69, Section 19.56) the City of Hayward will receive the requested amount of \$662,000 from the State General Fund.

Hayward Navigation Center

The Hayward Navigation Center opened in November 2019 and is staffed by BACS. The Navigation Center provides immediate shelter, intensive case management, and housing navigation services to homeless adults in Hayward.

Due to the COVID-19 pandemic, it was necessary to reduce the capacity at the Hayward Navigation Center by 55% to allow for social distancing. From March 2020 through October 2020, the Hayward Navigation Center had a nightly capacity of 22 beds; in October 2020 four (4) FEMA Recreation Vehicles (RVs) were installed on site to increase the nightly capacity by up to 30 beds; in March 2021 the RVs were removed and a third residential dormitory unit was installed to increase the nightly capacity up to 33 beds. Social distancing in congregate living facilities is still required by County Public Health, and as such the Hayward Navigation Center remains at 55% of its total capacity.

Despite the significant reduced capacity, BACS has successfully moved 98 formerly homeless Hayward residents into permanent housing. Of these 98 exits to permanent housing, three individuals returned to homelessness temporarily, however BACS was able to successfully re-house these individuals. Exits to permanent housing comprise 64% of all exits (n=98) from the Hayward Navigation Center. After exits to permanent housing, 17% of exits (n=26) were to Safer Ground or other emergency services, 8% (n=12) were housed in temporary placements (primarily through family or friend reunification), and the remaining 11% of exits (n=17) were back to homelessness, medical exits, or to the juvenile justice system.

Proposed Use of State Funds

These one-time funds support sustaining the Hayward Navigation Center. The purchase of the facilities at the Hayward Navigation Center will allow the City to continue providing support and services to individuals experiencing homelessness. The total amount of funding requested is \$662,000 and the budget to purchase the rental units on-site is as follows:

Unit	Cost
Laundry Unit	\$40,000
Staff Office	\$59,000
Shower Dorm	\$125,000
Restroom	\$110,000
Residential Dorm	\$161,000
<u>Community Room</u>	<u>\$167,000</u>
Total	\$662,000

Recommendation for Realized Savings

Annually, the City of Hayward spends approximately \$130,000 on building rentals at the Hayward Navigation Center. With this grant, there will be FY21-22 realized cost savings that would have otherwise been spent on building rental costs for the remaining portion of this fiscal year. With realized savings, staff recommend reallocating these funds to the Mid-County HRC in the form of flexible funding for direct client support. BACS is the newly selected Mid-County HRC operator and has a proven track record of successfully managing flexible funds for direct client support. The average flexible fund allocation is \$2,000 that is used to support overcoming barriers for individuals experiencing homelessness to move into and stabilize in permanent housing. Funds go toward direct housing costs, such as security deposits, first and last months rent, housing furnishings, and essentials. Flexible funds can also be used for related costs that support exiting homelessness, such as essential car repair and employment clothing, where resources provided further contribute to the goal of exiting homelessness.

Alignment with Let’s House Hayward! Strategic Plan

This item aligns with Let’s House Hayward! (LHH) Strategic Plan, specifically:

- 2.1a. Continue oversight and management of the Navigation Center
- 3.1f. Provide flex funds, including one-time financial assistance for diversion and problem solving program

ECONOMIC IMPACT

This funding will allow for ongoing sustainability of the Hayward Navigation Center, which has a positive economic impact by reducing homelessness and poverty and moving individuals into permanent housing.

FISCAL IMPACT

This item has a positive fiscal impact, as purchasing the structures will reduce leasing costs by approximately \$130,000 annually in the General Fund that would otherwise be used for building rental costs at the Hayward Navigation Center.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. Specifically, this item relates to the implementation of the following projects:

1. Sustain the Navigation Center to House and Support People who are Homeless
 - 1a. Identify Sustainability funding source for the navigation center

PUBLIC CONTACT

There is no public contact associated with this item.

NEXT STEPS

Upon authorization from the Council, the City Manager will execute the grant agreement from HCD and staff will appropriate the funds.

Prepared by: Jessica Lobedan, Acting Community Services Manager

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager