



DATE: December 8, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: Temporary Hayward Navigation Center Hotel Annex Project: Adopt a Resolution Authorizing the City Manager to Take Emergency Actions Consistent with the City of Hayward's Shelter Crisis Declaration to Implement the Temporary Hayward Navigation Center Hotel Annex Project to House Vulnerable Homeless Individuals by Allocating \$1.21 Million in Existing Funds, Appropriating and Allocating Up to \$90,000 in Anticipated State Grant Funds, and Entering into Relevant Agreements

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to take emergency actions consistent with the City's shelter crisis declaration to implement a temporary Hayward Navigation Center Hotel Annex project to house vulnerable homeless individuals by allocating \$1.21 million in existing funds, appropriating and allocating up to \$90,000 in anticipated State grant funds, and entering into relevant agreements.

SUMMARY

Homelessness is a growing regional and statewide crisis, with homelessness in Hayward increasing 23% from 2017 to 2019. Due to this statewide crisis, on October 2, 2018, the City Council declared a shelter crisis in the City of Hayward and, on January 22, 2019, extended this declaration through June 2021. Through this shelter crisis declaration, the City Council found that the health and safety of the City's growing homeless population is threatened by a lack of shelter and authorized the City Manager to take emergency action to implement the Navigation Center, which opened in November 2019.

While City Council has long identified homelessness, housing affordability, and eviction prevention as key concerns in the community and have supported local efforts and projects to address these issues, the global COVID-19 pandemic has exacerbated these issues and created a more acute need for increased homelessness response and intervention, particularly for individuals with increased vulnerabilities.

As a result of the COVID-19 pandemic outbreak, many individuals and families have experienced or will experience sudden income loss, leaving them vulnerable to eviction and

homelessness, with some estimates predicting a 40-45% increase in homelessness nationwide due to the economic impacts of COVID-19.¹ The pandemic has impacted City activities intended to address homelessness as well, including causing an intentional reduction of capacity in the City's Hayward Navigation Center (HNC). Additionally, Alameda County's hotel programs designed to serve homeless individuals (Safer Ground) will be closed by January 2021, leaving this population vulnerable.

With the reduced capacity of the City's Navigation Center and closure of County-wide hotel beds for vulnerable individuals experiencing homelessness, staff recommends that the Council authorize the City Manager to take emergency actions to implement the Hayward Navigation Center Hotel Annex Project (HNC Hotel Annex), a new project that expands shelter beds in the City by leasing unoccupied hotel rooms from a preferred hotel for up to 35 homeless individuals for six months and provides supportive and housing placement services to those individuals through a social services contract. Like the HNC, the HNC Hotel Annex is designed to be temporary shelter with an intentional focus and resource allocation to support successful exit to permanent housing. Staff will work with BACS to integrate exit planning into the program design so as not to set up a program model where individuals exit back to homelessness at the end of the six-month period.

The HNC Hotel Annex project will cost no more than \$1.3 million, which will be paid for almost entirely through existing funding realized through contract savings from the Navigation Center, as well as up to \$90,000 in anticipated State grant funds.

BACKGROUND

Homelessness is a growing regional and state-wide crisis. From 2017 to 2019, homelessness across Alameda County increased by 43%, and in Hayward, the homeless population grew by 23%, from 397 in 2017 to 487 in 2019.² Of Hayward's homeless population, 76% are unsheltered. In October 2018, the City Council declared a shelter crisis in Hayward, finding that the health and safety of the City's growing homeless population is threatened by a lack of shelter.³ In January 2019, the City Council extended the shelter crisis declaration through June 2021 and authorized the City Manager to take emergency action to implement the Navigation Center.⁴ In November 2019, the Navigation Center opened with a nightly bed capacity of 45.

¹ <https://community.solutions/analysis-on-unemployment-projects-40-45-increase-in-homelessness-this-year/>

² <https://everyonehome.org/wp-content/uploads/2019/12/2019-Hayward-Final-Report.pdf>

³ October 2, 2018 Hayward City Council meeting:

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

⁴ January 22, 2019 Hayward City Council meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3838800&GUID=89EC3945-8050-428A-881C-6180A91CBA9A&Options=&Search=>

On March 17, 2020, the City Council ratified the Proclamation of Local Emergency due to the spread of a severe acute respiratory illness caused by a novel (new) Coronavirus (COVID-19).⁵ As a result of the COVID-19 pandemic outbreak, many individuals and families have experienced or will experience sudden income loss, leaving them vulnerable to eviction and homelessness, with some estimates predicting a 40-45% increase in homelessness nationwide due to the economic impacts of COVID-19.⁶

An additional impact of the pandemic outbreak has been an intentional reduction in capacity of congregate living facilities, including the Navigation Center. In March 2020, the Navigation Center's bed capacity was reduced from 45 beds to 25 beds to allow for adequate social distancing. As a result of the reduction in bed capacity due to COVID-19, Bay Area Community Services (BACS), the operator of the City's Navigation Center, had significant contract savings in their first year of operations.

In response to the pandemic, the County of Alameda, in collaboration with Alameda County Health Care for the Homeless, the Health Care Services Agency, Abode Services, and the State of California, initiated Project Roomkey. Project Roomkey hotels provide temporary housing for unsheltered residents as part of the emergency response for COVID-19. The program will soon be winding down in Alameda County, with many of the hotel leases expiring by the end of the 2020 calendar year. As of November 1, 2020, referrals are no longer being accepted for Safer Ground and no additional guests will be placed in Safer Ground sites.

Staff have been aggressively pursuing external grant opportunities to fund homelessness solutions in Hayward. Realized funding includes the Homeless Emergency Aid Program (HEAP) in the amount of \$1.7M and Proposition 47 funding in the amount of \$998K. Staff have submitted additional applications for the State's Permanent Local Housing Allocation (PLHA) funds, as well as Homeless Housing, Assistance, and Prevention (HHAP) funds.

In June 2020, City Council approved the City's PLHA plan and authorized the City Manager to submit the application to the State of California Department of Housing and Community Development (HCD).⁷ As outlined in the Notice of Funding Availability, the City has an anticipated annual allocation of \$651,735, and an estimated total allocation of \$3.9 million across five years. Annual amounts will vary year to year based upon actual revenue realized. HCD anticipates confirming the City's exact award amount in early December 2020.

Additionally, homelessness is a clear community concern. In response to community interest in gathering feedback on safety and policing in Hayward, the City contracted with

⁵ March 17, 2020 Hayward City Council meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4396030&GUID=8658BAEA-F832-491C-9353-59A60A847B93&Options=&Search=>

⁶ <https://community.solutions/analysis-on-unemployment-projects-40-45-increase-in-homelessness-this-year/>

⁷ June 23, 2020 Hayward City Council meeting:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=792008&GUID=3ACC441B-C5B9-4E56-B668-0CE843091311&Options=info&Search=plha>

FM3/Evaritus to conduct a random-sample survey. Survey respondents listed homelessness as the most serious challenge facing Hayward.

As the prevalence of unsheltered homelessness in Hayward increases, staff recommends that the City continue to take proactive approaches to address this growing crisis. As a result, staff developed the following interim and high impact solution to address the crisis. Specifically, staff seeks Council authorization this evening for the City Manager to take emergency actions to implement the HNC Hotel Annex project.

DISCUSSION

Hayward Navigation Center Hotel Annex Project

With the decompression of the Navigation Center from 45 to 25 beds, the inability of vulnerable homeless individuals to safely reside in congregate shelter, and the closure of County-wide resources to provide shelter and housing placement for vulnerable homeless individuals, staff recommends that Council authorize the City Manager to take emergency actions to implement the HNC Hotel Annex project to address the even more acute homelessness issues that have arisen due to the growing shelter crisis, which has been compounded by the COVID emergency. The following provides a summary of the HNC Hotel Annex project:

- **Population Served:** The HNC Hotel Annex would provide hotel rooms for up to 30-35 vulnerable homeless individuals with temporary isolation shelter (up to six months) and housing navigation services to exit into permanent housing. The program design would mirror that of the Navigation Center but would be housed out of a local hotel to provide isolation shelter to those with increased vulnerabilities.⁸
- **Hotel Provider:** Staff have identified three hotel providers who have expressed interest in partnering with the City to house this program. Upon approval from the City Council, staff will finalize an agreement with a preferred provider, based upon cost efficiency, site accessibility, and other relevant factors.
- **Service Provider and Delivery Model:** Staff plan to continue partnering with BACS, the existing operator of the Navigation Center, to leverage existing staffing structures already in place and cut down on contract expenditures. Services provided at the HNC

⁸ Vulnerability is defined as an individual who is at high-risk of complications (including death) if infected with COVID-19. Individuals must meet one or more of the following: Chronic heart disease, i.e. heart failure; coronary artery disease; congenital heart disease; cardiomyopathies; pulmonary hypertension; Chronic obstructive pulmonary disease; emphysema; chronic bronchitis; Type 2 diabetes mellitus; Immunocompromised from a solid organ transplant, blood, or bone marrow transplant, immune deficiencies; Sickle cell disease; Obesity - Body Mass (Index (BMI) >30; Chronic kidney disease; Poorly controlled HIV infection with a CD4 count <300 or not on HIV treatment; Chronic steroid use or immune weakening medications; Moderate to severe asthma; Obstructive sleep apnea; Active cancer diagnosis in treatment or not; Chronic liver disease (<https://www.achch.org/safer-ground-hotel-voucher-program.html>)

Hotel Annex would include care coordination and housing navigation, residential counseling, flexible funding to support success in permanent housing, and three meals daily. The HNC Hotel Annex will focus on serving the most vulnerable individuals. Given their increased vulnerability, these individuals are likely eligible for Permanent Supportive Housing. Like the HNC, the HNC Hotel Annex is designed to be temporary shelter with program design and resource allocation focused on supporting successful exits to permanent housing. Staff will work with BACS to integrate exit planning into the program design so as not to set up a program model where individuals exit back to homelessness at the end of the six-month period. Upon approval from the City Council, staff will finalize an agreement with BACS for the Annex project.

- Cost and Budget:** The total cost of the HNC Hotel Annex project will not exceed \$1.3 million and can be almost entirely absorbed by \$1.21 million in existing funding realized through savings from BACS' contract due to the Navigation Center's reduced capacity. As described above, Table 1 staff anticipates an award in early December 2020 of approximately \$650,000 annually for five years from the State's PLHA program. As a result, staff is also recommending that the Council allocate and appropriate \$90,000 of the anticipated PLHA funds towards the HNC Hotel Annex project. If for some unforeseen reason, future grant funding is not awarded prior to project implementation, City staff will reduce the total individuals served from 35 to 30. The \$1.3 million budget is estimated to include \$630,000 in hotel contract expenses and \$670,000 for a service provider contract. Table 1 below summarizes the proposed budget for the HNC Hotel Annex project.

Table 1

HNC HOTEL ANNEX CAPACITY	TOTAL COST	FUNDING SOURCE (AMOUNT)
30 individuals	\$1,210,000	Appropriated General Fund (\$1,210,000)
35 individuals	\$1,300,000	Appropriated General Fund (\$1,210,000) PLHA (\$90,000)

- City Manager Authority:** Similar to the process for implementing the Navigation Center and due to the need to address the City's shelter emergency as quickly as possible, City staff recommends that the Council waives all purchasing and bid requirements for the installation of facilities and services that are directly related to providing the HNC Hotel Annex project. The total amount for any and all contracts entered into by the City Manager for the implementation of the HNC Hotel Annex shall not exceed \$1,300,000, including \$1,210,000 in existing funds and up to \$90,000 in anticipated State PLHA funds.

In conclusion, staff recommends that the Council adopts a resolution (Attachment II) authorizing the City Manager to take emergency actions consistent with the City's shelter crisis declaration to implement the temporary HNC Hotel Annex project to house up to 35 vulnerable homeless individuals by allocating \$1.21 million in existing funds, appropriating and allocating up to \$90,000 in anticipated State grant funds, and entering into all relevant agreements.

Updates on Other City Homelessness Efforts

The following provides an informational update on other interim and long-term actions being taken by the City to address homelessness issues in the City.

Increased Clean-up and Response in Downtown Hayward and at City Hall

As the prevalence of unsheltered homelessness in Downtown Hayward and around City Hall increases, the consequences of unsheltered living, such as public defecation, are also increasing. In an effort to address this, staff have placed portable restrooms outside City Hall, and the Watkins garage restroom will re-open to the public by January 2021. Additionally, the Maintenance Services Department (MSD) will be hiring two temporary laborers specifically dedicated to this area to provide daily clean-up. The two temporary employees will be responsible for daily pressure washing, litter and trash removal, and providing direct support to Hayward Police Department (HPD) in clean-ups in the Downtown area.

HPD has also increased their foot patrol around Downtown Hayward and at City Hall to increase their visible presence and develop connections with individuals experiencing homelessness and other community members. HPD increased personnel Monday through Thursday during day shifts and Friday through Saturday during evening shifts. HPD meets weekly with MSD, Fire, Code Enforcement, and Community Services staff to identify individuals and camps to refer into the Navigation Center.

Navigation Center Updates

Opened on November 18, 2019, the Navigation Center recently celebrated its one-year anniversary. Due to the COVID-19 pandemic, it was necessary to decrease the capacity at the Navigation Center from a 45-bed capacity to 25-bed capacity in March 2020. Because of the reduced capacity, BACS had significant contract savings, which will allow for funds previously allocated for their FY21 contract to be used for the HNC Hotel Annex project.

In October 2020, four RV Trailers were placed on-site to increase the capacity up to 32 beds. Additionally, as part of the 2019 CDBG Annual Action Plan, \$161,200 was allocated for the purchase of an additional residential trailer at the Navigation Center. With a third trailer on-site, the Navigation Center capacity will be increased to 45-beds, while still allowing for adequate social distancing.

In the first year of implementation, there have been 91 clients at the Navigation Center. Over half (57%) of the Navigation Center clients were non-white, with 42% identifying as Black or African American. Approximately one-third (31%) identified as Hispanic or Latinx. Almost half (47%) identified as chronically homeless. Of the 91 Navigation Center clients, 45 exited to permanent housing and 26 are currently still enrolled at the time of this report writing. The majority of clients who moved out to permanent housing (71%) did so through rapid re-housing, with clients receiving temporary housing subsidies.

Homelessness Reduction Strategic Plan Update

On September 22, 2020, Council authorized the City Manager to execute an agreement with Homebase, a highly qualified strategic planning consultant, to prepare a five-year City of

Hayward Homelessness Reduction Strategic Plan (Strategic Plan). Since then, Homebase has begun work on their scope of work, including:

- Working with City staff to identify and to outreach to stakeholders taking part on the Steering Committee, which is scheduled to kick-off on Tuesday, November 17.
- Starting the collection and analysis of information and data to develop a baseline understanding and gap analysis of Hayward's current response to homelessness.
- Starting to identify and outreach to additional stakeholders to take part in interviews and focus groups to provide a broad range of input and perspectives on local strengths and needs.

Homebase will also facilitate a discussion with the Homelessness and Housing Task Force (HHTF) on December 3, 2020, and with the Community Services Commission (CSC) on December 16, 2020. In early January, Homebase will hold community forums that will allow a wider range of interested community members to provide input and suggestions to be considered in the Strategic Plan. Additionally, Homebase will conduct one-on-one interviews and/or focus groups with key stakeholders, including people with lived experiences of homelessness. A draft of the Strategic Plan is on schedule to be shared with the community in February, and a finalized Strategic Plan is anticipated for completion and recommended approval by May. The Strategic Plan will also help inform the upcoming budget process for fiscal year 2021-2022.

ECONOMIC IMPACT

There is a positive economic impact from reducing homelessness and poverty and moving individuals into permanent housing as part of HNC Hotel Annex project. Additionally, there is a positive economic impact for supporting a Hayward hotel with the awarded contract.

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with this item. The total cost of the HNC Hotel Annex project will not exceed \$1.3 million and can be almost entirely absorbed by \$1.21 million in existing funding realized through BACS' contract savings. As described above, Table 1 staff anticipates an award in early December 2020 of approximately \$650,000 annually for five years from the State's PLHA program. As a result, staff is also recommending that the Council allocate and appropriate \$90,000 of the anticipated PLHA funds towards the HNC Hotel Annex project. If for some unforeseen reason, future grant funding is not awarded prior to project implementation, the City will reduce the total individuals served from 35 to 30. Table 1 below summarizes the proposed budget for the HNC Hotel Annex project.

Table 1

HNC HOTEL ANNEX CAPACITY	TOTAL COST	FUNDING (SOURCE & AMOUNT)
30 individuals	\$1,210,000	General Funds (\$1,210,000)
35 individuals	\$1,300,000	General Funds (\$1,210,000) PLHA (\$90,000)

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing. Specifically, this item relates to the implementation of the following project(s):
Project 1, Sustain the Navigation Center to house and support the homeless, 1a. identify sustainable funding.

PUBLIC CONTACT

Staff discussed the HNC Annex Project with the CSC on Wednesday, November 18, 2020. The CSC provided supportive comments of taking emergency actions to implement the HNC Annex Project and to provide additional shelter options for Hayward's unhoused and vulnerable homeless population. Additionally, City staff will discuss the HNC Annex Project with the HHTF on Thursday, December 3, 2020.

NEXT STEPS

Upon authorization from the City Council, staff will finalize and enter into agreements with a hotel provider and with BACS as expeditiously as possible with the goal of opening the HNC Annex Project in early 2021.

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Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager