



DATE: July 13, 2021

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt Resolutions: (1) Accepting and Appropriating Homeless Housing, Assistance and Prevention Grant Funding for Use at the Hayward Navigation Center; and (2) Authorizing the City Manager to Enter into Agreements with Hayward Navigation Center Vendors (BACS and PMSI) for Fiscal Year 2021-2022 Services

RECOMMENDATION

That the Council adopts resolutions (Attachments II-IV):

1. Accepting and appropriating \$589,391 in Homeless Housing, Assistance, and Prevention funding for use at the Hayward Navigation Center;
2. Authorizing the City Manager to negotiate and execute an agreement with Bay Area Community Services for Fiscal Year 2021-2022 Hayward Navigation Center operations for an amount not-to-exceed \$2.5 million; and
3. Authorizing the City Manager to add \$142,000 in funds to the existing agreement with Pacific Mobile Structures, Inc. (PMSI) to provide Fiscal Year 2021-2022 Hayward Navigation Center modular services.

SUMMARY

On January 22, 2019¹, the City Council authorized the City Manager to take emergency actions to implement the Hayward Navigation Center. The Hayward Navigation Center opened November 18, 2019 and is operated by Bay Area Community Services (BACS). BACS provides on-site management, care coordination and housing navigation, residential counseling, and flexible funding to support success in permanent housing. Since opening, 105 individuals have exited from the Hayward Navigation Center into permanent housing.

Staff have been aggressively pursuing external grant opportunities to fund homelessness solutions in Hayward, which includes Homeless Emergency Aid Program (HEAP),

¹ January 22, 2019 Meeting of the Hayward City Council,
<https://hayward.legistar.com/LegislationDetail.aspx?ID=3838800&GUID=89EC3945-8050-428A-881C-6180A91CBA9A&Options=&Search=>

Proposition 47, Permanent Local Housing Allocation (PLHA), and the recently awarded Homeless Housing, Assistance, and Prevention (HHAP) funding.

Since opening in November 2019, the City has additionally been working with PMSI to provide the on-site modular services for the Navigation Center. Staff selected PMSI because of this vendor's experience converting modular buildings into homeless shelters, their flexibility to structure lease agreements with options to buy, and because their proposal was the most cost-effective proposal of five submitted to the City.

BACKGROUND

On January 22, 2019, the Council authorized the City Manager to take emergency actions to implement the Hayward Navigation Center. The Hayward Navigation Center opened November 18, 2019 and is operated by BACS. Since opening, 105 individuals have exited from the Hayward Navigation Center into permanent housing.

BACS was selected using a request for information (RFI) from nonprofit social service providers interested in operating a Housing Navigation Center. Staff released the RFI on January 23, 2019 and closed the application window on February 6, 2019. A panel of reviewers was convened, comprised of staff from Community Services, the Police Department, Planning, and Finance. Staff unanimously recommended BACS based on their relevant experience operating the similar Berkeley STAIR Center and providing a number of services to homeless individuals at locations in Hayward, the quality of their application, positive working relationship and flexibility in approach to service delivery, and their ability to quickly staff and operate the Navigation Center.

The City selected PMSI as its modular services vendor through a request for quotes process. PMSI was selected from a pool of qualified vendors not only because it was the most cost-effective vendor, but also because this vendor had experience converting modular buildings into homeless shelters, and because this vendor provided the option to the City to set up its contract with a lease-to-buy option. Since opening, the City has purchased two of the modular units at the Hayward Navigation Center.

Staff have been aggressively pursuing external grant opportunities to fund homelessness solutions in Hayward, which includes Homeless Emergency Aid Program (HEAP), Proposition 47², Permanent Local Housing Allocation (PLHA)³, and the recently awarded HHAP funding.

DISCUSSION

² December 17, 2019 Meeting of the Hayward City Council
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4281870&GUID=38E9E45E-AD3D-44C5-B47D-78BA9DBEA109&Options=&Search=>

³ June 23, 2020 Meeting of the Hayward City Council
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4576654&GUID=DD031A6D-AA81-4633-A471-D51D3CF1CADA&Options=&Search=>

External Grant Funding

Staff have been aggressively pursuing external grant opportunities to fund homelessness solutions in Hayward, which includes:

- HEAP funding in the amount of \$1.7 million;
- Proposition 47 funding in the amount of \$998,000; and
- PLHA funding in the amount of approximately \$650,000 annually for five years, in a total amount not-to-exceed \$3.9 million.

Additionally, the City recently received notice of award of one-time HHAP funding in the amount of \$589,000. The HHAP grant is administered through the State of California Business, Consumer Services and Housing Agency (BCSH) and provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAP funding was distributed directly to the County; through HHAP Round 1, the County of Alameda received \$18.1 million, and through HHAP Round 2, the County of Alameda received \$8.5 million. The City of Hayward will receive \$589,391 in HHAP funding, which will be used for BACS' agreement to operate the Hayward Navigation Center. As a result, staff recommends that Council accept and appropriate \$589,391 in HHAP Funding for Fiscal Year 2021 – 2022.

BACS

BACS has been operating the Hayward Navigation Center since November 2019. BACS is uniquely qualified to continue performing this service for the reasons highlighted above, as well as because they are the current operator of these services and have been successfully operating the Hayward Navigation Center since its opening.

Since opening, there have been 128 total exits from the Hayward Navigation Center, of which 105 individuals have exited into permanent housing. Excluding the exits to the Alameda County Safer Ground program (n=16), these 105 exits to permanent housing represent a 94% success rate of exits to permanent housing through the Hayward Navigation Center. Staff are additionally working with BACS to measure retention in permanent housing but do not have this data at this time. As a result, staff recommends that Council authorize the City Manager to negotiate and execute an agreement with BACS for Fiscal Year 2021-2022 Hayward Navigation Center operations for an amount not-to-exceed \$2.5 million.

Outlined below in Table I are the sources of funding for BACS' FY21-22 agreement, including the American Rescue Plan Act (APRA) stimulus funds that will be appropriated in a separate item on July 13, 2021.

TABLE 1: BACS FY21 -22 AGREEMENT FUNDING SOURCE

BACS FY21-22 Agreement	
Source	Amount
ARPA	\$ 960,690
PLHA	\$ 651,735
HHAP	\$ 589,394
Prop 47	\$ 234,700
Total	\$ 2,436,518

PMSI

PMSI has been providing modular services at the Hayward Navigation Center since opening. The City selected PMSI as its modular services vendor through a request for quotes process for the reasons outlined above. Since opening, the City has purchased two of the modular units at the Hayward Navigation Center. As a result, staff recommends that Council authorize the City Manager to add \$142,000 in funds to the existing agreement with PMSI to provide Fiscal Year 2021-2022 Hayward Navigation Center modular services.

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 operations.

FISCAL IMPACT

The contribution of ARPA stimulus funding to the existing Hayward Navigation Center will help ensure fiscal stability as the City’s budget recovers from the COVID crisis and off-set the City’s General Fund FY21-22 contribution to the Navigation Center by \$1,000,000.

Staff continues to seek outside funding for the Hayward Navigation Center for operations and for capital funding to purchase the remaining rented modular buildings on-site.

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 the Homeless

PUBLIC CONTACT

This item is related to the Let’s House Hayward (LHH) Strategic Plan, under Strategy 2.1, to Expand Housing-Focused Shelter Capacity through continued oversight and management of

the Hayward Navigation Center. 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.⁴

NEXT STEPS

Staff continues to seek outside funding for the Hayward Navigation Center and will return to Council for authorization and appropriation of future additional funds. Staff will return to Council annually seeking authorization for the City Manager to execute Hayward Navigation Center vendor agreements.

Prepared by: Jessica Lobedan, Acting Community Services Manager

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager

⁴ For more information on the Let's House Hayward! Strategic Plan process, please visit <https://www.hayward-ca.gov/lets-house-hayward>