

CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Thursday, June 3, 2021

6:00 PM

Remote Participation

Homelessness-Housing Task Force

COVID-19 Notice: Consistent with State of California Executive Order No. 29-20 dated March 17, 2020, and Alameda County Health Officer Order No. 20-10 dated April 29, 2020, the Task Force will be participating in public meetings via phone/video conferencing.

Please note that we are now using the Zoom Webinar platform to conduct meetings and receive live public comment.

How to watch the meeting from home:

1. YouTube Live stream: <https://www.youtube.com/user/cityofhayward/live>
2. YouTube Live stream (Español): <https://youtu.be/DqciWPPWVXI>

How to submit written Public Comment:

Send an email to yolanda.cruz@hayward-ca.gov by 3:00 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the Task Force and City staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. Written comments received after 3:00 p.m. that address an item on the agenda will still be included as part of the record.

How to provide live Public Comment during the meeting:

Click the link below to join the webinar:

*<https://hayward.zoom.us/j/95500189964?pwd=VjZPWjhFUGRtcGZ1M2p1RHZGZ1FvZz09>
Passcode: HHTF-0621*

Or

*Dial: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099
or +1 301 715 8592
Webinar ID: 955 0018 9964
Passcode: 536730739*

A Guide to attend virtual meetings is provided at this link: <https://bit.ly/3jmaUxa>

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS

APPROVAL OF MINUTES

1. [MIN 21-068](#) Minutes of the Homelessness-Housing Task Force Meeting on March 4, 2021

Attachments: [Attachment I Draft Minutes 3/4/2021](#)

WORK SESSION

2. [WS 21-028](#) Provide Feedback on Let's House Hayward! Strategic Plan Implementation Strategy and Federal Stimulus Homelessness Expenditure Recommendations (Report from Assistant City Manager Ott)

Attachments: [Attachment I Staff Report](#)
[Attachment II Implementation Strategy](#)
[Attachment III Evaluation Indicators](#)
[Attachment IV Detailed Plan and Process for Expenditure of Stimulus Funding](#)

3. [WS 21-029](#) Provide Comments on Proposed Federal Stimulus Housing Programs (Report from Assistant City Manager Ott)

Attachments: [Attachment I Staff Report](#)
[Attachment II Detailed Plan and Process for Expenditure of Stimulus Funding](#)

FUTURE AGENDA ITEMS

TENTATIVE SCHEDULE

September 2, 2021

- Housing Element
- Planning Grants and Description of Corresponding Projects
- Informational Report on the RRSO & TRAO

December 2, 2021

- Strategic Road Map/Incentives to Housing Production Workplan Updates

TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



CITY OF HAYWARD

Hayward City Hall
777 B Street
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File #: MIN 21-068

DATE: June 3, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT

Minutes of the Homelessness-Housing Task Force Meeting on March 4, 2021

RECOMMENDATION

That the Task Force approves the minutes of the meeting on March 4, 2021.

ATTACHMENTS

Attachment I Draft Minutes 3/4/2021



**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING
REMOTE PARTICIPATION
Thursday, March 4, 2021, 6:00 p.m.**

CALL TO ORDER

The Task Force meeting was called to order by Council Member Lamnin at 6:00 p.m. The meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No. 29-20 dated March 17, 2020, and Alameda County Health Officer Order No. 20-10 dated April 29, 2020, regarding the COVID-19 pandemic.

ROLL CALL

Present:

Council Member Wahab
Council Member Salinas
Council Member Lamnin

Absent: None

OTHER PARTICIPANTS

Jennifer Ott, Assistant City Manager; Christina Morales, Housing Division Manager; Amy Cole-Bloom, Management Analyst; Diana Gomez, Housing Programs Specialist; and Yolanda Cruz, Administrative Clerk.

PUBLIC COMMENTS

There were none.

APPROVAL OF MINUTES

1. Minutes of the Homelessness-Housing Task Force Meeting on December 3, 2020

It was moved by Council Member Salinas, seconded by Council Member Lamnin, to approve the minutes of the Homelessness-Housing Task Force meeting on December 3, 2020.

Council Member Wahab joined the meeting at 6:04 p.m.

REPORTS/ACTION ITEMS

2. Provide Comments on Funding Priorities for Inclusionary Housing Trust Fund

Housing Manager Morales provided a presentation on the Funding Priorities for Inclusionary Housing Trust Fund. The presentation covered: 1) Background information;

MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING

REMOTE PARTICIPATION

Thursday, March 4, 2021, 6:00 p.m.

2) Project types for funding; 3) Process for allocating funds; 4) Notice of Funding Availability (NOFA) and major changes; and 5) Summary of recommendations.

Council Member Lamnin opened the public comments section at 6:45 p.m.

The following individuals spoke during public comments:

Dolores Tejada, with East Bay Housing Organization
Kristi Bascom, with Habitat for Humanity

Council Member Lamnin closed the public comments section at 6:49 p.m.

Task Force members supported staff recommendation to fund existing City projects and issue NOFA to establish an affordable housing pipeline. Task Force proposed expanding the scope of the NOFA to include the following project types: development of new affordable rental housing; development of new affordable ownership housing; rehabilitation/conversion of existing housing to affordable housing; and emergency shelters and transitional housing with subject to special findings.

FUTURE AGENDA ITEMS

TENTATIVE SCHEDULE

June 3, 2021

- Let's House Hayward Plan

September 2, 2021

- Housing Element
- Planning Grants and Description of Corresponding Projects
- Informational Report on the RRSO & TRAO

December 2, 2021

- Strategic Road Map/Incentives to Housing Production Workplan Updates

TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

There were none.

ADJOURNMENT

Council Member Lamnin adjourned the meeting at 7:58 p.m.



CITY OF HAYWARD

Hayward City Hall
777 B Street
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File #: WS 21-028

DATE: June 3, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT

Provide Feedback on Let's House Hayward! Strategic Plan Implementation Strategy and Federal Stimulus Homelessness Expenditure Recommendations

RECOMMENDATION

That the Homelessness-Housing Task Force provide input on the Let's House Hayward! Strategic Plan draft Implementation Strategy and Federal stimulus homelessness expenditure recommendations.

SUMMARY

On January 28, 2020, the Council approved the City's Strategic Roadmap, which includes the priority area to Protect, Preserve, and Produce Housing. That priority area includes the project to create and implement a homelessness reduction strategic plan. On September 22, 2020, Council authorized an agreement with Homebase to prepare the five-year Let's House Hayward! (LHH) Strategic Plan.

Since the project launch in October 2020, Homebase has conducted extensive best practice research and collected a wide range of data and input from City stakeholders. On April 20, 2021, staff conducted a Work Session with City Council to solicit feedback on the vision, goals, and priority projects identified in the LHH plan. During this meeting, Council provided important feedback on potential gaps in the current plan and opportunities to be more comprehensive in the City's response to homelessness. A summary of Council's feedback and how that feedback will be addressed in the final LHH plan and is summarized in this report.

Since the April 20, 2021, Council Work Session, Homebase has hosted three working meetings with members of the LHH Steering Committee, which consists of community experts and leaders. Each working meeting focused on one of the LHH goals:

- Goal 1: Formalize a Coordinated and Compassionate Citywide Response to Homelessness and Develop Wider Community Understanding and Engagement
- Goal 2: Increase Availability of and Reduce Barriers to Homeless Crisis Response Services
- Goal 3: Ensure Access to and Retention of Affordable Permanent Housing

Homebase integrated the feedback from the Steering Committee with best practice research and extensive community and staff feedback (discussed in more detail at the April 20, 2021 Work Session) to

produce the Implementation Strategy presented in Attachment II.

The recently passed America Rescue Plan Act of 2021 (ARPA), also known as the COVID-19 Stimulus Package, included over \$65 billion in direct federal relief to cities to address the economic and fiscal impacts of the COVID crisis and to assist in the recovery of local communities, including \$38 million in local relief for the City of Hayward. On April 27, 2021, Council adopted a resolution authorizing the acceptance of the federal stimulus allocation under the American Rescue Plan Act of 2021 and provided comments on a detailed expenditure plan and process for allocating the funds. Staff proposed that \$10 million - \$14 million be allocated to housing and homelessness projects and programs.

This report will discuss a more detailed expenditure plan for federal stimulus allocations to address homelessness consistent with the LHH Implementation Strategy. The stimulus expenditure plan for housing programs is presented in a concurrent report on this same Task Force agenda. Once various Council Committees and Commissions provide further feedback on the specific projects and programs to be funded with stimulus dollars, staff will return to Council in July 2021 with a budget appropriation for expenditure of stimulus funding.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Implementation Strategy
Attachment III	Evaluation Indicators



DATE: June 3, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT: Provide Feedback on Let's House Hayward! Strategic Plan Implementation Strategy and Federal Stimulus Homelessness Expenditure Recommendations

RECOMMENDATION

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SUMMARY

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Since the project launch in October 2020, Homebase has conducted extensive best practice research and collected a wide range of data and input from City stakeholders. On April 20, 2021, staff conducted a Work Session with City Council to solicit feedback on the vision, goals, and priority projects identified in the LHH plan.³ During this meeting, Council provided important feedback on potential gaps in the current plan and opportunities to be more comprehensive in the City's response to homelessness. A summary of Council's feedback and how that feedback will be addressed in the final LHH plan and is summarized in this report.

¹ January 28, 2020, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4315589&GUID=1F328D58-C3FC-41E5-8BF7-A17E4E09DDCB&Options=&Search=>

² September 22, 2020, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4646746&GUID=5852A012-464E-410B-85F2-2C8F1CDB0400&Options=&Search=>

³ April 20, 2021, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4916429&GUID=67261A4F-2AD6-499F-98DF-E3EFEC367E21&Options=&Search=>

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This report will discuss a more detailed expenditure plan for federal stimulus allocations to address homelessness consistent with the LHH Implementation Strategy. The stimulus expenditure plan for housing programs is presented in a concurrent report on this same Task Force agenda. Once various Council Committees and Commissions provide further feedback on the specific projects and programs to be funded with stimulus dollars, staff will return to Council in July 2021 with a budget appropriation for expenditure of stimulus funding.

BACKGROUND

The Let's House Hayward! Strategic Plan

As of January 2019, approximately 487 people experience homelessness in Hayward each night, with three out of four of those individuals sleeping outside. This represents a 23% increase in the number of homeless people in Hayward since 2017 and it is likely an underrepresentation of the actual number of people experiencing homelessness in Hayward. While more recent local data are not available due to COVID-19-related delays in the 2021 point-in-time count, state-level data showed a 7% increase in homelessness from 2019 to 2020.⁵ Further, national data indicates increases in risk factors that lead to homelessness,

⁴ April 27, 2021 City Council Meeting Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4923169&GUID=F3B939CF-3D97-4F0A-A5AE-8F3A12255314&Options=&Search=>

⁵ Department of Housing and Urban Development. 2020 CoC Homeless Populations and Subpopulations Report – California. Retrieved from <https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/?filter Year=2020&filter Scope=State&filter State=CA&filter CoC=&program=CoC&group=PopSub>

including increased food insecurity and the inability to pay rent or mortgage.⁶ Despite data limitations, it is widely recognized that homelessness is rapidly growing issue regionally and across the State.

On January 28, 2020,⁷ the Council approved the City's Strategic Roadmap, which includes the priority area to Protect, Preserve, and Produce Housing. That priority area includes the project to create and implement a homelessness reduction strategic plan. Developing a strategic plan to address homelessness enables the City to proactively position and prioritize the City's work toward helping to resolve this regional issue and prepare for accessing additional resources as they become available (e.g., one-time funds, grants).

To begin this project, Council authorized an agreement with Homebase to prepare the five-year Let's House Hayward! (LHH) Strategic Plan.⁸ Since then, staff have brought components of the LHH plan to Council in stages. The Homelessness-Housing Task Force (HHTF) provided initial input on the strengths and challenges of the City's homelessness response in December 2020.⁹ On April 20, 2021, Council held a work session to provide feedback on the vision, goals, and priority projects identified in the LHH plan.¹⁰ Following Council feedback, the LHH Strategic Plan vision is:

Our vision is for the City of Hayward to be a leader in ensuring an end to homelessness by empowering individuals through accessible, dignified treatment and services.

The three overarching goals that will help achieve the vision for the LHH Strategic Plan are:

- Goal 1: Formalize a Coordinated and Compassionate Citywide Response to Homelessness and Develop Wider Community Understanding and Engagement
- Goal 2: Increase Availability of and Reduce Barriers to Homeless Crisis Response Services
- Goal 3: Ensure Access to and Retention of Affordable Permanent Housing

⁶ Center on Budget and Policy Priorities (March 2021). *Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships*. Retrieved from <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

⁷ January 28, 2020, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4315589&GUID=1F328D58-C3FC-41E5-8BF7-A17E4E09DDCB&Options=&Search=>

⁸ September 22, 2020, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4646746&GUID=5852A012-464E-410B-85F2-2C8F1CDB0400&Options=&Search=>

⁹ December 3, 2020, Homelessness-Housing Task Force Meeting Agenda and Materials:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=762534&GUID=05021F02-FF1B-424F-8AB6-96ED876929CE&Options=info|&Search=>

¹⁰ April 20, 2021, City Council Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4916429&GUID=67261A4F-2AD6-499F-98DF-E3EFEC367E21&Options=&Search=>

This item now introduces the implementation strategy for the LHH plan (Attachment II) as well as the identified outcome and process measures for evaluating success of the plan (Attachment III).

The LHH plan also aligns with the City's broader public safety community outreach project and corresponding Policy Innovation Workshop on Community Safety.¹¹ Findings from the Citywide community conversations on public safety identified that homelessness was a top concern among Hayward residents, with some noting their concerns about homeless individuals' safety and others expressing concerns about the public health risks of homelessness.¹² Given these findings, the LHH plan draws explicit connections to the ongoing Policy Innovation Workshops in order to leverage the opportunity to pilot test outreach and engagement alternatives. On April 26, 2021, staff presented to the Council Budget and Finance Committee (CBFC) on findings and recommendations developed through the City's community engagement efforts around public safety and policing in Hayward.¹³ Of significance is the recommendation developed from this workshop to expand shelter options and outreach. Additional information on the proposed projects and funding allocation are available as part of the May 18, 2021 City Council meeting.

American Rescue Plan Act Stimulus Funding

The recently passed America Rescue Plan Act of 2021 (ARPA), also known as the COVID-19 Stimulus Package, included over \$65 billion in direct federal relief to cities to address the economic and fiscal impacts of the COVID crisis and to assist in the recovery of local communities. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis over the next year. The funds are intended to address a need in the City associated with the COVID-19 crisis and must be expended by December 2024.

City staff have recommended splitting the funding into two major expenditure categories in a range of approximately \$15 to \$25 million each: (1) Community Safety & Economic Recovery; and (2) Fiscal Recovery & Stabilizing City Operations. The Community Safety & Economic Recovery category will prioritize the external needs of the community, including housing and homelessness programs and assistance for the City's most vulnerable populations and community and nonprofit programs and efforts. This category will focus particularly on addressing the needs of Hayward's most vulnerable populations and implementing funding and programs with an equity lens as has been done throughout the City's COVID response. The Fiscal Recovery & Stabilizing City Operations category will focus on the internal fiscal needs of the City to stabilize City operations and services.

¹¹ <https://www.hayward-ca.gov/your-government/departments/city-managers-office/public-safety-community-outreach>

¹² October 27, 2020, City Council Meeting Agenda and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4677304&GUID=52E170E7-7C7A-4B62-AEA8-32BB683AC71D&Options=&Search=>

¹³ April 26, 2021, Council Budget and Finance Committee Meeting Agenda and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4923274&GUID=8578F78D-F62B-4332-9497-04E8187D0741&Options=&Search=>

On April 27, 2021¹⁴, Council adopted a resolution authorizing the acceptance of the federal stimulus allocation under ARPA to address the economic and fiscal impacts of the COVID Crisis in the City and provided comments on a detailed expenditure plan and process for allocating the funds. Staff proposed that \$10 million – \$14 million be allocated to housing and homelessness projects and programs. Additionally, the detailed expenditure plan included a process for making funding recommendations to various Council Committees and Commissions for further feedback on the specific projects and programs to be funded before returning to the Council in July 2021 with a budget appropriation for expenditure of stimulus funding. This process included presenting recommendations on potential housing and homelessness programs to the Homelessness-Housing Task Force for feedback, which is the subject of this report and an accompanying housing report.

In May, the United States Treasury issued the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule that provides guidelines on how State and local governments should implement ARPA and allocate any funds received pursuant to ARPA (Guidelines). While City staff and its federal legislative advocates are still carefully reviewing the Guidelines, City staff has updated the City's draft federal stimulus expenditure plan to reorganize the expenditure plan according to the eligible categories presented in the Guidelines and to exclude any ineligible items previously under consideration (Attachment IV). Housing and homelessness programs are explicitly eligible under the Guidelines and remain unchanged in the City's proposed expenditure plan.

This report will discuss a more detailed expenditure plan for federal stimulus allocations to address homelessness consistent with the LHH Implementation Strategy. The stimulus expenditure plan for housing programs is presented in a concurrent report on this same agenda.

DISCUSSION

Let's House Hayward! Implementation Strategy

Since the April 20, 2021 Council Work Session, Homebase has hosted three working meetings with members of the LHH Steering Committee, which is made up of community experts and leaders. Each working meeting focused on one of the LHH goals:

- **Goal 1:** Formalize a Coordinated and Compassionate Citywide Response to Homelessness and Develop Wider Community Understanding and Engagement
- **Goal 2:** Increase Availability of and Reduce Barriers to Homeless Crisis Response Services
- **Goal 3:** Ensure Access to and Retention of Affordable Permanent Housing

¹⁴ April 27, 2021 City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4923169&GUID=F3B939CF-3D97-4F0A-A5AE-8F3A12255314&Options=&Search=>

Homebase presented each working meeting with an implementation strategy outline that included the strategies designed to achieve the goal and the specific action steps (i.e., projects, programs, and/or policies) associated with each strategy (see Box 1 for an example). Steering Committee members provided feedback and ideas on the strategies and activities, partners to be included in the work for each strategy, timing of the action steps, and shared ideas for potential funding sources to support the action steps.

Homebase integrated the feedback from the Steering Committee to produce the Implementation Strategy presented in Attachment II. The Implementation Strategy was developed using the Steering Committee input as well as best practice research and extensive community and staff feedback, discussed with more detail at the April 20, 2021 work session. Attachment II provides a summary of the LHH plan draft Implementation Strategy. In addition to the Strategies and Action Steps for each Goal, it contains the following key components:

- **Staff Effort** – Two columns capture estimates of annual full-time effort (FTE) for City staff for each Strategy. The first column provides the estimated FTE for the Community Services Division, which is the lead City division implementing the LHH plan. The second provides the estimated FTE for other implementation partners within the City.
- **Service Costs** – In some instances, a program or project includes both the staff time captured in the FTE columns as well as contracted vendor costs. For example, the City enters into agreements with community-based agencies to provide the services described in Action Step 3.1c. The \$300,000 for those agreements are listed in the Annual Services Costs column. Attachment II lists the contracted costs for each Action Step and the total costs for each Strategy. Some new projects may have one-time capital or implementation start-up costs, which will be determined during the research/planning phase.
- **Timeline** – The Action Steps vary in the amount of planning and start-up work required. They also start at different times or may be ongoing work that was established in a previous fiscal year. To illustrate this distinction, the timeline is color-coded to visualize the different phases of implementation: 1) research/planning, 2) beginning implementation of a new or expanded project, and 3) ongoing work to ensure continued implementation and evaluation of success.

Box 1. Goals, Strategies, and Action Steps in the Let's House Hayward! Strategic Plan

Each of the three overarching goals in the LHH plan have a series of strategies that are designed to achieve the goals. In turn, each strategy is associated with action steps (like projects, programs, and policies) that line up with the strategy. For example:

- **Goal 1:** Formalize a Coordinated and Compassionate Citywide Response to Homelessness and Develop Wider Community Understanding and Engagement
 - **Strategy 1.3:** Educate and Engage the Community Regarding the Homeless System of Care
 - **Action Step 1.3a:** Develop a public education campaign to educate the Hayward community about ongoing homelessness efforts and how the homeless system of care operates.

Notably, the total FTE across the Community Services Division is estimated at 6.15. While there are some Action Steps where partnerships with other non-City affiliated groups may offset the time commitment to CSD staff, the estimated FTE still exceeds the current Division capacity, which is approximately 2.0 FTE for homelessness response work.

Federal Stimulus Funding Recommendations

Based on the latest draft expenditure plan, staff recommend allocating approximately \$11.75 million to housing and homelessness projects, including \$4.25 million for housing programs, which will be discussed in greater detail during the work session at the June 3, 2021 HHTF meeting. The updated expenditure plan for all stimulus funding is provided in Attachment IV.

Using available data, best practices research, and recommendations garnered from the extensive LHH community engagement process and the Policy Innovation Workshop, staff recommend allocating approximately \$7.5 million in federal stimulus funding towards homelessness projects. The proposed projects will address increasing placements into permanent housing, providing emergency shelter, and preventing future homelessness, along with making a \$1 million contribution to the existing Hayward Navigation Center to help ensure fiscal stability as the City's budget recovers from the COVID crisis. Together, they are intended to increase housing navigation services in congregate and non-congregate settings, increase the capacity of emergency shelter services, and pilot a new homelessness prevention program to reduce housing cost burden for renters most vulnerable of losing their housing.

Extending the Hayward Navigation Center Hotel Annex Program

In response to the COVID-19 pandemic and the need to decompress local shelters as well as provide individual shelter options for those with increased vulnerabilities to the coronavirus, the City opened the Hayward Navigation Center Hotel Annex (Hotel Annex) program in February 2021. The Hotel Annex is a non-congregate navigation center which prioritizes placement for individuals with increased vulnerabilities to the coronavirus. The Hotel Annex, operated by Bay Area Community Services and operated out of a local hotel, has a 35-room capacity and, since opening in February, has had 11 moveouts to permanent housing.

Staff recommends extending the Hotel Annex program for 1.5 years (August 2021 – December 2022) for a total cost of \$3 million. For the total duration of the program funded through stimulus funding, the Hotel Annex program is projected to provide 105 individuals with temporary shelter and care coordination services to connect to permanent housing. The Hotel Annex program supports Goal 2 of the LHH plan, to increase the availability of homeless crisis response services through expanding shelter that leads to permanent housing.

Expanding Winter Warming Shelter Services to Year-Round

The City, in partnership with Alameda County, funds First Presbyterian Church to operate the South Hayward Parish Winter Warming Shelter. At present, the Winter Warming Shelter provides nightly winter shelter services from November through June and has a nightly

capacity of 18 individuals. The shelter is open from 7pm until 7am and provides dinner and breakfast to guests. First Presbyterian receives funding from the County to provide flexible funding in the form of direct client support to assist clients in moving towards permanent housing.

Staff recommends expanding the Winter Warming Shelter at South Hayward Parish to a year-round shelter for up to two years for a total cost of \$2 million. Staff are exploring a daytime program as part of the expansion, which would likely reduce the duration of the program due to increased associated operational costs. For the total duration of the program funded through stimulus funding, the Winter Warming Shelter expansion is projected to provide at least 180 individuals with emergency shelter and basic need services. Expanding Winter Warming Shelter supports Goal 2 of the LHH plan, to increase the availability of homeless crisis response services through expanding shelter capacity.

Piloting a Shallow Subsidy Homelessness Prevention Program

Through the LHH planning process, stakeholders highlighted the need for homelessness prevention programs in addition to services to support individuals and families who are currently homeless. While the City has concluded its COVID-19 tenant rental assistance program (see Box 2), the LHH planning process indicated that there is a need for ongoing eviction prevention for those who are most vulnerable to entering or re-entering homelessness. Data from the Tenant Rental Assistance Program suggests there is a subset of Hayward renters who are at significant risk of displacement. Almost a quarter (23%) of all applicants had previous experiences of homelessness and three-fourths were extremely low income, both of which are significant predictors of future homelessness. Additionally, based on the trends in homelessness following the 2008 financial crisis, it is likely that homelessness following the pandemic may not peak until one to two years from now, as individuals and families currently experiencing economic distress may not immediately

Box 2. City of Hayward Tenant Rental Assistance Program Update

In response to COVID-19, the City made \$1.73m available in federal funds from the Community Development Block Grant (CDBG) and HOME Investment Program (HOME) for a rental assistance program.

Operated by Bay Area Community Services (BACS), the program began in May 2020, providing one-time grants of up to \$2,500 to tenant households with incomes at or below 50% AMI and below 80% with housing cost burden of at least 30%. In September 2020, the City adjusted the guidelines to allow households to apply for up to two grants of \$2,500 each.

Across all funding sources, BACS distributed grants to 670 households. Of those awarded at least one grant, 46% were Hispanic/Latino and 27% were Black/African American. 76% were extremely low income, making below 30% of the area median income (AMI), while another 20% were very low income (30%-50% AMI). All funds from the program have been expended and City staff and BACS now refer community members to the County's Emergency Rental Assistance Program for additional assistance.

experience homelessness.¹⁵ For example, while homelessness did not increase immediately at the beginning of the 2008 recession, it grew rapidly in three years following the end of the recession. Current research projects that chronic homelessness will increase 68% in California over the next four years, peaking in 2023, due to the pandemic's impact on the economy.¹⁶ A subsidy program is intended to provide resources to reduce housing cost burden to prevent future homelessness resulting from COVID-19.

Staff recommends designing a shallow subsidy program that provides an ongoing rental subsidy for 12 to 18 months for approximately 40 households annually at the cost of approximately \$500,000 per year for three years. Eligible households would be those who are extremely low income, impacted by COVID-19, and most vulnerable to homelessness (including those who are formerly homeless). The program would pair the monthly subsidy to reduce housing cost burden with case management services to improve housing stability. Piloting a shallow subsidy program supports Goal 3 of the LHH plan, to ensure access to and retention of affordable permanent housing.

The LHH projects identified in the previous section recommended for stimulus funding align with recommendations that emerged from the Public Safety Policy Innovation Workshop to expand shelter options and outreach services. The LHH projects proposed for stimulus funding will provide opportunities to expand existing outreach services and connect individuals experiencing homelessness to additional services, including shelter. Additional information on the proposed projects from the Public Safety Policy Innovation Workshops is available online at the May 18, 2021 City Council meeting.¹⁷

Integrating Council Feedback from April 20, 2021, Let's House Hayward! Work Session

On April 20, 2021, Council held a Work Session to review and provide input on the LHH vision, goals, and priority projects.¹⁸ In doing so, they provided important feedback on potential gaps in the current plan and opportunities to be more comprehensive in the City's response to homelessness. Table 2 below outlines the Council's feedback and how that feedback will be addressed in the LHH plan.

¹⁵ Wiener, A. (2014). The post-recession homelessness epidemic. *Next City*. Retrieved from: <https://nextcity.org/features/view/the-post-recession-homelessness-epidemic>.

¹⁶ Flaming, D., Orlando, A.W., Burns, P., & Pickens, S. (January 2021). Locked out: Unemployment and homelessness in the COVID economy. *Economic Roundtable*. Retrieved from: <https://economicrt.org/publication/locked-out/>

¹⁷ May 18, 2021, City Council Meeting Agenda and Materials: <https://hayward.legistar.com/LegislationDetail.aspx?ID=4955272&GUID=F899B470-2D3E-4373-9CE0-EF2552EB821D&Options=&Search=>

¹⁸ April 20, 2021, City Council Meeting Agenda and Materials: <https://hayward.legistar.com/LegislationDetail.aspx?ID=4916429&GUID=67261A4F-2AD6-499F-98DF-E3EFEC367E21&Options=&Search=>

Table 2. Council LHH Work Session Feedback

Council Feedback	Let's House Hayward! Response
<i>The plan lacks specific policy change, particularly for addressing eviction prevention and developing affordable housing.</i>	The LHH plan focuses on policies, programs, and services for individuals experiencing homelessness and those most at risk of being homeless. The LHH plan will include action steps for the continued implementation of existing homelessness prevention policies and affordable housing development as outlined in the incentives to housing production workplan and the Strategic Roadmap.
<i>Regional partnerships and accountability need to be more explicit.</i>	The LHH plan will include a narrative overview of existing regional partnerships and action steps to address opportunities to collaborate with regional partners.
<i>The partnership with non-profit community-based agencies needs to be more explicit.</i>	The LHH plan will include action steps highlighting partnerships with non-profit agencies.
<i>Programs and policies in the plan should target specific subpopulations.</i>	A core value of the LHH plan is that “one size fits all” is not a sufficient approach. The plan will include a narrative overview of data describing who the homeless population in Hayward is and the strategies will include action steps that take the needs of specific subpopulations (e.g., youth, individuals with justice involvement, individuals with mental health or substance use issues).
<i>The plan needs to include more context regarding who is homeless in Hayward.</i>	The LHH plan will synthesize data such as the Point in Time (PIT) count to describe the demographics and characteristics of individuals experiencing homelessness in Hayward, including the proportion who are from Hayward.
<i>There is a significant need for day center services.</i>	Staff are working closely with existing non-profit service providers to identify options to increase the availability of shelter services during the day. For example, through the proposed expansion of the Winter Warming Shelter, funds may be used to expand operating hours.
<i>The plan should look into aligning with other regional efforts, including the MTC/ABAG Plan Bay Area 2050.</i>	As part of their document review, Homebase reviewed several regional plans including plans from Alameda County and EveryOne Home. Based on Council feedback, they will include the Plan Bay Area 2050 in that review to identify appropriate options for aligning strategies or action steps.
<i>The plan should include long-term metrics for success.</i>	The LHH plan will include a narrative discussion of the overall goals of the plan. Attachment III

Council Feedback

Let's House Hayward! Response

summarizes the LHH plan's approach to evaluation and data collection and includes a list of key process (i.e., how is implementation going) and outcome (i.e., measurable implementation goals) indicators for the plan. includes milestones for measuring if implementation is on track, as well as indicators of successful implementation.

Discussion Items for HHTF Work Session

Staff seeks the HHTF's input on the following discussion points regarding this item:

1. Provide feedback on the draft Implementation Strategy (Attachment II). Prompts for discussion include:
 - a. Are there Strategies or Action Steps missing?
 - b. Do the timelines make sense?
 - c. Are there other indicators of success to include?
2. Provide feedback on the federal stimulus funding recommendations. Prompts for discussion include:
 - a. Are there other projects that should be prioritized instead?
 - b. If so, what adjustments should be made?

Upon receiving further feedback from the HHTF and community this evening, staff will continue to implement the review process for the other projects, as outlined in Attachment IV, and then return to the Council in July 2021 with a recommended budget appropriation for expenditure of stimulus funding. Additionally, staff will return to the Council for 6-month expenditure reviews, including any further budget appropriations or amendments.

ECONOMIC IMPACT

The City and local community have experienced adverse economic impacts related to the COVID-19 crisis, particularly as it relates to homelessness and housing instability.¹⁹ National data indicates increases in risk factors that lead to homelessness, including increased food insecurity and the inability to pay rent or mortgage. There is a positive economic impact from reducing homelessness and severe housing cost burden.

FISCAL IMPACT

Since the COVID-19 crisis started the City has expended over \$5 million in direct services to the community to address COVID impacts. The expenditure of stimulus funding over the next 3.5 years, as outlined in Table 3, will significantly help the City to provide critical services in the community to address homelessness.

¹⁹ Center on Budget and Policy Priorities (March 2021). *Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships*. Retrieved from <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

Table 3. Recommended Stimulus Funding Allocation

Project	Recommended Stimulus Allocation	Implementation Year
Extend Hotel Annex Program	\$3,000,000	FY22 and FY23
Expand Winter Warming Shelter Year Round	\$2,000,000	FY22, FY23, and FY24
Shallow Subsidy Homelessness Prevention	\$1,500,000	FY22, FY23, and FY24
Hayward Navigation Center Contribution	\$1,000,000	FY22 or FY23

While the stimulus funding will provide one-time funding to address housing and homelessness over the next 3.5 years, a sustainable reduction in homelessness in Hayward requires an ongoing funding source. Staff have identified several potential funding sources outside of the federal stimulus funding for supporting the LHH projects listed in this report:

- General Fund (reserves or if increased over projections)
- Measure C revenue beginning in FY 2023, assuming funds are available
- Parcel Group 7 sales tax revenue, previously considered for other services
- Parcel Group 6 sale proceeds, would require Council action under one-time funds policy
- Lobbying for local or state tax measure for homeless services, would require a 50%+1 affirmative vote
- Measure W (Alameda County) once current litigation resolved
- Allocation of funds resulting from Policy Innovation Workshops

Some of the ideas outlined above would provide one-time funds and would not be sustainable over time. This is an important consideration when determining which projects to pursue and how to fund them. Staff continue to seek external grant funding to offset expenditures for homeless services.

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:

2a. Create a Homelessness Reduction Strategic Plan modeled on an empowerment approach and best practices, as well as after Alameda County's EveryOne Home Plan

2b. Implement the Homelessness Reduction Strategic Plan

PUBLIC CONTACT

Homebase, City staff, and partners throughout the Hayward community have worked together to engage a diverse set of stakeholders. Since the project launch in October 2020, Homebase has collected a wide range of data and input from City stakeholders, including:

- Interviews with individuals with lived experience of homelessness;
- Focus groups and interviews with City staff from the City Manager's Office, Maintenance Services Division, Code Enforcement, Fire Department, and Police Department;
- Focus group and interviews with community-based organizations, including non-profit service providers and housing developers;
- Focus group with Downtown Hayward Improvement Association;
- Focus group with education partners from Hayward Promise Neighborhood and HUSD Child Welfare and Attendance;
- Four virtual community forums attended by between 55 and 80 individuals, including those listed above and other non-affiliated members of the community;
- Guided discussion at the Homelessness-Housing Task Force meeting on December 3, 2020;
- Guided discussion at the Community Services Commission meeting on December 16, 2020.

Additionally, throughout the planning process, the Homebase team has gathered feedback and input from the Steering Committee, which is a group of individuals with lived experience, service providers, housing developers, business leaders, and City staff from the City Manager's Office, Hayward Police Department, and Library. The Steering Committee functions as a panel of experts who provide overarching guidance and input on the plan.

NEXT STEPS

In the coming weeks, staff will return to Council with the following related items:

- **July 2021 (date to be determined):** Staff will return to Council with a budget appropriation for expenditure of stimulus funding.
- **July 6, 2021:** Staff will incorporate feedback from the HHTF and return to Council for full adoption of the LHH plan. The full plan will be a compilation of the component pieces that Council and the HHTF have seen and reviewed, including vision, goals, strategies, action steps, implementation plan, and performance metrics.
- **Ongoing:** Staff will return to the Council for 6-month expenditure reviews on stimulus funding, including any further budget appropriations or amendments.

Prepared by: Amy Cole-Bloom, Management Analyst
Jessica Lobedan, Acting Community Services Manager

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager

Attachment II Implementation Summary Table

The following table summarizes the implementation strategy for the Let's House Hayward! Strategic Plan. In addition to the Strategies and Action Steps for each Goal, it contains the following key components:

- **Staff Effort** – Two columns capture estimates of annual full-time effort (FTE) for City staff for each Strategy. The first column provides the estimated FTE for the Community Services Division, which is the lead City division implementing the LHH plan. The second provides the estimated FTE for other implementation partners within the City.
- **Service Costs** – In some instances, a program or project includes both the staff time captured in the FTE columns as well as contracted vendor costs. For example, the City enters into agreements with community based agencies to provide the services described in Action Step 3.1c. The \$300,000 for those agreements are listed in the Annual Services Costs column. Attachment II lists the contracted costs for each Action Step and the total costs for each Strategy. Some new projects may have one-time capital or implementation start-up costs, which will be determined during the research/planning phase.
- **Timeline** – The Action Steps vary in the amount of planning and start-up work required. They also start at different times or may be ongoing work that was established in a previous fiscal year. To illustrate this distinction, the timeline color-coded to visualize the different phases of implementation: 1) research/planning, 2) beginning implementation of a new or expanded project, and 3) ongoing work to ensure continued implementation and evaluation of success.

Attachment II Implementation Summary Table

Table 1. Implementation Strategy Legend

Color or Symbol	Meaning
	Research/Planning Phase
	Begin implementation of new or expanded activity
	Ongoing work to ensure continued implementation and evaluation
	Not currently active
*	While there are no contracted service costs, this Action Step still requires staff time and corresponding costs for staff time
**	This Action Step has additional one-time costs, such as capital expenses or implementation start-up costs that are not captured in the annual estimates
i	This Action Step is an existing City project/activity that was part of the City's work plan prior to the development of the LHH Strategic Plan
ii	This Action Step aligns with a project in the City's Strategic Roadmap

Table 2. Implementation Strategy

Strategy		Annual Staff Effort		Annual Contracted Services Costs	Years				
		CSD FTE	Other City FTE		Y1	Y2	Y3	Y4	Y5
Strategy 1.1: Formalize Interdepartmental and Interjurisdictional Partnerships		.70	.85	Staffing costs only					
1.1a	Continue to leverage city's cross-departmental collaboration around encampment response. ⁱ			*					
1.1b	Provide quarterly updates on Let's House Hayward plan progress, including updates from city coordination groups and solicit ongoing feedback and collaboration with non-profit homeless service providers and people with lived experience, including peer to peer networking opportunities.			*					
1.1c	Utilize the Homelessness Response meeting to coordinate implementation and evaluation of the strategic plan across City departments, including advising on feasibility of projects.			*					
1.1d	Formalize partnership between the City Manager's Office and Hayward Unified School District to strengthen resources for unhoused school-aged children and their families.			*					

Attachment II Implementation Summary Table

1.1e	Formalize partnership between the City Manager's Office and local community colleges including California State University (CSU) East Bay and Chabot College to address youth homelessness.	*					
Strategy 1.2: Develop Funding and Evaluation Strategy Reflecting Community Priorities Identified in this Strategic Plan		1.10	0.0	Staffing costs only			
1.2a	Conduct further research on different revenue options, including state and federal funding and private philanthropy and apply for funding that aligns with Strategic Plan action steps.	*					
1.2b	Align funding priorities with strategic plan priorities including entitlement funds, departmental budgets, and contracts with providers.	*					
1.2c	Continue refining clear funding application, award, and oversight processes, including integrating racial equity and program evaluation metrics. ⁱ	*					
1.2d	Build infrastructure for data analysis to test efficacy of Strategic Plan projects	*					
1.2e	Ongoing evaluation and updating of goals to reflect changing community needs, including specific needs of subpopulations.	*					
1.2f	Ongoing reporting on milestones to community stakeholders.	*					
1.2g	Ongoing plan updates to reflect evaluation findings and changing community needs, funding availability.	*					
Strategy 1.3: Educate and Engage the Community Regarding the Homeless System of Care		.15	.15	\$50,000 + Staffing Costs			
1.3a	Develop a public education campaign to educate the Hayward community about ongoing homelessness efforts and how the homeless system of care operates.	\$50,000					
Strategy 2.1: Expand Housing-Focused Shelter Capacity		.85	.10	\$6.46M + Staffing Costs			
2.1a	Continue oversight and management of the Navigation Center. ^{i, ii}	\$2.3M					
2.1b	Continue oversight of Navigation Center Annex through current contract term. ⁱ	\$1M					
2.1c	Expand Navigation Center Annex to provide up to 35 units of non-congregate shelter for medically vulnerable residents.	\$2M					
2.1d	Continue current City-sponsored shelter programming. ⁱ	\$168,000					
2.1e	Develop funding for and expand existing winter shelter so it can operate all year round.	\$1M					
Strategy 2.2: Develop Homeless Crisis Response Services to Protect Dignity and Health of Unsheltered Households		.70	.60	\$1M			

Attachment II Implementation Summary Table

2.2a	Develop funding for and explore feasibility of a sanctioned camp site with progressive engagement services and community education campaign.	\$500,000**					
2.2b	Develop funding for and facilitate the development of a safe parking site with progressive engagement services, including for those living in RVs.	\$500,000**					
Strategy 2.3: Develop and Test Innovations to Improve Outreach and Engagement		.50	.90	\$15,000 + Staffing Costs			
2.3a	Leverage policy innovations workshop to explore alternative outreach programs / outreach services expansion and implementation of recommendations and include individuals with lived experience to increase culturally competent outreach. ⁱ	*					
2.3b	Provide trauma-informed training for city staff and contracted service providers with contact with residents experiencing homelessness.	\$15,000					
2.3c	Provide racial equity training for city staff with contact with residents experiencing homelessness. ⁱ	*					
2.3d	Increase city and county partnership for Coordinated Entry, including organizing providers to make HMIS/CES recommendations to the Continuum of Care (CoC).	*					
Strategy 2.4: Increase Diversity and Availability of Holistic Supportive Services		.65	3.10	\$180,000 + Staffing Costs			
2.4a	Develop funding for and explore feasibility of a supporting resource center to expand drop-in/day use.	*					
2.4b	Continue General Fund and CDBG entitlement funding of non-profit agencies that provide homelessness prevention and supportive services. ⁱ	\$180,000					
2.4c	Support implementation of identified policy innovations workshop solutions for mental health response to improve outreach options for individuals who are homeless and experiencing mental health crises.	*,**					
2.4d	Collaborate with the City's Economic Development Division to increase access to employment services and support a local workforce pipeline. ⁱⁱ	*					
2.4e	Use results of 2022 PIT to identify and prioritize supportive services (reentry, mental health, transition aged youth, mobile medical team, domestic violence, substance abuse etc.) needs for future City-funded programs.	*					
Strategy 2.5: Support Providers and Staff Capacity to Deepen Impact of Services		.10	0	Staffing Costs Only			
2.5a	Explore opportunities to support contracted providers and city staff to deepen impact of services and support sustainability of providers by preventing burn-out and staff turnover.	*					
Strategy 3.1: Continue to Invest in Eviction Prevention and Anti-Displacement Resources		.80	.85	\$1M + Staffing Costs			
3.1a	Continue implementing Residential Rent Stabilization and Tenant Protection Ordinance. ^{i, ii}	\$150,000					

Attachment II Implementation Summary Table

3.1b	Continue implementing expanded COVID-19-related rent mediation services and connecting low-income residents and small landlords to County Emergency Rental Assistance Program. ⁱ						
3.1c	Continue to provide resources for home repair to prevent displacement of very-low-income households, and mediation services, including expanding services as funding allows. ⁱ	\$300,000					
3.1d	Identify funds to build shallow subsidy program/ongoing rental assistance for extremely low income and high rent burden households.	\$500,000					
3.1e	Develop and implement program to assist land trusts or non-profit orgs acquire tax defaulted properties. ^{i, ii}	*					
3.1f	Provide flex funds, including one-time financial assistance for diversion and problem-solving program.	\$50,000					
3.1g	Ensure that City's prevention programs (rent relief, shallow subsidy, flex funds) are accessible in multiple languages.	*					
Strategy 3.2: Prioritize the Development of Housing Targeted to People Experiencing Homelessness		.10	1.25	Staffing Costs Only			
3.2a	Continue streamlining development process for building affordable housing units, including those that are affordable by design, to reduce the need for a subsidy. ⁱ	*					
3.2b	As part of the Housing Element development, identify zoning barriers to implementing innovative shelter and housing models, such as tiny homes, safe parking, safe camping, and multi-unit development in city planning codes and ordinances. ^{i, ii}	*					
3.2c	Continue leveraging partnerships between non-profit housing developers, County, and regional jurisdictions to support the creation of hotel conversion projects by community-based entities. ⁱ	*					
3.2d	Continue to support affordable housing projects that utilize innovative affordable housing strategies (i.e. tiny homes, factory built housing, and other models) and encourage developers to incorporate individuals with lived experience in the process.	*					
3.2e	Leverage City's relationships with landlords and provider to support identification and reduction of barriers to participation in Rapid Rehousing programs.	*					
3.2f	Evaluate Affordable Housing Ordinance's effectiveness in providing affordable housing opportunities to prevent displacement of Hayward residents and create housing opportunities for individuals experiencing homelessness in connection with analysis related to the private sector's ability to produce such units. ^{i, ii}	*, **					
3.2g	Continue prioritizing inclusion of permanent supportive units for extremely low-income households in the City's Notice of Funding Availability and City-subsidized affordable housing development. ^{i, ii}	*					

Let's House Hayward! Strategic Plan Indicators of Success

The LHH strategic plan includes a structure for continual data-driven refinement of programs and activities following robust evaluation of process and outcome metrics. As part of ongoing project-level milestones, the larger initiatives include project design, funding development, evaluation development, pilot, and scaling of the intervention. Each intervention will contribute to a different set of process and outcome changes in the City of Hayward, and thus will have different indicators and metrics of success.

The plan's commitment to data-driven decision-making is evident in the numerous plan activities for developing data systems, ensuring ongoing alignment with plan goals, city funding and project outcomes, as well as regular opportunities for reporting metrics to the community for accountability and transparency on progress toward outcomes.

The below table summarizes the largest outcome and process indicators to be measured across plan activities and identifies data sources for each.

Outcome & Process Indicators	Indicator Type	Data Sources
Reduction in average # times homeless	Outcome	PIT Count (# times homeless)
Decrease in duration of homelessness	Outcome	PIT Count (# days homeless this episode)
Increase in number of people connected to housing opportunities	Outcome	Program Data
Increase in % interested in housing options	Outcome	Program Data
Increase in length of time housing is retained	Outcome	Program Data
Provide Shallow subsidy for up to 40 households each year, with associated decreases in % highly rent burdened	Outcome	Program Data/Census
Reduction in the number of calls for public safety responses to encampments	Outcome	City Data
Increase number of people served by HNC by 70 people per year	Outcome	Program Data
Governance structures implemented	Process	Administrative Data
Evaluation systems established	Process	Administrative Data
Individual action item milestones identified and tracked	Process	Administrative Data
Annual reports completed	Process	Administrative Data

Quarterly Let's House Hayward action meetings completed	Process	Administrative Data
Increase in exits to and retention of permanent housing destinations	Outcome	Program and CoC Data
Decrease in emergency response events for individuals experiencing homelessness	Outcome	City Data
Increase in community-wide collaboration on homelessness solutions.	Outcome	Participation in CoC and Strategic Plan activities.
Increase in community-wide compassionate stance toward homelessness and solutions.	Outcome	Surveys, Focus Groups, Townhalls

These are outcomes and processes that can be achieved if all the goals and activities in this plan are fully funded and effectively implemented. These outcomes and their extensive impacts will take time to achieve and observe, and the Strategic Plan that supports them will need to be continuously reevaluated and expanded in order to support the long-term duration of these outcomes.

ATTACHMENT IV
UPDATED Plan and Process for Expenditure of Stimulus Funding
per Treasury Guidelines

[HHTF review items highlighted in grey shading]

A. SUPPORT PUBLIC HEALTH EXPENDITURES, INCLUDING CAPITALIZING INVESTMENTS IN PUBLIC FACILITIES TO MEET PANDEMIC OPERATIONAL NEEDS					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Technology Investment in City Operations	Information Technology	\$2,700,000	FY22, FY23, and FY24	CIC review and recommendation	July Stimulus Budget Approval
Building Safety Upgrades	Maintenance Services	\$300,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
Weekes Branch Feasibility Assessment	Library	\$40,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Fire Training Center Funding Gap	Fire /Public Works	\$1,600,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
The Stack Contribution	City Manager's Office	\$2,000,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
TOTAL		\$6,640,000			
B. ADDRESS NEGATIVE ECONOMIC IMPACTS CAUSED BY THE PUBLIC HEALTH EMERGENCY					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Economic Development Business Recovery	City Manager's Office	\$2,000,000	Various programs over all 3.5 years	Outreach to business community, and CEDC review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Community Agency Funding Augmentation	City Manager's Office	\$500,000	FY22 and FY23	May 19 th CSC review and recommendation	July Stimulus Budget Approval
Extend Hotel Annex Program	City Manager's Office – Community Services	\$3,000,000	FY22 and FY23	Let's House Hayward! process and plan	July Stimulus Budget Approval and Let's House Hayward! Council Approval
Expand Winter Warming Shelter Year Round	City Manager's Office – Community Services	\$2,000,000	FY22, FY23, and FY24	Let's House Hayward! process and plan	July Stimulus Budget and Let's House Hayward! Council Approval
Let's House Hayward! Plan Recommendation – Flexible Funding	City Manager's Office – Community Services	\$1,500,000	FY22, FY23, and FY24	Let's House Hayward! process and plan	July Stimulus Budget and Let's House Hayward! Council Approval
Hayward Navigation Center Contribution	City Manager's Office – Community Services	\$1,000,000	FY22 or FY23	June HHTF	July Stimulus Budget Approval
Foreclosure Legal and Financial Assistance	City Manager's Office – Housing	\$1,000,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews

ATTACHMENT IV
UPDATED Plan and Process for Expenditure of Stimulus Funding
per Treasury Guidelines

[HHTF review items highlighted in grey shading]

Relocation Assistance for Displaced Tenants	City Manager's Office – Housing	\$250,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
First-Time Homeowner Downpayment Assistance Program	City Manager's Office – Housing	\$2,000,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Tax-Defaulted/Foreclosed Property Program	City Manager's Office – Housing	\$1,000,000	FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Hotel Vouchers for Encampment Abatements	Maintenance Services and Police Department	\$175,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
Encampment Clean-Ups	Maintenance Services	\$875,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
Mobile Pressure Washer for Encampment Clean-Up	Maintenance Services	\$50,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Operation Clean Sweep – Citywide Enhanced Clean-Up	Maintenance Services	\$350,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
TOTAL		\$15,700,000			
C. REPLACE LOST PUBLIC SECTOR REVENUE					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Replacement of Lost Public Sector Revenue	Finance	\$14,500,000	FY22	Complete	July Stimulus Budget Approval
D. INVEST IN WATER, SEWER, AND BROADBAND INFRASTRUCTURE					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Tech Lending Library: Chrome Books/Hot Spots for 3 Years	Library	\$388,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
Corporation Yard Renovation to Support Infrastructure Work	Maintenance Services/Public Works	\$900,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Fleet Shop Expansion to Support Infrastructure Work	Maintenance Services	\$250,000	FY23, and FY24	CIC review and recommendation	July Stimulus Budget Approval
TOTAL		\$1,540,000			

ATTACHMENT IV
UPDATED Plan and Process for Expenditure of Stimulus Funding
per Treasury Guidelines

[HHTF review items highlighted in grey shading]

REMOVED DUE TO INELIGIBILITY AND/OR PLANNED FUNDING FROM OTHER SOURCE OF FUNDS				
Project	Department Lead	Phasing	Outreach & Review	Budget Appropriation
Replenishment of General Fund Reserves	Finance			
Repayment of Employee Concessions	Finance/Human Resources			
Security Cameras in Garage and Heritage Plaza	Maintenance Services/Public Works			
Enterprise Transfer Site Paving	Maintenance Services			
Mission Blvd Phase 3 Contribution	Public Works			
City Hall Intercom/Communication System	Maintenance Services			
Fully Electric Utility Vehicle	Maintenance Services			
Public Safety Workshop Pilot Contribution	City Manager's Office			
Rescue Pumper Vehicle	Fire/Maintenance Services			



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: WS 21-029

DATE: June 3, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT

Provide Comments on Proposed Federal Stimulus Housing Programs

RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) reviews this report and provides input on the proposed Federal stimulus housing programs and allocations.

SUMMARY

On April 27, 2021, Council adopted a resolution authorizing the acceptance of the Federal stimulus allocation under the American Rescue Plan Act of 2021 (ARPA) to address the economic and fiscal impacts of the COVID crisis in the City of Hayward and provided comments on a detailed expenditure plan and process for allocating the funds. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. The draft expenditure plan proposed allocations to promote Fiscal Recovery & Stabilizing City Operations, as well as Community Safety & Economic Recovery, which prioritizes the external needs of the community. Under the Community Safety & Economic Recovery Category, \$10 to \$14 million was identified for programs related to housing and homelessness.

In May, the United States Treasury issued the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule that provides guidelines on how State and local governments should implement ARPA and allocate any funds received pursuant to ARPA (Guidelines). Housing and homelessness programs are explicitly eligible under the Guidelines and remain unchanged in the City's proposed expenditure plan.

The proposed federal stimulus housing programs have been identified based on multiple factors including Hayward housing needs, anticipated foreclosures, existing protections, impacts of the history of systemic racism and disparate impacts of COVID-19. The stimulus expenditure plan to address homelessness is discussed in a concurrent report. Specifically, staff recommends reserving \$4.25 million of federal stimulus funding to the following housing programs:

- Foreclosure Prevention Loan Program for low-income homeowners - \$1,000,000
- Relocation Assistance Emergency Fund for displaced tenants - \$250,000
- Wealth Building Program possibly as a reparations program for Black residents to mitigate the impact of systemic racism and the compounding disparate impacts of COVID-19 - \$2,000,000

- Tax-Defaulted and Foreclosed Property Acquisition Assistance Programs to stabilize defaulted property and to facilitate ownership by community members - \$1,000,000

Staff recommends that the HHTF support allocation of funds to the Foreclosure Prevention Loan Program and the Relocation Assistance Emergency Fund for implementation in FY 2022. The Wealth Building Program and the Tax Defaulted and Foreclosed Property Acquisition Assistance Program are included as initial concepts for feedback. If supported by the HHTF, staff would return to the HHTF in FY 2023 with fully developed programs for consideration. Again, staff will return to Council with a budget appropriation for expenditure of stimulus funding in July 2021. Funding provided under the Federal stimulus must be fully expended by December 2024.

ATTACHMENTS

Attachment I Staff Report



DATE: June 3, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT: Provide Comments on Proposed Federal Stimulus Housing Programs

RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) reviews this report and provides input on the proposed Federal stimulus housing programs and allocations.

SUMMARY

On April 27, 2021¹, Council adopted a resolution authorizing the acceptance of the Federal stimulus allocation under the American Rescue Plan Act of 2021 (ARPA) to address the economic and fiscal impacts of the COVID crisis in the City of Hayward and provided comments on a detailed expenditure plan and process for allocating the funds. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. The draft expenditure plan proposed allocations to promote Fiscal Recovery & Stabilizing City Operations, as well as Community Safety & Economic Recovery, which prioritizes the external needs of the community. Under the Community Safety & Economic Recovery Category, \$10 to \$14 million was identified for programs related to housing and homelessness.

In May, the United States Treasury issued the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule that provides guidelines on how State and local governments should implement ARPA and allocate any funds received pursuant to ARPA (Guidelines). Housing and homelessness programs are explicitly eligible under the Guidelines and remain unchanged in the City's proposed expenditure plan.

The proposed federal stimulus housing programs have been identified based on multiple factors including Hayward housing needs, anticipated foreclosures, existing protections, impacts of the history of systemic racism and disparate impacts of COVID-19. The stimulus

¹ April 27, 2021 City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4923169&GUID=F3B939CF-3D97-4F0A-A5AE-8F3A12255314&Options=&Search=>

expenditure plan to address homelessness is discussed in a concurrent report. Specifically, staff recommends reserving \$4.25 million of federal stimulus funding to the following housing programs:

- Foreclosure Prevention Loan Program for low-income homeowners - \$1,000,000
- Relocation Assistance Emergency Fund for displaced tenants - \$250,000
- Wealth Building Program possibly as a reparations program for Black residents to mitigate the impact of systemic racism and the compounding disparate impacts of COVID-19 - \$2,000,000
- Tax-Defaulted and Foreclosed Property Acquisition Assistance Programs to stabilize defaulted property and to facilitate ownership by community members - \$1,000,000

Staff recommends that the HHTF support allocation of funds to the Foreclosure Prevention Loan Program and the Relocation Assistance Emergency Fund for implementation in FY 2022. The Wealth Building Program and the Tax Defaulted and Foreclosed Property Acquisition Assistance Program are included as initial concepts for feedback. If supported by the HHTF, staff would return to the HHTF in FY 2023 with fully developed programs for consideration. Again, staff will return to Council with a budget appropriation for expenditure of stimulus funding in July 2021. Funding provided under the Federal stimulus must be fully expended by December 2024.

BACKGROUND

On April 27, 2021, Council adopted a resolution authorizing the acceptance of Federal Stimulus Allocation under ARPA to address the economic and fiscal impacts of the COVID Crisis in the City of Hayward and provided comments on a detailed expenditure plan and process for allocating the funds. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. The draft expenditure plan proposed allocations to promote Fiscal Recovery & Stabilizing City Operations, as well as Community Safety & Economic Recovery, which will prioritize the external needs of the community. Under the Community Safety & Economic Recovery Category, \$10 to \$14 million was identified for programs related to housing and homelessness.

Additionally, the detailed expenditure plan included a process for making funding recommendations to various Council Committees and Commissions for further feedback on the specific projects and programs to be funded before returning to the Council in July 2021 with a budget appropriation for expenditure of stimulus funding. This process included presenting recommendations on potential housing and homelessness programs to the HHTF for feedback.

In May, the United States Treasury issued the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule that provides guidelines on how State and local governments should implement ARPA and allocate any funds received pursuant to ARPA (Guidelines). While City staff and its federal legislative advocates are still carefully reviewing the Guidelines, City staff

has updated the City's draft federal stimulus expenditure plan to reorganize the expenditure plan according to the eligible categories presented in the Guidelines and to exclude any ineligible items previously under consideration. Housing and homelessness programs are explicitly eligible under the Guidelines and remain unchanged in the City's proposed expenditure plan (Attachment II).

Hayward Housing Need and Disparate Impacts on Communities of Color

The Bay Area has been in an extended housing crisis for several years. The combination of increasing rents and home values along with historic increases in high-paying jobs that are outpacing housing production, is leading to intense displacement pressures on many Hayward residents. Those who are still living in Hayward are struggling with cost burden, especially Black and Hispanic households making homeownership and wealth building unattainable for most Hayward tenants.

It is anticipated that the COVID-19 pandemic will exacerbate the crisis widening the disparate impacts of housing policies implemented during the twentieth century that have contributed to systemic racism and inhibited wealth building for people of color. Housing segregation through public policy and regulators' failure to respond to discrimination has marginalized African American and Black residents and limited their ability to gain generational wealth provided by owning property. Examples of such policies include: upholding private restrictive housing covenants that prohibited the sale of property to Black households; restrictions on access to government backed financing; redlining; and subjective implementation of local zoning requirements. As a result, little housing was available to Black households. These policies contributed to the creation of slums relegating Black residents to substandard housing that was overcrowded and, in some cases, lacking in public infrastructure for utilities and waste disposal. The policies prevented Black households from gaining wealth and stability related to property ownership.

Collectively, these policies have contributed to the significant racial wealth gap in the United States. The most recent 2016 data show that white households have the highest levels of wealth in the country, with a median wealth of \$171,000 compared to Black households' median wealth of \$17,600. When looking at average wealth, Black households only own 2.6% of the nation's wealth, though they are 13% of the population.^{2,3} The racial wealth gap between White and Black households reveals "the effects of accumulated inequality and discrimination, as well as differences in power and opportunity that can be traced back to this nation's inception."⁴ In Hayward, American Community Survey Data show that 13% of Black residents live below the federal poverty line, compared to 7% of white households. Further, Black households

² Darity, W.A. & Mullen, K. (2020). Black reparations and the racial wealth gap. *Brookings Up Front*. Retrieved from: <https://www.brookings.edu/blog/up-front/2020/06/15/black-reparations-and-the-racial-wealth-gap/>

³ Darity Jr, W.A. (2019). Running the numbers on closing the racial wealth gap. Durham, NC: The Samuel DuBois Cook Center on Social Equity at Duke University. Retrieved from: <https://socialequity.duke.edu/wp-content/uploads/2019/10/Running-the-Numbers-8.4.19-FINAL.pdf>

⁴ McIntosh, K., Moss, E., Nunn, R., & Shambaugh, J. (2020). Examining the Black-white wealth gap. *The Brookings Institution*. Retrieved from: <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>

experience significant displacement pressures in Hayward. They are the only racial group in the City of Hayward to decrease in population size from 2010 to 2019, with a decrease of 10% in all Black households and 31% in the lowest income Black households—those earning less than \$35,000 a year.

Existing COVID-19 Housing Protections

To mitigate the impacts of the COVID-19 pandemic and the subsequent stay-at-home orders, legislators have enacted policies to prevent evictions during the pandemic, provided financial assistance to low-income tenants to pay rent, and required loan forbearance on federally backed single-family mortgages. Most of the financial assistance provided has been in the form of rental assistance. The City of Hayward made \$1.73 million available in federal funds, providing rental assistance grants to 670 households. Additionally, the County is currently distributing \$61.8 million federal funds in rental assistance.

Forbearance has helped many homeowners avoid foreclosure during the COVID-19 pandemic. Forbearance periods last six months and can be extended up to 18 months. As a result, many homeowners may be facing the end of their agreement periods in the summer. To help low-income homeowners avoid foreclosure, Council authorized staff to develop a foreclosure prevention program and allocated \$319,000 of emergency Community Development Block Grant CARES Act (CDBG-CV) funds for foreclosure prevention loan.

Existing programs have provided some respite to community members financially impacted by COVID-19. The following discussion proposes housing programs that are intended to fill housing needs unaddressed by existing programs and mitigate racial inequities further exacerbated by the COVID-19 pandemic. The stimulus expenditure plan to address homelessness is discussed in a concurrent report.

DISCUSSION

Considering Hayward housing needs, anticipated foreclosure, existing renter protections and resources for rental assistance, history of systemic racism, and disparate impacts of COVID-19, staff recommends utilizing stimulus funding for the following housing programs:

- Implementation of the Foreclosure Prevention Loan Program for low-income homeowners in FY 2022, allocating \$1,000,000
- Implementation of the Relocation Assistance Emergency Fund for displaced tenants in FY 2022, allocating \$250,000
- Development of the Wealth Building Program as a potential reparations program, reserving \$2,000,000
- Development of Tax-Defaulted and Foreclosed Property Acquisition Assistance Programs to facilitate community ownership, reserving \$1,000,000

These proposed housing programs are intended to fill the gaps in existing housing resources and protect community members from housing instability caused by COVID-19.

Foreclosure Prevention Loan Program

As noted above, many homeowners face expiring forbearance protections, meaning that households struggling with deferred payments that may be further compounded by job loss, underemployment, and illness are at high risk for default or foreclosure on their homes. While State and County funds are available for rental assistance to renters and small landlords experiencing financial distress due to COVID-19, there are currently no regional funds available to support homeowners financially impacted by COVID-19 through job loss, reduced wages, or increased medical costs.

Analysis of American Community Survey data shows that there are over 7,000 very low-income owner-occupied households experiencing housing cost burden (i.e., paying over 30% of their income on housing costs). Further, discussions with local housing counselors and legal service providers suggest that there are specific populations in Hayward that have increased risk for foreclosure, such as older adults on fixed incomes and low-income households. Low-income households and those experiencing prolonged income loss with limited other assets have an increased risk of foreclosure because they are less likely to qualify for a loan modification. This population would benefit from a program that couples financial assistance with legal services, linking at-risk households with financial aid and legal resources (e.g., help negotiating loan modifications, refinancing, or extending forbearance agreements) to keep their homes and reduce the risk of future loss.

Council authorized allocation of approximately \$319,000 in emergency CDBG funds to a foreclosure prevention loan program, which would pair financial assistance with legal services to help homeowners at risk of foreclosure maintain their homes.⁵ Staff projects that those start-up funds along with the requested stimulus funds of \$1 million would provide legal services and financial assistance of up to \$15,000 in deferred loans to over 60 low-income households at risk of foreclosure. By providing the assistance as a loan, the City can recover the direct financial assistance upon sale of the property to use on future projects.

If supported by the HHTF and approved by Council, staff recommends implementation of the Foreclosure Prevention Loan Program in FY 2022.

Relocation Assistance Emergency Fund

To help tenants facing no fault evictions and temporary displacement due to substantial rehabilitation, Council enacted the Tenant Relocation Assistance Ordinance (TRAO) to set minimum relocation payment standards. Staff has been evaluating the efficacy of the legislation in assisting tenants facing displacement and has determined that despite the TRA0, tenants facing displacement related to substandard housing have difficulty securing payments from their landlords and those displaced due to natural disaster are not entitled to any relocation assistance.

⁵ December 8, 2020, City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4711815&GUID=2688E44E-21AE-46CD-B493-48E3CA10F915&Options=&Search=>

Since enacting the TRAO in July 2020, staff have evaluated cases at 14 properties, impacting 17 households, to determine if the affected tenants were eligible for assistance. Staff determined that the landlord was liable for relocation assistance in all but four cases. While staff are not currently collecting demographic data on tenants and landlords involved in relocation cases, they have identified a clear trend that, in cases where tenants are living in unsafe conditions, the tenants are racial and ethnic minorities who often speak a language other than English as their primary language. Additionally, a trend has emerged that in several cases the landlord is either unable to pay, refuses to pay, or the TRAO does not apply due to the nature of the displacement. In each of these common scenarios, tenants are displaced from their homes with no financial support.

The TRAO establishes that if the landlord refuses to provide relocation payments, the Rent Review Officer can provide such payment to a tenant and recover the costs from the landlord. However, there is no funding available to pay relocation assistance on behalf of the landlord. Considering the public health concern related to displacement during the pandemic, staff proposes establishing a Relocation Assistance Emergency Fund that will allow the City to expedite relocation assistance payments to tenants in the following scenarios:

1. The tenant is displaced due to a natural disaster.
2. The tenant is displaced due to Code Enforcement activities and the landlord is either unwilling or unable to pay applicable relocation assistance.

The City would make relocation assistance payments based on the amount the tenant is entitled in the TRAO and State legislation not-to-exceed \$12,500. In cases where the landlord is liable for relocation assistance, staff proposes cost recovery through liens or voluntary loan agreements. By establishing a Relocation Assistance Emergency Fund, the City can ensure that tenants displaced due to substandard housing conditions or natural disasters have resource to find replacement housing.

If supported by the HHTF and approved by Council, staff recommends implementation of the Relocation Assistance Emergency Fund in FY 2022.

Wealth Building/Reparations Program

The Wealth Building Program is included as an initial concept for feedback. If supported by the HHTF, staff would return to the HHTF in FY 2023 with a fully developed program for consideration. The following describes the proposed framework for the program subject to stakeholder feedback. Staff also seeks feedback from the HHTF regarding establishment of the Wealth Building Program as a reparations program for Black Hayward residents to mitigate inequities caused by housing policies that contributed to systemic racism and inhibited wealth building for Black community members.

General Framework

Staff proposes developing a Wealth Building Program that is community-informed and involves both payments that promote home ownership and wealth building.. Potential examples of direct financial assistance include:

- Down payment assistance grants

- Home revitalization grants
- Other housing stabilization grants to promote housing stability or improve housing quality
- Commercial business assistance grants
- Education assistance grants to reduce student debt or cover the costs of additional education or professional certifications

Additionally, funding could be provided to support recipients develop financial goals to building and maintain wealth to supplement the direct financial assistance including:

- Housing counseling services for first-time homebuyers and current homeowners
- Financial planning resources
- Business and career counseling services

Wealth Building Program as a Reparations Program

Researchers have cited reparations as a tool for restoring the wealth taken from and denied to Black Americans throughout history by housing discrimination as well as slavery, Jim Crow segregation, mass incarceration, and other institutional forms of racism. The racial wealth gap is responsible for significant disparities that extend beyond economic difference to health, education, and well-being. There is a small but growing number of municipal and county reparations programs being introduced across the country that intend to acknowledge the harm done by the local government to Black residents and assert an intent to make amends for that harm.

To date, there are very few municipal reparations programs and those that exist are early in their implementation; therefore, there is little data to demonstrate the effectiveness of the programs. However, given the potential impact of the program and the demonstrable need for closing the racial wealth gap, staff recommends using a portion of stimulus funds to operate a community-informed wealth building program for Black community members. If the HHTF supports the Wealth Building Program as a reparations program, staff recommends developing the program through a community engagement process that integrates available secondary data sources on disparities in Hayward and the history of discrimination in the region with community input and insights on the needs of Black Hayward residents. Questions to consider during a community engagement process to develop the program include:

- Who should be eligible for reparations?
- What is the best form of reparations to address the historic and systemic racism perpetrated against Black residents?
- What are the most effective ways to increase home ownership and reduce home ownership loss among Black residents?
- What additional resources would support Black households increase and maintain wealth?

Tax-Defaulted and Foreclosed Property Acquisition Assistance Program

The Foreclosed Property Acquisition Assistance Program is included as an initial concept for feedback. If supported by the HHTF, staff would return to the HHTF in FY 2023 with a fully

developed program for consideration. The availability of forbearance programs and fiscal support from the government have kept many families from entering into delinquency. As homeowners face expiring federal and state forbearance protections, households still struggling to recover financially may be at risk for default or foreclosure. While staff is currently proposing to help low-income homeowners avoid foreclosure, it is not likely that all foreclosures can be prevented. Staff proposes creating a Tax-Defaulted and Foreclosure Acquisition Assistance Program to assist community members and/or mission driven organizations such as a Community Land Trust or non-profit housing providers acquire defaulted property.

Property loss due to foreclosure or delinquent tax sale cause housing instability and insecurity but also provide housing opportunities. Housing sold at auction is typically sold below market prices. Because the prices are lower, it creates housing opportunity, particularly for creating affordable units. However, these opportunities are usually seized by investors because of their access to financial resources.

Aided by the ability to disrupt the foreclosure process under SB 1079 and property tax sales under CA Revenue and Taxation Code, the Tax-Defaulted and Foreclosure Acquisition Assistance Program seeks to leverage the lower priced defaulted properties for two purposes: 1) help low- to moderate-income tenants living in foreclosed single family homes acquire the property they reside in; and 2) help Community Land Trusts or non-profit housing providers acquire foreclosed and tax defaulted property to help retain the asset as long-term affordable housing. Similar to the Tenant Right of First Refusal (TROFR) Programs supported by Task Force Members at the June 4, 2020 HHTF meeting, this program intends to reduce the risk of displacement caused by investment by giving tenants, affordable housing developers, and Community Land Trusts the opportunity and financial resources to purchase distressed properties. Staff projects that \$1 million of stimulus funds would assist a minimum of 6 households at a maximum assistance amount of \$125,000 each.

Homelessness Stimulus Request

Since Council authorization of the project in September 2020, staff have worked with the consulting firm Homebase to conduct a community-driven strategic planning process to develop the Let's House Hayward! (LHH) Strategic Plan.⁶ More information about these programs is available in a concurrent report regarding homelessness stimulus requests. These programs will also be discussed at the June 3, 2021 HHTF meeting to solicit input on the recommended stimulus funding allocations for the LHH homelessness response and prevention projects.

Discussion Questions for HHTF

Collectively, the proposed housing programs will provide additional response to the COVID-19 pandemic to further stabilize housing, assist displaced tenant in substandard housing

⁶ April 20, 2021, City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4916429&GUID=67261A4F-2AD6-499F-98DF-E3EFEC367E21&Options=&Search=>

secure replacement housing, mitigate disparate impacts caused by the COVID-19 pandemic and a history of systemic racism, and create long-term affordable housing through acquisition of distressed properties. Staff requests feedback on the following questions:

1. Does the HHTF support the allocation of federal stimulus funds for implementation of the Foreclosure Prevention Program and the Relocation Assistance Emergency Fund in FY 2022?
2. Does the HHTF support further development of a Wealth Building Program to be discussed in more detail in FY 2023?
 - a. If so, should the Wealth Building Program be designed to provided reparations to Black community members?
3. Does the HHTF support further development of Tax-Defaulted and Foreclosed Property Acquisition Assistance Program to be further discussed in FY 2023
 - a. If so, should the City us federal stimulus funds to provide finance resources to help tenants, Community Land Trusts and Affordable Housing Providers acquire foreclosed and tax defaulted properties.

ECONOMIC IMPACT

Social research indicates that access to affordable housing can improve education outcomes, increase health and wellbeing, boost economic activity, and lower the costs for state and local governments to provide emergency housing, mental health crisis services, emergency medical care, and other services to assist the homeless or families and individuals with a housing crisis. The rent for affordable housing is relative to income levels versus market prices which reduces rent burden. This increases available income to pay for other basic needs or save for other financial goals such as furthering education or homeownership. Stabilizing housing costs can be the first step to creating opportunities for personal economic advancement. The projects described in this report that may will help the City achieve these and other socio-economic benefits.

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with this item. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. *Table 2* describes the proposed funding allocation by program.

Table 2. Proposed Housing Stimulus Request Proposed Allocations

Program	Proposed Allocation
Foreclosure Prevention Loan Program	\$1,000,000
Relocation Assistance Emergency Fund	\$250,000
Wealth Building/Reparations Program	\$2,000,000

Tax-Defaulted and Foreclosed Property Acquisition Assistance Program	\$1,000,000
Total	\$4,250,000

Funds would be used to provide direct service and cover the cost of administration. Proposed allocations for homelessness stimulus requests are identified in a concurrent report. Attachment II summarizes all proposed stimulus expenditure allocations.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. This item is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this new item because economic impacts of COVID-19 threaten to undermine the housing security for Hayward residents.

PUBLIC CONTACT

Public input informed these recommendations in several ways:

- Discussion with nonprofit service providers about their clients' housing needs, including the proportion of clients in forbearance and trends in lenders' responses to households at risk of foreclosure
- Discussion with community members experiencing displacement due to natural disasters or otherwise unsafe living conditions
- Extensive stakeholder engagement through the LHH planning process, including discussion of homelessness prevention needs and concerns and the importance of racial equity in homelessness and housing policies and programs

Staff also plan to engage in substantial community outreach for the development of the Wealth Building Reparations Program.

NEXT STEPS

If supported by the HHTF, staff would either implement or further develop proposed programs based on the timeline in *Table 3*.

Table 3. Proposed Housing Stimulus Request Proposed Allocations

Program	Timeline
Implementation of Foreclosure Prevention Loan Program	FY 2022
Implementation of Relocation Assistance Emergency Fund	FY 2022
Development of Wealth Building/Reparations Program	FY 2023
Development of Tax-Defaulted and Foreclosed Property Acquisition Assistance Program	FY 2023

The Wealth Building Program and the Tax Defaulted and Foreclosed Property Acquisition Assistance Program are included as initial concepts for feedback. If supported by the HHTF,

staff would return to the HHTF in FY 2023 with fully developed programs for consideration. Again, staff will return to Council with a budget appropriation for expenditure of stimulus funding in July 2021. Funding provided under the federal stimulus must be fully expended by December 2024.

Prepared by: Christina Morales, Housing Division Manager
Amy Cole-Bloom, Management Analyst II
Doris Tang, Management Analyst I

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

Kelly McAdoo, City Manager

ATTACHMENT II
UPDATED Plan and Process for Expenditure of Stimulus Funding
per Treasury Guidelines

[HHTF review items highlighted in grey shading]

A. SUPPORT PUBLIC HEALTH EXPENDITURES, INCLUDING CAPITALIZING INVESTMENTS IN PUBLIC FACILITIES TO MEET PANDEMIC OPERATIONAL NEEDS					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Technology Investment in City Operations	Information Technology	\$2,700,000	FY22, FY23, and FY24	CIC review and recommendation	July Stimulus Budget Approval
Building Safety Upgrades	Maintenance Services	\$300,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
Weekes Branch Feasibility Assessment	Library	\$40,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Fire Training Center Funding Gap	Fire /Public Works	\$1,600,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
The Stack Contribution	City Manager's Office	\$2,000,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
TOTAL		\$6,640,000			
B. ADDRESS NEGATIVE ECONOMIC IMPACTS CAUSED BY THE PUBLIC HEALTH EMERGENCY					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Economic Development Business Recovery	City Manager's Office	\$2,000,000	Various programs over all 3.5 years	Outreach to business community, and CEDC review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Community Agency Funding Augmentation	City Manager's Office	\$500,000	FY22 and FY23	May 19 th CSC review and recommendation	July Stimulus Budget Approval
Extend Hotel Annex Program	City Manager's Office – Community Services	\$3,000,000	FY22 and FY23	Let's House Hayward! process and plan	July Stimulus Budget Approval and Let's House Hayward! Council Approval
Expand Winter Warming Shelter Year Round	City Manager's Office – Community Services	\$2,000,000	FY22, FY23, and FY24	Let's House Hayward! process and plan	July Stimulus Budget and Let's House Hayward! Council Approval
Let's House Hayward! Plan Recommendation – Flexible Funding	City Manager's Office – Community Services	\$1,500,000	FY22, FY23, and FY24	Let's House Hayward! process and plan	July Stimulus Budget and Let's House Hayward! Council Approval
Hayward Navigation Center Contribution	City Manager's Office – Community Services	\$1,000,000	FY22 or FY23	June HHTF	July Stimulus Budget Approval
Foreclosure Legal and Financial Assistance	City Manager's Office – Housing	\$1,000,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews

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[HHTF review items highlighted in grey shading]

Relocation Assistance for Displaced Tenants	City Manager's Office – Housing	\$250,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
First-Time Homeowner Downpayment Assistance Program	City Manager's Office – Housing	\$2,000,000	FY22, FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Tax-Defaulted/Foreclosed Property Program	City Manager's Office – Housing	\$1,000,000	FY23, and FY24	Outreach to housing stakeholders, and June HHTF review and recommendation	July Stimulus Budget Approval and 6-Month Reviews
Hotel Vouchers for Encampment Abatements	Maintenance Services and Police Department	\$175,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
Encampment Clean-Ups	Maintenance Services	\$875,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
Mobile Pressure Washer for Encampment Clean-Up	Maintenance Services	\$50,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Operation Clean Sweep – Citywide Enhanced Clean-Up	Maintenance Services	\$350,000	FY22, FY23, and FY24	Complete	July Stimulus Budget Approval
TOTAL		\$15,700,000			
C. REPLACE LOST PUBLIC SECTOR REVENUE					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Replacement of Lost Public Sector Revenue	Finance	\$14,500,000	FY22	Complete	July Stimulus Budget Approval
D. INVEST IN WATER, SEWER, AND BROADBAND INFRASTRUCTURE					
Project	Department Lead	Budget Amount	Phasing	Outreach & Review	Budget Appropriation
Tech Lending Library: Chrome Books/Hot Spots for 3 Years	Library	\$388,000	FY22	CIC review and recommendation	July Stimulus Budget Approval
Corporation Yard Renovation to Support Infrastructure Work	Maintenance Services/Public Works	\$900,000	FY22 and FY23	CIC review and recommendation	July Stimulus Budget Approval
Fleet Shop Expansion to Support Infrastructure Work	Maintenance Services	\$250,000	FY23, and FY24	CIC review and recommendation	July Stimulus Budget Approval
TOTAL		\$1,540,000			

ATTACHMENT II
UPDATED Plan and Process for Expenditure of Stimulus Funding
per Treasury Guidelines

[HHTF review items highlighted in grey shading]

REMOVED DUE TO INELIGIBILITY AND/OR PLANNED FUNDING FROM OTHER SOURCE OF FUNDS				
Project	Department Lead	Phasing	Outreach & Review	Budget Appropriation
Replenishment of General Fund Reserves	Finance			
Repayment of Employee Concessions	Finance/Human Resources			
Security Cameras in Garage and Heritage Plaza	Maintenance Services/Public Works			
Enterprise Transfer Site Paving	Maintenance Services			
Mission Blvd Phase 3 Contribution	Public Works			
City Hall Intercom/Communication System	Maintenance Services			
Fully Electric Utility Vehicle	Maintenance Services			
Public Safety Workshop Pilot Contribution	City Manager's Office			
Rescue Pumper Vehicle	Fire/Maintenance Services			