

CITY COUNCIL MEETING

DECEMBER 8, 2020

PRESENTATIONS

PRESENTATION

**2019 CALED AWARD
OF EXCELLENCE FOR
COLLABORATION**

SHEA PROPERTIES



**California Association for
Local Economic Development**

**2019 Award of Excellence
Economic Development Collaborations**

**“Industrial 2.0: Advanced Industries Business
Attraction Through Developer Partnerships”**

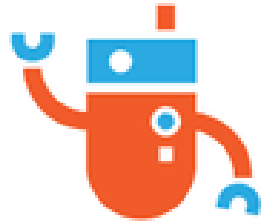
**The City of Hayward’s Collaboration
with
Shea Properties**

Shea Hayward Center Planned Development District

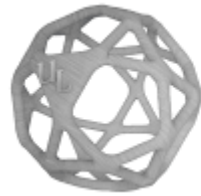


- ▶ Rezone of business park into a modern light-industrial park designed to attract Advanced Industry businesses and create STEM job opportunities.
- ▶ Constructed four “Class A” buildings, totaling 275,000 square feet

Fully Tenanted in 2019 = 300 New Jobs



QUARTZY



UNIFORMITY
LABS



Falck



IRONRIDGE



LimeBike



Supports Adjacent Retail Center

- ▶ Entitled project site sat vacant for many years due in part to lack of surrounding daytime population
- ▶ Construction completed in 2019 and is fully tenanted

New Retail Tenants = 100 new jobs



FIVE GUYS
BURGERS and FRIES



ROUND TABLE
PIZZA ROYALTY



Orangetheory
FITNESS



Katsuo
SUSHI & GRILL

Blue Ginger
INDIAN RESTAURANT

KIKI Brows





- ▶ Award recognizes the City for collaborating with a developers to meet economic development goals
- ▶ Establishes a best practice for attracting advanced industries and supporting STEM job creation.

WORK SESSION

ITEM #10

WS 20-049

COMMERICAL CANNABIS PROGRAM

Commercial Cannabis Program Work Session

Jeremy Lochirco, Principal Planner
Eliza Johnston, ICF
Jubran Kanaan, ICF
Ben Goossen, ICF



Summary

Background:

- Objectives of Program Update
- Key Findings on Program Evaluation

Proposed Program Updates:

- Revised Licensing Review and Selection Process
- Proposed Social Equity Component
- Updated Evaluation Criteria

Additional Policy Considerations:

- Zoning and Land Use
- Regulation of Ancillary Uses
- Expansion of Existing Cannabis Operations
- Auditing and Compliance

Feedback on Program and Policy Considerations

Objectives of Program Update



Increase the Number of Businesses in Hayward

Understand barriers that impede licensees from becoming operational



Refine Application and Licensing Processes

Derive lessons from first round RFP; streamline processes; clarify requirements; propose revisions



Strengthen Auditing and Compliance Processes

Ensure compliance with state/local regulations; implementation of commitments; annual renewals



Develop Mechanisms to Maximize Community Benefits

Explore options for maximizing community benefits, including possible social equity program component



Ensure Organizational Capacity and Full Cost Recovery

Assess full range of City functions related to cannabis; propose enhancements; ensure cost recovery



Update Commercial Cannabis Ordinance and Land Use Ordinance

Update Ordinances to clarify language, align with State regs, and reflect updated program elements

Work Plan Outreach Components



Collect feedback from City departments key to program implementation



Conduct stakeholder interviews with selected current Hayward licensees



Review successful practices employed by other comparable jurisdictions in California and across the country



Propose program options and specific revisions to cannabis ordinances, application and licensing materials, master fee schedule, etc.



Conduct additional work sessions with City Council and Planning Commission

Findings on Program Evaluation: Summary

- While Hayward's progress in operationalizing its cannabis program has been slow, it is performing roughly on par with many other jurisdictions in Alameda County and across California.
- Identified two significant areas of potential improvement:
 1. Strengthening internal organizational capacities and coordination
 2. Streamlining the land use entitlement process for cannabis businesses

Findings on Program Evaluation:

Business Licensing Process (i.e., RFP, Application, and Review)

Broad consensus that the RFP process is robust and impartial; however, there is a desire to streamline where possible

■ *Challenges with Current Approach:*

- Time consuming for both staff and applicants
- The quality of written applications submitted often did not correlate with the ultimate quality of the proposer/applicant team
- Some complaints from applicants over application requirements, process (e.g., interviewing only the top scorers in each license type), shifting criteria for interviews (e.g., lowering point thresholds), etc.

■ *Potential Improvements:*

- Conduct pre-application review/screening to weed out non-serious applicants, and interview all candidates at an earlier stage in the process
- Require site control to allow for concurrent applications for BOP and CUP
- Defer to state licensing requirements wherever possible
- Update and clarify key requirements/thresholds for approval

Findings on Program Evaluation: Land Use Entitlement Processes

Many licensees described the process as a major impediment to getting their businesses operational. Opportunity to improve administrative efficiency.

■ *Challenges with Current Approach:*

- Licensees felt that the process was cumbersome and more demanding/detailed than in other cities
- Long delays in City response and multiple rounds of back-and-forth iterations
- Some duplication with state requirements
- Applicants without a pre-selected location had difficulty finding a site, developing a site-specific operational/safety plan, and submitting a planning application within the stipulated timeframe

■ *Potential Improvements:*

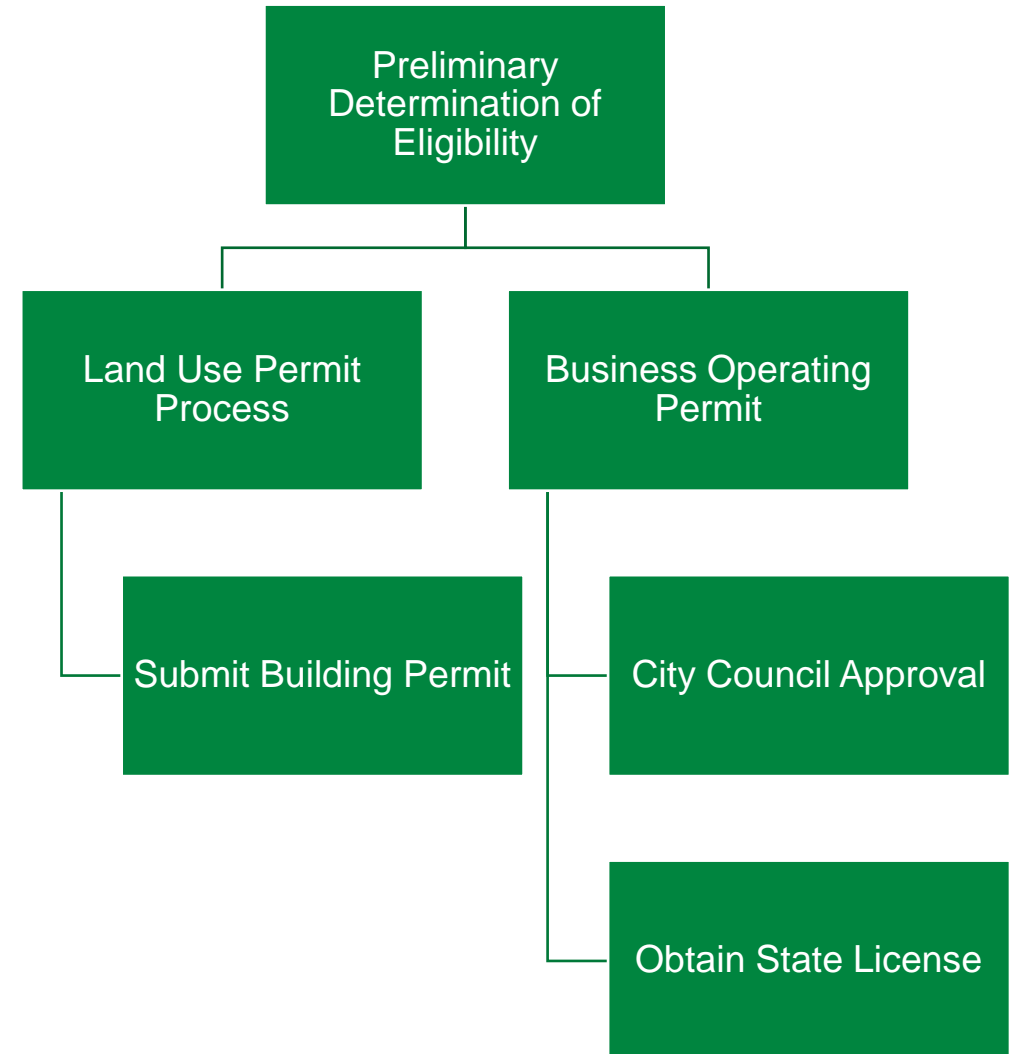
- Remove duplication with the state requirements (e.g., product tracking, waste management, hours of operation, etc.) and other regulatory issues covered by the business licensing
- Clarify what requirements need to be met up-front vs. those that can be handled during later operational compliance processes
- Consider revising zoning for allowable locations of cannabis businesses
- Require concurrent BOP and CUP processes to allow applications to begin the time intensive process earlier

Proposed Updates to Hayward's Cannabis Licensing Review and Selection Process

Recommended Licensing Process Updates

Proposed Process: Streamlines the City's existing RFP process by delineating three components, with the latter two *running concurrently*:

- 1. Initial screening process** to determine applicant eligibility;
- 2. Land use permit process**, focusing primarily on site-specific requirements and;
- 3. Concurrent business operating permit process**, focusing on broader operational and regulatory requirements.



Significant Changes



New pre-application screening process



Requiring proof of site control up front



Concurrent business licensing and land use entitlement processes.



Clarifies requirements for each stage of the process



Eliminates duplication between internal process and the state regulations

Benefits of the Proposed Process

1. **Maintains the rigor of the existing RFP selection process.**
2. **New initial screening phase helps eliminate unqualified applicants and better uses limited city staff time and resources.**
 - The new pre-application screening process provides a preliminary determination of eligibility before both the applicant and the city begin the time- and resource-intensive process of reviewing detailed application and business plan materials
3. **Streamlined processes increase administrative efficiency and decrease the time it takes applicants to become operational.**
 - **Removes duplication:** Clearly outlines responsibility and ensures that there is no duplication between material requirements for the business license permit and the land use permit. Additionally, the proposed process removes duplicative requirements that are sufficiently covered by the state regulations.
 - **Reduces complexity:** The proposed update simplifies the application requirements and clearly outlines approval criteria for each stage of the process.
 - **Improves coordination and information sharing between city staff:** Will allow city staff to utilize the most recent information from applicants to inform their decision making and improve consistency and efficiency.

Questions for Council Consideration

- Does Council agree with of the proposed updates to the City's cannabis licensing and land use entitlement process?
- Any additional guidance/feedback on future rounds of commercial cannabis licensing?
- *Other questions from Council?*

Proposed Social Equity Components

ICF has identified several components that could be included as part of an integrated social equity program:

- *Require Half of Approved Applicants Be Equity Applicants*
- *Provide Priority Permit Processing for Equity Applicants*
- *Cannabis Related Possession Offenses Would Not Exclude Applicants From Obtaining A License*
- *Provide Technical Assistance For Cannabis Business Ownerships*

Questions for Council Consideration

- Does Council agree to include a social equity component in the next round of commercial cannabis licensing?
- Any feedback on any of the four proposed equity components?
- *Other questions?*

Proposed Application Components

Similar to previous criteria adopted by Council in 2017, staff is recommending applicants be evaluated on the following components as part of the review process for a Commercial Cannabis license:

- Business Structure & Business Plan
- Local Ownership and Control
- Community Benefit Proposals
- Social Equity Criteria
- Labor and Employment Practices

Questions for Council Consideration

- Does Council want to remove (or amend) the Community Benefits criteria from the updated application process due to the supplemental 1% sales tax increase that was approved in 2018?
- Does Council recommend that any additional components be included?

Additional Policy Considerations

Zoning and Land Use

- Manufacturing, Cultivation, Distribution, Delivery and Testing Labs are permitted or require an AUP or CUP in Industrially zoned areas of City.
 - Currently no limit to number of non-retail cannabis licenses
- Retail Dispensaries are limited to Downtown Core and scattered areas in the General Commercial Zoning District.
 - Currently limited to three storefront retail dispensaries
- Microbusinesses (Type 12) are smaller in size/scale and require applicants provide three of four activities listed above
 - There are five microbusiness licenses in the City
 - The retail component (storefront and non-storefront) is limited in size and availability of products sold.
- Manufacturing (Level 1) is allowed; Level 2 is currently prohibited

Questions for Council Consideration

- Does Council want to maintain the retail cap at three?
- Does Council want to limit any other cannabis uses in the City?
- Does Council want staff to explore other areas in the City where the zoning could be amended to allow cannabis?
- Does Council want to maintain the current size limitation for ancillary retail operations associated with microbusiness and/or does the Council want to limit the retail operation to non-storefront only?
- Does Council want to maintain a prohibition of Level 2 cannabis manufacturing activities throughout the City?

Ancillary Cannabis and Cannabis Related Activities

- Labs licensed by the State often test cannabis products to ensure the product meets public safety standards prior to consumption.
- Many testing labs, including the one lab in Hayward, test a variety of products to ensure public safety – cannabis is one component of a much larger testing operation
- Other business activities, such as waste haulers, may require a distribution license due to the transfer and disposal of cannabis waste products, but the type of activity that requires this license is different from other non-traditional cannabis distributors.
- The City has received multiple inquiries from business operators who are looking to establish a location in Hayward; however, the current regulatory framework is not conducive for these operators to get established.

Questions for Council Consideration

- Does Council want operators who handle cannabis as an ancillary activity, such as testing labs, to be subject to the same evaluation, review, and selection process as operators who handle cannabis as a primary activity, such as cultivation or retail dispensaries?
- Does Council want non-traditional cannabis applicants, such as waste haulers who require a distribution license, be subject to the same review and selection process as more traditional cannabis applicants who require a distribution license?

Expansion of Existing Cannabis Uses

- Several existing operators have expressed interest in expanding their operation to include other cannabis activities
- Current regulatory ordinance requires applicants follow current process for background checks, review of business plans, etc. prior to consideration.
- For established operators who have already been vetted and selected, this presents challenges for an emerging industry
- Several applicants that were selected in Rounds 1 and 2 did not file land use application in a timely manner
- Some applicants secured cannabis license for Round 1 activities but did not vest the cannabis activity for Round 2

Question for Council Consideration

- Does Council support a separate, expedited review process for existing operators who have already obtained their cannabis license and are now seeking to expand their business to include other cannabis uses?

Strengthen Auditing and Compliance

Staff propose to establish a more explicit and robust system for cannabis auditing, inspection, and compliance reporting to ensure that licensees are complying with relevant state/local regulations and following through on their stated intentions from their license applications.

Challenges with Current Approach:

- Current inspections are costly and inefficient. There is confusion regarding each City department's role.
- Consistent discrepancies between the building plans being submitted by the licensees to the Planning Division vs. those being submitted to the Building Division.
- Unrealistic to assume that the state Bureau of Cannabis Control (BCC) will be able to handle statewide inspections and compliance, due to the high number of cannabis establishments and low number of "enforcement officers" throughout California.

Strengthen Auditing and Compliance

Potential Improvements:

- Improve coordination of compliance inspection processes between the various divisions involved.
- Clarify systems, procedures, and timing of various inspection processes (initial and periodic) for licensed cannabis businesses.
- Ensure ongoing compliance monitoring of key operational issues (e.g., new employee background checks/clearances, parking, emergency access, waste disposal, security, lighting, storage of chemicals, product storage, etc.).
- Create integrated inspection checklists to ensure coverage of all key issues and division of labor.
- Consider a potential range of penalties/incentives (beyond license revocation) for ensuring compliance and/or enabling corrective actions.
- Incorporate command central software to ensure compliance with CUP requirements.

Questions for Council Consideration

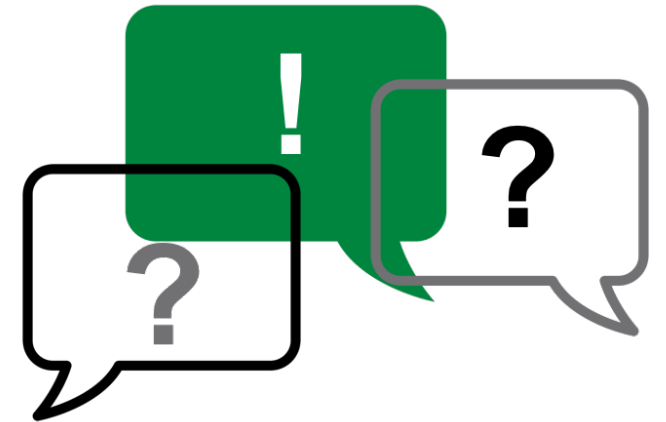
- Does the Council support **full cost recovery** for administration and enforcement of the cannabis program in the City? This may require an increase of the annual cannabis license fee, which is currently \$15,000 per year.
- Does the Council support the **assessment of fines for illegal operations** to strengthen deterrence and help shift businesses into the regulated market? This would require an update to the City's Master Fee Schedule to include new fines specific to illegal cannabis activities.
- Does the Council want to **continue to allow cannabis operators the ability to transfer a minority share of ownership**, consistent with the provisions discussed?

Next Steps

Following direction from the Council, staff will continue its work program to strengthen key elements of the cannabis program and update the regulatory and land use ordinances, with a goal of launching a new round of applications in late Spring 2021.



Council Feedback



Updated Licensing Process

- Does Council agree with of the proposed updates to the City's cannabis licensing and land use entitlement process?
- Any additional guidance/feedback on future rounds of commercial cannabis licensing?
- *Other questions from Council?*

Proposed Social Equity Component

- Does Council agree to include a social equity component in the next round of commercial cannabis licensing?
 - Require half of approved applicants be equity applicants
 - Provide priority processing for equity applicants
 - Cannabis-related possession offences do not exclude applicants from getting a license
 - Provide technical assistance for cannabis business ownership
- Any feedback on any of the four proposed equity components?
- *Other questions?*

Proposed Application Components

- Does Council want to remove (or amend) the Community Benefits criteria from the updated application process due to the supplemental 1% sales tax increase that was approved in 2018?
- Does Council recommend that any additional components be included?

Zoning and Land Use

- Does Council want to maintain the retail cap at three?
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- Does Council want staff to explore other areas in the City where the zoning could be amended to allow cannabis?
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Ancillary and Other Cannabis Activities

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Expansion of Existing Businesses

- Does Council support a separate, expedited review process for existing operators who have already obtained their cannabis license and are now seeking to expand their business to include other cannabis uses?

Auditing and Compliance

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- Does the Council want to **continue to allow cannabis operators the ability to transfer a minority share of ownership**, consistent with the provisions discussed?

PUBLIC HEARING

ITEM #11

PH #20-090

**1032 CENTRAL BLVD
PROPERTY DISPOSITION**

City Manager's Office:

1032 Central Property Disposition: Adopt A Resolution Making Findings to Designate the 0.24-Acre City Owned Parcel Located at 1032 Central Boulevard as Surplus Property to Begin the Surplus Property Process Consistent with the Surplus Property Land Act

Monica Davis, Community Services Manager

Architectural blueprints are shown on the left side of the slide, featuring various technical drawings, dimensions, and annotations. The blueprints are partially unrolled, showing detailed site plans and structural layouts. The background is a light, textured surface.

Surplus Property Land Act (AB 1486)

- As a part of the 2019 Housing Legislation, the State of California tightened control over cities' ability to dispose of land
- Requires legislative bodies to take formal action to declare land surplus
- Requires notice of availability to housing sponsors that have notified Department of Housing and Community Development

1032 Central Boulevard



- 1032 Central Boulevard is located adjacent to Parcel Group 5
- In 2013, the City abated the property due to unsafe conditions and it has remained vacant
- In February 2019, Council adopted a resolution to file a Chapter 8 request for the purchase of the property
- On July 30, 2020, the City purchased property from Alameda County Tax Collector's Office for \$38,082

Staff Determination

- Staff has determined that 1032 Central Boulevard is no longer needed for any other future City use



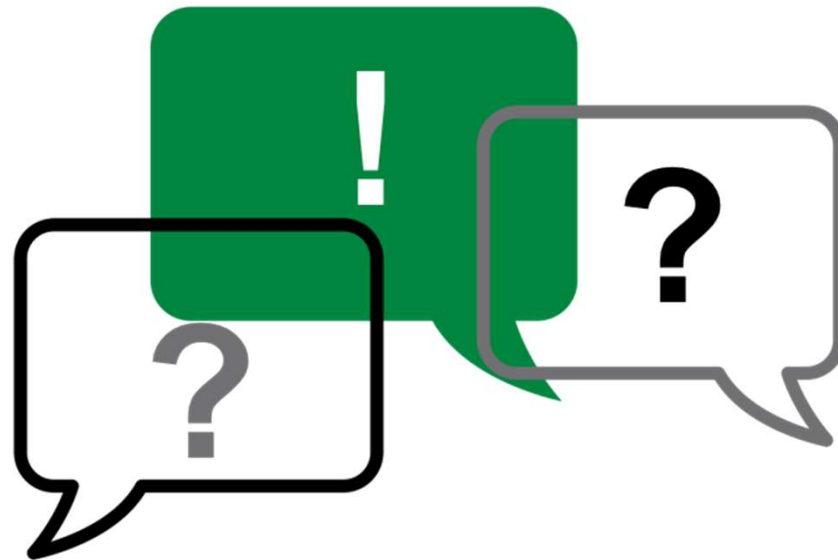
Recommendation

That Council adopts a resolution designating the 0.24-acre City owned parcel located at 1032 Central Boulevard as surplus property and authorizing the City Manager to begin the surplus property process consistent with the Surplus Property Land Act.

Next Steps

- Staff will develop and distribute a Notice of Availability to required public agencies and housing sponsors certified by CalHFA that provided notice to HCD of their interest in acquiring surplus land
- If a housing sponsor responds, City will negotiate in good faith for a minimum of 90 days
- If there is no response or if negotiations fail to result in sale or lease, the City can proceed with marketing and sale or lease to a third party

Questions

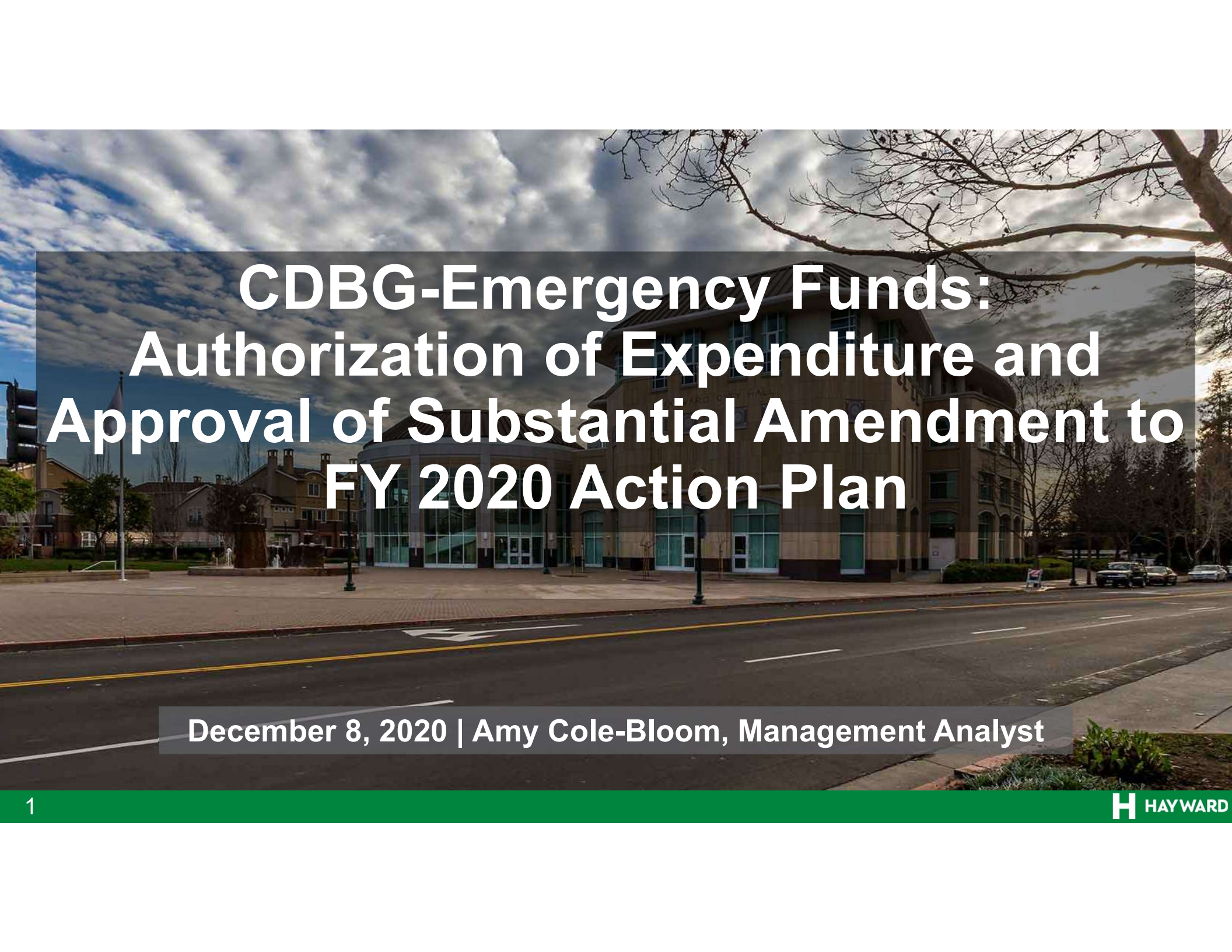


PUBLIC HEARING

ITEM # 12

PH #20-088

**COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG)
COVID-19
EMERGENCY -RELATED
FUNDING AND
SUBSTANTIAL AMENDMENT
TO CDBG
FY 2020
ANNUAL ACTION PLAN**



CDBG-Emergency Funds: Authorization of Expenditure and Approval of Substantial Amendment to FY 2020 Action Plan

December 8, 2020 | Amy Cole-Bloom, Management Analyst

Agenda

- CDBG Funding
- Substantial Amendment
- Available Funds
- Recommended Use of Funds
- CSC Input & Public Comment
- Tenant Rent Relief Program Update
- Next Steps

CDBG Funding Differences

CDBG Entitlement (CDBG-EN) Funds

- Annual entitlement award for FY 2021: \$1,533,721
- Allocated by Council based on CSC's recommendations in June 2020
- Available FY 2021

CDBG COVID-19 (CDBG-CV) Funds

- Emergency funds allocated from the CARES Act for COVID-19 response:
 - Round 1 (CDBG-CV1): \$902,238
 - Round 3 (CDBG-CV3): \$1,191,514
- Both allocations supplemented with unspent FY 2020 CDBG entitlement funds
- Separate Substantial Amendment required to access and spend each round of funding

HUD Guidance for COVID-19 Response

HUD Regulation Waiver

- HUD has waived...
 - 30-day public comment period and Citizen Participation Plan requirements to a) enable social distancing and b) expedite disbursement of CDBG-CV funds
 - The 15% public services spending cap to allow grantees to spend more CDBG-CV on emergency response services like food banks, homeless outreach and shelter, childcare, financial assistance, and legal services

Round 3 Allocation Methodology

- Awarded in September 2020
- Allocation intended to focus on households facing high job loss, risk of eviction, and risk of virus transmission

CARES Act Rd 1 Funding Recipients (1 of 2)

Funding Category	Recipient	Program	Funded Amount
Local food banks to promote food security for low-income and senior residents	Alameda County Food Bank	Pop-up Food Pantry	\$80,000
	Spectrum Community Services	Meal Program	\$50,000
	First Presbyterian Church	South Hayward Parish Food Pantry	\$50,000
	Alameda County Deputy Sheriff's Activities League	Restaurant Meal Delivery Program	\$50,000
Counseling and financial assistance to renters and homeowners	Bay Area Community Services	Tenant Rental Housing Relief Program	\$600,000
	A-1 Community Housing Services	Homeowner Counseling	\$75,000

CARES Act Rd 1 Funding Recipients (2 of 2)

Funding Category	Recipient	Program	Funded Amount
Homeless outreach and shelter services	Family Violence Law Center	Legal Services for Victims of Domestic Violence	\$50,000
	La Familia Counseling Services	FESCO Family Shelter Les Marquis House	\$25,000
	Ruby's Place	Shelter Services	\$25,000
	Love Never Fails	Hotel Kits for Trafficking Victims	\$16,000
	COH Housing Navigation Center	Shelter Services	\$334,000
Childcare services and support for childcare providers to prepare to re-open	Community Child Care Council (4C's) of Alameda County	Family Child Care Re-Opening Support Services	\$40,000
Referral and information services	Eden I&R	211 Line	\$25,000
Grants to micro-enterprises to promote recovery from COVID-19	COH Economic Development	Micro-enterprise Grant Program	\$50,000

CARES Act Rd 3 Substantial Amendment (SA)

- In order to distribute CDBG-CV3 funds as soon as they are received from HUD, Hayward must amend its FY 2020 Annual Action Plan (AAP)
- Hayward has already completed one SA to the FY 20 AAP to allocate the CDBG-CV1 funds in May 2020
- Two main components of substantial amendment:
 1. Reallocating uncommitted and unspent CDBG-EN funds from FYs 18-19 and 19-20 to COVID-19 response (\$392,913)
 2. Allocating additional CDBG-CV funds to COVID-19 response (\$1,191,514)

Rationale for Proposed Activities

- Proposed activities are based on:
 - Direction from HUD to focus on reducing risk of eviction and disease transmission
 - Direction from HUD that all funds must be used to prepare for, prevent, and respond to COVID-19
 - Conversations with community partners regarding their need and capacity



Proposed Activities (1 of 2)

- **Housing Displacement Prevention:** Increase the City's contribution to its new Tenant Rent Relief program and create a homeowner loan program to support low-income homeowners financially impacted by COVID-19 and at high risk of foreclosure
- **Economic Development:** Increase the City's contribution to the Economic Development Division's Small Business Assistance program
- **Health Facilities Support:** Allocate funds to St. Rose Hospital Foundation for medical equipment purchases to respond to COVID-19

Proposed Activities (2 of 2)

- **Permanent Supportive Housing Planning:** Set aside administration and planning funds for necessary first steps to explore the potential conversion of a local hotel into permanent supportive housing
- **Food Distribution:** Allocate \$75,000 from previously uncommitted CDBG entitlement funds to contract with Chabot to administer the City's food distribution site at Chabot College.
- **Administration:** Set aside a small portion of the Round 3 allocation (less than 2%) for the increased administrative costs of staff managing CARES Act funds along with the regular CDBG entitlement program

Proposed Funding for Activities

Planned Activities	Substantial Amendment Funding
Housing Displacement Prevention	\$1,065,327
Economic Development Grants	\$125,000
St. Rose Hospital Equipment Purchase	\$300,000
Food Distribution	\$75,000
Administration and Planning	\$119,100
Total	\$1,684,427

Total Funding for COVID-19 Response

CARES Act Allocations

- Round 1: \$902,238
- Round 3: \$1,191,514

Re-allocated CDBG-EN Funds

- First Substantial Amendment: \$571,365 from uncommitted funds
- Second Substantial Amendment: \$492,913 from unspent and uncommitted funds

TOTAL CDBG FUNDS = \$3,158,030

Community Services Commission Input & Public Comment

- Recommendations presented to Community Services Commission on November 18, 2020
 - Consensus in support of the priorities and rationale
 - Specific feedback for housing displacement prevention programming to allow rent relief grantees to apply for a second grant
- Draft Substantial Amendment posted on 11/30/20 for feedback and public comment

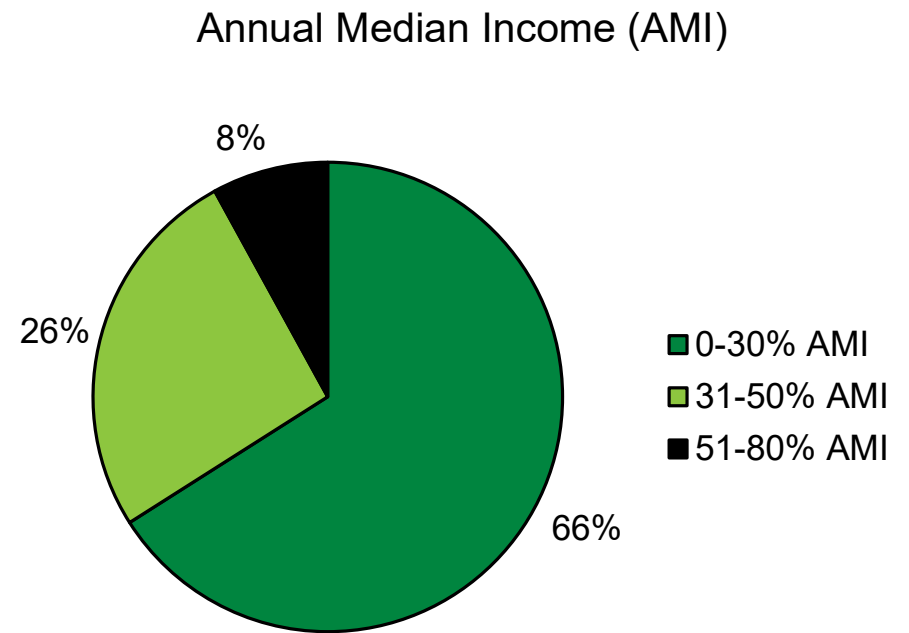
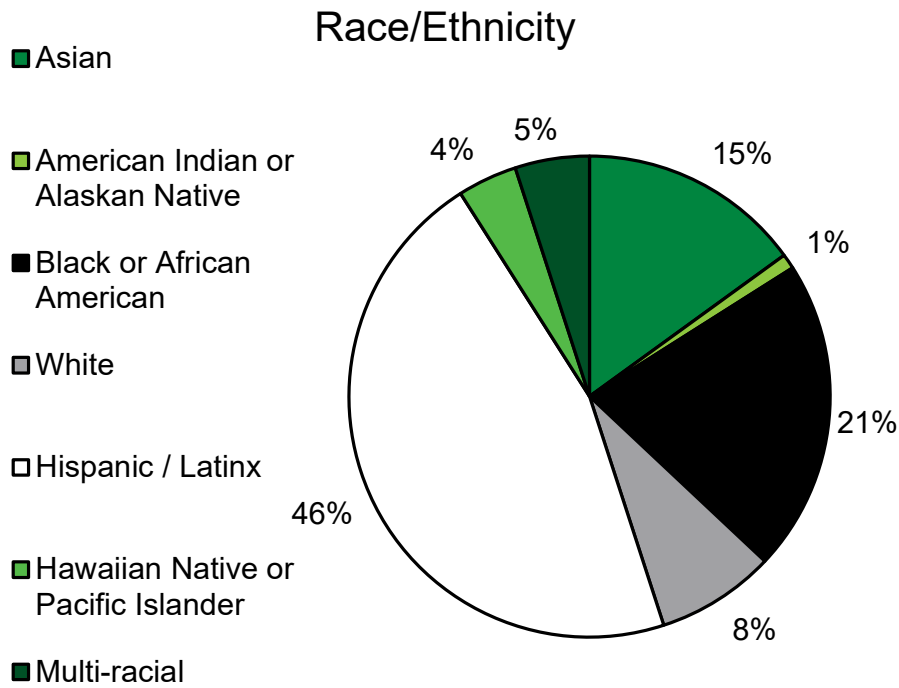


Rent Relief Program Update

Source	Amount Allocated	Amount Remaining
CDBG-CV1	\$600,000	\$50,007*
HOME	\$388,000	\$70,689

**Remaining CDBG funds are for indirect administration costs. All grant funds have been expended.*

Rent Relief Program Update

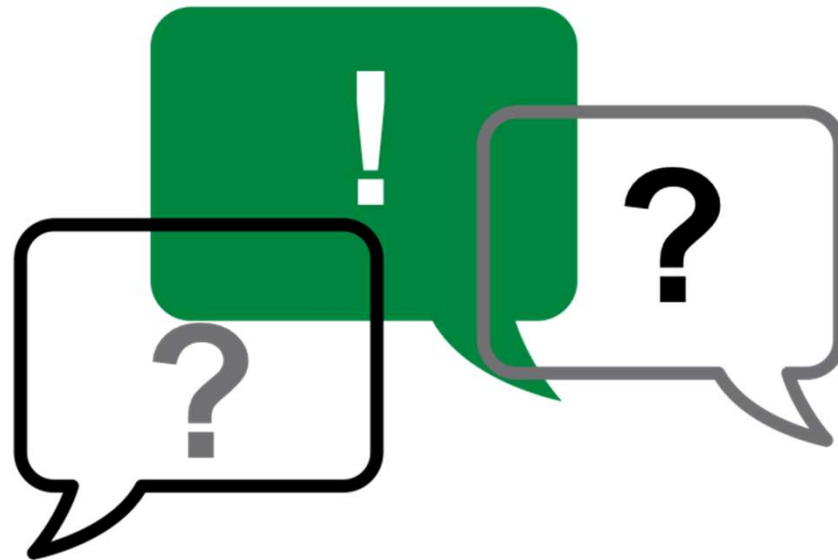


Next Steps

Substantial Amendment & CDBG-CV3

- November 30 – December 8: Substantial Amendment Public Comment Period
- December 8: City Council Public Hearing
- December 11: Staff submit SA to HUD
- Spring 2020: Staff report back to CSC and Council on status of CDBG-CV1 and CDBG-CV3 disbursement

Questions and Discussion



Available Funding

CDBG Project Categories	Current Funding	Unspent FY19 Funds	Proposed Changes	Total Funding	Notes
Administration & Planning	\$300,427	N/A	+ \$119,100	\$419,527	<i>Increase from Round 3 CARES Act funds to cover increased administrative costs and costs of planning related to potential hotel conversion</i>
Acquisition, Disposition, Clearance & Relocation	\$0	N/A	N/A	\$0	No changes proposed
Economic Development	\$389,999	N/A	N/A	\$389,999	No changes proposed
Housing	\$300,000	\$11,624	- \$11,624 (FY 19) - \$81,289 (FY 20)	\$218,711 (FY 20)	<i>Reallocate unspent funds to Public Services</i>
Public Facilities & Infrastructure Improvements	\$440,000	N/A	- \$400,000	\$40,000	<i>Reallocate unallocated funds to Public Services</i>
Public Services	\$253,551	N/A	N/A	\$253,551	No changes proposed
Public Services-CV	\$852,238	N/A	+ \$1,440,327	\$2,292,565	<i>Reallocate Unspent Housing and Public Facilities Funds and Increase from Round 3 CARES Act funds</i>
Economic Development-CV	\$50,000	N/A	+\$125,000	\$175,000	<i>Increase from Round 3 CARES Act funds for more small business assistance grants</i>
Total	\$2,586,215	\$11,624	+ \$1,191,514	\$3,789,353	<i>Allocate New Funds: Add \$1,191,514 from CARES Act to Public Services-CV and Economic Development-CV Move Unspent Funds to Public Services-CV: Add \$400,000 from Public Facilities, \$81,289 from FY 2020 Housing, and \$11,624 from FY 2019 Housing</i>

LEGISLATIVE BUSINESS

ITEM # 13

LB #20-060

**TEMPORARY HAYWARD NAVIGATION
CENTER HOTEL ANNEX PROJECT
EMERGENCY ACTION TO HOUSE
VULNERABLE HOMELESS INDIVIDUALS**

Temporary Hayward Navigation Center Hotel Annex Project

December 8, 2020
Jessica Lobedan, Management Analyst

Agenda

- Homelessness in Hayward
- Hayward Navigation Center Hotel Annex Project
- Update on Other Homelessness Efforts
- Next Steps

Homelessness in Hayward

A Growing Crisis

- 23% increase in homeless population from 2017 to 2019
- 76% of individuals who are homeless in Hayward are unsheltered



Exacerbated by the Pandemic

- Due to COVID-19 pandemic, many individuals are experiencing or are at risk of income loss, leaving them vulnerable to eviction or foreclosure and homelessness, and resulting in a more visible and acute crisis.
- At the same time, shelters have been required to reduce their capacity to allow for adequate social distancing. Navigation Center has been reduced from 45 to 25 beds.
- Safer Ground ending by January 31, 2021

Housing Navigation Center Annex Project (HNC Hotel Annex)

- Response to decompression of HNC due to COVID-19 and closure of County Safer Ground hotels
- Mirror current HNC program design but house residents at local hotel to provide isolation shelter to those with increased vulnerabilities
- Would serve up to 35 individuals experiencing homelessness



HNC Hotel Annex: Reducing Chronic Homelessness in Hayward

Population Served: HNC Annex will serve the most vulnerable individuals and will use the criteria outlined by Alameda County's Safer Ground

Service provider and delivery mode: Staff plan to continue partnering with BACS to provide care coordination and housing navigation, residential counseling, flexible funding to support success in permanent housing, and three meals daily

Focus on exits: HNC Hotel Annex designed to be temporary shelter with program design and resource allocation focused on supporting successful exits to permanent housing and avoiding displacement at the end of 6-month period

Cost and Budget

The total cost of the HNC Hotel Annex project will not exceed \$1.3 million and can be almost entirely absorbed in existing funding. There are funds remaining in original BACS contract because the HNC capacity had to be reduced this year.

Staff anticipate award of Permanent Local Housing Allocation (PLHA) funds in the amount of \$650,000 annually for five years. If awarded, PLHA funds could increase individuals served using \$90,000 of PLHA funds.

HNC Hotel Annex Capacity	Total Cost	Funding Source (Amount)
30 individuals	\$1,210,000	Appropriated General Fund (\$1,210,000)
35 individuals	\$1,300,000	Appropriated General Fund (\$1,210,000) PLHA (\$90,000)

City Manager Emergency Contracting Authority

- Given the growing homelessness crisis that is further threatened by the pandemic and the impending closure of County resources, it is imperative to move quickly to house this highly vulnerable population
- Similar to the process for implementing the Navigation Center, staff recommend that the Council waives all purchasing and bid requirements for the installation of facilities and services that are directly related to providing the HNC Hotel Annex project

Recommendation

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

Next Steps

Should Council approve staff's recommendation:

➤ **December 2020/January 2021**

- Finalize agreements with BACS and selected hotel vendor to open HNC Hotel Annex

➤ **January/February 2021**

- Open HNC Hotel Annex

Other Homelessness Efforts

HNC, Homelessness Reduction Strategic Plan, City Hall & Downtown efforts

Addressing Homelessness in Hayward

(1 of 2)

- Development of **Hayward Navigation Center** to provide shelter and housing navigation services to homeless Hayward adults
- Passage of the **Residential Rent Stabilization and Tenant Protection Ordinance** (RRSO) to reduce displacement of many Hayward renters
- Inclusion of **Preserve, Protect, and Produce Housing for All** in the Hayward Strategic Roadmap
- Passage of **Temporary Eviction Moratorium** through September 2020 for non-payment of rent and mortgage payments caused by COVID-19 to prevent evictions
- Passage of **Tenant Relocation Assistance Ordinance** to align with state law and guarantee assistance to renters displaced due to necessary substantial repairs or health and safety concerns

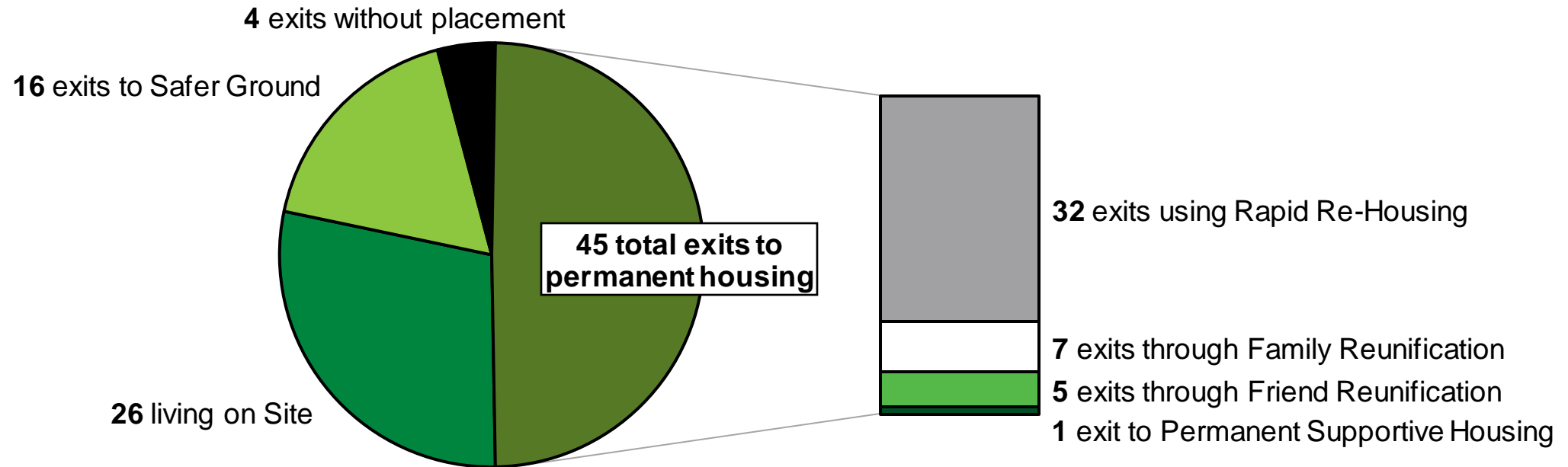
Addressing Homelessness in Hayward

(2 of 2)

- Allocation of **over \$900,000 for emergency rent relief grants** to support low-income renters and **\$75,000 for foreclosure prevention counseling** and education for homeowners experiencing financial impacts of COVID-19;
- Allocation of **over \$600,000 in CDBG emergency funds for food access and shelter services** for unhoused and at-risk individuals;
- Annual allocation of local and federal funds to **support projects and programs that address homelessness and housing** issues in the Hayward community;
- Approval of an agreement with Homebase, a strategic planning consultant, on September 22, 2020 to prepare a **five-year City of Hayward Homelessness Reduction Strategic Plan**

Housing Navigation Center

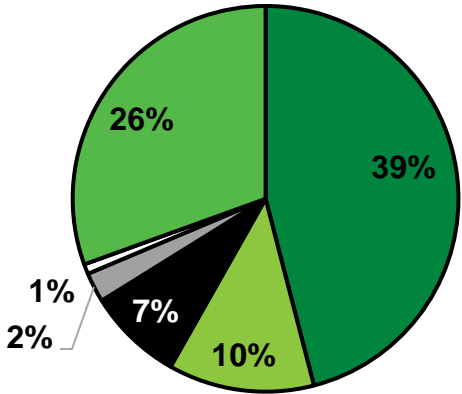
Year 1: HNC Program Exits by Type (n=91)



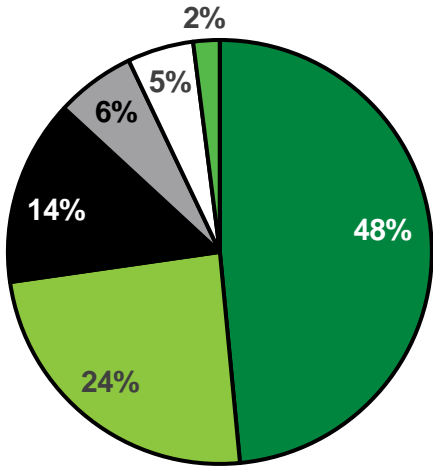
Excluding exits to Safer Ground, **92% success rate of exits to permanent housing**

HNC Lifetime Population Race & Ethnicity (n=91) compared to Hayward PIT Race (2019)

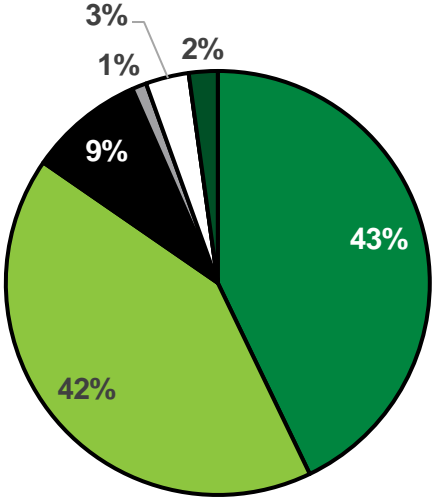
Hayward General Population (2019)



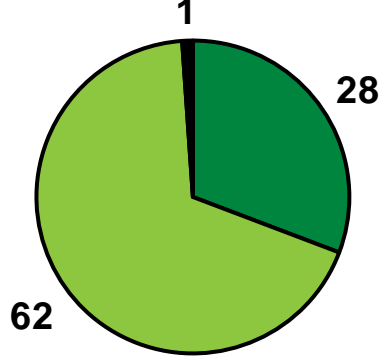
Hayward PIT (2019)



HNC Overall



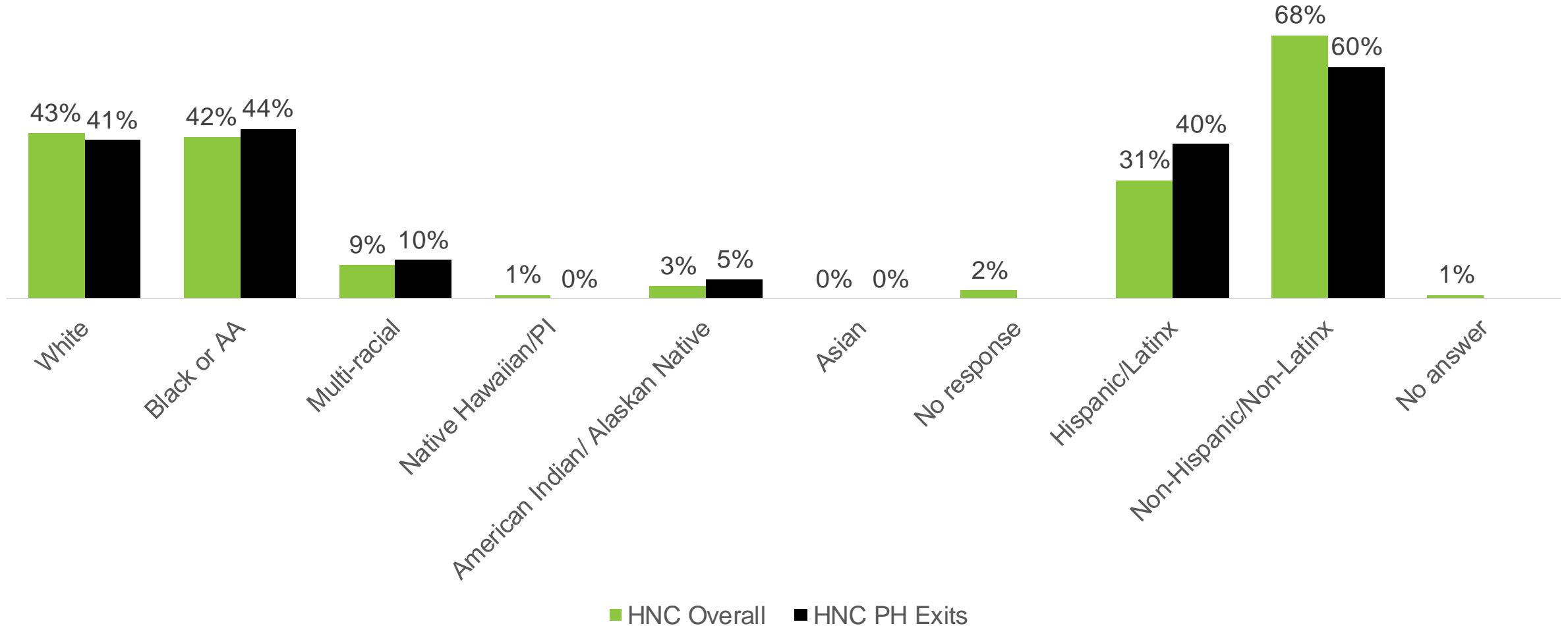
Ethnicity of HNC Clients



- White
- Multi-racial
- American Indian/ Alaskan Native
- No response
- Black or AA
- Native Hawaiian/PI
- Asian

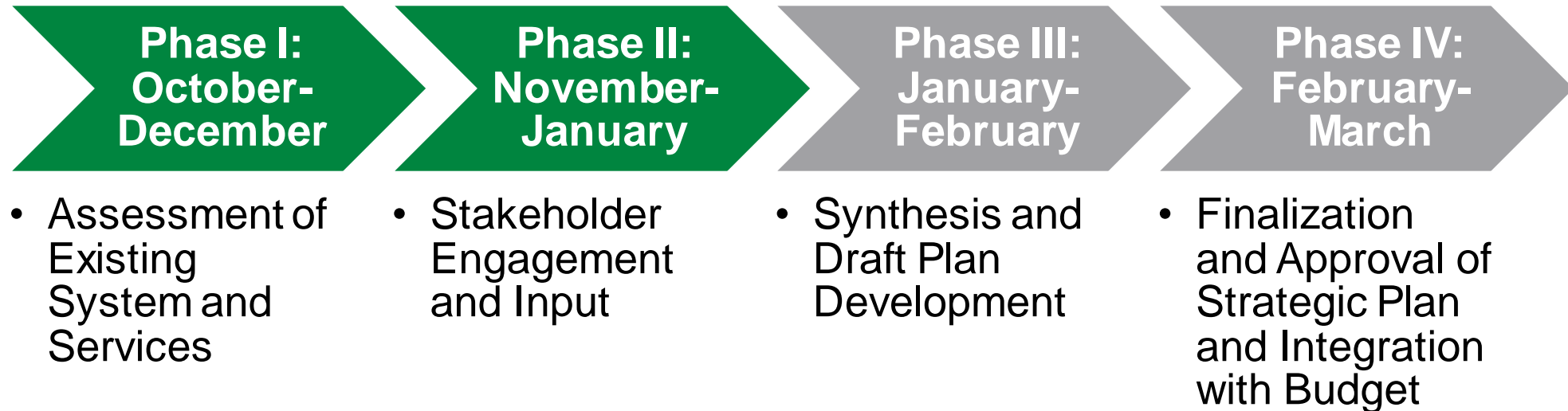
- Hispanic/Latino
- Not Hispanic/Latino
- No response

HNC Overall Demographics (n=91) compared to HNC Permanent Housing (PH) Exits Demographics (n=45)



Homelessness Reduction Strategic Plan

- Progress Update



City Hall & Downtown Efforts

As a result of the pandemic, shelter resources are limited and publicly available resources (e.g., restrooms at City Hall, library, and Peets) are unavailable which has resulted in increased visibility and impacts of homelessness.

- HPD increasing personnel Monday – Thursday day shift and Friday – Saturday night shift
- Maintenance Services hiring two temporary staff to provide daily cleanup
- Watkins Garage permanent restroom opening early 2021
- As part of Homelessness Reduction Strategic Plan, working with Hayward service providers, downtown businesses, and business interest groups to discuss problems and solutions in these areas
- Vacant Building Ordinance
 - Initial focus will be on high priority property locations (Downtown Hayward)
 - High priority monitoring and corrections review to take place in November 2020
- All upcoming outreach for Nav Center will be focused on these areas

Winter Shelter Services

South Hayward Parish

- Open 6:30pm-7am daily from 11/16/20-4/30/21
- 18 beds
- Must call 510-634-2229 to register in advance.

First Pres Hayward

- Open 10am-4pm M-F and
- 6:30pm-7am daily from 11/16/20-4/30/21
- 50 beds
- Must call 510-634-4750 to register in advance.

Questions and Discussion

