



DATE: May 23, 2023

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Bay Area Community Services (BACS) for Fiscal Year 2023-2024 Hayward Navigation Center Operations for an Amount Not-to-Exceed \$2,430,730 and Adopt a Resolution Authorizing the City Manager to Amend the City's Existing Permanent Local Housing Allocation (PLHA) Plan; and to Negotiate and Execute an Agreement with Ruby's Place, Inc. for the Purchase of Four (4) Mobile Housing Units ("Tiny Homes on Wheels") in an Amount Not-To-Exceed \$333,892

RECOMMENDATION

That the City Council:

- Receives an update on the Hayward Navigation Center and Hotel Annex programs (Attachment II)
- Adopts a resolution (Attachment III) authorizing the City Manager to negotiate and execute an agreement with Bay Area Community Services (BACS) for Hayward Navigation Center FY 2023-2024 operations in an amount not-to-exceed \$2,430,730
- Adopts a resolution (Attachment IV) authorizing the City Manager to amend the City's existing Permanent Local Housing Allocation (PLHA) plan; and to negotiate and execute an agreement with Ruby's Place, Inc. for the purchase of four (4) mobile housing units ("tiny homes on wheels") in an amount not-to-exceed \$333,892

SUMMARY

Over the past several years, the City has taken several aggressive local measures to address the growing homelessness crisis. This report contains updates on these initiatives, including: 1) the three-year progress report on the Hayward Navigation Center (HNC); 2) the final report on the Hayward Navigation Center Annex expansion program; and 3) a proposed change to use the City's Permanent Local Housing Allocation (PLHA) funding to increase capacity at the Ruby's Place shelter facility.

BACKGROUND

The Hayward City Council has long identified homelessness and housing affordability as key issues in the community and has supported local efforts to address these issues in conjunction with regional efforts. Hayward residents have also identified homelessness as a priority, citing it as the top concern in the City's 2021 Resident Satisfaction Survey with 70% of respondents categorizing it as either a very serious or extremely serious problem.¹ Over the past several years, the Council has taken several aggressive measures to address this crisis.

In October 2018, Council declared a shelter crisis in Hayward, finding that the health and safety of the City's growing homeless population is threatened by a lack of shelter.² Four months later, in January 2019, the Council extended the shelter crisis declaration through June 2021 and authorized the City Manager to take emergency action to implement the Navigation Center.³ The Hayward Navigation Center (HNC), operated by Bay Area Community Services (BACS), opened in November 2019 with a nightly bed capacity of 45.

Shortly after the HNC opened, the City Council declared a state of emergency on March 17, 2020, related to COVID-19 and authorized the City Manager to take action to protect vulnerable populations.⁴ In response to County Public Health Guidelines, Council authorized the implementation of the Hayward Navigation Center Hotel Annex ("the Annex") in December 2020 to provide individuals experiencing homelessness with safe, non-congregate shelter. The Annex program leased 35 unoccupied hotel rooms for six months for use by elderly and immunocompromised individuals, while also providing on-site supportive housing and housing placement services.

In July 2021, Council approved the City's Let's House Hayward! Plan (LHH Plan), a local homelessness reduction strategic plan.⁵ The plan uses a racial equity lens, aligns with existing regional plans, centers individuals with lived experience, leverages Hayward's strengths and previous efforts, addresses Hayward's unique needs, and establishes a pipeline of projects and programs that are community-driven to set the City up to quickly respond to upcoming funding and partnership opportunities. At the same time as adopting the LHH Plan, Council also

¹ December 7, 2021 Hayward City Council meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5347826&GUID=CAD2AF73-9B5D-4C1E-A85D-0B4965454D25&Options=&Search=>

² October 2, 2018 Hayward City Council meeting:

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

³ January 22, 2019 Hayward City Council meeting:

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

⁴ March 17, 2020 Hayward City Council meeting:

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

⁵ July 13th, 2021, City Council Meeting Agenda and Materials (LHH Plan):

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5028014&GUID=E5369F11-C504-413E-B317-E2797DF45328&Options=&Search=>

approved the City's Federal Stimulus Expenditure Plan, which outlined how the City would spend approximately \$38 million in American Rescue Plan Act (ARPA) funding. The Federal Stimulus Expenditure Plan included \$7.5 million in funding dedicated to homelessness for FY 2022 through FY 2024.⁶

On July 5, 2022, the Council received a comprehensive update on the City's homelessness reduction efforts.⁷ This report follows up on select topics addressed in the July 2022 report and will be accompanied by additional updates on other areas of the City's homelessness reduction efforts. An update on the City's Shallow Rental Subsidy Program is discussed in a separate item on the May 23, 2023, City Council agenda. Staff will bring a comprehensive LHH Plan update to the Homelessness-Housing Task Force (HHTF) on June 1, 2023.

DISCUSSION

Local Efforts to Address Homelessness

The Hayward City Council has made homelessness a top priority and has authorized various new and expanded programs over the past several years. Outlined below are updates on the City's key homelessness prevention and response initiatives, including the Hayward Housing Navigation Center (HNC) and Hotel Annex and staff's recommendation to increase capacity at the Ruby's Place domestic violence and family shelter.

Hayward Navigation Center Three-Year Update

On January 22, 2019, the City Council approved emergency actions to implement a Hayward Housing Navigation Center.⁸ The HNC opened less than a year later in November 2019. Currently, the HNC has a total capacity of 60 shelter beds. In the three years since its opening, the HNC has served 275 individuals experiencing homelessness. Individuals typically reside at the HNC for an average of 85 days, with BACS's outreach team referring new clients as beds become available. To date, 232 individuals have exited the program, the majority of whom (n=151 or 55%) have gone on to permanent housing. Additional demographic and exit data can be found in Attachment II.

Hayward Navigation Center Hotel Annex Final Update

In response to capacity restrictions at the HNC and to provide isolation shelter to those with increased vulnerabilities, Council authorized the use of a local hotel as non-congregate shelter for a six-month pilot period.⁹ Approved in December 2020, the HNC Hotel Annex opened in

⁶ July 13, 2021, City Council Meeting Agenda and Materials (Federal Expenditure Plan):
<https://hayward.legistar.com/LegislationDetail.aspx?ID=5028015&GUID=E0215022-6A47-486F-81C4-9BFB2583AE10&Options=&Search=>

⁷ July 5th, 2023 Hayward City Council meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=5709698&GUID=55CE1563-86DB-4F2F-8D3E-F5ADBBB68E84&Options=&Search=>

⁸ January 22, 2019 Hayward City Council meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=3838800&GUID=89EC3945-8050-428A-881C-6180A91CBA9A&Options=&Search=>

⁹ December 8, 2020 Hayward City Council meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4711813&GUID=0A99378E-4B2D-4ED2-A971-1C744D5D3E4D&Options=&Search=>

February 2021. Using a portion of the City's federal ARPA funding, the Annex was extended to operate through January 30, 2023.

The Annex provided 35 beds to homeless individuals with medical statuses that increased their vulnerability to the COVID-19 pandemic. Services were provided at the Vagabond Hotel and operated by BACS, and included on-site care coordination, housing placement assistance, meals, and room for pets and belongings. On-site care was modeled on the services offered at the HNC with modifications to allow individuals to safely isolate.

During its approximately two years of operation, the Annex served 143 clients. Individuals resided at the Annex for an average of 160 days, reflecting the additional difficulty placing elderly, disabled, or medically vulnerable individuals into limited supportive housing units. The majority of Annex participants (n=102 or 71%) exited into permanent housing. Additional demographic and exit data can be found in Attachment II.

Hayward Navigation Center FY 2024 Agreement for Services

BACS has been successfully operating the HNC since November 2019. Staff recommends that Council authorize the City Manager to negotiate and execute an agreement with BACS for FY 2024 Hayward Navigation Center operations for an amount not-to-exceed \$2.43 million (Attachment IV). As authorized by Council through the City's annual FY 2024 budget, Council has allocated \$1,127,261 in General Fund monies for the FY 2024 HNC operations. In addition to the General Fund allocation, HNC operations will be supported by funding received via the Permanent Local Housing Allocation (PLHA) and Homeless Housing, Assistance and Prevention (HHAP) Grants.

PLHA is a state-level funding source administered by the California Department of Housing & Community Development (HCD). On June 23, 2020, Council approved a plan for the use of PLHA funding for a projected total amount of \$3,910,410 in funding across five years and authorized the appropriation of the full amount of projected funds.¹⁰ In February 2023, HCD announced Round 2 and 3 PLHA allocations. The City was awarded \$1,012,988 in Round 2 and \$1,114,773 in Round 3, for a total of \$2,127,771.

HHAP consists of state-level funding awarded to Alameda County. The City is a subrecipient and provides all reporting and compliance to the Alameda County Office of Homeless Care and Coordination. Council authorized receipt and appropriation of \$589,391 in HHAP Round 2 funding in July 2021. The City has received notice it will receive \$308,414 in HHAP Round 3 funds and will return to Council to authorize and appropriate accordingly when the funds become available.

The proposed funding for the FY 2023-2024 HNC operations contract is funded by the combined use of the General Fund, a portion of the PLHA Rounds 2 and 3 allocations, and the

¹⁰ June 23, 2020 Hayward City Council meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4576654&GUID=DD031A6D-AA81-4633-A471-D51D3CF1CADA&Options=&Search=>

anticipated Round 3 HHAP award. Outlined below in Table 2 are the sources of funding for BACS' FY 2023-2024 HNC operations agreement.

Table 2: FY23-24 HAYWARD NAVIGATION CENTER CONTRACT FUNDING

Source	Amount
FY2024 General Fund Allocation	\$1,127,261
Permanent Local Housing Allocation	\$995,055
Homeless Housing, Assistance and Prevention	\$308,414
Total	\$2,430,730

Staff recommends that Council authorize the City Manager to negotiate and execute an agreement with BACS for FY 2023-2024 HNC operations for an amount not-to-exceed \$2,430,730 (Attachment IV).

Recommended Use for Additional PLHA Grant Funding

As discussed above, on June 23, 2020, Council approved a plan for the use of PLHA funding for a projected total amount of \$3,910,410 in funding across five years and authorized the appropriation of the full amount of projected funds.¹¹ Round 1 PLHA funding totaling \$651,735 was awarded in February of 2021. In February 2023, HCD announced Round 2 and 3 PLHA allocations. The City was awarded \$1,012,988 in Round 2 and \$1,114,773 in Round 3, for a total of \$2,127,771.

The Round 2 and Round 3 funding allocations exceeded the original funding projections. Based on State projections, staff anticipated Round 2 and 3 awards to total approximately \$1,303,470. With the excess PLHA grant funding, staff recommends Council adopt a resolution (Attachment IV) authorizing the City Manager to:

- Amend the City's existing PLHA plan to include allocation of funds to Ruby's Place; and
- Negotiate and execute an agreement with Ruby's Place, Inc. for the purchase of four mobile housing units ("tiny homes on wheels"), including applicable taxes and registration fees in an amount not-to-exceed \$333,892.

Ruby's Place is an East Bay-based nonprofit specializing in aiding individuals experiencing homelessness due to domestic violence, human trafficking, violent crime, and aging out of foster care. In addition to free mental health care services for low-income victims of crime, Ruby's Place has operated the nation's oldest incorporated shelter for victims of domestic violence at a confidential location in Hayward for over fifty years. Since 2001, the City has provided local and federal funding to Ruby's Place via the competitive Community Agency Funding process.

¹¹ June 23, 2020 Hayward City Council meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4576654&GUID=DD031A6D-AA81-4633-A471-D51D3CF1CADA&Options=&Search=>

In FY 2022-2023, the City awarded \$250,419 in CDBG funding to Ruby's Place to support expansion of its emergency housing services through the use of tiny homes on wheels at its existing property in Hayward. The existing facility was established through the rehabilitation of single-family homes purchased in 1985 and modified to provide multi-family emergency shelter. The tiny homes on wheels project aligns with emerging trauma-informed best practices for assisting victims of violent crimes by providing private living units for individual families.

Per the US Department of Housing and Development (HUD), purchase or construction of housing under CDBG is limited to permanent structures with foundations. As a result, Ruby's Place has used CDBG funding awarded for FY 2022-2023 to carry out infrastructure activities in preparation for installation of the tiny homes on wheels, including sewer connections, electrical service, access to playground facilities, and security features. However, an alternative funding source is required to complete the project. Staff recommends modifying the existing PLHA plan to use a portion of the greater-than-anticipated PLHA Round 2 and 3 funds to support the purchase of tiny homes for the site. Under the existing PLHA plan, Council directed funding to be used to fund HNC operations.

PLHA funding offers fewer restrictions than CDBG regarding eligible activities, with a broad definition for services to individuals experiencing homelessness. Staff have coordinated with HCD to ensure PLHA funding for the Ruby's Place tiny homes on wheels project is an eligible use of funds.

ECONOMIC IMPACT

There is a positive economic impact from reducing homelessness and poverty and moving individuals into permanent housing as part of the City's shelter and housing navigation programs.

FISCAL IMPACT

This item has no associated fiscal impact. All funds associated with the referenced agreements have been previously appropriated.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, and Produce Housing, under

- Project H1: Sustain the Navigation Center to House and Support People Experiencing Homelessness
- Project H2: Implement the Homelessness Reduction Strategic Plan

PUBLIC CONTACT

This item is related to the Let's House Hayward (LHH) Strategic Plan, under Strategy 2.1, to Expand Housing-Focused Shelter Capacity through continued oversight and management of the Hayward Navigation Center. Through the LHH process, Homebase, City staff, and partners throughout the Hayward community worked together to engage a diverse set of stakeholders to develop the plan.¹²

Prepared by: Rick Rivera, Management Analyst

Recommended by: Jessica Lobedan, Community Services Manager
Regina Youngblood, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager

¹² For more information on the Let's House Hayward! Strategic Plan process, please visit <https://www.haywardca.gov/lets-house-hayward>