



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, 2020,¹ 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.²

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=>

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, 2021⁴, 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.

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

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