



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 20-319, **Version:** 1

DATE: June 23, 2020

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Approve the City of Hayward’s Five-Year Permanent Local Housing Allocation Plan and Authorization for the City Manager and Assigned Staff to Submit an Application to the State of California Department of Housing Community Development for Permanent Local Housing Allocation Funds for the Hayward Navigation Center

RECOMMENDATION

That the City Council:

1. Receives and approves the Draft Permanent Local Housing Allocation Plan (Attachment II);
2. Adopts a Resolution Approving the City of Hayward’s Five-Year PLHA Plan (Attachment III); and
3. Adopts a Resolution Authorizing the City Manager and Assigned Staff to Submit an Application to the State of California Department of Housing Community (Attachment IV)

SUMMARY

Senate Bill 2 (the Building Homes and Jobs Act) has created the Permanent Location Housing Allocation (PLHA) program, which provides formula grants to entitlement jurisdictions based upon the formula prescribed under federal law for the Community Development Block Grant (CDBG) program.

The table below sets forth the PLHA amount of funding allocated to the City of Hayward in year 1 (actual) and an estimate of the amount of funding to be received during the initial five years of the PLHA Plan. Annual amounts will vary year to year based upon revenue realized under SB2.

	Year 1 Allocation	5 Year Estimate
City of Hayward Allocation	\$651,735	\$3,910,410

The primary goal of the PLHA program is to create a permanent source of funding available to eligible local governments in California for housing-related projects and programs to address unmet housing needs in their local communities. Staff proposes to allocate all PLHA funding to the Hayward Navigation Center to be able to continue operating this successful program. Since opening, the Navigation Center has placed 18 Extremely Low-Income individuals into permanent housing, which would have been even

greater, if the COVID-19 pandemic had not occurred.

The City used one-time Homeless Emergency Aid Program (HEAP) funds in the amount of approximately \$1.7M, along with proceeds from the sale of Parcels 1 and 10 of the former 238 properties, to build and operate the first year of the Hayward Navigation Center. While the City had anticipated seeing a similar revenue stream with the State's upcoming Homeless Housing, Assistance and Prevention (HHAP) funding, the anticipated revenue to be realized is estimated to be significantly lower and final awards from the County are uncertain and have not been finalized. Further, the COVID-19 pandemic has resulted and is expected to continue to result in significant reductions in revenues to the City's General Fund and other relevant revenues that are the primary source of local funds for the Hayward Navigation Center. Due to the Hayward Navigation Center's initial success, lower-than-anticipated homeless funding from the State, and the City's current fiscal challenges, staff recommends allocating all of the PLHA funds to the Hayward Navigation Center to help sustain the ongoing operations of this program that is critically important to the community at the same time minimizing its fiscal impact to the City's General Fund.

The PLHA Plan must be consistent with the programs set forth in the City of Hayward's Housing Element. The Draft Plan is consistent with the following City of Hayward Housing Element, Goal 6: Housing for Persons with Special Needs, under the following objectives:

- Objectives H-6.1: Address Special Housing Needs
- Objective H-6.2: Housing and Supportive Services
- Objective H-6.6: Support Organizations Servicing the Homeless Community.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Draft PLHA Plan
Attachment III	Resolution Approving Allocation
Attachment IV	Resolution Approving Plan
Attachment V	PLHA Eligible Activities