



DATE: June 16, 2026

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt Resolutions Authorizing the City Manager to Negotiate and Execute an Agreement with Bay Area Community Services for Fiscal Year 2026-2027 Hayward Navigation Center Operations for a Not-to-Exceed Amount of \$1,540,342

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Bay Area Community Services (BACS) for Fiscal Year 2026-2027 Hayward Navigation Center (HNC) operations for a not-to-exceed amount of \$1,540,342

SUMMARY

Over the past several years, the City has implemented proactive local measures to address the growing homelessness crisis. While these efforts have expanded resources and strengthened support systems for individuals and families experiencing homelessness, demand for emergency and interim shelter continues to exceed available capacity. At the same time, the need for intensive support services has continued, including behavioral health and mental health services, as well as higher-acuity needs among individuals experiencing homelessness.

The purpose of this report is to request City Council authorization for the City Manager to negotiate and execute an agreement with BACS for Fiscal Year 2026-2027 interim shelter operations in Hayward to continue providing essential shelter services and support to unhoused community members. In addition, this report outlines enhanced performance, accountability, reporting, and monitoring measures designed to ensure effective service delivery and satisfactory contractor performance.

FISCAL IMPACT

The adopted FY 2026-2027 Operating Budget includes \$681,069 in General Fund allocation to support this project. This is a reduction of \$1.6 million compared to the FY 2025-2026 General Fund cost of the HNC.

The attached resolution has no additional fiscal impact on the General Fund. All other funds associated with the referenced agreement have been previously approved and appropriated by City Council, including Opioid Settlement¹, Community Development Block Grant (CDBG) funding², and other local and state grants.

Table 1 below outlines the recommended sources of funding for BACS's FY 2026-2027 HNC operations agreement. In consideration of the City's financial position, staff negotiated substantial contract savings associated with the transition. Additionally, centralizing services resulted in natural savings due to co-locating multiple programs within a single site. This reduces duplication of core operational costs such as rent, utilities, security, maintenance, and administrative overhead, while also improving staffing efficiency by allowing programs to share frontline staff, supervision, and support roles.

Table 1: PROPOSED FY 2026-2027 HAYWARD NAVIGATION CENTER FUNDING

Source	Amount
FY 2026-2027 General Fund Allocation	\$681,069
Opioid Settlement Funds	\$196,636
Community Development Block Grant Funds	\$184,542
Other Grants	\$478,095
Total	\$1,540,342

Local investment strengthens the City's competitiveness for external funding opportunities by demonstrating the ability to leverage City resources alongside State, County, and regional funding sources. To support long-term sustainability, staff continue to pursue additional external funding opportunities, including active participation in Alameda County Measure W funding discussions and efforts to qualify for Alameda County Health's Housing and Homelessness Services Vendor Pool. Staff remain committed to identifying sustainable funding strategies to support the City's homelessness response system and will continue to update City Council as new opportunities become available.

BACKGROUND

Since declaring a shelter crisis in 2018, the City Council has pursued a range of strategies to address homelessness and expand shelter and supportive services in Hayward. Key City-supported initiatives include the HNC, a low-barrier interim shelter operated by BACS that provides housing navigation and supportive services under a Housing First model. The HNC

¹ March 5, 2024, City Council Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6561052&GUID=355597DF-7504-4108-A4BC-C67A50248439&Options=&Search=>

² May 5, 2026, City Council Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=8000835&GUID=F67B0A87-6E59-421D-9E4B-75661DBF1055&Options=&Search=>

provides essential interim housing and support services for unhoused residents and is a central component of the Let's House Hayward Strategic Plan and Alameda County's Home Together 2026 Plan. As State and Federal homelessness funding becomes increasingly uncertain, continued City investment remains critical to sustaining shelter operations and services.

DISCUSSION

HNC Program Outcomes

Since opening in November 2019, BACS has successfully operated the HNC, providing outreach, housing navigation, and flexible financial assistance to individuals experiencing literal³ homelessness. For most of the current fiscal year, the HNC operated 66 interim shelter beds and serves as a critical pathway to permanent housing.

Since its inception, the program has served 664 individuals. Of the 624 program participants who exited the program, 67% were successfully placed into permanent housing, reflecting strong outcomes consistent with the Housing First model. More recently, the HNC has achieved notable levels of successful housing placements. In FY 2024-2025, 81% of program participants exited to positive housing destinations. To date in FY 2025-2026, that percentage has increased to 88%, demonstrating continued improvement in housing outcomes and the effectiveness of the program's service model.

In May 2026, Alameda County Health Housing & Homelessness Services released the preliminary results of the 2026 Point in Time (PIT) Count. While the complete PIT Count report is expected later this year, the initial results indicated that the number of unsheltered residents decreased by 18% countywide, with overall homelessness declining by 13% compared to the 2024 PIT Count. Hayward experienced a 21% decrease in the number of people experiencing homelessness compared to the prior count, demonstrating that the City's continued efforts in programs like the HNC to address housing instability, homelessness, and co-occurring mental health challenges are making a positive impact.

HNC Program Updates in FY 2026-2027

As the HNC entered its sixth year of operations, the City partnered with BACS to relocate the program to Regis Village (Regis), a multi-service campus currently under development. This transition represents a strategic shift from a congregate shelter model to a non-congregate approach designed to better support participant stability, safety, and service engagement. The new site provides 44 non-congregate beds, comprehensive case management, behavioral health services, housing navigation, and peer support services in a centralized setting.

While the relocation will reduce overall bed capacity, the non-congregate model and co-location with onsite supportive services are expected to improve participant outcomes and operational efficiency. Experiences from the temporary HNC Annex demonstrated that non-congregate shelter settings can improve resident satisfaction, increase feelings of safety, and enhance engagement with supportive services.

³ Literal homelessness is a federal and clinical definition for individuals or families who lack a fixed, regular, and adequate nighttime residence.

HNC Contract: Performance and Accountability Measures

The City remains committed to ensuring that service delivery standards and performance measures are met now that the HNC transitions to the Regis Village campus, including appropriate utilization of public safety response systems. The current HNC operating agreement with BACS requires participation in coordination meetings and Alameda County Coordinated Entry System (CES) meetings, compliance with the Alameda County Emergency Homeless Shelter Standards for Year-Round Shelters⁴, immediate notification to the City of any major health, safety, or security incident, and adherence to performance measures related to data collection, length of stay and assistance, and program exits.

In response to Council and community questions and concerns about Regis Village, staff have updated the FY2026-2027 HNC operating agreement to include additional performance and accountability measures in the following areas:

1. Behavioral and Community Impact Measures
 - a. Good neighbor policy compliance
 - b. Timely response to neighborhood complaints and concerns
 - c. Appropriate utilization of first responders for medical, behavioral health, and emergency situations, including:
 - i. Tracking and monitoring calls-for-service trends
 - ii. Designating staff to assess and triage non-emergency situations prior to requesting emergency response, when appropriate
 - d. Participation in stakeholder meetings, including City coordination meetings and community engagement activities
2. Operational and Administrative Compliance
 - a. Maintaining adequate staffing levels to support the operational and service needs of the campus
 - b. Expanding and clarifying incident reporting requirements, including:
 - i. Defining additional incidents requiring timely notification to the City
 - ii. Establishing a communication and escalation protocol to improve accountability and expedite response times

Staff will continue coordinating with BACS to address operational concerns and amend contract language, as needed, to ensure that performance measures, reporting requirements, and program parameters adequately reflect the expanded scope of work associated with operating the HNC at Regis Village.

Regis Village: Ongoing Coordination and Improvements

In addition to direct funding for the HNC, the City is working closely with the partner agencies responsible for Regis Village. BACS is the owner and operator of the campus and Alameda County is the primary funder for the other co-located programs.

⁴ Alameda County Emergency Shelter Standards For Year-Round Shelters April 2022 Update
https://www.acgov.org/gsaapp/purchasing/bidContent_ftp/rfpDocs/2711_Exhibit-B-Alameda-County-Emergency-Shelter-Standards-April-2022.pdf

As the multi-service campus has come online, the City has partnered closely with BACS to establish regular communication pathways and collaboratively address concerns as they arise. The Hayward Fire Department and Hayward Police Department have collaborated with BACS staff to support appropriate responses to non-emergency incidents and have initiated discussions with medical professionals and Alameda County staff to ensure coordinated and effective responses to the varying needs of residents and participants on campus.

ECONOMIC IMPACT

Reducing homelessness and poverty and supporting individuals in transitioning into permanent housing through programs such as the HNC generates broader positive economic and community impacts. Investments in homelessness prevention, interim housing, and supportive services help individuals regain stability, reconnect with employment and healthcare systems, and move toward long-term self-sufficiency. Continued coordination among the City, Alameda County, service providers, and community partners remains essential to sustaining these positive outcomes and ensuring vulnerable residents receive the support they need.

STRATEGIC ROADMAP

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

- 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. Through the LHH process, Homebase, City staff, and partners throughout the Hayward community have worked together to engage a diverse set of stakeholders to inform the plan and strategy for Hayward moving forward.⁵

NEXT STEPS

If City Council adopts this resolution, staff will work with the City Manager to negotiate and execute an agreement with BACS for the approved FY 2026–2027 funding. Should additional grant funding be received during the fiscal year, staff will return to City Council to accept and appropriate those funds to offset General Fund expenditures for shelter operations in FY 2026–2027.

⁵ For more information on the Let's House Hayward! Strategic Plan process, please visit <https://www.haywardca.gov/lets-house-hayward>

Prepared by: Carol Lee, Senior Management Analyst

Recommended by: Dr. Emily Young, YFSB Administrator
Mary Thomas, Assistant City Manager

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott". The signature is fluid and cursive, with the first name "Jennifer" and the last name "Ott" clearly distinguishable.

Jennifer Ott, City Manager