



DATE: April 22, 2026

TO: Community Services Commission

FROM: Assistant City Manager

SUBJECT FY 2026-2027 Community Development Block Grant (CDBG) Final Funding Recommendations

RECOMMENDATION

That the Community Services Commission:

1. Review and comment on this report;
2. Accept the staff's funding recommendations; and
3. Recommend the funding allocations to City Council for final approval.

SUMMARY

This report provides an overview of the FY 2026-2027 proposed Community Development Block Grant (CDBG) recommendations. The funding recommendations are summarized by category in Table 1 and in more detail in Table 2.

Table 1. Summary of CDBG Recommended Funding Allocation by Category

CDBG CATEGORY	ACTUAL AMOUNT
Administration and Planning	\$309,982
Housing Programs	\$375,000
Public Services	\$234,502
Public Facilities & Infrastructure	\$630,424
Total	\$1,549,908

BACKGROUND

The CSC serves as an advisory body to the Hayward City Council. Through the annual Community Agency Funding (CAF) process, the CSC makes recommendations to City Council for the distribution of Community Development Block Grant (CDBG) and General Fund allocations to projects that serve the Hayward community, with a focus on programs providing free or low-cost services to low- to moderate-income residents.

Fiscal Challenges

In July 2025, staff reported a significant deficit of approximately \$30 million for the prior fiscal year, depleting the City's reserves, and projected an additional \$26 million deficit for FY 2025-2026. To stabilize the City's finances, the City Manager implemented cost-saving measures, including the difficult decision to terminate most competitively awarded General Fund CAF contracts for FY 2025-2026.

Due to the City's ongoing structural deficit, the fall 2025 CAF process was cancelled, and a Notice of Cancellation of Funding Availability was issued on October 20, 2025. The canceled cycle would have allocated General Fund, CDBG, and Opioid Settlement Remediation funds for fiscal years 2026 through 2028. As a result, the CSC did not conduct its typical review of applications and interviews for the CAF process. During this period, the CSC's role shifted to establishing working groups to support agencies while the CAF process is on pause and providing feedback on the City's CDBG funding recommendations.

FY 2027 CDBG Process To Date

At its January meeting, the CSC specifically requested additional details on the eligibility criteria and the rationale behind staff's recommended CDBG allocations. The CSC also expressed a preference to avoid any ongoing expenses like staff time when making recommendations to ensure funding is available for future CAF cycles.

During the March CSC meeting, staff presented CDBG allocation recommendations that focus on eligible, one-time internal projects that considered the Commissioners' feedback from January's CSC meeting. The recommendations included projects mandated by the Department of Housing and Urban Development (HUD), projects the City has already committed to funding, and anticipated City projects that meet CDBG eligibility requirements. The Commission engaged in discussions and asked questions regarding the details of these projects, their eligibility, and general CDBG-related matters. There was consensus on the proposed recommendations. However, some Commissioners still wanted to hear from agencies about their thoughts as it relates to the Community Agency Funding process. Staff announced a 32-day public comment period from March 20, 2026, through April 22, 2026, for community members to submit feedback on the recommendations to CSC and the City Council.

CSC Scope of Work Discussions

Additionally, staff provided updates on the status of the Community Agency Funding process and the Commission's work plan moving forward. Council Liaison Bonilla discussed shifting the Commission's scope of work to addressing policy-level issues as they pertain to Hayward's social service and human relations needs. The Commission expressed interest in this idea and would be interested in understanding their scope of work within this new model. Staff offered to look further into the idea and come back to the Commission with more information in April.

This report summarizes the CDBG funding recommendations for final approval and submission to City Council. It also provides an informational report back on staff's conversations with the Staff Liaison for the City of Alameda's Social Services and Human Relations Board and proposed scope of work ideas for the Commissions feedback.

DISCUSSION

CDBG Funding Allocations

At the March CSC Meeting, the Commission reviewed staff's proposed CDBG recommendations which included allocations directing the City's CDBG funding toward the Hayward Navigation Center, housing rehabilitation projects, HUD-required fair housing testing, Eden Information

and Referral services, and fire equipment for stations located in low- to moderate-income areas. These projects are described in detail in the March 18, 2026 CSC Staff Report.¹

On April 3, 2026, the Department of Housing and Urban Development (HUD), released the allocations for local jurisdictions, including the City’s upcoming fiscal year allocation award of \$1,502,729 which is slightly higher than what staff estimated. Additional funds have increased the allowable allocations for both Public Services and Administration and Planning categories. Of this, \$32,425 in additional funding is available for Public Services, and staff recommend allocating these funds to the Hayward Navigation Center. Any additional funds for the Administration and Planning category will be directed towards staffing costs.

Table 2 below provides an overview of the CDBG funding recommendations, updated to reflect the final award amount and project-level allocations to be presented to the City Council. The total Fiscal Year 2026–27 CDBG allocation shown in Table 2 is \$1,549,908, which includes \$1,502,729 from this year’s award and \$47,179 in estimated program income for FY 2026–27.

Table 2. Recommended CDBG Funding Allocation by Project

Category	Project	Amount
Admin	Administration and Planning	\$283,680
Admin	HUD-Required Fair Housing Services	\$26,302
Public Services	Eden Information and Referral (EIR)	\$50,000
Public Services	Hayward Navigation Center	\$184,502
Housing	Home Rehabilitation & Infrastructure Project Management	\$375,000
Public Facilities & Infrastructure	Fire Equipment Purchases for stations located in Low to Moderate Income Areas	\$630,424

TOTAL FY 26-27 CDBG ALLOCATION \$1,549,908

CSC Scope of Work Ongoing Discussions

Informational Meeting with the City of Alameda’s Social Services Human Relations Board

After the March CSC meeting, staff met with the primary staff liaison for the Social Services Human Relations Board (SSHRB) to better understand its model. SSHRB serves as an advisory body that assesses and reports to the City Council on the social service needs of Alameda residents and encourages the development of private social welfare organizations to address unmet needs.

The SSHRB scope of work includes the following:

- **CDBG Funding:** Review and score applications for CDBG Social Services funding
- **Needs Assessment:** Provide input and feedback on the Housing and Human Services Division’s Strategic Plan including contributing to the development of the needs assessment that informs the Plan;
- **Working Groups:** Convene three working groups and report updates to the full SSHRB. Members of the working groups also attend stakeholders and community

¹ March 18, 2026 Community Services Commission Staff Report: <https://hayward.legistar.com/MeetingDetail.aspx?ID=1400509&GUID=E09D5CAE-DD08-484B-9643-0D705D2C547D&Options=&Search=>

events related to working group topics and reporting back to the full SSHRB. Working groups include:

- Domestic Violence Workgroup
- Alamedans United Against Hate
- The Road Home Workgroup
- **Events:** Host 1-2 community events annually, such as:
 - Volunteer of the Year Recognition
 - Open Mic Night
- **Draft proclamations**

Board members serve as the eyes and ears of the community, bringing back insights to inform the full Board and City Council on addressing social service needs. In addition, the Board provides strategic direction and advises on implementation and outreach efforts as it related to the provision of social services at the City of Alameda. The full Board meets monthly and working groups also convene monthly with staff present at all meetings.

While the City is not currently in a financial position to dedicate additional staff time to support working groups or events, the Commission may continue forming similar workgroups independently, as it has done since the end of 2025 to support agencies while the CAF process remains on pause. Any such group must comply with Brown Act requirements and may report updates to the full Commission.

In addition to these ongoing efforts, there may be an opportunity for the City to update some or all of its existing Community Needs Assessment (CNA) with the CSC serving in an advisory capacity. The last time the Community Services Division conducted a CNA was in 2018. Understanding Hayward's community needs can better inform future decision-making not only for the CAF process, but also for many of the City's programs and processes. Conducting an up-to-date CNA would support the City to establish clearly defined and data-informed decisions around strategic planning and program implementation.

Moreover, the U.S. Department of Housing and Urban Development (HUD) requires the City to complete a needs assessment as part of the Consolidated Annual Performance and Evaluation Report (CAPER) at least once every five years. This report evaluates the City's annual progress in utilizing HUD funds to address housing, community development, and, in many cases, social service needs. The assessment tracks accomplishments to ensure alignment with community needs and is critical to maintaining eligibility for future grant funding.

To ensure compliance with CDBG requirements and better serve Hayward residents, staff are exploring the option of working with the CSC and a consultant to develop and implement a community needs assessment. This effort would be partially funded through special revenue sources to minimize any impact on the General Fund. Staff are seeking feedback from the CSC on this effort as a possible addition to the CSC's scope of work in the coming fiscal year.

PUBLIC CONTACT

Notice of the public comment period for the preliminary recommended funding allocations was published in The Daily Review on March 20, 2026. The public comment period commenced on March 20, 2026, and will close on April 22, 2026. There were no public comments at the March 18, 2026 CSC meeting.

Staff will compile any written public comments received prior to the April 22, 2026, CSC meeting and share this with the CSC on April 22.

An additional public comment period was posted on April 17, 2026 for the community to respond to the City's Annual Action Plan which includes the proposed CDBG funding recommendations. The public comment period for the Annual Action Plan will close on May 17, 2026.

NEXT STEPS

Next steps include the following:

- On Wednesday, April 22, 2026, the CSC will finalize funding recommendations that will be presented to City Council at the May 5, 2026 Public Hearing.
- On Tuesday, May 5, 2026, a City Council Public Hearing will be held to present the FY 2025-2026 funding recommendations and City Council will vote on the FY 2026-2027 funding recommendations.

Prepared by: Emily Hwang, Management Analyst and Community Services
Commission Staff Liaison

Recommended by: Mary Thomas, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Mary Thomas', with a long, sweeping horizontal line extending to the right.

Mary Thomas, Assistant City Manager