



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 23, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR

BY: VINCENT MONTGOMERY, PLANNING MANAGER
FRANCISCO BRAMBILA, MANAGEMENT ANALYST
ERIC SOTELO, COMMUNITY DEVELOPMENT ANALYST

TITLE: HUD CONSOLIDATED ANNUAL PERFORMANCE AND
EVALUATION REPORT FOR FY 2024-25

RECOMMENDED MOTION:

It is recommended that City Council approve a resolution affirming the Fiscal Year 2024-25 Consolidated Annual Performance and Evaluation Report (CAPER) and authorizing submittal to the United States Department of Housing and Urban Development (HUD).

EXECUTIVE SUMMARY:

The CAPER provides a comprehensive summary of expenditures, activities, and accomplishments for each of the City's HUD programs for the past fiscal year. This document also serves as a mechanism and opportunity for public evaluation regarding the City's progress in carrying out goals and objectives as stated in its FY 2020-24 Consolidated Plan (Con Plan) and FY 2024-25 Annual Action Plan (AAP).

BACKGROUND:

The City of Salinas (City), as a designated entitlement jurisdiction, is a direct funding recipient of the United States Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), HOME American Rescue Plan (HOME-ARP), and Emergency Solutions Grants (ESG) Programs. As a requirement of the continued receipt of entitlement funding, the City must compile and submit a Consolidated Annual Performance and Evaluation Report (CAPER) to the United States Department of Housing and Urban Development (HUD) each year. This CAPER would be the last Report for the FY 2020-24 Con Plan period. The CAPER is due to HUD no later than ninety (90) days after the end of the City's FY 2024-25. This year, the CAPER is due to HUD no later than September 28, 2025.

The CAPER is a one-year evaluative summary document that describes all eligible projects, programs and activities funded through CDBG, CDBG-CV, HOME, HOME-ARP, and ESG funds and their relationship to the City’s housing, homelessness, and community development priorities and needs. In accordance with the City’s adopted Citizen Participation Plan (CPP), HUD requires a minimum fifteen (15) day public comment period for the CAPER. In compliance with this mandate, public notices in English and Spanish were published in The Monterey Herald on or before September 8, 2025. Along with the public notices, the draft CAPER was also made available to the public on the City’s website; at City libraries, City Hall, and the Community Development Department (Permit Center); and by request through mail or email. Additionally, the public notices and draft CAPER were emailed to the Community Development Department’s Housing Distribution List.

The public comment period for the FY 2024-25 CAPER began on or before September 8, 2025, and will conclude with the scheduled City Council hearing on September 23, 2025. The City Council public hearing provides an additional opportunity for the public to provide City Council feedback regarding the draft CAPER and provide input on community development needs within the City. The City’s final CAPER submission to HUD will include a summary of all public comments received during the public comment period.

Entitlement Funding & Program Income (PI)

The City is an entitlement jurisdiction for CDBG, CDBG-CV, HOME, HOME-ARP, and ESG programs. HUD provides annual grants on a formula basis to cities and counties entitled to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons. The City also utilizes program income (PI) related to its various entitlement funds to further fund certain eligible activities on an annual basis. PI is the gross income received by the City that is generated from the use of CDBG and HOME funds. The table below represents total entitlement funding and PI available for FY 2024-25 for CDBG, CDBG-CV, HOME, HOME-ARP, and ESG.

Funding Source	Entitlement Amount	Program Income	Total Funding Available	Total Expenditures
CDBG	\$7,326,348*	\$37,225	\$7,363,573	\$2,997,946
CDBG-CV	\$226,432**	\$0	\$226,432	\$214,977
HOME	\$3,872,688*	\$173,970	\$4,046,658	\$233,199
HOME-ARP	\$2,918,774**	\$0	\$2,918,774	\$180,239
ESG	\$397,942*	\$0	\$397,942	\$373,026
Total	\$14,742,184	\$211,195	\$14,953,379	\$3,999,387

**Includes remaining funds from prior years.*

***Remaining funds from one time allocation.*

Community Development Block Grant (CDBG)

CDBG Entitlement Funds may be used to provide decent housing, support suitable living conditions, and expand economic opportunities, principally for low- and moderate-income persons. CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services (up to 15% of CDBG allocation)
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

In FY 2024-25, the City utilized CDBG funds to support public services, and public facilities. The following tables show the activities performed with CDBG Entitlement and CDBG-CV funds and their accomplishments for FY 2024-25.

CDBG Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (20% Grant & PI)	Administration	\$436,170	\$428,108	N/A
City of Salinas	Chinatown Neighborhood Improvements - Soft Costs	Public Facility	\$369,507	\$1,675	N/A
Alisal Union School District	Buckhorn Early Childhood Development Center	Public Facility	\$141,526	\$141,526	One Public Facility Completed
ECHO	Fair Housing and Tenant/Landlord Services	Public Service	\$86,663	\$86,663	180 Households
City of Salinas	Hebbron Family Center	Public Facility	\$2,015,734	\$1,683,414	One Public Facility Ongoing
City of Salinas	Natividad Creek and Closter Park Restroom Renovation	Public Facility	\$131,993	\$22,176	One Public Facility Ongoing

City of Salinas	Salinas Outreach and Response Team (SORT)	Public Service	\$388,170	\$355,217	46 Households
City of Salinas	Sherwood Recreation Center – Phase 4	Public Facility	\$3,664,360	\$279,167	One Public Facility Ongoing

CDBG-CV Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (20% of Grant)	Administration	\$38,768	\$34,446	N/A
City of Salinas	Housing Information, Referral Services & Fair Housing	Public Service	\$27,664	\$27,664	54 Households
City of Salinas	Economic Development and Technical Assistance	Public Service	\$160,000	\$152,867	166 Businesses

HOME Investment Partnerships Program

The HOME Investment Partnerships Program supports local housing strategies intended to increase home ownership and affordable housing opportunities for low- and very low-income households. Eligible uses of funds include tenant-based rental assistance, housing rehabilitation, assistance to homebuyers, and new housing construction. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to developing non-luxury housing.

The HOME housing development funds have not yet been allocated to a specific development project, but the City's does have several potential projects moving forward and intends to commit these funds as soon as an appropriate development timelines and other committed source funding is in place. The City issued a Notice of Funding Availability on June 24, 2025, which included the available HOME funds, and received five applications requesting funds for multi-family projects. The City is evaluating all five proposed projects and will bring recommendations to the HLUC and City Council by end of October 2025.

HOME Program					
Agency	Activity Name	Funding Category	Available Funding*	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$327,656	\$233,199	N/A
To be committed in the future	To be committed in the future	Housing	\$3,719,002	\$0	TBD

* Includes funding from previous fiscal years.

HOME American Rescue Plan

The Allocation Plan for the HOME ARP was developed and submitted to HUD on March 21, 2023, and approved on May 26, 2023. In its Plan, the City recommended that 15% of its HOME-ARP allocation (\$437,816.10) be used for allowable program administration and planning (AP) activities and that the remaining allocation of \$2,480,957.90 (85%) be directed toward supportive service funding associated with two of three Homekey permanent supportive housing sites (Step Up on Sanborn and Step Up on Fairview) and other emerging “bed generating” projects. It is estimated that up to ninety-nine (99) Homekey units for qualifying populations could be supported with the recommended HOME-ARP AP. This recommendation is strongly supported by the robust input provided by local service providers, stakeholders, and other community organizations during the required consultation process. Expenditure of HOME ARP funds is not projected to occur until FY 2025-26.

HOME-ARP Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$437,816	\$180,239	N/A
TBD	TBD	Supportive Services	\$2,480,958	\$0	TBD

Emergency Solutions Grant (ESG)

The ESG programs utilize federal funds to support communities in providing street outreach, emergency shelter, rental assistance, and related services. These programs provide resources for adults and families with children experiencing or are at-risk of homelessness. The street outreach and emergency shelter program components are capped at 60% of the ESG total funding. Additional uses of the ESG are to provide homelessness prevention assistance to households at risk of homelessness, and assistance to rapidly re-house persons experiencing homelessness. ESG funds also provide short-term or medium-term rental assistance, housing navigation and placement, and housing stability case management.

The City’s ESG allocation for FY 2024-25 was \$177,152, however the City had \$220,790 of unexpended funds from prior years for a total of \$397,942 of available funds for FY 2024-25. The following tables show the agency name, program funded, total number of unduplicated persons served, budgeted amount, and total FY 2024-25 expenditures.

ESG Program					
Agency	Activity Name	Funding Category	Available Funding*	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$29,073	\$16,923	N/A
City of Salinas	SORT	Public Service	\$231,753	\$218,987	125 Persons
Community Homeless Solutions (CHS)	Rapid Re-Housing	Public Service	\$137,116	\$137,116	72 Persons

**Includes funding from previous fiscal years.*

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

HUD funded activities and projects are supportive of the 2025 City of Salinas Strategic Plan Goals and Strategies relative to Economic Development, Housing, Infrastructure, Youth and Seniors.

DEPARTMENTAL COORDINATION:

This agenda item originates from the City's CDD Housing & Community Development Division with coordination and consultation of other City departments including the City Attorney, and Finance, Public Works, and Library and Community Services Departments.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct fiscal impact to the General Fund. HUD entitlement fund allocations are provided directly to the City by HUD and require no commitment of matching City funds.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Resolution – FY 2024-25 CAPER

FY 2024-25 CAPER – Draft
Presentation – FY 2024-25 CAPER