



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 2, 2026
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: LISA BRINTON, DIRECTOR
THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR
BY: FRANCISCO BRAMBILA, MANAGEMENT ANALYST
ERIC SOTELO, COMMUNITY DEVELOPMENT ANALYST
VINCENT MONTGOMERY, PLANNING MANAGER
TITLE: UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PY 2026-2027 ANNUAL ACTION PLAN

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. Approving the City of Salinas' United States Department of Housing and Urban Development (HUD) Program Year (PY) 2026-2027 Annual Action Plan (AAP) and its submittal to HUD;
2. Authorizing the City Manager to incorporate any necessary modifications based upon community feedback and final HUD allocation prior to submissions to HUD;
3. Authorizing the Mayor to execute any related agreements, contracts, certifications, and amendments related to the funding allocations set forth in the PY 2026-2027 AAP; and
4. Authorizing the expense appropriation of HUD funds to projects and activities described in the PY 2026-2027 AAP and corresponding revenue appropriation.

EXECUTIVE SUMMARY:

The City of Salinas (City) administers three (3) federal HUD entitlement programs; Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grants (ESG), which support projects benefiting low and moderate-income households and neighborhoods throughout the jurisdiction. To remain eligible for annual allocations of its entitlement funds, the City must prepare and submit the PY 2026-2027 Annual Action Plan in support of its five-year Program Years (PY) 2025-2029 Consolidated Plan (Con Plan). The Annual Action Plan identifies the specific activities and funding priorities the City will undertake during the program year. The HUD submission deadline for the City's PY 2026-2027 AAP is June 4, 2026.

BACKGROUND:

The City is currently operating under the first year of its HUD PY 2025-2029 Con Plan, which covers July 1, 2025 through June 30, 2029 and was approved by the City Council on June 17, 2025. The Con Plan provides a strategic framework for addressing community development, housing, homelessness, and support services needs through CDBG, HOME and ESG entitlement funding. The PY 2026-2027 AAP represents the second year of proposed projects, activities, and funding allocations aligned with the Con Plan. The draft PY 2026-2027 AAP is attached to this report.

Community Engagement

In accordance with the City's Citizen Participation Plan (CPP), development of the AAP incorporates robust community engagement and consultation efforts undertaken during the Con Plan development, including feedback from the existing Alisal Vibrancy Plan, Chinatown Revitalization Plan and the Parks, Rec & Libraries Master Plan. The community-driven input informed priorities for the use of self-directed CDBG and ESG funds. In preparation of its PY 2025-2029 Consolidated Plan the City conducted several community outreach efforts. A summary is provided below.

- Stakeholder consultation: Two virtual stakeholder workshops were held in December 2024. Participants were public service organizations, nonprofits and other interested parties. The workshops included a presentation of the Consolidated Plan's purpose, contents and requirements. The majority of the time was spent conducting a Menti meter poll where all participants were able to answer questions on a digital device and the answers were shown on the screen. This allowed participants to see answers in real time as well as spurring discussions.
- Community meeting: An in-person community meeting was held on January 23, 2025 at the El Gabilan Library. It is estimated that 53 people were in attendance. Community members with an opportunity to vote on the housing and community priorities important to them including streets and neighborhood improvements, community facilities, community services, economic development, housing and special needs housing. Voting was done by placing dots on posters with different topics and programs.
- Pop-Up events: the City had several pop-up events in December 2024 and January 2025 to discuss the Consolidated Plan with residents and have them fill out the Housing and Community Development Survey. The locations included:
 - Chinatown Resource Fair
 - Food Bank Event – Bread Box
 - Downtown Outreach
 - Laundry Mat Postings
 - City Council Meeting Pop-up
 - Cesar Chavez Library – meeting was available in Spanish through translation services
- Survey: A housing and community development survey was open between December 9, 2024 and January 31, 2025. The survey, available in English and Spanish, could be

completed via online (SurveyMonkey) or paper. The weblinks and QR codes were advertised on the City’s website, social media, in community meetings and on flyers. Paper surveys were also available at City Hall and the pop-up and community events. A total of 127 responses were received 80 in English and 47 in Spanish).

The Housing and Land Use Committee discussed the Consolidated Plan on June 10, 2025, and provided a recommendation to move forward to City Council for approval. In addition, the Housing and Land Use Committee was to hold a Special Meeting on May 21, 2026, to obtain further comments on the draft PY 2026-2027 AAP and provide a recommendation City Council for final consideration. The meeting was cancelled due to lack of quorum. This item is proceeding directly to the City Council due to time sensitivity requiring on-time submission to HUD by June 4, 2026.

The required 30-day public comment period for PY 2026-2027 AAP opened on May 2, 2026, and will conclude on June 2, 2026. Barring significant public comments requiring modification, the approved AAP will be submitted to HUD prior to the June 4, 2026 deadline. If significant changes are required as a result of receiving public input, the City would then take appropriate action to amend its AAP in accordance with HUD requirements and the City’s Citizen Participation Plan.

PY 2026-2027 AAP

The PY 2026-2027 AAP includes funding recommendations for each of the City’s HUD entitlement allocations as well as any accrued Program Income (PI). Annual funding available this year total \$3,308,936 including \$2,196,140 in CDBG and \$37,000 in CDBG PI; \$844,248 in HOME and \$40,000 in HOME PI; and \$191,548 in ESG. The following tables summarize proposed funding recommendations for PY 2026-2027 AAP CDBG, HOME and ESG projects and activities.

Table 1 CDBG Funding Recommendations		
Agency	Project/Activity	Recommendation
City of Salinas	Program Administration (20%)	\$446,628
City of Salinas – Public Works	Chinatown Neighborhood Improvements (CIP 9070)	*\$220,000
City of Salinas – Library and Community Services	Playground Equipment Replacement	*\$366,512
City of Salinas/Habitat for Humanity	Housing Rehabilitation	*\$440,000
City of Salinas – Public Works	Alisal Neighborhood Revitalization Strategy Area Sidewalk Improvements (Including Streetlights)	*\$460,000
Eden Council for Hope and Opportunity	Housing Rights & Tenant/Landlord Services	\$100,000
City of Salinas	Salinas Outreach and Response Team	\$200,000
<i>*Recommendation includes Activity Delivery</i>		Total
		\$2,233,140

To remain responsive to the evolving housing development environment, the City maintains an open application for “shovel ready” affordable housing projects seeking HOME funding. While staff continue to engage with developers to assess project readiness and funding needs, no viable HOME-eligible project has been identified for PY 2026-2027. As such, the City proposes reserving its HOME allocation for future “shovel ready” opportunities identified in Table 2.

Table 2 HOME Funding Recommendations		
Agency	Project/Activity	Recommendation
City of Salinas	Program Administration (10%)	\$88,425
Future Agency to be Determined	Affordable Housing Activity	*\$669,185
Future Agency to be Determined	Future CHDO Activity	\$126,638
<i>*Recommendation includes Activity Delivery</i>		Total
		\$884,248

Table 3 ESG Funding Recommendations		
Agency	Activity	Recommendation
City of Salinas	Program Administration (7.5%)	\$14,366
City of Salinas - Salinas Outreach and Response Team	Rapid Rehousing Program	\$177,182
		Total
		\$191,548

CEQA/NEPA CONSIDERATION:

Not a Project. 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). However, future discretionary actions may be subject to CEQA. All projects and activities funded with HUD funds will be subject to National Environmental Protection Act (NEPA).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This action furthers the 2025-2028 Strategic Plan Economic Development objective to revitalize residential and commercial blighted areas through targeted initiatives, the Housing objective to

facilitate the addition of low-income housing, the Infrastructure objective of improving sidewalks by funding public infrastructure improvements and new construction and rehabilitation of affordable multi-family rental housing, and Public Safety objective of enhancing homeless prevention, services, and facilities.

DEPARTMENTAL COORDINATION:

Community Development’s Housing and Community Development Division has coordinated proposed Action Plan with other City departments including Finance, Legal, Economic Development, Library Community Services and Public Works.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact on the General Fund associated with this agenda item as available City of Salinas HUD entitlement funds will be used to support these allowable CDBG projects. Approval of the PY 2026-2027 AAP will require the funding appropriation shown in the table below to start July 1, 2026, for PY 2026-2027.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
2910	30.3220-55.7501	Intergovernmental Block Grant	\$0	\$2,196,140
2910	30.3221-57.3020	Other Revenue Housing Revolving Loans	\$0	\$37,000
2910	30.3220-61.1XXX	Salaries & Benefits	\$0	\$388,628
2910	30.3220-62.XXXX	Supplies & Materials	\$0	\$4,400
2910	30.3220-63.XXXX	Outside Services	\$0	\$22,5000
2910	30.3220-64.XXXX	Other Charges	\$0	\$31,100
2910	30.3221-61.1XXX	Salaries & Benefits	\$0	\$40,000
2910	30.3221-69.XXXX	Financial Assistance	\$0	\$400,000
2910	30.3240-61.1XXX	Salaries & Benefits	\$0	\$133,000
2910	30.3240-69.XXXX	Financial Assistance	\$0	\$953,512
2910	50.9070-6X.XXXX	Various Accounts	\$0	\$200,000
2910	55.9060-6X.XXXX	Various Accounts	\$0	\$333,512
2910	50.9267-6X.XXXX	Various Accounts	\$0	\$420,000
2930	30.3220-55.7521	Intergovernmental HOME Inv Partnership (HUD)	\$0	\$844,248
2930	30.3221-57.3020	Other Revenue Housing Revolving Loans	\$0	\$40,000
2930	30.3220-61.1XXX	Salaries & Benefits	\$0	\$49,125
2930	30.3220-63.XXXX	Outside Services	\$0	\$22,800
2930	30.3220-64.XXXX	Other Charges	\$0	\$16,500
2930	30.3240-61.1XXX	Salaries & Benefits	\$0	\$68,000
2930	30.3240-6X.XXXX	Various Accounts	\$0	\$727,824
2940	30.3220-55.7531	Intergovernmental Emergency Solutions Grant	\$0	\$191,548
2940	30.3220-61.1XXX	Salaries & Benefits	\$0	\$14,366
2940	30.3242-69.XXXX	Financial Assistance	\$0	\$177,182

ATTACHMENTS:

1. Resolution - PY 2026-2027 AAP

2. PY 2026-2027 HUD Annual Action Plan – Draft
3. Presentation - PY 2026-2027 AAP