



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: MARCH 25, 2025

FROM: LISA BRINTON, DIRECTOR

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

THROUGH: VINCENT MONTGOMERY, PLANNING MANAGER

BY: KAYSHLA LOPEZ, HOMELESS SERVICES MANAGER

TITLE: APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT 2024 EMERGENCY SOLUTIONS GRANT CONTINUUM OF CARE (CoC) PROGRAM

RECOMMENDED MOTION:

A motion to approve a resolution authorizing:

1. the submission of an application to the California Department of Housing and Community Development (HCD) for the 2024 HCD Emergency Solutions Grant (ESG) CoC Program; and, if awarded,
2. the Mayor or designee to accept 2024-2027 ESG grant funds in an amount not to exceed \$1,031,517 and authorize the Mayor or designee to execute, and amend if needed, the attached City and HCD 3-year ESG Program Resolutions;
3. the Mayor or designee to execute a standard agreement and any amendments thereto for the 2024-2027 funding years of the State ESG program, CoC Allocation NOFA;
4. the Mayor or designee to execute all applicable HCD grant documents, Subrecipient Funding Agreements, and necessary amendments to fund programs approved by the CoC #506 Leadership Council during the term of the Standard Agreement with HCD; and
5. the adoption of the following FY 2024-25 Appropriation and Funding Sources:
 - a. establish the appropriation budget for the 2024 HCD ESG Program in the amount of \$1,031,517 over the three funding years (2024-2027); and
 - b. Increase the estimated revenue from the State Grants Program.

EXECUTIVE SUMMARY:

The ESG program provides grant funding for a variety of activities to address homelessness. HCD distributes federal ESG funds to eligible subrecipients. The City of Salinas (City) is the Administrative Entity (AE) selected by the local Salinas/Monterey/San Benito Counties CoC #506 (CoC) to administer the allocated funds. The estimated HCD ESG CoC funding allocation for 2024 is approximately \$687,678 over 3 years, with a first-year allocation of \$271,366. Authorization is

requested to facilitate the City’s ability to apply for the HCD ESG CoC NOFA within in the required submittal window of March 28, 2025, and to accept and administer the HCD ESG CoC funds, should they be awarded in July 2025. HCD recommends applying for 150% of the expected allocation (\$1,031,517) to facilitate CoC Leadership Council appropriation and City acceptance of any additional ESG funding that becomes available over the 3-year period. The total 3-year allocation includes up to \$117,919 of disencumbered funds.

BACKGROUND:

The City of Salinas published a Notice of Funding Availability (NOFA) on March 15, 2024, prior to the HCD ESG CoC NOFA release. Following the NOFA application deadline, the City assembled a diverse rating and ranking panel to assist in the review of the applications and prioritization of funding recommendations to be presented to the local CoC Leadership Council. The Leadership Council is the final approving body for Continuum of Care and HCD ESG Program funding. The recommendations were presented to and approved by the CoC #506 Leadership Council on April 24, 2024 which are reflected in an attachment.

On December 31, 2024, the 2024 HCD ESG CoC NOFA was released with an intention to issue one ESG NOFA every three years and announcing the availability of approximately \$39 million in federal ESG funds. The funding allocation available per fiscal year is approximately \$12 million plus approximately \$3 million in unspent, disencumbered funds. The estimated total 3-year funding allocation for Salinas/Monterey, San Benito Counties CoC through the HCD ESG NOFA is \$687,678.

The budget for the HCD ESG CoC application per activity is illustrated in the table below with a Year 1 award of \$271,366 and a projected 3-year allocation of \$687,678 based on estimated Year 2 and Year 3 funding awards. HCD recommends applying for 150% of the expected allocation should additional ESG funding become available which increases the amount to \$1,031,517. The local CoC Leadership Council will determine any funding component modifications up to the not to exceed amount of \$1,031,517. The final authorizing body to approve subrecipients providing activity services is the CA-506 Salinas/Monterey, San Benito Counties CoC Leadership Council.

Three-year ESG Program Estimated Activity Budget*

| ESG Component | Street Outreach | Rapid Re-Housing | Admin | Total |
|------------------------------|------------------------|-------------------------|----------------|------------------|
| Year 1 | \$142,773 | \$125,880 | \$2,713 | \$271,366 |
| Year 2 | \$98,493 | \$106,950 | \$2,713 | \$208,156 |
| Year 3 | \$98,493 | \$106,950 | \$2,713 | \$208,156 |
| Total 3- Year Funding | \$339,759 | \$339,780 | \$8,139 | \$687,678 |

**Based on Appendix A: 2024 ESG NOFA Estimated Allocations*

DEPARTMENT COORDINATION:

The ESG program is administered by the City’s Community Development Department in coordination with the City Attorney and Finance Department. Additional, external coordination with outside agencies and jurisdictions, such as HCD and staff of the local CoC #506 Leadership Council, is ongoing.

CEQA 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).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

HCD ESG Program CoC Allocation funding administered by the City allows the undertaking of a variety of programs instrumental in providing homeless services throughout the City and region, furthering partnerships with public service organizations, and addressing the service needs of the City’s low-income, elderly, and special needs communities. Execution of the proposed resolutions supports the City of Salinas Strategic Plan 2022-2025 Goal and Strategy of Housing/Affordable Housing.

FISCAL AND SUSTAINABILITY IMPACT:

There is no General Fund impact associated with this agenda item. Awarded 2024 HCD ESG CoC funds will be appropriated to the Emergency Solutions Grant – CoC fund. If awarded, HCD ESG Program budget appropriation for 3 years could be up to \$1,031,517.

| Fund | Appropriation | Appropriation Name | Total Appropriation | Amount for recommendation | FY 24-25 Operating Budget Page | Last Budget Action (Date, Resolution) |
|------|---------------|--------------------|---------------------|---------------------------|--------------------------------|---------------------------------------|
| 2941 | n/a | n/a | n/a | \$1,031,517 | n/a | n/a |

ATTACHMENTS:

- City Resolution – HCD ESG 2024 NOFA Application
- HCD 3-yr Resolution 2024 NOFA
- Emergency Solutions Grants Program 2024 Notice of Funding Availability