



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 17, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: VINCENT MONTGOMERY, PLANNING MANAGER

BY: MONICA FLORES-PONCE, COMMUNITY DEVELOPMENT ANALYST
ERIC SOTELO, COMMUNITY DEVELOPMENT ANALYST
FRANCISCO BRAMBILA, MANAGEMENT ANALYST

TITLE: UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FY 2025-2029 CONSOLIDATED PLAN, FY 2025-
2026 ANNUAL ACTION PLAN AND ALISAL NEIGHBORHOOD
REVITALIZATION STRATEGY AREA DESIGNATION

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. approving the City of Salinas' United States Department of Housing and Urban Development (HUD) Fiscal Year (FY) 2025-2029 Consolidated Plan (Con Plan), FY 2025-2026 Annual Action Plan (AAP), Alisal Neighborhood Revitalization Strategy Area (ANRSA) designation and authorize submittal to HUD; and
2. delegating authority to the City Manager to incorporate any necessary modifications based upon community feedback and final HUD allocation for the AAP prior to submissions to HUD; and
3. authorizing the Mayor, or designee, for and on behalf of the City, to execute any related agreements, contracts, certifications, or amendments related to the funding allocations set forth in FY 2025-2026 AAP.

EXECUTIVE SUMMARY:

The City of Salinas (City) currently administers three federal HUD entitlement programs; 1) Community Development Block Grant (CDBG), 2) HOME Investment Partnerships Program (HOME), and 3) Emergency Solutions Grants (ESG) which has assisted and improved numerous low and moderate-income households and neighborhoods in Salinas. For the City to remain eligible to receive CDBG, HOME, and ESG funding, the City must prepare and submit a FY 2025-2029 Con Plan and a FY 2025-2026 AAP to HUD for approval. In addition, the City is also updating the ANRSA designation concurrently with the FY 2025-2029 Con Plan and FY 2025-2026 AAP. The ANRSA designation will provide a valuable tool by allowing greater flexibility of HUD funding to be utilized in a specific targeted geographic area.

BACKGROUND:

As required by the City's HUD approved Citizen Participation Plan (CPP), citizens must be provided with a reasonable opportunity to participate in an advisory role in planning, implementing and assessing programs and proposals. The City's HUD approved CPP sets forth policies and procedures to provide for and encourage participation by the residents of the City in the development of the City's FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA designation. In accordance with the City's HUD approved CPP, the following table below summarizes the measures taken to encourage and involve the public throughout the planning and development process.

FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA Public Participation Summary	
Activity	Time Period
Bilingual (English and Spanish) Survey	December 9, 2024 – January 31, 2025
Community Meeting – El Gabilan Library	January 23, 2025
Eight Community Outreach Events – Various Locations	December 13, 2024 – January 22, 2025
Stakeholder Meeting #1	December 11, 2024
Stakeholder Meeting #2	December 18, 2024
*Public Review and Comment Period - Started	May 16, 2025
Monterey Herald Newspaper Public Notice Published	May 16, 2025
**City Hall, City Permit Center, City Libraries and City Website Postings of Public Notice	May 16, 2025
City NOFA/Distribution List Public Notice Notification	May 16, 2025
Housing and Land Use Committee – Public Meeting	June 10, 2025
City Council – Public Hearing	June 17, 2025
*Public Review and Comment Period – End	June 17, 2025
<i>*HUD required minimum 30-day public review and comment period.</i>	
<i>**Draft documents of FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA were made available at these locations.</i>	

FY 2025-2029 Consolidated Plan

The City is currently operating under its HUD-approved FY 2020-2024 Con Plan, which covers the period from July 1, 2020, to June 30, 2025. This plan was approved by the City Council on August 4, 2020. The FY 2025-2029 Con Plan, covering the period from July 1, 2025, to June 30, 2030, outlines the City's housing and community development needs and establishes a five-year strategic framework to address these needs through HUD entitlement funding, including CDBG, HOME, and ESG programs. Additionally, the FY 2025-2029 Con Plan fulfills the minimum statutory requirements for CDBG, HOME, and ESG funding. The FY 2025-2029 Con Plan serves as the official application to HUD for CDBG, HOME, and ESG funding and includes the first year of the FY 2025-2026 AAP, which covers the period from July 1, 2025, to June 30, 2026. This Con Plan was developed through a comprehensive and collaborative outreach process to engage the community in identifying housing and community development priorities. These efforts provided

valuable insights into the actual housing needs of residents, as well as important socio-economic and demographic data that inform these planning processes and documents.

The following priorities were identified through the City’s outreach efforts:

High-Level Priority Needs
Affordable Rental Housing Opportunities
Assistance to Homeowners for Rehabilitation
Homeownership Opportunities
Enhanced Homeless Prevention, Services, and Facilities
Public Services
Public Facilities and Infrastructure Improvements
Economic Development
Planning and Administration

Goals and priorities for the FY 2025-2029 Con Plan were based on the following factors; 1) HUD activity eligibility, 2) community input and 3) City planning efforts which include:

- Economic Development Element (2017)
- Salinas Plan (2018)
- Chinatown Revitalization Plan (2019)
- Alisal Vibrancy Plan (2019)
- Parks, Recreation & Libraries Master Plan (2019)
- City of Salinas 2023-2031 Housing Element (2023)
- Salinas Broadband Master Plan (2024)

FY 2025-2026 Annual Action Plan (AAP)

The FY 2025-2026 AAP describes proposed activities, projects, programs and funding amounts to be implemented with HUD CDBG, HOME and ESG from July 1, 2025, to June 30, 2026. The FY 2025-2026 AAP goals, priorities and proposed activities must be in alignment with the FY 2025-2029 Con Plan. The City has been self-directing CDBG and ESG funds to eligible activities that meet the identified priorities of the Con Plan. The City will release a Notice of Funding Availability (NOFA) for funds identified for the development of affordable housing. These funds are comprised of State of California and HOME grant funding. The most critical standard for rating and ranking HOME NOFA applications is activity eligibility and project readiness.

The FY 2025-2026 AAP includes HUD allocations and estimated Program Income (PI) in the amount of \$2,179,417 (CDBG); \$30,000 (CDBG PI); \$791,387.44 (HOME); \$170,000 (HOME PI) and \$188,399 (ESG). The following tables summarize staff recommendations for the proposed FY 2025-2026 AAP project, activities, agencies and funding allocations for CDBG, HOME and ESG.

Community Development Block Grant AAP 2025-2026		
Agency	Activity	Amount
City of Salinas	Program Administration (20%)	\$441,883
City of Salinas	Activity Delivery	\$130,000
City of Salinas	Chinatown Neighborhood Improvements (CIP 9070)	\$1,003,534
City of Salinas	Alisal Neighborhood – Streetlights Phase 1	\$300,000
Eden Council for Hope and Opportunity	Housing Rights and Tenant/Landlord Services	\$83,300
City of Salinas	Housing Referrals and Tenant/Landlord Services	\$20,700
City of Salinas	Financial Empowerment Center	\$30,000
City of Salinas	Salinas Outreach and Response Team	\$200,000
	Total Funding Recommendations	\$2,209,417

HOME Investment Partnerships Program		
Agency	Activity	Amount
City of Salinas	Program Administration (10%)	\$96,138
City of Salinas	Activity Delivery	\$78,658
TBD	Affordable Housing Developments	\$667,883
TBD	CHDO Activity	\$118,708
	Total Funding Recommendations	\$961,387

Emergency Solutions Grant		
Agency	Activity	Amount
City of Salinas	Program Administration (7.5%)	\$14,129
City of Salinas	SORT Rapid Rehousing Program	\$95,308
Community Homeless Solutions	CNC Rapid Rehousing Program	\$78,962
	Total Funding Recommendations	\$188,399

Backup Projects

The City has also identified alternative CDBG projects to serve as backups in case of delays with other initiatives. This approach will help ensure better alignment with expenditure deadlines and improve compliance with the timeliness ratio. Please refer to the FY 2025-2029 CON Plan & FY 2025-2026 AAP for a more detailed explanation of these backup projects. These projects include the following:

- Alisal Neighborhood ADA sidewalk curb ramps – up to \$550,000
- Housing Services Program - up to \$500,000
- Environmental Remediation at Division Street Properties – up to \$220,000
- Sherwood Recreation Center Phase 4 – up to \$500,000

Alisal Neighborhood Revitalization Strategy Area (ANRSA) Designation

Under CDBG, HUD offers a special tool to deliver focused revitalization activities through Neighborhood Revitalization Strategy Area (NRSA) regulations. To be designated as a NRSA, the targeted neighborhood must be a contiguous area and primarily residential. The area must also contain at least fifty-one (51) percent of low and moderate-income (LMI) households. Communities with approved NRSA's are offered enhanced flexibility in undertaking economic development, housing, and public services activities with CDBG funds within the NRSA. This flexibility is designed to promote innovative programs in economically disadvantaged areas of the community. The City's ANRSA designation was last updated in 2020. As a result, the City is also updating its ANRSA designation concurrently with the FY 2025-2029 Con Plan. The ANRSA designation goals, strategies, objectives and performance measures were based off the following factors: 1) HUD activity eligibility, 2) community input and 3) goals and priorities of the Alisal Vibrancy Plan. Benefits of a HUD approved ANRSA designation can be found in the Appendix E attachment.

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) per Guidelines Section 15378. CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA designation and proposed use of grant funds is in alignment with and furthers the following City Council strategic goals as described in the 2025 Strategic Plan:

- Economic Development: Revitalize residential commercial areas through targeted investment
- Housing: Facilitate the production of housing through gap financing
- Infrastructure: Improve the condition of streets and sidewalks
- Public Safety: Address public safety and health concerns through increased lighting
- City Services: Engage residents and promote equitable access and inclusive development

DEPARTMENT COORDINATION:

FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA designation is administered by the City's Community Development Department Housing Division. However, other City departments and divisions that contributed with their staff time and resources included Finance, Legal, Recreation and Community Services and Plan and Project Implementation. The Housing Division also coordinates with HUD on plan implementation and eligible use of funds.

FISCAL AND SUSTAINABILITY IMPACT:

By City Council approving this agenda item, it is estimated that the City would be eligible to receive approximately \$10,000,000 (CDBG), \$3,375,000 (HOME) and \$837,500 (ESG) of HUD funding allocations during the FY 2025-2029 Con Plan period.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for Recommendation	FY 24-25 Operating Budget	Last Budget Action (Date, Resolution)
NA	NA	NA	NA	NA	NA	NA

ATTACHMENTS:

1. Con Plan, AAP & ANRSA Resolution
2. FY 2025-2029 Consolidated Plan & FY 2025-2026 Annual Action Plan - Draft
3. Appendix E – 2025 Alisal NRSA – Draft
4. Presentation – Con Plan, AAP & ANRSA