



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

---

**DATE:** FEBRUARY 24, 2026  
**DEPARTMENT:** COMMUNITY DEVELOPMENT  
**FROM:** LISA BRINTON, DIRECTOR  
**THROUGH:** ORLANDO REYES, ASSISTANT DIRECTOR  
**BY:** KAYSHLA LOPEZ, HOMELESS SERVICES MANAGER  
**TITLE:** APPROPRIATION OF \$1,190,337 OF HOME-AMERICAN RESCUE PLAN FUNDS TO THE HOUSING AUTHORITY OF MONTEREY COUNTY

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing

1. The appropriation of \$1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds to the Housing Authority of Monterey County to provide supportive services through rental assistance for qualifying HOME-ARP populations at the Fairview Homekey permanent supportive housing site located at 1030 Fairview Avenue,
2. The transfer of existing appropriation from 2931.30.3240-69.1240 to 2931.30.3240-69.1680 in the amount of \$1,190,337, and
3. The increase of estimated revenue for Fund 2931 to \$2,485,337.

EXECUTIVE SUMMARY:

Approval of the appropriation of \$1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds will enable the City to advance housing stability outcomes, comply with HUD expenditure and performance requirements, and ensure long-term service delivery. This appropriation is required to finalize and execute a Subrecipient Funding Agreement with the Housing Authority of the County of Monterey (HACM) for the administration and delivery of rental assistance as part of supportive service activity designated to stabilize housing for qualifying individuals experiencing homelessness at the Fairview Homekey site (Fairview Homekey Project) for the term of February 24, 2026, through February 24, 2027.

BACKGROUND:

On March 21, 2023, the City Council approved Resolution No. 22620, approving the City of Salinas HOME-ARP Allocation Plan, which prioritizes permanent supportive housing and the

provision of supportive services to people experiencing homelessness. Subsequently, on August 6, 2024, the City Council approved Resolution No. 23054, allocating HOME-ARP and Permanent Local Housing Allocation (PLHA) funds to provide supportive services at the Fairview Homekey Project. Resolution No. 23054 also authorized City Manager and City Attorney to take action to make those funds available, authorizes City staff to take whatever additional action may be necessary to update the City’s HOME ARP Allocation Plan and PLHA program, and authorizes the Mayor and the City Clerk to execute additional resolutions as may be required by the State of California or HUD.

### **Project History and Change of Ownership**

The Fairview Homekey property previously was owned under agreements with Shangri-La, Inc. Following the foreclosure proceedings resulting from Shangri-La’s defaults, ownership of the property transitioned, and the Housing Authority of the County of Monterey (HACM) has since acquired the site and now serves as the sole property owner and operator. The City’s prior partnership with Shangri-La has been fully resolved.

As of January 23, 2026, the Housing Authority of the County of Monterey (HACM), is the sole property owner and operator for Fairview Homekey property and program operations. Acquisition and preservation of the Fairview Homekey site as permanent supportive housing, was supported by the Monterey County Board of Supervisors authorizing a one-time contribution of up to \$2.5 million from the County Health Department Behavioral Health Bureau to HACM. This investment was matched by the Salinas City Council’s appropriation of Permanent Local Housing Allocation (PLHA) and Prohousing Incentive Program (PIP) funds. This coordinated investment by the City, County, and HACM ensured the preservation of the Fairview Homekey site and avoided the loss of much-needed housing for highly vulnerable residents. The requested appropriation of HOME-ARP funds builds upon the City and County’s prior financial commitments toward the acquisition and preservation of the Fairview Homekey Project and represents the next phase of operation.

### **Fairview Homekey Project**

The Fairview Homekey Project is a permanent supportive housing site developed through the State of California’s Homekey Program. The property consists of 45 studio units and one manager’s unit, all of which have been fully renovated and are move-in ready. The project serves individuals experiencing homelessness, including persons with mental illness and other complex health conditions, and is intended to provide long-term housing stability coupled with intensive supportive services.

Support services include case management and individualized service planning, housing stabilization and retention services, housing navigation and counseling, and referrals to behavioral health care, substance use treatment, healthcare, employment, and transportation services. All services will be delivered using a Housing First and low-barrier approach, ensuring that

participants are not screened out based on income, employment status, sobriety, or treatment history.

## **Community Engagement**

In response to inquiries from nearby residents and businesses, the Housing Authority of the County of Monterey, in coordination with the City of Salinas, convened a community engagement meeting on February 19, 2026, at 6pm, at the Los Padres Elementary School. The purpose of the meeting was to provide information regarding the Fairview Homekey Project, clarify site operations and security protocols, and establish clear and appropriate points of contact for community members to report concerns related to the property or its operations. The meeting will also provide an opportunity to explain the permanent supportive housing model, resident eligibility, and management structure for the site.

## **Housing Authority of the County of Monterey (HACM)**

The Housing Authority of the County of Monterey (HACM) serves as the City's primary housing partner for the Fairview Homekey Project. HACM as the property owner will be responsible for securing and administering operating subsidies (such as Housing Choice Vouchers when available), overseeing compliance with state and federal regulatory agreements tied to Homekey, HOME-ARP, and other funding sources. HACM is also responsible for coordinating with the California State Department of Housing and Community Development (HCD) on project approvals, operational feasibility, and long-term sustainability, as well as addressing any transactional or ownership issues that may arise. While the City provides policy direction, funding allocations, and regulatory oversight as a Participating Jurisdiction, HACM is responsible for the day-to-day operational viability of the Fairview Homekey Project and for resolving property-level or financing matters in coordination with HCD.

## **Service Provider Selection Process**

Supportive services for the Fairview Homekey Project were procured by HACM through a competitive Request for Proposals (RFP) process issued on December 10, 2025. On January 26, 2026, the HACM Board of Commissioners approved the award of the supportive services contract to Step Up for the Fairview Homekey Project. The selected provider will deliver onsite supportive services in coordination with HACM and the City of Salinas, consistent with HOME-ARP requirements and the project's Housing First model.

## **Grand Opening and Project Launch**

The grand opening of the Fairview Homekey Project is anticipated to occur on March 4, 2026, concurrent with the ongoing lease-up of the site. The grand opening will mark the commencement of onsite supportive services and full program operations by HACM. Additional details regarding

the timing and format of the grand opening will be shared as project readiness milestones are finalized.

### **Performance, Reporting and Monitoring**

The Housing Authority of the County of Monterey (HACM) is required to meet the performance outcomes identified in the approved Scope of Work. As part of the Scope of Work, HACM must enter client-level data into the Homeless Management Information System (HMIS) and comply with all applicable federal, state and local requirements. The City will conduct ongoing monitoring, including desk reviews and on-site reviews, to ensure program compliance and the timely expenditure of funds.

### **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). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

### **CALIFORNIA GOVERNMENT CODE §84308 APPLIES:**

No.

### **STRATEGIC PLAN INITIATIVE:**

Funding for the first year of supportive services through rental assistance of the Fairview Homekey Project furthers the 2025-2028 City Council Strategic Plan Housing strategy of promoting the health and safety of unsheltered residents through housing and supportive services. Approval of this item will enable the City to advance housing stability outcomes, comply with HUD expenditure and performance requirements, and ensure long-term service delivery.

### **DEPARTMENTAL COORDINATION:**

This agenda item was prepared by the Community Development Department in Coordination with the City Attorney and Finance Department.

### **FISCAL AND SUSTAINABILITY IMPACT:**

The recommended action authorizes the allocation of \$1,190,337 in HOME-ARP funds for supportive services provided through rental assistance at the Fairview Homekey Project. There will be no fiscal impact on the General Fund.

<b>Fund</b>	<b>General Ledger Number (Operating/CIP)</b>	<b>General Ledger Account Name</b>	<b>Remaining Budget Appropriation</b>	<b>Amount Requested</b>
2931	30.3240-69.1240	Financial Assistance	\$2,485,337	(\$1,190,337)
2931	30.3240-69.1680	Financial Assistance Housing Authority	\$0	\$1,190,337
2931	30.3240-55.7521	Intergovernmental HOME Invnt Partnership (HUD)	\$2,485,337	

ATTACHMENTS:

1. Resolution Authorizing the appropriation of HOME-ARP Funds