



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** SEPTEMBER 10, 2024  
**DEPARTMENT:** COMMUNITY DEVELOPMENT  
**FROM:** LISA BRINTON, DIRECTOR  
**THROUGH:** FRANCISCO BRAMBILA, ACTING PLANING MANAGER  
**BY:** CRISTINA GONZALEZ, COMMUNITY DEVELOPMENT ANALYST  
**TITLE:** UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR FY 2023-24

**RECOMMENDED MOTION:**

A motion to approve a resolution affirming the Fiscal Year 2023-24 Consolidated Annual Performance and Evaluation Report and authorizing its submittal to the United States Department of Housing and Urban Development.

**EXECUTIVE SUMMARY:**

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), CDBG CARES Act (CDBG-CV), HOME Investment Partnerships (HOME), HOME American Rescue Plan (HOME-ARP), and Emergency Solutions Grants (ESG) Programs, ESG-CV. As a requirement of the continued receipt of entitlement funding, each year the City must compile and submit a Consolidated Annual Performance and Evaluation Report (CAPER) to United States Department of Housing and Urban Development (HUD). 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 2023-24 Annual Action Plan (AAP). The CAPER is due to HUD no later than ninety (90) days after the end of the City’s FY 2023-24. This year, the CAPER is due to HUD no later than September 27, 2024.

**BACKGROUND:**

The CAPER is a one-year evaluative summary document which describes all eligible projects, programs and activities funded through CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV 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, a draft CAPER public notice was published in The Monterey Herald on August 23, 2024. 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 office building; and by request through mail or email. The public comment period for the FY 2023-24 CAPER began on August 23, 2024, and ends on September 10, 2024. This 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. A summary of all public comments received during the public comment period will be included in the City’s final CAPER submission to HUD.

***Entitlement Funding & Program Income (PI)***

The City is an entitlement jurisdiction for CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV programs. HUD provides annual grants on a formula basis to entitled cities and counties 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 2023-24 for CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV.

<b>Funding Source</b>	<b>Entitlement Amount</b>	<b>Program Income</b>	<b>Total Funding Available</b>	<b>Total Expenditures</b>
CDBG	\$8,474,258*	\$36,528	\$8,510,786	\$3,360,031
CDBG-CV	\$638,360**	\$0	\$638,360	\$441,263
HOME	\$2,807,696*	\$6,141	2,807,837	\$227,898
HOME-ARP	\$2,918,774	\$0	\$2,918,774	\$0
ESG	\$233,698*	\$0	\$233,698	\$12,908
ESG-CV	\$105,814**	\$0	\$105,814	105,814
<b>Total</b>	<b>\$15,215,269</b>	<b>\$42,669</b>	<b>\$15,215,269</b>	<b>\$4,115,951</b>

*\*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 2023-24, the City utilized CDBG funds to support public services, economic development, and public facilities. The following tables show the activities performed with CDBG Entitlement and CDBG-CV funds and their accomplishments for FY 2023-24.

<b>CDBG Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding</b>	<b>Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration (20% Grant & PI)	Administration	\$442,392	\$442,392	N/A
City of Salinas	Sherwood Recreation Center – Phase 4	Public Facility	\$2,507,146*	\$296,466	Public Facility
City of Salinas	Hebron Recreation Center	Public Facility	\$2,554,030*	\$672,541	Public Facility
City of Salinas	Chinatown Improvements	Public Facility	\$577,980	\$1,530	Public Facility
First United Methodist Church	Kitchen Remodel	Public Facility	\$91,263*	\$91,263	Public Facility
Alisal Union School District	Buckhorn Early Childhood Development Center	Public Facility	\$956,930*	\$815,405	Public Facility
City of Salinas	Natividad Creek Restroom Renovation	Public Facility	\$493,569*	\$361,576	Public Facility
Interim Inc.	Sun Rose Apartments	Housing	\$459,646*	\$459,646	1 - 8-bed Housing Unit
ECHO	Fair Housing and Tenant/Landlord Services	Public Service	\$75,000	\$63,337	Households
City of Salinas	Republic Café	Public Facility	\$500,000	\$ 0	Public Facility
City of Salinas	Housing Referrals and Tenant/Landlord Services	Public Service	\$45,000	\$ 0	Households
City of Salinas	Salinas Outreach and Response Team (SORT)	Public Service	\$135,800	\$20,072	Households

\* Includes funding from previous fiscal years

<b>CDBG-CV Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding*</b>	<b>FY 2023-24 Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration (20% of Grant)	Administration	\$98,623	\$59,855	N/A
City of Salinas	Housing Information, Referral Services & Fair Housing	Public Service	\$251,491	\$127,703	Households
City of Salinas	Economic Development and Technical Assistance	Public Service	\$276,187	\$224,368	Businesses

\* Available funding from previous fiscal years

### ***Emergency Solutions Grant (ESG)***

The ESG and ESG-CV 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. This 60% cap was waived by HUD for ESG-CV funds. Additional uses of the ESG and ESG-CV are to provide homelessness prevention assistance to households who are at risk of homelessness, and assistance to rapidly re-house persons who are experiencing homelessness. ESG and ESG-CV funds also provide assistance including short-term or medium-term rental assistance, housing navigation and placement, and housing stability case management.

The City’s ESG allocation for FY 2023-24 was \$182,225, however the City had \$51,473 of unexpended funds from prior years for a total of \$233,698 of available funds for FY 2023-24. From the original award, the City had \$105,813 in available ESG-CV funds at the beginning of FY 2023-24 to continue funding essential services. This funding source was expensed and expired in FY 2023-24. The following tables show the agency name, program funded, total number of unduplicated persons served, budgeted amount, and total FY 2023-24 expenditures.

<b>ESG Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding*</b>	<b>Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration	Administration	\$15,787	\$0	N/A
City of Salinas	SORT	Public Service	\$149,332	\$12,887	Persons
Community Homeless Solutions (CHS)	Rapid Re-Housing	Public Service	\$65,558	\$0	

\*Includes funding from previous fiscal years.

<b>ESG – CV Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding*</b>	<b>Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration (10% of Grant)	Administration	\$7,259	\$7,259	NA
University Corporation at Monterey Bay	Rapid Re-housing (RRH) Program	Public Service	\$40,775	\$40,775	Persons
City of Salinas	SORT	Public Service	\$57,778	\$57,778	Persons

*\*Available funding from previous fiscal years.*

### ***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 construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of affordable housing.

In FY 2023-24, the City used HOME grant funds for housing activities that expanded the supply of decent, safe, and affordable housing. The FY 2023-24 HOME housing development funds have yet to be 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.

<b>HOME Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding*</b>	<b>Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration	Administration	\$386,221	\$174,260	N/A
Monterey County Housing Development Corporation	Parkside Manor Phase I	Housing	\$53,729	\$53,729	6 Housing Units
To be committed in the future	To be committed on the future	Housing	\$ 2,421,616	\$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 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 appropriation. 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 are not projected to occur until FY 26-27.

<b>HOME-ARP Program</b>					
<b>Agency</b>	<b>Activity Name</b>	<b>Funding Category</b>	<b>Available Funding</b>	<b>Expenditures</b>	<b>Outcome</b>
City of Salinas	Program Administration	Administration	\$437,816.10	\$0	N/A
Step Up on Second St	Step Up on Sanborn	Supportive Services	\$2,480,957.90	\$0	Persons
	Step Up on Fairview				

**CEQA CONSIDERATION:**

The City of Salinas determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) per Guidelines Section 15378.

**STRATEGIC PLAN INITIATIVE:**

HUD funded activities and projects support City of Salinas Strategic Plan 2022-2025 Goals and Strategies relative to Economic Development, Housing/Affordable Housing, and Effective and Culturally Responsive Government.

**DEPARTMENT 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 the General Fund. HUD entitlement fund allocations are provided directly to the City by HUD and require no commitment of matching City funds.

**ATTACHMENTS:**

Resolution  
 FY 2023-24 CAPER – Draft