



CITY OF SALINAS

HOUSING AND LAND USE COMMITTEE

DATE: AUGUST 19, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR

BY: VINCENT MONTGOMERY, PLANNING MANAGER
FRANCISCO BRAMBILA, MANAGEMENT ANALYST
ERIC SOTELO, COMMUNITY DEVELOPMENT ANALYST

TITLE: FIRST SUBSTANTIAL AMENDMENT TO HUD FY 2023-2024
ANNUAL ACTION PLAN

RECOMMENDED MOTION:

It is recommended that the Housing and Land Use Committee supports the approval of a City Council Resolution authorizing:

1. The submission of a First Substantial Amendment to Fiscal Year (FY) 2023-2024 Annual Action Plan (AAP) to the United States Department of Housing and Urban Development (HUD); and
2. The allocation of an additional \$595,000 in available Community Development Block Grant (CDBG) program funds to the Sherwood Recreation Center Building Improvement project (CIP 9535); and
3. The City Manager, or designee, to incorporate any necessary modifications to the Substantial Amendment based on community feedback, and to execute, on behalf of the City, any agreements and related documents for HUD-funded projects and activities as outlined in the Substantial Amendment Summary to the FY 2023-2024 AAP.

DISCUSSION:

Following the bid opening for the Sherwood Recreation Center (SRC) Building Improvement project (CIP 9535) and a reassessment of associated construction costs, the City has identified a funding shortfall of approximately \$595,000. To close this funding gap, the City proposes its first Substantial Amendment to the FY 2023-2024 Annual Action Plan (AAP), reallocating \$550,000 in unspent Community Development Block Grant (CDBG) funds from the Republic Café project and \$45,000 from the Housing Referrals and Tenant/Landlord Services project. These funds, originally designated through the FY 2023-2024 AAP, would be redirected to support the SRC improvements. The reallocated CDBG funds will be used to cover administrative expenses, construction activities, and other unforeseen costs associated with the project.

The SRC retrofit project is located at 920 N. Main Street in Salinas, CA, on a City-owned parcel. The project involves converting the former Municipal Swimming Pool Building (approximately 12,895 sq ft) into a fully functional recreation center focused on youth sports programs. Interior improvements were completed in prior phases.

The current phase includes exterior upgrades such as hazardous material remediation, roof and façade repairs, installation of new windows and doors, enhanced accessibility features, parking lot improvements, landscaping, and additional interior enhancements. Through its FY 2021-2022, 2022-2023, 2023-2024, and 2024-2025 Annual Action Plans (AAPs), the City allocated a total of \$3,951,795.20 of CDBG funds toward preliminary design, soft costs, and construction.

On July 15, 2025, the City opened bids for the proposed scope of work. Following bid review and updated cost estimates, a funding shortfall of approximately \$595,000 was identified.

To address this gap, the City proposes reallocating funds from two delayed projects:

AAP FY	Project No.	CDBG Project Name	Amount Available
2023-24	4	Republic Café Museum at 37 Soledad St	\$550,000
	6	City of Salinas - Housing Referrals and Tenant/Landlord Services	\$45,000
Total			\$595,000

With the addition of these funds, the total allocation for the SRC project would increase to \$4,546,795.20. These funds will support architectural planning, predevelopment activities, construction, and activity delivery. The Public Works department will seek City Council approval on August 26, 2025, to award the contract to the lowest responsive and responsible bidder. Construction is expected to begin shortly thereafter.

Task	Amount
Activity Delivery	\$280,191
Predevelopment	\$454,184
Construction	\$3,224,900
Construction Management	\$587,521
Total Project Cost	\$4,546,796

In accordance with the City’s Citizen Participation Plan, public notices in English and Spanish were published in *The Monterey Herald* and on the City’s website on or before July 27, 2025. Notices were also posted at the Community Development Department (65 W. Alisal Street), City Hall (200 Lincoln Avenue), and City libraries. Additionally, the draft amendment summary was distributed via email to the Community Development Department’s Housing Distribution list.

The draft Substantial Amendment Summary is available for public review during the mandatory 30-day comment period, beginning on or before July 27, 2025, and concluding with the scheduled City Council hearing on August 26, 2025. Documents are accessible at the Community Development Department, City Hall, public libraries, and online. Copies may also be requested via email. The public is encouraged to review and provide feedback on the proposed amendment.

This Substantial Amendment will also help the City reduce its available CDBG balance and maintain compliance with HUD's expenditure ratio requirements.

DEPARTMENTAL COORDINATION:

The proposed Substantial Amendment proposed by CDD's Housing and Community Development Division has been coordinated with other City departments including Finance, Legal, Library Community Services and Public Works.

ATTACHMENTS:

PowerPoint - Substantial Amendment – FY 23-24 AAP
Substantial Amendment Summary