

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL APPROVING SUBSTANTIAL
AMENDMENTS TO THE UNITED STATES DEPARTMENT OF URBAN
DEVELOPMENT FY 2023-2024, 2024-2025, & 2025-2026 ANNUAL ACTION PLANS**

WHEREAS, the City of Salinas (City) as an Entitlement City, receives and administers United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grants (ESG) program funding; and

WHEREAS, CDBG regulations require that each CDBG Entitlement grantee administers its program in a timely manner meaning that a grantee's Line of Credit (LOC) balance must not exceed on and one-half (1.5) times its annual grant amount, 60 days before the end of the program year; and

WHEREAS, the City has not met this expenditure timeliness standard for the past four years and has been working with HUD on an expenditure plan to achieve compliance; and

WHEREAS, to ensure future compliance with the timeliness ratio, the City needs to shift its focus to shovel-ready projects that could help meet the expenditure ratio requirement within the current fiscal year; and

WHEREAS, the City has identified \$1,060,000 in CDBG funds allocated to the Chinatown Neighborhood Improvements project during the FY 2025-2026 Annual Action Plan (AAP) and proposes to reallocate these funds to support project delivery and construction of public improvement projects in the Alisal Neighborhood Revitalization Strategy Area, such as streetlights and ADA sidewalk curb ramps, primarily in low- and moderate-income neighborhoods and the rehabilitation of low-income affordable housing development; and

WHEREAS, the City has identified \$2,482,022 in HOME funds previously allocated to the Republic Café Housing project in the FY 2023-2024 AAP and \$1,949,573 in uncommitted HOME funds, including HOME Community Housing Development Organization (CHDO) Set-Aside funds in the FY 2024–2025 and FY 2025–2026 AAPs, totaling \$4,431,595 in HOME funds; and

WHEREAS, on June 24, 2025, the City issued a Notice of Funding Availability (NOFA) for FY 2025–2026 to solicit proposals for affordable housing developments and through this process, the City identified several projects that are well-positioned to benefit from HOME funding; and

WHEREAS, the City is proposing to reallocate a total of \$4,431,595 in HOME funds to support affordable multi-family rental housing projects selected through the NOFA process involving activities such as the new construction and rehabilitation of affordable multi-family rental housing; and

WHEREAS, in accordance with the City’s HUD-approved Citizen Participation Plan, the proposed de-obligation and reallocation of CDBG & HOME funds require a formal Substantial Amendment process; and

WHEREAS, public notices in English and Spanish were published in The Monterey Herald, the City’s website, posted at the Community Development Department (65 W. Alisal Street), City Hall (200 Lincoln Avenue), City libraries, and sent via email to the Community Development Department’s Housing Distribution List on or before October 18, 2025, requesting public review and comments regarding the proposed Substantial Amendments; and

WHEREAS, the draft Substantial Amendments Summary was available for public review during the mandatory 30-day comment period, and the public was strongly encouraged to review and provide feedback beginning on or before October 18, 2025, and concluding with the scheduled City Council hearing on November 18, 2025; and

WHEREAS, on October 21, 2025, the proposed Substantial Amendments were presented to Housing and Land Use Committee (HLUC), to provide the public with an opportunity to offer feedback and comments; and

WHEREAS, on November 18, 2025, the City Council conducted a public hearing to consider the proposed Substantial Amendments to the AAP for FY 2023-2024, 2024-2025, & 2025-2026, and sought to obtain public comment; and

WHEREAS, 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). However, future discretionary actions may be subject to CEQA. All projects and activities funded with CDBG or HOME funds will be subject to National Environmental Protection Act (NEPA).

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves the Substantial Amendments to the FY 2023-2024, 2024-2025, and 2025-2026 Annual Action Plans, and authorizes its submittal to HUD.

BE IT FURTHER RESOLVED that the Salinas City Council hereby approves the allocation of a cumulative \$5,872,412 in unspent HOME & CDBG funds from FY 2023-2024, 2024-2025 and 2025-2026 AAPs to various projects as described in the Summary of Substantial Amendments to HUD FY 2023-2024, 2024-2025, and 2025-2026 AAPs; and

BE IT FURTHER RESOLVED that the Salinas City Council hereby authorizes the City Manager or designee to incorporate any necessary modifications to the Substantial Amendments based on community feedback, and to execute any agreements and related documents for HUD-funded projects and activities as outlined in the Summary of Substantial Amendments to HUD FY 2023-2024, 2024-2025, and 2025-2026 Annual Action Plans.

PASSED AND APPROVED this 18th day of November 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Dennis Donohue, Mayor

ATTEST:

Patricia M. Barajas, City Clerk