



CITY OF SALINAS
HOUSING AND LAND USE COMMITTEE STAFF REPORT

DATE: **JUNE 10, 2025**

DEPARTMENT: **COMMUNITY DEVELOPMENT**

FROM: **LISA BRINTON, DIRECTOR**

THROUGH: **VINCENT MONTGOMERY, PLANNING MANAGER**

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

It is recommended that the Housing and Land Use Committee support the approval of a City Council 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. authorizing 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.

DISCUSSION:

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 have been used to assist numerous low and moderate-income households and improve 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 is a valuable tool that allows greater funding flexibility in a specific targeted geographic area.

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 |

**HUD required minimum 30-day public review and comment period.*
***Draft documents of FY 2025-2029 Con Plan, FY 2025-2026 AAP and ANRSA were made available at these locations.*

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:

- Salinas Plan
- Economic Development Element
- Chinatown Revitalization Plan
- Alisal Vibrancy Plan
- Parks, Recreation & Libraries Master Plan
- City of Salinas 2023-2031 Housing Element
- Salinas Broadband Master Plan

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 geared toward the development of affordable housing. These funds are comprised of State of California and HOME 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 | | |
|--|--|--------------------|
| Agency | Activity | Amount |
| City of Salinas | Program Administration (20%) | \$441,883 |
| City of Salinas | Program 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 | | \$2,192,717 |

| HOME Investment Partnerships Program | | |
|---|---------------------------------|------------------|
| Agency | Activity | Amount |
| City of Salinas | Program Administration (10%) | \$96,138 |
| City of Salinas | Program 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 of 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 Appendix E attachment.

ATTACHMENTS:

1. FY 2025-2029 Consolidated Plan & FY 2025-2026 Annual Action Plan - Draft
2. Appendix E - Alisal Neighborhood Revitalization Strategy Area – Draft
3. HLUC Presentation - Con Plan, AAP & ANRSA