



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** DECEMBER 5, 2023

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** LISA BRINTON, DIRECTOR

**THROUGH:** ROD POWELL, ASSISTANT DIRECTOR

**BY:** BEATRIZ TRUJILLO, COMMUNITY DEVELOPMENT ANALYST

**TITLE:** SUBGRANTEE FUNDING AGREEMENT BETWEEN THE CITY OF SALINAS AND THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY FOR A COMMUNITY IMPACT HOUSING STABILIZATION PROGRAM

RECOMMENDED MOTION:

It is recommended that the Salinas City Council approve a Resolution authorizing the City Manager or designee to execute a Subgrantee Funding Agreement between the City of Salinas and Housing Authority of Monterey County to implement a Community Impact Housing Stabilization Program in an amount not to exceed \$331,000.

EXECUTIVE SUMMARY:

On June 20, 2023, the City Council approved Resolution No. 22709 authorizing the reclassification of \$870,000 of previously allocated United Way of Monterey County (UWMC) Emergency Rental Assistance Program (ERAP) funds to a new Housing Stabilization (HS) fund. Subsequently, the City has executed the applicable Community Impact Agreement for Housing Stabilization with United Way Monterey County solidifying the intended reclassification of funds and diversification of services within an extended expenditure term.

In support of its HS programming, the City is seeking to enter into a \$331,000 Subgrantee Funding Agreement with the Housing Authority of the County of Monterey (HACM) to provide much needed and currently unfunded support for households currently holding a Section 8 Housing Choice voucher that are unable to afford required security deposits and other initial moving costs.

BACKGROUND:

In 2021, through the UWMC's administration of funds, initially allocated to the County of Monterey, the City was awarded two rounds of U.S. Department of Treasury and the California Department of Housing and Community Development ERAP funding, totaling more than \$15,000,000 with an expiration date of September 30, 2023.

Since its inception in early 2021, the City’s ERAP has processed 3,900 payments to effectively resolve rental and utility arrears for 1,641 unique households. Since the beginning of 2023, the ERAP program experienced a decrease in requests for arrears assistance. In consideration of the noticeable decline, UWMC requested that the City consider reallocating \$870,000 of its \$1,151,863 ERAP balance as of June 2023 for HS services. To support this shift in programming expenditure timelines would be extended through to July 31, 2025.

In response, on June 20, 2023, Council approved staff’s recommendation to execute a new Community Impact Agreement with UWMC to repurpose and diversify a large portion of its remaining ERAP funds to a newly allowed HS program. In furtherance of its HS program, the City is now seeking to execute the proposed \$331,000 Subgrantee Funding Agreement with HACM to support households seeking to use a Section 8 Housing Choice voucher with vital security deposit and initial moving cost supports that are otherwise unavailable in our community. The remaining \$539,000 of City HS funding will be used to support an internal Homeless Housing Navigation and Stabilization Program (HHNSP) to be managed within the City’s internal homeless services platform.

DEPARTMENT COORDINATION:

Coordination and collaboration of this item has been led by the City’s Community Development Department Housing and Community Development Division in consultation and partnership with the City Attorney and Finance Department.

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).

STRATEGIC PLAN INITIATIVE:

The City’s HS program and proposed Subgrantee Funding Agreement with HACM are intended to provide significant financial support for low/moderate income households to secure permanent suitable housing. In doing so, this item supports City Council Strategic Plan 2022-2025 Goals and Strategies of *Housing/Affordable Housing*.

FISCAL AND SUSTAINABILITY IMPACT:

Funding is available and appropriated in the United Way fund 3186.30.3240.

ATTACHMENTS:

- Resolution
- Funding Agreement - HACM Draft
- Approved Resolution No. 22709
- Community Impact Grant Agreement – Housing Stabilization