



CITY OF SALINAS FINANCE COMMITTEE

DATE: AUGUST 12, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA MURPHY, ASSISTANT CITY MANAGER
LISA BRINTON, COMMUNITY DEVELOPMENT
DIRECTOR

BY: KAYSHLA LOPEZ, HOMELESS SERVICES MANAGER

TITLE: FUTURE FUNDING FOR THE CHINATOWN NAVIGATION
CENTER

RECOMMENDED MOTION:

It is recommended that the Finance Committee provide feedback and direction regarding the Chinatown Navigation Center.

EXECUTIVE SUMMARY:

The City operates the Chinatown Navigation Center (CNC), a temporary shelter serving unhoused individuals. The CNC has been primarily funded through one-time grant sources, which are projected to be fully expended by November 30, 2025. Without additional funding, the shelter will close on that date, and current guests will be relocated.

BACKGROUND:

The City assumed operations of the CNC in March 2020, following its closure by the Franciscan Workers of Junipero Serra. Soon after, the City installed a sprung structure using Emergency Solutions Grant (ESG) funds, COVID related funds and Housing Successor Agency funds. This investment established a 24/7 shelter providing comprehensive services to individuals experiencing homelessness. The CNC offers 50 shelter beds, daily meals, showers, restrooms facilities, and laundry facilities.

Operated by Community Homeless Solutions, guests receive case management, housing navigation assistance, group counseling and referrals to additional services to support their transition to permanent housing. The CNC also serves the broader Chinatown community by providing shower and restroom facilities to those living on the streets. To date, the CNC has provided shelter to over 932 households and has placed 200 households into permanent housing.

The cost to operate the facility and provide services is \$2.5 million annually and has been funded by a combination of one-time grants and contributions from the General Fund. Funding is only

secured through November 2025. This creates a shortfall of \$1.54 million for FY 2025-26 operations. To reduce the operating cost in order to allow the CNC to operate through the winter months, Community Homeless Solutions has submitted a revised staffing proposal. The revised amount is \$587,000 (\$146,750 per month) to remain open through March 2026.

The City has been working with its non-profit partners and the Continuum of Care (COC) to identify additional funding. The COC Leadership Council will meet on August 27th to consider allocating \$200,000 toward CNC operations. If approved, a gap of \$387,000 would remain.

Staff is requesting the Finance Committee consider the following options and provide direction:

1. No additional funding, proceed with closure on November 30, 2025.
2. If the COC provides \$200,000, the City fund the remaining \$387,000 from the General Funds (fund balance). If the COC does not provide additional funding, the City fund the full amount of \$587,000 from fund balance¹

In either of these scenarios, the CNC will be closing. In preparation, the City will collaborate with its partners to relocate shelter residents to alternative housing placements. The City, in partnership with the COC, will seek leadership council approval to prioritize the Chinatown Navigation Center participants for any upcoming Coordinated Entry Placements. Additionally, the City will work with the County and the SHARE Center to prioritize emergency bed vacancies, while Community Homeless Solutions staff will continue to provide housing navigation and financial assistance to shelter residents for long-term housing solutions.

ATTACHMENTS:

None.

¹ It is important to point out that we have yet to close out FY 2024-25 and based on actual revenue received and expenditures incurred, the Fund Balance is likely to change.