



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 21, 2021

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: ROD POWELL, PLANNING MANAGER

TITLE: SUBMISSION OF CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR FY 2020-21 TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDED MOTION:

It is recommended that the City Council approve a resolution approving the Fiscal Year (FY) 2020-21 Consolidated Annual Performance and Evaluation Report (CAPER) and authorize submittal to the United States Department of Housing and Urban Development (HUD).

RECOMMENDATION:

The Community Development Department (CDD) recommends that the City Council approve a Resolution approving the FY 2020-21 CAPER and authorize submittal to HUD.

EXECUTIVE SUMMARY:

The City of Salinas (City) is designated as a HUD entitlement jurisdiction which allows for the direct receipt of funding from HUD's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grants (ESG) Programs. In recognition of this designation, the City is also a direct recipient of special, one-time funding allocations of federal CDBG CARES Act COVID-19 (CDBG-CV) and ESG-CV to enable the City to respond to, prepare for and prevent COVID-19. As a requirement of the continued receipt of entitlement funding, each year the City must submit a CAPER to HUD which provides a comprehensive summary of expenditures, activities and accomplishments for each of the City's HUD programs for the past fiscal year. This document also serves as a mechanism and opportunity for public evaluation in regard to the City's progress in carrying out goals and objectives as stated in its FY 2020-24 Consolidated Plan (Con Plan) and FY 2020-21 Annual Action Plan (AAP). The CAPER is due to HUD no later than ninety (90) days after the end of the City's FY 2020-21. This year, the CAPER is due to HUD no later than September 28, 2021.

BACKGROUND:

The CAPER is a one-year evaluative summary document which describes all eligible projects, programs and activities funded with CDBG, CDBG-CV, HOME, ESG and ESG-CV funds during FY 2020-21 and their relationship to the City's housing, homelessness, and community development priorities and needs. In accordance with the City's adopted Citizen Participation Plan (CPP), HUD requires a minimum fifteen (15) day public comment period for the CAPER. In compliance with this mandate, a draft CAPER public notice was published in The Californian and El Sol newspapers on September 4, 2021. The draft CAPER was also made available to the public on the City's website, at the Community Development Department and by request through mail. The minimum fifteen (15) day public comment period began on September 4, 2021 and ends on September 21, 2021. This City Council public hearing also provides an additional opportunity for the public to advise the City Council with comments regarding the draft CAPER and provide input on community development needs within the City. A summary of all public comments received during the public comment period will be included in the City's final CAPER submission to HUD.

DISCUSSION:

Entitlement Funding & Program Income (PI)

As mentioned above, the City is an entitlement jurisdiction for CDBG, CDBG-CV, HOME, ESG and ESG-CV programs. HUD provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons. The City also utilizes program income (PI) to further fund certain eligible activities on an annual basis. PI is the gross income received by the City from the use of CDBG, CDBG-CV, HOME, ESG and ESG-CV funds. The table below represents entitlement funding and PI available for FY 2020-21 for CDBG, CDBG-CV, HOME, ESG and ESG-CV.

Funding Source	Entitlement Amount	Program Income	Total Available Funding
CDBG	\$2,024,219	\$192,810.81	\$2,217,030.81
CDBG-CV	\$2,400,157	\$0	\$2,400,157
HOME	\$803,851	\$337,844.84	\$1,141,695.84
ESG	\$179,001	\$0	\$179,001
ESG-CV	\$6,432,171	\$0	\$6,432,171
Total	\$11,839,399	\$530,655.65	\$12,370,055.65

The table below represents entitlement and PI expenditures incurred in FY 2020-21 for CDBG, CBDB -CV, HOME, ESG and ESG-CV.

Funding Source	Total Available Funding	Total Expenditures
CDBG	\$2,217,030.81	\$673,365
CDBG-CV	\$2,400,157	\$1,020,629
HOME	\$1,141,695.84	\$1,107,311
ESG	\$179,001	\$42,716
ESG-CV	\$6,432,171	\$2,952,833
Total	\$12,370,055.65	\$5,796,854

Community Development Block Grant (CDBG)

CDBG entitlement funding can be used to provide decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services (up to 15% of CDBG allocation)
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

For FY 2020-21 the City utilized CDBG funding to support public services, economic development, and capital improvements projects. The following tables show the activities performed with CDBG Entitlement and CDBG-CV funds and their accomplishments for FY 2020-21. Due to the Covid-19 pandemic, implementation of some programs and activities have been delayed.

CDBG Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (20% Grant & PI)	Administration	\$443,406	\$219,685	N/A
City of Salinas	Grow Salinas Fund	Economic Development	\$222,883	\$208,382	9 Businesses
City of Salinas	Housing Services	Housing	\$293,963*	\$114,450	2 Households
City of Salinas	Sherwood Recreation Center – Phase 3	Public Facility	\$30,836*	\$30,836	Public Facility
City of Salinas	Sherwood Recreation Center – Phase 4	Public Facility	\$728,633	\$0	Public Facility
First United Methodist Church	Kitchen Remodel	Public Facility	\$514,662*	\$47,796	Public Facility
Alisal Union School District	Buckhorn Early Childhood Development Center	Public Facility	\$968,000*	\$0	Public Facility
Interim Inc.	Catalyst Apartments Rehabilitation	Housing	\$550,000	\$2,145	5 Housing Unit
City of Salinas	Natividad Creek Park and Closter Park Restroom Renovation	Public Facility	\$798,633*	\$0	Public Facility
Interim Inc.	Sun Rose Apartments	Housing	\$547,860	\$6,864	1 Housing Unit (8 Beds)
Girl Scouts of California	Girl Scouts Alisal Program Center	Public Service	\$35,000	\$35,000	200 Persons
Partners for Peace	Families are the Heart of the Community	Public Service	\$8,207*	\$8,207	25 Persons

**Funding from a previous fiscal year.*

CDBG-CV Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (20% of Grant)	Administration	\$480,031	\$213,344	N/A
City of Salinas	Housing Information, Referral Services & Fair Housing	Public Service	\$400,000	\$41,522	239 Persons
City of Salinas	Grow Salinas Fund	Economic Development	\$331,634	\$216,859	16 Businesses
City of Salinas	Economic Development and Technical Assistance	Public Service	\$400,000	\$64,605	510 Businesses
Downtown Streets Inc.	Salinas Downtown Streets Team	Public Service	\$238,000	\$31,307	8 Persons
Eden Council for Hope and Opportunity	Fair Housing & Tenant/Landlord Services (CV)	Public Service	\$84,000	\$84,000	167 Persons
Food Bank for Monterey County	Food Bank for Monterey County (CV)	Public Service	\$310,957	\$310,957	3,058 Persons
The Salvation Army	Food Distribution Program	Public Service	\$76,679	\$58,035	180 Persons
Unallocated Funds	To be determined (TBD)	TBD	\$78,421	N/A	TBD

Emergency Solutions Grant (ESG)

The ESG and ESG-CV programs utilize federal funds to support communities in providing street outreach, emergency shelter, rental assistance, and related services. These programs provide resources for adults and families with children experiencing or at-risk of homelessness. The purpose of the ESG and ESG-CV programs is to provide homelessness prevention assistance to households who would otherwise become homeless and assistance to rapidly re-house persons who are experiencing homelessness. ESG and ESG-CV funds provide a variety of assistance, including short-term or medium-term rental assistance, housing navigation and placement, and housing stability case management. ESG and ESG-CV regulations allow the use of grant funds for a wide range of program components and activities. The street outreach and emergency shelter program components are capped at 60 percent of the ESG total funding. This 60 percent cap was waived by HUD for ESG-CV funds.

For FY 2020-21 the City received a HUD ESG allocation of \$179,001 and \$6,432,171 in ESG-CV funds. The following tables show the agency name, program name, total number of unduplicated persons served, budgeted amount and expenditures in FY 2020-21.

ESG Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (7.5% of Grant)	Administration	\$13,425	\$11,316	N/A
City of Salinas	Salinas Outreach and Response Team (SORT)	Public Service	\$79,000	\$0	0 Persons
Central Coast Center for Independent Living (CCCIL)	Rapid Re-Housing and Homeless Prevention Program	Public Service	\$55,176	\$0	4 Persons
Community Homeless Solutions	Warming Shelter	Public Service	\$31,400	\$31,400	55 Persons

ESG – CV Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (10% of Grant)	Administration	\$643,217	\$374,884	N/A
Salvation Army	Homeless Encampments Food Distribution	Public Service	\$78,098	\$78,098	731 Persons
Step-Up on Second Street Inc.	Homekey Project	Public Service	\$150,000	\$8,400	
University Corporation at Monterey Bay	Rapid Re-housing Program	Public Service	\$129,591	\$34,804	
CCCIL	Rapid Rehousing, Street Outreach, and Emergency Shelter Services	Public Service	\$1,012,451	\$375,642	
Coalition of Homeless Services Providers	Hotel / Motel Vouchers and Case Management	Public Service	\$100,000	\$87,665	
Community Homeless Solutions	Chinatown Navigation Center, Shelter and Trailers Operations	Public Service	\$1,531,523	\$693,117	
Downtown Streets Team, Inc.	Salinas Downtown Streets Team - Street Outreach	Public Service	\$688,633	\$238,633	
Interim, Inc.	MCHOME	Public Service	\$250,000	\$100,000	

ESG – CV Program (Continued)					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	SORT	Public Service	\$222,616	\$53,808	0 Persons
City of Salinas	Sanitation Stations	Public Service	\$316,000	\$104,378	Sanitation Stations
City of Salinas	Sprung Structure and RV Trailers	Public Facility	\$798,982	\$798,982	Public Facility
Bay Area Community Services	SHARE Center Operations	Public Services	\$334,410	\$0	0 Persons
YWCA Monterey County	YWCA Monterey County Domestic Violence Shelter Services	Public Services	\$40,000	\$4,424	0 Persons
Unallocated Funds	To be determined (TBD)	TBD	\$7,060	N/A	TBD

HOME Investment Partnerships Program

The HOME Investment Partnerships Program supports local housing strategies intended to increase home ownership and affordable housing opportunities for low and very low-income Americans. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

In FY 2020-21, the City used HOME grant funds for housing activities that expanded the supply of decent, safe and affordable housing. The FY 2020-21 HOME housing development funds were allocated to the Monterey County Housing Authority Development Corporation (MCHADC) for the development of Parkside Manor Phase I. MCHADC used these funds to fill in financing gaps for the project.

HOME Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$339,179	\$128,820	N/A
Mid Pen	Moon Gate Plaza	Housing	\$35,110*	\$35,110	12 Housing Units
Monterey County Housing Development Corporation	Parkside Manor Phase I	Housing	\$1,017,540	\$943,381	6 Housing Units

****Funding from a previous fiscal year.***

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) per Guidelines Section 15378. CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

CDBG, CDBG-CV, HOME, ESG and ESG-CV funding received by the City allows the undertaking of a variety of programs that are instrumental in providing affordable housing, providing homeless and homelessness prevention services, improvement of public facilities, infrastructure improvements in lower income areas, and furthering partnerships with public service organizations. CDBG, CDBG-CV, HOME, ESG and ESG-CV funding supports activities and projects that implement all of the City Council's strategic goals: 1) Investment Strategies / Risk Management; 2) New Revenue; 3) Operational Efficiencies; and 4) Public Safety. Additionally, CDBG-CV and ESG-CV funding assists the City in responding to, preparing for and preventing the spread of Covid-19.

DEPARTMENT COORDINATION:

This agenda item originates from the City's CDD Housing Division. However, other City departments including the City Attorney, Finance, Public Works and Library and Community Services have also contributed staff time and resources.

FISCAL AND SUSTAINABILITY IMPACT:

There is no General Fund impact associated with this agenda item. CDBG, CDBG-CV, HOME, ESG and ESG-CV funds are provided directly to the City by HUD and are non-General Fund dollars.

ATTACHMENTS:

- Resolution
- Draft CAPER