



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 18, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR

BY: MONICA FLORES-PONCE, COMMUNITY DEVELOPMENT ANALYST

TITLE: LETTER OF SUPPORT FOR CHISPA'S APPLICATION FOR DISASTER RECOVERY FUNDING

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the Mayor to execute a letter of support for Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) to apply for the California Housing and Community Development Department (HCD) – Community Development Block Grant Disaster Recovery (CDBG-DR) funding.

EXECUTIVE SUMMARY:

CHISPA is applying to HCD for CDBG-DR funding to support the construction phase of a 100% affordable housing development at 376 E. Alvin Drive (St. George Apartments or Project). CHISPA has requested a letter of support affirming the City's commitment to the completion of the Project, which will create 36 new, permanent affordable housing units for low-income seniors at or below 60% of the area median income (AMI). CHISPA is currently finalizing the architectural and engineering plans for City review and anticipates the Project will be shovel-ready in 2026. The submission of the letter of support from the Mayor on behalf of the City Council will demonstrate the City's support of St. George Apartment development and will assist CHISPA in obtaining construction funding. CHISPA's request letter and a draft letter of support are attached to this staff report.

BACKGROUND:

On March 12, 2024, the City approved the Project's land use entitlements, including a General Plan Amendment, Rezoning from Semi-Public to Multi-Family High Density Residential, Conditional Use Permit, and Re-subdivision into two parcels, and adopted of an Initial Study Mitigated Negative Declaration pursuant to the California Environmental Quality Act (CEQA).

In April 2025, the City awarded CHISPA \$645,000 in Permanent Local Housing Allocation (PLHA) funds to support the acquisition of 376 E. Alvin Drive. In July 2025, CHISPA applied

for gap financing through the City's Multi-Family Housing Notice of Funding Availability (NOFA). On November 18, 2025, under a separate item, the City Council will consider staff's recommendation to approve a preliminary award of \$2,372,699 to the Project comprised of Local Housing Trust Fund, HOME Investment Partnership Program, and additional PLHA funds.

On September 8, 2025, CDBG-DR funding was made available through an HCD NOFA announcing \$137,812,930 for new construction of multi-family housing in specific communities identified as "Most Impacted and Distressed" pursuant to FEMA DR-4699 and DR-4758 as determined by the US Department of Housing and Urban Development. Monterey County was one of the four counties identified through the Disaster Relief Supplemental Appropriations Act (2025), with a set-aside of up to \$41,343,879.

On October 16, 2025, CHISPA submitted a letter notifying the City of their intent to apply for CDBG-DR funding, to support the construction of the Project, and requested a letter of support from the City. According to Section 2.3.5 of the 2023/2024 Disaster Recovery Multi-Family Housing Program Policies and Procedures Manual for the 2023/2024 NOFA, the applicant must include a letter of support for the proposed project from the local legislative body where the proposed project is located. The funding application is due November 21, 2025.

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). The Project was reviewed in accordance with the California Environmental Quality Act (CEQA) and an Initial Study Mitigated Negative Declaration was approved on March 12, 2024. Due to a potential preliminary award of HUD HOME funds, a review under the National Environmental Policy Act (NEPA) will also be required prior to formal commitment of HOME funds.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This action furthers objectives under the 2025 Strategic Plan goals of Housing and Youth and Seniors by supporting the new construction of 100% affordable multi-family senior housing development.

DEPARTMENTAL COORDINATION:

Community Development's Housing and Community Development Division has coordinated proposed letter of support with the Administration Department and Current Planning Division.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct fiscal impact associated with this agenda item as it will be a letter of support for CHISPA to apply to HCD funding.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
N/A	N/A	N/A	N/A	N/A

ATTACHMENTS:

Resolution – Letter of Support for CHISPA for CDBG-DR Funding Application

Letter of Support – Draft

Letter of Notification to the City of Intent to Apply