



**CITY OF SALINAS
HOUSING AND LAND USE COMMITTEE**

DATE: MAY 21, 2026

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR

**BY: VINCENT MONTGOMERY, PLANNING MANAGER
FRANCISCO BRAMBILA, MANAGEMENT ANALYST
ERIC SOTELO, COMMUNITY DEVELOPMENT ANALYST**

**TITLE: UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FY 2026-2027 ANNUAL ACTION PLAN**

RECOMMENDED MOTION:

A motion recommending that the City Council approve a resolution:

1. approving the City of Salinas' United States Department of Housing and Urban Development (HUD) Fiscal Year (FY) 2026-2027 Annual Action Plan (AAP) and its submittal to HUD; and
2. authorizing the City Manager to incorporate any necessary modifications based upon community feedback and final HUD allocation prior to submissions to HUD; and
3. authorizing the Mayor to execute any related agreements, contracts, certifications, and amendments related to the funding allocations set forth in the FY 2026-2027 AAP; and
4. authorizing the appropriation of HUD funds to projects and activities described in the FY 2026-2027 AAP.

DISCUSSION

The City of Salinas (City) administers three (3) federal HUD entitlement programs; Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grants (ESG), which support projects benefiting low and moderate-income households and neighborhoods throughout the jurisdiction. To remain eligible for annual allocations of its entitlement funds, the City must prepare and submit the FY 2026-2027 Annual Action Plan in support of its five-year Program Years (PY) 2025-2029 Consolidated Plan (Con Plan). The Annual Action Plan identifies the specific activities and funding priorities the City will undertake during the program year. The HUD submission deadline for the City's FY 2026-2027 AAP is August 16, 2026.

The City is currently operating under the first year of its HUD approved PY 2025-2029 Con Plan, which covers July 1, 2025 through June 30, 2029. Approved by the City Council on June 17, 2025, the Con Plan provides a strategic framework for addressing community development, housing, homelessness, and support services needs through CDBG, HOME and ESG entitlement funding. The FY 2026-2027 AAP represents the second year of proposed projects, activities, and funding allocations aligned with the Con Plan. The draft FY 2026-2027 AAP is attached to this report.

In accordance with the City’s Citizen Participation Plan (CPP), development of the AAP incorporated robust community engagement and consultation efforts during the Con Plan development, including feedback from the existing Alisal Vibrancy Plan, Chinatown Revitalization Plan and the Parks, Rec & Libraries Master Plan. The community-driven input informed priorities for the use of self-directed CDBG and ESG funds.

To remain responsive to the evolving housing development environment, the City maintains an open application for “shovel ready” affordable housing projects seeking HOME funding. While staff continue to engage with developers to assess project readiness and funding needs, no viable HOME-eligible project has been identified for FY 2026-2027. As such, the City proposes reserving its HOME allocation for future “shovel ready” opportunities.

The required 30-day public comment period for FY 2026-2027 AAP opened on May 2, 2026, and will conclude on June 2, 2026. Final draft funding recommendations are presented to the Housing and Land Use Committee on May 21, 2026, to request support to move the item forward to City Council for public hearing and consideration. Barring significant public comments requiring modification, the approved AAP will be submitted to HUD prior to the August 16, 2026 deadline. If significant changes are required as a result of receiving public input, the City would then take appropriate action to amend its AAP in accordance with HUD requirements and the City’s Citizen Participation Plan.

The FY 2026-2027 AAP includes funding recommendations for each of the City’s HUD entitlement allocations as well as any accrued Program Income (PI). Annual funding available this year totals \$3,308,936 including \$2,196,140 in CDBG and \$37,000 in CDBG PI; \$844,248 in HOME and \$40,000 in HOME PI; and \$191,548 in ESG. The following tables summarize proposed funding recommendations for FY 2026-2027 AAP CDBG, HOME and ESG projects and activities.

Table 1 CDBG Funding Recommendations		
Agency	Project/Activity	Recommendation
City of Salinas	Program Administration (20%)	\$446,628
City of Salinas – Public Works	Chinatown Neighborhood Improvements (CIP 9070)	*\$220,000
City of Salinas – Library and Community Services	Playground Equipment Replacement	*\$366,512
City of Salinas/Habitat for Humanity	Housing Rehabilitation	*\$440,000

Table 1 CDBG Funding Recommendations		
City of Salinas – Public Works	Alisal Neighborhood Revitalization Strategy Area Sidewalk Improvements (Including Streetlights)	*\$460,000
Eden Council for Hope and Opportunity	Housing Rights & Tenant/Landlord Services	\$100,000
City of Salinas	Salinas Outreach and Response Team	\$200,000
<i>*Recommendation includes Activity Delivery</i>	Total	\$2,233,140

Table 2 HOME Funding Recommendations		
Agency	Project/Activity	Recommendation
City of Salinas	Program Administration (10%)	\$88,425
Future Agency to be Determined	Affordable Housing Activity	*\$669,185
Future Agency to be Determined	Future CHDO Activity	\$126,638
<i>*Recommendation includes Activity Delivery</i>	Total	\$884,248

Table 3 ESG Funding Recommendations		
Agency	Activity	Recommendation
City of Salinas	Program Administration (7.5%)	\$14,366
City of Salinas - Salinas Outreach and Response Team	Rapid Rehousing Program	\$177,182
	Total	\$191,548

ATTACHMENTS:

1. FY 2026-2027 Annual Action Plan – Draft
2. HLUC Presentation - FY 2026-2027 AAP