



**CITY OF SALINAS
CITY COUNCIL**

DATE: AUGUST 26, 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 the City Council approve one of the following options regarding the Chinatown Navigation Center:

Option 1: Do not allocate additional funding and close the Chinatown Navigation Center as currently scheduled for November 30, 2025.

Or

Option 2: Appropriate \$387,000 of additional funding from the Budget Stabilization Contingency, if the Continuum of Care provides an additional \$200,000, to sustain operations through March 31, 2026.

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 funds which are projected to be fully expended by November 30, 2025. Without additional funding, the CNC will close on that date, and current guests will be relocated.

BACKGROUND:

The City assumed operations of the CNC, located at 115 E Lake St., in March 2020, following its closure by the Franciscan Workers of Junipero Serra. Soon after, the City installed a sprung structure with Emergency Solutions Grant (ESG) funds, Covid related funds, and Housing Successor Agency funds. This created a navigation center that serves as 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 unhoused individuals. 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 \$1.74 million for the FY 2025-2026 operations. Community Homeless Solutions has submitted a revised staffing proposal to reduce the operating cost in order to allow the CNC to operate through the winter months. 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 seek out additional funding in the amount of \$587,000 to remain open through March 2026. The COC Leadership Council will meet on August 27th to consider allocating \$200,000 toward CNC operations, however, even with a COC contribution of \$200,000, a gap of \$387,000 would remain.

Depending on the COC actions, the Council could reconsider allocating the additional funding at a future meeting.

In either of these scenarios, the CNC will be closing. In preparation, the City is already collaborating 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 for shelter residents for long term housing solutions.

This item was presented to the Finance Committee on August 12, 2025, as an informational item.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that this administrative report is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, 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.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No, this item is not subject to Government Code §84308/Levine Act.

STRATEGIC PLAN INITIATIVE:

This item is directly related to the City Council’s Strategic Goal for Housing/Affordable Housing: Pursue housing options for residents of all income levels, including the unsheltered, that is safe and secure.

DEPARTMENTAL COORDINATION:

Staff from both Community Development and Administration departments coordinated efforts to complete this report.

FISCAL AND SUSTAINABILITY IMPACT:

To operate the CNC in its current capacity, the annual cost is \$2.5 million, however, funding is only available to operate the shelter through November 2025. If the Council decides to allocate \$387,000 for the CNC, the funds will be taken from the Budget Stabilization Contingency.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)*
1000	80.8005-64.5820	Other Charges Contingencies	\$1,000,000	TBD	174	6/17/25, 23269

* The FY 2025-26 Operating Budget was adopted on June 17, 2025.

ATTACHMENTS:

None