



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MAY 16, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ROD POWELL, PLANNING MANAGER

BY: FRANCISCO BRAMBILA, MANAGEMENT ANALYST

TITLE: UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FY 2023-2024 ANNUAL ACTION PLAN AND CITIZEN PARTICIPATION PLAN AMENDMENTS

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. approving the City of Salinas' United States Department of Housing and Urban Development (HUD) Fiscal Year (FY) 2023-2024 Annual Action Plan (AAP) and its submittal to HUD; and
2. approving amendments to the City of Salinas' Citizen Participation Plan (CPP) and its submittal to HUD; and
3. authorizing the City Manager to incorporate any necessary minor modifications based upon community feedback prior to submissions to HUD; and
4. authorizing the Mayor, or designee, for and on behalf of the City, to execute any related agreements, contracts, certifications, or amendments related to the funding allocations set forth in the FY 2023-2024 AAP.

EXECUTIVE SUMMARY:

The City of Salinas (City) currently administers three (3) federal HUD entitlement programs; Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grants (ESG), which have assisted and improved numerous low- and moderate-income households and neighborhoods throughout the jurisdiction.

To remain eligible for annual allocations of entitlement funds, the City must prepare and submit a FY 2023-2024 Annual Action Plan in support of its five-year FY 2020-2024 Consolidated Plan (Con Plan). The HUD submission deadline for the City's FY 2023-2024 AAP is August 16, 2023.

The City is also proposing an amendment to update its policies and procedures under the CPP to better facilitate necessary actions and encourage participation and engagement with Salinas residents. The update includes new language regarding Public Hearing Notices and Outreach related to HUD's required engagement and noticing of various programs and plans.

BACKGROUND:

The City of Salinas is currently operating under its HUD approved FY 2020-2024 Con Plan which covers the period of July 1, 2020 through June 30, 2025. This plan was approved by the City Council on August 4, 2020, and provides a strategic, overarching 5-year plan for addressing identified needs and established priorities pertaining to HUD CDBG, HOME and ESG entitlement funding. The FY 2023-2024 AAP represents the City's fourth year of proposed projects, activities, programs, and funding amounts to be implemented in alignment with the City's HUD FY 2020-2024 Con Plan.

FY 2023-2024 Annual Action Plan (AAP)

In accordance with the City's CPP, and to assist in the development of the AAP, the City relied on the robust public participation and consultation for the creation of the Alisal Vibrancy Plan (2019), Chinatown Revitalization Plan and the Parks (2019), Rec & Libraries Master Plan (2019) to self-direct its CDBG and ESG funds. In order to maintain responsiveness to the ever-changing development environment within its jurisdiction, the City's HOME funding application remains open for "shovel ready" affordable housing projects. The City continues to regularly engage with developers to evaluate projects, timelines, and potential amounts of funding, but has yet to receive an application for its FY 23-24 funding and is opting to allocate the bulk of its FY 23-24 HOME funding towards the priority revitalization of a historic structure for mixed use in the Chinatown neighborhood.

In preparation of Council's consideration of this item, this year's thirty (30) day AAP public comment period initiated with the required publication and posting of the AAP on April 15, 2023 and will conclude on May 16, 2023. Final funding recommendations were presented to the City's Housing and Land Use Committee on May 9, 2023 and received unanimous support to move the item forward to the City Council for a final public hearing and consideration of approval. Barring the receipt of any significant comments that might require minor modifications, the approved AAP will be submitted to HUD prior to the August 16, 2023, deadline. In the event that significant changes are required as a result of received public input, the City would then take appropriate action to amend its AAP.

The FY 2023-2024 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 includes \$2,015,627 (CDBG); \$60,000 (CDBG PI); \$812,241 FY 23-24 allocation (HOME FY 23-24); \$1,848,593 (HOME prior FY's); \$313,000 (HOME PI) and \$182,225 (ESG). The following tables summarize proposed funding recommendations for FY 2023-2024 AAP CDBG, HOME and ESG projects and activities.

Community Development Block Grant (CDBG) Funding Recommendations FY 2023-2024		
Agency	Activity	Staff Recommendation
City of Salinas	Program Administration (20%)	\$415,125
City of Salinas	Activity Delivery Sherwood Recreation Center – Phase 4	\$50,000

City of Salinas	Activity Delivery Republic Café at 37 Soledad St.	\$50,000
City of Salinas	Sherwood Recreation Center – Phase 4	\$500,000
City of Salinas	Republic Café Museum at 37 Soledad St.	\$500,000
City of Salinas	Hebbron Family Center	\$250,662
Eden Council for Hope and Opportunity	Fair Housing and Tenant/Landlord Services	\$75,000
City of Salinas	Housing Referrals and Tenant/Landlord Services	\$34,840
City of Salinas	Salinas Outreach and Response Team	\$200,000
	Total	\$2,075,627

HOME Investment Partnerships Program Funding Recommendations FY 2023-2024		
Agency	Activity	Staff Recommendation
City of Salinas	Program Administration (10%)	\$112,524
City of Salinas	Republic Café Housing (Including Activity Delivery)	\$2,482,022
Future Agency to be Determined	Future CHDO Activity to be Determined	\$379,288
	Total	\$2,973,834

Emergency Solutions Grants (ESG) Funding Recommendations FY 2023-2024		
Agency	Activity	Staff Recommendation
City of Salinas	Program Administration (7.5%)	\$13,667
City of Salinas	Salinas Outreach and Response Team	\$100,000
Community Homeless Solutions	Rapid Re-housing Program	\$68,558
	Total	\$182,225

Citizen Participation Plan (CPP)

The City's CPP sets forth policies and procedures to provide for and encourage the participation of City residents in the development of the City's HUD Con Plan, AAP, Consolidated Annual Performance and Evaluation Report (CAPER), Neighborhood Revitalization Strategy Area (NRSA), Section 108 application, and Analysis of Impediments to Fair Housing Choice (AI). The CPP also applies to any Amendments to the Con Plan, AAP, and CAPER, which evaluates progress toward Con Plan objectives. Proposed amendments to the CPP include minor changes to incorporate fair housing language as well as updates to Public Hearing Notices and Outreach.

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.

STRATEGIC PLAN INITIATIVE:

This agenda item supports each of the City of Salinas Strategic Plan 2022-2025 Goals and Strategies including *Economic Development, Housing/Affordable Housing, Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors, and Effective and Culturally Responsive Government.*

DEPARTMENTAL COORDINATION:

The FY 23-24 AAP and CPP are administered by the City's Community Development Department Housing and Community Development Division in primary coordination with the City Attorney, Public Works, Library and Community Services, and Finance departments.

FISCAL AND SUSTAINABILITY IMPACT:

It is estimated that the City is eligible to receive a total of \$10,000,000 (CDBG), \$4,000,000 (HOME) and \$900,000 (ESG) of HUD funding allocations during the FY 2020-2024 Con Plan period. Council approval of the FY 2023-2024 AAP would make the City eligible to receive \$3,070,093 in HUD FY 2023-2024 CDBG, HOME, and ESG Entitlement funding. No General Fund impact is associated with this agenda item.

ATTACHMENTS:

Resolution FY 2023-2024 AAP and CPP Amendment
FY 2023-2024 Funding Recommendation Tables - Draft
FY 2023-2024 HUD Annual Action Plan – Draft
Citizen Participation Plan Amendments – Draft
Public Comments