



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** DECEMBER 5, 2023

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** LISA BRINTON, DIRECTOR

**THROUGH** ROD POWELL, ASSISTANT DIRECTOR

**BY:** FRANCISCO BRAMBILA, ACTING PLANNING MANAGER  
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**TITLE:** SUBSTANTIAL AMENDMENTS TO UNITED STATES  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FISCAL YEAR 2017-18, 2018-19, 2019-20, 2020-21, AND 2022-23  
ANNUAL ACTION PLANS

RECOMMENDED MOTION:

It is recommended that City Council approve a Resolution authorizing:

1. the submission of Substantial Amendments to the United States Department of Housing and Urban Development for Fiscal Year 2017-18, 2018-19, 2019-20, 2020-21, and 2022-23 Annual Action Plans;
2. the allocation of an additional \$1,410,000 in available Community Development Block Grant program funds to the Hebbroon Family Center project; and
3. the Mayor or designee to execute, for and on behalf of the City, any agreements or related documents (e.g., grant contracts, grant certifications, etc.) applicable to the Substantial Amendments and the allocation of additional CDBG funds to the Hebbroon Family Center project.

EXECUTIVE SUMMARY:

The City of Salinas is in the initial phase of rebuilding the Hebbroon Family Center (HFC). The Library and Community Services (LCS) and Public Works (PW) Departments have recently identified a funding shortfall of approximately \$3.6 million due to increasing development and construction costs. In response, the Community Development Department (CDD) is proposing the reallocation of approximately \$1,410,000 of CDBG program funds from several prior Annual Action Plans (AAP) to reduce the project's funding gap. These funds were either remaining funds from completed projects or were previously allocated to projects that were ultimately not implemented for various reasons such as cost and other community priorities.

In accordance with the City’s HUD-approved Citizen Participation Plan (CPP), execution of a formal Substantial Amendment is required whenever an increase of more than 25% of a current CDBG project’s funding is proposed. The proposed reallocation of funds will require Substantial Amendments to Fiscal Year 2017-18, 2018-19, 2019-20, 2020-21, and 2022-23 AAPs.

**BACKGROUND:**

Through prior Substantial Amendments to its FY 2020-2021 and FY 2021-2022 AAPs and the FY 2022-2023 AAP, the City allocated \$1,406,613 in CDBG program funds to support the HFC project. Subsequently, the City allocated an additional \$240,502 in CDBG program funds from its FY 2023-2024 AAP towards the HFC and its activity delivery; totaling \$1,647,115.

Following the demolition of the existing HFC facility and a reassessment of estimated architectural, predevelopment, and construction costs, the Library and Community Services and Public Works, identified that the project now faces a significant funding shortfall of approximately \$3.6 million due to increasing development and construction costs. In response, CDD staff have identified approximately \$1,410,000 in available CDBG funding to bridge funding gap. The table below shows the identified funds to be reallocated to the Hebbro Family Center project.

<b>AAP FY</b>	<b>Project No.</b>	<b>CDBG Project Name</b>	<b>Amount Available</b>
2017-18	1	Housing Rehabilitation, Housing Accessibility Assistance, LBP	\$117,435
	4	Mid-Peninsula The Farm, Inc. – 21 Soledad Street Housing Community	\$575,494
2018-19	2	Mid-Peninsula - Moon Gate Plaza (21 Soledad St.)	\$453,862
2019-20	1	Housing Rehabilitation, Housing Accessibility Assistance, LBP	\$97,712
	3	Grid Alternatives Monterey County/City of Salinas Solar Affordable Housing Program	\$3,703
2020-21	10	CDBG Program Planning and Administration	\$161,794
<b>Total</b>			<b>\$1,410,000</b>

The addition of the above funds to the HFC project would result in a total allocation of \$3,054,115 and would be used to cover architectural plans, other predevelopment costs, construction activities and activity delivery. The project is currently in a Concept and Schematic phase and with the proposed CDBG additional allocation would quickly move to the issuance of a Request for Qualifications (RFQ) to identify a qualified general contractor to assume coordinate and finalize the design and construction of the facility.

In compliance with the City’s Citizen Participation Plan (CPP), Public Hearing notices with a 30-day public comment period were published in The Monterey Herald in English and Spanish, a local newspaper, and on the City’s website on Saturday, November 3, 2023. The notices were also posted at the Community Development Department, 65 W. Alisal St.; City Hall, 200 Lincoln Ave.; and the City’s libraries on or before Saturday, November 3, 2023. In addition to the previous mentioned efforts, the notices and draft Amendments Summary were distributed to the CDD Housing Distribution list via email.

A summary of the draft Substantial Amendments Summary has been made available for the mandatory 30-day public comment period commencing on November 3, 2023, and concluding with the scheduled Council public hearing on December 5, 2023. Applicable documents can be accessed at the Community Development Department, City Hall, public libraries, via the City's website, and is available upon request via email. Throughout the public comment period, the public is strongly encouraged to engage by reviewing and providing comments on the proposed Amendments.

The proposed Substantial Amendments will also assist the City in spending down its available CDBG funds and achieve compliance with its designated HUD expenditure ratio.

CEQA CONSIDERATION:

The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines under Section 15302 et al., Class 2 because the project proposes the replacement and reconstruction of an existing structure.

STRATEGIC PLAN INITIATIVE:

Approval of these Substantial Amendments addresses City Council 2022-2025 Strategic Plan Goals and Strategies of *Infrastructure and Environmental Sustainability, Youth and Seniors, and Effective and Culturally Responsive Government* and furthers implementation of the Parks, Recreation, and Libraries Master Plan and the Alisal Vibrancy Plan.

DEPARTMENT COORDINATION:

The Community Development Departments Housing and Community Development Division coordinated the preparation of the Substantial Amendment with other City departments including Finance, Legal, Library and Community Services and Public Works, and consulted with HUD Region IX staff.

FISCAL AND SUSTAINABILITY IMPACT:

There is no General Fund impact associated with this agenda item as available City of Salinas HUD entitlement funds will be used to support this allowable CDBG project.

ATTACHMENTS:

Resolution  
City of Salinas Summary of Substantial Amendments to Fiscal Years 2017-18, 2018-19, 2019-20  
2020-2021 and 2022-23 - Draft