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City of Salinas

FY 2023 – 2024 Annual Action Plan

(July 1, 2023 through June 30, 2024)

City of Salinas
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Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Salinas is a compact urban community within a unique agricultural setting. Unlike the vaguely defined boundaries and sprawl that characterize so much of urban California, the highly productive agricultural lands surrounding Salinas create a distinct urban-agricultural edge that serves as a reminder of the source of the area's economic well-being. The City lies at the north end of the Salinas Valley, known as "The Salad Bowl of the World," and with its mild climate and fertile soil, has become the processing and shipping point for one of the world's largest agricultural centers. Although agriculture forms its economic base, the economy has diversified substantially over the last 20 to 30 years.

This Fiscal Year (FY) 2023-2024 Annual Action Plan (AAP) outlines the fourth year of implementation of the City's five-year Consolidated Plan (CP) covering FY 2020 through FY 2024. This AAP serves as the official application to the United States Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grants (ESG) funds for the City of Salinas (City). The AAP covers the planning period from July 1, 2023 through June 30, 2024.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The FY 2020-2024 CP incorporates the following Performance Measure Objectives/Outcomes associated with each activity funded:

General Objective Categories - Activities will meet one of the following:

- Decent Housing (DH)
- A Suitable Living Environment (SL)
- Economic Opportunity (EO) General

Outcome Categories - Activities will meet one of the following:

- Availability/Accessibility (1)
- Affordability (2)
- Sustainability (3)

The strategies in the CP, implemented through the AAPs, are intended to coordinate with and build upon other established City plans and policies, particularly those set forth in the Salinas General Plan Housing Element (HE), Regional AI, Economic Development Element (EDE), Alisal Vibrancy Plan (AVP), Chinatown Revitalization Plan (CRP) and Parks, Recreation and Libraries Master Plan (PRLMP). Strategies also reflect input from residents, service providers, community stakeholders, staff, and City officials. Ranking of needs is based upon multiple factors, including:

- Goals, policies and objectives from the City's HE, Regional AI, EDE, AVP, CRP, and PRLMP.
- Findings from the assessment of demographic and housing market conditions (detailed analyses contained in the Regional AI and ANSRA).
- Staffing resources, both for the City and relevant providers.
- The severity of need among the identified groups and subgroups, including relative needs between income groups.
- Input received from the community.

- Likely availability of funds over the coming years for various housing and community development activities, combined with consideration for the most effective use of the limited funds that fall under the purview of the City's CDBG, HOME, and ESG entitlement programs.

Based upon these factors, needs are assigned one of two priority levels: High or Low, for the purpose of using CDBG, HOME, and ESG funds. The assigned priority represents a relative description of the amount of resources that the City expects to dedicate to the various needs. Assignment of a Low priority does not preclude the City from providing funding or support for activities addressing a particular need. As such, decisions need to also consider not only the CP priorities, but also the availability of other funding and the priorities established by other entities such as the Housing Authority of the County of Monterey (HACM) and the State of California. The City's priorities for the FY 2020-2024 CP are identified below:

High Priority:

- Affordable housing for low- and moderate-income households and those with special needs, including seniors, persons with disabilities, large households, and farmworkers, through new construction, rehabilitation, and acquisition/rehabilitation.
- Programs and services focused on the prevention of homelessness and the rapid rehousing of those recently homeless or in imminent risk of becoming homeless.
- Emergency shelters and other homeless facilities, as well as transitional housing for the formerly homeless, including runaway and emancipated youth.
- Public services for low- and moderate-income persons and those with special needs, such as recreational programs focusing on youth and children, particularly gang diversion activities.
- Infrastructure improvements in underserved neighborhoods necessary to provide basic levels of safety and habitability.
- Public Facilities, including parks and recreation facilities, libraries, and community and neighborhood centers, particularly in underserved areas.
- Economic development activities to facilitate job creation and retention and job training programs.
- Fair Housing and tenant/landlord activities.
- Planning and administration of housing and community development programs.

Low Priority:

- Increased homeownership opportunities for low- and moderate-income households.
- Energy conservation opportunities in housing.

3. Evaluation of past performance

During the past year, the City undertook a range of housing and community development activities to benefit primarily low- and moderate-income residents, including persons with special needs. However, the lasting impacts of COVID-19 have significantly impacted the implementation of several programs. This section highlights some of the accomplishments. Detailed CDBG, HOME, and ESG funded activities are described in the Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2022-2023, which can be found on the City's website once finalized.

Affordable Housing Multi-Family and Single-Family:

- **Housing Services Program (CDBG):** The City completed one project which benefited one household in FY 2021-22 through the Housing Services Program. The project began in FY 2020-21. The program has been suspended because of staffing shortages and no funds were allocated in FY 2021-22.
- **Monterey County Housing Authority Development Corporation (MCHADC):** The Parkside Manor Housing Development Project – Phase I is located at 1112, 1114, and 1115 Parkside Street in the City of Salinas. In FY 2021-22, the developer demolished 88 existing senior housing units and committed to the

construction of 160 new senior residential units, along with supporting improved infrastructure and amenities. The project is being built in two phases: Phase I consists of 80 low-income senior housing units and Phase II an additional 80 units. Parkside Manor Housing Development Project - Phase I received funding from FY 2019-20 in the amount of \$414,651, and from FY 2020-21 in the amount of \$545,889. This project also received \$60,000 for Activity Delivery from FY 2020-21 for a grand total of \$1,017,540 of HOME funds. As of today, 98% of the funds in the amount of \$938,389.20 were dispersed to the Housing Authority of the County of Monterey for the construction of this project. The City retained 2% of the funds \$19,150.80 until the project is complete. In May of 2021, the HOME Funding Agreement was recorded and Phase I broke ground for construction. During FY 2021-22, the general contractor completed 90% of the Phase I construction and the project is expected to be completed by early November 2022.

- **Interim Inc., Sun Rose Apartments (CDBG):** The Sun Rose Apartments project is located at 439 Soledad Street. This project demolished a single-family dwelling for construction of an 11-unit transitional/permanent supportive housing facility with supportive services for very low-income individuals with mental health disabilities who are homeless, chronically homeless, or at-risk of homelessness. This new construction project consists of a three-story building, 2 patios, 8 parking spaces, 7 one-bedroom units, 3 studio units and an 8-bedroom transitional unit with shared amenities. In FY 2020-21, the City and Interim executed a CDBG Grant Funding Agreement in the amount of \$500,000 for the construction of the Sun Rose Apartments, and an additional \$47,860 of Activity Delivery funds for a grand total of \$547,860. Building permits for this Project were approved and issued in June 2021, a general contractor was selected, and construction is underway. This project is anticipated to be completed at the end of 2022.
- **Catalyst Apartments Rehabilitation Project (CDBG):** The non-profit developer, Interim Inc. began the renovation of the Catalyst Apartments (located at 235 Martella Street) in March of 2021. The rehabilitation of this 5-unit affordable rental complex, with 1 bedroom apartment units, construction was completed in January 2022. The Catalyst Apartments received \$500,000 for the rehabilitation of the units and \$50,000 for Activity Delivery for a grand total of \$550,000 in CDBG Entitlement funds. Thanks to this funding, significant improvements were made to the building interior, exterior, and common areas. This project will benefit individuals with mental disabilities. Currently, City and Interim staff are reconciling the close out documents and obtaining accomplishment data to issue the final payment and close this project in IDIS.

HOME-ARP: The Allocation Plan for the HOME American Rescue Plan (ARP) is being developed and will be submitted to HUD by the end of 2022. The City received an initial amount of \$145,938.70 in January 2022 out of the total funds \$2,918,774. The remaining funds to become available once HUD approves the allocation plan and substantial amendment to the FY 2021-22 AAP. No expenditures accrued during FY 2021-22.

Homeless Facilities and Services: The City continued to fund a variety of homeless services and facilities using ESG funds. During FY 2021-22, 114 homeless and at-risk homeless persons were served through ESG. Specifically, Bay Area Community Services provided rapid re-housing services to 78 persons. The Salinas Outreach and Engagement Team (SORT) conducted 1,369 engagements, entering 36 persons into HMIS.

In addition, the City provided funding for the development of Sun Rose Apartments, a supportive housing facility of 11 units to benefit persons with mental illness. The City also provided funding for the rehabilitation of a five-unit apartment complex, the Catalyst Apartments. This project also assisted and benefited persons with mental illnesses (see "Affordable Housing Multi-Family and Single-Family" Projects above for more details).

Neighborhood Conditions: During FY 2021-22, only one public service program (Girl Scouts Alisal Program Center) was funded with CDBG funds, serving low-income youths. Overall, 221 youths were assisted.

In FY 2020-21, the City continued to implement the rehabilitation of several public facilities:

Hebbron Family Center Project: The Hebbron Family Center received \$1,306,613 in CDBG Funds from a combination of FY 2020-21 and FY 2021-22 funds for the soft cost activities of this project. In addition to these funds, this project also received \$100,000 in Activity Delivery funds from FY 2020-21 and FY 2021-22. City Council approved two substantial amendments to FY 2020-21 and FY 2021-22 Annual Action Plans on May 24, 2022, and CDBG funds

for this project are earmarked for soft costs including design, development, and project management. The City released a Request for Qualifications (RFQ) for this revitalization project, and after a robust application process, Griffin Structures was selected as the most qualified consultant. The scope of work for Griffin Structures includes project management, demolition plans, community outreach, design development, and construction oversight. In addition, the proposal submitted by R.L. Hastings and Associates, LLC was selected to prepare a NEPA Environmental Assessment for this project. In FY2021-22, both consultants started their work for this project.

Sherwood Recreation Center: The City's Community Development Department -Housing Division, Public Works and Library & Community Services Departments completed Phase III of this Project in May of 2021. As Phase III was being completed, City staff determined additional work was needed to make this facility fully operational. Funding for Phase IV of this project was first included under FY 2020-21 AAP. Subsequently, in FY 2021-22 AAP, additional CDBG funds were added to the project for a grand total \$1,728,633 for the direct construction and improvements of the project. In addition to these funds, this project also received \$170,000 in Activity Delivery funds from FY 2020-21 and FY 2021-22. In April of 2022, City staff completed an exempt environmental review record for the soft cost activities of this project. During FY 2021-22, City staff were also working on the Memorandum of Records as well as the completion of the NEPA Environmental Review for this project, but that was temporarily placed on hold as the City conducted a substantial amendment. The substantial amendment de-obligated the original funds from the Sherwood Recreation Center and obligated the funds to the Hebronn Family Center. Substantial Amendment number two (2) to FY 2020-21 de-obligated \$728,633 of CDBG Entitlement Funds for the renovation activities of this project and \$70,000 of CDBG Entitlement Funds towards Activity Delivery. The de-obligated funds were obligated to the Hebronn Family Center. The amounts de-obligated from the Sherwood Recreation Center – Phase IV were re-obligated under the City's FY 2022-23 AAP as it is the City's intent to carry forward with this project.

Chinatown Neighborhood Improvements: CDBG Entitlement funds were first allocated towards the Chinatown Neighborhood Improvements Project in FY 2021-22 AAP. A total of \$577,980 in CDBG Entitlement Funds were allocated to several potential construction projects that could happen in the Chinatown neighborhood within the City. In addition to these funds, this project also received \$30,000 in Activity Delivery funds from FY 2021-22. In FY 2021-22, City staff attended community meetings and worked with stakeholders in determining the type(s) of Capital Improvement Project(s) that they would like to see happen in their neighborhood as a result of the Chinatown Revitalization Plan. Once these project(s) are determined, City staff will complete NEPA Environmental Review(s) and move forward with the design and construction of these potential project(s). The execution of this project was temporarily placed on hold as the City conducted a substantial amendment where fund originally allocated to this project were de-obligated and obligated to the Hebronn Family Center. Substantial Amendment number one (1) in FY 2021-22 de-obligated \$577,980 of CDBG Entitlement Funds and \$30,000 of CDBG Entitlement Funds towards Activity Delivery of this project. The de-obligated funds were obligated to the Hebronn Family Center. The amounts de-obligated from this project were re-obligated under the City's FY 2022-23 AAP as it is the City's intent to carry forward with this project.

First United Methodist Church: FUMC, located at 404 Lincoln Avenue, obtained its demolition and building permits for the reconstruction of their kitchen and bathroom remodel. The demolition work was completed in December of 2020. In FY 2021-22, expenditure in the amount of \$17,255.19 was disbursed for architectural services and drawings. The building permit was approved, and the project was sent out to bid during the first quarter of FY 2021-22. FUMC selected CRW Industries Inc as their general contractor and the building permit was issued in January 2022. In FY 2021-22, inspections for plumbing, framing, electrical and mechanical components were completed. Rehabilitation of the facility continues with a projected completion in May of 2023.

Buckhorn Early Childhood Development Center: The Alisal Union School District (AUSD) and City of Salinas completed the Environmental Assessment for the Early Childhood Development Center and obtain its Authority to Use Grant Funds (AUGF) in November of 2020. After the completion of these two milestones, the City and AUSD have continued to work in the Community Development Block Grant (CDBG) and the Land Use Disposition (LDA) Agreements. These two agreements are almost finalized, and it is expected that these agreements will be executed in the first quarter of FY 2022-23. Once these agreements are executed, AUSD will submit this project to the California Division of the State Architect (DSA) for review and approval. DSA approval is expected to be accomplish by September

2023. The project will then be taken out to bid on November 2023, under construction by January 2024, completed by January 2025 and placed in operations by May 2025.

Natividad Creek and Closter Park Restroom Rehabilitation Projects: The rehabilitation of this facility includes ADA upgrades and interior remodel of restrooms. The City funded the project in FY 2019-20 with CDBG Entitlement Funds received through HUD in the amount of \$442,070. This project is coordinated internally between the City of Salinas's Community Development, Public Works, and Library & Community Services Departments. In FY 2021-22, City received the Authority to Use Grands Funds (AUGF) from HUD in November of 2021. The Memorandum of Record (MOR) was executed in January 2022, upon the allocation of CDBG Entitlement Funds. City staff have continued to prepare the Request for Proposals (RFP) and it is expected to be published in September 2022. Projected construction start date for this project is the end of 2022.

The Closter Park Restroom Rehabilitation project has been put on hold until the Natividad Creek Park Restroom Rehabilitation Project and Sherwood Recreation Center Phase IV Projects are completed.

CDBG-CV

The City received \$1,190,782 as CDBG-CV1 funds and \$1,209,375 in CDBG-CV3 funds, for a total of \$2,400,157 in CDBG-CV funds through a Substantial Amendment to the FY 2019-20 AAP. The City continued to expend the CV funds over the FY 2021-22 period. Specifically, the following activities were underway:

- **Eden Council for Hope and Opportunity (ECHO):** ECHO is educating the community regarding the housing protections available due to COVID-19. In addition, ECHO responds to fair housing complaints, conducts audits, and provides conciliation and mediation services. ECHO assisted 187 persons.
- **Salinas Downtown Street Team:** This program launched cleanup crews in Chinatown and Downtown Salinas comprised of unhoused Team Members who would receive services and a basic needs stipend for their participation. Team Members are provided with case management services related to goal setting with the ultimate goal of housing stability. Team Members will receive pre-employment services to facilitate their path to regular employment. This program assisted 113 persons.
- **City of Salinas Housing Information and Referral Services:** The City of Salinas has been providing housing information, education, and referral services to Salinas residents through the Emergency Rental Assistance Program (ERAP), created in response to the Covid-19 Pandemic. As of June 2022, the City of Salinas has assisted 1,204 households through the ERAP Program.
- **Grow Salinas Fund (GSF) / Economic Development Technical Assistance:** Through this activity about 175 unduplicated businesses and 65 duplicated businesses were assisted to prevent, prepare, and respond to the COVID-19 pandemic. Businesses were assisted through emails, phone calls, acquiring and renewing business licenses, referrals to community business organizations and promotion of workshops.

ESG-CV

The City also received \$617,245 as ESG-CV1 funds and \$5,814,926 in ESG-CV2 funds, for a total of \$6,432,171 in ESG-CV funds through a Substantial Amendment to the FY 2019-20 AAP. The City continued to expend the CV funds over the FY 2021-22 period. Specifically, the following activities are underway:

- **Central Coast Center for Independent Living (CCCIL):** Assisted 7 persons with rapid rehousing and they all moved to permanent housing destinations. CCCIL also assisted 44 persons with emergency shelter services. CCCIL continues to provide case management and essential services in partnership with CSUMB that will lead to a housing pathway.
- **University Corporation at Monterey Bay (UCMB):** UCMB provided rapid rehousing stabilization services to 422 persons.
- **Salinas Outreach and Response Team (SORT):** The City created SORT to better serve and coordinate services to the homeless community during the Covid-19 pandemic. In FY 2021-22, the SORT team provided linkage and referrals to essential services to 433 persons through outreach and engagement services. SORT enrolled 38 persons into HMIS.

- **Coalition of Homeless Providers:** Provided emergency shelter via hotel/motel vouchers to 20 homeless individuals, enrolling 9 persons into HMIS.
- **Community Homeless Solutions (CHS):** CHS provided overnight shelter seven days per week to single homeless women, men, and families. Clients are provided warm meals, a sleeping area and security services. Overall, CHS provided shelter for 11,750 bed nights at the Chinatown Navigation Center. A total of 214 persons were enrolled into HMIS.
- **Downtown Street Team:** DST assisted 300 persons with an opportunity to become a cleanup crew member and receive case management and employment training and 96 HMIS entries.
- **Interim:** Interim's MCHOME program provided street outreach and emergency motel vouchers to homeless individuals with serious mental illness. Interim outreached 26 individuals and provided 343 bed nights of emergency shelter.
- **Step Up on Second:** Step Up uses a Housing First model to connect individuals experiencing chronic homelessness to housing. Housing First is a proven approach in which all individuals experiencing homelessness are believed to be housing ready. Step Up assisted 72 persons.

4. Summary of citizen participation process and consultation process

Consultation Meetings: The City conducted one virtual (via Zoom) Public Workshop on February 9, 2023 to discuss its funding application, award timeline, and to provide technical assistance to interested agencies.

Release of Request for Qualifications (RFQ): The City and County of Monterey jointly released a Request for Qualifications (RFQ) for the design and development of a 100% affordable multifamily rental housing development at 855 E. Laurel Drive in Salinas. In the release of this RFQ, the City included funding currently available through the HOME Investment Partnerships Program.

Public Review of Draft Documents: A minimum 30-day public review of this AAP was held from April 14, 2023 through May 15, 2023. Copies of the Draft AAP were made available to the public at the following locations:

- Online at the City of Salinas website: <http://www.cityofsalinas.org/>
- Request via email at housingwebmail@ci.salinas.ca.us

During the FY 2020-2024 CP period, the final CP, Substantial Amendments (Amendments), Annual Action Plans (AAPs), ANRSA and CAPER are also available upon request at Salinas City Hall.

Public Hearing: The City Council conducted a public hearing on May 16, 2023, regarding the City's CDBG, HOME, and ESG allocations and approval of the Annual Action Plan for submittal to HUD. This public hearing was streamed live at <https://salinas.legistar.com/Calendar.aspx> and televised live on Channel 25 on the date of the regularly scheduled meeting and will be broadcast throughout the week following the meeting.

The final Consolidated Plan, Substantial Amendments, Annual Action Plans and Consolidated Annual Performance and Evaluation Reports will be available for five years at the Salinas' Community Development Department.

5. Summary of public comments

No public comments were received.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments received are accepted.

7. Summary

The City has made diligent and good faith efforts to reach out to all segments of the community that may benefit from the City's CDBG, HOME, and ESG programs.

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The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following agencies/entities are responsible for preparing the CP and the administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	SALINAS	Community Development Department Housing Division
CDBG Administrator	SALINAS	Community Development Department Housing Division
HOME Administrator	SALINAS	Community Development Department Housing Division
ESG Administrator	SALINAS	Community Development Department Housing Division

Table 1 – Responsible Agencies

Narrative

The City's CDBG, HOME, and ESG programs are administered by the Housing Division of the City's Community Development Department. In addition, the City also administers California Department of Housing and Community Development (HCD) ESG and Senate Bill 2 Permanent Local Housing Allocation (PLHA) program funds, California Emergency Solutions and Housing (CESH) funds, and Cal ICH Encampment Resolution (ERF) and Family Homeless Challenge (FHC) funding.

The City was awarded \$15 million in Emergency Rental Assistance Program (ERAP) to help low-income families in our community with rental and utility assistance during the COVID-19 pandemic.

Consolidated Plan Public Contact Information

For matters concerning the City's CDBG, HOME and ESG programs, please contact Rod Powell, Planning Manager, City of Salinas Community Development Department – Housing Division, 65 W. Alisal Street, 2nd Floor, Salinas, CA 93901, by phone at (831) 758-7487 and/or via e-mail at rodp@ci.salinas.ca.us.

PR-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

As part of the development of this AAP, the City consulted and coordinated with non-profit organizations, affordable housing providers, and government agencies regarding the needs of its low- and moderate-income community. These outreach efforts are summarized in the Executive Summary and Citizen Participation sections of this AAP and provided in Appendix A to this AAP.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(l)).

The City conducted outreach to various agencies and organizations including:

- Non-profit service providers that cater to the needs of low- and moderate-income households and persons with special needs;
- Local churches and faith-based organizations;
- Groups addressing the needs of individuals exiting institutions;
- Schools;
- Affordable housing providers;
- Housing advocates;
- Housing professionals;
- Public agencies (such as school districts, health and social services providers, public works);
- Economic development and employment organizations; and
- Community and neighborhood groups.

City staff regularly communicate and consult with various nonprofits and public agencies that serve the City's low- and moderate-income residents and special needs groups to identify needs and plans for future activities. The City has established a Housing and Land Use Committee and Technical Advisory Committee for Housing Policies and Programs to provide additional opportunities and forums for residents, agencies, and organizations to discuss housing and community development needs and plans.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

On an ongoing basis, City Community Development Department staff participate in the following meetings: Continuum of Care (CoC) Leadership Council, CoC Coalition of Homeless Service Providers (CHSP), Coordinated Assessment and Referral System (CARS), HMIS committees facilitated by the CoC, Salinas Downtown Community Board (SDCB) for the Chinatown Area, and CoC Ten-Year Plan to End Homelessness (Lead Me Home Plan), to identify the housing and supportive service needs of its unhoused residents and to consider develop viable, efficient, and outcome-based solutions.

The City is also the Administrative Entity (AE) for the California Department of Housing and Community Development (HCD) Emergency Solutions Grants (ESG), HCD California Emergency Solutions and Housing (CESH) funds, and Cal ICH Encampment Resolution Funding (ERF) and Family Homeless Challenge (FHC) Grant programs and utilizes these funds to further support operations of the newly constructed SHARE Center at 845 E. Laurel Drive in partnership with the County of Monterey. These funds are also used to operate the Salinas Outreach and Response Team (SORT) that

facilitates referrals to homeless services programs and providers and seeks to facilitate partnerships and coordination of services.

The City was allocated Homeless Housing Assistance and Prevention (HHAP) funding from the Coalition of Homeless Services Providers (CHSP) and utilizes HHAP, HCD ESG and HCD CESH funding to support the operations of the Chinatown Navigation Center (CNC) and Sprung at 115-125 E. Lake Street and provide emergency shelter, street outreach, homeless prevention, rapid re-housing services, and to support the Homeless Management Information System (HMIS).

The City spearheaded the planning and implementation of the local CoC 2022 Point-in-Time Count (PIT) within its city limits in collaboration with the Coalition of Homeless Service Providers. The City actively participated in the development of the CoC's Lead Me Home Plan. The City facilitates Outreach and Rapid Rehousing meetings with other service providers to plan and coordinate efforts and initiatives to end homelessness in Monterey County. The City and the County also oversee the operations of the SHARE Center and administer California Department of Social Services Project RoomKey program operations. The City makes significant effort to coordinate with the County of Monterey, the City's Police and Public Works Department to address homelessness. The City's SORT staff also facilitate an internal collaboration including those who have been released from correctional programs and institutions such as the Salinas Valley State Prison located in the City of Soledad and the Monterey County Jail located in Salinas.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The Coalition of Homeless Service Providers (CHSP) is a group of private, nonprofit and public organizations working together to address the complex issue of homelessness. In 2011, Monterey and San Benito Counties merged into one CoC to create an integrated, regional approach to addressing homelessness. The City is a voting member of CHSP and serves as the lead agency and administrative entity for HCD ESG and HCD CESH funds on behalf of the local CoC service area (Monterey and San Benito Counties).

In 2019, the CHSP facilitated a streamlined update of the Lead Me Home Plan. A full comprehensive update of the Lead Me Home Plan (LMHP) was completed in 2020 and was unanimously endorsed by the Salinas City Council on February 1, 2021. The LMHP sets forth the following priorities:

- **Assure Access to Adequate Housing:** Provide a full continuum of housing options and services to help people who are homeless or at-risk access and maintain permanent housing.
- **Provide Services, Keep People Housed:** Provide integrated, wraparound services to facilitate long-term residential stability.
- **Support Economic Stability:** Increase economic security for people experiencing or most at-risk of homelessness by providing opportunities to access an income sufficient to afford housing.
- **Return to Housing:** Enhance all medical discharge planning efforts and make housing status a central focus of all exit planning.
- **Efforts to Prevent Criminalization of Homelessness:** Prevent criminalization of homelessness by supporting the creation of a homeless court or other alternative court programs, homeless outreach teams that divert people experiencing homelessness to community resources, psychiatric emergency response teams, efforts to link people experiencing homelessness with supports and services rather than jail.

CHSP is the local lead HMIS agency for the CoC service area (Monterey and San Benito Counties). In addition, CHSP organizes and coordinates a series of ongoing, highly targeted, HMIS related meetings and trainings designed to enhance data quality, refine policy, and streamline activities at an agency and CoC level. The CoC Leadership Council approved the City to be the Administrative Entity (AE) for the HCD ESG, and HCD CESH programs. The HCD ESG and HCD CESH program funding serves as leverage to other federal and local funding.

The City continues to partner and collaborate with several agencies and jurisdictions to provide outreach, shelter, homeless prevention, and rapid re-housing services to unhoused residents. These programs have been highly successful and continue to demonstrate a tremendous and continued need for these services.

Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

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The following agencies attended the City's NOFA application workshop and discussed needs in Salinas.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Linc Housing
	Agency/Group/Organization Type	Housing Developer
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	This agency attended the NOFA Application Workshop on February 9, 2023.
2	Agency/Group/Organization	Alliance on Aging
	Agency/Group/Organization Type	Services – Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023 and provided input on housing and service needs.
3	Agency/Group/Organization	Interim, Inc.
	Agency/Group/Organization Type	Housing Services - Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
4	Agency/Group/Organization	Sun Street Centers
	Agency/Group/Organization Type	Services - Health
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
5	Agency/Group/Organization	Community Human Services
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.

6	Agency/Group/Organization	R-3
	Agency/Group/Organization Type	Services-Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
7	Agency/Group/Organization	Monterey County Housing Authority Development Corporation
	Agency/Group/Organization Type	Housing PHA Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
8	Agency/Group/Organization	Community Homeless Solutions (CHS)
	Agency/Group/Organization Type	Services- Homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
9	Agency/Group/Organization	ECHO Housing
	Agency/Group/Organization Type	Housing Services - Housing Services – homeless Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs – Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2023.
10	Agency/Group/Organization	Citrine Advisors

	Agency/Group/Organization Type	Real Estate Firm
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 9, 2022.
11	Agency/Group/Organization	S Munoz and Associates Architects
	Agency/Group/Organization Type	Architectural service firm
	What section of the Plan was addressed by Consultation?	Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended NOFA Application Workshop on February 3, 2023.
12	Agency/Group/Organization	Monterey County Housing Authority Development Corporation
	Agency/Group/Organization Type	Housing PHA Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
13	Agency/Group/Organization	Mid-Pen Housing
	Agency/Group/Organization Type	Housing Services - Housing Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
14	Agency/Group/Organization	Center for Community Advocacy
	Agency/Group/Organization Type	Housing Development Opportunities Public Housing Needs Market Analysis
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
15	Agency/Group/Organization	Related California
	Agency/Group/Organization Type	Housing Development Firm
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
16	Agency/Group/Organization	Eden Housing
	Agency/Group/Organization Type	Housing Services - Housing Services – homeless Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs – Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
17	Agency/Group/Organization	Christian Church Homes
	Agency/Group/Organization Type	Housing Services - Housing Services – homeless Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs – Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
18	Agency/Group/Organization	Alisal Unified School District
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
19	Agency/Group/Organization	United Way Monterey County
	Agency/Group/Organization Type	Housing Services - Housing Services – homeless Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs – Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
20	Agency/Group/Organization	Stone Bridge Homes
	Agency/Group/Organization Type	Developer
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.
21	Agency/Group/Organization	DANCO Group
	Agency/Group/Organization Type	Developer
	What section of the Plan was addressed by Consultation?	Housing Development Opportunities Public Housing Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the 2023 Housing & Development Forum on February 9, 2023.

Identify any Agency Types not consulted and provide rationale for not consulting

All applicable agencies and agency types were consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care (CoC)	Coalition of Homeless Service Providers (CHSP)	Potential funding allocations to address homeless needs will complement the CoC Strategy.
Lead Me Home	Coalition of Homeless Service Providers (CHSP)	Potential funding allocations to address homeless needs will be consistent with the Lead Me Home Plan.
Salinas Plan	City	Potential funding allocations to address housing and homeless needs will be consistent with the Salinas Plan.
Economic Development Element (EDE) of General Plan	City	Implementation Plan supports youth job training and Alisal economic development, retention, and expansion for microbusiness through access to technical assistance and capital.
Urban Greening Plan	City Environmental Resources Program	Eastside/Alisal is one of three neighborhoods studied for techniques to improve the quality of life for residents at the neighborhood level through enhanced public places and improved open space to connect people with nature and with each other.
Chinatown Revitalization Plan (CRP)	City	Sets forth recommendations and implementation strategies to address the housing, access, mobility, and socioeconomic needs of the neighborhood.
Alisal Vibrancy Plan (AVP)	City	Communicates the collective vision of those who live and work in the Alisal and implement community-created solutions for strengthening its neighborhoods.
Parks, Recreation & Libraries Master Plan (PRLMP)	City	This Plan focuses on the system of parks, open space, and recreational facilities and programs, which promotes quality of life and healthy lifestyles.
Regional Analysis of Impediments to Fair Housing Choice (AI)	City	This study assesses the fair housing conditions in the participating jurisdictions (Salinas, Seaside, Monterey, and the Monterey Urban County).

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

The City will continue to promote and participate in regional efforts to address housing, community development, and economic development issues, and to enhance coordination between public and private agencies, social service, health, and housing providers, as well as the development community, including:

Monterey County - The City and County coordinate, collaborate and jointly fund the SHARE Center operations in Salinas and an Emergency Motel Shelter Program to assist those experience homelessness and who are at high risk for COVID-19.

Coalition of Homeless Services Providers (CHSP) - CHSP is the lead agency for the CoC network and HMIS coordinator. Part of the Coalition's role within the CoC is to assess gaps in service and develop programs, creating a web of services that leaves no local need unmet. The City is a voting member of the CHSP.

State HCD Continuum of Care (CoC) Programs- The City is the AE for HCD ESG and HCD CESH programs.

California Interagency Council on Homelessness (Cal ICH) – The City was recently awarded two grants from Cal ICH. Encampment Resolution Funding (ERF) seeks to fund local demonstration project that provide services to address the immediate crisis of experiencing unsheltered homelessness in encampments, to support people living in encampment onto paths to safety and stable housing and result in sustainable restoration of public spaces to their intended uses while safeguarding the needs of unhoused people seeking shelter. The Family Homeless Challenge (FHC) seeks to address and end family homelessness by making families' experiencing homelessness rare, brief, and one-time.

Transportation Agency for Monterey County (TAMC) - TAMC exists to provide regional planning and coordination of transportation issues and funding. The City actively participates in the oversight of TAMC activities and coordinates its own transportation improvement program with that of this regional agency.

Association of Monterey Bay Area Governments (AMBAG) - AMBAG is the designated Metropolitan Planning Organization (MPO) and Council of Governments (COG) organized to serve as a permanent forum for collaboration, planning and study of regional issues of mutual interest to the counties and cities in Monterey, San Benito, and Santa Cruz counties. The City is an active participant in the governance of AMBAG.

Regional Analysis of Impediments to Fair Housing Choice (AI) - The City (lead agency) coordinated with the Monterey Urban County (unincorporated areas, Del Rey Oaks, Greenfield, Sand City, and Gonzales), the cities of Monterey and Seaside, as well as with HACM to prepare a Regional AI study. The Regional AI was completed in 2019.

Fair Housing and Tenant-Landlord Services - The City has implemented its own Fair Housing and Preservation Program and has contracted with Eden Council for Hope and Opportunity (ECHO) to provide fair housing and tenant-landlord services and conduct an annual fair housing audit. ECHO assisted in the community outreach process for the Regional AI.

Chinatown Revitalization Plan (CRP): The City and its Chinatown neighborhood partners have undertaken a community-led planning process to continue the revitalization of this critical and culturally important neighborhood located near the Intermodal Transportation Center (ITC) and Salinas Downtown. The process builds on the extensive work from the 2007 and 2010 Plans to develop updated recommendations and implementation strategies to address the housing, access, mobility, and socioeconomic needs of the neighborhood. Economic conditions have slowed the implementation of strategies detailed in prior planning efforts. New economic conditions required an updated study to meet the current needs of the neighborhood. The updated CRP will support the social, environmental, and economic health of Salinas' historic Chinatown district. The strategies, recommendations, and concepts developed through this planning process will guide both future private, public, and social investment. Short and long-term strategies will help identify priorities that will support City staff and partners in proactively managing neighborhood land and resources. The CRP was completed in December of 2019, and it is currently under the implementation phase. The CRP goals, programs, and objectives have been incorporated into this CP and AAP.

Alisal Vibrancy Plan (AVP): The Alisal community and City staff continue to collaborate and engage on the Alisal Vibrancy Plan. Since 2013, residents and community organizers have advocated for a community-driven plan focused on East Salinas. The purpose of the plan is to communicate the collective vision of those who live and work in the Alisal area and to implement community-created solutions for strengthening its neighborhoods. The AVP is an opportunity to improve the quality of life for East Salinas families by creating a more vibrant, equitable and healthy community in a way that builds upon the social and cultural wealth of the Alisal. The AVP was adopted in November 2019. Goals, programs, and objectives in the AVP have been incorporated into this CP and ANRSA.

Alisal Neighborhood Revitalization Strategy Area (ANRSA) – The City's ANRSA was updated along with the City's FY 2020-2024 Consolidated Plan. The ANRSA is consistent with and serves as an implementation tool for the Alisal Vibrancy Plan.

Parks, Recreation & Libraries Master Plan (PRLMP) – This Master Plan is a city-wide plan that focuses on updating the vision for Salinas' system of parks, open space, and recreational facilities and programs. CDBG funds may be used to implement the improvements outlined in the Master Plan.

DRAFT

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

For FY 2023-2024, the City's Citizen Participation process involved the following:

- **Public Meeting:** The City conducted a NOFA Application Workshop (both virtual and in-person) on February 9, 2023, to assist applicants with the funding application process.
- **Publicity:** Bilingual (Spanish-English) information about the NOFA Application Workshop was distributed through a public notice posted at all three City libraries, City Hall, and Community Development Department facilities and distributed to community partners via email blasts; publication on the City website; publication of the public notice in *The Californian* (English language) and *El Sol* (Spanish) newspapers; meeting notices posted in City Hall, City Council chambers, and the City's Permit Center.
- **Public Review of Draft Documents:** A minimum 30-day public review was held from April 14, 2023, through May 15, 2023. Copies of the Draft Action Plan were made available for the public at the following locations: City's website; Salinas City Hall; and Salinas Community Development Department.
- **Public Hearing:** The City Council conducted a public hearing on May 16, 2023, regarding the City's CDBG, HOME, and ESG allocations. This public hearing was streamed live at <https://salinas.legistar.com/Calendar.aspx> and televised live on Channel 25 on the date of the regularly scheduled meeting and will be broadcast throughout the week following the meeting. For the most up-to-the-minute Broadcast Schedule for The Salinas Channel on Comcast 25, please visit or subscribe to our Google Calendar located at <http://tinyurl.com/salinas25>. Recent City Council meetings may also be viewed on the Salinas Channel on YouTube at <http://www.youtube.com/thesalinaschannel>.

The final Consolidated Plan, Substantial Amendments, Annual Action Plans and Consolidated Annual Performance and Evaluation Reports will be available for five years at the Salinas' Community Development Department.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Community Meetings	Minorities Non-English Speaking: Spanish Non-Targeted/ Broad Community	A total of 17 residents, businesses, community stakeholders, and staff attended the Application Workshop on February 9, 2023.	Comments are summarized in Appendix A	All comments were accepted	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Newspaper Ad	Minorities Non-English Speaking: Spanish Non-Targeted/ Broad Community	Notices were published in two newspapers: El Sol and The Salinas Californian. Notices were published in English and Spanish regarding the 30-day public comment period (April 14 – May 15, 2023).	N/A	N/A	
3	30-Day Public Review	Minorities Non-English Speaking: Spanish Non-Targeted/ Broad Community	A minimum 30-day public review was held from April 14, 2023, through May 15, 2023. Copies of the Draft Action Plan were made available for the public at the following locations: City website; Salinas City Hall; and Salinas Community Development Department.	N/A	N/A	
4	Public Hearing	Minorities Non-English Speaking: Spanish Non-Targeted/ Broad Community	On May 16, 2023, a public hearing was conducted before the City Council to adopt the FY 2023-2024 Action Plan.	N/A	N/A	

Table 4 – Citizen Participation Outreach

Action Plan Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

The City is an entitlement jurisdiction for CDBG, HOME, and ESG funds, and anticipates receiving \$2,015,627 in CDBG funds, \$812,241 in HOME funds, and \$182,225 in ESG funds for FY 2023-2024. In addition, the CDBG program anticipates Program Income (PI) of \$60,000 and the HOME program anticipates PI of \$313,000. Both CDBG PI and HOME PI are incorporated into the City's annual budgeting process.

Backup Projects/Potential Additional Funding

Alternate projects may be possible depending on funding levels of PI, carry over funds or additional funding from HUD. The AAP will recommend the following non-public service alternate projects:

- Housing Services Program (HSP) which includes the Housing Accessibility Assistance (HAA) grant, Lead-Based Paint (LBP) grant, emergency repairs and single-family housing rehabilitation loans;
- Energy conservation improvements;
- Predevelopment, site acquisition/improvement, and/or construction of affordable housing;
- Acquisition and rehabilitation of multi-family or single-family housing to be rented to low- and moderate-income renters in the City in conjunction with a non-profit housing developer or non-profit housing organization that provides supportive services and management; and
- Public facilities and infrastructure improvement projects.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,015,627	60,000	0	2,075,627	2,000,000	For planning purposes, the City estimates the availability of approximately \$2 million annually in CDBG funds for the remaining two years of the CP period.
HOME	Public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	812,241	313,000	1,848,593	2,973,834	800,000	For planning purposes, the City estimates the availability of approximately \$800,000 in HOME funds annually for the remaining two years of the CP period.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	182,225	0	0	178,842	180,000	For planning purposes, the City estimates the availability of approximately \$180,000 in ESG funds annually for the remaining two years of the CP period.

Table 5 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied:

Affordable Housing: In Salinas' programs, the most frequent example of leveraging occurs in the development of new affordable housing projects. Due to the high cost of developing housing, it is essential for non-profit housing developers to construct new projects by leveraging and matching financial resources from a variety of sources. No matter the primary source of funding (e.g., federal Low-income Tax Credits, HUD Section 811 financing, USDA housing programs), none will finance the entire cost to develop housing. Salinas uses both CDBG and HOME funds to leverage the participation of other funders.

The flexibility inherent in CDBG rules makes it particularly appropriate for pre-development process as critical support for non-profits that often are pressed for pre-development funds. Similarly, HOME guidelines emphasize the importance of using HOME to fill in 'financing gaps' that often result when projects face more rigid requirements established either by particular loan regulations, or due to the degree of competition for other financing.

Public Services: For the Public Services subrecipients CDBG funding is often an essential source of funds to access other funds.

Public Facilities and Infrastructure Improvements: There are also other more subtle forms of leverage. Public investment in a particular neighborhood (upgrading water mains or installing traffic signals or street lighting) can be an inducement for additional investment by area property owners affected by the improvements.

Home Match Requirements: Pursuant to HUD regulations, all participating jurisdictions (PJs) must contribute or match 25 cents for each dollar of HOME funds spent on affordable housing. The HOME statute allows for a reduction of the matching contribution requirement under three conditions: 1) fiscal distress, 2) severe fiscal distress, and 3) for Presidentially declared major disasters. When a local jurisdiction meets one of these distress conditions, it is determined to be in fiscal distress and receives a 50 percent reduction of match. If a local jurisdiction satisfies both distress criteria, it is determined to be in severe fiscal distress and receives a 100 percent reduction of match. As of FY 2021, the City is considered fiscally distressed and receives a 50 percent reduction in HOME match requirement, based on the City's per capita income (\$20,505) and poverty level (17.21 percent). The City has adequate accrued match from Housing Asset Funds (former redevelopment funds) to be 'banked' against its future match requirements.

ESG Match Requirements: The ESG program has a dollar-for-dollar match requirement. Federal (non-ESG), state, local, and private funds may be used as a match. The City's ESG match requirement is satisfied with a variety of funding sources. Subrecipients are required to provide their planned ESG match at the time of funding application submission and with the actual match reported at the end of the program year.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan:

The City is working on establishing several new public/community facilities on City-owned properties:

Chinatown Navigation Center (CNC)

The City purchased the property located on 10-12 Soledad Street in the Chinatown neighborhood using Salinas Redevelopment Agency (SRA) funds for a future use to be determined. This site was originally intended to serve as a Homeless Services Facility; however, due to other needs in the community, the proposed facility was moved to a nearby property at 115-125 East Lake Street and is now operating under multiple funding sources as the Chinatown Navigation Center (CNC). The services provided at the CNC are intended for the City's unhoused residents and include restrooms, showers, and access to Community Homeless Solutions and other supportive services staff who can conduct outreach to facilitate the needs of individuals requesting services. The City has already entered into a long-term lease agreement for the property and has installed five donated trailers through Governor Gavin Newsom's Office.

In addition to the CNC's existing structures, the City purchased and constructed a Sprung Structure in 2020 to add an additional 51 beds at the CNC site and increase its overall bed capacity to 61.

1081 Buckhorn Drive

The City purchased 1081 Buckhorn Drive with HUD Economic Development Initiatives (EDI) funds with the specific objective to develop a childcare center. This 0.8-acre property is located immediately outside of the ANRSA; it is expected that this Early Childhood Development Center will primarily serve neighboring Alisal residents. The City continues to work with the Alisal Union School District (AUSD) to develop the site for the District's Early Childhood (Preschool) and Day Care programs. The City first took an initial Exclusive Negotiating Rights Agreement (ENRA) to City Council on August 15, 2017 and has entered into necessary ENRA extensions with AUSD to allow for the continued due diligence process on the property. The AUSD continues its public engagement process for the project to include various stakeholders and determine future programming and funding for the Center. Given that this project has to go through the Division of the State Architect (DSA) for its review and approval, construction is not expected to begin until 2024. It is anticipated that this project will be completed and in operation by June of 2025.

10-12 Soledad Street

The City also owns 10-12 Soledad Street, which is currently being used to provide additional parking capacity for CNC staff as well as for the Salinas Outreach and Response Team (SORT) who are currently operating out of the Moon Gate Plaza development. Future uses for this site are still yet to be determined.

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Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3) &(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increased Decent and Affordable Housing	2020	2024	Affordable Housing	Alisal Neighborhood Revitalization Strategy Area Chinatown Area	Assistance to Homeowners for Rehabilitation Affordable Rental Housing Opportunities	HOME: \$2,861,310	Rental units constructed: 75 Household Housing Unit
2	Enhanced Homeless Prevention, Services, and Facilities	2020	2024	Homeless	Chinatown Area	Enhanced Homeless Prevention, Services, and Facilities	ESG: \$182,225	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted TBRA/Rapid Re-Housing: 25 Households Assisted.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Enhanced Neighborhood Conditions	2020	2024	Non-Homeless Special Needs Non-Housing Community Development	Alisal Neighborhood Revitalization Strategy Area Chinatown Area	Public Services Public Facilities and Infrastructure Improvements Economic Development	CDBG: \$1,660,502	Public service activities other than Low/Moderate Income Housing Benefit: 150 Persons Assisted Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 51,200 Persons Assisted
4	Planning and Program Administration	2020	2024	Planning and Administration	N/A	Planning and Administration	CDBG: \$415,125 HOME: \$112,524 ESG: \$13,667	N/A

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Increased Decent and Affordable Housing
	Goal Description	The City will pursue a range of activities to expand affordable housing opportunities for low- and moderate-income households, including those with special needs (seniors, large households, farmworkers, disabled, homeless, etc.). Emphasis will be on affordable rental housing due to funding limitations and urgency of needs. The City will actively pursue opportunities through new construction, rehabilitation, acquisition/rehabilitation, and preservation. In addition, the City will continue to aid individual homeowners to make necessary repairs, code corrections, energy conservation features, and accessibility improvements.
2	Goal Name	Enhanced Homeless Prevention, Services, and Facilities
	Goal Description	The City will utilize both ESG and CDBG funds to coordinate services and facilities for the homeless, with focused efforts in the Chinatown area. The City's strategy for addressing homeless needs is three-pronged: 1) homeless prevention; 2) homeless services; and 3) homeless facilities. The intent is to reduce the risk of homelessness and address the needs of those rendered homeless using a Continuum of Care approach by supporting services and facilities that complement the existing Continuum of Care system.
3	Goal Name	Enhanced Neighborhood Conditions
	Goal Description	The City will provide a range of community development activities, including community and supportive services, expansion/improvement to community facilities and infrastructure, and economic development activities. The City will coordinate services and improvements in a manner that concentrate investments in specific neighborhoods in order to provide more lasting and impactful improvements.
4	Goal Name	Planning and Program Administration
	Goal Description	The City will continue to implement the CDBG, HOME, and ESG programs in compliance with all applicable regulations and requirements. The caps for program administration costs (20 percent for CDBG, 10 percent for HOME, and 7.5 percent for ESG) do not provide adequate funds to perform all the general planning, program implementation, reporting, and monitoring functions required by these programs. Therefore, as allowed by HUD, the City allocates a portion of the funding to activity delivery costs that are directly associated with implementation of specific activities or programs.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Approximately 20 extremely low-income, 5 low-income, and 5 moderate-income families will be provided affordable housing as defined by HOME 91.215(b) through the City's HOME funded programs. An additional 75 affordable rental units will be provided through the 467-479 Market Street Housing Project; however, the income mix has not yet been determined.

AP-35 Projects – 91.220(d)

Introduction

During FY 2023-2024, the City will pursue a range of housing and community development activities using CDBG, HOME, and ESG funds.

#	Project Name
1	467-479 E. Market Street Affordable Housing Project
2	Sherwood Recreation Center – Phase 4
3	Chinatown Neighborhood Improvements (Activity Delivery)
4	Hebbron Family Center
5	Republic Café Museum at 37 Soledad St
6	ECHO Housing Fair Housing and Tenant/Landlord Services
7	City of Salinas/Monterey College of Law – Housing Referrals and Tenant/Landlord Services
8	Salinas Outreach and Response Team
9	HOME Program Planning and Administration
10	ESG SALINAS - Projects and Administration
11	CDBG Program Planning and Administration
12	Sherwood Recreation Center – Phase 4 (Activity Delivery)

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Inadequate funding is the most significant obstacle for serving the underserved needs. The extent of needs in Salinas far exceeds the available funding from the CDBG, HOME, and ESG programs.

Most activities to be pursued by the City with CDBG, HOME, and ESG funds will be leveraged with a variety of funding sources, including grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. For the provision of affordable housing, the City partners with non-profit housing developers such as MidPen Housing Corporation (MidPen), Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), and Housing Authority of the County of Monterey (HACM) which all utilize a multi-layer approach to funding affordable housing. The City is looking to expand the number of non-profit housing developers that are operating within City limits for FY 2023-24. To achieve this, the City launched a Housing Forum to provide information on funding opportunities and land disposition.

The HOME program requires that for every HOME dollar spent, the local jurisdiction must provide a 25 percent match with non-federal dollars. However, given the distressed conditions of Salinas, the City consistently receives a 50 percent reduction in the match requirements. HUD has also approved a HOME waiver which includes the CHDO set aside requirement.

Given the limited annual allocations in CDBG funds, the City may pursue the use of the Section 108 loan guarantee within the five-year CP period in order to support large-scale projects.

Projects

AP-38 Projects Summary

Project Summary Information

Table 8 – Project Summary

1	Project Name	467-479 E. Market Street Affordable Housing Project
	Target Area	Citywide
	Goals Supported	Increased Decent and Affordable Housing
	Needs Addressed	Affordable Rental Housing Opportunities
	Funding	HOME: \$2,861,310
	Description	The City will partner with Envision Housing LLC to develop a new 75-unit multi-family affordable housing rental development with ground floor commercial space. The project will be a 100% affordable to low and very low-income households.
	Target Date	06/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Estimated to be 75 units of affordable Rental Housing for low- and very-low - income households
	Location Description	The project will be located at 467-479 E. Market Street Salinas, CA 93905
	Planned Activities	<p>The City will partner with Envision Housing LLC to develop affordable rental housing for low- and very low-income households. Should anything fall through with this project, the City may choose to undertake other projects such as the Republic Café Housing, El Rey Motel Acquisition and Rehab, and/or Scattered Site Single Family Housing projects to ensure funds are expended in a timely manner as follows:</p> <ul style="list-style-type: none"> • The Republic Café Housing Project would include Rehabilitation of the Republic Café building located in Chinatown at 37 Soledad St. which will include five live-work affordable housing units. • The El Rey Motel Acquisition and Rehabilitation Project would include acquisition and rehabilitation of the El Rey motel to convert it into permanent housing and create 23 affordable housing units. • The Scattered Site Single Family Housing Project would include acquisition and rehabilitation of single-family units throughout the City and add Accessory Dwelling Units to increase housing capacity. This housing is intended to permanently house homeless households.

2	Project Name	Sherwood Recreation Center – Phase 4
	Target Area	Citywide
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Facilities and Infrastructure Improvements
	Funding	CDBG: \$500,000
	Description	Funds will be used to provide Phase IV improvements and rehabilitation to the Sherwood Recreation Center. Matrix Code: 03F National Objective: LMA Presumed Benefit: No
	Target Date	06/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This project would benefit the 50,000 low/moderate income persons citywide.
	Location Description	The Sherwood Recreation Center is located at 920 N. Main Street Salinas, CA 93906
Planned Activities	Phase IV involves the completion of the multi-phase community recreation center project.	
3	Project Name	Chinatown Neighborhood Improvements (Activity Delivery)
	Target Area	Chinatown Area 2020
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Facilities and Infrastructure Improvements
	Funding	CDBG: \$50,000
	Description	Projects related to security, sanitation, and broader improvements in support of the implementation of the City's Chinatown Revitalization Plan. This project includes \$30,000 of program delivery costs. Matrix Code: 03E/03K/03L/03Z National Objective: LMA Presumed Benefit: No
	Target Date	06/30/2024
Estimate the number and type of families that will benefit from the proposed activities	This project would benefit the 1,200 low/moderate income persons in Chinatown Area	
Location Description	Improvements will occur in the Chinatown Area	

	Planned Activities	This would potentially involve the following prioritized projects: installing public safety security cameras; site radiation; public restroom installation; sidewalk improvements; or other general infrastructure improvements.
4	Project Name	Hebbron Family Center
	Target Area	Alisal Neighborhood Revitalization Strategy Area
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Facilities and Infrastructure Improvements
	Funding	CDBG: \$240,502
	Description	The Hebbron Family Center Project will involve the demolition of the existing building built in the mid 30's and the construction of a new modern, 7,500-10,000 square-foot, functionally efficient recreational facility on the site. This project will provide City sponsored programs to youth, families, and seniors. The additional CDBG funds will be used towards predevelopment and construction costs for the project. Matrix Code: 03F National Objective: LMA Presumed Benefit: No
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This project would benefit the 1,200 low/moderate income persons
Location Description	The Hebbron Family Center is located at 669-683 Fremont Street in Salinas, CA 93905	
Planned Activities	The Project will involve the demolition of the existing building built in the mid 30's and the construction of a new modern, 7,500-10,000 square-foot, functionally efficient recreational facility on the site. This project will provide City sponsored programs to youth, families, and seniors. The additional CDBG funds will be used towards predevelopment and construction costs for the project.	
5	Project Name	Republic Café Museum at 37 Soledad St
	Target Area	Chinatown Area 2020
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Facilities and Infrastructure Improvements
	Funding	CDBG: \$500,000

	Description	Rehabilitation of the Republic Café building located in Chinatown at 37 Soledad St. to convert into an Asian experience museum. Matrix Code: 03E National Objective: LMA Presumed Benefit: No
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This project would benefit the 1,200 low/moderate income persons
	Location Description	The Republic Café building located in Chinatown at 37 Soledad St. Salinas, CA 93901
	Planned Activities	This project will provide for the rehabilitation of the Republic Café building located in Chinatown at 37 Soledad St. to convert the building into an Asian experience museum.
6	Project Name	ECHO Housing Fair Housing and Tenant/Landlord Services
	Target Area	Citywide
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Services
	Funding	CDBG: \$50,000
	Description	ECHO Housing provides fair housing counseling and tenant/landlord mitigation. Respond to evictions due to COVID-19 and assist with the additional demand for eviction mitigation. Matrix Code: 05J National Objective: LMC Presumed Benefit: No
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program anticipates assisting 150 persons
Location Description	Services are provided citywide. ECHO Housing is located at 22551 2nd St Ste 200, Hayward, CA 94541	
Planned Activities	Services include responding to inquiries; conducting investigations of fair housing complaints; conducting a fair housing audit; providing tenant/landlord counseling; facilitating tenant/landlord conciliation and mediations; conducting outreach and monthly trainings and check-ins with City staff.	
7	Project Name	City of Salinas/Monterey College of Law – Housing Referrals and Tenant/Landlord Services
	Target Area	Citywide
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Services
	Funding	CDBG: \$70,000

	Description	Legal clinics to prevent displacement and/or eviction, provide individualized legal assistance to qualified households. Matrix Code: 05K National Objective: LMC Presumed Benefit: No
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program anticipates assisting 150 persons
	Location Description	Services are provided citywide. Monterey College of Law is located at 2620 Colonel Durham St, Seaside, CA 93955
8	Project Name	Salinas Outreach and Response Team
	Target Area	Citywide
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Services
	Funding	CDBG: \$200,000
	Description	To conduct Street Outreach essential services, including providing basic need stipends, referrals, supplies, and engagement to homeless encampments. Matrix Code: 03T National Objective: LMC Presumed Benefit: Yes
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program anticipates assisting 50 persons
	Location Description	Services are provided citywide. City Hall is located at 200 Lincoln Avenue Salinas, CA 93901
	Planned Activities	Activities include engaging a minimum of 25-30 unsheltered individuals and corresponding entries/updates into HMIS; conducting trips to distribute emergency food, supplies, PPE, water, and other essentials during Heat & Cold Protocols to foster rapport building and to increase engagement; and providing basic needs stipends for 5-10 peer volunteers to assist in engaging (6) encampment areas
9	Project Name	HOME Program Planning and Administration
	Target Area	Not applicable
	Goals Supported	Planning and Program Administration
	Needs Addressed	Planning and Administration

	Funding	HOME: \$112,524
	Description	The City is allocating 10 percent from the FY 2023-2024 allocation and program income received. This line item will provide for the planning and administration activities to implement the City's HOME program.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	The delivery of the City's various HOME-funded programs and activities will benefit the City's low- and moderate-income persons and those with special needs.
	Location Description	The HOME program is administered by the Housing Division of the Community Development Department. City Hall is located at 200 Lincoln Avenue Salinas, CA 93901
	Planned Activities	The City will perform all planning, administration, monitoring, and review functions in compliance with HUD regulations.
10	Project Name	ESG SALINAS - Projects and Administration
	Target Area	Not applicable
	Goals Supported	Planning and Program Administration Enhanced Homeless Prevention, Services, and Facilities
	Needs Addressed	Enhanced Homeless Prevention, Services, and Facilities Planning and Administration
	Funding	ESG: \$182,225
	Description	The ESG Program will involve a range of activities to address homelessness. These include the provision of outreach, shelters, prevention, rapid re-housing, and HMIS services.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	The agencies funded anticipate providing assistance to homeless and at-risk homeless persons as follows: <ul style="list-style-type: none"> ▪ City – 50 persons with outreach activities (\$100,000) and program administration (\$13,667) ▪ SHARE Center Operations –Rapid Re-Housing (\$68,558); 25 homeless persons assisted
	Location Description	The City's homeless programs are being delivered by multiple agencies to assist the homeless families and individuals citywide. City Hall is located at 200 Lincoln Avenue Salinas, CA 93901
Planned Activities	The following activities are planned: <ul style="list-style-type: none"> ▪ SHARE Center Operations – Rapid Re-Housing (37.6 percent) ▪ City – Homeless outreach (54.9 percent) and ESG Administration (7.5 percent) 	

11	Project Name	CDBG Program Planning and Administration
	Target Area	Not applicable
	Goals Supported	Planning and Program Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: \$415,125
	Description	This line item is to provide for the general program planning and administration of the CDBG program.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	The delivery of various CDBG-funded programs and activities will benefit low- and moderate-income persons in the City, along with persons with special needs, such as the youth, homeless, elderly, and disabled.
	Location Description	The CDBG program is administered by the Housing Division of the Community Development Department located at 65 West Alisal Street, Salinas. City Hall is located at 200 Lincoln Avenue Salinas, CA 93901
	Planned Activities	The City will perform all program planning, administration, monitoring, and review functions in compliance with HUD regulations.
12	Project Name	Sherwood Recreation Center – Phase 4 (Activity Delivery)
	Target Area	Citywide
	Goals Supported	Enhanced Neighborhood Conditions
	Needs Addressed	Public Facilities and Infrastructure Improvements
	Funding	CDBG: \$50,000
	Description	Funds will be used to provide for Program Delivery costs associated with Phase IV completion of the multi-phase Sherwood Recreation Center project. Matrix Code: 03F National Objective: LMA Presumed Benefit: No
	Target Date	06/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This project would benefit the 50,000 low/moderate income persons citywide.
	Location Description	The Sherwood Recreation Center is located at 920 N. Main Street Salinas, CA 93906
Planned Activities	Program Delivery costs associated with Phase IV completion of the multi-phase community recreation center project.	

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City's strategy is to focus its investment in a most impactful manner by providing significant investments in two target areas, its Chinatown HUD designated Slum and Blight target area and its Alisal Neighborhood Revitalization Strategy Area (NRSA). The Chinatown area's HUD Slum and Blight designation derives from isolation from the rest of the City and its prevalence of serious issues such as homelessness, unreported violence, and a high percentage of low- and moderate-income residents. Most public services are available to residents citywide. However, by nature and/or location of some of the activities/programs, most residents from the ANRSA and Chinatown would significantly benefit from many of these programs. For the upcoming year, the majority of CDBG funds will be used to benefit the Chinatown area and to make improvements to the City's Sherwood Recreation Center Phase IV to benefit the entire community.

The City's geographic distribution of funds does not add up to 100% as some programs/projects are not located in any single target area, nor are they available city-wide. Programs/projects that are not in a target area or available city-wide are qualified by LMC and are not required to be in a target area.

Geographic Distribution

Target Area	Percentage of Funds
Alisal Neighborhood Revitalization Strategy Area	0%
Chinatown Area	28.5%

Table 9 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

These two areas represent the most distressed neighborhoods in the City. These areas have the highest concentration of poverty and substandard living conditions. The Alisal area includes some of the most distressed neighborhoods in Salinas. The area faces challenges such as inadequate public infrastructure, high levels of unemployment, high levels of poverty, and violent criminal activity. Within the ANRSA, 26 percent of all residents' lives in poverty, a higher proportion than the City overall (19 percent).

The 12 blocks that form the Chinatown area are located primarily within Census Tract 18.02 Block Group (BG) 2. This BG has an approximate population of 1,200, with 81 percent being low and moderate income.

Discussion

See discussions above.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Under the City's Affordable Housing Goal, the City proposes to reserve 90 percent of the available HOME funds for an affordable housing project to be determined in the future. For the purpose of this AAP, an estimated five rental units are assumed to be assisted with HOME funds.

One Year Goals for the Number of Households to be Supported	
Homeless	25
Non-Homeless	75
Special-Needs	0
Total	100

Table 10 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	25
The Production of New Units	75
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	100

Table 11 - One Year Goals for Affordable Housing by Support Type

Discussion

This summary includes only the uses of CDBG and HOME funds for the improvement and provision of long-term affordable housing.

AP-60 Public Housing – 91.220(h)

Introduction

HACM owns and manages 32 housing developments in Salinas (879 units). These developments have been converted from Public Housing to Project-Based Rental Assistance. Nineteen of the 22 HACM housing complexes in Salinas are concentrated within the ANRSA.

Actions planned during the next year to address the needs to public housing

The City is not directly involved in the planning and development of public housing in the City. Based on the current policy direction of HUD, no new public housing will be developed. However, the City works closely with MC HACM to create affordable housing in the community.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HACM's Family Self-Sufficiency (FSS) program is designed to help families with a Housing Choice Voucher (HCV) establish a savings account and find stable employment. FSS is a Federal Government program that offers the opportunity of homeownership and other options to clients that successfully complete the five-year program. Programs and services through FSS may include career counseling, job training, credit counseling and homeownership preparation. The program helps prepare residents for HACM's Homeownership Program, allowing first-time homebuyers to use their HCV to help with monthly homeownership expenses.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

Discussion

See discussions above.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City proposes to utilize CDBG and ESG funds to provide assistance to the City's homeless and special needs populations:

Homeless:

- Bay Area Community Services – SHARE Center Rapid Re-Housing
- City of Salinas – Salinas Outreach and Response Team (SORT)

Fair Housing:

- ECHO – Fair Housing and Tenant/Landlord Services that benefit many special needs groups such as seniors and disabled.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including: Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City implements outreach services with in-house staff and coordinates services with partner outreach agencies such as California State University Corporation and Interim Inc. The City provides ESG funding to Bay Area Community

Services, which operates the SHARE Center and its Rapid Re-Housing program to transition those unhoused to permanent housing options.

Addressing the emergency shelter and transitional housing needs of homeless persons

For the FY 2023-2024, the ESG program includes funding to support Bay Area Community Services' rapid rehousing services program to place those staying at the SHARE Center into permanent housing options. The City and County also provide funding from local resources to support the operations of the SHARE Center. The City and County have also partnered to run an Emergency Motel Shelter ARPA/Project Roomkey program which provides emergency shelter support services, and housing navigation support to those who have high risk of contracting COVID-19. The City was awarded Cal ICH Encampment Resolution Grant Funding which also provides emergency motel vouchers to unhoused resident living in encampments within the City of Salinas.

The Bay Area Community Services program, funded with ESG rapid rehousing funds, will include the provision of rent subsidies, housing relocation stabilization services, financial assistance and housing navigation to program participants. This program will help prevent homelessness or shorten the period of time that individuals and families experience homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Several agencies, such as the Natividad Medical Center and the Monterey County Family and Children's Services provide discharge planning and placement assistance. The Natividad Medical Center Mental Health Unit and Salinas Valley Memorial Hospital work with community agencies to assist in finding the appropriate level of care and housing. The Monterey County Family and Children's Services provides discharge planning and placement assistance to youth leaving foster care through a Transitional Independent Living Plan beginning when the youth turn 16 years old and every year thereafter.

Discussion

See discussions above.

One-year goals for the number of households to be provided housing using HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	NA
Tenant-based rental assistance	NA
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated	NA
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	NA
Total	NA

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

The most critical barrier to affordable housing in Salinas is the need for decent and affordable housing far exceeds the City's available resources. The City will continue to aggressively pursue funding available at the local, state, and federal levels to supplement its limited funds.

The City values its partnership with non-profit housing developers such as CHISPA, MidPen, HACM, and Interim Inc. in pursuing innovative strategies to addressing the City affordable housing needs, including providing more permanent housing options for the homeless.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City's Inclusionary Housing Program is an effective strategy for providing affordable housing in the community and to help achieve the goal of de-concentrating affordable housing in the ANRSA, allowing residents other locational choices. The State of California also passed SB 329 in 2019, prohibiting housing discrimination against persons using public assistance (including Housing Choice Vouchers) to pay for housing. This source of income protection could potentially open housing options for many of the City's low- and moderate-income households. The City has updated its Inclusionary Housing Ordinance to enhance the program's effectiveness. This update was completed in June 2017.

The City initiated the update to its Housing Element for the 2023-2031 period. As part of this update, the City will identify constraints to housing development, particularly affordable housing. The Housing Element will include strategies for expanding the City's affordable housing inventory. The City is also actively pursuing designation as a CA HCD Pro Housing Designation.

Discussion

See discussions above.

AP-85 Other Actions – 91.220(k)

Introduction

The extent of housing and community development needs in Salinas far exceeds the City's funding capacity. To utilize its limited funding in the most cost-effective manner, the City targets its investments in the most distressed neighborhoods in the community.

Actions planned to address obstacles to meeting underserved needs
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Unhoused city residents are among the most underserved groups in Salinas and available ESG funding continues to fall far below what is needed to address the City's homeless issues. In response, the City continues to take the lead to serve as the Administrative Entity for additional ESG allocations from HCD ESG and HCD CESH programs for the

CoC service area (Monterey and San Benito Counties). Additionally, the City is an active, collaborative partner with the local CoC on the completion of a comprehensive update of the Regional Monterey and San Benito Counties 10 yr. Plan to End Homelessness (Lead Me Home Plan).

Through the DST, ESG-CV funds are used to provide employment training for homeless individuals through neighborhood cleanup activities, and supportive services to help these individuals gain self-sufficiency.

Two areas in the City – ANRSA and Chinatown – both have concentrated issues relating to disproportionate housing needs and inadequate/aging community facilities and infrastructure. By establishing these areas as target areas, the City prioritizes allocating resources to benefit these neighborhoods.

Actions planned to foster and maintain affordable housing

For FY 2023-2024, the City is setting aside all its HOME allocation and program income (except for 10 percent for administration) for affordable housing development. No specific project has been identified yet. The City will continue to pursue other affordable housing projects with non-profit partners in the County.

Actions planned to reduce lead-based paint hazards

As required as a condition of receiving HUD funds, the City complies with HUD's Lead Safe Housing Regulation (Title 24, Part 35). Primary compliance is through City Housing Services Program staff. Potential project sites with housing units constructed prior to 1978 are tested by a certified lead inspection firm (for lead paint and, where applicable, for other possible materials containing lead, such as ceramic tiles). When found, lead remediation is performed by certified LBP contractors before the rehabilitation contractor is permitted to begin work. In addition, regardless of date-of-construction, rehabilitation sites are inspected for failing paint surfaces (chipping, flaking) during the initial rehabilitation evaluation. If such deteriorating paint is found, lead testing is performed, and the necessary steps taken if lead is found. All general contractors involved in the Rehabilitation/Housing Accessibility Assistance grants have received their certification as an EPA Renovation, Repair and Painting (RRP) contractor.

Lead-based paint testing, remediation and abatement activities are expensive. While such activities are eligible items for rehab loans, the cost was found to be a deterrent to potential rehab clients. The City therefore established a lead hazard grant program whereby rehabilitation clients are provided a grant sufficient to cover most -if not all- the costs of lead abatement. The lead testing and lead hazard grant policies also apply to participants in the Housing Accessibility Assistance (HAA) program, also administered by the Housing Services Program. However, due to COVID-19 Pandemic, the HAA program has not been active.

Actions planned to reduce the number of poverty-level families

As a California municipality, the City has very limited control over the existence of poverty among its residents. Nevertheless, the City's actions – particularly with regard to the use of federal funds covered under this plan – can work to assist those households and individuals currently facing poverty. While the FY 2023-2024 AAP does not propose to allocate funding for business assistance, the City allocated FY 2020-2021 CDBG funds to the GSF, which provides grants to support small businesses by providing low interest loans to help them expand and grow their businesses. This program helps provide employment opportunities for low- and moderate-income residents and increased income for small businesses. The City will continue to expend remaining funds allocated to this program in FY 2023-2024.

Actions planned to develop institutional structure

The City collaborates with the County of Monterey to develop a joint funding application process/system to help reduce administrative work associated with its funding application and program reporting. Use of City Data Services allows for more efficient and accurate management of the funds.

The City has established a Housing and Land Use Committee to provide an additional forum for non-profits, stakeholders, and members of the public to communicate directly with the City regarding housing and community development needs and plans for future projects. The Housing and Land Use Committee is tasked with the objective

of enhancing coordination and improving the effectiveness and efficiency in the City utilizing its entitlement HUD funds. Specifically, the Housing and Land Use Committee serves as a formal recommendation body to the City Council regarding housing related items.

The City utilizes CDBG and ESG funds to provide a range of supportive services. The City will also continue to monitor and evaluate the changing needs within the City to determine how best to fund various agencies to assist the low-moderate income residents with CDBG and ESG public services funds.

Actions planned to enhance coordination between public and private housing and social service agencies

The City partners with the Housing Authority of the County of Monterey, MidPen Housing Inc., CHISPA, and Monterey County Housing Inc. to collaborate on multifamily housing projects, gap financing, and provide Federal, State and Local resource funds. Through this network of public and private housing agencies, the City is able to expand housing and community development programs in the City. The City also uses the internally developed housing distribution list for special events to communicate with stakeholders and agencies as well as coordinate programs and services within our community. Lastly, the City recently started to use an HCD developed list of over 500 housing developers distributed throughout California to inform them of potential funding opportunities within the City. In 2023, the City also hosted the Housing and Development Forum, which was a hybrid event (in-person and virtual), to inform the public and private housing agencies, nonprofit developers, housing advocates and community members regarding funding opportunities for future projects in the City.

Discussion

See discussions above.

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Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I) (1,2,4)

Introduction

This section addresses the regulatory requirements of the CDBG, HOME, and ESG programs not covered in the previous sections.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

No other forms of HOME investments beyond those previously described.

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

The City suspended its First-Time Homebuyer Program in 2014. Existing loans will be subject to the City's recapture/resale provisions. Pursuant to HUD's HOME recapture regulations the City has chosen to recapture the entire principal loan balance (direct homebuyer subsidy) to the extent there are net proceeds after the sale of a home and repayments of the first mortgage and closing costs. This indebtedness is due and payable upon sale or transfer of the property, prior to the expiration of the period of affordability, to the extent there are sufficient "net proceeds". Net proceeds are defined as the amount of sale proceeds remaining (if any) after payment of any superior loan(s) (Other than HOME funds) and customary closing costs. If upon the voluntary or involuntary sale of a property prior to the expiration of the period of affordability there are insufficient net proceeds to pay the balance remaining of the First-Time Homebuyer Program, the homebuyer is relieved from any further obligation to pay the indebtedness.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The City suspended its First-Time Homebuyer Program in 2014. Existing loans will be subject to the City's recapture/resale provisions. Pursuant to HUD's HOME recapture regulations the City has chosen to recapture the entire principal loan balance (direct homebuyer subsidy) to the extent there are net proceeds after the sale of the home and repayments of the first mortgage and closing costs. This indebtedness is due and payable upon sale or transfer of the property, prior to the expiration of the period of affordability, to the extent there are sufficient "net proceeds". Net proceeds are defined as the amount of sale proceeds remaining (if any) after payment of any superior loan(s) (Other than HOME funds) and customary closing costs. If upon the voluntary or involuntary sale of a property prior to the expiration of the period of affordability there are insufficient net proceeds to pay the balance remaining of the First-Time Homebuyer Program, the homebuyer is relieved from any further obligation to pay the indebtedness.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The City has no plan to use HOME funds to refinance existing debt.

Emergency Solutions Grant (ESG)

Reference 91.220(l)(4)

1. **Include written standards for providing ESG assistance (may include as attachment)**

All subrecipients receiving funding must establish and consistently apply these written standards:

An initial evaluation to determine program eligibility of individuals and/or families will be conducted by the agencies/service providers. It will establish the kind and the amount of assistance needed. Evaluations will be

conducted in accordance with the requirements set forth under §576.400(d) and the written standards established under §576.400(e).

Agencies/service providers will reassess the eligibility of individuals and/or families; the kind and amount of assistance needed for program participants receiving homelessness prevention services will be reassessed monthly and quarterly for program participants receiving rapid re-housing assistance. Each reassessment of eligibility will ascertain that:

- The program participant does not have an annual income that exceeds 30% of the median family income for the area, as determined by HUD;
- The program participant lacks sufficient resources and support network necessary to retain housing without ESG assistance.

In order to be funded with ESG funds, an agency/service provider is required to be a collaborative member of the CoC. This avoids duplication of services and allows a smooth transition and/or delivery of services rendered. In addition, the collaborative further engages and coordinates resources to improve streamlining of current programs and funding strategies and provide ongoing training as procedures and bylaws are ratified and refined.

The City will allow ESG-funded agencies that provide rapid re-housing and homelessness prevention services to determine the prioritization of eligible families. In addition, CHSP established basic registration and screening processes (intake, referral, eligibility, documentation verification, case notes, to name a few) that allow all agencies a more consistent determination on the initial risk assessment during the intake process.

ESG-funded agencies that provide rapid re-housing and homelessness prevention services may determine the share of rent and utilities costs that each participant must pay. However, if applicants show income, they must pay 30 percent of their adjusted monthly income towards rent.

ESG-funded agencies shall assist individuals and/or families for no more than 24 months, during any 3-year period – this in accordance with the general conditions under §576.103 and §576.104. Program participants receiving rapid re-housing assistance are required to be re-evaluated at least once every year and those receiving homeless prevention assistance must be re-evaluated at least once every three months. As mandated by HUD, all program participants receiving project-based rental assistance must have a lease that is for a period of one year, regardless of the length of rental assistance.

Rental assistance may be provided for short-term (up to 4 months) or medium-term (from 4 to 24 months). Rent in arrears is paid to the owner of the housing at the time the security deposit and 1st month's rent are paid. After 4 months, if program participants need additional financial assistance to remain housed, they must be evaluated for eligibility to receive up to 20 additional months of medium-term rental assistance. Case Managers will provide ongoing case management to transition program participants to independence.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

CHSP is in the process of developing an assessment system. Due to geography and other factors, the CoC has implemented a “coordinated” assessment and referral system as opposed to centralized assessment and referral. The Coordinated Assessment and Referral System (CARS) is intended to offer multiple locations to those seeking to access services; each agency doing intake using the same set of agreed-upon assessment and targeting tools; makes referrals using the same criteria; and has access to the same set of referrals. The CARS is designed to improve service provision and data efficiency and improvement through a standardized access and assessment process for all clients and a coordinated referral process for clients to receive prevention, housing, and/or other related services. Key CARS strategies include: 1) Tailor to local needs and systems; 2) Ensure access for all in geographic area; 3) Implement in parts/pieces; 4) Use HMIS; 5) ID available resources in system; 6) Quality assurance; and 7) Test and adjust.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City is an “Entitlement City” and as such receives a funding allocation relating to population from HUD. The funding, subject to federal budget authorization, is provided on an annual basis and coincides with the City’s July 1 through June 30, fiscal year.

To distribute funds previously mentioned, the City typically conducts an annual Notice of Funding Availability (NOFA). The NOFA process begins with published notices in the local newspapers, both in English and Spanish. Notifications are sent out to the various non-profit agencies and local service providers. A workshop is held by City staff to assist with proposals and to inform applicants of changes and new regulations.

The application is available online by visiting www.citydataservices.net. All proposals must be submitted electronically. A deadline is provided for the submission of proposals. It is normally a minimum of thirty (30) days from the day the NOFA application notice is published. Applications that are incomplete, lack required attachments, or applications submitted after the published deadline are not to be considered for funding. After the closing date, proposals are first reviewed for completeness and then evaluated against applicable HUD regulations, the City’s CP, City Council goals and objectives, and other related City policies (e.g., General Plan). Funding recommendations are developed by staff from the City’s Housing Division, the CoC, and external County agency staff, taking into account total available funds, applicant experience, project readiness and feasibility, leveraging of funds, track record with City (when applicable), and likelihood for timely use of HUD funds.

Staff recommendations are forwarded to the Housing and Land Use Committee for a formal recommendation to City Council. Then recommendations are taken to City Council for final approval. The City Council meets regarding the draft CP and AAP to obtain public and Councilmember comment. Advance notice is published in *The El Sol* (Spanish) and *The Californian* (English) newspapers to allow for a minimum thirty (30) day public review and comment period in adherence to the City’s CPP. The City Council is the final local decision-making body over HUD entitlement funding and approves recommendations and authorizes the submittal of the CP and AAP and other required documents to HUD.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Under § 576.405(a) of the Interim Rule, all subrecipients are required to meet the homeless participation requirement, which calls for not less than one homeless or formerly homeless individual on the board or other equivalent policymaking entity. All agencies currently receiving ESG funding meet the homeless participation requirement by having a formerly homeless person on its board or policymaking entity. This is critical because City standard policies dictate that applicants not meeting this requirement will not be considered for funding.

5. Describe performance standards for evaluating ESG.

The following performance standards for evaluating ESG activities were developed in consultation with the CoC using the format detailed in Section 427(b) of the McKinney-Vento Act (as amended by the Hearth Act). These standards will be used to evaluate each ESG subrecipient’s effectiveness in targeting those most in need, lowering the number of homeless persons, reducing the amount of time people are homeless, and mitigating housing barriers for the participants. Housing Division staff will continue to work closely with the CoC as well as the subrecipients this year and over time to determine the reasonableness of these standards.

Barriers faced by individuals and families (participants) to the length of time participants remain homeless:

- extent to which participants experience repetitive homelessness
- effectiveness of subrecipient in reaching the homeless
- overall reduction in the number of homeless

- job and income growth
- success at reducing the number of participants who become homeless

Plan of the subrecipient to:

- reduce the number of participants who become homeless
- reduce the length of time participants remain homeless
- identify participants who become or remain homeless through collaboration with local education agencies
- fulfill other criteria such as: addressing the needs of all relevant subpopulations incorporating comprehensive strategies for reducing homelessness setting quantifiable performance measures setting timelines for completion of specific tasks identification of specific funding sources for planned activities identification of individual/group/agency responsible for overseeing implementation of specific strategies
- exercise authority to use funds under section 422(j)

Discussion

See discussions above.

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Appendix A: Public Outreach

Public Meetings and Summary of Comments

NOFA Application Workshop, February 9, 2023

A total of 17 residents, representatives from interested agencies and organizations, and City staff attended the meeting.

Housing & Development Forum, February 9, 2023

A total of nineteen in-person attendees and nine virtual participated in the housing forum. The purpose of the Housing & Development Forum hosted on February 9, 2023, was to inform potential developers about the funding resources and development opportunities to increase affordable housing within city limits.

Public Hearing, May 16, 2023

Comments received during the public hearing meeting were as follows:

Written Comments

No written comments were received.

Notices and Flyers

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Sign-In at Application Workshop

Start time	Completion time	Name2	Agency	Email2	Phone Number
2/3/22 10:01:54	2/3/22 10:02:11	Will Sager	Linc Housing	wsager@linchousing.org	5626841127
2/3/22 10:01:56	2/3/22 10:02:28	Nora Ruvalcaba	Monterey County Housing Authority Development Corporation	nruvalcaba@hdcmonterey.org	8317964661
2/3/22 10:02:01	2/3/22 10:02:36	Robin McCrae	Community Human Services	rmccrae@chservices.org	831.658.3811, ext. 300
2/3/22 10:02:17	2/3/22 10:02:49	Jerry Smith	Citrine Advisors	jsmith@citrineadvisors.com	5102909870
2/3/22 10:02:06	2/3/22 10:03:00	Rodrigo Torres	Community Homeless Solutions	rtorres@communityhomelessolutions.org	831.384.3388
2/3/22 10:02:22	2/3/22 10:03:01	Francisco Brambila	City of Salinas	frankb@ci.salinas.ca.us	8317587359
2/3/22 10:02:07	2/3/22 10:03:02	Sophie Yakir	Interim, Inc.	syakir@interiminc.org	831-649-4522 x214
2/3/22 10:02:01	2/3/22 10:03:03	Staci Pierce	HDC	Spierce@hdcmonterey.org	8317964667
2/3/22 10:02:09	2/3/22 10:03:12	Marjorie Rocha	ECHO Housing	margie@echofairhousing.org	510-410-5097
2/3/22 10:01:56	2/3/22 10:03:15	Jessica Rivas	MCHADC - Housing Development Corp.	Jrivas@hdcmonterey.org	8314024122
2/3/22 10:02:49	2/3/22 10:03:25	Alejandro Amezcua	Interim, Inc.	Amezcua@interiminc.org	8316494522 ext.322
2/3/22 10:02:17	2/3/22 10:03:31	JERONIMO SANCHEZ	S MUNOZ ARCHITECTS	jeronimo.sanchez@smunozarchitects.com	8319057792
2/3/22 10:03:28	2/3/22 10:04:07	Victor	Resident of Salinas	vicotroner1@gmail.com	831-240-3185
2/3/22 10:03:11	2/3/22 10:04:12	Alex Amezcua	Interim, Inc.	Amezcua@interiminc.org	831-649-4522 x322
2/3/22 10:07:34	2/3/22 10:08:12	Teresa Sullivan	Alliance on Aging	tsullivan@allianceonaging.org	831-655-1334
2/3/22 10:16:23	2/3/22 10:17:17	Robert Rapp	Sun Street Centers	rrapp@sunstreet.org	831-241-4559
2/3/22 10:36:49	2/3/22 10:37:27	Eric Johnsen	Community Homeless Solutions and R3	johnsenes@gmail.com	8312140964

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Public Hearing Notice

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Appendix B: Monitoring

The City Housing Division maintains accurate records, both program and financial, pertaining to community development activities, including housing and emergency shelter grant activities. Emergency Solutions Grant (ESG) and CDBG-funded public service activities are monitored continuously. Documentation, including activity reports, are required for the submission of all payment requests. All loan servicing functions (pay-offs, partial payments, subordinations, annual affidavits, etc.) of outstanding loans in the City loan portfolio are also handled in-house using City Data Services interactive computer software system.

Housing Staff contracted with a labor compliance consultant as well as collaborates with the City's Compliance Officer to ensure compliance with federal labor standards requirements (e.g., Davis-Bacon) for all Capital Improvement Projects (CIPs) assisted with CDBG entitlement funds. Further, staff oversee compliance with all federal labor standards requirements on a project-by-project basis for all other CDBG- and HOME-assisted projects, beginning with contract drafting and pre-construction conferences and proceeding through the necessary contractor submittals to project close-out. In limited instances, qualified subrecipients (e.g., HACM, CHISPA and MidPen Inc.) have the resources to oversee federal labor standards with their own staff or enter into a service contract with a Labor Compliance Consulting entity to oversee all federal labor compliance responsibilities. The PW Compliance Officer as well as Housing Division staff attend and have attended labor compliance training when available through the State or Federal agencies to stay abreast of any regulatory changes.

The City continues to implement its formal process of executing a Memorandum of Record (MOR) with other City Departments upon allocation of CDBG funds for Capital Improvement Projects (CIPs). The MOR continues to serve as an alternate method to a Funding Agreement for ensuring program compliance for federally assisted capital improvement projects. Since implementation of the MOR process, compliance issues have declined, and successful compliance has increased.

The City has also implemented various steps to further ensure compliance by all CIPs with applicable CDBG program regulations. The MOR was enhanced to include additional language pertaining to submittal of reports in a timely manner. This will assist with early detection of critical project impediments with potential to impact the annual CDBG Timeliness Ratio criteria and will allow for implementation of effective remediation steps. Further language was added to the MOR regarding compliance with 24 CFR Part 570.505 applicable to real property within the City's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000 and Change of Use Requirements for all Public Facilities & Improvements eligible under §570.201(c). A key focus during assessments is compliance with the adopted Consolidated Plan and the City's Housing Element, plus support to the City Council's Goals. Information gathered is employed to evaluate progress towards established goals; to confirm compliance with statutory and regulatory requirements of governing federal legislation (e.g., National Affordable Housing Act); to determine possible revisions to City policy and procedure, including the Consolidated Plan and Housing Element; and, to prepare performance reports such as this document.

Monitoring Consolidated Plan and HUD Program compliance: The primary action in this regard occurs during the review of proposals received as a result of the Notice of Funding Available (NOFA). Proposals are evaluated and compared based upon the policies and priorities in place and then City staff's allocation recommendations are based upon the results of this analysis. Any proposed amendments to the Action Plan during the program year are also evaluated on this basis. In each case, the various timeliness rules, with respect to commitment and expenditure of funds, are also

considered. All funding agreements contain deadlines governing timely use of funds; Salinas has a long-standing record of meeting CDBG, HOME, and ESG commitment and drawdown standards. Subrecipient funding agreements require compliance with not only the relevant federal regulations and OMB guidance but are drafted to ensure that funded activities are carried out as contemplated in the Action Plan. Housing Division staff continues to closely monitor the performance of other City departments whenever they receive allocations of the federal funds in question through the implementation of the Memorandum of Record (MOR) used for program and reporting compliance of CDBG assisted projects.

Compliance with housing standards: Compliance with housing standards is ongoing. Housing Division staff schedule visits to assisted housing sites following completion of construction or rehabilitation. Recipients of deferred payment rehabilitation loans are evaluated every five years to determine feasibility and continued use of a deferred loan or conversion to amortized loans; the process includes a site visit to determine the upkeep of the unit and gathering of financial household information to determine eligibility. Desk monitoring of completed new construction projects is conducted to determine the appropriate intervals for performing site visits; in addition, almost all major projects receive restricted financing from other sources (e.g., federal tax credits, State funds), which typically include rigorous ongoing monitoring requirements.

In addition, the transition of the multi-family reporting process into the CDS database was completed in FY 2013. The CDS database tracks all funded CDBG and HOME multi-family projects from award phase, construction phase to project completion. Thereafter, the project moves into the annual reporting category where it will remain active, meaning Annual Data Collection Forms will be submitted until the expiration of the affordability period. This provides Grantees with a more efficient data gathering process and offers a more consistent method in collecting annual reports and reviewing data for compliance. City staff continues to work with the CDS database programmers to ensure accurate compliance with project's income/rent restrictions. Various challenges were encountered as numerous affordable housing projects have multiple rent/income restrictions imposed by other program regulations such as the City's Inclusionary Housing Program and the former Salinas Redevelopment Agency (SRA). Thus, making it arduous to achieve comprehensive program compliance for each restricted unit. Staff continues to research and implement system changes in order to attain comprehensive program compliance for all existing affordable housing projects.

As stated previously, City staff continues to enforce revised reporting policies for all CDBG and HOME projects. Annual, Quarterly or Monthly Reporting is accomplished through CDS. Grantees continue to submit Quarterly Progress Reports (QPR) with reporting periods as follows: Period 1- July 1 to September 30; Period 2-October 1 to December 31; Period 3-January 1 to March 31; and Period 4-April 1 to June 30. Current reporting requirements during Period four for all CDBG and HOME assisted projects remains the same as prior years as grantees are required to submit an Annual Project Narrative following the end of the fiscal year.

All active FTHB program participants are monitored to determine that homeowners are using subject properties as their principal place of residence, maintaining proper hazard insurance and are current on property taxes. Additional monitoring takes place throughout the year as homeowners contact staff to receive information on refinancing, subordination, loan payoff or just to ask questions about their loans. During these consultations, staff confirms that the information provided matches information in their project file.

As part of the City's deferred rehabilitation loan program, staff prepared a plan to monitor these loans every five years as stipulated in their agreement; subject properties will be monitored for: deferred loan continued eligibility, using home as their principal place of residence, maintaining proper hazard insurance and are current on property taxes. The City also utilizes CDS as a notification tool to remind staff when a loan is due for a review.

Public Services: Staff prepares an annual Monitoring Plan. Monitoring of program progress, accomplishments, and compliance with HUD program rules is an ongoing activity conducted by staff by means of thorough review of monthly reimbursement requests, monthly activity reports, and rate of expenditures.

Staff completes a Risk Assessment of every subrecipient every year and in most cases, a Desk Review Monitoring, utilizing two checklists designed for that purpose. The Desk Review Monitoring draws on information in the file, but also documents submitted during the application process (e.g. annual agency audit) since most have submitted applications for the following fiscal year.

The Monitoring Plan normally identifies the agencies to be monitored on-site. However, due to the COVID-19 pandemic the City has been conducting virtual monitoring and electronic review of project files. The results of the Desk Review Monitoring guide staff in the selection of agencies for the on-site review. Monitoring standards used are HUD's forms under CDBG standards "Checklist for On-site Monitoring of a Subrecipient" in the "Managing CDBG, A Guidebook for Grantees on Subrecipient Oversight". Forms used to complete the monitoring visit are in the "CPD Grantee Monitoring Handbook" under CDBG Entitlement depending upon the type of activity provided. Staff notifies the agency of potential monitoring visit dates to conduct an onsite visit and requests review of program documents such as but not limited to agency payroll ledgers, employee timecards, receipts for other claimed expenses, the most recent financial audit, personnel policies, equal opportunity policy, case files, and client files that support the reported data for Salinas clients (as noted on the monthly Activity Data Report). After the monitoring visit, a follow-up letter is sent stating the results of the visit. If there are any issues or signs of non-compliance, it is discussed in detail with the program manager/executive director to assist in bringing the agency in compliance at the exit conference.

CDBG-Public Facilities: Public Facility Improvement Projects (where improvements have been completed) are required to annually submit an "Annual Data Collection Form" designed to capture service data such as: the total number of direct beneficiaries, race and ethnicity of each beneficiary, and all data required under HUD's Community Planning and Development Performance Measurement System. The City's Housing staff has currently transitioned all open projects to the CDS website, thus streamlining the reporting process and creating an improved database of all funded projects. As in prior reports, all data continues to be gathered on a monthly and/or quarterly and annual basis. Upon receipt of data, staff continues to review to ensure compliance with appropriate national objectives.

CDBG-Capital Improvement Projects: Staff continues to monitor projects during the design phase, bid opening phase, construction phase and completion phase to ensure compliance with all applicable federal provisions (i.e., Davis-Bacon, Minority Business Enterprise/Women Business Enterprise, Section 3, Executive Order 11246, Executive Order 11063, and Title 24 CFR Part 85). The City continues to revise and improve its existing tools to assist with project monitoring during these phases. Such tools include Federal Labor Compliance Checklist; Contractor and Subcontractor Compliance Worksheet; Quarterly Progress Report; and monthly or bi-weekly correspondence with the subrecipient or assigned City of Salinas Building Inspector. Additionally, the City continues to review the previously developed standard CDBG-Bid Specification Package that includes all applicable federal forms and provisions to ensure all forms and data are current. City will continue to assess current process and research better methods for ensuring compliance with all federal provisions. Currently, the established process continues to significantly reduce the amount of staff time previously required to achieve compliance.

As previously reported, Labor compliance in Capital Improvement Projects continues to be a high priority. The PW Labor Compliance Officer and Housing Division staff continues to increase her knowledge regarding the Federal labor compliance regulations and continues to attend State and Federal Labor Compliance trainings.

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Appendix C: SF 424 and Certifications

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