



U.S. Department of Housing and Urban Development  
San Francisco Regional Office - Region IX  
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San Francisco, California 94107-1387  
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COPY

Honorable Dennis Donohue  
Mayor  
City of Salinas  
200 Lincoln Avenue  
Salinas, CA 93901



Dear Mayor Donohue:

SUBJECT: City of Salinas  
Annual Community Assessment  
Program Year 2007

The U.S. Department of Housing and Urban Development (HUD) Office of Community Development (CPD) annually reviews the performance of communities managing Community Development Block Grant (CDBG) funds. These funds are used by communities to implement the City's strategies outlined in its Consolidated Plan for preserving and developing new affordable housing, improving neighborhoods, and expanding economic opportunities for low and moderate-income people.

The City of Salinas received \$2,537,808 in CDBG funding, \$1,023,843 in HOME funds, and \$110,004 in ESG funds for the Program Year covering July 1, 2007-June 30, 2008. This was augmented with \$150,532 in Program Income and \$1,891,647 in carryover funds for a total of \$4,512,847. Salinas expended \$3,602,411 of these funds, as well as other public and private resources on a variety of activities benefitting low and moderate income residents.

Based on our review of the City's 2007 CAPER, the Department's Integrated Disbursement and Information System (IDIS) data and other available information, we have determined that the City effectively utilized CDBG, HOME, ESG and other financial resources to meet its annual housing and community development objectives, as well as made significant progress toward meeting its five-year goals and performance outcomes. In addition, the City demonstrated its continuing capacity to implement and administer its CDBG programs in the face of difficult economic times and staff shortages.

We note that Salinas had previously ceased operating its First-Time Homebuyer Program due to the high cost of housing and is now re-considering that decision in view of recent reduced home values. While, the nationwide crash of housing markets has seriously affected the housing market in Salinas, we are pleased that the City demonstrates the ability to create some good from a bad situation. We also note that the City is considering applying for State Neighborhood Stabilization Program (NSP) funds and that the item is on the agenda for the Semi-Annual grantees meeting on December 11, 2008. On a final note, we appreciate that Salinas has taken great strides in furthering its high priority commitment to provide more affordable housing opportunities for very low and low-income households through the provision of several significant housing developments. The award winning Sherwood Village Senior Apartments,

completed this year, eliminated a source of blight on the City's main thoroughfare by replacing a dilapidated motel with 124 units of housing for low income seniors making a major contribution toward helping Salinas meet its goal of providing 500 new senior units in the next five years. This project, combined with the following recent and proposed projects, will make a significant contribution to the City's affordable housing stock:

- Gateway Apartments, which includes 10 very-low income inclusionary housing units
- Los Laureles, with 10 inclusionary housing units
- Wesley Oaks, a subdivision with affordable homeownership opportunities
- First Community Housing's proposed 52 affordable rental units
- Tynan Village, with 171 units of mixed income rental housing
- The possibility of using HOME funds in support of the Housing Authority's plans to sell nine public housing units to tenants of public housing

We value our continuing partnership with the City of Salinas to assist in achieving its immediate and long-term affordable housing and community development goals and performance outcomes.

Sincerely,



Maria Cremer  
Acting Director  
Community Planning and  
Development Division

Cc: David Swanson, Planning Manager  
Artie Fields, City Manager