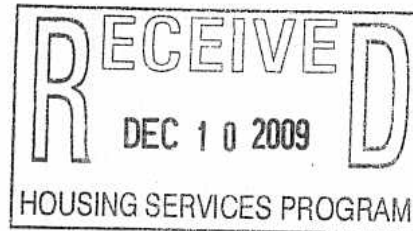




U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
600 Harrison Street
San Francisco, California 94107-1387
www.hud.gov
espanol.hud.gov

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



DEC 04 2009

Dear Mayor Donohue:

SUBJECT: City of Salinas
Annual Community Assessment
Program Year 2008

The U.S. Department of Housing and Urban Development (HUD) Office of Community Development (CDP) 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 \$3,441,464 in CDBG funding, \$999,822 in HOME funds, and \$109,345 in ESG funds for the Program Year covering July 1, 2008-June 30, 2009. This was augmented by \$58,426 in Program Income and \$910,436 in carryover funds for a total of \$3,342,785. Salinas expended \$3,286,045 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 2008 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 HUD-funded programs in the face of the challenges occurring during these difficult economic times, new program and reporting requirements and tight deadlines, staff vacancies and layoffs, and diminishing local, state and federal resources.

We note that the long process to gain approval to annex 2400 acres of land was completed during this program year and look forward to hearing about the new affordable housing opportunities that can now be developed. This office also recognizes the continuing strides the City has made in furthering its commitment to provide affordable housing opportunities for very low and low-income households through the planned Wesley Oaks subdivision, an infill project that will create homeownership opportunities for lower income Salinas residents and the planned Gateway Apartments, which would provide affordable rental housing in downtown Salinas, and the La Gloria Senior Apartments, which plans to develop a

23-unit senior rental housing apartment complex. CPD staff was pleased to be present at the groundbreaking of the Sunflower Gardens project which will provide rental housing for people at risk of being homeless who have psychiatric disabilities. We realize that obtaining financing for the completion of the City's planned projects is difficult in today's economic environment and wish the City success in bringing these projects to completion and occupancy.

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. If you have any questions, please contact me at (415) 489-6572 or your Community Development Representative, Gail Goldman at (415) 489-6587.

Sincerely,



Maria Cremer
Acting Director
Community Planning and
Development Division

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