



## **CITY OF SALINAS**

### **Notice of Funding Availability (NOFA) and Request for Letters of Interest (LOI)**

#### **Operator to Acquire Single Family Homes to serve Families Experiencing Homelessness**

**Funding Source:** State of California – Housing and Community Development (HCD)

**Program:** Family Homelessness Challenge (FHC) Grant Program

**LOI Due Date:** January 20, 2026, by 5:00 PM (PST)

#### **I. Statement of Need and Introduction**

The City of Salinas (City), through its Community Development Department, hereby issues this Notice of Funding Availability (NOFA) and Request for Letters of Interest (LOIs) to solicit interest from qualified and experienced organizations to acquire and operate one (1) to two (2) permanent supportive housing (PSH) units for the purpose of serving families experiencing homelessness within the City of Salinas.

This initiative is intended to serve families with dependent minor children who are experiencing unsheltered homelessness or are at imminent risk of homelessness and face significant barriers to housing stability, including households utilizing Housing Choice Vouchers (Section 8). Program Model must align with Housing First principles and support long-term housing stability and permanent housing outcomes for families.

Funding made available through this Notice of Funding Availability (NOFA) is provided by the State of California Department of Housing and Community Development (HCD) under the Family Homelessness Challenge (FHC) Grant Program, established pursuant to California Health and Safety Code § 50250.1 et seq. The FHC Program provides one-time grant funding and technical assistance to local jurisdictions to implement innovative, Housing First–aligned strategies to prevent and end family homelessness.

The total funding amount available under this NOFA is up to \$1,450,000.

#### **II. Eligible Activities and Alignment with FHC Grant**

The proposed activities under this NOFA/LOI align with the City’s approved Family Homeless Challenge grant application and are intended to support:

- The acquisition of permanent housing assets;

- The provision of supportive services designed to promote long-term housing stability and family self-sufficiency.
- Depending on the configuration of properties acquired or developed, the City anticipates housing up to two (2) families, one household per single-family home, serving an estimated total of up to eight (8) individuals per household.

**III. Population intended to serve**

The program will serve families with dependent minor children who are experiencing unsheltered homelessness or are at imminent risk of homelessness and face significant barriers to housing stability, including households utilizing Housing Choice Vouchers (Section 8). This project also aligns with broader state and local homelessness response frameworks, including:

- **California Welfare and Institutions Code § 8255**, which defines the state’s commitment to Housing First principles;
- **California Assembly Bill 977 (Chapter 397, Statutes of 2021)**, which mandates data collection and outcome reporting for programs funded to address homelessness;
- **Family Homelessness Challenge** program objectives.

**IV. Definition: Permanent Supportive Housing Placement (§ 578.37(a)(1)(i))**

A Permanent Supportive Housing (PSH) is permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability.

**V. Mandatory Expenditure Timeline**

Applicants must include a completed expenditure timeline demonstrating quarterly obligations and expenditures. Proposals that do not clearly demonstrate the ability to meet the required expenditure deadlines may be deemed non-responsive. The City reserves the right to reallocate funds if expenditure benchmarks are not met.

Time Period	Eligible Activities
February 20, 2026	Begin Property identification, site control, escrow activities, and due diligence.
March 01-31, 2026	Property acquisition close, Property Improvements, and Habitability Inspection
April 30, 2026	Utility coordination, Lease Up Process, complete all eligible program expenditures related to acquisition of PSH units

**VI. Required Components of the Letter of Interest**

Interested organizations must submit a Letter of Interest that includes the following five sections, no more than five (5) pages. You may use the prompts and checkboxes below to guide your responses.

**1. Organizational Overview**

Provide a brief description of the organization, including mission statement, years of

experience, geographic area served, and populations served.

**2. System Participation**

Organizations shall describe experience operating Housing First–aligned, low-barrier housing or homeless service programs. Indicate participation in HMIS, Coordinated Assessment and Referral Systems (CARS), and relevant oversight committees.

**3. Capacity and Readiness**

Describe organizational capacity to acquire, develop, and operate housing units, including anticipated implementation timelines and identification of potential barriers.

**4. Partnerships**

Describe existing or proposed partnerships that will support successful implementation, including coordination with behavioral health, housing authorities, and other systems of care.

**5. Proposed Budget**

Funding under this solicitation is limited exclusively to capital costs associated with the acquisition of single-family homes. A brief budget narrative explaining cost assumptions, timelines for expenditure, and readiness to proceed is required.

Eligible costs may include, but are not limited to:

- Property acquisition costs (purchase price, escrow, title, and closing costs);
- Required inspections, fees, and soft costs directly associated with acquisition;
- A reasonable capital contingency reserve related to property acquisition;
- **Operational costs, ongoing supportive services, rental subsidies, staffing, and non-capital program expenses are not eligible uses of funds under this LOI.**

**VII. Selection Considerations – Salinas Permanent Supportive Housing (PSH) Operator LOI**

LOIs will be evaluated based on the following criteria organizational: capacity, service model, staffing, housing strategy, budget reasonableness, partnerships, and readiness to implement services by the required deadline. Emphasis on the applicant’s demonstrated ability to execute the proposed scope of work within the established timeline. Selection through this LOI process does not constitute a contract award. The City reserves the right to modify or cancel this solicitation at any time.

**1. Organizational Capacity**

Demonstrated experience, infrastructure, and internal systems necessary to manage and deliver the proposed services effectively within the required timeframe.

**2. Service Model**

Clarity and feasibility of the proposed approach, including how services will be delivered and aligned with program goals. While FHC funds under this solicitation are limited to capital acquisition costs, applicants must demonstrate access to or coordination with supportive services funded through other sources to ensure compliance with PSH requirements.

**3. Staffing**

Adequacy of proposed staffing levels, roles, and qualifications, including current staff readiness or a realistic plan to onboard staff in time to meet program deadlines.

**4. Housing Strategy**

A clear and actionable strategy for identifying, securing, and supporting housing placements, including potential barriers and mitigation strategies.

**5. Budget Reasonableness**

Alignment of the proposed budget with the scope of services, demonstrated cost-effectiveness, and appropriate use of available funds. Proposed budgets must demonstrate the ability to fully obligate and expend awarded funds by April 30, 2026, consistent with Family Homelessness Challenge grant requirements.

6. **Partnerships**

Strength and relevance of partnerships that support implementation, including clearly defined roles and coordination.

7. **Readiness to Implement**

Demonstrated ability to begin implementation promptly upon selection and to execute the proposed scope of work within the established timeline.

**VIII. LOI Questions and Contact**

City of Salinas

Community Development Department – Housing Division

Karina Vazquez, Administration Analyst

[karina.vazquez@salinas.gov](mailto:karina.vazquez@salinas.gov)

(831) 775-4206

**IX. Submission Instructions**

Letters of Interest (LOI) should be no more than five (5) pages excluding the proposed budget, and must be e-mailed with the subject “LOI Submission: Family Homeless Challenge” by January 20, 2026, at 5:00 PM (PST) to: [karina.vazquez@salinas.gov](mailto:karina.vazquez@salinas.gov). Any proposals received after this date and time, will not be considered.

**Deadline to Submit:** January 20, 2026, at 5:00 PM (PST)