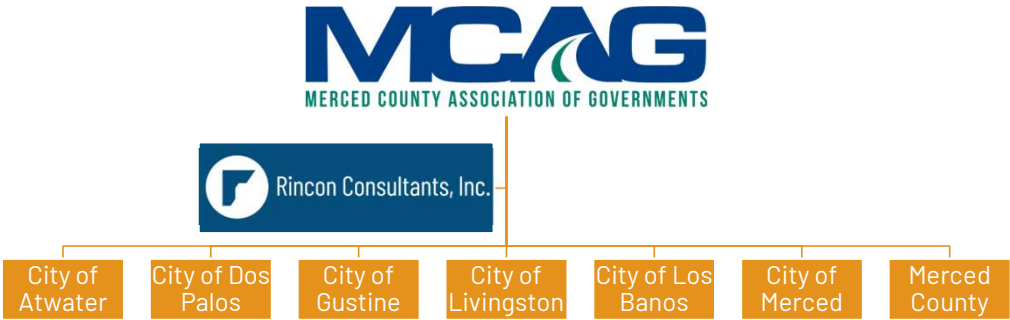




Merced County Multi-Jurisdictional Housing Element

City of Merced, Report to City Council | August 7, 2023

Project Organization



Introduction to the Multi-Jurisdictional Housing Element



- Agenda
 - Overview of the Housing Element
 - Regional Housing Needs Assessment (RHNA)
 - Housing Element Policies & Programs
 - New Housing Element Laws
 - Role of Decision Makers
 - Timeline

What is a Housing Element?

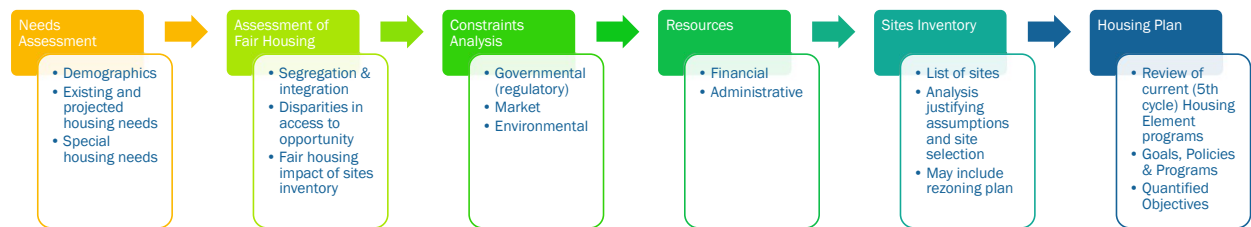
- A housing plan for residents of all income levels
- One of the eight mandatory elements in a General Plan
- Governed by CA Government Code Article 10.6 (Housing Element Law)
- Required to be updated every eight years
 - Each period called a “cycle”
 - This update is the 6th cycle
- Must be reviewed and certified by California Department of Housing and Community Development (HCD)



Why is a Housing Element necessary?

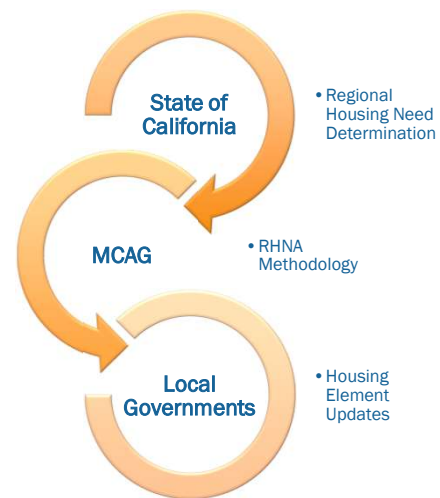
- Non-compliance with state law triggers potential fines, and the General Plan could be deemed inadequate and invalid
- Potential for legal action against local government when making land use decisions
- Eligibility for several federal and state housing, community development, and infrastructure funding and grant programs

Housing Element Basics



Regional Housing Needs Allocation (RHNA)

- HCD determines statewide housing production goal by income category and assigns each region a share
- MCAG develops RHNA methodology and assigns each jurisdiction a set number of housing units by household income level
- Through the Housing Element update, jurisdictions must identify sites to meet their share of the RHNA
 - Must also provide evidence that sites will be developed with adequate housing units within the eight-year planning period.



MCAG RHNA Methodology

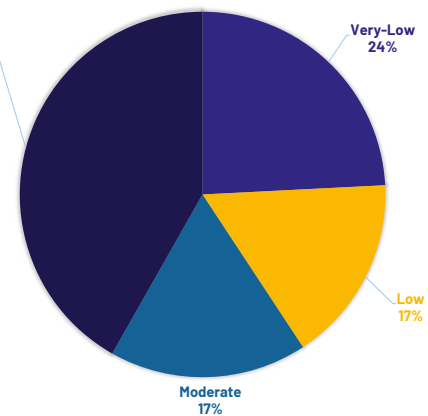
- Needs based on California Department of Finance and HCD population projections
- Consistent with regional initiatives and plans such as the Regional Transportation Plan and Sustainable Communities Strategy
- Broken down by income level
- Furthers statutory objectives of supplying housing mix of types, tenure, and affordability
- Promotes socioeconomic equity
- Promotes improved jobs-to-housing balance



RHNA Breakdown by Income Level

MCAG Jurisdiction	Very-Low	Low	Moderate	Above Moderate	Total
Atwater	768 25.4%	526 17.4%	508 16.8%	1,215 40.3%	3,017
Dos Palos	56 21.4%	39 14.9%	49 18.8%	117 44.8%	261
Gustine	77 22.2%	53 15.3%	64 18.5%	152 43.9%	346
Livingston	311 28.3%	213 19.4%	169 15.4%	404 36.8%	1,097
Los Banos	719 22.9%	493 15.7%	566 18.0%	1,354 43.2%	3,132
Merced	2,543 24.1%	1,742 16.6%	1,838 17.5%	4,394 41.8%	10,517
Unincorporated County	1,042 24.5%	714 16.8%	736 17.3%	1,758 41.3%	4,250
Total	5,516	3,780	3,930	9,394	22,620

Above Moderate
42%



City of Merced
must accommodate
41% of the RHNA as
lower-income housing

City of Merced Share of RHNA

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**Merced County
Area Median
Income:
\$80,300
/year (for a family
of 4)**

Lower-Income RHNA

- State law defines “default” density standards that are “deemed appropriate to accommodate housing for lower-income households.”
- Default density for lower-income units for Merced County jurisdictions is at least 20 dwelling units per acre*
- Rezone sites must have a minimum density of at least 16 dwelling units per acre
- HCD recommends buffer of “at least 15 percent” more capacity than required (especially for lower-income categories)



“At least” means that the density range allowed under current zoning accommodates the HCD density standard for the income category.

Meeting the RHNA



- **Planned and approved projects**
 - Building permits issued for residential development after July 1, 2023
- **Projected ADUs**
 - Based on ADU permitting trends, assume a number of ADUs to be permitted in the 6th Cycle
- **Identification of sites**
 - Sites with appropriate zoning and development standards to accommodate residential development (opportunity sites)
 - If needed, identify sites for rezoning to accommodate shortfall (rezone sites)

Housing Goals, Policies, and Programs

- Review and update goals, policies, programs, and objectives from the previous housing cycle
- Specific commitments to action and timelines
- Programs must address:
 - Identified constraints to housing development and compliance with new state laws
 - Special needs groups such as seniors, persons experiencing homelessness, college students, farmworkers, and persons with disabilities
 - Identified fair housing issues and improve adverse conditions

Categories of Housing Programs:

- Housing production
- Housing preservation
- Housing protections
- Housing access
- Fair housing

Role of Decision Makers

- Approve submittal of the Draft Regional Multi-Jurisdiction Housing Element to Housing and Community Development (HCD) for review
- Adopt the Draft Regional Housing Element and re-submittal to HCD for review
- Opportunity for public comment



14

Estimated Timeline



- Opportunities for Community Input
 - Community survey
 - Community workshops
 - Stakeholder interviews (developers, non-profits, community leaders)
 - Review of the Draft Housing Element

MCAG Multi-Jurisdictional Housing Element Update

Community Survey

The Merced County region is developing a multi-jurisdictional housing element (M-JHE) for the sixth cycle housing element update. Jurisdictions participating in the joint effort are the County of Merced, and the cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced. The Housing Element is a policy document that provides a comprehensive strategy for promoting the production of available, affordable, and adequate housing within the Merced Region.

To ensure that the Housing Element includes policies that represent the values and ideas of the cities' diverse populations, we want to hear from as many residents and community members as possible. This survey will take approximately 10 minutes to complete. Thank you for your time!

* 1. Do you live, work, own a business or property, or go to school in one of the following jurisdictions? (Check all that apply.)

- ☐ Atwater
- ☐ Dos Palos
- ☐ Gustine
- ☐ Livingston
- ☐ Los Banos
- ☐ Merced City
- ☐ Merced County
- ☐ Other (please specify)

Community Workshop Schedule

Tuesday, August 22

- Time: 6 pm to 8 pm
- Location: Civic Center, Sam Pipes Room, 678 W 18th Street

Saturday, August 26

- Time: 9 am to 11 am
- Location: Civic Center, Sam Pipes Room, 678 W 18th Street

Questions?

- More Information
 - Project Website: <https://mercedmjhe.com/>
 - City of Merced – Planning Project Team
 - Planning Department – 209-385-6858
 - Scott McBride, Director of Development Services
 - McbrideS@cityofmerced.org
 - Julie Nelson, Acting Planning Manager
 - NelsonJ@cityofmerced.org
 - Leah Brown, Management Analyst
 - BrownL@cityofmerced.org