



ADMINISTRATIVE REPORT

File #: 22-933

Meeting Date: 12/5/2022

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SUBJECT: Introduction of the Public Participation Process for U.S. Department of Housing and Urban Development (HUD) Grant Programs and Annual Plan Process

REPORT IN BRIEF

Staff to provide a report on the public participation opportunities, as well as the HUD grant programs received by the City of Merced and the HUD Annual Plan Process.

RECOMMENDATION

Information Only.

DISCUSSION

The purpose of this report is to identify key dates and opportunities for public participation. The HUD Annual Action Plan is a yearly report describing the projects that the City intends to implement using HUD grant funds. The process in developing the Plan begins with community input to determine the needs and priorities related to housing, homelessness, public services, and infrastructure. Following a detailed and months long community outreach campaign, the first Public Hearing will be March 2023, followed by a 30-day public review and comment period, then a Final Public Hearing in May 2023 for City Council approval prior to submission of the report to HUD.

This year we are also seeking input on a special one-time funding allocation that was given to the City of Merced in response to the long-term impacts from the Coronavirus Pandemic. These funds are called the Home Investment Partnership Program - American Rescue Plan (HOME-ARP). The City allocation is \$1,988,778. These funds have specific qualifying populations:

- Homeless
- At Risk of Homelessness
- Fleeing/Attempting to flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking
- Other Populations (assistance would prevent family's homelessness, serve those with greatest risk of housing instability)
- Veterans and families that include a veteran family member that meet the criteria for one of the Qualifying Populations described above

Eligible activities for the qualifying populations include affordable rental housing, tenant based rental assistance, supportive services, acquisition or construction of non-congregate shelters, and nonprofit operating and capacity building assistance.

HOME-ARP also requires an allocation plan that will be submitted as a substantial amendment to the 2021 HUD Annual Action Plan. The process in developing the HOME-ARP Plan also includes community and consultant input, a preliminary Public Hearing, a 15-day comment period, followed by a final Public Hearing in March 2023 with City Council approval needed prior to submission of the plan to HUD.

To determine the best use of these significant Federal funds, Community Needs Surveys are now available, along with outreach via public meetings. The Community Needs Surveys are available on-line and in three languages. Links to the surveys can be found at www.cityofmerced.org/housing and hard copies are available by request at the Housing Division counter. Links and QR codes will be published in three consecutive City Utility Bill newsletters. The HUD Annual Action Plan survey will be open until February 28, 2023. The HOME-ARP survey has a shorter timeline and closes on January 31, 2023.

Community input meetings are scheduled in December as follows:

Date:	Time:	Location (all meetings):
Monday, December 12, 2022	6:00 p.m.	Sam Pipes Room, First Floor,
Tuesday, December 13, 2022	6:00 p.m.	Merced Civic Center/City Hall,
Friday, December 16, 2022	3:00 p.m.	678 W 18 th Street, Merced, CA

The meetings will be advertised in multiple languages (English, Spanish, and Hmong) in both local newspapers. Spanish and Hmong translation can be made available at the meetings by calling the City of Merced Housing Division at (209) 385-6863 or emailing housing@cityofmerced.org at least 48 hours/2 days prior to the meeting date. The meetings may also be presented in a hybrid in person/virtual format.

CDBG and HOME

HUD allocates two major federal grants to the City of Merced annually to fund projects aimed at benefitting low to moderate income (LMI) residents. Last year the City received \$1,099,911 of Community Development Block Grant (CDBG) funding. HUD requires that 70% of CDBG funds be used for LMI; however, the City aims to use all 100% for LMI. Up to 15% of the funds can be used for public services such as, short-term rental, mortgage, utility assistance, youth services, and education. Other uses include acquisition and rehabilitation of affordable housing, economic development, parks development, infrastructure improvements, and vacant property cleanup (acquisition, disposition, clearance and cleanup of contamination).

The Home Investment Partnership Program (HOME) is the other primary federal grant allocated to the City by HUD. All of the HOME funds are required to be used for LMI residents. Last year the City received \$603,192 in HOME funding. Fifteen percent (15%) of the funds are required to go to a Community Housing Development Organization (CHDO) whose mission is to increase home ownership and affordable housing for low and very low-income people. The Central Valley Coalition for Affordable Housing is the only HUD certified CHDO available. Eligible uses for HOME funds include new construction of rental housing, fair housing consultant services, tenant based rental

assistance, housing rehabilitation, homebuyer assistance, and site acquisition that includes improvements, demolition, and relocation.

CDBG has previously funded emergency short term rental, mortgage, and utility assistance through a partnership with Sierra Saving Grace. Other public services include food distribution for homeless and LMI residents with the help of Harvest Time. Lifeline CDC has a funded program to provide life skills, financial literacy, afterschool activities, and training in the Loughborough Community. Affordable housing project partners include Sierra Saving Grace, Merced Rescue Mission, and Habitat for Humanity Stanislaus.

As a partner with Merced County Human Services Agency, Continuum of Care (CoC), the City shares the administrative portion of the CDBG grant for certain services. The services provided by the CoC include the annual homeless count, reporting, grant monitoring, and funding applications for homeless services. Additionally, Project Sentinel assisted with fair housing services and outreach to City of Merced residents.

ATTACHMENTS

1. Presentation

Public Participation Process
U.S. Department of Housing and Urban Development
Grant Programs and Annual Plan Process



Merced City Council – December 5, 2022



Public Participation Opportunities

Community Meetings

Located in the Sam Pipes Room

Date:	Time:
Monday, December 12, 2022	6:00 p.m.
Tuesday, December 13, 2022	6:00 p.m.
Friday, December 16, 2022	3:00 p.m.

Community Surveys

- Available in multiple languages by early December
- Links will be available on the Housing Division website
- Also available in paper form by request through the Housing Division

HOME-ARP Survey

<https://tinyurl.com/33r93jef>

Closes January 31, 2023



Annual Action Plan Survey

<https://tinyurl.com/yckie4bz>

Closes February 28, 2023



What is CDBG and HOME?

Federal Grants allocated annually to benefit low-moderate income (LMI) citizens

- **Community Development Block Grant (CDBG)**

- Last year's allocation: \$1,099,911
- City's goal is to use 100% for LMI
- 15% of CDBG funding can be used for Public Services

- **Home Investment Partnership Program (HOME)**

- Last year's allocation: \$603,192
- Required to use 100% of all funding for LMI residents
- 15% of funding required to go to Community Housing Development Organization (CHDO)



Previous Project Partners

Public Services

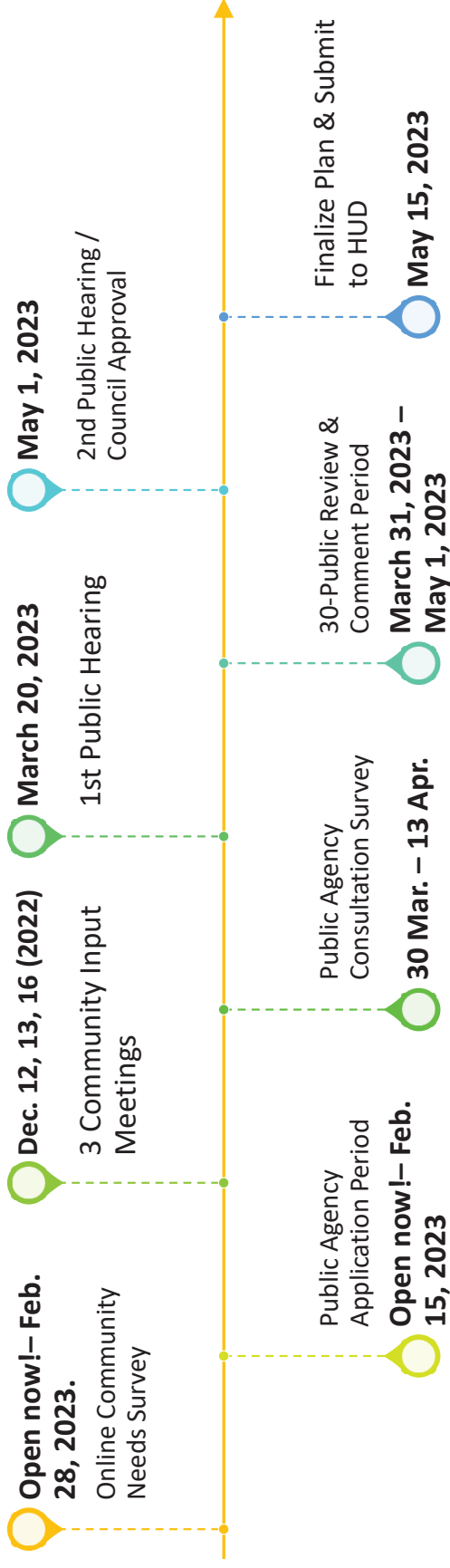
- Sierra Saving Grace
- Harvest Time
- Lifeline CDC

Affordable Housing Projects

- Sierra Saving Grace
- Merced Rescue Mission
- Habitat for Humanity Stanislaus

Administrative Assistance

- Merced County Human Services Agency, Continuum of Care (CoC)
- Project Sentinel



2023 Annual Plan Timeline

What is HOME-ARP?

- **Home Investment Partnership Program – American Rescue Plan (HOME-ARP)**

- Allocation: \$1,988,778

- Special allocation due to the long-term impact from the Coronavirus Pandemic

- Qualifying Populations

1. Homeless
2. At Risk of Homelessness
3. Fleeing/Attempting to flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking
4. Other Populations at greatest risk of housing instability
5. Veterans and families with veterans of Qualifying Populations described above

- Eligible Activities

1. Affordable Rental Housing
2. Tenant Based Rental Assistance
3. Supportive Services
4. Acquisition or Construction of Non-congregate Shelters
5. Nonprofit Operating and Capacity Building Assistance

HOME-ARP Timeline

