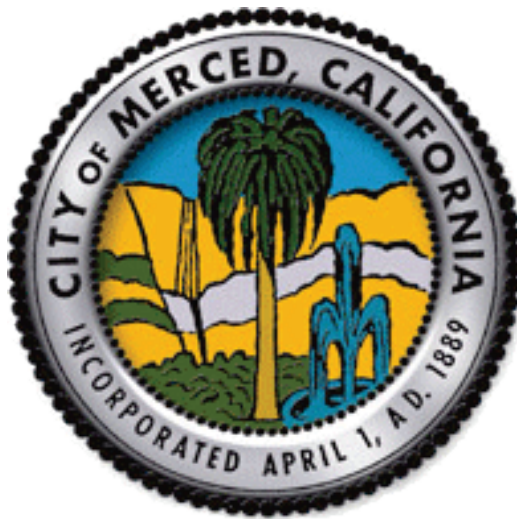


# City of Merced

## 2025-2029 Five Year Consolidated Plan and Annual Action Plan



**FINAL DRAFT**

**FINAL PUBLIC HEARING**

**JUNE 16, 2025**

CITY OF MERCED HOUSING DIVISION  
DEVELOPMENT SERVICES DEPARTMENT

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## Executive Summary

### ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

Merced, California, located in the heart of the San Joaquin Valley, is a growing city of approximately 89,766 residents. Nicknamed "Gateway to Yosemite" for its proximity to the national park, it blends agricultural heritage with modern development.

Merced's economy includes strong sectors such as healthcare, education, and retail industries. Additionally, sectors such as accommodation, agriculture, manufacturing, construction, public service, and transportation play vital roles in the local economy. The University of California, Merced drives innovation and growth, attracted new businesses and contributed to the area's expanding economic landscape. With its strategic location, Merced plays a vital role in California's Central Valley.

As an entitlement jurisdiction under the U.S. Department of Housing and Urban Development (HUD), the City of Merced (City) receives Community Development Block Grant (CDBG) funds and HOME Investment Partnership Program (HOME) funds from HUD in proportion to its population size, concentration of poverty, and other socioeconomic and demographic data. To continue receiving funds, the City must submit a Consolidated Plan every five years to HUD. This document is the City's Consolidated Plan for Program Years 2025 to 2029 and covers the city of Merced.

The Consolidated Plan is a five-year planning document that identifies needs within households and communities with low to moderate incomes and outlines how the City will address those needs using HUD funds. Ultimately, it guides investments and helps achieve HUD's mission of providing decent housing, suitable living environments, and expanded economic opportunities for populations and communities with low to moderate incomes. The Consolidated Plan serves as the City's official application to HUD for the following federal resources:

- Community Development Block Grants (CDBG) – CDBG is a flexible funding source that can be used for both housing and non-housing activities, including neighborhood revitalization, workforce and economic development, community and nonprofit facilities, and infrastructure and public services in communities that serve residents with low to moderate incomes. The City anticipates receiving an estimated \$1 million annually in CDBG funds during the Consolidated Plan period. The City will receive \$1,089,413 for the 2025 program year.
- HOME Investment Partnerships (HOME) – HOME is used for building, acquiring, and rehabilitating affordable housing for rent and homeownership. It may also be used for direct rental assistance to residents with low incomes. The City anticipates receiving an estimated \$450,000 annually in HOME funds during the Consolidated Plan period. The City will receive \$447,510.24 for the 2025 program year.

The Consolidated Plan is divided into five (5) major parts:

1. The Process – summarizes the City’s efforts to engage residents and stakeholders and determine the community’s priorities
2. Needs Assessment – identifies the priority needs of the City’s populations with low to moderate incomes
3. Housing Market Analysis – describes the economic environment in which the City will implement its programs
4. Strategic Plan – establishes goals, policies and actions for addressing the needs of the community; and
5. Annual Action Plan for Program Year 2025-26 (July 1, 2025 – June 30, 2026)

## **2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview**

The City determines its goals and priorities for the 2025-2029 Consolidated Plan based on community and stakeholder feedback received through meetings and surveys, U.S. Census Bureau data, City and County housing data, and a variety of City and County planning documents. Additionally, the City hosted two (2) public hearings, three (3) community input sessions, two (2) stakeholder input sessions, and one-on-one stakeholder interviews, and encouraged participation from all residents, particularly residents with low to moderate incomes, the elderly, and persons with disabilities.

### **Identified Community Needs**

Through preparing the Needs Assessment and conducting comprehensive community engagement process, the following key needs were identified:

#### Housing

- Increase the housing inventory across all income levels, with a particular focus on long-term affordable housing and housing for vulnerable populations.
- Development of new affordable housing units, prioritizing seniors, individuals with disabilities, or other households more vulnerable to housing instability.
- Support to purchase and maintain homes, including financial assistance programs, homebuyer education, and home repair programs to help residents achieve and sustain homeownership.
- Explore alternative development models, such as the subsidy of Accessory Dwelling Units (ADUs) or mixed-use affordable housing.

#### Homelessness & Prevention

- Continuation and expansion of emergency housing programs, including eligible rapid rehousing activities, short-term emergency rental assistance, shelters, and transitional housing.

- Supportive and preventative services such as mental or behavioral health services and substance abuse treatment both for those experiencing homelessness and those in permanent supportive housing.

#### Quality of Life

- Investment in enrichment, health, and other beneficial programs to support seniors, youth, and families, particularly in South Merced.
- Support for vulnerable populations through public services like nutrition and food security assistance, physical, mental, behavioral health services, general healthcare, childcare, life skills and finance training, and support for young adults transitioning from foster care.

#### Public Infrastructure & Facilities

- Invest in infrastructure such as streetlighting, street improvements, and ADA compliant sidewalks, especially in South, Central, and other older areas that are generally low-income where existing infrastructure may be outdated or insufficient.
- Increase pedestrian walkways and bike paths, especially in South Merced and areas with large investments in affordable housing, to better connect households to commerce, education, and work centers.
- Investment in community centers to support seniors, youth, and families.

#### Economic Development

- Investment in job training and education programs in trades or industries of growth.
- Investment in opportunities that encourage the creation or retention of jobs in the community.

The above identified needs were then summarized into broadly-scoped Guiding Principles, from which a final list of Priority Needs were determined:

#### **Guiding Principals**

- Enhance housing opportunities by increasing the availability of affordable housing options and improving the efficiency and cost-effectiveness of existing housing.
- Promote housing stability for the city's most vulnerable residents by supporting a range of programs and services that address needs across the housing spectrum, from emergency to permanent housing.
- Improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities.

#### **Priority Needs**

The focused Priority Needs for the 2025-2029 Consolidated Plan cycle are:

1. Increase Economic Development and Job Opportunities
2. Expand and Improve Public Infrastructure and Facilities
3. Affordable Housing, Shelter, and Housing Stability
4. Quality of Life Services for LMI Residents
5. Increase and Rehabilitate Owner Housing

## **Goals and Objectives**

The Strategic Plan sections of this Plan focuses the Guiding Principles and Priority Needs into more specific, measurable goals and objectives.

The Goals that will be closely associated with the above Priority Needs are:

- 1A Provide Community Based Job Training
- 1B Provide Business Assistance
- 2A Invest in Community Facilities & Centers
- 2B Invest in Public infrastructure & ADA improvements
- 2C Invest in Parks & Recreation Facility Improvements
- 3A Increase Affordable Rental Housing Opportunities
- 3B Rehabilitation of Existing Rental Housing
- 3C Assistance for Shelter/Supportive/Overnight/Transitional housing
- 3D Provide Housing Stability & Homeless Prevention Services
- 3E Provide Fair Housing Services
- 4A Provide vital services for LMI individuals and families
- 5A Increase and rehabilitate existing homeowner housing
- 5B Create new opportunities for homeownership
- 6 Administration and Planning

As projects are conceived, approved, and implemented in each Annual Action Plan for the first year and each year thereafter, these Goals and Objectives will help guide the City in matching projects to a required CDBG National Objective, determining anticipated Performance Objectives and Outcomes, and eventually, will assist in reporting accomplishments once completed.

The Guiding Principles, Priority Needs, and Goals and Objectives will be applied throughout the next five years to help address the highest needs in the community. They reflect the priorities identified through the community engagement and development process of the City's Consolidated Plan. They are also guided by HUD's SMART framework, insuring they are Specific, Measurable, Action-Oriented, Realistic, and Time-Based.

## **3. Evaluation of past performance**



As part of the Consolidated Plan process, the City is required to submit an annual Consolidated Annual Performance Evaluation Report (CAPER) to HUD, which reports on how funds were spent, the demographics and income levels of individuals and households that benefited from the funds, and progress toward meeting annual goals for housing and community development activities. The monitoring of performance measures enables the City to identify operational improvements, resource allocation issues, and policy questions to be addressed in the upcoming year.

The previous 2020-2024 Consolidated Plan, which spanned the five program years between July 1, 2020, and June 30, 2025, and involved amendments to encompass COVID-19 funds and projects, included the following six strategic goals established by the City:

- **Affordable Rental Housing:** To preserve, rehabilitate, and enhance existing neighborhoods, and housing as applicable, with an emphasis on South and Central Merced
- **Support Services to Youth, Homeless, and Seniors:** Provide support services to the city's residents with an emphasis on the homeless and services to seniors.
- **Fair Housing:** Ensure that all housing programs are available without discrimination based on race, color, religion, sex, national origin, age, income, disability, status, etc.
- **Public Facilities and Infrastructure:** To preserve, rehabilitate, and enhance existing public facilities
- **Job Creation:** To address the city's significantly high unemployment rate with economic development
- **Neighborhood Revitalization:** Create neighborhood revitalization opportunities within targeted areas of the city.

Overall, the City and its partners have performed proficiently in meeting the strategic goals that were set. Below is a summary of the outcomes achieved during the first four years of the previous five-year Consolidated Plan cycle, including the distribution of Coronavirus CDBG funds (CDBG-CV). Outcome data for the previous Consolidated Plan cycle will be presented to HUD with the submittal of the Fiscal Year (FY) 2024-25 CAPER.

- **Affordable Rental Housing:** Approximately 172 residents served through provision or retention of affordable units.
- **Support Services to Youth, Homeless, and Seniors:** Approximately 937 residents served through homeless prevention and overnight shelter services and approximately 10,851 residents served through public services.
- **Fair Housing:** Approximately 719 residents served through fair housing services.
- **Public Facilities and Infrastructure:** Approximately 17,900 residents served through improved facilities.

The City has successfully implemented housing, homelessness, and public facilities activities in the previous Consolidated Plan cycle, impacting the lives of thousands of residents with low to moderate

incomes. It is anticipated that the City and its partners will continue to positively impact residents through collaborative efforts.

#### **4. Summary of citizen participation process and consultation process**

The City's community participation process follows the Citizen Participation Plan (CPP), which provides a structured approach for engaging the community and ensuring timely notifications for public meetings and hearings. As part of its efforts to encourage broad participation, the City hosted two (2) community meetings and two (2) stakeholder meetings, offering both in-person and virtual attendance options. The meetings were offered in English, Spanish, and Hmong. An additional community meeting was hosted on February 25th, via Zoom, to allow for additional comments and feedback.

The stakeholder meetings included representatives from community partners, service providers, businesses, advocates, and other City departments. To gather additional input, the City distributed a Community Needs Assessment Survey and a Stakeholder Survey. The community survey was also provided in both Hmong and Spanish, with translation services available during the community meetings in these languages.

Two (2) public hearings were held, along with a 30-day public comment period and subsequent second 30-day comment period to gather community feedback. Overall, the City received positive participation in the Consolidated Plan engagement process, including 92 responses to the community needs survey, 9 responses to the stakeholder survey, 6 participants at two stakeholder input sessions and 18 from the two community input sessions. Feedback received during the public comment period and at the public hearing will be summarized following the completion of those events. These efforts are detailed further in sections PR-10 Consultation and PR-15 Citizen Participation of this Consolidated Plan.

#### **5. Summary of public comments**

Feedback on community needs was collected through community meetings and surveys, a stakeholder meeting and survey, a public comment period, and at formal public hearings. These comments provided insight into community needs and informed the goals of the Consolidated Plan. The top priority needs that will guide the City's HUD-issued funding for the next five years are:

- Increase the availability of affordable housing options through the creation and preservation of affordable rental and for-sale units, expansion of rental assistance to include move in costs, and homeowner rehabilitation programs.
- Expand knowledge and services of Fair Housing and homelessness prevention.
- Offer a range of programs and services that address quality of life and needs across the housing spectrum, from emergency to permanent housing.
- Improve and expanding access to essential services, community infrastructure, and economic development opportunities, specifically pedestrian walkways and bike pathways, street lighting, and flood retention strategies in South Merced.

The community engagement process and outcomes are discussed in greater detail in sections PR-15 Citizen Participation and Appendices C through G. Feedback received during the public comment period and at the public hearing will be summarized following the completion of those events.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments were accepted and are included in Appendix G. - Public Comment

## **7. Summary**

The City's Consolidated Plan outlines housing and community development goals for Program Years 2025-2029 and fulfills requirements for CDBG and HOME funding. It emphasizes strong community participation, especially for residents with low to moderate incomes, throughout the planning process.

### **Delayed 2025 Entitlement Allocation Announcement and Effect on City Approvals**

Per HUD Notice #CPD-25-02 issued on January 14, 2025, to all CDBG, HOME, and other formula fund grantees regarding the submittal timing of the Program Year (PY) 2025-2029 Consolidated Plan and the PY2025 Annual Action Plan, announcements of formula grantee allocations are expected later than normal.

Subsequently, with the March 15, 2025, enactment of the FY2025 Full Year Continuing Resolution (CR) (Public Law 119-4, "FY2025 Full Year Continuing Appropriations and Extensions Act)," the City's annual allocations are not expected to be known until early May 2025. The City Council approval and submission timeline for the PY2025-2029 Consolidated Plan and PY2025 Annual Action Plan to HUD will be affected as follows:

- Notices were published on March 20, 2025, in the Merced County Times weekly newspaper and on March 21, 2025, in the Merced Sun-Star daily newspaper, which notified the public that the (then) current public review and comment period would be extended and that the draft plans would be reposted for a new 30-day comment period beginning April 23, 2025.
- Noticed Public Review and Comment Period of April 23 – May 23, 2025: review and comment period will remain as it was noticed to the Public, in order to inform residents of estimated five-year and 2025 preliminary project funding, one- and five-year goals and objectives, and to accept comment on the plan. The posted draft plan document will make it clear that the initial funding levels shown are based on estimated amounts.
- The City is including "contingency provisions" in the posted draft that explain how we intend to adjust the initial estimated figures to actual ones, once the allocations are released by HUD (please see below). By including these provisions, the City will avoid the potential need to conduct additional citizen participation on this Plan.

- May 1 to May 15, 2025 (estimated) – HUD’s Program Year 2025 CDBG and HOME allocations are expected to be announced during this time. The City is usually formally notified of its annual allocations by HUD within a few business days of the actual announcement date.
- Anticipated 2nd/Final Public Hearing to be held on June 16, 2025: due to the late allocation, the City estimates that the second/Final Public Hearing, approval of the Plans, and award of 2025 project funding will occur at the Council meeting of June 16, 2025. This date will be confirmed with the publishing of a Public Hearing Notice in the Merced County Times and Merced Sun-Star newspapers on or about May 29, 2025, in addition to being posted on the City’s website.
- Deadline for Submission of Plans to HUD: HUD’s January 14th CPD Notice allows grantees whose normal submission deadline is less than 60 days from the date that HUD announces PY2025 allocations to delay submission of its Annual Action Plan until 60 days after the allocation announcement date. The City’s normal submission deadline is May 15th, annually. Therefore, hypothetically, if the 2025 allocations are announced on May 5th, the City will have until approximately July 4, 2024, to submit its Plan to HUD. Noting that July 4 is a national holiday, the latest the City would submit the plans would be by end-of-day on July 3, 2025.
- HUD Review of the 2025 Annual Action Plan and City Access to Funds: in accordance with 24 CFR 91.500(b), HUD is allowed a 45-day period to review and approve the City’ submitted Plan. Following HUD approval after this 45-day period, and unless HUD requires edits to the submitted Plan, the City would be granted access to its CDBG and HOME allocations. Thereafter, the preparation of subrecipient agreements with organizations that will receive 2025 project funding awards as approved by Council and HUD will commence.

## **2025 Delayed Formula Allocation Announcement - Contingency Provisions**

As discussed above, HUD’s announcement of 2025 CDBG and HOME allocations will be delayed to approximately early May of 2025. As such, the draft Plan presented for the 30-day Public Review and Comment Period will be prepared with estimated figures, which will be estimated as follows:

### Community Development Block Grant (CDBG) Allocations by Program Year:

- *Estimated allocation amount to be used: \$1,000,000*
- Comparatively, the 2024 (previous year) CDBG allocation was \$1,056,567.00

### Home Investment Partnership Program (HOME):

- *Estimated allocation amount to be used: \$450,000*
- Comparatively, the 2024 (previous year) HOME allocation was \$450,563.61

### Contingency – CDBG

*If the actual CDBG allocation is more than estimated:* after adjusting figures for all administrative funding at the full 20% allowed and all Public Service funding at the full 15% maximum cap allowed, the

remaining CDBG increase will be placed towards public or parks infrastructure project(s), as described in Section AP-35 and AP-38 of the Annual Action Plan. Additionally, each of the proposed public services projects listed in the draft Annual Plan will be increased by proportional percentages of the total public service funds available. The City Council may further adjust these amounts prior to final approval of the plan and award of funding.

Additionally, during the 2025 Program Year, if unexpected amounts of 2025 CDBG Program Income funds are received, those additional funds may also be placed towards either the allowed cap of 15% for any of the public service projects or the public or parks infrastructure project(s), if additional funds are needed for any of these.

*If the actual CDBG allocation is less than estimated:* after adjusting figures for administrative funding at the full 20% allowed and total Public Service funding at the full 15% maximum cap allowed, the remaining CDBG decrease will be placed towards public or parks infrastructure project(s), as described in Section AP-35 and AP-38 in the Annual Action Plan. Additionally, each of the proposed public services projects listed in the draft Annual Plan will be decreased by proportional percentages of the total public service funds available. The City Council may further adjust these amounts prior to final approval of the plan and award of funding.

#### Contingency – HOME

*If the actual HOME allocation is more than estimated:* after adjusting figures for administrative funding at the full 10% allowed and the required 15% CHDO set-aside reserves, the increase will be handled as follows: 1) allocate towards affordable rental housing/rehabilitation projects.

*If the actual HOME allocation is less than estimated:* after adjusting figures for administrative funding at the full 10% allowed and the required 15% CHDO set-aside reserves, the decrease will be handled by decreasing the amount of HOME funds allocated to affordable rental housing/rehabilitation projects.

#### **Allocation Announcement**

HUD announced nationwide distribution of CDBG and HOME allocations on May 14, 2025.

## The Process

### PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

#### 1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MERCED	Housing Division/Development Services Dept
HOME Administrator	MERCED	Housing Division/Development Services Dept

Table 1 – Responsible Agencies

### Narrative

The City's Housing Division is the lead agency responsible for the preparation and administration of the Consolidated Plan, corresponding Annual Action Plans (Annual Plan), CAPERs, and the CDBG and HOME programs.

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## **PR-10 Consultation - 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)**

### **1. Introduction**

The City conducted outreach to key organizations to enhance coordination, solicit feedback, and discuss new approaches and efficiencies with public and assisted housing providers; private and governmental health, mental health, and service agencies; and other stakeholders that utilize funding for eligible activities, projects, and programs. Agencies serving people with HIV/AIDS, those experiencing homelessness, low-income youth, seniors, individuals with disabilities, and those with substance use disorders were specifically engaged. Additionally, water resource agencies, governments, and other joint agencies within the region were contacted, as well.

During the consultation process, the City provided detailed information about the ConPlan and the HUD entitlement funding process, the City's distribution of funds and current projects using HOME and CDBG funds. Stakeholders shared their priority needs in general terms and specific to their organization's target populations.

The City invited over 20 organizations, government entities, service providers, and other stakeholders to participate in a stakeholder meeting held virtually on January 9, 2025, and an in-person meeting held on January 17, 2025. In addition to attending the meeting, stakeholders were given the opportunity to complete a survey to provide further input. Six (6) people attended and provided feedback on what they identified as the City's most pressing community needs. At the meeting, stakeholders received extensive information about the Consolidated Plan, the citizen participation process, HUD requirements for an entitlement city, the amount of funding that the City anticipates receiving, and how those funds can be used to assist non-profit organizations carry out essential programs within the City. The City and its consultants facilitated small group discussion during which the stakeholders' feedback on community needs was recorded. Additionally, an online survey was offered to stakeholders. A total of nine (9) stakeholders responded to the survey. A copy of the survey and the responses can be found in Appendix E.

### **Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

The City coordinated with many organizations throughout the region to assess strengths and needs. The organizations with which the City consulted are described in detail in the table below.

Beyond the Consolidated Plan development process, the City has long communicated and collaborated with numerous governmental and non-governmental agencies throughout the region to address the needs of its residents with low to moderate incomes. The City's formalized collaborative efforts include:

- Merced County Association of Governments, Merced County's federally recognized metropolitan planning organization (MPO)
- Merced City and County Continuum of Care (CoC)
- County of Merced
- Housing Authority of the County of Merced
- Central Valley Coalition for Affordable Housing

The City serves as the primary provider of community and economic development programs, housing projects, and financial support. The Housing Authority of the County of Merced, the local Public Housing Agency (PHA), oversees the federal Section 8 Voucher program and manages public housing within the city. Public housing modernization efforts, aimed at ensuring long-term physical and social viability, are funded annually through HUD's Capital Fund Program. These initiatives are outlined in the PHA's Public Five-Year and One-Year Action Plans. Residents are actively engaged in shaping the PHA's plans and allocation of Capital Fund resources. A resident advisory board meets monthly to review and provide input on strategies and policies for public and tenant-based housing. Additionally, the City collaborates with the PHA to assist residents in qualifying for Section 8 Vouchers and informs eligible residents about program availability.

During its community engagement process, the City consulted with various agencies and businesses through stakeholder meetings and surveys to inform its planning and decision-making.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

The City is an active member of the Merced City and County Continuum of Care (CoC) and contributed to the development of the Regional Plan to Prevent and End Homelessness, which informs the CoC's new 10-Year Plan. This plan outlines strategies to address homelessness among individuals and families experiencing or at risk of experiencing homelessness and chronic homelessness, including veterans and unaccompanied youth.

As a CoC member, the City remains committed to a Housing First approach, prioritizing rapid housing placement with supportive services tailored to maintain stability. Efforts include making funding available to CoC member and other organizations for expanding rapid rehousing programs, offering rental assistance, housing stabilization services, and case management to address barriers to securing housing.

To support the CoC in both data gathering and strategic planning to identify and address the needs of the area's residents experiencing homeless, the City provides a portion of its administrative funding to the Merced County Human Services Agency, who is the Collaborative Applicant for the CoC, to help offset the costs of the annual Point-In-Time Count (PIT). Approximately two-thirds of the County's homeless population lives within the city limit boundary.



**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS**

The City does not receive ESG funding directly. However, eligible public and private agencies can apply for Federal Emergency Solutions Grant (ESG) funding through the California Department of Housing and Community Development (HCD). The City collaborates closely with the Merced City and County Continuum of Care (CoC) to develop funding policies and procedures in compliance with HCD requirements.

The City maintains active participation in the CoC Board of Directors, which oversees the implementation of HCD requirements. This includes determining the allocation of ESG funds within the region, establishing performance standards to evaluate project and activity outcomes, and defining the funding, policies, and procedures for the administration and operation of the Homeless Management Information System (HMIS), as appropriate.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities**

1	<b>Agency/Group/Organization</b>	Housing Authority of the County of Merced
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Education
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Market Analysis Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Housing Authority provides permanent subsidized rental housing for residents and housing projects countywide and assists clients in connecting with partner agencies for any other needs. The Housing Authority services housing within communities in Merced County, but the program allows for participants to transport their vouchers to any U.S. state and the Authority remains responsible for the rental subsidy of those vouchers. HACM provides clients with self-sufficiency classes via the Family Self-Sufficiency (FSS) program, and the program includes escrow funds that clients can use towards self-sufficiency goals. HACM receives annual Project Based Voucher and Housing Choice Voucher funding from HUD's Office of Public Housing, as well as State funds through the California Housing and Community Development (HCD) Office of Migrant Services for farmworker centers. Funding is to provide rental assistance to families at the extremely low to very low HUD-published income levels. HACM assisted with the development of the Consolidated Plan by providing localized data relevant to multiple sections of the plan, and responded to the online consultation/stakeholder survey.
2	<b>Agency/Group/Organization</b>	Habitat for Humanity Merced/Stanislaus Counties

	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Service-Fair Housing Regional organization 501(c)(3) Non-profit Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-based Paint Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Habitat for Humanity Merced/Stanislaus Counties (HHMSC) serves the Merced and Stanislaus Counties and works in partnership with families to help eliminate poverty housing in the community, advocate for and make accessible fair and affordable housing opportunities, and to preserve and improve existing housing occupied by low-income homeowners. HHMSC continues to be a strong partner with the City of Merced in providing homeowner occupied rehabilitation opportunities, which includes lead paint testing and abatement activities. This organization responded to the online consultation/stakeholder survey and provided insight on community needs.
3	<b>Agency/Group/Organization</b>	Merced County Human Services Agency

	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Services - Narrowing the Digital Divide Health Agency Child Welfare Agency Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - County Regional organization Planning organization Major Employer
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Market Analysis Anti-poverty Strategy

	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Human Services Agency (HSA) serves individuals and families in Merced County through a variety of assistance and support programs designed to promote self-sufficiency, safety, and well-being of the residents in our diverse community. HSA provides service programs such as CalFresh, CalWORKs, Medi-Cal, and provides housing support services to County and City residents such as housing, food, and healthcare. Services are offered to families to strengthen parenting, family, and support systems. HSA responded to the online consultation/stakeholder survey and provided insight on community needs.
4	<b>Agency/Group/Organization</b>	Merced City and County COC
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Other government - County Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Market Analysis Anti-poverty Strategy

	<p><b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The County of Merced Human Services Agency represented the Continuum of Care (CoC) during the consultation process, as it acts as the Collaborative Applicant for the CoC serving citizens countywide, including children/youth, adolescents, victims of domestic violence, persons with disabilities, and chronically homeless individuals and families. Annually, the CoC manages recurring Emergency Solutions Grant (ESG) and CoC funding from HUD, and additionally, manages several one-time grants that include Homeless Housing Assistance and Prevention (HHAP), California Emergency Solutions and Housing (CESH), and Emergency Solutions Grant - Coronavirus (ESG-CV) grants. Separately, the CoC/Collaborative Applicant administers State Permanent Local Housing Allocation (PLHA) funds on behalf of all jurisdictions in the County. All clients served by its grant programs meet the HUD definition of homeless. Currently, the City and the County Human Services Agency participate as partners through the regional planning committee, as well as through the CoC. Representatives of the CoC responded to online stakeholder survey and provided insight on community needs and localized data to multiple sections of the Consolidated Plan.</p>
5	<b>Agency/Group/Organization</b>	United Way of Merced County
	<b>Agency/Group/Organization Type</b>	<p>Services - Housing  Services-Children  Services-Elderly Persons  Services-Persons with Disabilities  Services-Persons with HIV/AIDS  Services-Health  Services - Narrowing the Digital Divide  Agency - Emergency Management  Regional organization  Business and Civic Leaders  501(c)(3) Non-Profit Public Charity Corporation</p>

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	United Way of Merced County connects people, resources, organizations, and businesses together to create and further equitable, thriving communities. This organization responded to the online consultation/stakeholder survey and provided insight on community needs.
6	<b>Agency/Group/Organization</b>	Merced County Office of Education
	<b>Agency/Group/Organization Type</b>	Services-Education Services-Employment Services - Narrowing the Digital Divide Other government - County Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy

	<p><b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>MCOE supports school districts across Merced County and offers a wide range of unique programs that serve students inside and outside of the classroom. MCOE-sponsored Early Education Support programs work to ensure quality early experiences for young children and families of all abilities and languages, providing parent education workshops, childcare subsidy programs, and childcare resources to promote school readiness. MCOE operates specialized, alternative education programs and non-traditional schools and support for students with special needs. Of special note, all 20 school districts in Merced County and the Merced County Office of Education joined together to form and participate in the Merced County Special Education Local Plan Area (SELPA). The Merced County SELPA serves approximately 7,300 individuals with exceptional needs, providing special education and related services, and MCOE is the designated Administrative Unit of the Merced County SELPA. The Merced County SELPA provides free appropriate public education, including special education instruction and/or support services, to any eligible student. Appropriate special education services are provided within the geographical area of the Merced County SELPA through a full continuum of program options for children birth to 22 years of age. MCOE sponsors special educational certificate programs, such as basic auto mechanics, to young adults. MCOE responded to the online consultation/stakeholder survey and provided insight on community needs.</p>
7	<b>Agency/Group/Organization</b>	Sierra Saving Grace Homeless Project
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services - Victims Services - Narrowing the Digital Divide 501(c)(3) Non-Profit Public Charity Corporation



	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-based Paint Strategy Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Preservation/Rehabilitation/ADA Access Upgrades - Existing Housing
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Sierra Saving Grace Homeless Project (SSG) provides housing (rapid rehousing, emergency rental assistance, permanent supportive, rental housing, acquisition with rehabilitation) and non-housing supportive services to homeless, at-risk, and chronically homeless individuals/families within the community. SSG receives current and past grant funding from a combination of HUD CDBG, HOME, CDBG-CV, and Emergency Solutions Grant (ESG) funds, California Emergency Solutions and Housing (CESH) funds, and other sources as they become available. SSG currently is contracted with the Central California Alliance for Health (CAAH) to serve their members who are homeless or at risk of homelessness with deposit assistance and housing case management and manage Rapid Rehousing funds from ESG and CESH. SSG responded to the online consultation/stakeholder survey and provided insight on community needs.
8	<b>Agency/Group/Organization</b>	Leadership Counsel for Justice and Accountability
	<b>Agency/Group/Organization Type</b>	Services-Education Service-Fair Housing Services - Victims Services - Narrowing the Digital Divide Regional organization Planning organization Fair Housing/Housing Policy Advocate

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy Citizen Participation and Outreach
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Leadership Counsel for Justice and Accountability (LCJA) works alongside residents and communities in the San Joaquin Valley to advocate for sound policy and identify and work to eliminate inequities in order to secure equal access to opportunity regardless of wealth, race, income, and place, as well as an advocate for citizen input to public policy. The Leadership Counsel regularly and actively participates in City Council and other meetings with City officials regarding potential housing policy strategies, affordable housing, and tenant rights advocacy. LCJA responded to the online consultation/stakeholder survey and provided insight on community needs.
9	<b>Agency/Group/Organization</b>	Strong Towns Merced
	<b>Agency/Group/Organization Type</b>	Services-Education Planning organization Civic Leaders 501(c)(3) nonprofit media advocacy organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis Anti-poverty Strategy Public Infrastructure/Community Development
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Strong Towns Merced is the Merced chapter of a larger, nationwide media-based non-profit organization whose goal is to help facilitate local conversations centered around sustainable land use, road safety, and sound financial solvency policies, encouraging critical thinking to optimize a connected community. Strong Towns Merced attended multiple community and stakeholder meetings held during the development of the Con Plan and provided insight on community needs.
10	<b>Agency/Group/Organization</b>	MERCED RESCUE MISSION

	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Education Services-Employment Services - Victims Non-Profit Public Charity Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Lead-based Paint Strategy Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Market Analysis Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization primarily provides housing (rapid rehousing, permanent supportive, emergency shelter, acquisition with rehabilitation, respite care, and transitional housing) and non-housing supportive services to homeless and chronically homeless individuals and individuals/families at risk of becoming homeless within the community. The Rescue Mission works to fill the gaps in services for people experiencing homelessness. This organization was invited to participate in NOFO workshops, consultation needs survey, public input meetings, and to provide comments on the draft plan. MRM did not respond to the consultation survey but met with the City's consultant and staff for a comprehensive one-on-one consultation interview, providing essential homeless needs and housing insight to the plan.
11	<b>Agency/Group/Organization</b>	Merced County Hispanic Chamber of Commerce
	<b>Agency/Group/Organization Type</b>	Services-Education Business and Civic Leaders 501(c)(6) Corporation

	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Market Analysis Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Merced County Hispanic Chamber of Commerce primarily promotes Hispanic-owned small businesses and to further the economic development of all Merced County businesses. The MCHCC receives funding annually from annual memberships, grants, and fundraiser events. This organization was invited to participate in NOFO workshops, community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan. The Hispanic Chamber did not respond to the consultation survey but met with the City's consultant and staff for a comprehensive one-on-one consultation interview, providing essential insight to the plan.
12	<b>Agency/Group/Organization</b>	Central Valley Community Foundation
	<b>Agency/Group/Organization Type</b>	Housing Services-Children Services-homeless Regional organization Planning organization Business and Civic Leaders Foundation Private Sector Banking / Financing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Economic Development Market Analysis Anti-poverty Strategy

	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Central Valley Community Foundation (CVCF) manages and administers the Central Valley Opportunity Fund (CVOF), a donor-advised fund focused to Merced County that seeks to utilize collective impact philanthropy, serving as a catalyst to draw in additional public and private investment in pursuing strategic, research-driven projects aimed at equitable, lasting, systemic change. The CVOF fund is primarily focused to initiatives in the categories of youth development, economic and workforce development, and housing and homelessness. The CVCF was invited to participate in NOFO workshops, community outreach meetings, and responded to the consultation/stakeholder surveys, providing vital input to the plan.
13	<b>Agency/Group/Organization</b>	Project Sentinel, Inc.
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Education Service-Fair Housing Services - Victims 501(c)(3) Non-Profit Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Economic Development Market Analysis Anti-poverty Strategy Fair Housing Impediments Analysis

	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Project Sentinel provides vital and necessary fair housing services within the community, focusing on disseminating housing discrimination-related education materials, information, and resources to Merced City residents, as well as providing assistance to residents with discrimination cases that cannot be resolved through provided landlord/tenant counseling services. The City of Merced has worked closely with Project Sentinel for multiple years working to ensure the fair housing rights of residents. Project Sentinel was invited to participate in NOFO workshops, outreach meetings, consultation needs surveys, public input meetings, and to provide comments on the draft plan.
14	<b>Agency/Group/Organization</b>	Merced County Behavioral Health & Recovery Services
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services - Narrowing the Digital Divide Other government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis

	<p><b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Merced County Behavioral Health and Recovery Services (BHRS) provides behavioral health and supportive services to residents of Merced County who are living with serious mental illness or substance use disorders. Services and programs overseen by BHRS include the Adult System of Care (ASOC), Care Court, Children's System of Care, Crisis Stabilization Services, Justice and Community Integration, and the Marie Green Psychiatric inpatient facility. BHRS also provides essential services, including the provision of a limited number of housing vouchers, to formerly homeless individuals that have been recently housed. BHRS was specifically contacted for consultation to provide more insight as to the mental health and substance use disorder needs of Merced residents and how services and funding could be better coordinated.</p>
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### **Identify any Agency Types not consulted and provide rationale for not consulting**

After initially contacting over 35 different agencies to request consultation, the City engaged with over 20 stakeholders in the Consolidated Process through surveys and meetings. These stakeholders included a range of organizations and businesses dedicated to supporting individuals with low to moderate incomes. Invited stakeholders included the Merced City and County Continuum of Care (CoC), the Hispanic Chamber of Commerce, Merced Police and Fire Departments, Merced County Association of Governments, Merced Irrigation District, Merced County Board of Realtors, housing developers, nonprofit and philanthropic organizations, community-based and faith-based groups, resident advisory boards, resident councils, and resident management corporations. The City attempted to engage with certain organizations on multiple occasions to seek their important input; as such, no organization was intentionally excluded from contributing to the development of the Consolidated Plan.

## Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	County of Merced/ Human Services Agency	Merced County, as the Continuum of CoC Collaborative Applicant, leads homeless counts, surveys, and homelessness planning efforts. The City's Strategic Plan supports these goals by prioritizing nonprofit services, especially those focused on homelessness.
2021-2029 Housing Element (Sixth Cycle) General PI	City of Merced/Merced County Association of Governments (MCAG)	The Housing Element is the State-recognized strategy for addressing the City's housing needs. This Consolidated Plan aligns with the Housing Element goal of continuing to create affordable housing units.
Climate Action Plan	City of Merced	Promotes affordable housing through energy-efficient, transit-oriented, and infill development, emphasizing renewable energy and green infrastructure to lower costs and improve access to jobs and services.
Five-Year and Annual PHA plans	Housing Authority of the County of Merced	The Administrative Plan sets policies for managing the HCV program, while the Consolidated Plan outlines broader housing and community development priorities, including funding and assistance strategies
Park and Open Space Plan	City of Merced	The plan seeks to enhance quality of life in Merced by assessing community needs and expanding park and recreation programs. It identifies facility improvements eligible for CDBG funding, focusing on low-income and disadvantaged areas within the city.
Active Transportation/ Safe Routes to School Plan	City of Merced	The plan sets goals for active transportation, including improved ADA access and new sidewalks. CDBG funds may support these projects, especially in low-income neighborhoods.
(Annual) Merced City Council Goals and Priorities	City of Merced	Each year, the City Council performs a separate community needs assessment through Town Hall meetings and other outreach methods. These forums oftentimes reveal other high priority community needs that were not discovered during the Con Plan assessment efforts. The City Council uses this public comment to set goals for itself over the coming year and beyond to strategize policy setting, public safety, and parks and infrastructure projects. There are many overlapping Council priorities that can also be addressed with HUD funds.



**Table 2 – Other local / regional / federal planning efforts**

**Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))**

As previously noted, the City actively participates in various regional planning efforts and workgroups designed to enhance collaboration in the delivery of housing and community development programs across the region. The City will continue to work with other CDBG entitlement jurisdictions, as well as local stakeholders, to address shared priorities and maximize the impact of available funding and resources. Current organizational advocacy campaigns include transparent local accounting, incremental housing, safe and productive streets, and addressing issues around automobile parking storage.

**Narrative (optional):**

N/A

## **PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

The City carried out a broad, multifaceted community engagement effort in accordance with the Citizen Participation Plan (CPP), which is designated to facilitate and encourage the involvement of residents and communities with low to moderate incomes, and outlines requirements for the following processes and events:

- Location and publication of public notices
- 30-day public review period
- Availability of documents
- Public hearings and meetings
- Public comment process
- Required approval
- Deadlines

During the development of the Consolidated Plan, the City gathered input through three (3) community meetings two (2) stakeholder meetings, and a Community Needs Assessment Survey offered online and in print in English, Hmong, and Spanish. A total of 92 responses were received. A separate Stakeholder Survey shared with over 20 stakeholders, including government entities, service providers, higher education systems, business sectors, and the local PHA. Meeting notices and survey notices were distributed via email, social media, the City's website, utility bills, and shared through Merced's public transportation "The Bus" to encourage broad community participation.

A stakeholder meeting was held via Zoom on January 9, 2025, and in person on January 17, 2025, with six (6) participants representing non-profit organizations, government, and public agencies. The City also received nine (9) Stakeholder Survey responses and conducted three (3) individual stakeholder interviews with the Hispanic Chamber of Commerce; Merced County BHRS, and the Merced County Rescue Mission.

Two (2) community meetings were initially held - virtually via Zoom on January 8, 2025, and in person on January 16, 2025, at the Merced Senior Center, with 18 total attendees. Reasonable accommodations and translation services in Hmong and Spanish were made available. Meetings included a presentation on the Consolidated Plan, HUD entitlement programs, and City demographics, followed by a discussion on community needs. Feedback was documented and included in this plan. Please see Appendix C for copy of the presentation.

Following the release of the draft Consolidated and Annual Action Plan, the City hosted a third virtual community meeting on February 25, 2025, to provide an opportunity for residents to ask questions

about the draft plan and offer input on the most effective use of the allocated funds. Information on attendees and comments received was collected and is included in this plan.

Community feedback informed the goals included in the initial preliminary draft of the Consolidated Plan, which was presented to City Council on February 18, 2025. Public notices related to both public comment periods and public hearings were sent to community-based organizations, service providers, stakeholders, and other interested groups. The public hearing notice was printed in the local newspaper for both public hearings. The preliminary draft of the Consolidated Plan was made available at the City of Merced's Housing Division's offices and on the City's website.

This section of the Final draft will be updated following the Second/final public hearing on June 16, 2025.

## **Citizen Participation Outreach**

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Virtual Stakeholder Meeting	Key Stakeholders	4 attendees	Infrastructure improvements (pedestrian walkways and bike paths), creation of a Community Land Trust, adaptive reuse of vacant properties for mixed-use or affordable housing education and job training programs, and first-time homebuyer programs.	All comments were accepted.	N/A
In-Person Stakeholder Meeting	Key Stakeholders	2 attendees	Top needs identified by attendees included programs to support youth including youth advisory boards, programs to compensate youth for their time (gift cards for food, transportation, etc.), affordable housing for households earning up to 60% AMI, flexible funding sources to leverage current funding sources that are stricter with uses.	All comments were accepted.	N/A

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Online Stakeholder Survey	Key Stakeholders	9 respondents	Top needs identified by attendees included creation and preservation of affordable housing units for all income levels. Services to support housing stability (rapid rehousing, utility assistance, food security, etc.), behavioral and mental health services for people experiencing homelessness and services within Permanent Supportive Housing communities.	All comments were accepted.	URL closed
Virtual Community Meetings	Non-targeted/ broad community	8 attendees	Access to affordable housing and services, community center to support seniors and youth, youth services, and after school services.	All comments were accepted.	N/A
In-Person Community Meetings	Non-targeted/ broad community	14 attendees	The first meeting identified a need for expanding infrastructure in South Merced, including pedestrian pathways and bike lanes, access to fresh food and grocery stores, streetlights and flood mitigation. Additionally, the need for more affordable housing, business expansion and job training in higher paying industries, such as the tech industries.	All comments were accepted.	

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Online Community Survey	Non-targeted/ broad community	92 respondents	Respondents noted economic development (job training, business retention and expansion, youth programming), community facilities (community centers serving youth, seniors, and families), and housing services (assistance with move in costs, emergency rental assistance, and ADA improvements) as the highest needs.	All comments were accepted.	URL closed
Public Hearing to present draft Consolidated Plan, FY 2025-2026 Annual Action Plan	Non-targeted/ broad community	N/A	No comments received	N/A	N/A
(First) Public Comment Period (02/19/25 – 03/20/25)	Non-targeted/ broad community	N/A	No responses received	N/A	N/A
(Second) Public Comment Period (4/23/25 – 5/23/25)	Non-targeted/ broad community	N/A	Zoning and parking changes, as well as extension and creation of bicycle lanes and better transit systems.	TBD	N/A
Public Hearing to adopt final Consolidated Plan, FY 2025-2026 Annual Action Plan	Non-targeted/ broad community	TBD	TBD	TBD	N/A

**Table 3 – Citizen Participation Outreach**

# Needs Assessment

## NA-05 Overview

### Needs Assessment Overview

This section of the Consolidated Plan evaluates the housing, community, and economic development needs of residents through a comprehensive assessment of "disproportionate needs" identified in HUD's housing problem tables. The primary data source for this analysis is the Comprehensive Housing Affordability Strategy (CHAS) tabulations provided by HUD, derived from the U.S. Census Bureau's American Community Survey (ACS). These tabulations reflect HUD-defined criteria related to housing needs, income limits, and household categories.

The assessment also incorporates data from the City and County, the Merced County Association of Governments (MCAG), HUD's auto-populated data sets, and additional resources to create a well-rounded analysis. This information guides the development of the City's housing and community development priorities and shapes both the five-year and annual investment strategies.

Throughout this document, Census Tracts are used to provide geographic comparisons of the data provided. These visualizations help guide resources into neighborhoods that may need additional support and identify living patterns that may be associated with poverty, income, housing type, and other data points.

### Demographic Terms and Definitions

Below are the HUD demographic terms and definitions found through the Needs Assessments:

- Small Family Household: A household with two to four members.
- Large Family Household: A household with five or more members.
- Elderly: Individuals aged 62 and older.
- Household: All people living in a housing unit. Members of a household can be related (family) or unrelated (nonfamily).
- Family: Related individuals living in the same household.
- Nonfamily: Unrelated individuals living in the same household.

### Housing Problems

The four (4) housing problems outlined in the HUD data and narrative are defined in narrow terms as follows:

- Substandard Housing Unit – Lacks Complete Kitchen Facilities: A complete kitchen consists of a sink with running water, a stove or range, and a refrigerator.



- Substandard Housing Unit – Lacks Complete Plumbing Facilities: Complete plumbing consists of hot and cold running water, a flush toilet, and a bathtub or shower.
- Overcrowded Household: More than one person per room. Severe overcrowding is more than 1.5 persons per room.
- Cost Burdened Household: Monthly housing costs exceed 30 percent of monthly income. A household is severely cost burdened if their monthly housing costs exceed 50 percent of their monthly income. Note that, for renters, housing costs include contract rent and utilities. For owners, housing costs include mortgage payments, utilities, association fees, insurance, and real estate taxes.

Both Area Median Income (AMI) and HUD Adjusted Median Family Incomes (HAMFI) are represented with this Consolidated Plan and are essentially equivalent when discussing populations and households with lower incomes. HAMFI is the HUD-specific term for what is broadly referred to as AMI. Where the term AMI is used in this Consolidated Plan, assume it refers to HAMFI.

### **Income Categories**

The following outlines income categories used in this report:

#### HUD Adjusted Median Family Incomes (HAMFI):

- Extremely Low Income: Up to 30% HAMFI
- Very Low Income: 30% to 50% HAMFI
- Low Income: 50% to 80% HAMFI
- Moderate Income: 80% to 100 % HAMFI
- Above Moderate Income: 100% HAMFI and higher

#### Area median income (AMI):

- Extremely low income: 15 to 30 percent of AMI
- Very low income: 30 to 50 percent of AMI
- Low income: 50 to 80 percent of AMI
- Moderate income: 80 to 120 percent of AMI
- Median income: 100 percent of AMI

In addition to the demographics analyzed, this section also looks at factors that impact or are impacted by the housing market. The City's public housing, the needs of those facing homelessness, and non-homeless special needs are also discussed. Finally, non-housing development needs like public services and infrastructure are also analyzed to assist in determining where resources should be allocated.

## NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

### Summary of Housing Needs

The housing needs of a community, like all items in a market economy, a product of supply and demand. Determining the factors that impact supply, and demand is much more complicated than simply building one house for one household. Changes in population, household size, availability of rental housing, income, and the condition, location, and even nearby amenities and land uses of a property all work to shift the community's housing needs.

As shown in Table 1 below, Merced has a current population of 89,766 which is comprised of 27,482 households based on U.S. Census American Community Survey data. This reflects a 9.1 percent change in population and a 6.4 percent change in household numbers from 2018 to 2023. Additionally, Merced's median income rose from \$42,637 in 2018 to \$59,938 in 2023, showing a 40.6 percent change. While the median income increased between 2018 and 2023 by 40.6 percent to \$59,938, it still fell short of the California median of \$89,870, highlighting a persistent regional disparity in household earnings. Figure 1 below shows population per census tract in Merced. Higher population concentrations are evident in the central and northern census tracts, while the surrounding peripheral areas remain less densely populated.

Demographics	Base Year: 2018	Most Recent Year: 2023	% Change
Population	82,289	89,766	9.1%
Households	25,827	27,482	6.4%
Median Income	\$42,637	\$59,938	40.6%

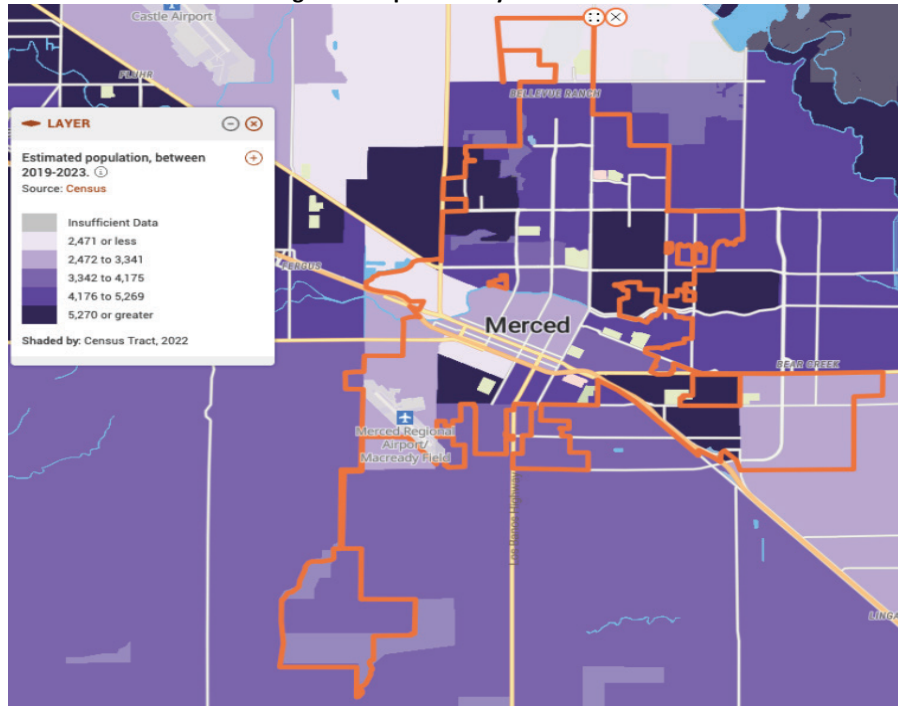
**Table 1 – Housing Needs Assessment Demographics**

*Data Source: 2014-2018 ACS, 2019-2023 ACS (Most Recent Year)*

### Population Per Census Tract

Figure 1 below shows population per census tract in Merced. Higher population concentrations are evident in the central and northern census tracts, while the surrounding peripheral areas remain less densely populated.

**Figure 1: Population by Census Tract**



### **Estimated Percent Change in Population by Census Tract**

Figure 2 below shows estimated percent change in population by census tract in Merced between 2013–2018 and 2019–2023. Most tracts surrounding central Merced experienced moderate to high growth (4.79% or greater), while some central areas saw population declines or minimal change, indicating uneven demographic shifts across the city.

**Figure 2: Population Change by Census Tract (2014-2018 and 2019-2023)**

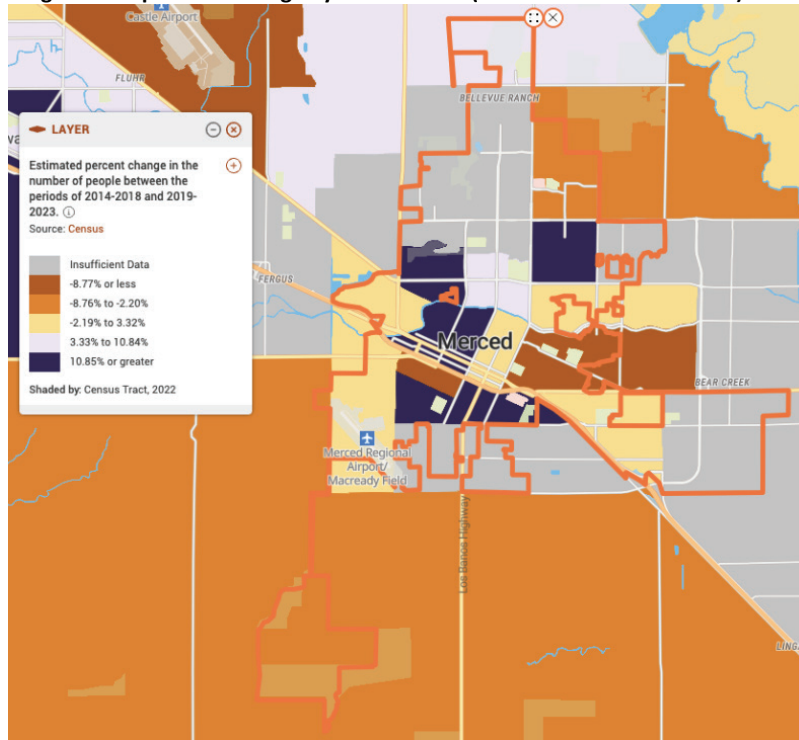


Table 2 below shows that distribution of household types and their income levels based on 2017-2021 CHAS data. Small family households account for the largest percentage of households in Merced at 11,790 or 44 percent of the total households. Of the small family households, 45 percent are lower income (earning up to 80 percent HAMFI). Collectively, 13,185 of all households are lower income, representing 49 percent of households in the City.

Further below, Figure 3 shows median household income by census tract in Merced.

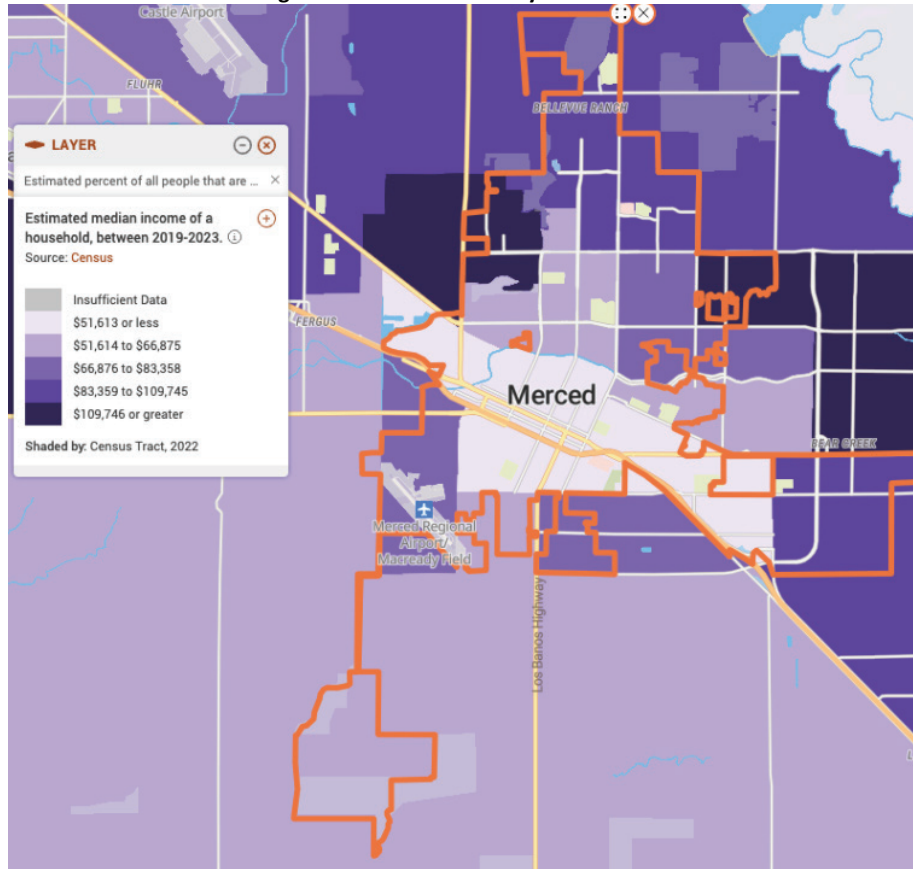
### Number of Households Table

Household Type	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	4,910	3,495	4,780	2,790	10,695
Small Family Households	1,820	1,390	2,105	1,275	5,200
Large Family Households	635	645	895	420	1,700
Elderly Family Households	340	315	425	310	1,410
Elderly Non-Family Households	775	605	490	185	825
Other Household Type	1,345	540	875	595	1,555

**Table 2 – Total Households Table**

*Data Source: 2017-2021 CHAS*

Figure 3: Median Income by Census Tract



## Housing Needs

The following tables highlight the prevalence of housing problems among households in Merced. In general, households earning 80 percent or less AMI experience relatively high rates of housing problems. Again, housing problems are defined as:

1. Unit lacking complete kitchen facilities.
2. Unit lacking complete plumbing facilities.
3. Overcrowding
4. Cost Burdened & severe cost burdened

Table 3 shows that housing problems overwhelmingly affect lower-income households (households earning up to 80% AMI), particularly renters. Among the 9,690 lower-income households experiencing housing cost burdens, 78% (7,555) are renters, with the highest concentration in the 0-30% AMI bracket. Additionally, 4,710 households with lower incomes face severe housing cost burdens, with renters making up 80% (3,760) of that total. Substandard housing and overcrowding also disproportionately

impact renters, with 139 renter households and 89 owner households living in substandard conditions, while 870 renter households and 124 owner households experience overcrowding without additional housing issues.

## Housing Needs Summary Tables

### 1. Housing Problems (Households with one of the listed needs)

	Renter				
	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing	40	80	15	4	139
Severely Overcrowded	135	180	125	15	455
Overcrowded (and none of the above problems)	200	215	300	155	870
Severe Housing Cost Burdened (and none of the above problems)	2,435	1,000	325	15	3,775
Housing Cost Burdened (and none of the above problems)	545	795	1,165	230	2,735
Zero/negative Income (and none of the above problems)	0	0	0	0	0
	Owner				
	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing	0	35	50	4	89
Severely Overcrowded	30	10	15	15	70
Overcrowded (and none of the above problems)	20	25	75	4	124
Severe Housing Cost Burdened (and none of the above problems)	435	195	320	50	1,000
Housing Cost Burdened (and none of the above problems)	165	195	565	280	1,205
Zero/negative Income (and none of the above problems)	0	0	0	0	0

**Table 3 – Housing Problems Table**

*Data Source: CHAS, 2017-2021*

## Housing Needs Summary

Table 4 shows the number of households with no housing problems, one or more housing problems, and negative income by tenure and AMI. There are 5,240 renter households with at least 1 of 4 with households earning 0-30% AMI representing the most households experiencing the highest with 2,815 households. Comparatively, there are 1,275 owner households that have at least 1 of the 4 severe housing problems; with households earning 0-30% AMI representing the most households experiencing the highest with 485 households.

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renters				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Households have at least 1 of 4 Severe Housing Problems	2,815	1,475	765	185	5,240
Households has none of 4 Severe Housing Problems OR cost burden not available, no other problems	1,225	1,210	2,240	1,425	6,100
Total Number of Households	4,040	2,685	3,005	1,610	11,340
	Owners				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Households have at least 1 of 4 Severe Housing Problems	485	265	455	70	1,275
Households has none of 4 Severe Housing Problems OR cost burden not available, no other problems	380	545	1,320	1,110	3,355
Total Number of Households	865	810	1,775	1,180	4,630

Table 4 – Housing Problems 2

## Severe Housing Problems

Table 5 shows that housing cost burden (spending over 30% of income on housing) is predominantly an issue for renter households with lower-incomes, with small-related households making up the largest group at all income levels. Among renters, 1,250 small-related households experience housing cost burdens, with the highest concentration in the >50-80% AMI range. Elderly renter households also face significant cost burdens, with 555 households affected, primarily in the 0-30% AMI bracket. In contrast, among owners, small-related households account for 405 of the total cost-burdened households, with the majority in the >50-80% AMI category. This highlights the disproportionate impact of housing costs on renters with lower-income renters, particularly smaller households and the elderly.

### 3. Cost Burden > 30%

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	150	515	585	<b>1,250</b>
Large Related	115	230	220	<b>565</b>
Elderly	225	125	205	<b>555</b>
Other	115	135	365	<b>615</b>
Total need by income	605	1,005	1,375	<b>2,985</b>
Household Type	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	40	110	255	<b>405</b>
Large Related	0	0	105	<b>105</b>
Elderly	120	90	170	<b>380</b>
Other	0	4	55	<b>59</b>
Total need by income	160	204	585	<b>949</b>

**Table 5 – Cost Burden >30%**

*Data Source: CHAS, 2017-2021*

## Housing Cost-Burdened

Below, Table 6 shows that severe housing cost burden (spending over 50% of income on housing) is predominantly an issue for renter households earning up to 30% AMI, with small-related households making up the largest group at all income levels. Among renters, 1,870 small-related households experience housing cost burdens, with the highest concentration in the >0-30% AMI range. In contrast, among owners, small-related households account for 435 of the total cost-burdened households, with



the majority in the >0-30% AMI category. This highlights the disproportionate impact of housing costs on renters with lower-income renters, particularly smaller households.

#### 4. Cost Burden > 50%

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	1235	510	125	1870
Large Related	280	145	30	455
Elderly	450	250	65	765
Other	700	245	140	1085
Total need by income	2665	1150	360	4175
Household Type	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	230	60	145	435
Large Related	85	35	75	195
Elderly	105	150	30	285
Other	70	0	80	150
Total need by income	490	245	330	1065

**Table 6 – Cost Burden 50%**

**Data Source:** CHAS, 2017-2021

#### Overcrowding

Table 7 shows that overcrowding is most prevalent among single-family renter households, particularly in the >50-80% AMI category, reflecting significant housing pressure at low-income levels. Among owners, single-family households face the highest levels of overcrowding, especially in the 0-30% AMI and the >50-80% AMI range, while "other, non-family" households show comparatively lower overcrowding rates across all income levels.

## 5. Crowding (More than one person per room)

Household Type	Renters			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Single family	275	280	420	975
Multiple, unrelated	50	85	4	139
Other, non-family	15	34	0	49
Total need by income	340	399	424	1,163
	Owners			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Single family	50	15	45	110
Multiple, unrelated	0	20	40	60
Other, non-family	0	0	0	0
Total need by income	50	35	85	170

Table 7 – Crowding Information (1 of 2)

Data Source: CHAS, 2017-2021

### Renter Households With Children

Table 8 highlights the distribution of renter households with children present across different income levels. Of the total 2,785 renter households, 1,055 fall within the 0-30% AMI category, 885 are within the >30-50% AMI range, and 845 belong to the >50-80% AMI group. Of the total 550 owner households, 70 fall within the 0-30% AMI category, 110 are within the >30-50% AMI range, and 371 belong to the >50-80% AMI group.

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	1,055	885	845	2,785
	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	70	110	370	550

Table 8 – Crowding Information (2 of 2)

Data Source: CHAS, 2017-2021

### Describe the number and type of single person households in need of housing assistance.

According to 2019-2023 AC data, single-person households make up 23% of renter-occupied units (3,460 households) and 19% of owner-occupied units (2,370 households), reflecting a strong demand for rental housing among individuals living alone. This trend is closely tied to Merced's young population, with an average age under 30, as younger residents are more likely to establish single-person households during transitional life stages such as pursuing education, entering the workforce, or living independently for the first time. Additionally, younger households often have lower income levels, making rental housing a more accessible option than homeownership. The city's demographic profile suggests that as young adults form new households, the demand for rental units—particularly affordable, single-person

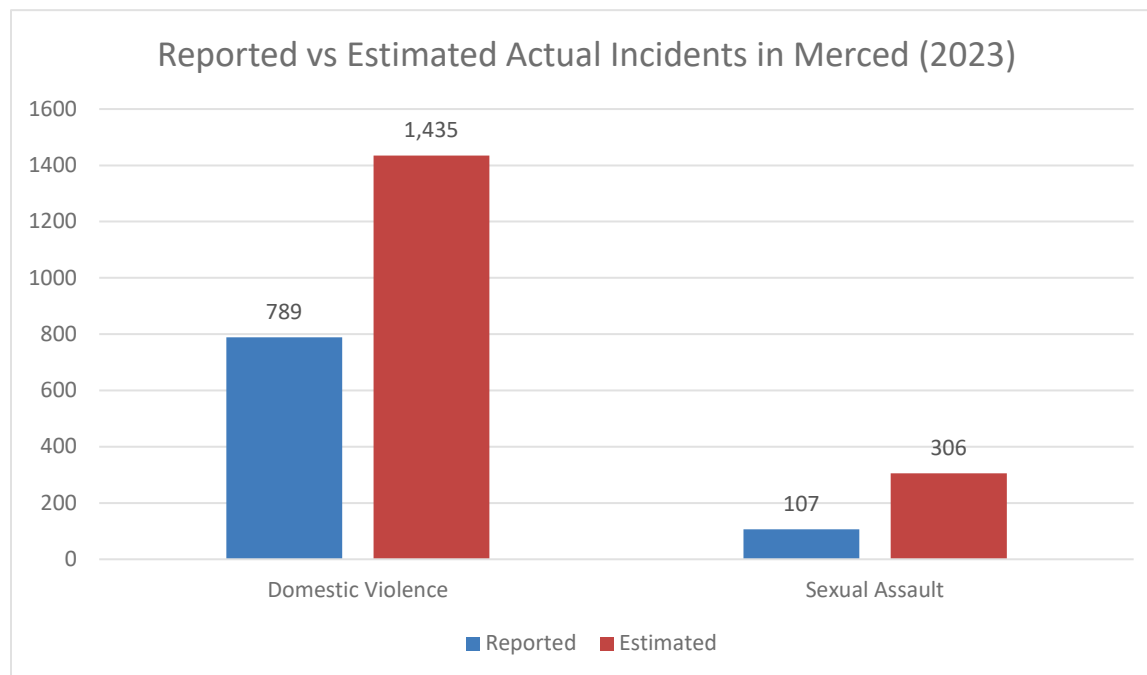
housing—will continue to rise, further emphasizing the need for housing policies that address the unique challenges faced by this age group.

**Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.**

In Merced, the need for housing assistance among residents with disabilities and survivors of violence is significant and multifaceted. According to 2019-2023 ACS data, 10.3 percent of Merced residents under the age of 65 report having a disability. While data for those over the age of 65 is not available, generally, higher rates of disabilities are observed amongst older age groups. The most common challenges faced by this population include independent living difficulties, such as trouble completing errands alone due to physical, mental, or emotional issues, and ambulatory difficulties, which refer to serious challenges with walking or climbing stairs. These challenges often require homes to be modified with features such as ramps, grab bars, and other structural adaptations to ensure safety and accessibility.

At the same time, survivors of domestic violence, sexual assault, and stalking face equally urgent housing needs. Many survivors do not report incidents for fear of retaliation, losing custody of children, financial instability, or lacking secure alternatives. In 2023, there were 107 reported cases of sexual assault or attempted sexual assault in Merced, but according to the U.S. Department of Justice's Bureau of Justice Statistics (BJS), only approximately 34.8 percent of sexual assaults are reported. This means that the true number of incidents could exceed 300. Similarly, while 789 domestic violence related calls for assistance cases that year, research shows that fewer than 55 percent of such cases are reported, indicating that the real number of affected residents is likely closer to 1,400.

**Figure 4: Reported versus Estimated Actual Incidents in Merced**



Given these figures, it is reasonable to estimate that housing to support people with disabilities and victims of domestic violence and sexual assault is needed in Merced as they seek safety and stability. This highlights the critical need for trauma-informed care, economic support, and access to housing solutions that promote independence and security for both individuals with disabilities and survivors of violence. Addressing these challenges requires a concerted effort to expand the availability of accessible housing units and strengthen support services that empower residents to rebuild their lives and thrive within their community.

#### **What are the most common housing problems?**

Of the households in Merced, 42 percent are owners, and 58 percent are renters (2021 CHAS). While renter households are more likely to have housing problems than owner households, the most prevalent problem for both groups are housing cost burden. Housing cost burden can lead to issues, including overcrowding, deferred maintenance of the unit (and thus leading to substandard housing), and inability to afford other essentials, such as healthcare and transportation.

#### **Are any populations/household types more affected than others by these problems?**

While households with low incomes are more susceptible to housing problems than those with higher incomes, housing problems are particularly common amongst households with the lowest incomes (i.e., very low- and extremely low-income households). Like the rest of the population, the most common housing problems for households earning 50 percent AMI or less are severe housing cost burden and overcrowding. However, this group experiences a severe cost burden to a significantly greater degree. As shown above 3,435 households earning up to 50 percent AMI spend more than 50 percent of their

income on housing costs; making up 91% of all households with low incomes (earning up to 80 percent AMI) with a severe cost burden.

**Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance.**

While households with low incomes are more susceptible to housing problems than those with higher incomes, housing problems are particularly common amongst households with the lowest incomes (i.e., very low- and extremely low-income households). Like the rest of the population, the most common housing problems for households earning 50 percent AMI or less are severe housing cost burden and overcrowding. However, this group experiences a severe cost burden to a significantly greater degree. As shown above 3,435 households earning up to 50 percent AMI spend more than 50 percent of their income on housing costs; making up 91% of all households with low incomes (earning up to 80 percent AMI) with a severe cost burden.

According to the HUD 2024 Continuum of Care Homeless Assistance Programs Housing Inventory Count (HIC) Report, the Merced County has a total of 220 Rapid Re-housing family units, totaling 230 family beds. These are managed by the Merced County Human Services Agency and disbursed throughout the County.

**If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates.**

N/A

**Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness.**

One of the primary contributors to instability is the prevalence of cost-burdened households. When residents spend more than 30% of their income on housing expenses, they are at a heightened risk of financial strain, and this risk becomes even more severe when households dedicate over 50% of their income to rent or mortgage payments. This financial burden leaves little room for unexpected expenses and increases the likelihood of housing loss.

Overcrowding is another common challenge, where families or individuals double up in single units to cope with high housing costs. This often results in stressful living arrangements that can lead to disputes, evictions, or voluntary departures due to the lack of personal space and privacy. Formal and informal evictions further compound the issue, with households frequently displaced due to rent increases, financial hardship, or property management decisions.

Vulnerable households have a hard time staying stably housed or in housing without significant problems due to high housing costs, low vacancy, and low wages. To address these housing concerns,

localities should focus on increasing access to affordable units to lower-income households and increasing the general housing stock to accommodate future growth.

**Discussion**

See above.

## **NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)**

**Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.**

### **Introduction**

According to the 2018-2023 ACS 5-year estimate, Merced's population is comprised of the following:

- White alone: 31.7%
- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino- 22.7%

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households at a particular income level. For example, if 40 percent of all very low-income households in a jurisdiction experience one or more of the four defined housing problems, but 50 percent of one specific ethnic group's very low-income households experience housing problems, that would be considered a disproportionate need.

Again, the four housing problems are:

1. Unit lacks complete kitchen facilities.
2. Unit lacks complete plumbing facilities.
3. Household includes more than one person per room, excluding bathrooms, porches, foyers, halls, and half-rooms.
4. Household spends more than 30 percent of income on housing costs.

The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a housing problem.

### 0 %- 30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	4,010	900	0	81.7%
White	910	380	0	70.5%
Black / African American	314	30	0	91.3%
Asian	370	55	0	87.1%
American Indian, Alaska Native	15	0	0	100.0%
Pacific Islander	0	0	0	0.0%
Hispanic	2,255	400	0	84.9%

**Table 13 – Disproportionally Great Need 0% - 30% AMI**

**Data Source:** 2017-2021 CHAS

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*

### 30% - 50% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,730	765	0	78.1%
White	630	125	0	83.4%
Black / African American	80	90	0	47.1%
Asian	150	40	0	78.9%
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,775	500	0	78.0%

**Table 14 – Disproportionally Greater Need 30% - 50% AMI**

**Data Source:** 2017-2021 CHAS

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*



### 50% - 80% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,955	1,830	0	61.8%
White	820	495	0	62.4%
Black / African American	180	65	0	<b>73.5%</b>
Asian	200	35	0	<b>85.1%</b>
American Indian, Alaska Native	20	0	0	<b>100.0%</b>
Pacific Islander	0	0	0	0.0%
Hispanic	1,640	1,235	0	57.0%

**Table 15 – Disproportionally Greater Need 30% - 50% AMI**

**Data Source:** 2017-2021 CHAS

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*

### 80% - 100% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,955	1,830	0	27.5%
White	820	495	0	18.6%
Black / African American	180	65	0	29.4%
Asian	200	35	0	37.3%
American Indian, Alaska Native	20	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,640	1,235	0	30.2%

**Table 16 – Disproportionally Greater Need 30% - 50% AMI**

**Data Source:** 2017-2021 CHAS

## Discussion

### 0-30 Percent of AMI (Extremely Low Income)

In the extremely low-income category, 81.7 percent of the jurisdiction experiences one or more of the four housing problems. One population, American Indian, Alaska Native, experience these housing problems at a disproportionately higher rate of 100 percent. Additionally, Black/African American

households, are near disproportionate with 91.3 percent of households experiencing housing problems. Note that, in absolute numbers, the American Indian, Alaska Native households constitute a small percentage of the overall Merced population (0.7%) with of which 15 are extremely low-income households.

#### 30-50 Percent of AMI (Very Low Income)

In the very low-income category, 78.1 percent of the jurisdiction experiences one or more of the four housing problems, however, no very low-income groups experience a disproportionately higher occurrence of severe housing problems.

#### 50-80 Percent of AMI (Low Income)

In the low-income category, 61.8 percent of the jurisdiction experiences one or more of the four housing problems. Three populations, Black/African American, Asian, and American Indian/Alaska Native households, experience these housing problems at a disproportionately higher rate of 73.5, 85.1, and 100.

#### 80-100 Percent of AMI (Middle Income)

In the middle-income category, 27.5 percent of the jurisdiction experiences one or more of the four housing problems. No middle-income groups experience a disproportionately higher occurrence of severe housing problems; however, Asian households experience a near disproportionate occurrence of severe housing problems with 37.3 percent.

## **NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)**

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### **Introduction**

While Section NA-15 measured disproportionate housing problems, this section measures disproportionate severe housing problems, which are defined as follows:

1. Unit lacks complete kitchen facilities.
2. Unit lacks complete plumbing facilities.
3. Household includes more than 1.5 person per room, excluding bathrooms, porches, foyers, halls, and half-rooms.
4. Household spends more than 50 percent of income on housing costs.

Again, according to the 2018-2023 ACS 5-year estimate, Merced's population is comprised of the following:

- White alone: 31.7%
- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino: 22.7%

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households at a particular income level. The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a severe housing problem.

The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a severe housing problem.

**0%-30% of Area Median Income**

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>	<b>Percent with one or more housing problems</b>
Jurisdiction as a whole	3,300	1,605	0	67.3%
White	805	480	0	62.6%
Black / African American	284	60	0	82.6%
Asian	350	75	0	82.4%
American Indian, Alaska Native	15	0	0	100.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,740	915	0	65.5%

**Table 4 – Severe Housing Problems 0 - 30% AMI***Data Source: 2017-2021 CHAS*

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*

**30%-50% of Area Median Income**

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>	<b>Percent with one or more housing problems</b>
Jurisdiction as a whole	1,740	1,755	0	49.8%
White	475	285	0	62.5%
Black / African American	65	100	0	39.4%
Asian	95	95	0	50.0%
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,050	1,230	0	46.1%

**Table 5 – Severe Housing Problems 30 - 50% AMI***Data Source: 2017-2021 CHAS*

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*

#### 50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	1,220	3,560	0	25.5%
White	395	920	0	30.0%
Black / African American	80	165	0	32.7%
Asian	25	210	0	10.6%
American Indian, Alaska Native	0	20	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	680	2,195	0	23.7%

**Table 6 – Severe Housing Problems 50 - 80% AMI**

*Data Source: 2017-2021 CHAS*

*The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%*

#### 80-100% Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	255	2,535	0	9.1%
White	14	865	0	1.6%
Black / African American	0	125	0	0.0%
Asian	65	225	0	<b>22.4%</b>
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	170	1255	0	11.9%

**Table 7 – Severe Housing Problems 80 - 100% AMI**

*Data Source: 2017-2021 CHAS*

### Discussion

#### 0-30 Percent of AMI (Extremely Low Income)

In the extremely low-income category, 67.3 percent of the jurisdiction experiences one or more severe housing problems. Three populations, Black/African American, Asian, and American Indian/ Alaska Native households, experience severe housing problems at a disproportionately higher rate of 82.6, 82.4, and 100 percent, respectively. Note that, in absolute numbers, the American Indian, Alaska Native households constitute a small percentage of the overall Merced population (0.7%) with of which 15 are extremely low-income households.

#### 30-50 Percent of AMI (Very Low Income)

In the very low-income category, 49.8 percent of the total population experience at least one or more severe housing problems. One population, White households, experience severe housing problems at a disproportionately higher rate of 62.5 percent.

#### 50-80 Percent of AMI (Low Income)

In the low-income category, 25.5 percent of the jurisdiction experiences one or more severe housing problems. No low-income groups experience a disproportionately higher occurrence of severe housing problems.

#### 80-100 Percent of AMI (Middle Income)

In the middle-income category, 9.1 percent of the jurisdiction experiences one or more severe housing problems. One population, Asian households, experience severe housing problems at a disproportionately higher rate of 22.4 percent.

## NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need.

### Introduction:

Disproportionate greater need relative to housing cost burden is calculated by dividing the number of households in a cost burden category (i.e., spending more than 30 percent on housing or spending more than 50 percent on housing) by the total number of households for that given racial or ethnic group or the jurisdiction for a whole.

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households in a cost burden category.

### Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	15,759 59.1%	5,045 18.9%	5,295 19.9%	570 2.1%
White	5,725 64.6%	1,300 14.7%	1,605 18.1%	235 2.7%
Black / African American	715 50.4%	265 18.7%	425 29.9%	15 1.1%
Asian	1,480 64.5%	320 13.9%	430 18.7%	65 2.8%
American Indian, Alaska Native	19 35.2%	20 37%	15 27.8%	0
Pacific Islander	0	0	0	0
Hispanic	7,455 56%	2,965 22.3%	2,665 20%	225 1.7%

**Table 8 – Greater Need: Housing Cost Burdens AMI**

*Data Source: 2017-2021 CHAS*

### Discussion:

#### 30-50 Percent Cost Burden

Approximately 18.9 percent of the general population spends 30 to 50 percent of their income on housing costs. No ethnic or racial group experiences this level of housing cost burden at a significantly greater rate than the jurisdiction.

#### Greater than 50 Percent Cost Burden (Severe Housing Cost Burdened)

Approximately 19.9 percent of the jurisdiction are severely housing cost burdened (spending more than 50 percent of their income on housing). Black/African American households experience severe housing

cost burden at a disproportionately higher rate of 29.9 percent. Additionally, American Indian and Alaska Native households are nearing the disproportionate level at 27.8 percent.



## **NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)**

**Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?**

The data presented in Sections NA-15 through NA-25 show that some racial or ethnic groups experience disproportionately greater need in terms of housing problems and cost burden. Again, HUD defines a disproportionate need as any need for a certain race/ethnicity that is more than 10 percent above the need for the total households at a particular level of income or cost burden. To summarize the preceding sections, the following racial or ethnic groups have disproportionately greater need:

### **Housing Problems:**

- 0-30 percent AMI: American Indian and Alaska Native households
- 50-80 percent AMI: Black/African American, Asian, American Indian, and Alaska Native households

### **Severe Housing Problems:**

- 0-30 percent AMI: Black/African American, Asian, American Indian, and Alaska Native households
- 30-50 percent AMI: White households
- 80-100 percent AMI: Asian households

### **Housing Cost Burden by Race and AMI**

- > 50 percent housing cost burden: Black/African American

## **If they have needs not identified above, what are those needs?**

As shown in Table NA 05.03, 3,435 households earning up to 50 percent AMI are severely housing cost burdened. These households represent 91 percent of all low-income households (those earning up to 80 percent AMI) experiencing severe housing cost burden. This significant financial strain leaves little room for other essential expenses, such as nutritious food, medications, and transportation, further exacerbating their vulnerability. Households in this situation are at imminent risk of housing instability, as unforeseen expenses or emergencies could push them into homelessness or shelters.

Community feedback highlights the need for more affordable housing units and greater access to resources that support housing instability. These include rental assistance, utility payment assistance, and access to healthy food, which are critical for addressing the challenges faced by these vulnerable households.

**Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?**

The relationship between racial or ethnic groups and specific neighborhoods is included in more detail in Section MA-50.

## **HUD R/ECAP**

HUD has developed census-tract based areas called R/ECAPs, or Racially/Ethnically Concentrated Areas of Poverty. These areas have a non-white population of more than 50 percent as well as 40 percent or more of the population living under the poverty line.

The following tracts within Merced represent Racially/Ethnically Concentrated Areas of Poverty:

- Census Tract 15.03
- Census Tract 16.01
- Census Tract 13.02
- Census Tract 17.00

Maps depicting these areas are provided in Section MA-50.

## NA-35 Public Housing – 91.205(b)

### Introduction

Public housing was established to provide safe and decent rental housing for individuals and families with low to moderate incomes, older adults, and people with disabilities. Federally subsidized and affordable, public housing is owned and operated by Public Housing Authorities (PHAs). While the City does not own any public housing communities or units, it collaborates closely with the Housing Authority of the County of Merced (HACM) to ensure public housing is available within the City limits.

The shortage of affordable, quality housing poses a significant challenge in Merced and the surrounding county. Addressing the need for more affordable housing requires a collaborative effort from all stakeholders working to improve the quality of life for individuals and families facing housing insecurity and instability. The data in the accompanying table reflect the number of public housing units and housing vouchers available throughout the county, as report by HACM. The City's distribution of HCVs is 1,738 vouchers.

### Totals in Use

	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units or vouchers in use	-	-	421	2,721	352	2,400	123	27	26

**Table 9 - Public Housing by Program Type**

*\*Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition*

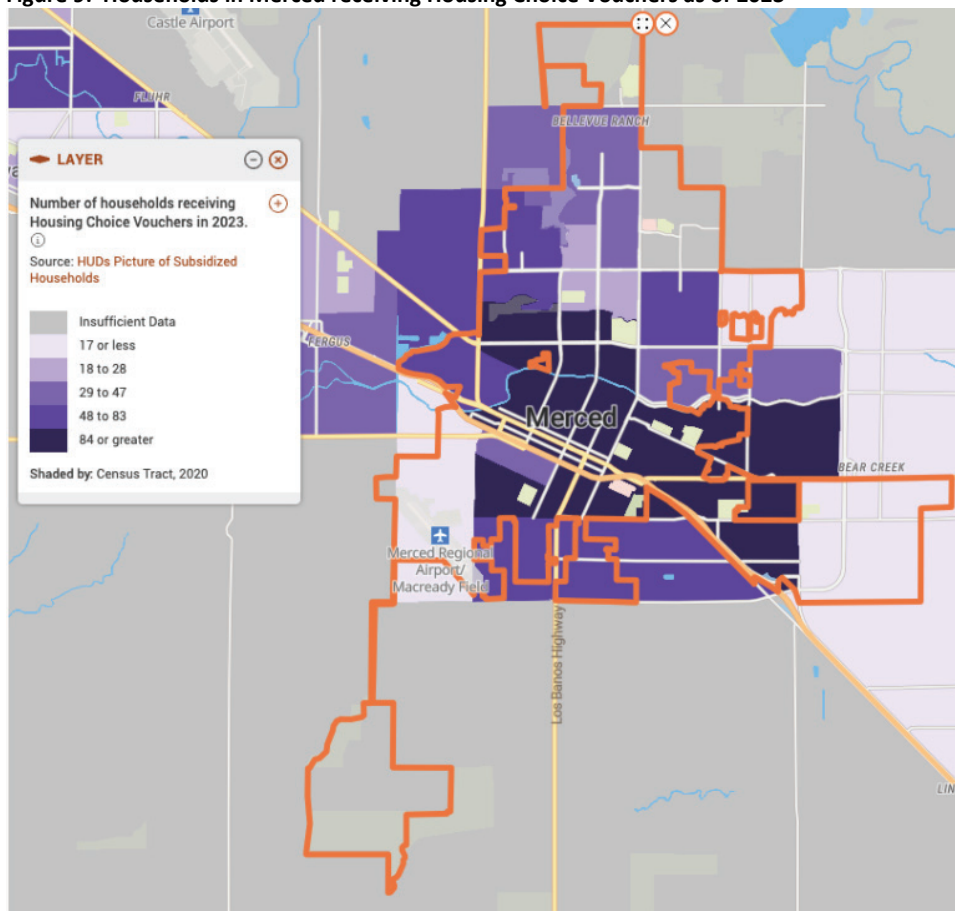
**Data Source:** HACM, 2024 Data

### Figure 9: Households in Merced receiving Housing Choice Vouchers as of 2023

Below, Figure 9 shows the distribution of households receiving Housing Choice Vouchers in Merced in 2023. The highest concentrations of voucher-assisted households are located in central and

southeastern tracts, with significantly fewer in the outer, more suburban areas.

**Figure 9: Households in Merced receiving Housing Choice Vouchers as of 2023**



## Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	-	-	16,486	12,814	-	12,830	-	11,328
Average length of stay	-	-	5	5	-	5	-	6
Average Household size	-	-	3	3	-	3	-	5
# Homeless at admission	-	-	-	1	-	1	-	-
# of Elderly Program Participants (>62)	-	-	78	432	-	432	-	-
# of Disabled* Families	-	-	53	574	-	567	-	7
# of Families requesting accessibility features	-	-	410	2,614	-	2,587	-	27
# of HIV/AIDS program participants	-	-	-	-	-	-	-	-
# of DV victims	-	-	-	-	-	-	-	-

**Table 10 – Characteristics of Public Housing Residents by Program Type**

**Data Source:** PIC (PIH Information Center)

## Race of Residents

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
White	-	-	343	1,839	-	1,816	-	23	-
Black / African American	-	-	33	447	-	446	-	1	-
Asian	-	-	32	285	-	282	-	3	-
American Indian / Alaska Native	-	-	1	33	-	33	-	-	-
Pacific Islander	-	-	1	10	-	10	-	-	-
Other	-	-	-	-	-	-	-	-	-

**Table 11 – Race of Public Housing Residents by Program Type**

*\*Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition*

**Data Source:** PIC (PIH Information Center)

## Ethnicity of Residents

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Hispanic	-	-	280	1,224	-	1,206	-	18	-
Not Hispanic	-	-	130	1,390	-	1,381	-	9	-

**Table 12 – Ethnicity of Public Housing Residents by Program Type**

*\*Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition*

**Data Source:** PIC (PIH Information Center)

## Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Accessible units are designed for individuals and families with disabilities, particularly those who face mobility, sensory, or other physical challenges. These units may include adaptations such as wider doorways and hallways for wheelchair access, roll-in showers, grab bars, and adjustable-height fixtures in bathrooms, as well as lower countertops and appliances in kitchens. Visual and auditory alerts are also commonly included to assist those with hearing or vision impairments.

Based on the 2022 5-Year ACS Estimates, 11,757 residents of Merced report having a disability, including 5,688 with mobility disabilities, 3,118 with visual disabilities, and 2,751 with hearing disabilities. The FY 2024-2025 Draft Annual Public Housing Plan notes that 4,318 families are on the housing waitlist, 741 of whom have identified as having a disability. Although the plan does not detail the specific types of disabilities, using the proportional data from the ACS estimates, it is inferred that ADA accessible units are needed to accommodate individuals on the waitlist with disabilities.

**What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?**

According to the draft 2024-2025 Draft Annual Public Housing Plan, 4,318 families were on the HCV Program waitlist. The following provides statistics on these applicants:

- Elderly – 247
- Disabled - 741
- Black/African American – 1,836
- Asian – 140
- Hispanic – 1,514
- White – 1,578

Individuals and families of public housing units require safe, well-maintained living environments. Immediate needs include timely repairs, pest control, and compliance with safety standards like functional smoke detectors and secure locks. Access to community resources such as transportation, childcare, and education programs is also critical. Additionally, tenants benefit from on-site services like workforce training, youth programs, and case management to resolve disputes or connect with resources for food, healthcare, and financial assistance. These needs align with the needs shared by the community during outreach efforts.

People using HCVs face unique challenges in the private rental market. They often need support finding housing that accepts vouchers, addressing potential discrimination, and covering initial costs such as deposits, utility hookup fees, and moving expenses.

An additional challenge for some holders includes landlords who neglect property maintenance or violate housing quality standards. Access to fair housing and housing advocacy resources would benefit all renters of Merced, including those in public housing and those with HCVs.

**How do these needs compare to the housing needs of the population at large**

It is difficult to compare the housing needs of public housing residents and HCV holders to the population at large, because participants of these affordable housing programs are not encountering the challenges of those not receiving the benefit of public housing programs. While monthly housing costs are limited for program participants of the HAMC rental assistance programs, according to 2022 5-Year

ACS data, 22 percent of renters citywide were considered housing cost burdened and 27 percent of renters are severely housing cost burdened, spending half of their income on rent and utilities. According to Rent Cafe, an online data aggregator, Merced saw a rent increase of 14 percent from 2019 to 2024.

**Discussion**

N/A



## **NA-40 Homeless Needs Assessment – 91.205(c)**

### **Introduction:**

Homelessness is a profound social issue that impacts not just the individuals experiencing it but also the broader community. It often arises from a complex interplay of factors, including economic challenges such as unemployment, poverty and a shortage of affordable housing. Health-related issues like mental illness, substance use disorders, chronic medical conditions, and disabilities also play a role. Social dynamics, including domestic violence, systemic inequalities, and family disruptions, further contribute to the problem.

For individuals, homelessness leads to serious hardships that threaten physical and emotional well-being. For communities, it strains public resources, healthcare systems, and social cohesion. In response, many communities implement strategies, such as emergency shelters, access to supportive services, and the development of affordable housing and workforce programs.

The Stewart B. McKinney Homeless Assistance Act defines the “homeless” or “homeless individual” or “homeless person” as an individual who lacks a fixed, regular, and adequate night-time residence; and who has a primary night-time residence that is:

- A supervised publicly or privately-operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings

Addressing homelessness requires a coordinated and compassionate approach. The Merced City and County Continuum of Care (CoC) is the leading organization serving residents of Merced who are experiencing homelessness. The City works closely with the CoC and local non-profits who provide services to those experiencing or at risk of experiencing homelessness.

**NA 40.01: Homeless Needs Assessment**

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	29	1	0	0	0	0
Persons in Households with Only Children	8	0	0	0	0	0
Persons in Households with Only Adults	318	425	0	0	0	0
Chronically Homeless Individuals	146	183	0	0	0	0
Chronically Homeless Families	-	-	0	0	0	0
Veterans	6	17	0	0	0	0
Unaccompanied Child	-	-	0	0	0	0
Persons with HIV	2	4	0	0	0	0

**Data Source:** 2024 Housing Inventory Report (HIC)

**If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):**

To describe these categories, the 2024 Annual Point in Time (PIT) Count data, compiled by the Merced City and County Continuum of Care (CoC) is being used. This information is for the area covered by the CoC. For those experiencing unsheltered homelessness:

- Chronic homeless: 183
- Persons with disabilities: 48
- Person with HIV/AIDs: 4
- Veterans: 17
- 1 chronically homeless family (2 adults and 1 child under the age of 18)

For those experiencing sheltered homelessness:

- Chronic homeless: 146
- Persons with HIV/AIDS: 2
- Veterans: 6
- 29 families (35 adults, 48 children under the age of 18)
- 2 chronic homeless families (2 adults and 2 children under the age of 18)

**Nature and Extent of Homelessness: (Optional) N/A**

**Table NA 40.02: Homeless Needs Assessment by Race or Ethnicity**

Race	Sheltered	Unsheltered (optional)	Percentage of Total
White	102	0	6.2%
Black or African American	88	197	17.3%
Asian	64	70	8.3%
American Indian or Alaska Native	9	16	1.2%
Pacific Islander	131	136	16.2%
Ethnicity	Sheltered	Unsheltered (optional)	Percentage of Total
Hispanic	294	408	42.6%
Not Hispanic	115	20	8.2%

**Data Source:** 2024 Housing Inventory Report (HIC)

### **Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.**

According to the 2024 PIT count, there were 23 veterans experiencing homelessness and 32 families experiencing homelessness, 3 of which were experiencing chronic homelessness. No data was available regarding families of veterans. The PIT Count, while essential for estimating homelessness, significantly underrepresents the true scale of the issue by excluding populations such as couch surfers, doubled-up households, and others experiencing hidden homelessness. Studies suggest that for every person counted, an additional 2-3 individuals may be overlooked, potentially skewing reported figures by 50-150% or more. This underrepresentation is particularly pronounced among youth, rural populations, and individuals avoiding traditional shelter systems, such as survivors of domestic violence or those living in vehicles. As a result, the reported numbers often fail to capture the true scope of homelessness. Based on this information, an estimated 50 – 80 families could need housing assistance.

### **Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.**

Again, according to the 2018-2023 ACS 5-year estimate, Merced’s population is comprised of the following:

- White alone: 31.7%

- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino- 22.7%

Although Black individuals make up just 4.9 percent of Merced’s population, they represent the second largest group experiencing homelessness (17.3%). Similarly, Pacific Islanders, who account for less than 1% of the population, make up the third highest homeless population (16.2%). In contrast, White individuals, who constitute a third of the Merced population, have the second lowest rates of homelessness (6.2%). This contrast underscores the ongoing disparities between race and homelessness, showing how systematic challenges and inequalities may contribute to Black and Pacific Islander communities being disproportionately affected, while White individuals experience homelessness at lower rates relative to their population share.

#### **Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

In Merced, the issue of homelessness remains a significant challenge, with recent trends reflecting both progress and persistent disparities. According to the 2024 PIT, the total number of individuals experiencing homelessness in the city was 573, comprising 197 unsheltered and 376 sheltered individuals. Encouragingly, the unsheltered population decreased by 13% from 227 in 2023 to 197 in 2024, while the sheltered population saw a 7% increase from 344 to 376 in the same period. These trends suggest that efforts to provide shelter are yielding positive results, as more individuals transition from unsheltered to sheltered situations. However, the presence of nearly 200 individuals still living without shelter underscores the ongoing challenges the city faces in addressing homelessness comprehensively.

Racial disparities further complicate the picture. Hispanic or Latino individuals, who make up approximately 63.8% of Merced’s total population, are disproportionately represented among the unsheltered homeless population, comprising 46% of this group. In contrast, 31.8% of unsheltered individuals identified as White, and 15.4% as Black. These figures highlight systemic inequities in housing stability, with Hispanic or Latino residents facing particularly acute vulnerabilities. Addressing these disparities is crucial for developing effective interventions, as Merced continues to focus on expanding shelter capacity, supportive services, and long-term housing solutions to combat homelessness in a way that leaves no community behind.

#### **Discussion:**

See above

## **NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)**

### **Introduction:**

Certain groups within the city's population are particularly vulnerable to poverty and challenges related to housing affordability. These challenges are often exacerbated by physical and medical needs, which increase the demand for health social, and community services or necessitate living on limited incomes. This intersection of factors frequently hinders households' ability to secure safe and affordable housing.

### **Describe the characteristics of special needs populations in your community:**

Elderly: 10 percent of Merced's population are over the age of 65 (elderly). Of this, 3,445 elderly households earn less than 80% AMI. Approximately 27 percent of Merced's elderly population are without a high school diploma, while 73 percent have a high school diploma or higher. There are 247 elderly households currently on the HAMC HCV waitlist.

People with Disabilities: Based on the 2022 5-Year ACS Estimates, 11,757 residents of Merced report having a disability, including 5,688 with mobility disabilities, 3,118 with visual disabilities, and 2,751 with hearing disabilities. The FY 2024-2025 Draft Annual Public Housing Plan notes that 4,318 families are on the housing waitlist, 741 of whom have identified as having a disability.

Substance Use Disorders: Determining the exact number of individuals with substance use disorders (SUD) in Merced is challenging, due to limited localized data. However, based on 2018 report from the Urban Institute, an estimated 1,902 individuals in Merced County had an opioid use disorder. A 2022 report from the California Healthcare Foundations reported that approximately 8.8 percent of individuals aged 12 and over were reported to have a substance use disorder. According to the Merced Police Department, there were 579 arrests related to substance abuse use (alcohol and drug use). If using the statewide prevalence rate of 8.8 percent, approximately 8,400 individuals in Merced can be estimated to have a SUD.

AIDS/HIV: Data specific to the number of individuals living with AIDS or HIV in the city of Merced isn't available. However, the 2022 California HIV Surveillance Report, released in February of 2024, indicated that Merced County reported 149 new HIV cases between 2018 and 2022, with 429 individuals living with HIV as of 2022, 281 of whom are virally suppressed. Since the city of Merced represents approximately 33 percent of the county's population, it can be estimated that 142 individuals in Merced are living with HIV based on this proportionate calculation.

### **What are the housing and supportive service needs of these populations and how are these needs determined?**

The needs of the special need's populations are determined through a combination of community surveys and meetings, and data analysis from local healthcare and service providers. Public feedback and collaboration with stakeholders such as non-profit and government agencies further informed the needs.

People with disabilities require accessible and affordable housing that accommodates physical, cognitive and sensory impairments. This includes housing near amenities, such as transportation, health care facilities, grocery stores, etc. Employment and training opportunities, resource referral services, advocacy support, and services to support living independently are all critical needs.

Elderly and seniors benefit from housing utilizing universal design standards, allowing them to age safely in place; this includes wider doorways, grab bars, and single level living arrangements. In addition, the elderly would benefit from support services such as on-site medical care, meal services, and social programs to combat isolation and support their overall health and wellbeing.

People living with AIDS/HIV require stable housing that minimizes health complications while reducing stigma. Supportive services tailored to this population include medical case management, mental health services, and general services to support their health and housing.

For people with substance use disorders (SUD), housing that supports their recovery by offering onsite supportive services, case management, support groups, etc. is beneficial. Services such as mental health services, access to AA and NA groups, transportation and health services are all important services to support the recovery of those with SUD.

Housing needs for people at risk of experiencing homelessness focuses on affordable housing options combined with eviction prevention, rental assistance, and case management. Supportive services, such as job training, financial literacy, and access to healthcare help to address underlying issues to housing instability.

**Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:**

Data specific to the number of individuals living with AIDS or HIV in the city of Merced isn't available. However, the 2022 California HIV Surveillance Report, released in February of 2024, indicated that Merced County reported 149 new HIV cases between 2018 and 2022, with 429 individuals living with HIV as of 2022, 281 of whom are virally suppressed. Since the city of Merced represents approximately 33 percent of the county's population, it can be estimated that 142 individuals in Merced are living with HIV based on this proportionate calculation.

**If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))- N/A**

**Discussion:**

N/A

## **NA-50 Non-Housing Community Development Needs – 91.215 (f)**

### **Describe the jurisdiction's need for Public Facilities:**

The City faces a shortage of facilities designed to support and serve vulnerable populations. Currently, Merced has only one youth center and one senior center, both of which are located within the planned route of a high-speed rail project and its associated station. The construction of this infrastructure will lead to the demolition of these critical community resources.

While identifying new locations for these centers is a priority, it is evident that a single youth and senior center will be insufficient to meet the community's growing needs. As the City continues to expand, it will be essential to develop facilities in both the southern and northern parts of Merced to comprehensively address the needs of its residents.

Additionally, South Merced has a critical need for healthcare facilities that can support urgent and emergency care. Residents in the area often face significant barriers to accessing services outside the region, including delays caused by the train or inadequate transportation options.

### **How were these needs determined?**

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to prioritize public facility needs, with community centers serving seniors, youth, and families, as well as healthcare facilities providing urgent and emergency care, ranking as the top priorities.

### **Describe the jurisdiction's need for Public Improvements:**

The City's public improvement needs are extensive and focus on creating safer, more accessible and sustainable infrastructure. Priorities include constructing new sidewalks in older neighborhoods to enhance pedestrian safety, upgrading existing sidewalks to include Americans with Disability Act (ADA)-compliant curb cuts, improvements to streets and alleys to improve drivability and reduce hazards. Additional improvements involve addressing failing water and sewer lines, enhancing storm drainage systems to mitigate flooding, and developing bike paths and pedestrian walkways to promote active transportation.

### **How were these needs determined?**

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to rank public improvement needs, with ADA- improvements, street/alley improvements, drainage improvements being the top three.

**Describe the jurisdiction's need for Public Services:**

Merced has a need for expanded public services, especially childcare, crime prevention, and health and wellness services. A significant portion of the city's population is comprised of low-income households with children. Accessible, affordable childcare and after school programming is critical to support working families with children. There is also a need for crime prevention programs to address safety concerns. Merced has a crime rate of 36 of 1,000 residents, making it one of the higher crime rates in the U.S. Crime can be addressed through initiatives such as neighborhood-based safety programs, youth engagement efforts, and community policing. Lastly, residents have highlighted the need for general health and wellness services, including preventative healthcare, mental health support, and accessible day clinics.

**How were these needs determined?**

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to rank public service needs, with childcare/after school programming, crime prevention, and general health and wellness services ranked the highest.



## **Housing Market Analysis**

### **MA-05 Overview**

#### **Housing Market Analysis Overview:**

This section examines Merced’s housing market and supply by analyzing housing and economic indicators to provide a comprehensive understanding of the local housing market and its dynamics. Developing a clear picture of the current housing stock in the community begins with an analysis of trends in structure, age, and tenure. The analysis also considers the supply of shelter options for people experiencing homelessness, services, and housing for people and households with special needs, and non-housing community development resources. By identifying the availability, affordability, and condition of the housing stock, the Housing Market Analysis highlights the specific needs of various populations, including low-to moderate income households, the elderly, individuals with disabilities, and those experiencing homelessness. This thorough assessment informs strategies to address housing challenges and supports the development of solutions tailored to the unique needs of Merced residents.

## MA-10 Number of Housing Units – 91.210(a)&(b)(2)

### Introduction

As shown in the table below, 65 percent of households live in a one-unit detached structure. Note that the table provides the count of housing units (rather than properties).

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	18,702	65%
1-unit, attached structure	590	2%
2-4 units	3,291	11%
5-19 units	3,763	13%
20 or more units	1,553	5%
Mobile Home, boat, RV, van, etc.	868	3%
<b>Total</b>	<b>28,767</b>	<b>100%</b>

**Table 31 – Residential Properties by Unit Number**

*Data Source: 2019-2023 ACS*

The following table provides the count of housing units by bedroom count and tenure (owner vs. renter). Note that vacant units are excluded. As shown in the table, most owners occupy units with three or more bedrooms. Approximately 47 percent of renters live in similarly sized units.

### Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	64	1%	1,095	7%
1 bedroom	141	1%	2,249	15%
2 bedrooms	1,344	11%	4,814	31%
3 or more bedrooms	10,168	87%	7,209	47%
<b>Total</b>	<b>11,717</b>	<b>100%</b>	<b>15,367</b>	<b>100%</b>

**Table 13 – Unit Size by Tenure**

*Data Source: 2019-2023 ACS*

**Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.**

The list below includes an inventory of active, in progress, or anticipated publicly assisted affordable housing units in Merced. As shown, there are 1,355 affordable and permanent supportive housing units funded through a combination of federal, state, and local programs. These units serve households earning up to 80 percent AMI.

Affordable Housing Developments / Number of Units:

Willowbrook Apts II	21
Willowbrook Apts	16
Sierra Meadows Apts	99
Merced Golden Manor	50
Merced Commons I	76
Merced Commons II	71
Gateway Terrace I	65
Childs Avenue Apts	6
Alamar Apts	24
Alamar Apts II	79
The Grove Apts	202
Sunnyside Apts	120
Sunnyview Apts	111
Woodbridge	74
Childs & B Street Apts	118
Laurel Glen	127
Twelve Thirteen	96

Total units: 1355

*(Data source: City of Merced Housing Needs Assessment, 2023)*

**Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.**

The California Housing Partnership oversees a database designed to track changes in affordable housing and identify units or developments that may transition to market-rate. Within this preservation database, assisted units are categorized by the level of risk of losing affordability.

- Low Risk – Units at risk of converting to market-rate in 10 or more years, often owned by a large, stable, mission-driven non-profit developer
- Moderate Risk – Units potentially transitioning to market-rate within 5-10 years, without overlapping subsidies to extend affordability and not owned by a stable, mission-driven non-profit developer
- High Risk – Units at risk of converting within 1-5 years, also lacking overlapping subsidies and mission-driven non-profit ownership.

According to the below list, there are 1,472 publicly assisted units in Merced with 233 identified as being at risk of transitioning to market-rate by 2033. This places 15.8 percent of the city's affordable units at moderate or high risk of conversion.

### **Publicly Assisted Units at Risk of Market Rate Conversion**

*(Apartment Name; # affordable Units/Total Units; Affordability End Date; Risk Level)*

Willowbrook Apts I; 21 units/96 units; Apr 2024; High

Willowbrook Apts II; 16 units/80 units; Sep 2024; High

Sierra Meadows; 99 units/99 units; 2027; High

Merced Golden Manor; 50 units/50 units; Sep 2030; Moderate

Merced Gardens; 47 units/47 units; Jan 2032; Moderate

Merced Commons I; 76 units/76 units; Jan 2025; Low\*

Merced Commons II; 71 units/71 units; Sep 2031; Low\*

Gateway Terrace; 65 units/66 units; 2067; Low

Childs Avenue Apts; 6 units/27 units; Aug 2043; Low

Alamar Apartments; 24 units/24 units; 2050; Low

Alamar Apartments II; 79 units/80 units; 2050; Low

Laurel Glen; 127 units/128 units; 2055; Low

The Grove Apts; 202 units/204 units; 2058; Low

Sunnyside Apts; 120 units/121 units; 2059; Low

Sunny View Apts; 111 units/113 units; 2062; Low

Woodbridge Place; 74 units/75 units; 2066; Low

Childs & B Street Apts; 118 units/119 units; 2074; Low

Twelve Thirteen; 96 units/96 units; 2077; Low

*\*These developments are owned by the Merced County Housing Authority and are at low risk of conversion.*

*(Data Source: California Housing Partnership, 2023)*

Merced Commons I, Merced Commons II, and Merced Gardens are under a Section 8 (HCV) contract that expires in 2025. These properties are owned and operated by the Merced County Housing Authority (MCHA) and have a very low risk of conversion, even if contracts were to expire.

Willowbrook Apartments I and Willowbrook Apartments II's affordability requirements expired in 2024.

### **Does the availability of housing units meet the needs of the population?**

No, the availability of affordable housing units does not adequately meet the needs of the population. Currently, over 4,300 households are on the Housing Choice Voucher (HCV) waitlist, including 247 elderly households and 741 households with at least one member living with a disability. This significant demand highlights the scarcity of affordable housing options in the city. Moreover, approximately 56 percent of households in Merced are renters, and nearly half of these renters – 49 percent – are housing cost burdened.

In addition to the challenges faced by renters, Merced's homeless population remains a pressing concern. According to the 2024 Point-in-Time Count, Merced's homeless population increased slightly by 0.35 percent from the previous year, totaling 573 individuals.

### **Describe the need for specific types of housing:**

Extremely Low-Income Households – There is a significant gap in affordable housing for extremely low-income households, particularly for rental housing. Merced has 4,205 households with extremely low incomes, many of whom are experiencing severe cost burdens.

Senior Housing – There is a gap of more than 1,400 units for lower-income senior rental-occupied households in Merced. While the city has some senior-focused housing developments, the demand far exceeds the available supply.

Housing for Persons with Disabilities – Merced has 11,639 residents with disabilities, yet there is limited housing resources specifically tailored for this group.

Large Family Households – Large households (5 or more members) account for 19.6% of the city's households. There is a shortage of units with four or more bedrooms, which are essential for accommodating these families.

Farmworker Housing – With over 2,700 farmworkers residing in Merced, there is a notable gap in housing resources for this population. Existing migrant housing centers provide only a small fraction of the needed capacity.

Homeless Population – Merced has 573 individuals experiencing homelessness, with a gap of 362 housing units or beds to meet the immediate shelter needs of this population. Additional supportive housing and emergency shelter options are critical.

## **Discussion**

See above

## MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

### Introduction

The following section provides an analysis of housing costs for both homeowners and renters in Merced. It includes an evaluation of current home values and rental rates, along with an assessment of recent trends and changes in these metrics. Additionally, this section examines the affordability of the existing housing stock in relation to the financial capacity of the city's residents.

### Cost of Housing

	Base Year: 2018	Most Recent Year: 2023	% Change
Median Home Value	\$212,100	\$347,700	64%
Median Contract Rent	\$812	\$1,085	34%

**Table 14 – Cost of Housing**

*Data Source: 2014-2018 ACS (Base Year), 2019-2023 ACS (Most Recent Year)*

### Rent Paid

Rent Paid	Number of Renter Occupied Units	%
Less than \$500	754	5%
\$500-999	3,120	21%
\$1,000-1,499	5,707	38%
\$1,500-1,999	3,756	25%
\$2,000 or more	1,579	11%
<b>Total</b>	<b>14,916</b>	<b>100%</b>

**Table 15 - Rent Paid**

*Data Source: 2019-2023 ACS*

### Housing Affordability

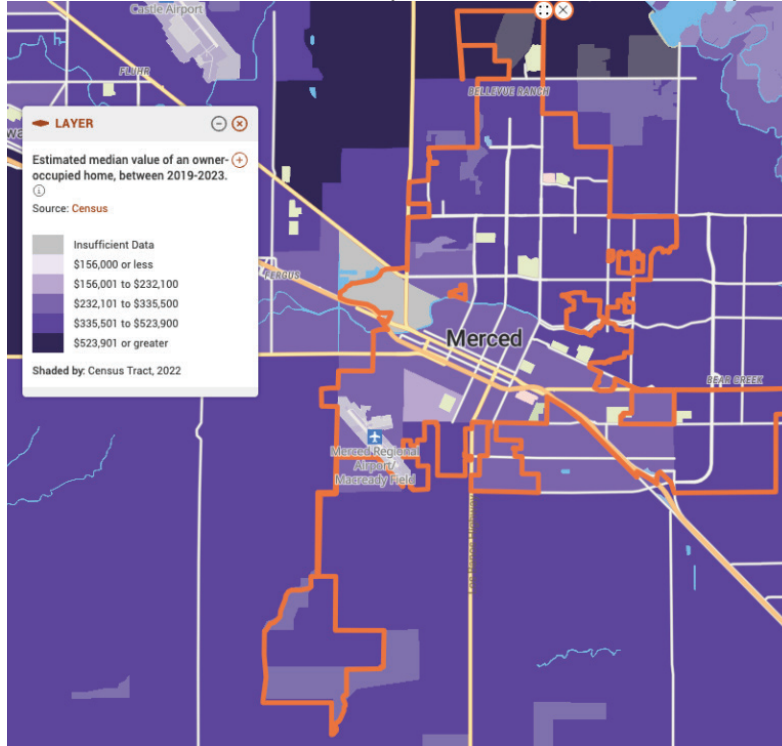
Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	4,040	870
50% HAMFI	2,685	810
80% HAMFI	3,005	1,775
100% HAMFI	1,610	1,180
<b>Total</b>	<b>13,500</b>	<b>6,205</b>

**Table 16 – Housing Affordability**

*Data Source: 2017-2021 CHAS*

Figure 12 below shows the estimated median value of owner-occupied homes in Merced between 2019 and 2023. Higher home values are concentrated in northern and northeastern tracts, while central and southern areas generally exhibit lower median home values.

**Figure 12: Median Home Value of Owner-Occupied Homes between 2019-2023 by Census Tract**



**Table MA-15.04: Monthly Rent**

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	\$770	\$825	\$990	\$1,143	\$1,275
High HOME Rent	\$981	\$1,053	\$1,264	\$1,452	\$1,600
Low HOME Rent	\$567	\$608	\$730	\$842	\$940

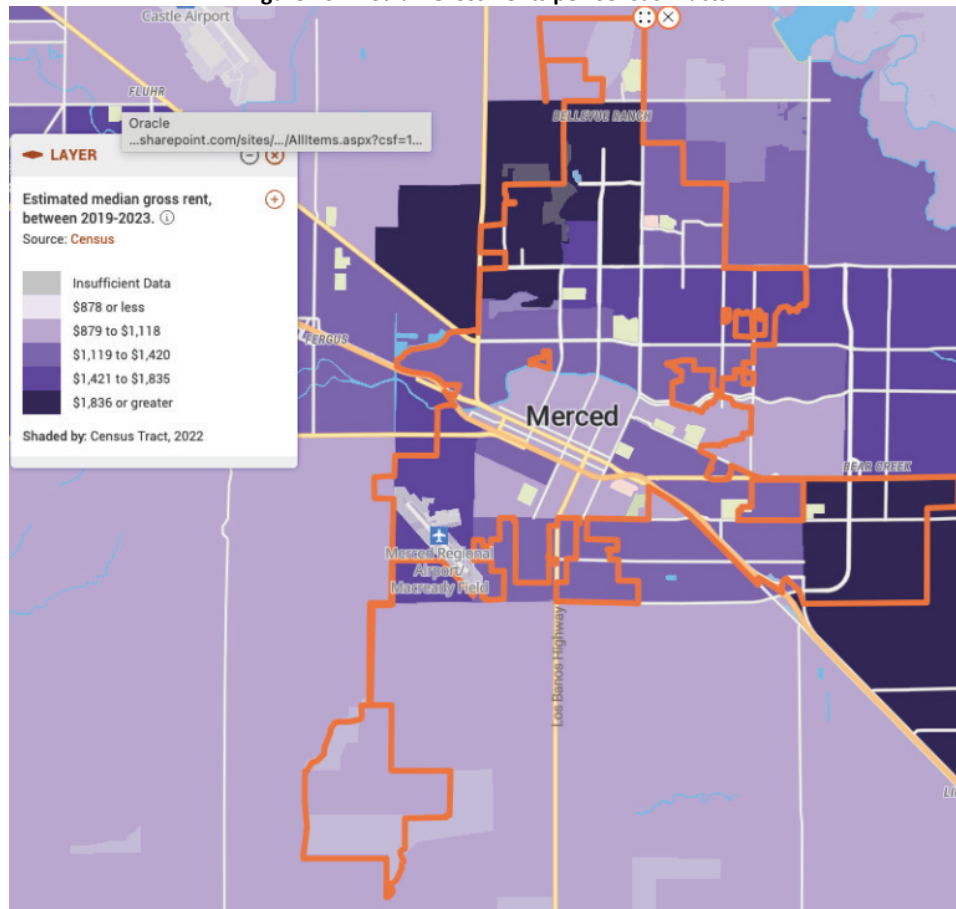
**Table 17 – Monthly Rent**

*Data Source: 2024 HUD FMR and HOME Rents*

Figure 13 shows estimated median gross rent across Merced from 2019 to 2023. Higher rent levels above \$1,835 are concentrated in a few central and northeastern tracts, while the majority of the city, especially the south and west, exhibits lower median rents under \$1,320, indicating notable variation in rental affordability across neighborhoods.



**Figure 13: Median Gross Rents per Census Tracts**



**Is there sufficient housing for households at all income levels?**

No. There is a significant deficit in the total number of affordable units compared to the number of households that need housing. This reality is most evident at the extremely low-income and moderate-income levels, where the deficit in units is 1,775 and 1,180 respectively.

**Comparison of Data:**

<i>(Monthly Rent (\$))</i>	<i>0-30% HAMFI</i>	<i>&gt;30-50% HAMFI</i>	<i>&gt;50-80% HAMFI</i>	<i>&gt;80-100% HAMFI</i>
Number of Units (above Housing Affordability Table)	4040	2,685	3,005	1,610
Household Need	4910	3,495	4,780	2,790
Surplus/(Deficit)	(870)	(810)	(1,775)	(1,180)

**How is affordability of housing likely to change considering changes to home values and/or rents?**

The affordability of housing in Merced has been impacted by changes in home values and rents. As home values and rental rates continue to rise, the cost burden on residents, particularly households with low- and moderate-incomes, is expected to increase. According to recent trends, the city has already seen escalating home prices and rental rates, which are outpacing wage growth for many residents. This creates challenges for both prospective homeowners and renters in securing affordable housing.

For homebuyers, increasing property values limit access to homeownership for first-time buyers, particularly those with lower incomes or limited savings for down payments. Higher mortgage rates, insurance costs, and property taxes associated with rising home values also place additional financial strain on existing homeowners and homebuyers.

For renters, rising rents exacerbate the already high rate of housing cost burden in the city, where nearly half of all renters are currently spending more than 30% of their income on housing. This trend pushes more residents into housing insecurity or overcrowded living conditions and increases the demand for subsidized and affordable rental units. Additionally, the continued shortage of affordable housing stock, combined with a growing population and increased demand, further drives up prices in both the rental and for-sale markets.

**How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?**

The Monthly Rent table above shows the current HUD fair market rents for rental housing, as well as the allowable high and low HOME rents. These rents are the upper limits of rents that can be charged by property owners with units assisted by HUD rental housing programs. As noted elsewhere, rapidly increasing rents in the city's market have widened the gap between HUD FMRs and market rents, creating problems for households with low incomes seeking units that will accept their HUD voucher for rent assistance.

**Discussion**

See above

## MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

### Introduction

Merced's housing stock is aging, leading to further units considered in "substandard condition." Nearly half of units in Merced were built prior to 1980, commonly necessitating lead-based paint abatement.

### Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation"

The jurisdiction defines "standard condition" housing as units that meet all basic health and safety requirements and provide residents with functional amenities, such as plumbing, heating, and kitchen facilities, without the need for significant repairs or upgrades. In contrast, "substandard condition but suitable for rehabilitation" refers to housing units that, while not meeting all health and safety standards, can be feasibly repaired or renovated to reach a standard condition. These units may lack certain amenities or require structural, electrical, or plumbing repairs but remain viable for rehabilitation rather than demolition.

In the context of Merced, the significant portion of aging housing stock, with nearly half of occupied housing units constructed before 1980, contributes to the prevalence of substandard conditions. Many of these older homes, located in areas such as Downtown Merced and south of the freeway, exhibit signs of deferred maintenance or lack basic amenities like plumbing or kitchen facilities. However, given their structural integrity, a substantial number of these units are considered suitable for rehabilitation. This definition underscores the need for targeted investment in housing preservation and rehabilitation programs to improve living conditions while maintaining the availability of affordable housing stock in the city.

As shown in the table below, 32 percent of the owner-occupied units and 54 percent of the renter-occupied units in the Merced have one or two selected physical or financial conditions. Note that the conditions are identical to the four housing problems: (1) lacking complete kitchen facilities, (2) lacking complete plumbing facilities, (3) more than 1 occupant per room, and (4) housing costs greater than 30 percent of household income.

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,743	31%	7,560	49%
With two selected Conditions	127	1%	888	6%
With three selected Conditions	41	0%	50	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	8,298	68%	6,775	44%
<b>Total</b>	<b>12,209</b>	<b>100%</b>	<b>15,273</b>	<b>100%</b>

Table 18 - Condition of Units

Data Source: 2019-2023 ACS

The table below reflects the age distribution and percentage of housing units for both owner-occupied and renter-occupied properties. Among owner-occupied units, 57 percent were constructed after 1980, while 54 percent of renter-occupied units were built during the same period.

#### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	4,059	33%	3,950	26%
1980-1999	2,880	24%	4,243	28%
1950-1979	4,244	35%	5,466	36%
Before 1950	1026	8%	1,614	11%
<b>Total</b>	<b>12,209</b>	<b>100%</b>	<b>15,273</b>	<b>100%</b>

Table 19 – Year Unit Built

*Data Source: 2019-2023 ACS*

The table below highlights the percentage of housing units built prior to 1980, which are at risk of containing lead-based paint hazards. Among owner-occupied units, 46% are identified as being at risk, while renter-occupied units exhibit a slightly higher risk at 48%.

#### Risk of Lead Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	5,406	46%	7,403	48%
Housing Units build before 1980 with children present	720	6%	1,535	10%

Table 20 – Risk of Lead-Based Paint

*Data Source: 2019-2023 ACS (Total Units) 2017-2021 CHAS (Units with Children present)*

#### Vacant Units

##### ENTER TABLE

The 2017-2021 ACS 5-Year Estimates reported a total of 3,713 vacant housing units in Merced, with 1,907 deemed suitable for rehabilitation and 1,806 considered unsuitable. The more recent, 2019-2023 ACS 5-Year Estimate identified approximately 3,000 vacant units, however, did not provide the data set on suitability for rehabilitation or unsuitable.

#### Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction's housing.

Merced has a significant number of units built prior to 1980. In addition to potential lead-based paint hazards posed by older units, it can be assumed that many of these units need rehabilitation. The costs of labor and materials continue to increase while incomes stagnate, leading to deferred maintenance. Most affected by these conditions are low-income seniors and those with disabilities who do not have

the resources, and in many instances, the physical capabilities to maintain their residences. Owners of aging rental units also may face challenges when there is insufficient cash flow to enable them to keep abreast of the maintenance and rehabilitation needs of their units.

**Estimate the number of housing units within the jurisdiction that are occupied by low- or moderate-income families that contain lead-based paint hazards. 91.205(e), 91.405**

In Merced, approximately 56 percent of households are renters, with nearly half (49 percent) experiencing housing cost burdens, meaning they spend more than 30 percent of their income on housing costs. Similarly, 25 percent of homeowners in the city are also housing cost burdened. Additionally, a significant portion of the housing stock presents potential lead-based paint (LBP) hazards, with 12,809 units built prior to 1980—5,406 of which are owner-occupied and 7,403 renter-occupied.

Additionally, 720 owner-occupied units and 1,535 renter-occupied units built prior to 1980 are at risk of lead-based paint hazards and house children, making them particularly vulnerable to exposure.

**Discussion**

See above

## MA-25 Public and Assisted Housing – 91.210(b)

### Introduction

This section describes the supply and condition of the public housing stock managed by the Housing Authority of the County of Merced (HACM), which is the local public housing authority serving the people of Merced.

### Total Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units or vouchers in use	0	0	421	2,721	352	2,400	123	27	26

**Table 21 – Total Number of Units by Program Type**

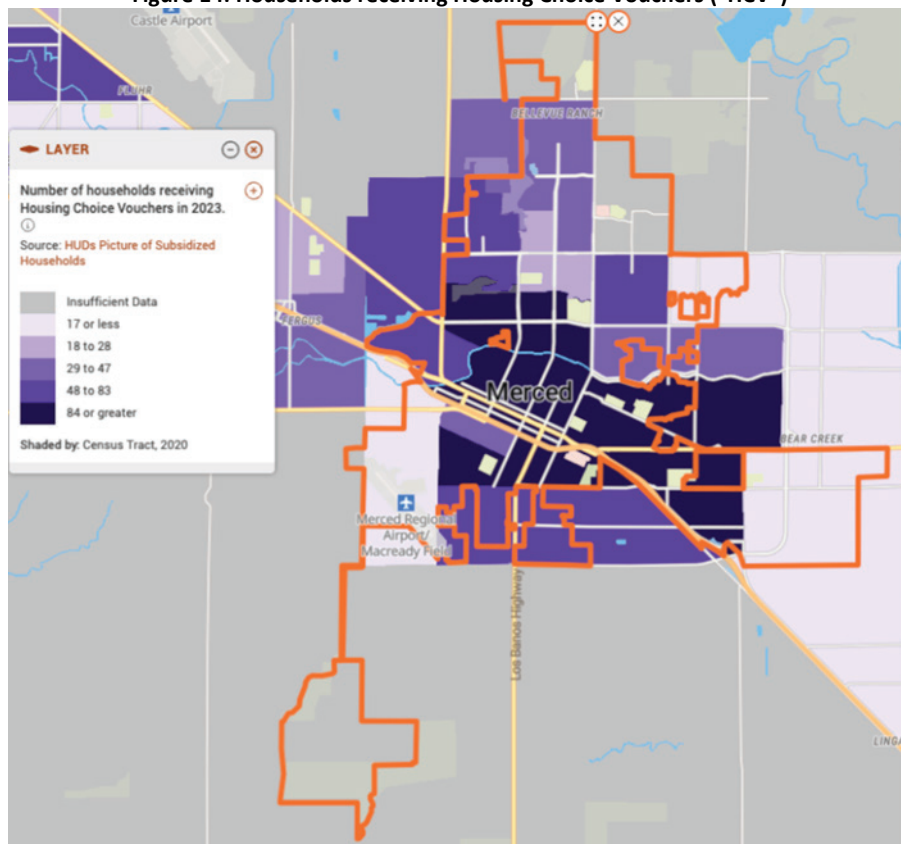
*\*Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition*

**Data Source:** HACM, 2024 Data

Figure 14 below shows the households receiving Housing Choice Vouchers (“HCV”) by census tract. As

shown, central and south Merced have the highest concentration of HCV holders.

**Figure 14: Households receiving Housing Choice Vouchers (“HCV”)**



*Source: Policy Maps, 2023*

**Describe the supply of public housing developments:**

**Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:**

The HACM currently operates and manages four (4) public housing developments in Merced. Additionally, the HACM has 2,856 Housing Choice Vouchers (HCV) of which 1,738 are allocated to individuals and families living in Merced.

### **Public Housing Condition**

The below table outlines HUD's Physical Inspection scores for housing developments, which was provided by the Housing Authority of the County of Merced. Properties with inspection scores of 90 or above are classified as being in excellent condition, scores between 56 and 89 are considered to be in acceptable condition, and scores of 55 or below indicates poor condition. The purpose of sharing these details is to provide stakeholders with a clearer understanding of the condition of HUD-assisted housing stock, ensure accountability among housing providers, and support strategic planning for future affordable housing initiatives.

## Public Housing Condition

Public Housing Development	Average Inspection Score
Merced Commons I	87
Merced Commons II	84

**Table 22 - Public Housing Condition**

*Data Source: HACM, 2024 Data*

### **Describe the restoration and revitalization needs of public housing units in the jurisdiction:**

According to the Housing Authority of the County of Merced (HACM), there are no public housing units within the city of Merced that require restoration or revitalization. All public housing developments have received inspection scores categorized as either acceptable or excellent. HACM remains committed to investing in its public housing inventory as needed and as funding allows, ensuring that residents have access to safe and high-quality homes.

### **Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:**

In the Housing Authority's Annual Plan for Fiscal Year 10/1/2024–9/30/2025, several strategies were outlined to improve the living environment for individuals and families with low to moderate incomes:

- The Housing Authority partners with local law enforcement agencies to identify the safety needs of residents and implement crime prevention strategies, with a particular focus on supporting youth who are at risk.
- Policies and procedures have been developed to ensure compliance with VAWA requirements, providing protections and resources for individuals who have experienced domestic violence, dating violence, sexual assault, or stalking.
- The FSS program supports participants in developing a five-year plan to achieve greater independence and self-sufficiency. Participants work toward personalized goals, and as they progress, they accumulate funds in an escrow account. Upon completing the program, these funds can be used to purchase a home, start a business, or meet other essential needs, empowering individuals and families to achieve financial stability and long-term success.

### **Discussion:**

See above



## MA-30 Homeless Facilities and Services – 91.210(c)

### Introduction

This section provides an overview of the facilities and services available to assist persons who are experiencing homelessness or are at risk of homelessness in the area. Data was provided by the Merced City and County CoC to HUD's Continuum of Care Homeless Assistance Programs for the 2024 Housing Inventory Count (HIC) Report.

### Facilities and Housing Targeted to Homeless Households.

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	143	0	0	85	0
Households with Only Adults	231	3	80	75	0
Chronically Homeless Households		0	0	8	0
Veterans	1	0	0	85	0
Unaccompanied Youth	6	0	0	0	0

**Table 23 - Facilities and Housing Targeted to Homeless Households**

*Data Source: HIC Report 2024*

### Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

There are a wide variety of services to support individuals experiencing homelessness, complemented by mainstream services in health, mental health, and employment in Merced.

Key services include emergency shelters, transitional housing programs, and permanent supportive housing provided by organizations such as the Merced Community Action Agency and Merced County Rescue Mission. Additional targeted resources include the Independent Living Skills Program (ILSP) for youth transitioning from foster care and Shelter Plus Care (SPC) vouchers offered through Merced County Behavioral Health and Recovery Services for individuals with serious mental health or substance use disorders.

Complementary programs targeting health and wellness include the Community Outreach Program Engagement and Education (COPE), which delivers workshops on managing chronic diseases, stress reduction, smoking cessation, and youth wellness, including for individuals experiencing homelessness. The Wellness Center provides housing assistance, peer support, employment assistance, and resource

connections to help individuals regain stability. Programs like the WeCan Full-Service Partnership address the needs of clients with serious emotional disturbances, while the Merced Community Assistance Recovery Enterprise (CARE) focuses on crisis prevention, housing support, psychiatric services, and employment.

For more intensive support, the Community United by Empowerment (CUBE) offers a wide range of services, including therapy and counseling, case management, social skills groups, independent living skills classes, employment and housing assistance, laundry facilities, tutoring, and recreational activities.

Additionally, mainstream health and mental health services are provided by organizations like Sierra Vista Child and Family Services and Merced County Behavioral Health, while employment assistance is available through the Department of Workforce Investment and Work-Net Employment Resource Center, which offer skills training and job placement.

**List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

According to the HUD 2024 Continuum of Care Homeless Assistance Program Housing Inventory Count (HIC) Report, Merced County offers over 900 year-round beds to support individuals experiencing homelessness. This includes emergency shelters, transitional housing, permanent supportive housing (PSH), and rapid rehousing programs. Of these beds, 571 are designated for adults-only, while 260 are allocated for families. Additionally, 22 beds are reserved for individuals experiencing chronic homelessness, 34 beds are dedicated to veterans experiencing homelessness, and 9 beds are designated for youth.

Emergency shelter services are provided by the Merced County Community Action Agency, Merced County Human Services Agency, Merced County Office of Education (MCOE), Merced Rescue Mission, and Valley Crisis Center. Transitional housing is offered by Merced Rescue Mission and Valley Crisis Center. PSH is facilitated by Merced County BHRS and Sierra Saving Grace. Rapid rehousing services are supported by the City of Los Banos, Healthy House, Merced County Human Services Agency, MCOE, Merced Rescue Mission, Sierra Saving Grace, and WestCare SSVF.

The Merced Office of Education provides resources and support for children and youth experiencing homelessness, ensuring they have access to education and related services.

Merced County Human Services Agency provides homeless assistance programs, including temporary and permanent housing solutions for eligible families. Services encompass shelter provisions and support in securing stable housing.

Turning Point Community Programs – New Direction is an outreach and engagement center providing housing support services and linkage to community resources for people experiencing chronic homelessness in Merced County. Located in Merced, they collaborate with other organizations to reduce homelessness and increase utilization of community resources.

Merced County Rescue Mission offers various programs, including emergency shelters and transitional housing, to support individuals experiencing homeless and chronic homelessness. They have initiatives like the Bridge to Hope program, which provides temporary shelter and permanent supportive housing opportunities.

Love Focus Youth Outreach operates a transitional housing program for youth, offering services such as educational support, employment assistance, and life skills development. They provide various housing models, including remote site, single site, and host family placements.

## **MA-35 Special Needs Facilities and Services – 91.210(d)**

### **Introduction**

Within the City of Merced's jurisdiction, there are four primary groups of individuals with non-homeless special needs. These groups include older adults and individuals who are frail or elderly, individuals living with HIV/AIDS and their families, individuals with substance use disorders (SUDs), and individuals with mental or physical disabilities. This section will provide an overview of these populations, their specific needs, and how the jurisdiction is addressing or should address those needs to ensure support and access to resources.

**Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs**

Elderly: The supportive housing needs of elderly individuals can vary significantly based on their health, mobility, and personal preferences. As people age, they are more likely to experience disabilities, chronic health conditions, and decreased mobility. Supportive housing for this population must be designed to accommodate these challenges, including features such as wheelchair accessibility, grab bars, and emergency response systems. Access to healthcare professionals and in-home care services is crucial for maintaining their health and well-being. Additionally, supportive housing should prioritize programs and modifications that promote independence and allow residents to age in place whenever possible, provided they prefer to remain in their homes. Proximity to social and community activities, as well as transportation services, can also enhance their quality of life by reducing isolation.

Individuals living with HIV/AIDS: For individuals living with HIV/AIDS, access to both medical and social support is paramount. Advances in medical treatment have significantly improved life expectancy and quality of life for those with HIV/AIDS; however, specialized care remains critical. Housing should be located near medical facilities that provide regular and advanced care, including antiretroviral therapy and mental health services. Emotional support from family, friends, and peer networks is equally important to ensure residents feel connected and supported. Additionally, housing providers should foster a stigma-free environment that encourages residents to engage in available services. Nutritional support and case management services tailored to their specific needs further contribute to their overall well-being.

Individuals with SUDs: Individuals recovering from substance use disorders require housing environments that are not only safe and stable but also free from triggers that could lead to relapse. Sober living environments are a critical component of supportive housing for this population, providing a structured setting where residents can focus on their recovery. Access to healthcare services, including counseling, medication-assisted treatment, and regular health check-ups, is essential. Strong community support networks, such as peer support groups and 12-step programs, can enhance their chances of maintaining sobriety. Employment assistance programs and life skills training help foster self-sufficiency, while access to family and friends can provide additional emotional support. For those in the early

stages of recovery, access to detoxification and rehabilitation facilities is vital to ensure a safe transition to sobriety.

Individuals with disabilities: The housing needs of individuals with mental and physical disabilities are varies depending upon the severity of their conditions and their level of independence. Many face challenges related to limited income, which restricts their access to affordable and appropriate housing options. Subsidized housing can serve individuals with higher levels of independence, while those requiring more intensive support may need specialized housing with on-site care providers and case managers. Features such as wheelchair accessibility, adaptive technologies, and sensory-friendly designs can significantly improve the quality of life for this population.

For individuals with mental health disabilities, housing should include access to health care and community-based programs. Additionally, many individuals with disabilities live with family members, placing financial and emotional burdens on caregivers. Expanding access to respite care, financial support, and long-term housing options is essential to address these challenges. Across all housing situations, a consistent and individualized support system is critical to meeting their unique needs and enabling them to live fulfilling lives.

**Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing**

To support individuals transitioning back into the community after leaving mental and physical health institutions, several programs are designed to provide comprehensive supportive housing and services. These programs aim to ensure stability, foster independence, and promote overall well-being by addressing housing needs and connecting individuals to critical resources.

Community Assistance Recovery Enterprise - Adult Full-Service Partnership (CARE-FSP): CARE-FSP offers a comprehensive and holistic approach to supporting individuals transitioning back into the community. This program focuses on crisis intervention services to address immediate needs and ensure safety and stability. Employment services are provided to help individuals gain job readiness skills, secure placements, and maintain employment, promoting financial independence. Housing support is a critical component, assisting participants in finding and sustaining stable living arrangements, including transitional or permanent housing. The program also connects individuals to vital community resources, ensuring they have access to the tools and networks needed for successful reintegration. Additionally, CARE-FSP provides psychiatric services, including therapy and medication management, to support mental health recovery and overall well-being.

Merced Adult Wellness Center: The Merced Adult Wellness Center offers a wide range of services aimed at helping individuals rebuild their lives. Housing assistance is provided to help participants secure safe and affordable living arrangements. Resource connection and referrals ensure access to essential services, including healthcare, social support, and employment opportunities. The center provides specialized dual diagnosis support for individuals dealing with both mental health and substance use disorders. Peer support programs and consumer advisory committees enable participants to engage in mentorship and advocacy, fostering a sense of community and empowerment. Employment assistance

and skills development services help individuals prepare for and find meaningful work. Social and recreational activities, such as arts, exercise, and community outings, promote engagement and emotional well-being. The center also offers specialized groups tailored to meet the needs of the population and provides training in anger management and essential life skills to promote self-sufficiency.

Dual Diagnosis Wellness Center: The Dual Diagnosis Wellness Center focuses on individuals with co-occurring mental health and substance use disorders, offering integrated and customized care. A multidisciplinary team of clinicians, counselors, and peer specialists collaborates to address the complex needs of participants. The program employs stage-wise interventions, tailoring support to each individual's readiness for treatment and recovery. Time-unlimited services ensure that individuals receive ongoing support based on their unique progress and needs. Outreach and motivational interventions proactively engage participants and encourage active involvement in their recovery journey. The center provides substance abuse counseling through individual and group sessions, addressing addiction and recovery strategies. Family interventions are offered to create a supportive environment for recovery, while pharmacological treatment is integrated into care plans when needed. Self-help and support groups for alcohol and drug addiction further promote a sense of accountability and community, empowering individuals to achieve lasting recovery.

Westside Transitional Wellness Center: The Westside Transitional Wellness Center supports individuals by equipping them with the skills and resources needed for independence and stability. The center provides employment development and job placement services, helping participants identify and secure meaningful work opportunities. Housing assistance is a key component, ensuring access to stable living environments and support with housing-related challenges. Continuing education programs enable individuals to enhance their skills and pursue personal growth. Financial management training helps participants build confidence in budgeting and maintaining financial stability. Mental health recovery groups focus on fostering resilience and supporting individuals in their recovery journeys. Peer support networks create a sense of community and shared understanding among participants. Additionally, medication education groups provide guidance on managing and understanding treatment plans, while self-discovery and enrichment activities encourage personal development and empowerment.

**Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)**

The City's programs are thoughtfully designed to balance the unique needs of its most vulnerable populations, including individuals with special needs, as well as invest in public and park improvements that enhance the overall quality of life for all. To achieve this, the City has established the following year 1 goals:

1. Increase Economic Development and Job Opportunities
2. Expand and Improve Public Infrastructure and Facilities
3. Affordable Housing, Shelter, and Housing Stability

4. Quality of Life Services for LMI Residents
5. Increase and Rehabilitate Owner Housing

In January 2025, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community.

Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

**For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))**

See above.

**GOALS/ACTIVITIES TO BE INSERTED FOLLOWING COUNCIL PUBLIC HEARING**

## **MA-40 Barriers to Affordable Housing – 91.210(e)**

### **Describe any negative effects of public policies on affordable housing and residential investment**

Several factors may inhibit affordable housing development and residential investment:

- **Costs.** The dissolution of redevelopment agencies (RDAs), diminishing HUD budgets, and insufficient State funding make it difficult to construct enough affordable housing. State tax credits, grants, and gap financing are highly competitive, and the costs of land, materials, and labor are outpacing inflation. Development impact fees, which are levied on new developments to fund infrastructure and public services, also contribute to increased costs. While they support essential services, they can significantly increase the cost of construction, potentially deterring developers and reducing affordability for residents. While Merced's fees are not onerous relative to other jurisdictions, and such fees are normal practice across the country, the Turner Center found that, generally, fees in California are especially high. This is due in part to Proposition 13, which caps property tax increases, and the decreased federal investment in housing. These factors compel cities to seek alternative revenue sources, like development fees, for infrastructure and parks.
- **Zoning.** Throughout the country, zoning reform continues to be a focal point of housing policy discussions. In recent years, California has passed significant legislation, such as Senate Bill (SB) 9 and SB 10, to promote higher-density housing. Increasing allowable residential densities in more areas can increase housing affordability by increasing the supply of smaller and thus less expensive homes. Merced's zoning regulations have historically favored single-family homes, limiting the availability of land for multifamily housing developments. This preference restricts the potential for multifamily developments, which are typically more cost-effective and can accommodate more residents. Although there have been efforts to modify zoning codes to encourage housing investments, restrictive zoning remains a barrier to increasing the affordable housing supply. The City's inclusionary zoning policies have undergone several revisions, leading to uncertainty among developers. Initially set at 12.5 percent, Merced now requires that 5 percent of units in new residential developments for single-family developments in certain areas, with an option for developers to pay in-lieu fees instead, be designated as affordable. Policy fluctuations may potentially be discouraging developers from committing to long-term affordable housing projects.
- **Housing Voucher Options.** Housing that is accessible for special needs groups, such as seniors or persons with disabilities, is limited, but a significant number of voucher and public housing waiting lists are disabled or seniors. Universal design principles in new development would allow for more accessible housing options. Geographic disparities in housing costs across Merced contribute to where HCVs are used. Communities with more affordable housing needs often see a higher concentration of voucher holders.
- **Fair Housing Education and Enforcement.** Educational opportunities regarding fair housing are limited, but fair housing education has been identified as an effective strategy for furthering fair housing. Outreach methods should be expanded beyond traditional newspaper and website press releases. Instead, various neighborhood groups and organizations can be utilized. Fair housing services focus primarily on outreach and education and less emphasis is placed on enforcement. Rigorous enforcement of fair housing laws is most effective in deterring housing discrimination. Fair housing service providers should encourage victims to pursue litigation and refer victims to agencies and organizations with the capacity to handle litigation. Also, favorable outcomes in litigation should be publicized to encourage other victims to come forward.



## **MA-45 Non-Housing Community Development Assets – 91.215 (f)**

### **Introduction**

Merced boasts an economy deeply rooted in its agricultural heritage while expanding into education, healthcare, and emerging industries. Situated in the heart of the San Joaquin Valley, Merced has long been recognized for its fertile land and robust agricultural output, which continues to be a cornerstone of its economy. Key agricultural markets include dairy, almonds, sweet potatoes, and other high-value crops that contribute significantly to the region's economic base and provide employment opportunities across the supply chain.

In recent years, Merced's economy has diversified with the establishment of the University of California, Merced (UC Merced), which has become a hub for education, research, and innovation. The university not only attracts students and faculty from across the globe but also fosters partnerships with industries such as biotechnology and renewable energy, spurring economic development and job creation.

Healthcare is another major economic driver in Merced, with facilities such as Mercy Medical Center providing critical services to the region while serving as a major employer. Additionally, the City benefits from its strategic location along major transportation corridors, which support logistics, warehousing, and retail markets.

This section provides insight into the economic development landscape within Merced. A discussion of employment trends, industries, business sectors, unemployment as well as commute time and educational attainment by job type is evaluated to determine economic needs of residents of Merced with low to moderate incomes.

## Economic Development Market Analysis

### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	2,074	357	6.7%	1.4%	-5.3%
Arts, Entertainment, Accommodations	2,883	2,637	9.3%	10.0%	0.7%
Construction	1,975	882	6.3%	3.3%	-3.0%
Education and Health Care Services	7,971	8,652	25.6%	32.8%	7.2%
Finance, Insurance, and Real Estate	1,006	1,559	3.2%	5.9%	2.7%
Information	326	206	1.0%	0.8%	-0.3%
Manufacturing	3,210	1,901	10.3%	7.2%	-3.1%
Other Services	886	677	2.8%	2.6%	-0.3%
Professional, Scientific, Management Services	1,296	789	4.2%	3.0%	-1.2%
Public Administration	2,141	3,097	6.9%	11.7%	4.9%
Retail Trade	3,144	3,229	10.1%	12.2%	2.1%
Transportation and Warehousing	1,697	868	5.4%	3.3%	-2.2%
Wholesale Trade	1,043	809	3.3%	3.1%	-0.3%
<b>Total</b>	<b>29,652</b>	<b>25,663</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

**Table 24 - Business Activity**

*Data Source: 2022 Longitudinal Employer-Household Dynamics*

### Labor Force

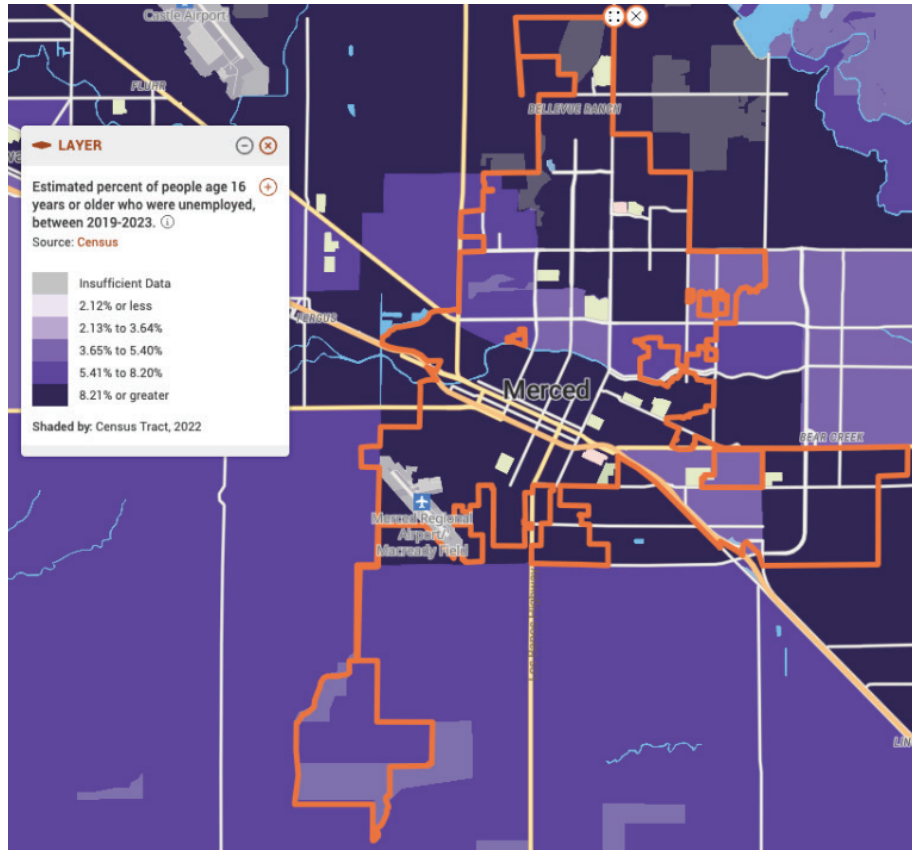
Total Population in the Civilian Labor Force	39,494
Civilian Employed Population 16 years and over	34,529
Unemployment Rate	8.7%
Unemployment Rate for Ages 16-24	1,600 % PENDING
Unemployment Rate for Ages 25-65	3,261 % PENDING

**Table 25 - Labor Force**

*Data Source: 2018-2022 ACS*

Figure 15 below illustrates the estimated percentage of people aged 16 and older who were unemployed in Merced between 2019 and 2023. Unemployment rates are highest in several central and southeastern tracts, while northern and some western areas show relatively lower rates.

**Figure 15: Unemployment Rate by Age and Census Tract**



**Table MA-45.03: Occupations by Sector**

Occupations by Sector	Number of People
Management, business and financial	2,874
Farming, fisheries and forestry occupations	2,710
Service	6,987
Sales and office	6,808
Construction, extraction, maintenance and repair	3,012
Production, transportation and material moving	5,761

**Table 26 – Occupations by Sector**

*Data Source: 2019-2023 ACS*

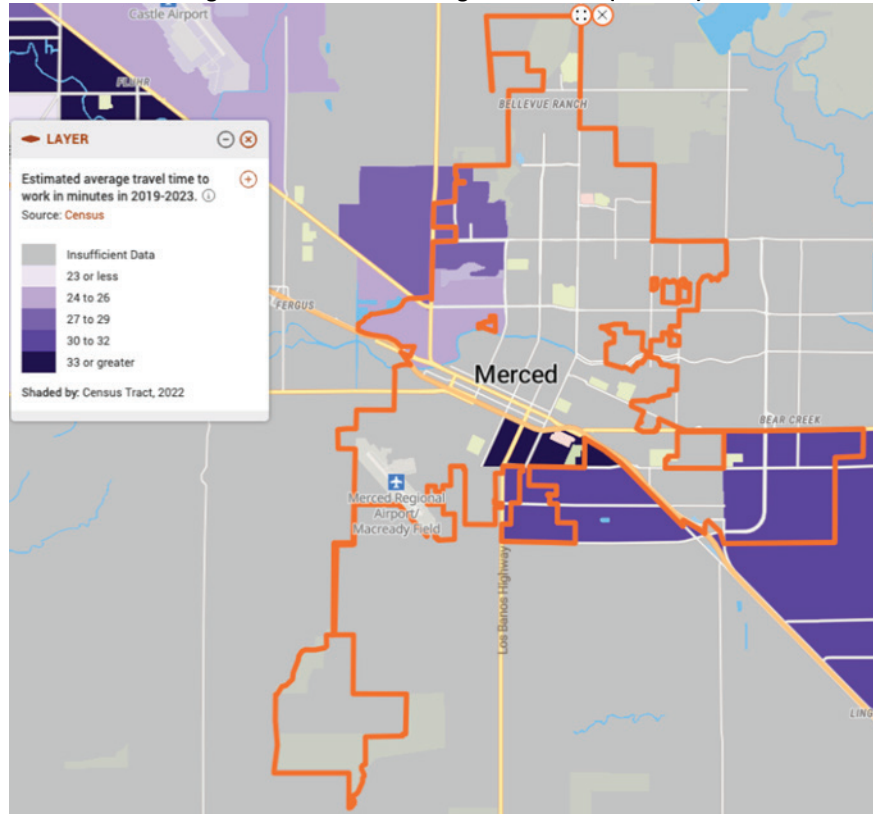
## Travel Time

Travel Time	Number	Percentage
< 30 Minutes	21,613	70%
30-59 Minutes	5,319	17%
60 or More Minutes	4,048	13%
<b>Total</b>	<b>30,980</b>	<b>100%</b>

**Table 27 - Travel Time**

*Data Source: 2019-2023 ACS 5-yr Estimates*

**Figure 16: Estimated Average Travel Time (minutes)**



## Education

### Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	5,122	1,033	3,317
High school graduate (includes equivalency)	6,789	985	3,117
Some college or associate's degree	10,219	1,024	3,323
Bachelor's degree or higher	5,750	219	931

**Table 28 - Educational Attainment by Employment Status**

*Data Source: 2019-2023 ACS 5-yr Estimates*

**Educational Attainment by Age**

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	422	911	1,392	2,535	1,575
9th to 12th grade, no diploma	1,110	1,229	1,330	2,075	810
High school graduate (includes equivalent)	3,258	3,771	2,562	4,573	2,100
Some college, no degree	5,012	3,933	2,939	3,622	1,774
Associate's degree	424	1,645	999	1,446	1,012
Bachelor's degree	962	1,698	1,042	1,712	1,047
Graduate or professional degree	67	803	675	970	615

**Table 29 - Educational Attainment by Age***Data Source: 2019-2023 ACS 5-yr Estimates***Educational Attainment – Median Earnings in the Past 12 Months**

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	\$29,849
High school graduate (includes equivalency)	\$35,832
Some college or associate's degree	\$39,212
Bachelor's degree	\$59,844
Graduate or professional degree	\$82,035

**Table 30 – Median Earnings in the Past 12 Months***Data Source: 2019-2023 ACS 5-yr Estimates***Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?**

As shown above, the three sectors with the greatest number of jobs in Merced are Education and Health Care (8,652 jobs), Retail Trade (3,229 jobs), and Public Administration (3,097 jobs). In some sectors, there are fewer jobs than workers, meaning that workers are commuting to other jurisdictions to work – for example, there are only 357 Agriculture, Mining, Oil & Gas Extraction jobs in Merced, but 2,074 workers. At the other end of the spectrum, there are more jobs than workers in the Public Administration sector demonstrating that additional people are commuting into Merced for work. Overall, there are about 31,156 workers in Merced but just 26,414 jobs.

**Describe the workforce and infrastructure needs of the business community:**

Merced several workforce and infrastructure challenges that require strategic interventions to support economic growth and improve job alignment. One significant workforce need is addressing the educational attainment gap, as a considerable portion of the population (17.8%) has less than a high school diploma. This limits access to higher-paying jobs, with median earnings significantly lower for those without post-secondary education compared to individuals with a bachelor's or graduate degree. Workforce development programs focusing on vocational training, certifications, and higher education

access are essential to equipping residents with skills that align with high-demand sectors, particularly in education, healthcare, and professional services.

Unemployment remains a concern in Merced, with an overall rate of 8.7% and higher unemployment rates among youth aged 16–24. Targeted initiatives such as internships, apprenticeships, and entry-level opportunities in retail trade, construction, and manufacturing are crucial for reducing unemployment in this demographic. Additionally, there is a notable mismatch between the number of workers and available jobs in sectors like agriculture, construction, and manufacturing, where workers outnumber job opportunities. Efforts to create more employment in these industries can enhance labor force utilization. Education and healthcare services dominate the local economy, accounting for 32.8% of jobs, highlighting the need for continued investment in training and certification programs to meet workforce demands.

Infrastructure needs also play a critical role in supporting Merced's workforce. While 70% of residents have commutes under 30 minutes, 30% face longer travel times, indicating a need for expanded public transportation and infrastructure improvements. Investments in transit options connecting Merced to nearby cities and employment hubs could enhance job accessibility for residents. Housing affordability and accessibility are additional concerns. As the population grows, developing more affordable housing and mixed-use spaces can attract and retain workers. Policies encouraging the conversion of underutilized commercial spaces to residential use could address these challenges.

Moreover, Merced's limited representation in the information and professional services sectors underscores the need for investments in digital and technological infrastructure. Expanding broadband access and supporting technology-based industries can help diversify the economy and create high-skill job opportunities. Establishing local training centers and business incubators can further support emerging industries and provide residents with pathways to entrepreneurship and professional development.

**Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.**

The California High-Speed Rail project is set to significantly impact Merced's economic landscape. The initial operating segment, spanning 171 miles from Merced to Bakersfield, is currently under construction, with passenger service anticipated to commence between 2030 and 2033.

The construction phase is expected to generate numerous jobs in construction, engineering, and related industries, benefiting local businesses through increased demand for materials and services. Upon completion, the high-speed rail station in Merced is likely to stimulate transit-oriented development, leading to long-term employment opportunities in real estate, urban planning, and various supporting sectors. This development is anticipated to attract new retail, office, and residential projects, diversifying the city's employment landscape.

Enhanced connectivity to major economic centers such as the Bay Area, Sacramento, and Los Angeles will make Merced an attractive location for businesses seeking affordable office space with efficient access to larger markets. The tourism and hospitality sectors are also poised for growth, as reduced travel times make Merced more accessible to visitors, particularly given its proximity to Yosemite National Park. Additionally, the rail system could position Merced as a logistics and warehousing hub, facilitating efficient goods movement and attracting companies in these industries.

The high-speed rail system will improve workforce mobility by enabling Merced residents to commute to higher-paying jobs in urban centers while continuing to reside locally. Conversely, it may attract skilled workers from outside the area, diversifying and strengthening the local workforce. Local entrepreneurs and small businesses stand to benefit from easier access to larger markets, providing new opportunities for growth and expansion.

However, this growth also presents challenges, such as potential increases in housing costs and pressure on local infrastructure. Proactive policies will be necessary to ensure inclusive and sustainable development, particularly through investments in affordable housing and workforce training initiatives. In summary, the high-speed rail system offers Merced a unique opportunity to drive economic growth, create jobs, and enhance regional connectivity, but careful planning and strategic investments will be essential to maximize its benefits for the community.

#### **How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?**

The skills and education of Merced's current workforce reflect a significant alignment challenge with the employment opportunities available in the region. Key sectors such as agriculture, construction, and manufacturing have a surplus of workers compared to the number of available jobs, creating a mismatch that limits economic opportunities for residents. For example, the agriculture sector employs 6.7% of the workforce, while jobs in this sector represent only 1.4% of total employment opportunities. Similarly, the construction and manufacturing sectors each show a deficit of over 3%, highlighting the need for workforce diversification and skill realignment.

Merced's workforce faces notable educational challenges that influence job alignment. Nearly 17.8% of the population over 16 years old has less than a high school diploma, which restricts access to higher-paying and skilled positions. Workers with some college or an associate degree, who make up the largest proportion of the labor force, are more aligned with mid-level positions in sectors such as education, healthcare, and sales, which together account for a significant share of available jobs. However, higher-paying sectors like professional and technical services, which often require advanced degrees, are underrepresented in Merced's labor force.

The education and healthcare services sector, the largest employer in Merced at 32.8% of total jobs, offers opportunities that require varying skill levels. However, a lack of advanced degrees among workers limits the ability to fill higher-skilled roles in this growing sector. Similarly, the finance, insurance, and real estate sectors, which represent 5.9% of jobs, show a 2.7% surplus of jobs compared to the workforce, further demonstrating the gap between skills and market demands. Additionally, the

high unemployment rate among young workers aged 16–24 highlights the need for targeted workforce development programs, internships, and apprenticeships to bridge the skills gap and connect younger residents with emerging opportunities.

**Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.**

Merced offers a variety of workforce training initiatives through collaborations among workforce investment boards, community colleges, and other organizations, aiming to enhance the skills and employability of its residents.

Worknet Merced County serves as the region's America's Job Center of California, providing comprehensive services to both job seekers and employers. For individuals aged 16 to 24, as well as adults, Worknet offers career advising, education, and job training programs. Employers can benefit from assistance with recruitment, skills assessment, job fairs, and hiring processes. Additionally, Worknet provides support through On-the-Job Training and Subsidized Employment programs, which may reimburse training costs from 50% to 100% during the training period.

Merced College plays a pivotal role in workforce development through its Workforce Education department. The college offers customized training programs tailored to meet the needs of local employers and residents. Notable programs include the nationally recognized Customer Service Academy and the Emerging Leaders Institute, which focus on enhancing customer service skills and developing leadership capabilities, respectively. The college also provides other business development courses and can design specialized training with subject matter experts to meet specific organizational goals.

The Merced County Office of Education's Regional Occupational Program (ROP) offers high-quality occupational training programs directly aligned with students' career interests. The Adult ROP provides training in various industry sectors, preparing adult students with relevant, high-quality career skills to secure sustainable employment and advancement.

Additionally, the Gateway Adult Education Network, in partnership with Merced College, offers the Workforce Readiness Training Program designed to prepare students for the demands of the business community and the 21st-century workforce. These courses focus on self-awareness, evaluating career opportunities, essential skills, and employer expectations.

A goal included in this Consolidated Plan is to improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities. The above-mentioned initiatives and programs support the City's goal of improving economic opportunity for residents with low to moderate incomes. Organizations interested in receiving CDBG funds to support the operation and expansion of their programs may apply for funds through the annual competitive Notice of Funding Opportunity (NOFO).

**Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?**



No, the City does not participate in a Comprehensive Economic Development Strategy.

**If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.**

N/A

## **Discussion**

The 2030 Merced County General Plan's Economic Development Element aims to enhance economic growth in Merced by diversifying the economy, supporting existing businesses, attracting new industries, and improving workforce development. It promotes reducing reliance on agriculture by attracting industries like renewable energy, green technology, and value-added food processing. The plan leverages Merced's key assets, including the Castle Commerce Center, UC Merced, and the upcoming High-Speed Rail, to attract businesses and spur job creation.

Workforce development is a core focus, emphasizing partnerships with UC Merced and Merced College to provide vocational training and prepare residents for emerging industries. Business retention and attraction efforts, such as financial incentives and enterprise zones, aim to support small businesses and strengthen local retail and commercial hubs. Additionally, the plan emphasizes tourism and agritourism by promoting Merced's natural and agricultural resources, contributing to economic diversification and increased revenue.

Infrastructure investments, paired with policies to enhance quality of life and environmental sustainability, are designed to make Merced more competitive and appealing to businesses and residents. Collectively, these strategies position Merced as a hub for sustainable economic growth and innovation.

The Merced County Foreign Trade Zone (FTZ) Economic Strategy directly benefits the City of Merced by encouraging economic diversification, attracting foreign and domestic investment, and fostering job creation. The FTZ strategy, which includes the Castle Commerce Center in Merced, provides businesses with key incentives such as tariff reductions, duty deferrals, and streamlined customs procedures. These benefits make Merced an attractive location for businesses involved in manufacturing, logistics, and international trade.

By leveraging its strategic location, the FTZ boosts Merced's competitiveness in attracting industries seeking cost-efficient operations. Businesses within the FTZ can reduce overhead expenses, particularly those related to importing and exporting goods, which encourages expansion and supports local supply chains. Additionally, the strategy supports infrastructure improvements and investment around the FTZ area, further enhancing the city's appeal as a hub for logistics and advanced manufacturing.

The FTZ strategy also aligns with Merced's broader economic goals by creating full-time, year-round jobs and increasing opportunities for local residents. These initiatives promote a more balanced and diversified economy while positioning Merced as a key player in the regional and global markets.

## **MA-50 Needs and Market Analysis Discussion**

### **Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")**

The four major housing problems recognized by HUD are a lack of complete kitchen facilities, a lack complete plumbing facility, more than one occupant per room (overcrowding), and cost burden greater than 30 percent. Severe housing problems include more than 1.5 occupants per room and a cost burden greater than 50 percent. Concentration is the degree to which a specific population, housing type, or socioeconomic condition is clustered or overrepresented within a particular geographic area, such as a neighborhood or census tract.

At the end of this Section, Figures 17 through 19 show areas in Merced where housing problems are concentrated for extremely low income, low income, and moderate-income households with any of the four severe housing problems.

### **Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")**

HUD has developed census-tract based areas called R/ECAPs, or racially/ethnically concentrated areas of poverty. These areas have a non-white population of more than 50 percent as well as 40 percent or more of the population living under the poverty line.

Figure 20 below shows the racially/ethnically concentrated areas of poverty in Merced. These zones are primarily located in the central and southeastern parts of the city.

Figure 21 shows the concentration of low-income households throughout Merced.

### **What are the characteristics of the market in these areas/neighborhoods?**

The areas of higher concentration of lower income households are located within HUD designated Qualified Census Tracts (QCTs). A QCT is a designation by HUD to identify areas with significant economic needs and where federal housing and development resources can be targeted. A census tract qualifies as a QCT if it meets one of two criteria: at least 25% of the population lives below the federal poverty level, or at least 50% of households have incomes below 60% of the area median gross income (AMGI), adjusted for family size. These designations are intended to focus investments in affordable housing and community development in areas with the greatest need, promoting revitalization and economic growth.

Figure 22 shows where the concentration of households with low incomes in relation to the QCTs.

### **Are there any community assets in these areas/neighborhoods?**

There are several community assets within the neighborhoods with higher concentration of households with low income that provide essential services and opportunities for residents. Educational institutions,

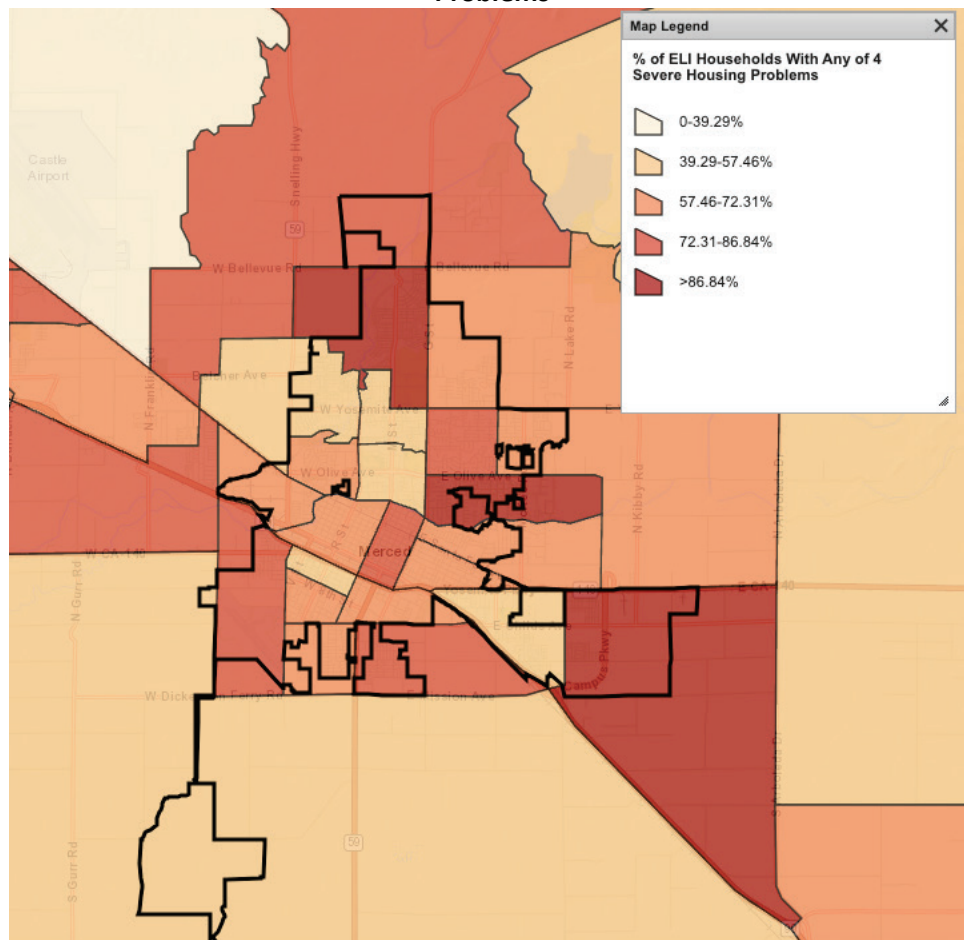
such as Merced High School offer programs like the Bear Academy (ASSETS), which provides academic support and enrichment activities for students. Parks such as Applegate Park and McNamara Park serve as key recreational facilities, offering amenities like playgrounds, sports fields, and open spaces for community gatherings and leisure activities. Municipal facilities, including the Merced Civic Center and the McCombs Youth Center, act as hubs for civic engagement, hosting events, providing public services, and offering programs focused on community development, health, and education.

**Are there other strategic opportunities in any of these areas?**

There is an opportunity to develop affordable housing projects and mixed-use developments within these areas. Such initiatives could help address housing shortages while stimulating local economic activity. Partnerships with institutions like Merced College and the Merced County Office of Education could lead to vocational training programs that align with local workforce needs, particularly in high-demand sectors such as healthcare, logistics, and green technology.

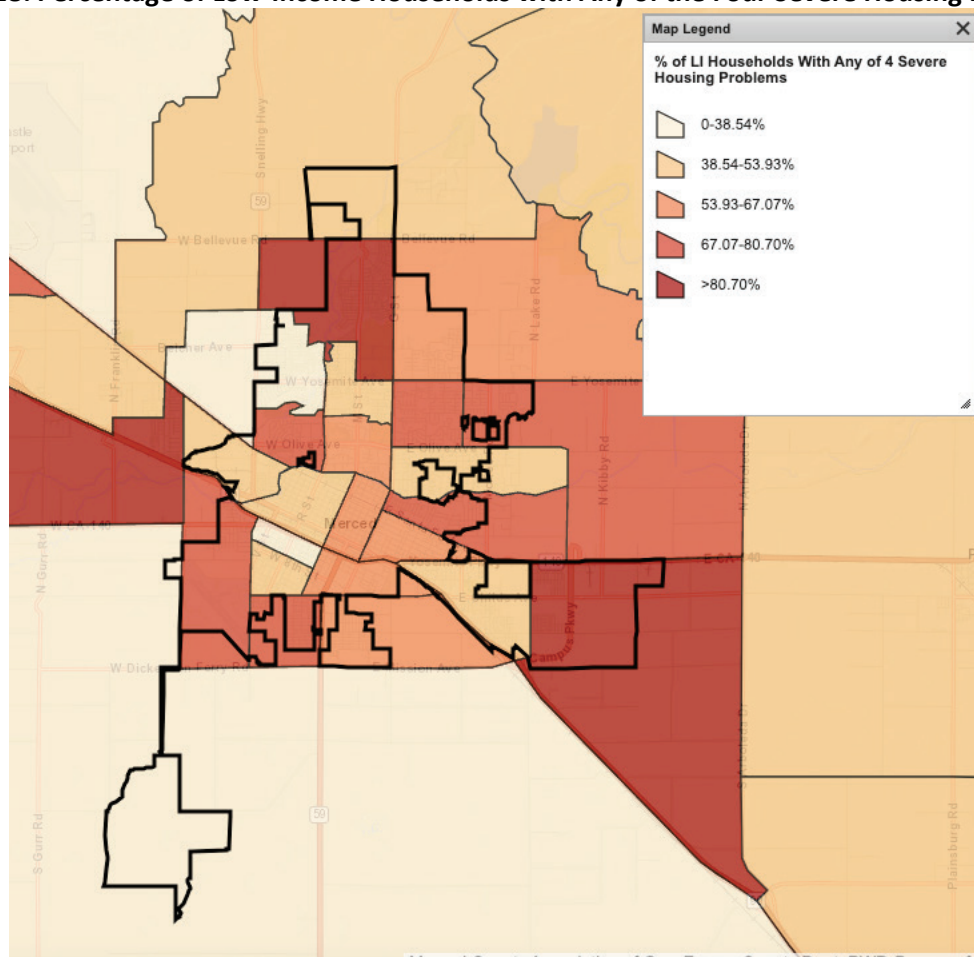
Furthermore, the proximity of these areas to key infrastructure projects like the planned High-Speed Rail station creates opportunities to integrate transit-oriented development (TOD), encouraging investments in retail, housing, and small business growth near transportation hubs.

**Figure 17: Percentage of Extremely Low-Income Households with Any of the Four Severe Housing Problems**



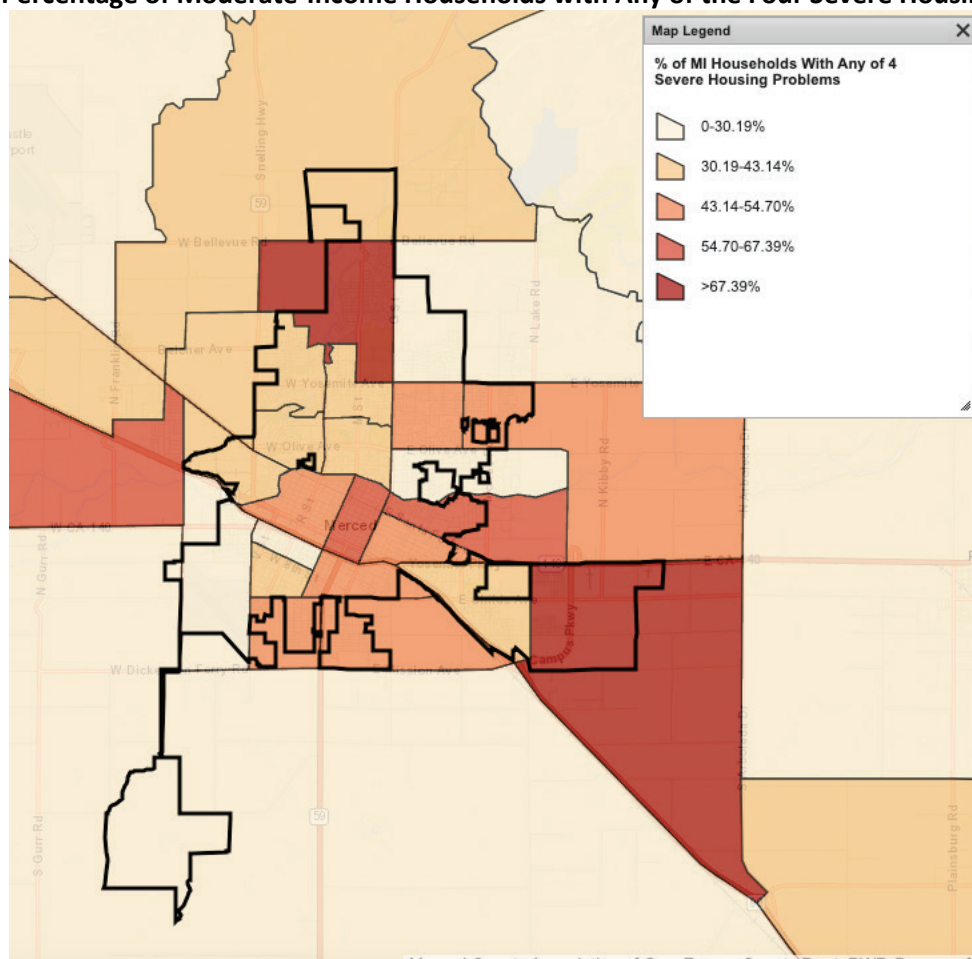
**Data Source:** HUD EGIS Maps

**Figure 18: Percentage of Low-Income Households with Any of the Four Severe Housing Problems**



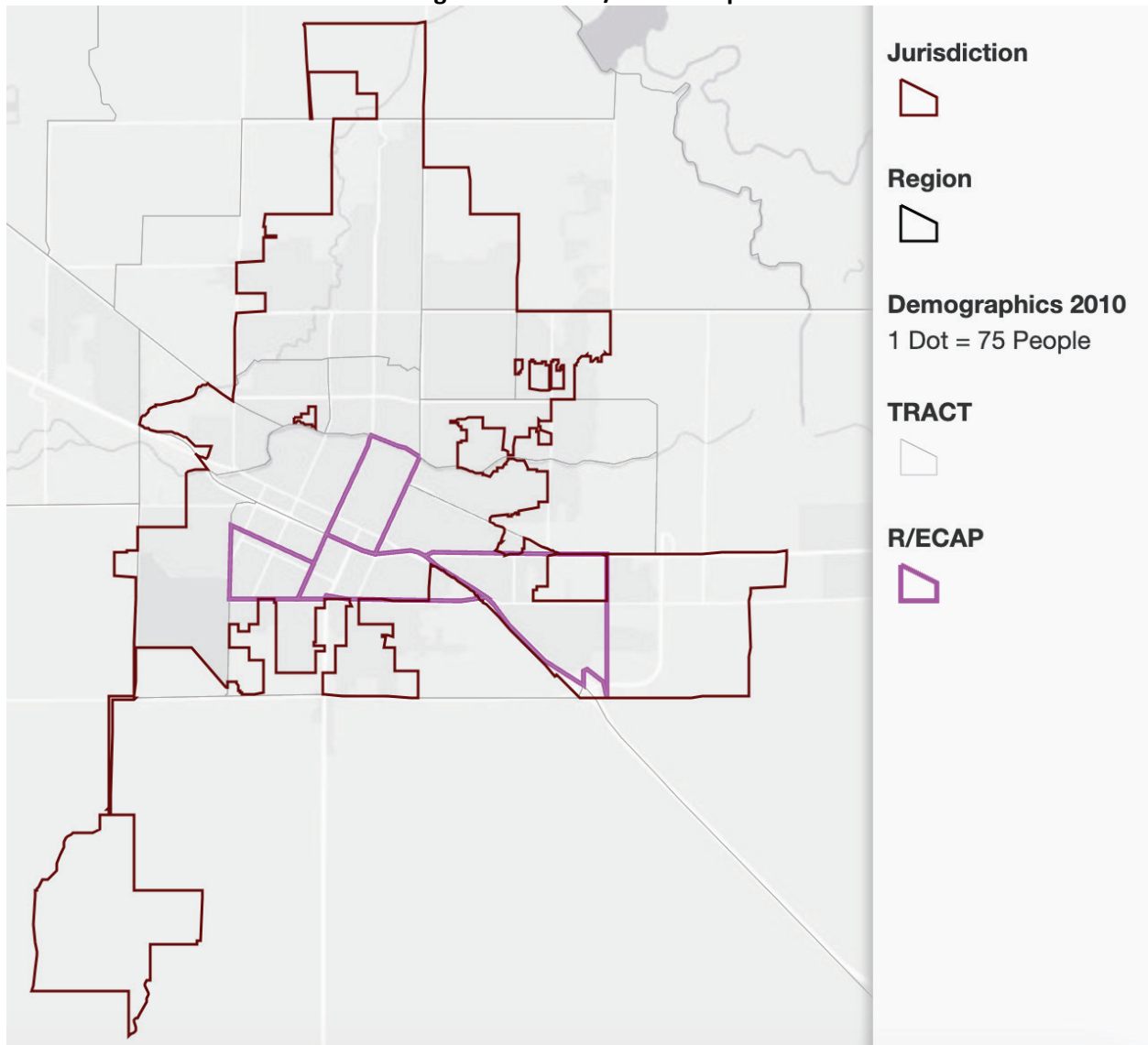
*Data Source: HUD EGIS Maps*

**Figure 19: Percentage of Moderate-Income Households with Any of the Four Severe Housing Problems**



*Data Source: HUD EGIS Maps*

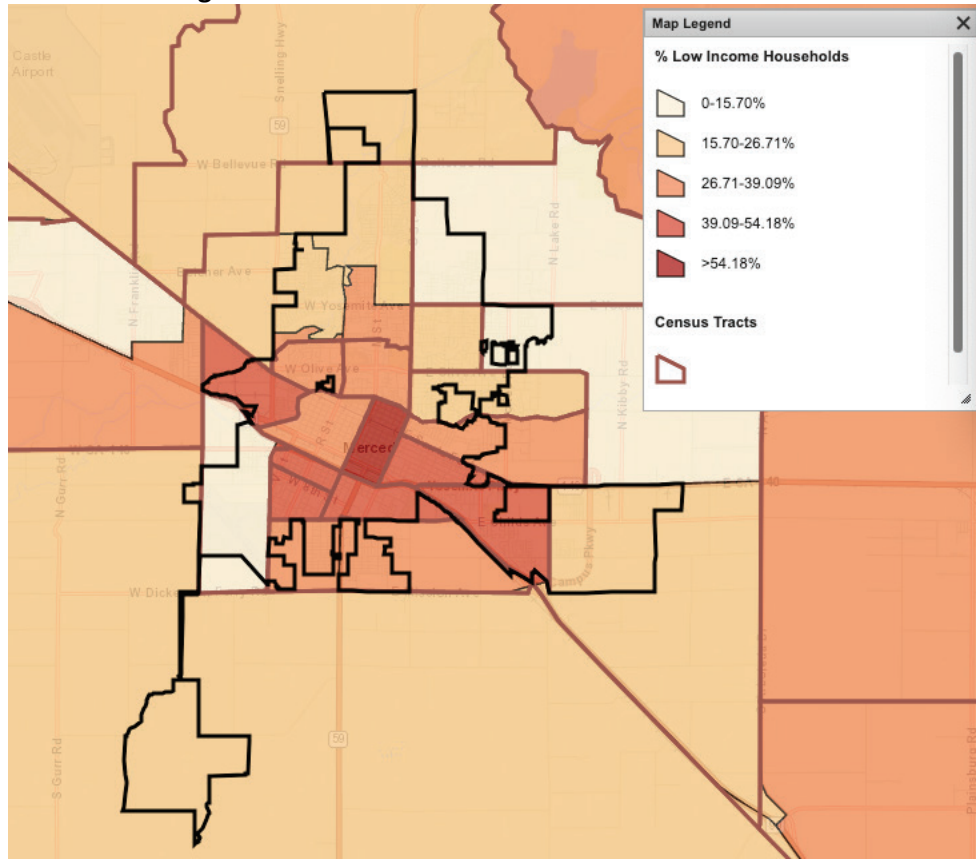
**Figure 20: HUD R/ECAPs Map**



*Data Source: HUD EGIS Maps*

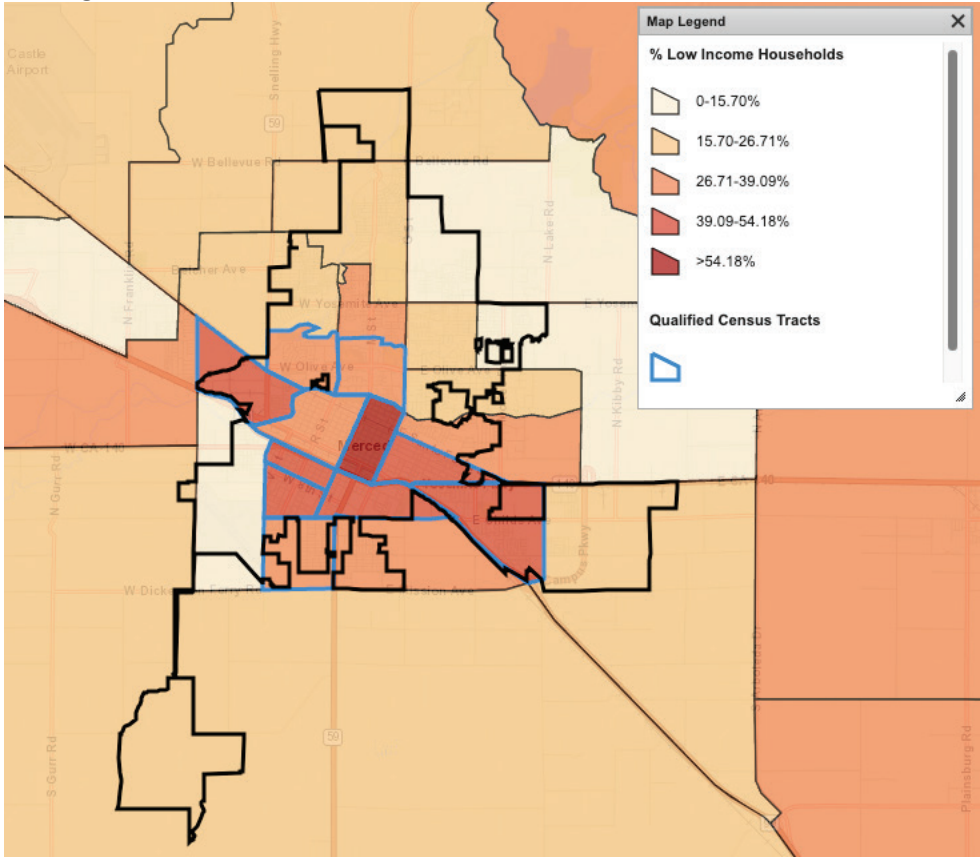


**Figure 21: Concentration of Low-Income Households**



*Data Source: HUD EGIS Maps*

Figure 22: Concentration of Low-Income Households in Relation to QCT



Data Source: HUD EGIS Maps

**MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)**

**Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.**

HUD guidelines require all Consolidated Plans to include a discussion on the broadband needs of the jurisdiction and the prevalence of the digital divide, defined as the gap between households with access to computers and internet on a regular basis and those who do not. Consolidated Plans are required to account for the digital divide and resiliency to natural hazards within the relevant jurisdiction.

In drafting the Consolidated Plan, the City used data from the Federal Communications Commission (FCC) regarding the number of broadband internet service providers in the City and the US Census Bureau's American Community Survey to determine the number of households with and without internet access.

To address the digital divide, the City included a question in its community needs survey that asked residents to rank different types of infrastructure in order of importance from greatest to lowest need in their community. In aggregate, the survey respondents ranked access to high-speed internet as a moderate need.

In Merced, individuals from households with low incomes have access to several programs that provide affordable internet services to help bridge the digital divide. The Affordable Connectivity Program (ACP), a federal initiative, offers eligible households a monthly discount of up to \$30 on internet services and a one-time discount of up to \$100 for purchasing a laptop, desktop computer, or tablet through participating providers. Eligibility is based on income (households earning at or below 200% of the Federal Poverty Line) or participation in programs such as SNAP, Medicaid, SSI, WIC, Pell Grants, or the National School Lunch Program.

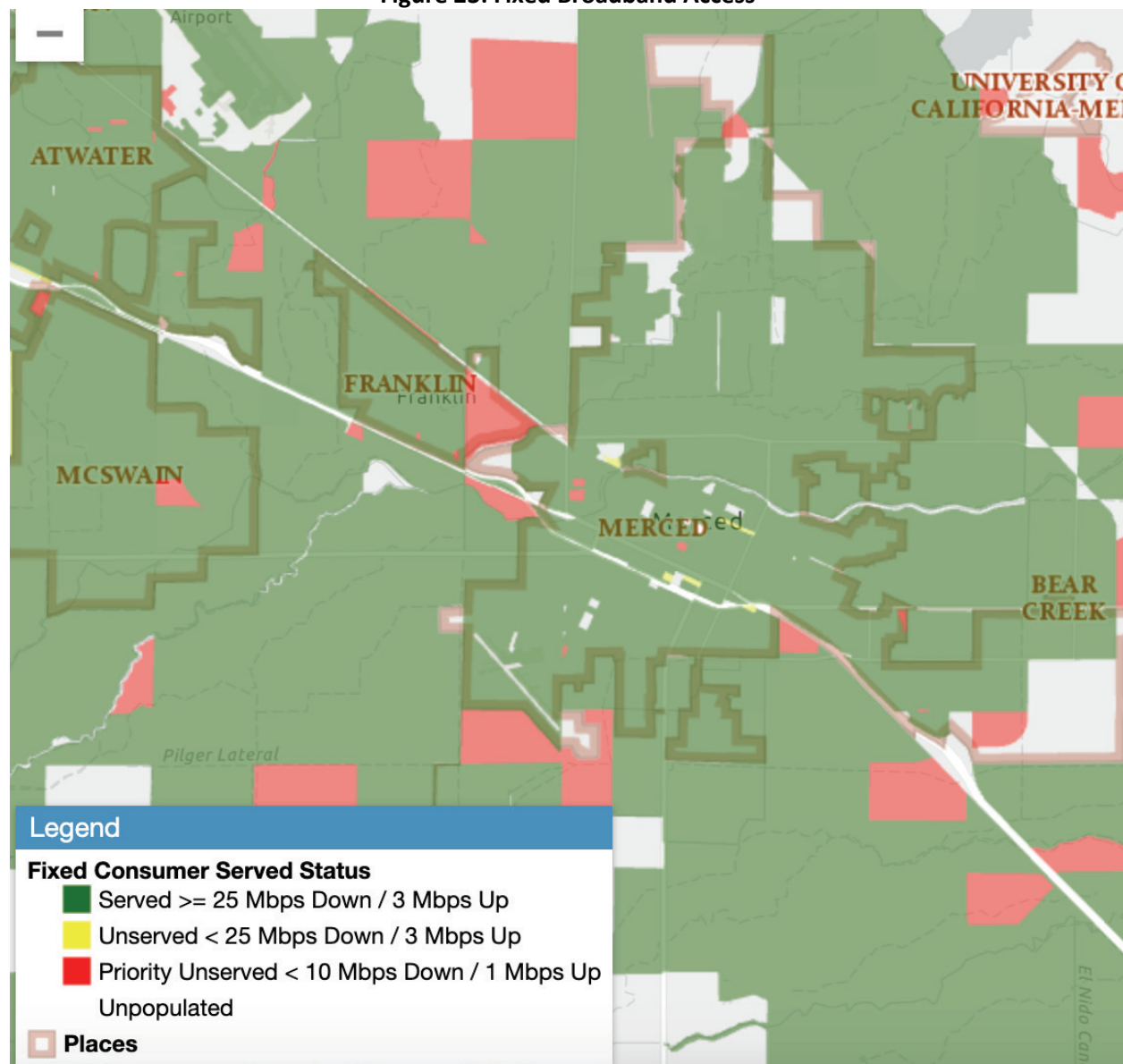
AT&T Access programs provide low-cost home internet services for households participating in programs like SNAP, SSI, or the National School Lunch Program, or for those meeting specific income thresholds. Similarly, Spectrum Internet Assist offers discounted internet access to individuals and families who qualify based on income or participation in assistance programs. Additionally, the California LifeLine Program offers discounted landline and mobile phone services, further supporting communication needs for individuals with limited financial resources.

Figure 23 shows the City's access to providers offering broadband services. To be considered broadband, a provider must offer speeds of 25Mbps download and 3Mbps upload. Below shows the percent of units with fixed broadband access.

**Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.**

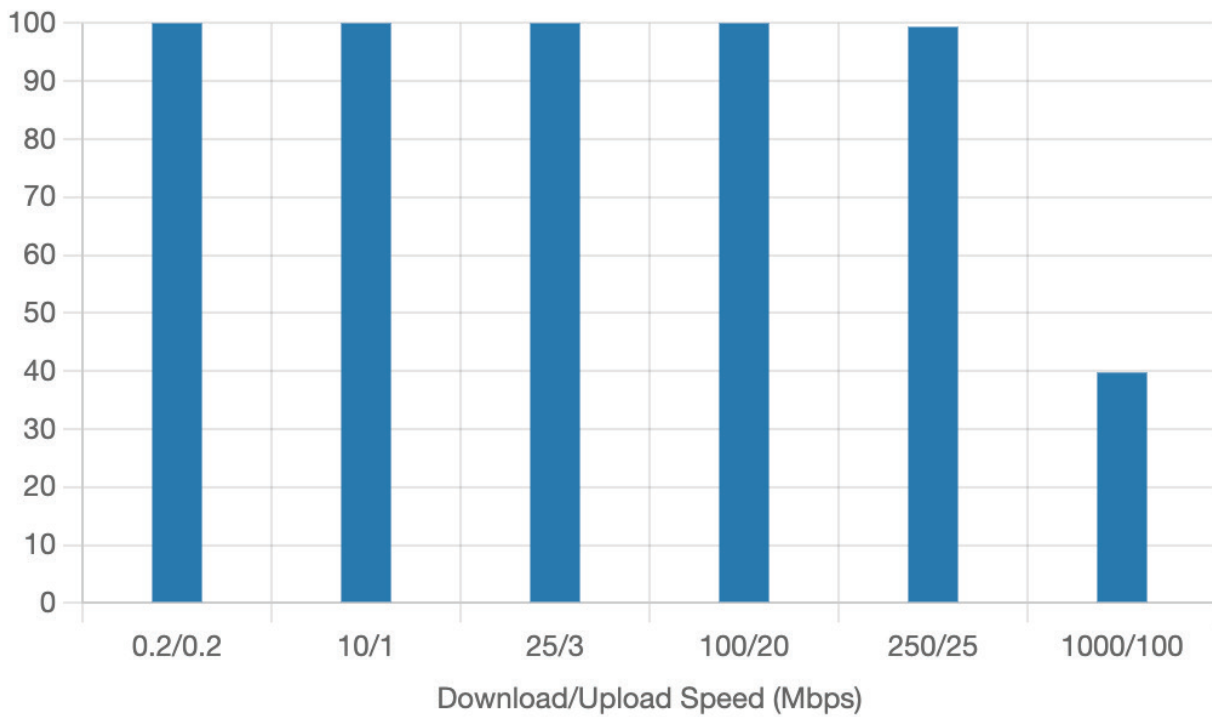
Most residents of Merced have access to two or more broadband internet providers. This is significant as multiple providers drives competition in the broadband market and pushes rates lower, therefore making them more affordable to households. Figure 25 shows available broadband providers in Merced.

**Figure 23: Fixed Broadband Access**



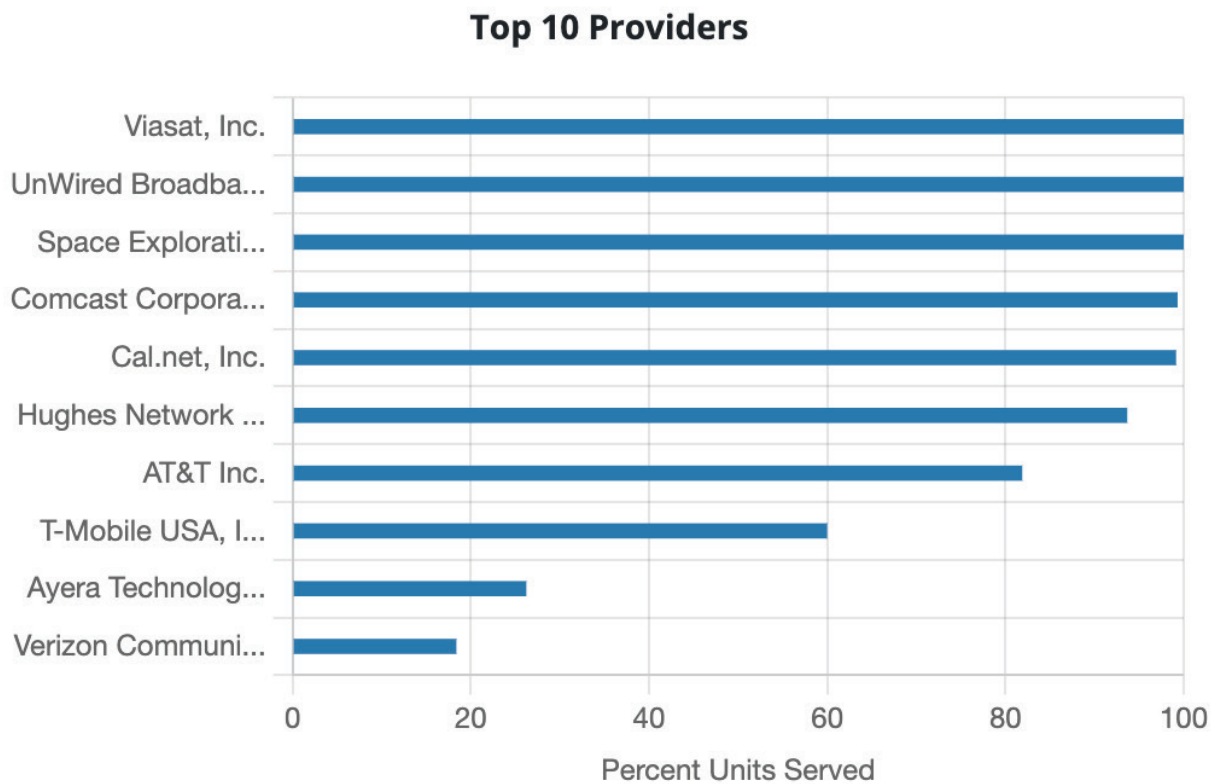
*Data Source: California Interactive Broadband Map (data as of December 31, 2021)*

**Figure 24: Percent of Units Covered**  
**Percent of Units Covered**



**Source:** Federal Communications Commission (data as of June 30, 2024)

**Figure 25: Top 10 Broadband Providers, 2024**



**Source:** Federal Communications Commission (data as of June 30, 2024)

## **MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)**

### **Describe the jurisdiction's increased natural hazard risks associated with climate change.**

Merced faces heightened natural hazard risks due to climate change, impacting the community's safety, health, and economy. The City's Local Hazard Mitigation Plan identifies key threats such as flooding, earthquakes, wildfires, and fog. Climate change exacerbates these hazards by altering weather patterns, increasing the frequency and severity of extreme events, and straining existing infrastructure.

Floods: Flooding remains a significant risk for Merced, as demonstrated by the 2022–2023 California floods, which highlighted the increasing intensity and frequency of such events due to climate change. In Merced County, the floods affected over 500 residential properties and 40 commercial structures, causing substantial damage. Bear Creek in Merced exceeded 26 feet, overflowing its banks and resulting in widespread property damage in residential neighborhoods.

Droughts and Wildfires: Merced faces heightened risks of wildfires and other natural disasters due to prolonged dry conditions exacerbated by climate change. Droughts significantly reduce soil moisture and vegetation health, creating the dry and flammable conditions that contribute to the increased frequency and intensity of wildfires in the region. Even though Merced is not traditionally a high-risk wildfire zone compared to mountainous areas, indirect risks such as degraded air quality and strain on emergency resources have been growing as nearby wildfires become more frequent and severe.

Health Impacts: Climate change poses significant health risks, affecting respiratory and cardiovascular systems, increasing the prevalence of heat-related illnesses, and exacerbating the spread of vector-borne diseases. Poor air quality from rising temperatures and wildfires, as seen in Merced during the 2020 wildfires, aggravates conditions like asthma and heart disease. Heatwaves, which disproportionately impact vulnerable groups such as older adults and outdoor workers, have led to spikes in heat-related illnesses. Changes in climate also extend the breeding season for disease-carrying vectors, contributing to increased cases of West Nile virus in California.

Waterborne and foodborne illnesses are heightened by climate-driven events like flooding, which contaminate water supplies and increase the risk of gastrointestinal diseases. In Merced, the 2022–2023 floods not only caused physical damage but also heightened public health risks due to contaminated water and displaced residents. Mental health impacts, including anxiety and stress, are also significant, as individuals face the trauma of natural disasters and economic instability. Additionally, prolonged droughts in regions like Merced threaten food security, increasing malnutrition risks as agricultural yields decline.

To address these challenges, Merced has developed a Climate Action Plan aimed at reducing greenhouse gas emissions and enhancing community resilience. The plan outlines strategies to protect water and air resources, improve energy efficiency, and create healthy, livable communities.

### **Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.**

Several studies and reports highlight the heightened vulnerability of households with low- and moderate-incomes to climate-related risks. The U.S. Environmental Protection Agency's report, "Climate Change and Social Vulnerability in the United States," emphasizes that socially vulnerable populations, including low-income communities, are disproportionately affected by climate impacts such as poor air quality, extreme heat, and flooding. These communities often reside in areas more susceptible to environmental hazards and may lack the resources necessary for effective disaster preparedness and recovery.

A survey conducted by the Federal Reserve Bank of San Francisco found that climate-related shocks and stresses disproportionately impact groups that have traditionally faced higher barriers to economic participation, including low-income communities and communities of color. The survey highlighted that these populations are more vulnerable due to factors such as limited financial resources, inadequate infrastructure, and higher exposure to environmental hazards.

In California, the Legislative Analyst's Office has reported that climate change is expected to impact housing in various ways, exacerbating the state's existing housing affordability challenges. Households with low-incomes are particularly at risk, as they often reside in housing that is more susceptible to climate-related damages and may lack the means to relocate or rebuild after disasters.

Furthermore, a study published in the journal *Environmental Justice* found that extreme heat poses significant health risks to residents of subsidized housing in California. The research indicated that a notable percentage of public housing units and Low-Income Housing Tax Credit units are located in areas with high vulnerability to extreme heat, underscoring the need for targeted housing and land-use policy interventions to reduce heat vulnerability among populations with low-incomes.



# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

The Strategic Plan establishes the approaches and policies the City intends to use to address the challenges and opportunities identified in the Needs Assessment and Market Analysis. This plan is designed to guide the City in achieving its overarching goal for the Consolidated Plan by prioritizing investments in low- and moderate-income neighborhoods.

From that input and assessment process, the following broadly stated Guiding Principles have been formulated that summarize the priority needs that the City will try to address over the next five years:

- Enhance housing opportunities by increasing the availability of affordable housing options and improving the efficiency and cost-effectiveness of existing housing.
- Promote housing stability for the city's most vulnerable residents by supporting a range of programs and services that address needs across the housing spectrum, from emergency to permanent housing.
- Improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities

Section SP-25 of this Plan focuses the above Guiding Principles into more specific prioritized needs categories, with associated attainable and measurable goals. As projects are conceived, approved, and implemented in each Annual Action Plan for the first year and each year thereafter, these Needs and Goals will help guide National Objectives, anticipated Performance Objectives and Outcomes, and eventually, will assist in reporting accomplishments once completed.

The focused Priority Needs for the 2025-2029 Consolidated Plan cycle are:

6. Increase Economic Development and Job Opportunities
7. Expand and Improve Public Infrastructure and Facilities
8. Affordable Housing, Shelter, and Housing Stability
9. Quality of Life Services for LMI Residents
10. Increase and Rehabilitate Owner Housing

The Goals that will be closely associated with the above focused Priority Needs are listed below, in SP-25, and described further in Section SP-45.

- 1A Provide Community Based Job Training
- 1B Provide Business Assistance
- 2A Invest in Community Facilities & Centers
- 2B Invest in Public infrastructure & ADA improvements

- 2C Invest in Parks & Recreation Facility Improvements
- 3A Increase Affordable Rental Housing Opportunities
- 3B Rehabilitation of Existing Rental Housing
- 3C Assistance for Shelter/Supportive/Overnight/Transitional housing
- 3D Provide Housing Stability & Homeless Prevention Services
- 3E Fair Housing and Dispute Resolution services
- 4A Provide vital public services for LMI individuals and families
- 5A Increase and rehabilitate existing homeowner housing
- 5B Create new opportunities for homeownership
- 6 Administration and Planning

## SP-10 Geographic Priorities – 91.215 (a)(1)

### Geographic Area

Table 31 - Geographic Priority Areas

1	<b>Area Name:</b>	City Wide
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Comprehensive
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	All residential areas within the City limit boundaries, including County pockets serviced by the City.
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	Priority needs addressed city wide are those that will meet all Low-Mod National Objectives except for the LMA Area Benefit.
	<b>Identify the needs in this target area.</b>	All
	<b>What are the opportunities for improvement in this target area?</b>	<p>During the needs assessment process, residents often expressed the need for road improvements, to not only address the condition of roads, but to design them so as to reduce speeding by motorists. On-street bikeway improvements were also expressed as a street improvement need - making bicycle travel safer for carless residents or those looking to cut household fuel costs to help make ends meet.</p> <p>Additionally, there is a need for more fire apparatus equipment and fire stations that could potentially respond to major fire incidents throughout the city. Other projects that would serve a city wide purpose could qualify under this target area.</p>
	<b>Are there barriers to improvement in this target area?</b>	No

2	<b>Area Name:</b>	LMI Census Tract Areas
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Other
	<b>Other Revital Description:</b>	Focus on infrastructure, recreation/park, and public facilities improvements
	<b>Identify the neighborhood boundaries for this target area.</b>	This target area is bounded by the edges of the CDBG Income Eligible Census Tracts, as determined by HUD on a year-to-year basis.
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
<b>Are there barriers to improvement in this target area?</b>		
3	<b>Area Name:</b>	South Merced Area
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Comprehensive
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	This area is designated as all residential areas within the city limits that are south of Highway 99, which runs east-west through the city.

	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	
<b>4</b>	<b>Area Name:</b>	Eastern South Merced Area
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Comprehensive
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	This priority area is defined as all residential Block Groups within the city limits that are east of G Street, north of Highway 99, and south of the Santa Fe Railroad and Yosemite Parkway (E. Highway 140).
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	

	<b>Identify the needs in this target area.</b>	Some block groups in this area contain a high percentage of homes built in 1979 or before, particularly Block Group 2 in Census Tract 14.02 (87.95%) and Block Groups 1 and 2 in Census Tract 17.00 (65.32% and 90.7%, respectively). This may mean that a large number of these homes could benefit from lead based paint abatement activities associated with homeowner rehabilitation.
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	None
5	<b>Area Name:</b>	Loughborough Drive Area
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Comprehensive
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	This priority area is defined as all residential block groups west of M Street, east of North Highway 59, north of Olive Avenue, and south of Buena Vista Drive.
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	
	<b>Area Name:</b>	Merced Rail Station Planning Area

6	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Comprehensive
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	

### General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The City of Merced has not generally allocated funding based on a specific geographic area, but historically has instead prioritized activities and programs that demonstrate high quality and align with the priorities and goals of the Consolidated Plan.

During this Consolidated Plan period, the City will likely continue in this practice. However, as there are areas of the City that warrant additional focus and improvement, the City is including specific target areas with which to allow the option to direct extra attention, should funding, projects, and implementation capacity align.

Funding distribution will still be guided by the quality and quantity of applications received, ensuring alignment with the city's strategic objectives, but the City will also consider how programs or projects might be more effectively used in the target areas for greater impact. While the City employs a place-

based strategy during the planning period, the geographic allocation of funding will depend on the type of activity being funded. This considered, the primary focus will remain to support programs in areas most impacted by the needs of low-income residents and individuals with special needs.

Efforts to invest in specific census tracts or neighborhoods where at least 51% of residents are classified as low- or moderate-income, or LMI Census Tracts, will be prioritized to ensure access to resources and meet a Low-Mod Area (LMA) National Objective. As an example of a Targeted Area-activity, public infrastructure improvements such as ADA upgrades may be directed exclusively toward block groups in South Merced or East South Merced, which are in LMA Census Tracts. Such activities are intended to benefit all residents within a specific area, addressing critical needs and fostering community development.



## SP-25 Priority Needs - 91.215(a)(2)

### Priority Needs

Table 32 – Priority Needs Summary

1	<b>Priority Need Name</b>	1 Increase Economic Development/Job Opportunities
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	<b>Geographic Areas Affected</b>	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area Merced Rail Station Planning Area

	<b>Associated Goals</b>	1A Provide Community Based Job Training 1B Provide Business and Industry Assistance 6A Administration and Planning
	<b>Description</b>	1. Investment in job training and education programs in industries of growth. 2. Create and retain jobs by investing in employers, jobs, and industries that will hire and keep LMI workers employed.
	<b>Basis for Relative Priority</b>	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
2	<b>Priority Need Name</b>	2 Expand/Improve Public Infrastructure/Facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development

	<b>Geographic Areas Affected</b>	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area Merced Rail Station Planning Area
	<b>Associated Goals</b>	2A Invest in Facilities & Centers 2B Public Infrastructure & ADA Improvements 2C Parks & Recreation Facility Improvements 6A Administration and Planning
	<b>Description</b>	1. Investment in Community Centers to support seniors, youth, families, and neighborhoods  2. Invest in Street, Sidewalk, and Safety public infrastructure and facilities to improve accessibility and response; and, increase auto and alternative transportation safety investments to better connect households to work, commerce, and education centers  3. Improve the health and quality of Merced life by investing in Public parks and recreation facilities
	<b>Basis for Relative Priority</b>	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
<b>3</b>	<b>Priority Need Name</b>	3 Affordable Housing/Shelter/Homeless/Prevention
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	City Wide South Merced Area Eastern South Merced Area Loughborough Drive Area Merced Rail Station Planning Area
	<b>Associated Goals</b>	3A Increase Affordable Rental Opportunities 3B Rehabilitation of Existing Rental Housing 3C Supportive, Shelter, & Transitional Housing 3D Provide Housing Stability & Homeless Prevention 3E Provide Fair Housing Services 6A Administration and Planning
	<b>Description</b>	Create new long term affordable housing, housing for vulnerable populations, shelter and transitional housing opportunities; prevention resources such as short or long term rental assistance, security deposits, provide fair housing and dispute resolution services

	<b>Basis for Relative Priority</b>	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
<b>4</b>	<b>Priority Need Name</b>	4 Public Services & Quality of Life for Residents
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area
	<b>Associated Goals</b>	4A Provide Vital Services for LMI Residents 6A Administration and Planning

	<b>Description</b>	Programs to support seniors, youth, and families; nutrition, crime awareness, physical, mental, behavioral health, general healthcare, transportation, life skills, literacy programs; mental/behavioral health, substance abuse and other services for special needs
	<b>Basis for Relative Priority</b>	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
5	<b>Priority Need Name</b>	5 Increase/Preserve/Rehabilitate Homeowner Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	City Wide South Merced Area Eastern South Merced Area Loughborough Drive Area
	<b>Associated Goals</b>	5A Increase/Rehabilitate Homeowner Housing 5B Create New Opportunities for Homeownership 6A Administration and Planning
	<b>Description</b>	Support households' transition from renters to stable homeownership with assistance to potentially include First Time Home Buyer, owner-occupied rehabilitation, and housing counseling activities to help residents become homeowners.
	<b>Basis for Relative Priority</b>	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

## **Narrative (Optional)**

The City established its priority needs for the Consolidated Plan through community feedback, alignment with long-term city goals, and integration with regional plans. Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

As stated in the Section SP-05 overview, the focused Priority Needs for the 2025-2029 Consolidated Plan cycle are:

6. Increase Economic Development and Job Opportunities
7. Expand and Improve Public Infrastructure and Facilities
8. Affordable Housing, Shelter, and Housing Stability
9. Quality of Life Services for LMI Residents
10. Increase and Rehabilitate Owner Housing

These Priority Needs, and the funded activities meant to address them, align with HUD's approaches to developing viable communities: (1) providing decent housing; (2) providing a suitable living environment; and (3) expanding economic opportunity.

The Goals that will be closely associated with the above Priority Needs are:

- 1A Provide Community Based Job Training
- 1B Provide Business Assistance
- 2A Invest in Community Facilities & Centers
- 2B Invest in Public infrastructure & ADA improvements
- 2C Invest in Parks & Recreation Facility Improvements
- 3A Increase Affordable Rental Housing Opportunities
- 3B Rehabilitation of Existing Rental Housing
- 3C Assistance for Shelter/Supportive/Overnight/Transitional housing
- 3D Provide Housing Stability & Homeless Prevention Services
- 3E Provide Fair Housing Services
- 4A Provide vital services for LMI individuals and families
- 5A Increase and rehabilitate existing homeowner housing
- 5B Create new opportunities for homeownership
- 6 Administration and Planning

As projects are conceived, approved, and implemented in each Annual Action Plan for the first year and each year thereafter, these Needs and Goals will help guide National Objectives, anticipated

Performance Objectives and Outcomes, and eventually, will assist in reporting accomplishments once completed.



## SP-30 Influence of Market Conditions – 91.215 (b)

### Influence of Market Conditions

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Tenant Based Rental Assistance (TBRA)	The City has not run a TBRA program in all past years. In the future, this potential may be explored, as there is a very large need for long-term rental assistance.
TBRA for Non-Homeless Special Needs	The City does not run a TBRA program at this time. CoC and City programs are designed to provide housing assistance for people with special needs.
New Unit Production	<p>There is a significant deficit in the total number of affordable units compared to the number of households that need housing. As previously noted, this reality is most evident at the low income (1,775 units needed) and moderate income (1,180 units needed); however, extremely low and very low-income units lacked by over 800 units each. Several factors contribute to this low level of housing production. These include high construction and labor costs, prohibitive fees and permitting processes, and constrictive zoning and building codes. There have also been insufficient public funds to fill the affordability gap by subsidizing new income-restricted housing units.</p> <p>The City's most recent adopted Housing Element includes the goal of New Affordable Housing Construction. This includes housing for extremely low, very low-, low-, and moderate-income households; a mix of housing types and sizes to meet the needs of different income groups and household sizes; and encouraging new housing for special needs groups such as farmworkers, homeless, large families, seniors, and households with at least one physical or developmentally disabled family member.</p>
Rehabilitation	According to 2022 Five-Year ACS data, citywide there are about 12,809 units built before 1980, just two years after lead-based paints were prohibited in residential properties. This leads to the logical high probability that there is a need for lead-based paint remediation programs, as well as a need for owner-occupied rehabilitation and maintenance programs.

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Acquisition, including preservation	<p>The high cost of housing and land, and the persistent need for affordable rents, lead to insufficient resources to adequately provide enough income-restricted housing. However, the City is committed to identifying affordable housing units nearing the end of their income-restricted affordability terms and leveraging resources to extend that affordability. As a result, the City is investigating several avenues through which to expand the affordable housing stock.</p> <p>Praised by HUD, the City has had great success with a model for converting market-rate single family, duplex, and triplex housing to affordable housing through the purchase, rehab, and subsequent renting of the units to LMI households for a minimum affordability period of 30 years. This has been accomplished multiple times since 2017 in close partnership with local non-profit organizations such as Sierra Saving Grace and the Merced Rescue Mission. It is an effective way of creating affordable units, but also providing permanent supportive housing, preserving the city's housing stock, and eliminating blighted properties throughout the City. This type of program likely will continue through this Consolidated Plan period, especially in years when there may be excess CDBG funding on hand.</p>

**Table 33 – Influence of Market Conditions**

## **SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)**

### **Introduction**

For the last year of the previous Con Plan period ending June 30, 2025(PY 2024), the City received \$1,056,567 in CDBG funds and \$450,563.61 in HOME funds for a total allocation of \$1,507,130.61.

### **Program Year 2025 Allocations and Available Funds**

For the Annual Plan program year 2025 (July 1, 2025, to June 30, 2026), HUD notified the City on May 14, 2025, that it will receive \$1,089,413 in CDBG and \$447,510.24 in HOME funds. This is an increase of \$32,846 of CDBG and a decrease of \$3,053.37 of HOME funds from the prior year (net increase of \$29,792.63). Program income to be received over the year is estimated at \$108,000 and \$60,000, respectively, for CDBG and HOME. Prior Year Carryover funds are \$22.593 of CDBG and \$1,218,701.87 of HOME funds.

### **Estimated Funds Available for the Remainder of the Consolidated Plan**

Each year through the end of the 2025-2029 Consolidated Plan period, the City will estimate receiving \$1,000,000 in CDBG and \$450,000 in HOME annually, prior to HUD's annual nationwide allocation of funds following U.S. Congress federal budget appropriations. Additionally, the City is estimating that it will receive annual program income amounts of \$108,000 of CDBG and \$60,000 of HOME per year. (described further in the fund narratives below). Therefore, the City estimates that \$4,432,000 of CDBG and \$2,040,000 of HOME will be received in years 2 through 5 of this Consolidated Plan period (net total of \$6,472,000).

## Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,089,413	108,000	22,593	1,220,006	4,432,000	Estimated CDBG program income in the amount of \$108,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of CDBG-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	447,510	60,000	1,218,702	1,726,212	2,040,000	Estimated HOME program income in the amount of \$60,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of HOME-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City makes its best effort to utilize HOME funds, State funds, and other funding sources, as appropriate, to achieve the objectives outlined in the Annual Action Plan, and emphasizes the need for local organizations to leverage these resources as they request funding for their programs. Additionally, the City may allocate local funds, including unexpended CDBG funds from prior years (when available), to provide additional support for organizations and individuals benefiting from CDBG funding. Although there is no official match requirement in the CDBG program, in most cases, other funds, such as private funds received through donors or fundraising activities, commercial loans, Gas Tax funds, and non-federal funds, are used to supplement and defray project costs.

All Participating Jurisdictions (PJs) receiving HOME funds, like the City of Merced, must contribute or match no less than 25 cents for each dollar of HOME funds spent on affordable housing. Federal match requirements apply to the City's HOME funds. As PJs draw funds from HOME, they incur a match liability, which must be satisfied by the end each federal fiscal year. The HOME statute provides for a reduction of the matching contribution requirement under three conditions: 1) local fiscal distress; 2) severe fiscal distress; and 3) for Presidentially declared major disasters covered under the Stafford Act. When a local jurisdiction meets both of the distress criteria in 24 CFR 92.222, it is determined to be in severe fiscal distress and receives a 100 percent reduction of match, effective for the fiscal year in which the determination is made and for the following fiscal year. Individual poverty rate and per capita income (PCI) are based on data obtained from the latest American Community Survey (ACS) estimates from Census data. With a 2023 estimated poverty rate of 25.76 percent and a PCI of \$21,518, the City of Merced's match in Program Year 2024 was reduced 100 percent.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The Housing Division is designated as the Housing Successor Agency (HSA) overseeing 10 vacant properties formerly belonging to the dissolved former Redevelopment Agency. Per State law, the properties must either be developed with affordable housing or sold for the same purpose. If sold, the sales proceeds must be deposited into the HSA LMI Housing Asset fund to be reused for affordable housing. Additionally, the remaining portion of a large-sum payoff of former Redevelopment Agency loan funds (LMI Asset Funds) that was made in January 2021 are still earmarked

to be used to support affordable housing projects.

#### Pending Disposition of Properties

The City has been working to dispose of these properties to three different affordable housing developers. Effective 1/1/2020, Assembly Bill 1486 amended the Surplus Lands Act, requiring cities to offer surplus property to affordable housing developers and other such entities before offering them for sale on the open market. Under certain exemptions, the Act requires disposed properties to meet certain conditions per Government Code Section 54221(f)(1)(A): 1) not less than 80% of the parcel area should be used for housing development; 2) not less than 40% of the total number of units shall be made available to households earning 75% AMI or less and at least half of which shall be affordable to very low-income households; and 3) units must be restricted by a regulatory agreement for no less than 30 years.

In April 2021, a Request for Proposal (RFP) for these affordable housing development opportunities was released, and the City received multiple proposals from affordable housing developers. On October 18, 2021, the City Council selected three affordable housing partners to develop the ten sites as follows:

- Linc Housing: Sites 1 through 5 (1823 I Street, 1815 I Street, 205 W. 18th Street, 211 W. 18th Street, and 202 W. 19th Street) – 54 affordable rental housing units
- Fuller Center for Housing of Merced County (formerly Habitat for Humanity of Merced County): Sites 6 through 9 (1744 I Street, 49 W. 18th Street, 150 W. 19th Street, and 26 W. 18th Street) - single family homes
- Custom Containers 915 (CC915): Site 10 (73 South R Street) – 21 apartment units for formerly homeless veterans converted from former shipping containers (also received a \$4.4 million State Homekey award for this project)

As of April 2025, the City is nearing the end of a one-year escrow with Linc Housing for ownership transfer of its properties while other funding is sought and a NEPA environmental clearance is obtained. The project was awarded the use of 53 Project Based Vouchers by the Housing Authority of Merced County. The Fuller Center closed escrow on April 14, 2023, a Disposition and Development Agreement (DDA) has been recorded, and an initial set of construction plans have been submitted for Building Division review. Construction is still pending. CC915's project is nearing completion with occupancy expected by Summer 2025.

#### **Discussion**

In addition to the entitlement allocations the City receives from HUD, the Housing Division also manages numerous other grants and programs within the community.

The following local and State funds and programs generate income from the loans and are included in the City's Fiscal Year 2025/26 budget:

- LMI Housing Assets (Local)
- CalHome 2021 (HCD)
- Cal HOME 06/12 (HCD)
- HOME 92/93/94 (HCD)
- NSP 3 (HUD)

Other funding sources (non-Federal) can also be contributed to HUD-assisted projects. These include:

- Homekey (HCD)
- Fund 1020 Housing Opportunity Fund (Local/General Funds)
- LMI Housing Assets (Local)
- Water Enterprise Funds (Local)
- Sewer Enterprise Funds (Local)

Local funding sources are budgeted as part of the overall City and Housing Division budget. Local funds are not included as part of the anticipated resources in the HUD Strategic and each Annual Plan since they are non-federal funding sources. Non-federal funding sources are sometimes necessary to assist in financing the 'fiscal gap' of various projects, thereby allowing them the ability to move forward.

## SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
MERCED	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Jurisdiction
Housing Authority of the County of Merced	PHA	Homelessness Ownership Planning Public Housing Rental	Region
Merced City and County COC	Continuum of care	Homelessness Non-homeless special needs Planning public services	Region
Non-Profit Organizations	Non-profit organizations	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental public services	Jurisdiction



Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING	CHDO	Non-homeless special needs Ownership Rental public facilities	Jurisdiction
Fair Housing Provider	Other	Homelessness Non-homeless special needs Ownership Planning Public Housing Rental	Jurisdiction

**Table 34 - Institutional Delivery Structure**

### **Assess of Strengths and Gaps in the Institutional Delivery System**

The City, as an entitlement jurisdiction, receives direct allocations of HOME and CDBG funds from HUD and is responsible for the administration and reporting of these funds. These resources are allocated exclusively for projects within the City's jurisdiction. For federal environmental compliance purposes, the City of Merced serves as the Responsible Entity (RE) for projects and activities that are being considered for HUD funding, including PHA-issued vouchers, within the City limit boundaries, with the City Manager designated as the Certifying Officer for review completion.

The Housing Authority of the County of Merced serves as the regional public housing authority, managing the Housing Choice Voucher program and overseeing public housing properties and units. The City works in close partnership with the Housing Authority to address critical housing needs, particularly for its most vulnerable populations. Additionally, the Continuum of Care (CoC) operates at a regional level to address homelessness, collaborating with local municipalities to identify and respond to the most urgent priorities effectively.

In addition to working closely with the Housing Authority and CoC, the City works closely with local housing developers and services providers to ensure the success of their programs and projects. This includes Habitat for Humanity, Project Sentinel, Sierra Saving Grace, and Lifeline.

Internally, City staff from various departments and divisions strive to maintain effective interdepartmental communication and cooperation, and together, collaborate with organizations and other agencies that assist low-income individuals and families in Merced to achieve beneficial project outcomes, and with community residents to establish priorities for utilization of CDBG funding.

## Strengths

- A portion of CDBG funds is available to nonprofits to carry out needed projects in their communities.
- Stakeholders and the public are involved in the CDBG application process.
- The public is given the opportunity, through a series of public meetings, to receive information about the CDBG and HOME programs, eligible projects and activities, as well as how nonprofit organizations may apply for CDBG funds.
- City departments, subrecipients, non-profits, developers, etc. often leverage their awards with their other funding sources.
- Developers, nonprofits, and other potential subrecipients are provided technical assistance regarding their proposed projects.

## Gaps

- Land use, zoning, permitting, environmental, and other project development issues that slow progress of construction projects, increase project costs, or result in project termination.
- Complexity of program regulations that discourage potential applicants.
- Grantee/subrecipient staff time constraints.
- Limited resources available to smaller non-profits, which can constrain administrative capacity.
- Public and stakeholder apathy

## **Availability of services targeted to homeless persons and persons with HIV and mainstream services**

<b>Homelessness Prevention Services</b>	<b>Available in the Community</b>	<b>Targeted to Homeless</b>	<b>Targeted to People with HIV</b>
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance	X	X	X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	

Supportive Services			
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS	X	X	
Life Skills	X	X	
Mental Health Counseling	X	X	
Transportation	X	X	
Other			

**Table 35 - Homeless Prevention Services Summary**

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

According to the HUD 2024 Continuum of Care Homeless Assistance Program Housing Inventory Count (HIC) Report, Merced County offers over 900 year-round beds to support individuals experiencing homelessness. This includes emergency shelters, transitional housing, permanent supportive housing (PSH), and rapid rehousing programs. Of these beds, 571 are designated for adults-only, while 260 are allocated for families. Additionally, 22 beds are reserved for individuals experiencing chronic homelessness, 34 beds are dedicated to veterans experiencing homelessness, and 9 beds are designated for youth.

Emergency shelter services are provided by the Merced County Community Action Agency, Merced County Human Services Agency, Merced County Office of Education (MCOE), Merced Rescue Mission, and Valley Crisis Center. Transitional housing is offered by Merced Rescue Mission and Valley Crisis Center. PSH is facilitated by Merced County BHRS and Sierra Saving Grace. Rapid rehousing services are supported by the City of Los Banos, Healthy House, Merced County Human Services Agency, MCOE, Merced Rescue Mission, Sierra Saving Grace, and WestCare SSVF.

The Merced Office of Education provides resources and support for children and youth experiencing homelessness, ensuring they have access to education and related services.

Merced County Human Services Agency provides homeless assistance programs, including temporary and permanent housing solutions for eligible families. Services encompass shelter provisions and support in securing stable housing.

Turning Point Community Programs – New Direction is an outreach and engagement center providing housing support services and linkage to community resources for people experiencing chronic

homelessness in Merced County. Located in Merced, they collaborate with other organizations to reduce homelessness and increase utilization of community resources.

Merced County Rescue Mission offers various programs, including emergency shelters and transitional housing, to support individuals experiencing homeless and chronic homelessness. They have initiatives like the Bridge to Hope program, which provides temporary shelter and permanent supportive housing opportunities.

Love Focus Youth Outreach operates a transitional housing program for youth, offering services such as educational support, employment assistance, and life skills development. They provide various housing models, including remote site, single site, and host family placements.

Free legal assistance and fair housing services play a critical role in supporting individuals experiencing homelessness by addressing the systemic and individual barriers that prevent stable housing. Legal assistance can help individuals resolve issues such as eviction disputes, landlord-tenant conflicts, and access to public benefits, which are often significant factors contributing to homelessness. For those facing discrimination based on race, disability, family status, or other protected characteristics, fair housing services provide vital advocacy and recourse. These services help individuals understand their rights under the law and hold landlords or property managers accountable for discriminatory practices. Together, these resources empower people experiencing homelessness to navigate complex legal and housing systems, secure stable housing, and protect their rights, thereby fostering long-term housing stability and reducing the cycle of homelessness.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

The City's delivery system demonstrates key strengths, particularly in interdepartmental communication and collaboration. City staff from various departments work closely with one another, as well as with organizations, agencies supporting low-income individuals and families in Merced, and community residents, to establish priorities for utilizing CDBG funding. However, the primary challenge in the delivery system is the inadequacy of funding resources. The demand for services and support far exceeds the available funding, resulting in delays even for high-priority projects as the City continues to actively pursue additional funding sources.

The jurisdiction also faces several operational challenges. Service providers who do not receive grant funding often fail to recognize the importance of the Homeless Management Information System (HMIS) and do not enter their clients into the system. Additionally, some stakeholders are either uncomfortable using HMIS or lack sufficient staffing, which forces the lead HMIS agency to input data on their behalf.

On a broader county-wide level, challenges persist in housing individuals and families experiencing chronic homelessness, as this population requires intensive case management to maintain stable

housing. Landlords' reluctance to rent to this population exacerbates this issue. Additionally, there is a recognized need to shift focus from addressing immediate needs to achieving measurable, long-term outcomes for the system of care.

In response to these challenges, the City and its partners are taking targeted steps to create sustainable solutions. One effective strategy has been leveraging partnerships with non-profit organizations to acquire and rehabilitate market-rate housing, transforming it into permanent supportive housing for individuals and families, particularly those with children. This approach eliminates reliance on landlords by placing individuals and families directly into case-managed, stable housing, significantly increasing their chances of long-term success. Through these collaborative efforts, the City aims to address systemic barriers and create a more effective and inclusive system of care.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

The City of Merced, in collaboration with the CoC, remains steadfast in its commitment to eradicating homelessness within the City and County. By aligning with the CoC's strategic goals, the City is actively pursuing initiatives aimed at addressing chronic homelessness through coordinated efforts and targeted interventions. These efforts emphasize not only the provision of immediate shelter and essential care but also the development of long-term solutions, including job training, skill-building, and comprehensive support services that empower individuals to achieve self-sufficiency.

Recognizing the multifaceted nature of homelessness, the City and its partners understand that resolving this complex issue requires a holistic and sustained approach. Strategies include expanding the availability of shelters and strengthening partnerships with organizations dedicated to addressing the root causes of homelessness. These organizations play a critical role in providing both immediate relief and the tools necessary for individuals and families to transition into stable housing.

However, addressing homelessness requires significant time, energy, and financial investment. The scarcity of adequate resources remains a substantial barrier to achieving the City's goals. The City and the CoC are actively working to overcome these obstacles by advocating for increased funding, fostering innovative partnerships, and leveraging available resources to maximize impact. Through this unwavering dedication, the City is committed to creating a comprehensive system of care that addresses both the immediate and long-term needs of its most vulnerable residents, ultimately moving closer to a future where homelessness is eradicated.

## SP-45 Goals Summary – 91.215(a)(4)

### Goals Summary Information

NOTE: Amounts below are ESTIMATED at this time. This chart will be updated following the final public hearing and award of project funding

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A Provide Community Based Job Training	2025	2029	Non-Homeless Special Needs Economic Development	City Wide South Merced Area Eastern South Merced Area Loughborough Drive Area	1 Increase Economic Development/Job Opportunities	CDBG: \$107,954	Public service activities other than Low/Moderate Income Housing Benefit: 35 Persons Assisted
2	1B Provide Business and Industry Assistance	2025	2029	Economic Development	City Wide LMI Census Tract Areas Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities	CDBG: \$25,000	Businesses assisted: 1 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	2A Invest in Facilities & Centers	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$300,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6000 Persons Assisted  Other: 1 Other
4	2B Public Infrastructure & ADA Improvements	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$852,900	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7000 Persons Assisted  Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	2C Parks & Recreation Facility Improvements	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$1,586,187	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted  Other: 1 Other
6	3A Increase Affordable Rental Opportunities	2025	2029	Affordable Housing	City Wide LMI Census Tract Areas Merced Rail Station Planning Area	3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$3,040,601	Rental units constructed: 125 Household Housing Unit
7	3B Rehabilitation of Existing Rental Housing	2025	2029	Affordable Housing	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$50,000 HOME: \$278,100	Rental units rehabilitated: 3 Household Housing Unit



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	3C Supportive, Shelter, & Transitional Housing	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	City Wide LMI Census Tract Areas	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$700,000 HOME: \$100,000	Rental units rehabilitated: 2 Household Housing Unit  Overnight/Emergency Shelter/Transitional Housing Beds added: 5 Beds
9	3D Provide Housing Stability & Homeless Prevention	2025	2029	Affordable Housing Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$231,100	Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
10	3E Provide Fair Housing Services	2025	2029	Homeless Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$166,047	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	4A Provide Vital Services for LMI Residents	2025	2029	Homeless Non-Homeless Special Needs	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area	4 Public Services & Quality of Life for Residents	CDBG: \$481,452	Public service activities other than Low/Moderate Income Housing Benefit: 12000 Persons Assisted  Public service activities for Low/Moderate Income Housing Benefit: 2400 Households Assisted
12	5A Increase/Rehabilitate Homeowner Housing	2025	2029	Affordable Housing	City Wide South Merced Area Eastern South Merced Area Loughborough Drive Area	5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$100,000 HOME: \$50,000	Homeowner Housing Rehabilitated: 3 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	5B Create New Opportunities for Homeownership	2025	2029	Affordable Housing	City Wide	5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$20,000 HOME: \$75,000	Public service activities for Low/Moderate Income Housing Benefit: 5 Households Assisted  Direct Financial Assistance to Homebuyers: 1 Households Assisted
14	6A Administration and Planning	2025	2029	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City Wide LMI Census Tract Areas South Merced Area Eastern South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities 2 Expand/Improve Public Infrastructure/Facilities 3 Affordable Housing/Shelter/Homeless/Prevention 4 Public Services & Quality of Life for Residents 5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$1,108,000 HOME: \$58,953	

Table 36 – Goals Summary

## Goal Descriptions

1	<b>Goal Name</b>	1A Provide Community Based Job Training
	<b>Goal Description</b>	Work with partner non-profit organizations to provide job training opportunities to LMI residents in general or specific growth industries, including data technology, agricultural science, automotive or diesel repair, welding/fabrication, and other vital industries and trades.
2	<b>Goal Name</b>	1B Provide Business and Industry Assistance
	<b>Goal Description</b>	When need and opportunity arises, particularly with installation of a major rail station on the horizon, the City may explore opportunities to partner with commercial and/or industrial businesses to create and retain LMI jobs with CDBG funds. Creation and retention of jobs that pay a livable wage are essential to sustaining healthy communities. Projects under this goal could also include activities that rehabilitation of commercial property, acquisition of land for commercial or industrial development, and commercial or industrial infrastructure development to benefit businesses or create/retain jobs.
3	<b>Goal Name</b>	2A Invest in Facilities & Centers
	<b>Goal Description</b>	Invest CDBG funding to community centers and facilities that provide essential social and education gathering places to groups such as seniors, children, youth, families, and neighborhoods, as well as public safety investments such as fire station stations, apparatus, and equipment.
4	<b>Goal Name</b>	2B Public Infrastructure & ADA Improvements
	<b>Goal Description</b>	Invest CDBG funding to publicly owned street, sidewalk, water/sewer, stormwater, alternative transportation/transit, disabled access, and other qualifying infrastructure improvement projects.

5	<b>Goal Name</b>	2C Parks & Recreation Facility Improvements
	<b>Goal Description</b>	Invest CDBG funding to public as well as privately owned parks and recreation facilities that will be open to the general public, including safety and ADA accessibility improvements that increase access for all.
6	<b>Goal Name</b>	3A Increase Affordable Rental Opportunities
	<b>Goal Description</b>	Enhance housing opportunities by increasing the availability and affordability of rental housing options through new construction of rental housing, including the use of CDBG funding to purchase vacant land for HUD-assisted affordable housing projects. Whenever possible, new options for seniors and disabled individuals should be considered. Under this goal, consideration could be given to projects involving affordable commuter or workforce housing for LMI residents.
7	<b>Goal Name</b>	3B Rehabilitation of Existing Rental Housing
	<b>Goal Description</b>	Preserve and improve existing rental housing by improving the safety, efficiency, and affordability of the City's existing rental housing units through rehabilitation activities.
8	<b>Goal Name</b>	3C Supportive, Shelter, & Transitional Housing
	<b>Goal Description</b>	This goal provides an avenue for the City to continue to transfer market rate housing to affordable rental opportunities through acquisition and rehab of existing units. It also acknowledges a community need for more homeless housing and sets modest goals to invest in overnight or transitional shelters for homeless or other vulnerable populations. Under this goal, funding can be provided to activities that provide housing to individuals transitioning from homelessness to permanent housing and finally to a more stable housing environment. This goal would also support the possibility of City collaboration with another local agency and/or non-profit housing provider for temporary or transitional shelters for homeless individuals, including victims of domestic violence/sexual assault/stalking and seniors.

9	<b>Goal Name</b>	3D Provide Housing Stability & Homeless Prevention
	<b>Goal Description</b>	Nearly two-thirds of residents spend over 30% of their household income on the costs of housing, including rent, insurance, and utilities. The cost of housing represents the number one barrier to good housing options in Merced, as well as finding available, safe units. Therefore, this goal will focus on homelessness prevention and housing stabilization programs over the Consolidated Plan period. This could include: prevention services that link people to emergency resources, including allowable rapid rehousing, security deposit, and rental and utility assistance. Individualized case management, housing navigation, or other services that find housing and improve housing stability for those experiencing homelessness or those in transitional or permanent supportive housing, and including special needs such as elderly, disabled, and domestic violence victims.
10	<b>Goal Name</b>	3E Provide Fair Housing Services
	<b>Goal Description</b>	Expand fair housing knowledge and services by promoting awareness of housing rights, addressing discrimination, and providing resources to support equitable access to housing opportunities.
11	<b>Goal Name</b>	4A Provide Vital Services for LMI Residents
	<b>Goal Description</b>	Under this goal, the bulk of the City's public services programming will be provided, almost exclusively via partnerships with area community non-profit organizations to deliver quality of life programs that enhance community well-being and family balance, including not limited to: supporting youth and afterschool activities, self-sufficiency/life skills programs, senior programs, different types of physical and mental health programs, transportation services, nutrition and/or food distribution programs, and programs that aim to eliminate patterns of poverty in families and neighborhoods, sometimes targeting specific LMI areas within the city limits in which to deliver services. In instances where discrimination is not the problem, but there is still a need for mediation of disputes between tenants and landlords to prevent an eviction, counseling services can be provided under this goal as a CDBG-assisted public service.

<b>12</b>	<b>Goal Name</b>	5A Increase/Rehabilitate Homeowner Housing
	<b>Goal Description</b>	Enhance the safety, efficiency, and affordability of owned housing through rehabilitation activities. Programs under this goal would help make the often high costs of safely maintaining your home easier and more affordable by helping to repair and improve life, health, and safety issues within an owner's primary residence.
<b>13</b>	<b>Goal Name</b>	5B Create New Opportunities for Homeownership
	<b>Goal Description</b>	Make primary, first-time homebuying attainable and more affordable for families by making homebuying easier. This goal would also allow the exploration of eligible options to increase units to be occupied exclusively by LMI family members of an LMI homeowner (not income-producing units) through construction of ADU or JADU units on the LMI homeowner's property, to help address the overall need for affordable housing options in the community.
<b>14</b>	<b>Goal Name</b>	6A Administration and Planning
	<b>Goal Description</b>	This goal includes data gathering, planning, and strategizing HUD funding for housing, economic development, community development, fair housing services, and public service needs of LMI Merced residents, as well as general direct and indirect CDBG and HOME program management costs.

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

Affordable housing consistently remains the number one greatest need in the community. It is unfortunate, then, that affordable housing is generally very expensive and can be complicated for affordable housing developers to find the right, and enough, mix of funding sources and target income-mix of the units themselves. The City's housing needs are great; however, the City itself does not receive nearly enough HOME funds to tackle the problem all at once. Therefore, the best and only strategy for the use of HOME funds is to chip away at the issue as best we can, as well as work with proven affordable housing developers that have the capacity, expertise, and capital resources to get it done.

The City's General Plan sets the policies that the City follows in its day-to-day operations, and the Housing Element contained within the General Plan document sets the policies to follow for all housing types within the City.

The 2024-2032 Merced County Multi-Jurisdictional Housing Element (MJHE), while as of the preparation of this Con Plan occurs is itself in draft form, contains methodology and analysis results for the number of units that the City should build during the plan period (Regional Housing Needs Allocation, or RHNA) to meet the affordable housing needs of the community. The RHNA analysis takes into account adequate land with appropriate zoning and development standards, planned and/or approved housing projects, and estimated accessory dwelling unit (ADU) production to meet the RHNA numbers.

The following are the quantified unit number objectives the City of Merced has established in the MJHE for housing production with regard to the number of low-income units needing to be constructed by 2032 to fulfill the City's State requirements:

- Extremely Low-Income (0–30% AMI): 1,482 units
- Very Low-income (30-50% AMI): 1,055 units
- Low-Income (51-80% AMI): 1,742 units
- Moderate (81-120% AMI): 1,838 units

For consistency, this Consolidated Plan will consider these numbers the City's objectives, as well. The figures will be taken under consideration when partnering with affordable housing developers for construction of new units - or for the alternate model of acquiring market rate units, rehabbing, then renting them to low-income households.



## **SP-50 Public Housing Accessibility and Involvement – 91.215(c)**

### **Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

The Housing Authority of the City of Merced (HACM) remains committed to maintaining high standards of accessibility and compliance. This includes conducting regular inspections and implementing policies to ensure that accessible units are utilized by individuals who need them. All public housing units in Merced have achieved passing scores on the Real Estate Assessment Center (REAC) inspections, demonstrating adherence to quality standards. Additionally, projects financed with Low-Income Housing Tax Credits (LIHTCs) are held to rigorous accessibility requirements, including the provision of ADA-compliant units.

### **Activities to Increase Resident Involvements**

The Housing Authority of Merced County (HAMC) actively fosters resident engagement through a variety of initiatives designed to promote self-sufficiency and improve quality of life. HAMC connects residents and program participants with valuable services, activities, and partnerships that align with this mission. Residents have access to network centers, including public computer facilities, as well as partnerships with community organizations that provide additional resources and opportunities.

HAMC's website features dedicated "Resident" and "Resident Services" sections where individuals can locate relevant services, programs, and service providers to meet their needs. To ensure consistent communication, HAMC also distributes information to residents and participants through its webpage and regular mailings. These updates include details about the status of current programs, upcoming opportunities, and services available for both existing and prospective participants.

### **Is the public housing agency designated as troubled under 24 CFR part 902?**

No

### **Plan to remove the 'troubled' designation**

N/A

## **SP-55 Barriers to affordable housing – 91.215(h)**

### **Barriers to Affordable Housing**

Several factors may inhibit affordable housing development and residential investment:

- **Costs.** The dissolution of redevelopment agencies (RDAs), diminishing HUD budgets, and insufficient State funding make it difficult to construct enough affordable housing. State tax credits, grants, and gap financing are highly competitive, and the costs of land, materials, and labor are outpacing inflation. Development impact fees, which are levied on new developments to fund infrastructure and public services, also contribute to increased costs. While they support essential services, they can significantly increase the cost of construction, potentially deterring developers and reducing affordability for residents. While Merced's fees are not onerous relative to other jurisdictions, and such fees are normal practice across the country, the Turner Center found that, generally, fees in California are especially high. This is due in part to Proposition 13, which caps property tax increases, and the decreased federal investment in housing. These factors compel cities to seek alternative revenue sources, like development fees, for infrastructure and parks.
- **Zoning.** Throughout the country, zoning reform continues to be a focal point of housing policy discussions. In recent years, California has passed significant legislation, such as Senate Bill (SB) 9 and SB 10, to promote higher-density housing. Increasing allowable residential densities in more areas can increase housing affordability by increasing the supply of smaller and thus less expensive homes. Merced's zoning regulations have historically favored single-family homes, limiting the availability of land for multifamily housing developments. This preference restricts the potential for multifamily developments, which are typically more cost-effective and can accommodate more residents. Although there have been efforts to modify zoning codes to encourage housing investments, restrictive zoning remains a barrier to increasing the affordable housing supply. The City's inclusionary zoning policies have undergone several revisions, leading to uncertainty among developers. Initially set at 12.5 percent, Merced now requires that 5 percent of units in new residential developments for single-family developments in certain areas, with an option for developers to pay in-lieu fees instead, be designated as affordable. Policy fluctuations may potentially be discouraging developers from committing to long-term affordable housing projects.
- **Housing Voucher Options.** Housing that is accessible for special needs groups, such as seniors or persons with disabilities, is limited, but a significant number of voucher and public housing waiting lists are disabled or seniors. Universal design principles in new development would allow for more accessible housing options. Geographic disparities in housing costs across Merced contribute to where HCVs are used. Communities with more affordable housing needs often see a higher concentration of voucher holders.
- **Fair Housing Education and Enforcement.** Educational opportunities regarding fair housing are limited, but fair housing education has been identified as an effective strategy for furthering fair housing. Outreach methods should be expanded beyond traditional newspaper and website press releases. Instead, various neighborhood groups and organizations can be utilized. Fair

housing services focus primarily on outreach and education and less emphasis is placed on enforcement. Rigorous enforcement of fair housing laws is most effective in deterring housing discrimination. Fair housing service providers should encourage victims to pursue litigation and refer victims to agencies and organizations with the capacity to handle litigation. Also, favorable outcomes in litigation should be publicized to encourage other victims to come forward.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

Merced has identified the following strategies to remove or ameliorate the barriers to affordable housing:

- Ensure ease of access to information about fair housing on websites with links between jurisdictions and contracted service provider.
- Increase knowledge of the process of reporting complaints and access/referral to government entities.
- Expand the affordable housing inventory, as funding allows.
- Promote the Housing Choice Voucher program to rental property owners.
- Increase education of Housing Choice Voucher recipients regarding choice and availability.
- Work collaboratively with local housing authorities and affordable housing providers to ensure affirmative fair marketing plans and de-concentration policies are implemented.
- Increase housing options for special needs populations.
- Encourage universal design principles in new housing developments.
- Educate city/county building, planning, and housing staff on accessibility requirements.
- Encourage inter-departmental collaboration.
- Provide press releases to local medias on outcomes of fair housing complaints and litigation.
- Support stronger and more persistent enforcement activity by fair housing service providers.
- Conduct random testing on a regular basis to identify issues, trends, and problem properties.
- Education and outreach activities need to be expanded to have a multi-media coverage, including social media such as Facebook, Twitter, and Instagram, as well as other meeting/discussion forums such as chat rooms and webinars.
- Involve neighborhood groups and other community organizations when conducting outreach and education activities.
- Include fair housing outreach as part of community events.
- Diversify and expand the housing stock to accommodate the varied housing needs of different groups.

## **SP-60 Homelessness Strategy – 91.215(d)**

Describe how the jurisdiction's strategic plan goals contribute to:

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City engages in outreach efforts to individuals experiencing homelessness, particularly those living unsheltered, through a combination of direct services, collaborative partnerships, and data-driven strategies aimed at addressing their unique needs. These efforts focus on building trust, assessing individual circumstances, and connecting individuals to appropriate services and housing solutions.

Through partnerships with organizations such as the Merced County Behavioral Health and Recovery Services and the Merced Rescue Mission, the City deploys street outreach teams to actively engage with people living unsheltered in encampments, parks, and other locations. These teams offer immediate support, conduct needs assessments and make referrals to critical services. Additionally, the City collaborates with the Merced County Continuum of Care (CoC) to provide homeless navigators who work directly with individuals to guide them through accessing shelter, supportive services, and housing. These navigators are trained to assess needs such as mental health care, substance use treatment, employment assistance, and housing readiness.

The City's efforts are informed by the annual Point-in-Time Count conducted in partnership with the CoC. This count gathers valuable data on individuals living unsheltered to better understand their demographics and specific needs. The data informs outreach efforts and helps tailor services to specific populations, such as veterans, families, or individuals with chronic health conditions.

The City's work is further enhanced by partnerships with organizations such as the Merced Rescue Mission and Sierra Saving Grace. These groups provide housing solutions, case management, and direct outreach to people experiencing homelessness. Collaborative efforts with the Merced County Behavioral Health and Recovery Services ensure that individuals experiencing mental health crises or substance use disorders receive the necessary care. Faith-based organizations and nonprofits, including the Valley Crisis Center and Golden Valley Health Centers, complement these efforts by offering specialized services for vulnerable populations, including survivors of domestic violence, families, and youth. These partnerships provide trauma-informed care, emergency shelter, and other critical support.

To prevent homelessness, the City leverages CDBG funds to support public service activities that help individuals avoid or transition out of homelessness. This includes funding for emergency subsistence payments and rental assistance programs. Facilities such as the D Street Navigation Center provide centralized locations where individuals living unsheltered can access shelter, meals, healthcare, and case management services, making them essential to the City's outreach efforts.

The City also implements Housing First and Rapid Re-Housing approaches in collaboration with the CoC. These strategies prioritize immediate access to housing while providing supportive services to stabilize individuals and help them transition to permanent housing. This dual approach ensures that both short- and long-term needs are met.

The City regularly reviews its outreach and assessment strategies, using data from surveys and community feedback to enhance its efforts. By maintaining strong partnerships and focusing on individualized care, the City is making measurable progress in reducing homelessness and improving the quality of life for its residents.

### **Addressing the emergency and transitional housing needs of homeless persons**

The City continues to collaborate with a wide range of service agencies to assist homeless individuals in transitioning to permanent housing and achieving independent living. As of 2024, there are 352 emergency shelter beds available in Merced County, including 50 beds at the D Street Navigation Center in Merced and 76 beds at the Merced Rescue Mission's Navigation Center.

These resources, combined with transitional housing and rapid rehousing programs, aim to address the needs of the homeless population, which totaled 837 individuals in the most recent 2024 Point-in-Time Count, an increase of 6.8% from the previous year.

The Merced County Community Action Board (MCCAB) continues to be a leading provider of emergency shelter services, while other organizations, such as the Merced Rescue Mission and Valley Crisis Center, contribute additional shelter and support services.

One notable permanent supportive housing facility is Pacheco Place, a 10-bed facility in Los Banos, operated in partnership with the Merced County Department of Behavioral Health and Recovery Services. Funded in part by a \$1.07 million Mental Health Services Act Housing Program grant, the project ensures operational sustainability and wraparound services for its residents.

Merced County's Continuum of Care (CoC) has fully adopted evidence-based practices, including the Housing First and Rapid Re-housing approaches. These programs have been critical in reducing chronic homelessness by emphasizing immediate access to housing and providing supportive services for long-term stability. For example, 68% of the total homeless population is located in Merced, where these strategies are being heavily implemented.

Housing First, recognized as a best-practice model, moves individuals directly into housing without preconditions, such as treatment for mental health or substance abuse. This method has been complemented by Rapid Re-housing, which provides short-term rental assistance and case management. The CoC's inventory also includes 434 permanent housing beds, serving families and individuals, including specialized programs for veterans and youth.

The City's efforts, combined with CoC strategies and local partnerships, have contributed to measurable progress, as evidenced by the continued enhancement of shelter and housing options. Nevertheless, challenges remain, particularly as the number of unsheltered individuals increased by 9.7% from the prior year, underscoring the need for sustained investment in housing solutions and supportive services.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families**

**experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**

Merced continues to collaborate with Merced County to implement evidence-based strategies, including the Housing First and Rapid Re-housing approaches, which are essential components of its homelessness response framework. The 2024 Point-in-Time Count and survey data revealed that 43% of the unsheltered homeless population is chronically homeless, highlighting the critical need for long-term solutions such as rental assistance and comprehensive wraparound services, including healthcare, employment assistance, mental health care, and life skills training.

These findings reinforce the importance of a Housing First approach, which prioritizes moving chronically homeless individuals directly into stable housing and connecting them with supportive services to ensure long-term success.

Conversely, the data also indicated that 57% of the unsheltered population is not chronically homeless, suggesting they may benefit more from shorter-term interventions such as Rapid Re-housing, which provides time-limited rental assistance and minimal reliance on supportive services. This dual approach ensures tailored solutions that address the varying needs of the homeless population.

**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

To prevent homelessness among low- to moderate-income families, the City will continue leveraging Community Development Block Grant (CDBG) funding to support public service activities. These include emergency subsistence payments for short-term rent, mortgage assistance, and utility payments to help families remain housed with access to essential services such as electricity for heating, cooling, and cooking. Additionally, the City is exploring the re-establishment of rental deposit assistance programs, which can play a critical role in helping individuals secure housing after being discharged from institutions or other temporary accommodations.

Since 2016, the City of Merced has actively supported housing acquisition programs through partnerships with Sierra Saving Grace Homeless Project and the Merced Rescue Mission. Leveraging CDBG and HOME funding, these programs have successfully acquired, rehabilitated, and rented single-family homes, duplexes, and triplexes for the benefit of formerly homeless individuals and families. Each year, these initiatives contribute to the development of permanent supportive housing units, a critical component in addressing the long-term challenge of homelessness in Merced. Alongside housing, participants benefit from comprehensive case management services that support their transition to permanent, independent living.

In addition to housing solutions, the City recognizes the importance of addressing the root causes of homelessness by funding programs that provide job and life skills training for low- to moderate-income

individuals. Programs offering instruction in computer skills, home budgeting, and literacy, particularly those integrated into transitional living environments, play a vital role in equipping participants with the tools necessary for sustainable independence.

## **SP-65 Lead based paint Hazards – 91.215(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

In compliance with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, federal regulations, and the City of Merced's policies on lead-based paint hazard identification and abatement, all housing activities funded with federal assistance must undergo a lead-based paint assessment and follow HUD's hazard reduction requirements, regardless of the property's year of construction. This includes homes purchased, sold, or rehabilitated through the City's subrecipient programs, as well as multi-family housing projects receiving project-based assistance.

If an assessment or testing identifies deteriorated lead-based paint surfaces, they must be stabilized as part of the rehabilitation process. Abatement must be conducted by a certified lead-based paint professional, and a Clearance Inspection must be completed by a certified assessor before issuing a Notice of Completion. For homeowner-occupied rehabilitation projects, homeowners are provided with a Lead Hazard Information pamphlet to ensure they are informed of potential risks and safety measures. This process ensures compliance with federal standards while prioritizing the health and safety of residents.

### **How are the actions listed above related to the extent of lead poisoning and hazards?**

The age of housing stock is a critical factor in estimating the prevalence of lead-based paint (LBP) in residential units. Since the use of lead-based paint in residential properties was banned in 1978, the relatively young housing stock in Merced, with most homes constructed after 1980, indicates a low likelihood of encountering lead-based paint. Nonetheless, the City remains committed to conducting lead-based paint testing as required.

It is estimated that approximately 7,000 housing units in Merced, occupied by low- or very low-income households, may contain lead-based hazards. While precise data is unavailable, many of these units are likely concentrated in South Merced, where poverty levels and substandard housing conditions are more prevalent factors often associated with lead poisoning risks. Lead-based paint hazards pose a significant threat, particularly to children, who are most vulnerable to lead exposure.

Lead poisoning prevention and abatement efforts in Merced are carried out through coordinated initiatives involving the County Public Health Department, Environmental Health Division, and the Child Health and Disability Program. Addressing lead-based hazards is also an integral component of the City's Housing Rehabilitation Loan Program, which ensures that all rehabilitation projects include a thorough assessment for lead-based paint. When hazards are identified, abatements are conducted by licensed contractors, underscoring the City's commitment to safeguarding public health and maintaining safe housing conditions.

### **How are the actions listed above integrated into housing policies and procedures?**

In accordance with HUD and EPA Lead-Based Paint Disclosure regulations, the Lead Safe Housing Rule, and other federal requirements, the City of Merced has implemented policies and procedures to



evaluate each project for potential lead-based paint hazards and ensure appropriate protections, including abatement when necessary.

For infrastructure projects, including public facility and infrastructure improvements, all project plans must include a statement indicating, "Any paint being removed shall be tested for Lead-Based Paint." Housing Division staff must receive this plan prior to finalizing the NEPA Environmental Review and Assessment, which is required to authorize project expenditures.

When acquiring properties with residential structures, all homes, regardless of the year of construction, must be tested for lead-based paint. If the testing results are negative, no further action is required and testing and clearance documentation is filed. If testing identifies lead-based paint, the affected areas must be stabilized and removed by a certified and licensed abatement contractor. Clearance certification is required before funds are released, and escrow cannot close until all lead-based paint issues are resolved. Documentation of all testing, abatement, and clearance processes is maintained in the project file.

For homeowner rehabilitation projects, all properties must undergo lead-based paint testing before other scheduled work begins unless there is an immediate threat to the safety or health of the occupants. Homeowners receive a Lead Hazard Information pamphlet as part of this process. If testing is negative, no further action is needed, and documentation is retained in the project file. If lead-based paint is identified, abatement is provided at no cost to the homeowner. Certified contractors handle stabilization and removal, followed by clearance inspections to certify the property is safe. Clearance certification must be issued prior to the project's Notice of Completion. All testing, abatement, clearance, and relevant documentation are maintained in the project file and shared with subrecipients or homeowners as necessary.

These procedures ensure compliance with federal lead safety standards, prioritizing the health and safety of residents while maintaining proper documentation for all projects.

## **SP-70 Anti-Poverty Strategy – 91.215(j)**

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

The City of Merced, through the Housing Authority, has outlined anti-poverty strategies aimed at addressing the high levels of poverty and economic challenges in the region. The plan emphasizes providing comprehensive support to low, very low, and extremely low-income families, recognizing that approximately 25.9% of the population lives below the poverty line, and unemployment rates remain higher than state and national averages at 8.7%.

Key initiatives include partnerships with property managers, resource agencies, and homeless service providers to offer tools and resources tailored to families' specific needs. The Authority's programs also encourage self-sufficiency through initiatives like the Family Self-Sufficiency (FSS) program, which helps participants increase earned income, build financial capability, and transition to economic independence by integrating housing assistance with job training and educational opportunities. Furthermore, partnerships with local organizations and government agencies ensure that families in poverty have access to essential services like Temporary Assistance for Needy Families (TANF), food stamps, and rental subsidies.

The plan also identifies challenges such as the rising rental market, a shortage of affordable housing units, and overcrowding, all of which exacerbate poverty and homelessness in the region. To combat these issues, the City is actively pursuing the development of affordable housing projects, including "tiny home" initiatives, and providing housing vouchers and other assistance to vulnerable populations.

### **How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

Aligned with the draft 2025-2029 Consolidated Plan, the City of Merced is committed to establishing clear and measurable goals that prioritize programs and services for its most vulnerable populations, including those living below the poverty line. These efforts emphasize a collaborative approach, working closely with the Continuum of Care (CoC) and the Housing Authority to develop and implement sustainable housing solutions that address critical needs across the community.

Additionally, the City is focused on advancing economic development initiatives aimed at reducing the unemployment rate and addressing gaps in the qualified workforce. By fostering strategic partnerships, promoting skill-building opportunities, and supporting job creation, the City seeks to empower individuals and families to achieve greater economic stability and long-term self-sufficiency. These objectives reflect the City's dedication to reducing poverty and improving the quality of life for all residents.

## **SP-80 Monitoring – 91.230**

**Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The City's Development Services Department is responsible for ensuring that the receipt and expenditure of HUD funds comply with all program requirements through the careful monitoring of program performance. A comprehensive evaluation of the housing and public service delivery systems serves as a critical tool for identifying gaps and implementing appropriate modifications. Monitoring procedures include in-house reviews of progress reports and expenditures, as well as on-site visits to ensure compliance with federal regulations. This system fosters uniform reporting, enabling consistent tracking of beneficiary information. Monitoring efforts also focus on resolving programmatic or financial issues that could prevent organizations from meeting their contractual obligations. Where necessary, technical assistance will be provided to address identified challenges.

Project and financial data are maintained using HUD's Integrated Disbursement Information System (IDIS) software, which allows for efficient data tracking and provides HUD staff with easy access to local information for review and progress evaluation.

### **1. Monitoring Housing and Community Development Projects**

The City implemented a monitoring plan that includes:

- Conducting a risk-based assessment to determine whether sub-recipients will undergo full, onsite monitoring or remote, desk monitoring.
- Establishing a detailed monitoring schedule.
- Developing and utilizing a comprehensive monitoring checklist.
- Conducting on-site visits where applicable.
- Providing sub-recipients with written notifications of monitoring results.
- Offering technical assistance as needed.
- Ensuring that corrective actions, if required, are promptly executed.

### **2. Ensuring Long-Term Compliance with CDBG Program and Planning Requirements**

The City ensures compliance with the CDBG program by doing the following:

- Verifying project eligibility against regulatory requirements and maintaining consistent communication with the City's HUD CPD representative.
- Adhering to the City's Subrecipient Monitoring Plan.
- Referring to HUD's monitoring handbook to ensure alignment with national objectives, such as low- and moderate-income area benefits and limited clientele objectives, as well as financial management and other entitlement program requirements.
- Regularly reviewing HUD CPD notices on CDBG program and planning requirements.

### **3. Ensuring Long-Term Compliance with HOME Program and Planning Requirements**

- To maintain compliance with HUD regulations, the City conducts annual recertifications of Community Housing Development Organizations (CHDOs) and assesses a developer's capacity to complete HOME projects. Additionally, the City evaluates the long-term viability of proposed projects before awarding or committing HOME funds. This vetting process includes a thorough review of the developer's qualifications and project feasibility.
- In accordance with HOME Investment Partnerships Program rules, the City monitors all HOME-assisted rental developments annually through detailed reporting during the affordability period. On-site monitoring occurs at least once every three years or more frequently if concerns are identified through the annual reporting process. These efforts ensure ongoing compliance with program requirements and promote the success and sustainability of HOME-funded projects.

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

For the last year of the previous Con Plan period ending June 30, 2025(PY 2024), the City received \$1,056,567 in CDBG funds and \$450,563.61 in HOME funds for a total allocation of \$1,507,130.61.

#### Program Year 2025 Allocations and Available Funds

For the Annual Plan program year 2025 (July 1, 2025, to June 30, 2026), HUD notified the City on May 14, 2025, that it will receive \$1,089,413 in CDBG and \$447,510.24 in HOME funds. This is an increase of \$32,846 of CDBG and a decrease of \$3,053.37 of HOME funds from the prior year (net increase of \$29,792.63). Program income to be received over the year is estimated at \$108,000 and \$60,000, respectively, for CDBG and HOME. Prior Year Carryover funds are \$22.593 of CDBG and \$1,218,701.87 of HOME funds.

#### Estimated Funds Available for the Remainder of the Consolidated Plan

Each year through the end of the 2025-2029 Consolidated Plan period, the City will estimate receiving \$1,000,000 in CDBG and \$450,000 in HOME annually, prior to HUD's annual nationwide allocation of funds following U.S. Congress federal budget appropriations. Additionally, the City is estimating that it will receive annual program income amounts of \$108,000 of CDBG and \$60,000 of HOME per year. (described further in the fund narratives below). Therefore, the City estimates that \$4,432,000 of CDBG and \$2,040,000 of HOME will be received in years 2 through 5 of this Consolidated Plan period (net total of \$6,472,000).

## Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Federal	Acquisition Admin & Planning Economic Development Housing Development Public Improvements Public Services	\$1,089,413	\$108,000	\$22,593	\$1,220,006	\$4,432,000	Estimated CDBG program income in the amount of \$108,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of CDBG-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.
HOME	Federal	Acquisition Admin & planning Homeowner Rehab Homeowner Assistance Rental Housing Development	\$447,510.24	\$60,000	\$1,218,701	\$1,726,212	\$2,040,000	Estimated HOME program income in the amount of \$60,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of HOME-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City makes its best effort to utilize HOME funds, State funds, and other funding sources, as appropriate, to achieve the objectives outlined in the Annual Action Plan, and emphasizes the need for local organizations to leverage these resources as they request funding for their programs. Additionally, the City may allocate local funds, including unexpended CDBG funds from prior years (when available), to provide additional support for organizations and individuals benefiting from CDBG funding. Although there is no official match requirement in the CDBG program, in most cases, other funds, such as private funds received through donors or fundraising activities, commercial loans, Gas Tax funds, and non-federal funds, are used to supplement and defray project costs.

All Participating Jurisdictions (PJs) receiving HOME funds, like the City of Merced, must contribute or match no less than 25 cents for each dollar of HOME funds spent on affordable housing. Federal match requirements apply to the City's HOME funds. As PJs draw funds from HOME, they incur a match liability, which must be satisfied by the end each federal fiscal year. The HOME statute provides for a reduction of the matching contribution requirement under three conditions: 1) local fiscal distress; 2) severe fiscal distress; and 3) for Presidentially declared major disasters covered under the Stafford Act. When a local jurisdiction meets both of the distress criteria in 24 CFR 92.222, it is determined to be in severe fiscal distress and receives a 100 percent reduction of match, effective for the fiscal year in which the determination is made and for the following fiscal year. Individual poverty rate and per capita income (PCI) are based on data obtained from the latest American Community Survey (ACS) estimates from Census data. With a 2023 estimated poverty rate of 25.76 percent and a PCI of \$21,518, the City of Merced's match in Program Year 2024 was reduced 100 percent.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The Housing Division is designated as the Housing Successor Agency (HSA) overseeing 10 vacant properties formerly belonging to the dissolved former Redevelopment Agency. Per State law, the properties must either be developed with affordable housing or sold for the same purpose. If sold, the sales proceeds must be deposited into the HSA LMI Housing Asset fund to be reused for affordable housing. Additionally, the remaining portion of a large-sum payoff of former Redevelopment Agency loan funds (LMI Asset Funds) that was made in January 2021 are still earmarked to be used to support affordable housing projects.

Pending Disposition of Properties

The City has been working to dispose of these properties to three different affordable housing developers. Effective 1/1/2020, Assembly Bill 1486 amended the Surplus Lands Act, requiring cities to offer surplus property to affordable housing developers and other such entities before



offering them for sale on the open market. Under certain exemptions, the Act requires disposed properties to meet certain conditions per Government Code Section 54221(f)(1)(A): 1) not less than 80% of the parcel area should be used for housing development; 2) not less than 40% of the total number of units shall be made available to households earning 75% AMI or less and at least half of which shall be affordable to very low-income households; and 3) units must be restricted by a regulatory agreement for no less than 30 years.

In April 2021, a Request for Proposal (RFP) for these affordable housing development opportunities was released, and the City received multiple proposals from affordable housing developers. On October 18, 2021, the City Council selected three affordable housing partners to develop the ten sites as follows:

- Linc Housing: Sites 1 through 5 (1823 I Street, 1815 I Street, 205 W. 18th Street, 211 W. 18th Street, and 202 W. 19th Street) – 54 affordable rental housing units
- Fuller Center for Housing of Merced County (formerly Habitat for Humanity of Merced County): Sites 6 through 9 (1744 I Street, 49 W. 18th Street, 150 W. 19th Street, and 26 W. 18th Street) - single family homes
- Custom Containers 915 (CC915): Site 10 (73 South R Street) – 21 apartment units for formerly homeless veterans converted from former shipping containers (also received a \$4.4 million State Homekey award for this project)

As of April 2025, the City is nearing the end of a one-year escrow with Linc Housing for ownership transfer of its properties while other funding is sought and a NEPA environmental clearance is obtained. The project was awarded the use of 53 Project Based Vouchers by the Housing Authority of Merced County. The Fuller Center closed escrow on April 14, 2023, a Disposition and Development Agreement (DDA) has been recorded, and an initial set of construction plans have been submitted for Building Division review. Construction is still pending. CC915's project is nearing completion with occupancy expected by Summer 2025.

## Discussion

In addition to the entitlement allocations the City receives from HUD, the Housing Division also manages numerous other grants and programs within the community.

The following local and State funds and programs generate income from the loans and are included in the City's Fiscal Year 2025/26 budget:

- LMI Housing Assets (Local)
- CalHome 2021 (HCD)
- Cal HOME 06/12 (HCD)
- HOME 92/93/94 (HCD)
- NSP 3 (HUD)

Other funding sources (non-Federal) can also be contributed to HUD-assisted projects. These include:

- Homekey (HCD)
- Fund 1020 Housing Opportunity Fund (Local/General Funds)
- LMI Housing Assets (Local)
- Water Enterprise Funds (Local)
- Sewer Enterprise Funds (Local)

Local funding sources are budgeted as part of the overall City and Housing Division budget. Local funds are not included as part of the anticipated resources in the HUD Strategic and each Annual Plan since they are non-federal funding sources. Non-federal funding sources are sometimes necessary to assist in financing the 'fiscal gap' of various projects, thereby allowing them the ability to move forward.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Below are the annual goals for FY 2025-2026.

**NOTE:** Amounts below are ESTIMATED at this time. This chart will be updated following the final public hearing and award of project funding.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A Provide Community Based Job Training	2025	2029	Non-Homeless Special Needs Economic Development	City Wide	1 Increase Economic Development/Job Opportunities	CDBG: \$48,154.00	Public service activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted
2	2C Parks & Recreation Facility Improvements	2025	2029	Non-Housing Community Development	LMI Census Tract Areas	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$733,287.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6000 Persons Assisted Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	3A Increase Affordable Rental Opportunities	2025	2029	Affordable Housing	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$1,683,701.00	Rental units constructed: 50 Household Housing Unit
4	3D Provide Housing Stability & Homeless Prevention	2025	2029	Affordable Housing Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$46,100.00	Public service activities for Low/Moderate Income Housing Benefit: 18 Households Assisted Homelessness Prevention: 30 Persons Assisted
5	3E Provide Fair Housing Services	2025	2029	Homeless Non-Homeless Special Needs		3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$33,207.00	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	4A Provide Vital Services for LMI Residents	2025	2029	Homeless Non-Homeless Special Needs	City Wide	4 Public Services & Quality of Life for Residents	CDBG: \$81,452.00	Public service activities other than Low/Moderate Income Housing Benefit: 2200 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 40 Households Assisted
7	6A Administration and Planning	2025	2029	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities 2 Expand/Improve Public Infrastructure/Facilities 3 Affordable Housing/Shelter/Homeless/Prevention 4 Public Services & Quality of Life for Residents 5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$221,600.00 HOME: \$11,793.00	

## Goal Descriptions

1	<b>Goal Name</b>	1A Provide Community Based Job Training
	<b>Goal Description</b>	Work with partner non-profit organizations to provide job training opportunities to LMI residents in general or specific growth industries, including data technology, agricultural science, automotive or diesel repair, welding/fabrication, and other vital industries and trades.
2	<b>Goal Name</b>	2C Parks & Recreation Facility Improvements
	<b>Goal Description</b>	Invest CDBG funding to public as well as privately owned parks and recreation facilities that will be open to the general public, including safety and ADA accessibility improvements that increase access for all.
3	<b>Goal Name</b>	3A Increase Affordable Rental Opportunities
	<b>Goal Description</b>	Enhance housing opportunities by increasing the availability and affordability of rental housing options through new construction of rental housing, including the use of CDBG funding to purchase vacant land for HUD-assisted affordable housing projects. Whenever possible, new options for seniors and disabled individuals should be considered. Under this goal, consideration could be given to projects involving affordable commuter or workforce housing for LMI residents.
4	<b>Goal Name</b>	3D Provide Housing Stability & Homeless Prevention
	<b>Goal Description</b>	Nearly two-thirds of residents spend over 30% of their household income on the costs of housing, including rent, insurance, and utilities. The cost of housing represents the number one barrier to good housing options in Merced, as well as finding available, safe units. Therefore, this goal will focus on homelessness prevention and housing stabilization programs over the Consolidated Plan period. This could include: prevention services that link people to emergency resources, including allowable rapid rehousing, security deposit, and rental and utility assistance. Individualized case management, housing navigation, or other services that find housing and improve housing stability for those experiencing homelessness or those in transitional or permanent supportive housing, and including special needs such as elderly, disabled, and domestic violence victims.
5	<b>Goal Name</b>	3E Provide Fair Housing Services
	<b>Goal Description</b>	Expand fair housing knowledge and services by promoting awareness of housing rights, addressing discrimination, and providing resources to support equitable access to housing opportunities.

<b>6</b>	<b>Goal Name</b>	4A Provide Vital Services for LMI Residents
	<b>Goal Description</b>	Under this goal, the bulk of the City's public services programming will be provided, almost exclusively via partnerships with area community non-profit organizations to deliver quality of life programs that enhance community well-being and family balance, including not limited to: supporting youth and afterschool activities, self-sufficiency/life skills programs, senior programs, different types of physical and mental health programs, transportation services, nutrition and/or food distribution programs, and programs that aim to eliminate patterns of poverty in families and neighborhoods, sometimes targeting specific LMI areas within the city limits in which to deliver services. In instances where discrimination is not the problem, but there is still a need for mediation of disputes between tenants and landlords to prevent an eviction, counseling services can be provided under this goal as a CDBG-assisted public service.
<b>7</b>	<b>Goal Name</b>	6A Administration and Planning
	<b>Goal Description</b>	This goal includes data gathering, planning, and strategizing HUD funding for housing, economic development, community development, fair housing services, and public service needs of LMI Merced residents, as well as general direct and indirect CDBG and HOME program management costs.

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

The City will provide activities that support one or more of the following projects during Program year FY 2025-2026.

#### Projects

NOTE: Amounts below are ESTIMATED at this time. This chart will be updated following the final public hearing and award of project funding.

#### Program Year Projects

#	Project Name
1	CDBG & HOME: Administration (FY 25/26)
2	CDBG & HOME: Housing & Development Activities
3	CDBG: Public Facilities & Infrastructure
4	CDBG: Public Services & Economic Development

#### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

In January 2025, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

Most non-profit organizations do not have nearly enough funds to be able to provide all the services needed by residents. Therefore, the City tries to make public service and other types of project funding available to non-profit organizations in order to meet their organizations' missions. In turn, by providing funds to these organization to help the City address community need, the non-profits are also helping the City carry out the goals of this plan. It's a win-win scenario for all, especially our most important winners: our residents.



## Project Summary

### AP-38 Project Summary

#### Project Summary Information

This section will be updated upon the awards of NOFO.

NOTE: Amounts below are ESTIMATED at this time. This chart will be updated following the final public hearing and award of project funding.

**Table AP-38: Project Summary**

<b>1</b>	<b>Project name</b>	CDBG & HOME: Administration (FY 25/26)
	<b>Target area</b>	Citywide
	<b>Goals supported</b>	6 Administration and Planning  3E Provide Fair Housing Services
	<b>Needs addressed</b>	1.Increase Economic Development & Job Opportunities 2.Expand & Improve Public Infrastructure & Facilities 3.Affordable Housing/Shelter/Housing Stability 4.Quality of Life Services for Residents 5.Increase & Rehabilitate Owner Housing
	<b>Funding</b>	CDBG: \$239,482  HOME: \$44,751
	<b>Description</b>	This project allows Housing Division staff the ability to provide CDBG and HOME administrative services to ensure the implementation of all projects and management of HUD funding is successful and compliant. The City will use a portion of its HOME administrative funds to fund fair housing services, which includes education, counseling, and antidiscrimination legal services.
	<b>Target date</b>	6/30/2026
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Not applicable

	<b>Location description</b>	The majority of administration activities will be carried out at the City of Merced Housing Division office, 678 W 18 <sup>th</sup> Street, Merced, through subrecipients, collaborative agencies, or consultants. On-site project site visits necessary to carry out and monitor the overall program activities will also be part of this project.
	<b>Planned activities</b>	<p>Direct and Indirect administration costs, planning, and related activities:</p> <p>Direct CDBG Administrative Costs: \$81,741; <i>IDIS Matrix Code:</i> 21A/General Program Administration; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.205.</p> <p>Indirect CDBG Administrative Costs: \$119,741; <i>IDIS Matrix Code:</i> 21B/Indirect Costs; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(e). Indirect administrative activities usually involve the services of other City departments to the Housing Division, such as the City Attorney, Finance, and Facilities Departments.</p> <p>Direct HOME Administrative Costs: \$11,544; <i>IDIS Matrix Code:</i> 21H/CDBG Funding of HOME Administrative Costs; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(i)(2).</p> <p>CDBG: Administrative Support to City and County Continuum of Care: \$38,000 (meets ConPlan Goal 4A – Provide Homeless Prevention Services); <i>IDIS Matrix Code:</i> 20/Planning; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.205.</p> <p>HOME: Fair Housing Services: Project Sentinel, Inc. will be provided \$33,206.84 of HOME administrative funds to carry out a Fair Housing education, counseling, and legal services program available to all Merced residents regardless of income level; <i>IDIS Matrix Code:</i> 21D-Fair Housing Services (subject to Admin cap); <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(c).</p>

2	<b>Project name</b>	CDBG & HOME: Housing & Development Activities
	<b>Target area</b>	Citywide
	<b>Goals supported</b>	3A Increase Affordable Rental Housing Opportunities
	<b>Needs addressed</b>	3.Affordable Housing/Shelter/Housing Stability
	<b>Funding</b>	HOME: \$1,681,461
	<b>Description</b>	Housing and development activities under this project will include CDBG and/or HOME-funded non-CHDO activities, including but not limited to: owner-occupied housing rehabilitation, construction and reconstruction, increased homeownership opportunities, rental housing development, and assistance to create and support supportive housing (including acquisition with rehabilitation). These activities will benefit LMI households.
	<b>Target date</b>	6/30/2026
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	No specific activity has been identified at this time. Affordable housing projects will be targeted to LMI households, especially special needs populations. New construction may generate approximately 100 units.
	<b>Location description</b>	City Wide
	<b>Planned activities</b>	<p>The Housing Division did not receive project funding applications for any HOME-assisted housing projects that are ready to move forward. Therefore, available HOME funds will be placed in a 2025 Annual Plan project that pre-designates the use of the HOME funds towards affordable rental housing, rental or homeowner rehabilitation of existing units, and/or acquisition of land for new construction of affordable rental housing.</p> <p>HOME funding from the 2024 (previous) program year was set aside in a similar way and is still available. HOME regulations give the City up to four years to commit (sign a contract) for each year of HOME funds that are allocated.</p> <p>Options are available to find a qualified and beneficial use of the funding. Staff could begin discussions with previous housing developer partners for a new project or can republish the City's previous and successful (and still open) Request for Qualifications (RFQ) that enables staff to keep a "portfolio" of qualified affordable housing developers on hand for times when funding is available.</p>

3	<b>Project name</b>	CDBG: Public Facilities & Infrastructure
	<b>Target area</b>	Citywide
	<b>Goals supported</b>	2C Invest in Parks & Recreation Facility Improvements
	<b>Needs addressed</b>	2.Expand & Improve Public Infrastructure & Facilities
	<b>Funding</b>	CDBG: \$791,406
	<b>Description</b>	Assistance for constructing or improving public infrastructure, parks, and facilities. The City will use CDBG funds to make improvements in residential areas within LMI Census Tracts, primarily focused in the South, Southeast, Central, East Central, and low-income areas of North Merced, that especially inhibit the mobility and accessibility of disabled and elderly persons.
	<b>Target date</b>	06/30/2027
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Improvements and neighborhood/public facilities will benefit approximately 4,000 households. The City expects 1 public facility (park) to be improved.
	<b>Location description</b>	CDBG Income Eligible Census Tracts
4	<b>Planned activities</b>	<p>In the expectation that enough CDBG funding will be available to fund most or all of elements of the Joe Herb Park ADA Accessibility project that was included in the “alternative CDBG project list” presented to Council during the substantial amendment process for the 2024 Annual Plan (current year), this project is tentatively slated to be carried out during the 2025 program year.</p> <p>The Joe Herb Park ADA project was ranked as highest priority by the Parks and Community Services department. Housing staff is working with the Director to develop the scope of this project to match the potential 2025 available funding that may be available.</p> <p>The tentative scope of work includes ADA bathroom upgrades, new ADA accessible sidewalks, lighting, and more.</p>
	<b>Project name</b>	CDBG: Public Services & Economic Development
	<b>Target area</b>	Citywide
	<b>Goals supported</b>	<p>1A Provide Community Based Job Training</p> <p>3D Provide Housing Stability &amp; Homeless Prevention Services</p>

	4A Provide vital services for LMI individuals and families
<b>Needs addressed</b>	<p>1.Increase Economic Development &amp; Job Opportunities</p> <p>3.Affordable Housing/Shelter/Housing Stability</p> <p>4.Quality of Life Services for Residents</p>
<b>Funding</b>	CDBG: \$189,118
<b>Description</b>	<p>The City will provide supportive and vital services for low income and special needs populations in the jurisdiction. Public services will target LMI citizens and may include services to address homelessness, persons with physical and mental health disabilities, the elderly, and the youth. Services may also include recreational programs for special needs populations, and education and health programs for special needs households. Public services for LMI will include: tenant/landlord counseling, crime prevention programs, food assistance, case management for emergency assistance, rental and utility assistance, employment and life skills training programs, and health programs.</p>
<b>Target date</b>	6/30/2026
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<p><i>NOTE: these outcomes are estimated at this time</i></p> <p>The following outcomes are expected:</p> <p>Public Service Activities other than Low/Moderate Income Housing Benefit: <b>2,550 Persons Assisted</b></p> <p>Public Service Activities for Low/Moderate Income Housing Benefit: <b>40 Household Housing Units</b></p> <p>Homeless Prevention: <b>30 Persons Assisted</b></p>
<b>Location description</b>	Services will generally be distributed city wide to qualifying low-income target groups, except where noted.
<b>Planned activities</b>	<p><b>The below organizations are tentatively being considered to receive funding for their public service projects. These dollar figures below are presented as estimates only. Final award amounts will be determined by City Council upon final approval of this plan.</b></p> <p><u>Housing Division Activity Delivery Costs</u></p> <p>The City is reserving approximately \$28,367 to be used as activity delivery costs (ADC) for all projects that are categorized by HUD as public services. These costs will be based on the actual number of</p>

	<p>hours that the City’s Housing Division staff spend on assisting each of the below projects to be carried out and completed.</p> <p><u>Project Sentinel - Tenant and landlord dispute counseling</u>  <u>\$31,451 (preliminary/estimated)</u></p> <p>The January 2023 storms brought an awareness that there is a need in our community for an agency that serves as a mediator between tenants and their landlords to settle disputes and provide educational resources about the rights and responsibilities of their respective sides. While HUD requires the City of Merced to provide fair housing services, which provides tenants and landlords protections under federal Fair Housing laws – protecting against discrimination in the sale, rental, or financing of housing based on race, religion, national origin, gender, disability, and family status – these services cease at the point where it is determined that there has not been a violation of those protections. Project Sentinel responded to this need for the 2023 and 2024 program year. For 2025, Project Sentinel has applied to provide tenant and landlord counseling services to City of Merced residents, initially requesting \$50,000. This amount may need to be reduced if the CDBG allocation is too low to support it.</p> <p><u>Harvest Time - Food box/homeless lunch distribution</u>  <u>\$40,000 (preliminary/estimated)</u></p> <p>This organization provides prepared lunches and food box distributions to the homeless and low-moderate income residents via a partnership with the Merced Rescue Mission and through its drive-thru food box distribution warehouse located on the property of the Calvary Assembly of God Church. To continue providing consistent, dependable distributions to the community, funding is requested to cover staffing, gas/electric utility, insurance, and mileage costs to collect food donations and purchases. Providing this dependable food source to families is an indirect way of preventing chronic or at-risk homelessness, as it offsets these basic living costs, making more of a family’s income available to pay rent or mortgage. Harvest Time initially requested \$75,820 for this program for 2025. This amount may need to be reduced if the CDBG allocation is too low to support it.</p> <p><u>Dr. Jennifer Jones Foundation - Rent-utility assistance/mental-health-substance abuse services</u>  <u>\$37,900 (preliminary/estimated)</u></p> <p>The Dr. Jennifer Jones Foundation has applied for federal CDBG funding for the first time and is requesting financial assistance to expand their current “Legacy Project,” which includes Enhanced Care Management and Community Support Services to Medi-Cal recipients through a partnership with Central California Alliance for Health, to include additional short-term rental and utility assistance</p>
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	<p>resources and rapid re-housing funding, including rental security deposits. However, some aspects of a traditional rapid re-housing, such as medium-term rental assistance and/or voucher assistance, are not eligible uses of CDBG funds. CDBG can assist with other requested costs, such as staffing for case coordination, purchase of equipment, telephone utilities, and purchase of a vehicle as a capital expenditure for exclusive use in the program. The Dr. Jennifer Jones Foundation has initially requested \$450,000 in their application, which far exceeds what will be available. Housing Division staff will work with the organization to pare down the budget to specific items of cost that are eligible and necessary for the goal of service expansion. This year, no other organization has applied for CDBG funding to provide short-term rental/utility assistance.</p> <p><u>Love Never Fails/Bay Valley Foundation - Employment training \$40,000 (preliminary/estimated)</u></p> <p>Economic development needs such as job training, business building, and job creation or retention were repeated, both in its own category as well as the overall greatest needs in the community (ranked 2nd greatest need). While general job training is not categorized by HUD as “economic development” in their regulation-based matrix of eligible activities, employment training in certain fields of work without being tied to a particular company or position can be accomplished as a public service program. Love Never Fails, Inc., a 501(c)(3) public charity organization, in collaboration with Bay Valley Foundation (the non-profit arm of Bay Valley Tech, or BVT) has requested \$120,000 to hold a series of three free 6-hour AI (Artificial Intelligence) Tools workshops, with the goal to improve participants’ employability and to support area entrepreneurs. Participants will acquire hands-on experience through BVT’s AI Tools training program, which will include learning in the following areas: marketing strategy, website/app design, project management, social media content, and app development. With \$120,000, approximately 60 residents can be trained – however, this amount will take a large bulk of the public service funding that will be available. As such, Housing Division staff is working with Love Never Fails to pare down the budget to eligible costs, which may reduce the number of beneficiaries.</p>
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## Geographic Distribution

### AP-50 Geographic Distribution – 91.220(f)

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed.**

The City of Merced will not allocate funding based on a specific geographic area but will instead prioritize activities and programs that demonstrate high quality and align with the priorities and goals of the Consolidated Plan. Funding distribution will be guided by the quality and quantity of applications received, ensuring alignment with the city's strategic objectives. While the City employs a place-based strategy during the planning period, the geographic allocation of funding will depend on the type of activity being funded. The primary focus is to support programs in areas most impacted by the needs of low-income residents and individuals with special needs.

Efforts to invest in neighborhoods where at least 51% of residents are classified as low- or moderate-income will be prioritized. Public infrastructure improvements, as an example of an area-benefit activity, are directed toward predominantly low- and moderate-income neighborhoods to ensure access to resources. These activities are intended to benefit all residents within a specific area, addressing critical needs and fostering community development.

### Geographic Distribution

NOTE: Percentages below are ESTIMATED at this time. This chart will be updated following the final public hearing and award of project funding.

Target Area	Percentage of Funds
City Wide	
LMI Census Tract Areas	
South Merced Area	
Eastern South Merced Area	
Loughborough Drive Area	
Merced Rail Station Planning Area	

### Rationale for the priorities for allocating investments geographically

The basis for assigning the priority to each category was based on the identified needs expressed during the consultation and citizen participation process. In addition, priorities were determined by information gathered from the Census, local plans and priorities, and the City's current Housing Element.

It's the City's intent to fund activities in the areas most directly affected by the needs of low to moderate income residents and communities and those with other special needs. To create substantive neighborhood improvements and stimulate additional, unassisted improvement efforts, the City will



focus a portion of its housing-related funding in targeted low-income and special needs neighborhoods.

### **Discussion**

The City will specifically target a minimum of 70% - with the ultimate goal being 100% - of all funding to benefit low to moderate income residents living within City limit boundaries. Defined as an area in which at least 51 percent of households have an income of 80 percent or less of the AMI, approximately three quarters of the City is within a CDBG income-eligible census tract, which HUD has pre-determined are income-eligible areas based on the latest census data. Some projects, such as infrastructure improvement projects, will be focused specifically to these areas, while other projects are intended to serve primarily residents with low to moderate incomes through projects themselves (i.e., public services, owner-occupied rehabilitation, and affordable housing).

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

This section provides an overview of affordable housing goals in Merced for FY 2025-26. It focuses on specific goals for the number of people experiencing homelessness, non-homeless populations, and special needs households to be provided affordable housing within the program year. This section also indicates the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units.

The City will encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Merced County. When possible, the specific emphasis will be placed on the provision of family housing and non-traditional housing types such as single-resident occupancies, transitional facilities, and housing units serving temporary needs. The City will encourage development of housing for households with extremely low incomes through a variety of activities such as outreach to nonprofit and for-profit housing developers, land donations, providing in-kind technical assistance for housing developers, financing and funding assistance, fee deferrals, and expedited processing as appropriate. The City will also encourage the development of supportive housing units for households earning up to 30 percent AMI.

The City's strategies related to CDBG & HOME funded efforts relate to providing funds for public services, developing partnerships with housing organizations, providing secondary financing to affordable housing developments, providing forgivable loans to homeowners for rehabilitation projects to their homes, and secondary financing loans to qualified first time homebuyers when funding is available.

The below goals will be finalized upon the finalizing of project funding at the Final Public Hearing.

#### One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	50
Special-Needs	20
<b>Total</b>	<b>70</b>

#### One Year Goals for Affordable Housing by Support Type

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	20
The Production of New Units	50
Rehab of Existing Units	0
Acquisition of Existing Units	0
<b>Total</b>	<b>70</b>

## Discussion

The figures noted above comprise of the following Program Year 2025 projects:

The below data will be finalized following the Final Public Hearing.

### Number of Households to be Supported by Population Type:

#### Homeless Households Supported:

- TBD

#### Non-Homeless Households Supported:

- TBD

#### Special Needs Households Supported:

- TBD

### Households Supported Through Project Types:

- Short-term Emergency Rental Assistance - \_\_\_\_\_ households
- Production of New Units - Affordable Rental Housing Construction: \_\_\_\_ households
- Rehabilitation of Existing Units – \_\_\_\_\_ households
- Acquisition of Existing Units – \_\_0\_\_ households

For 2025, the aforementioned number of households assisted relies primarily on the ability of the City to provide financial assistance to multiple non-profit organizations. These organizations are tasked with assisting individuals and households within the City of Merced. Annually, these programs are designed to assist a variety of individuals through either rehabilitation of existing units or by acquiring, improving, and expanding their housing stock portfolio. Some of these programs may be funded with non-HUD resources but will achieve the overall goal of improving and increasing the number of affordable units within our community. To help achieve this goal, the Housing Division was able to budget other funding

sources as part of the overall Housing Division Fiscal Year 2025-26 budget.

Not included in these tables are projects for which the City is using only non-HUD funding, such as California Homekey projects.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

Public housing was established to provide safe and quality rental housing for individuals and families with low and moderate incomes, including older adults and people with disabilities. Public housing encompasses federally subsidized, affordable housing owned and managed by public housing authorities. While the City of Merced does not own public housing, it works in close collaboration with the Housing Authority to ensure the availability of public housing options within the City and throughout Merced County.

The City of Merced remains committed to supporting low-income families by working independently and in partnership with the Housing Authority and local nonprofit organizations to provide housing assistance and develop public housing projects in Merced. The Housing Authority manages public housing programs, including the Housing Choice Voucher and Section 8 programs, which are critical resources for individuals and families in need. As of the 2024-2025 Public Housing Authority Plan, 2,379 families are on the waiting list for housing assistance, highlighting the ongoing need for affordable housing solutions.

The Housing Authority of Merced County serves as the public housing agency for both the City and the broader County. It operates independently of the City of Merced, with full control over its funding and program implementation. However, the City's Housing Division, in collaboration with local nonprofit developers, continues to work closely with the Housing Authority to support the development of future multi-family housing projects that address the community's needs. Together, these efforts demonstrate a shared commitment to expanding access to safe, affordable housing for Merced residents.

### **Actions planned during the next year to address the needs to public housing**

The HACM has established plans to address the critical housing needs in the region while ensuring compliance with federal regulations and expanding opportunities for vulnerable populations. A key focus of the PHA's strategy is the development and preservation of affordable housing. This includes ongoing efforts to maintain and improve the existing public housing stock through necessary capital improvements, ensuring these units remain safe, habitable, and viable for the long term. Innovative projects, such as the small/tiny homes initiative in Los Banos, are being pursued to expand the inventory of affordable housing and provide creative solutions for underserved populations.

In partnership with local entities, including the City and County of Merced, the PHA is spearheading several collaborative projects. These include affordable housing and Homekey initiatives that aim to provide housing for vulnerable groups such as veterans and families who were formerly homeless. These partnerships also extend to private and nonprofit developers to facilitate the creation of affordable housing units, leveraging resources like Project-Based Vouchers (PBVs) to support long-term affordability. The PHA's commitment to addressing homelessness and poverty is further reflected in its efforts to convert existing housing into affordable units, creating more opportunities for families in need.

The PHA places a strong emphasis on fair housing and accessibility, ensuring that all new developments adhere to Fair Housing principles and are fully accessible for individuals with disabilities. This commitment includes addressing accessibility needs in both new and existing housing units to provide opportunities for all residents. These efforts align with the PHA's broader goal of creating inclusive communities that prioritize the needs of low-income individuals, families, seniors, and people with disabilities.

Programmatic enhancements are also a cornerstone of the PHA's strategy for the upcoming year. The agency is revising its policies to better align with updated HUD regulations and to address community-specific needs. These adjustments include refinements to eligibility criteria and financial management processes, as well as targeted strategies to reduce poverty concentrations. The integration of Project-Based Vouchers is a critical component of this effort, enabling the PHA to expand housing opportunities and support mixed-income developments that promote economic diversity.

To ensure effective program management and compliance, the PHA continues to leverage HUD systems like the Integrated Disbursement Information System (IDIS) for tracking and reporting progress. The agency is committed to monitoring measurable outcomes and providing technical assistance to strengthen operational effectiveness. This approach not only ensures regulatory compliance but also enhances the PHA's ability to deliver impactful housing solutions that address the pressing needs of the community.

In sum, the PHA's plan for the upcoming fiscal year reflects a proactive and collaborative approach to tackling housing challenges in the region. By focusing on development, partnerships, fair housing, and program improvements, the PHA is working to create sustainable housing opportunities that meet the needs of its residents while fostering long-term community stability.

#### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The HACM places a strong emphasis on fostering resident involvement and supporting self-sufficiency to enhance the overall quality of life for its participants. Through a variety of methods, the HACM connects residents with services, activities, and community organizations that align with this vision. Resources such as a network center, public computer access, and community partnerships are available to residents, while the Authority's website provides dedicated sections for "resident" and "resident services," offering easy access to relevant services and service providers. Additionally, the HACM keeps residents and participants informed about program updates and opportunities through its website and regular mailings.

Public housing residents are actively encouraged to participate in shaping policies, procedures, and programs. They play a key role in the development of the HACM's five-year and annual plans, ensuring that their voices are heard and integrated into the decision-making process. This collaborative approach strengthens the connection between the HACM's and the communities it serves.

In the past, the HACM successfully implemented a Homeownership Program (HOP), which provided public housing tenants the opportunity to transition to homeownership. The program was designed to assist low-income families who might not otherwise be able to afford a home, offering them a path to ownership through eligibility requirements that included stable and sufficient income. Participants were required to attend educational courses on homeownership, credit counseling, home maintenance, and financial management. Although the program is no longer available due to the sale of all Section 3 HOP units, it served as a valuable initiative, enabling many families to achieve homeownership and financial independence. The success of the program reflects HACM's ongoing commitment to creating pathways for self-sufficiency and long-term stability for its residents.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

The Housing Authority of the County of Merced is not designated as troubled.

**Discussion**

See above

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City has developed a strategic approach to addressing the needs of individuals experiencing homelessness, those at risk of homelessness, and other special needs populations. This strategy involves allocating funding to supportive services within the City or to regional programs that specifically target homelessness within the City's limits.

Historically, the City used Community Development Block Grant (CDBG) public service funds to support the Merced Rescue Mission in operating an overnight warming center. This center provided temporary shelter for individuals experiencing homelessness during the cold and rainy winter months, utilizing large spaces made available by local churches. Since 2021, the Merced Rescue Mission has independently operated this service at the newly established Navigation Center on B Street in Merced, absorbing the associated operational costs into the center's budget without reliance on CDBG funds.

In addition to supporting emergency shelter efforts, the City has worked collaboratively with developers and nonprofit organizations to address housing affordability. For example, the City has partnered with Central Valley Coalition for Affordable Housing, The Richman Group, Merced Rescue Mission, and Sierra Saving Grace to provide grants for the preservation of existing affordable housing and the construction of new affordable rental units, significantly contributing to the community's affordable housing stock.

Currently, a wide array of homeless services is available within the City, coordinated by various organizations operating across Merced County. Many of these programs collaborate with the Merced County CoC, which serves as the County's Collaborative Applicant for Emergency Shelter Grant (ESG) and other funding sources administered annually by the California Department of Housing and Community Development (HCD). The City remains actively engaged with the CoC, working to identify how the needs of the homeless population can be further addressed through CDBG and HOME funding assistance. A City representative regularly attends CoC homeless committee meetings, fostering collaboration among the region's homeless service providers and advocates. These meetings play a critical role in minimizing the duplication of services and ensuring that limited funding resources are used efficiently and effectively across participating organizations.

Through these coordinated efforts, the City continues to advance its commitment to reducing homelessness, increasing affordable housing options, and supporting its most vulnerable residents.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Each year the City prioritizes the financial support of programs and services that will benefit individuals and families at risk of and experiencing homelessness. This will remain true for the upcoming program year.

During the 2025 program year, the City will support the following programs which seek to address the



priority needs of homeless and special needs populations within the city limits.

Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

2025 Program funding to serve homeless and special needs individuals:

1. *Harvest Time – Food Distribution Program for Homeless and Very-Low-Income Families*: this project will provide this existing homeless and LMI food distribution program with \$\_\_\_\_\_ of CDBG funds, towards its “Food 4 You” program to help pay for staffing costs, utility, and other eligible operating costs of the program. In addition to the distribution of food boxes to LMI households, nutritious prepared meals are delivered directly to the homeless throughout the City of Merced via a collaborative effort with the Merced Rescue Mission.
2. *Merced County Human Services Agency (HSA) – Collaborative Applicant Homelessness Planning*: this project will provide \$\_\_\_\_\_ of the City's CDBG funds to support data collection, analysis, and strategic planning efforts to address homelessness within the City limits of Merced by the County's Human Services Agency, who acts as the Collaborative Applicant to analyze and address homelessness strategy countywide. As the City does not have the resources to do this work ourselves, this collaborative approach to determining and successfully addressing the needs of the City's homeless residents is vital to meet that effort.
3. *New rental housing construction*: a HOME-funded project for new construction of rental housing could potentially also include units with on-site case management for formerly homeless and/or special needs individuals. Additionally, HOME-ARP funds, through approval of the HOME-ARP Allocation Plan that is a part of the 2021 Annual Action Plan, are conditionally reserved for Upholdings' Mercy Village multi-family project that will include a number of units for special needs mental health patients. Formal commitment of those funds may occur during the 2024 program year, unless the development no longer needs these funds. If that is the case, the City will seek an alternative affordable housing project for the HOME-ARP funds.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

In 2019, the City's Zoning Ordinance was amended to allow Emergency Shelters as a permitted use in General Commercial (C-G) zones, and a Conditional Use in Central Commercial (C-C) and Thoroughfare Commercial (C-T) Zones. In addition, Municipal Code definitions related to housing, including emergency shelters, transitional housing, and supportive housing were amended such that transitional and supportive housing are residential uses subject to the same regulations and procedures that apply to other residential uses of the same type in the same zone.

Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

2025 Program Funding to address emergency shelter and transitional housing needs:

1. *Planning Activity Support for the HSA* - Collaborative Applicant: As discussed in the homeless population one-year goals section above, the City will provide CDBG funding to support the Agency's strategic planning role as the Collaborative Applicant. In addition to funding for programs to benefit homeless persons, the CoC also seeks federal, state, and other funding for programs that address the provision of emergency shelter and transitional housing needs in the community. Therefore, through this collaboration, the City helps the Human Services Agency strategize the use of shelters and transitional housing in addressing homelessness, including to assess if more of these types of housing for the homeless are warranted, and whether the City could strategize future funds to contribute a portion towards those projects.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The City continues to prioritize assisting homeless persons make the transition to permanent, independent housing, which includes contributing to homelessness planning efforts of the CoC.

Through the Continuum of Care and its community-based non-profit member organizations, the County has implemented a mixed-model Housing First and Rapid Re-housing approach in recent years. The CoC, combined with the County's emergency shelter and transitional shelter bed inventory, largely contributed to the effort to limit the effect of the COVID-19 pandemic and the rising cost of living on local homeless counts.

Housing First is recognized as an evidence-based best practice model by national researchers and policymakers based on years of research and implementation. The use of Housing First has helped jurisdictions across the country significantly reduce their homeless population. Implementation involves moving homeless persons - including chronically homeless individuals - from the streets and directly into housing and providing wrap-around services to ensure housing stability. This approach links chronically homeless persons to permanent supportive housing which provides subsidized housing and appropriate supportive services. This approach is in contrast to a "housing readiness model" which emphasizes that a homeless individual or family must address other issues such as substance abuse and mental illness through case management in a shelter or transitional housing program prior to entering affordable permanent housing. The Navigation Center uses a mix of these two models, by temporarily providing housing while concurrently assessing the need for services and matching them with housing to meet their individual needs.

The January 2025 Homeless Point in Time count report indicated that \_\_\_\_\_ individuals were in

temporary shelters, and \_\_\_\_ were in transitional housing within the city limits. With the need for permanent supportive housing part of the long-term equation to successfully transition individuals into successful, fully-independent living, the number of permanent supportive units in the City and surrounding area must catch up to the number of individuals who will need them now and in the future.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Merced will continue to work with the City and County Continuum of Care in using the approaches to housing that were described previously. The 2025 homeless count revealed that \_\_\_\_% of the unsheltered persons countywide are in the City of Merced (slightly \_\_\_\_\_ from 2024), and almost \_\_\_\_% of the \_\_\_\_\_ sheltered persons counted are in the City of Merced.

It can be assumed that many of the unsheltered homeless population counted are chronically homeless and in need of longer-term assistance such as long-term/voucher rental assistance and wrap-around social services such as mental health care, employment services, and life skills training. For those of the unsheltered homeless population that are not chronically homeless, they will likely need shorter-term assistance, such as a few months of rental assistance, and are not as reliant on social services.

Much of the program work to address some of the causes of homelessness - behavioral/mental health, drugs and alcohol - are handled primarily by County agencies and programs, and the vast majority of that work is best equipped to stay within those agencies, as to avoid duplication of services, but mainly due to the fact that the City does not have the same resources as the County. However, the City can assist the overall effort with funding for other collaborative, complementary, and supporting programs that help identify and strategize homelessness prevention in other ways.

#### 2025 Program Funding to Homelessness Prevention:

1. Emergency Assistance: TBD
2. Tenant/Landlord Counseling: There continues to be a need for a service to assist in dissolving disputes between tenants and landlords that the City's contracted fair housing services cannot assist with, as those services do not extend beyond fair housing discrimination education, counseling, and when needed, advocacy and representation in individual discrimination cases. Tenant and landlord counseling (TLL) services include mediation for cases that do not involve the protections covered under the Fair Housing Act (those involving race, color, national origin, religion, sex/gender identity, familial status, and disability). The TLL public service program will continue for the 2025 Program Year with \$\_\_\_\_\_ of CDBG funds. This will provide additional homelessness protection for those disputes that can be successfully mediated.

3. Senior Services: No senior services are planned with 2025 funding. However, the 2024 project with Healthy House will continue into the 2025-26 program year.

## Discussion

The City will continue to support homeless service providers that work collaboratively under the Continuum of Care network through yearly funding to focused service programs, such as advocacy and case management for homeless elderly or at-risk families and youth. In addition, the City intends to support and complement the goals of Merced County homelessness planning by striving to accomplish any or all of the following goals and activities each year, where possible:

- Develop and implement a “balanced” plan that will effectively approach the issue of homeless encampments and other related matters
- Develop partnerships between local government and non- and for-profit affordable housing developers to fund and construct housing that includes units set aside for homeless individuals and families.
- Through these and other partnerships with community agencies, fund and construct more affordable and market rate housing units to help ease the extremely low inventory of vacant units available to rent, which is contributing to the homeless problem in Merced.
- Continue to find means and incentives to make the construction of affordable and permanent supportive housing more feasible and attractive for developers.
- Requiring all public service program subrecipients that provide housing-related services to participate in the CoC’s Coordinated Entry System (CES), to help facilitate coordination of homeless and homelessness prevention services to individuals and families countywide.
- Continuing to provide fair housing services to the residents of Merced City in order to prevent housing discrimination and unlawful evictions.
- Continue to support programs that prevent homelessness and unsafe living conditions that lead to homelessness, such as rental/rental deposit, mortgage, and utility assistance and owner-occupied rehabilitation programs.
- Continue to support programs and services that help residents locate and secure suitable permanent housing.

In March of 2020, the City Council approved a Memorandum of Understanding with multiple County Agencies to establish a Homeless Court Program (HCP), a collaboration that will allow homeless and formerly homeless individuals to resolve outstanding eligible pre- and post-judgement criminal cases and/or infractions, in the interest of promoting public and individual safety and self-sufficiency. The HCP will help address the unique needs of the homeless population’s legal challenges, which oftentimes hinder an individual’s ability to re-establish themselves into employment and housing. The HCP is designed to reward those who have made significant progress in improving their situation by providing them access to additional community and court resources. Eligible cases for the HCP include both infraction and misdemeanor traffic and criminal fines. Staff support will be provided by the City

Manager and City Attorney's office on behalf of the City of Merced and, initially, Merced County staff will facilitate and implement the administrative functions of the program.

The City does not administer the Housing Opportunities for Persons With AIDS (HOPWA) Program, but there is coordination and contact with the Merced Continuum of Care to provide services to individuals with AIDS within the City and County.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The development industry faces numerous constraints that impact the construction of new housing. These constraints, which can significantly limit the number of housing units built and increase their costs, can generally be categorized into governmental and non-governmental factors. While these factors are often interrelated, governmental policies and regulations at the federal, state, and local levels have the most direct influence on housing availability and affordability.

Federal monetary policies and national economic conditions, which have some of the most significant impacts on housing costs, are beyond the influence of local governments. However, local governments play a critical role in shaping the local housing market and can take proactive steps to encourage and facilitate housing production. One of the key objectives of the Housing Element is to require local governments to evaluate their performance in addressing local housing needs. By examining local conditions and regulations that may affect the housing market, municipalities can take action to prepare for future growth in a way that safeguards public health and safety while minimizing unnecessary costs associated with housing production. This analysis deliberately excludes federal and state policies that fall outside the jurisdiction of local governments.

The City has implemented several initiatives to reduce potential barriers and constraints to affordable housing development while supporting the creation of housing for special needs populations. These initiatives include providing regulatory and density incentives, as well as other measures designed to assist affordable housing developers. The City's Housing Element outlines these programs in greater detail, highlighting the City's commitment to creating a supportive environment for housing development.

Additionally, the City has adopted policy changes and employed a combination of housing development tools to ensure that affordable housing units are constructed alongside market-rate housing. These efforts demonstrate the City's proactive approach to fostering a balanced and inclusive housing market that meets the needs of its residents while addressing affordability and accessibility challenges.

### **Program funding that reduces barriers to affordable housing include:**

- Fair Housing Services
- Tenant and Landlord Dispute Counseling
- Short Term Emergency Rental/Utility Assistance
- Owner-occupied rehabilitation programs
- New Affordable Rental Housing Construction
- State CalHome First Time Homebuyer Program (FTHB)

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

#### Efforts to Remove Constraints for First Time Home Buyers

It can be difficult for very low-, low-, and moderate-income first-time homebuyers to acquire sufficient savings and income to pay for a down-payment, closing costs, monthly mortgage, and tax and insurance payments to be able to purchase a home. A monthly mortgage payment typically provides more housing per bedroom than rental housing, as the latter is more expensive. To address this problem, the City of Merced applies for First Time Homebuyer Program (FTHB) funds whenever possible.

In December 2021, the City of Merced, in partnership with Self-Help Enterprises, applied to State HCD for 2021 CalHome First Time Homebuyer Assistance funds as well as funds for Owner-Occupied Rehabilitation, and on April 19, 2022, the City was awarded \$2,500,000 total for both activities. These programs are now fully implemented and are currently being assisted. Self-Help has prioritized its initial FTHB assistance to the list of pre-qualified interested residents the City maintained during the approximate seven years that the City did not have a FTHB program funding. The list was forwarded to Self-Help Enterprises to begin the new program. Currently, two FTHB transactions have been completed, with more being processed or in escrow. To date, no rehab projects have progressed beyond the initial application and screening process.

The Housing Division maintains a loan portfolio of previous FTHB loans, which were funded through various sources such as State 2006 and 2012 CalHome funds. Though conditions and terms are slightly different between these funding sources, applicants must have demonstrated financial need and pre-approval for a first mortgage, and the second mortgages were financed as a low-interest deferred loan payment. As these loans are paid off, the income is then used to provide funds for new loans, which Self-Help Enterprises may also help administer after fully distributing the 2021 funds.

#### Efforts to Remove Constraints for Low-Income Homeowners to Maintain Safe Housing

The City considers safe housing a priority for all citizens. Unfortunately, many low-income homeowners are unable to make needed repairs to maintain safe housing. In an effort to remove the financial constraints faced by these homeowners, the City's Housing Program, with Habitat for Humanity of Merced/Stanslaus Counties (HHMSC), administers a Homeowner Rehabilitation Program funded by Community Development Block Grant (CDBG) funds.

This program offers these homeowner rehab activities through a 10- or 15-year forgivable deferred loan, with the caveat being that the homeowner has to remain the occupant of the home for the full term of the loan, after which the balance is then forgiven. If the owner moves out or the ownership is transferred before this time, the balance with interest then becomes due and payable.

#### Efforts to Provide Fair Housing

This is an on-going series of activities undertaken by the City of Merced's Housing Program to ensure that low and moderate-income households receive maximum benefit from the funds received by their

local government. This area of activity includes constant attention to good communication between various service-providing agencies in the community, knowledge of market conditions and forces that drive good policy decisions regarding the use of resources, and constant evaluation of program efforts. It also refers to the monitoring of the City's Analysis of Impediments to Fair Housing Choice.

#### Efforts to Amend Policies

The City has taken measurable actions in recent years to amend policies and adopt the Regional Housing Needs Allocation Unit Production Plan, which allows staff to use several mechanisms and other tools at our disposal that will serve to help generate more new affordable housing units in the City.

#### **Discussion:**

##### 2025 fair housing activities:

1. A total of \$\_\_\_\_\_ in HOME administrative funds will be spent in FY 2025 on Fair Housing activities, including a contract with Project Sentinel to provide fair housing services for the residents of Merced. This is an annual program and provides housing counseling related to claims of discrimination, complaint-based investigations, legal services, and community-wide fair housing education and information. Project Sentinel will emphasize education of general housing rights to low-income tenants and housing providers, including property owner, managers, and property management companies.
2. Project Sentinel will also administer a Tenant and Landlord Counseling Service to handle non-discrimination-based disputes, with \$\_\_\_\_\_ of 2025 CDBG funds as a public service.

##### 2025 activities to help remove constraints for First-Time Home Buyers:

1. The City was awarded \$1,125,000 of 2021 CalHome First Time Home Buyer program funding by the State of California for the purchase of single-family homes as gap financing for first time buyers. Self-Help Enterprises is administering this program and has provided assistance to multiple homebuyers thus far, with more in the works.

##### 2025 Program Funding for Low- to Moderate-Income Homeowners to Maintain Safe Housing:

1. Oftentimes, homeowners can afford to purchase a home, but not to maintain it over many years, especially large-dollar and hazardous repairs like roof repair or replacements, HVAC system repairs or replacement, and removal and abatement of lead paint and/or asbestos-containing materials. Many of these homeowners are elderly and on fixed incomes. The City has provided a combined total of \$300,000 of 2022 and 2023 CDBG funds to Habitat for Humanity of Merced/Stanslaus Counties towards a three-year program to carry out homeowner occupied rehabilitation activities to benefit low-income homeowners needing necessary life-safety repairs to their homes. This program has been implemented, but will not need the third year of funding (2024 funds) that were originally planned for the third year.
2. 2021 CalHome grant funding – as part of the 2021 State CalHome award, \$1,375,000 was awarded to carry out Owner Occupied Rehabilitation (OOR) programming similar in type and scope to Habitat for Humanity. This program has been implemented and one loan is currently



being processed. Funding to enable a homeowner to construct an accessory dwelling unit (ADU) on their property was included in the approved activities by the State.

Community input from public meetings substantiated much of what the Housing Authority and the current Housing Element has reported - that housing is still lacking for senior citizens, foster youth who are aging out, and special needs adults. With identified areas of need, this and future plans will work toward addressing these specific populations. In 2020, the City conducted a review of public policies as a part of its 2020 Analysis of Impediments to Fair Housing (AI) to determine actions that may impede the development of affordable housing. This review is found in Section 4 of the AI, which can be found on the City's website at: [www.cityofmerced.org](http://www.cityofmerced.org). Currently, the City is not required to update or submit an updated AI with the Consolidated Plan. However, the City will continue to use the existing AI as a resource.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

This section will outline the City's planned actions to implement the key strategies identified in the Consolidated Plan, including:

- Fostering and maintaining affordable housing
- Evaluating and reducing lead-based paint hazards
- Reducing the number of poverty-level families
- Developing institutional structure
- Enhancing coordination

The City is committed to transparency and collaboration in meeting its housing and service goals.

### **Actions planned to address obstacles to meeting underserved needs**

In prior sections of this plan, the City has assessed the barriers and challenges in addressing the needs of underserved populations and has proposed targeted actions to overcome those barriers while ensuring access to housing and community resources.

Unfortunately, the needs of the Merced community far outweigh the amount of funding that the City can receive and expend in any given year. Aside from HUD programs, the City Council typically includes a separate community funding line item in its annual General Fund budget to assist small non-profits carry out community programs, such as youth soccer or art programs that beautify and brighten streetscapes.

Annually, the City sets aside the maximum amount that is allowed by HUD to dedicate to CDBG-assisted public service programs that would meet underserved needs of the community.

Program year 2025 is no exception, and with CDBG public service funding, the City will be addressing food insecurity as well as housing insecurity via rental assistance, case management, and housing counseling services to prevent unwarranted or unnecessary evictions.

### **Actions planned to foster and maintain affordable housing**

Since 2018, some of the City's mightiest and most successful efforts have been spent on fostering successful relationships with affordable housing developers and seeing multiple projects to completion.

Currently, the 156-unit Devonwood Apartments project is nearing the end of construction, slated to finish by approximately August 2025.

In the 2024 and this year's 2025 Annual Action Plans, the City has continued to set aside most or all of its HOME funds towards the cost of building affordable housing, whether it be for acquisition of vacant land for housing, rehabilitation of existing rental housing units to maintain existing housing stock, or for new construction of badly needed units for varying income levels - consistently the highest need of the

community from year to year. The need for senior units is becoming the prevailing special needs population in this category.

#### **Actions planned to reduce lead-based paint hazards**

As reported in the Needs Assessment sections of the Consolidated Plan, there are large portions of the city that have older, pre-1979 homes that may be in need of lead abatement efforts. The City is dedicated to continuously addressing those needs on a year-to-year basis, as long as there is funding and a partner organization available to do so.

The City is in the process of extending its partnership with Habitat for Humanity for CDBG-assisted Owner Occupied Rehabilitation activities with prior year funding. A large part of this program involves testing a homeowner's home for the presence of lead-based paint, and if found, mitigating and abating the issues that were discovered.

Additionally, the City is currently partnered with Self Help Enterprises to carry out State-funded homeowner rehab activities that will address lead paint, as well.

#### **Actions planned to reduce the number of poverty-level families**

For the last several years, the City has partnered with LifeLine CDC to carry out targeted public service activities to empower poverty level residents of the Loughborough Drive area learn new job skills, apply for employment, and seek ways to improve their family's financial situation. The program has been extremely beneficial for these families and it has helped formulate a model of sorts to extend to other areas of the City that are also very low income areas.

Though LifeLine did not respond to the 2025 NOFA, the City will be continuing to work with Harvest Time to enable fresh produce and grocery box distributions to LMI Mercedians, as well as prepared lunches for the homeless. This program assists thousands of individuals each year and has become a dependable source of nutrition for families who need this assistance.

#### **Actions planned to develop institutional structure**

Since the City does not have the fiscal or staffing resources to carry out public service programs itself, the City heavily relies on the help of non-profit organizations to administer programs using HUD CDBG funding.

For the same reasons, the City also relies heavily on the expertise and funding resources of Merced County departments, such as the Human Services Agency and the Behavioral Health and Recovery Services, to assist Merced City residents who are homeless and/or experiencing mental disorders or battling drug or alcohol dependencies.

The City plans to continue these successful relationships indefinitely.

#### **Actions planned to enhance coordination between public and private housing and social service**

## **agencies**

The City's Housing Department is primarily responsible for managing and coordinating the efforts of various organizations involved in housing and community development processes. Department staff work collaboratively with other City departments and community stakeholders to design and implement programs and activities aimed at improving low- and moderate-income neighborhoods throughout Merced. These efforts encompass a wide range of initiatives, including housing, public facilities and infrastructure enhancements, social and public services, and economic development projects. To deliver these programs and services effectively, the City partners with public agencies, for-profit entities, and non-profit organizations.

The City remains committed to working closely with Merced County, which surrounds the City, as well as with local non-profit organizations, to address regional challenges that impact low-income individuals and families, as well as populations with special needs. A representative from the City's staff will continue to actively participate in CoC meetings to ensure that issues related to homelessness are being addressed in a collaborative and coordinated manner. Through these partnerships and initiatives, the City strives to create meaningful and sustainable improvements in the community.

## **Discussion**

### **Other Actions: Monitoring Plan Update**

The City's Development Services Department, more specifically the Housing Division, is responsible for ensuring that the receipt and expenditure of HUD funds comply with program requirements through the monitoring of program performance. Careful evaluation of the housing and public service delivery system can be the most effective tool in detecting gaps and making appropriate modifications to ensure compliance with federal regulations. Procedures include in-house review of progress reports and expenditures and on-site visits. The monitoring system encourages uniform reporting to achieve consistent beneficiary information. Monitoring also aims to identify and resolve any program or other findings that may keep an organization from meeting its contractual obligations. Technical assistance is provided where necessary. Furthermore, project and financial data is maintained in HUD's IDIS (Integrated Disbursement Information System) software. Use of this system allows HUD easy access to local data for review and progress evaluation.

The City ensures compliance by:

- Checking project eligibility against regulations and staying in constant communication with the City's HUD CPD Representative
- Following the City's Subrecipient Monitoring Plan and/or HUD best practices
- Reviewing HUD's monitoring handbook to ensure compliance with National Objectives of low- and moderate-income area benefit and low- and moderate-income limited clientele, financial management requirements, and other CDBG Entitlement Program requirements
- Reviewing CPD notices and Federal Register Notices on CDBG and HOME program planning

requirements and rule changes

- Scheduling staff for training webinars/seminars whenever possible, in order to stay up to date on rule changes and ahead of the learning curve

#### **Other Actions: Policies and Procedures Update**

As part of an overall update to its Housing Division Policies and Procedures in 2025, the City plans to strengthen its existing subrecipient monitoring procedures by ensuring that specific HUD-recommended monitoring plan elements are included and/or expanded, comprising of:

- Conducting a risk-based assessment to identify which sub-recipients will receive a full, onsite monitoring versus a remote, desk monitoring
- Establishing a monitoring schedule
- Creating a monitoring checklist
- Conducting on-site visits, as applicable
- Notifying subrecipients of monitoring results
- Providing technical assistance
- Ensuring that corrective actions, if needed, are taken

Additionally, the Housing Division will finalize work in progress to develop NEPA Environmental Policies and Procedures and fold them into the Housing Division's existing procedures. Housing staff will also be doing extensive work on creating comprehensive Policies and Procedures for both CDBG and HOME regulations, as required, to ensure that proper internal controls are being followed and to ensure overall City compliance with HUD regulations, especially as a result of recent HUD monitoring that has exposed weaknesses in these areas.

Finally, in Fall 2025, the Housing Division plans to review and update its Citizen Participation Plan, to ensure continued compliance with HUD regulations and to continue to find more efficient, wider-reaching ways of reaching residents and to solidify them into procedures.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

#### Introduction:

The program-specific requirements that apply to the City are those for the CDBG and HOME programs.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$108,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
<b>Total Program Income</b>	<b>\$108,000</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	\$0
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**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.220(I)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City of Merced does not plan any other form of investment beyond those identified in Section 92.205 of the HOME Regulations.

The City typically invests HOME funds as equity investments, interest-bearing loans, non-interest-bearing loans, deferred payment loans, interest subsidies consistent with HOME regulations, and grants. The City does not typically choose to provide HOME funds as advances; however, this form of investment is permitted under Section 92.205 without special HUD written approval.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Income-eligible applicants must take an eight-hour home ownership class and will have covenants placed upon the home for a period up to thirty (30) years, depending on the loan amount and program. Depending upon the First Time Homebuyer Program funding source, homes can either be purchased community wide or based upon pre-approved Census Tracts with a high number of low-income residents. This program is designed to assist families with incomes equal to or less-than 80% of Area Median Incomes. These are eligible households that range in size and have very-low to low-incomes. All HOME loans provided by the City Program to first-time buyers include conditions to ensure compliance with requirements of 24 CFR 92.254, except State CalHome Loans.

For HOME funded activities, if the home is sold or transferred within 10 years from the date of the loan origination, the applicant shall also pay the City a percentage of the difference between the price paid for the property and its value at the time of sale or transfer. The percentage share is determined on a declining scale, beginning at 10% in the first year, and decreasing one percentage point each year to 0% in Year 10. The City limits the amount subject to recapture to the sale's net proceeds, which is the sales price minus loan repayment and closing costs (other than HOME funds). The limitation applies to all units, regardless of the type of recapture provision used or the nature of the sale (voluntary sales including foreclosures). The funds collected are reused as program income for future HOME Program funded activities.

For CalHome (State) funded activities, the loan is not assumable and must be paid in full upon sale or transfer of the property. The borrower may prepay the loan in part or in full without penalty. The funds collected are reused as program income for future First Time Homebuyer Loans.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Applicants for multi-family units are required to enter into a Development Agreement and designate a specific number of units for income eligible residents. Projects usually call for funds to be loaned for a 30–55 year period with a three (3) percent interest rate. The full amount of the HOME Loan subsidy is recaptured and is utilized for other HOME Loans meeting the HOME program income guidelines. If the development is sold, repayment of the loan is required so funds can be reused as program income.

A house must be owner-occupied and deed restricted against resale for the affordability term. Prepayment on loans or a sale within 10 years from the date of loan origination results in a penalty of 4% on the original loan amount starting from the loan origination date and calculated on a per month basis. Loans are not assumable and must be paid in full upon sale or transfer of the property. Following a 10-year obligation, the borrower may prepay the loan plus interest, in part or in whole, at any time without penalty. Funds collected are reused as program income. If a home is sold or transferred within 10 years from the date of the loan origination, the applicant shall also pay the City a percentage share of the difference between the price paid for the property and its value at the time of sale or transfer. The City limits the amount subject to recapture to the sale's net proceeds, which is the sales price minus the loan repayment and closing costs (other than HOME funds). The limitation applies to all units, regardless of the type of recapture provision used or the nature of the sale (voluntary sales including foreclosures).

All HUD and State loan programs have covenants based upon the amount invested into each house/unit. The City may require each house/unit assisted to have a "period of affordability" covenant recorded. The length of this period is determined by the amount of financial assistance invested into each property. The minimum period of affordability per house/unit and correlating period is: A) under \$15,000: 5 Years; B) \$15,000 to \$40,000: 10 Years; or, C) over \$40,000: 15 Years. For qualified homeowner rehabilitations, they may be eligible for a forgivable loan (grant) of up to \$50,000 worth of health and safety upgrades. As long as they do not sell their property within the agreed-upon term, the Housing Division will grant the funds to the homeowner.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable - the City does not intend to refinance debt.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities.

There are no planned HOME TBRA activities during the 2025 program year.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will



narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

There are no planned HOME TBRA activities during the 2024 program year.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

An owner of any rental housing that is assisted with HOME funds must comply with the affirmative marketing requirements established by the City of Merced, pursuant to 92.351(a). The owner must adopt and follow written tenant selection policies and criteria that:

1. Limit the housing to very low-income and low-income families;
2. Are reasonably related to the applicants' ability to perform the obligations of their lease, including, but not limited to, paying the rent due, agreeing not to damage the housing, and agreeing not to interfere with the rights and quiet enjoyment of other tenants;
3. Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the City;
4. Do not exclude an applicant with a Section 8 tenant-based assistance voucher issued from the Housing Choice Voucher Program (HCV) (24 CFR Part 982), a participating HOME-assisted tenant based rental assistance (TBRA) voucher holder, or a participant of any similar HOME-assisted program simply because of this status;
5. Provide for the selection of tenants from a written waiting list in the chronological order of their application, as much as practical;
6. Give prompt written notification to any rejected applicant of the grounds for any rejection, and;
7. Comply with the Violence Against Women Act (VAWA) requirements proscribed in 24 CFR 92.359.

The City of Merced requires that all HOME and CDBG funded activities be marketed and available to all eligible persons without regard to race, color, national origin, sex, religion, familial status, or disability. Per the Affirmative Marketing Procedures established by the City, developers receiving funds are required to create units that are accessible to people with disabilities according to all applicable codes. In addition to federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations for people with all types of disabilities. When providing a requested accommodation would result in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.

As referenced in item number three (3) above, for the 2025-2029 Consolidated Plan period, the City of Merced does not plan to set any preferences or limitations for rental housing projects at this time. However, this will be determined on a per-project basis, and requirements would be included in the written agreements.

## Appendix A- Alternate/Local Data Sources

<b>1</b>	<p><b>Data Source Name</b></p> <p>2014-2018 ACS, 2019-2023 ACS</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>US Census Bureau</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p><b>The American Community Survey (ACS)</b> is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p><b>ACS:</b> Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Merced, CA</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2014-2018 ACS, 2019-2023 ACS</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<b>2</b>	<p><b>Data Source Name</b></p> <p>2017-2021 CHAS</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.</p>

	<b>What was the purpose for developing this data set?</b> The CHAS data are used by local governments to plan how to spend HUD funds and may also be used by HUD to distribute grant funds.
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b> Merced, CA
	<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b> 2017-2021 CHAS
	<b>What is the status of the data set (complete, in progress, or planned)?</b> Complete
3	<b>Data Source Name</b> 2019-2023 ACS 5-Yr Estimates
	<b>List the name of the organization or individual who originated the data set.</b> US Census Bureau
	<b>Provide a brief summary of the data set.</b> The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.
	<b>What was the purpose for developing this data set?</b> Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b> Merced, CA
	<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b> 2019-2023 ACS 5-Year Estimates
	<b>What is the status of the data set (complete, in progress, or planned)?</b> Complete

4	<b>Data Source Name</b>
	2019-2023 ACS (Workers), 2022 LEHD (Jobs)
	<b>List the name of the organization or individual who originated the data set.</b>
	2019-2023 ACS and 2022 Longitudinal Employee-Household Dynamics: United States Census Bureau
	<b>Provide a brief summary of the data set.</b>
	<p><b>The American Community Survey (ACS)</b> is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p> <p><b>The Longitudinal Employer-Household Dynamics (LEHD)</b> program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.</p>
	<b>What was the purpose for developing this data set?</b>
<p><b>ACS:</b> Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p> <p><b>LEHD:</b> Information from the LEHD help state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, and jobs with state-of-the-art confidentiality protections and no additional data collection burden.</p>	
<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b>	
Merced, CA	
<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b>	
2019-2023 ACS (Workers), 2022 LEHD (Jobs) - The most recent data available for the LEHD was 2022. The 2019-2023 ACS data was used to match.	
<b>What is the status of the data set (complete, in progress, or planned)?</b>	
Complete	
5	<b>Data Source Name</b>
HUD 2024 FMR and HOME Rents	

	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>US Department of Housing and Urban Development (HUD)</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for the Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.</p> <p>HOME Rents Limits are based on FMRs published by HUD. HOME Rent Limits are set to determine the rent in HOME-assisted rental units and are applicable to new HOME leases.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>Fair Market Rents (FMRs) are used to determine payment standard amounts for HUD Programs.</p> <p>HOME Rent Limits are the maximum amount that may be charged for rent in HOME-assisted rental units and are applicable to new HOME leases.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Merced, CA</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2023/2024</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
6	<p><b>Data Source Name</b></p> <p>PIC (PIH Information Center)</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>US Department of Housing and Urban Development (HUD)</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p>

	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>Merced, CA</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2023</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<b>7</b>	<p><b>Data Source Name</b></p> <p>2024 Housing Inventory Count</p>
	<p><b>List the name of the organization or individual who originated the data set.</b></p> <p>US Department of Housing and Urban Development (HUD)</p>
	<p><b>Provide a brief summary of the data set.</b></p> <p>The Housing Inventory Count Reports provide a snapshot of a CoC's HIC, an inventory of housing conducted annually during the last ten days in January, and are available at the national and state level, as well as for each CoC. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing.</p>
	<p><b>What was the purpose for developing this data set?</b></p> <p>HIC provides the inventory of housing conducted annually during the last ten days in January. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless.</p>
	<p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>COC</p>
	<p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2024</p>
	<p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete</p>
<b>8</b>	<p><b>Data Source Name</b></p> <p>Bureau of Labor Statistics</p>

	<b>List the name of the organization or individual who originated the data set.</b> Bureau of Labor Statistics (BLS)
	<b>Provide a brief summary of the data set.</b> BLS unemployment rates are from the BLS Local Area Unemployment Statistics (LAUS). This program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence.
	<b>What was the purpose for developing this data set?</b> The purpose of the BLS data is to collect, analyze, and disseminate essential economic information to support public and private decision making.
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b> Merced, CA
	<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b> 2018-2022 ACS
	<b>What is the status of the data set (complete, in progress, or planned)?</b> Complete
9	<b>Data Source Name</b> Housing Authority of the County of Merced
	<b>List the name of the organization or individual who originated the data set.</b> Housing Authority of the County of Merced
	<b>Provide a brief summary of the data set.</b> The housing authority's public housing and voucher inventory.
	<b>What was the purpose for developing this data set?</b> The housing authority has developed this data set to keep track of its affordable housing portfolio.
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b> Housing Authority of the County of Merced and the City of Merced.
	<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b> 2023-2024

	<b>What is the status of the data set (complete, in progress, or planned)?</b> Complete
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