CITY OF MERCED

Meeting Agenda

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency

Monday, August 3, 2026 **6:00 PM** **City Council Chamber, 2nd Floor, Merced Civic Center, 678 W. 18th Street, Merced, CA 95340**

Closed Session at 5:00 PM/Regular Meeting at 6:00 PM

NOTICE TO PUBLIC

WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at www.cityofmerced.gov or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours. Spanish and Hmong translation is available at every regular meeting. Assisted hearing devices are available for meetings held in the Council Chamber.

TRANSLATION DISCLAIMER: The City of Merced offers automated translations of agenda materials as a convenience to the public. Translations are generated by software and may contain errors. The City does not guarantee the accuracy of translated content. If there is any difference between a translated version and the English version, the English version controls.

PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council may submit a Request to Speak in one of the following ways:

- Complete a green Request to Speak card available at the back of the Council Chamber and submit it to the Deputy City Clerk, preferably before the item is called and/or the meeting begins.
- Scan the QR code corresponding to your preferred language (English, Hmong, or Spanish) and follow the instructions.
- Submit a Request to Speak online by visiting PublicComment.cityofmerced.gov.

Individuals participating virtually by phone must provide a valid phone number so staff can identify the caller during the meeting and must use the number they registered with to call in. Please be patient as this is a new process and there may be some disruptions or issues. Staff will do their best to ensure an efficient and transparent meeting that complies with all applicable laws.

Comments may be emailed to cityclerk@cityofmerced.gov no later than 1 PM on the day of the meeting. Please specify on which portion of the agenda you are commenting, for example, Public Hearing item #, Consent item #, or Public Comments.

Material received before the deadline will be sent to the City Council, part of the record, and mentioned as part of the Written Petitions and Communications portion of the agenda. Any emails received by the 1PM deadline will be posted on the City's website at www.cityofmerced.gov/government/city-council/council-meetings. Any correspondence received after the 1PM deadline will be distributed to the City Council and retained for the official record.

To view the official live video broadcast of the City Council meeting, visit the City's YouTube channel. For convenience, the meeting may also be viewed through the City's website at cityofmerced.gov, on Comcast Public Access Channel 96, or on AT&T U-verse Channel 99.

A. CLOSED SESSION ROLL CALL

B. CLOSED SESSION

The legislative body shall provide the public with an opportunity to address the body on any item described in Closed Session [Government Code Section 54954.3(a)].

B.1. 26-659 **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation: One (1) Potential Case. Pursuant to California Government Code Section Gov. Code § 54956.9(d)(2)

B.2. 26-660 **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957

C. CALL TO ORDER

C.1. Invocation - Debbie Croft, Alpha Pregnancy Health Center

C.2. Pledge of Allegiance to the Flag

D. ROLL CALL

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority, the Public Financing and Economic Development Authority, and the Successor Agency to the Redevelopment Agency. City Council members receive a monthly stipend of $500.00 by Charter for sitting as the City Council; and the Mayor receives an additional $100.00 each month as a part of the adopted budget and Resolution 2024-78. The members of the Parking Authority, the Public Financing and Economic Development Authority, and the Successor Agency to the Redevelopment Agency receive no compensation.

E. REPORT OUT OF CLOSED SESSION

F. SPECIAL PRESENTATIONS

F.1. 26-630

SUBJECT: Presentation from the City of Merced Fire Department on Independence Day Holiday Response

REPORT IN BRIEF

Merced Fire Department and Merced Police Department worked together to enforce the City of Merced Ordinance on fireworks. Chief Wilson will make a brief presentation on the public inputs and enforcement results. The presentation will include a summary of response activity for the 4th of July.

G. CEREMONIAL MATTERS

G.1. 26-571

SUBJECT: Proclamation - National Health Center Week

REPORT IN BRIEF

Accepted by Yamilet Valladolid, Golden Valley Health Centers Director of Government and Community Affairs.

G.2. 26-657

SUBJECT: Certificates of Recognition to Kaden and Anthony Nance, Requested by Mayor Serratto

REPORT IN BRIEF

Certificate of Recognition Received by Kaden and Anthony Nance.

H. WRITTEN PETITIONS AND COMMUNICATIONS

I. PUBLIC COMMENT

Members of the public who wish to speak on any matter not listed on the agenda may speak during this portion of the meeting and will be allotted 3 minutes. The Mayor may propose a further limit to the time available for all speakers at the discretion of the City Council, in order to accommodate as many speakers as possible. State law prohibits the City Council from acting at this meeting on any matter raised during the public comment period. Members of the public who wish to speak on a matter that is listed on the agenda will be called upon to speak during discussion of that item.

J. CONSENT CALENDAR

Adoption of the Consent Calendar may be made by one motion of the City Council, provided that any Council member, individual, or organization may request removal of an item from the Consent Calendar for separate consideration. If a request for removal of an item from the Consent Calendar has been received, the item will be discussed and voted on separately.

J.1. 26-535

SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

J.2. 26-618

SUBJECT: Information Only Contracts for the Month of July 2026

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under $39,000 and of Public Works contracts under $87,278.

J.3. 26-633

SUBJECT: Information Only - Site Plan Review Committee Minutes of May 28, 2026, and July 9, 2026

RECOMMENDATION

For Information Only

J.4. 26-639

SUBJECT: Approval to Reject All Bids Received for the Re-Bid of Project No. CP220077 Merced Regional Fire Training Facility

REPORT IN BRIEF

Considers rejecting all bids received to construct the Merced Regional Fire Training Facility due to insufficient funding.

RECOMMENDATION

City Council - Adopt a motion rejecting all bids received for Project CP220077 - Merced Regional Fire Training Facility and direct staff to re-elevate the scope, funding and re-bid the project.

J.5. 26-622

SUBJECT: Approval of Services Agreement with Black Water Consulting Engineers for Development of a Former Sludge Drying Bed Closure Work Plan in the Amount not to Exceed $51,348 for the Contract Term Ending on March 31, 2027

REPORT IN BRIEF

Considers approving a services agreement with Black Water Consulting Engineers in the amount of $51,348 for development of a former sludge

drying bed closure work plan, with contract term ending on March 31, 2027.

RECOMMENDATION

City Council - Adopt a motion approving the Services Agreement with Black Water Consulting Engineers, contract term ending on March 31, 2027, in the amount not to exceed $51,348, and authorizing the City Manager to execute the necessary documents.

J.6. 26-632

SUBJECT: Approval to Purchase Three (3) 2026 Chevrolet Trailblazers in the Total Amount of $95,994.63 to Replace Vehicles E-1300 and E-1302 for the Inspection Services Division and to Replace Vehicle E-1369 for the Recycling Division and Purchase One (1) 2026 Chevrolet Colorado in the Amount of $38,779.67 as a New Vehicle for the Refuse Department from National Auto Fleet Group - Chevrolet of Watsonville

REPORT IN BRIEF

Considers approving the purchase of three (3) 2026 Chevrolet Trailblazers in the total amount of $95,994.63, and one (1) 2026 Chevrolet Colorado in the amount of $38,779.67, utilizing the cost savings government procurement program (Sourcewell). The purchase of these vehicle will replace aging equipment that will improve reliability, reduce maintenance costs, and increase efficiency in daily operations. The purchase of the new Chevrolet Colorado will aid the Refuse Department with route inspection.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of three (3) 2026 Chevrolet Trailblazers and one (1) 2026 Chevrolet Colorado in the total amount of $134,774.30 from National Auto Fleet Group - Chevrolet of Watsonville, through Sourcewell contract # 091521-NAF; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order(s), and approval of change orders not to exceed 10% of the total purchase price.

J.7. 26-642

SUBJECT: Approval to Purchase One (1) New Curbtender Quantum 8YD Refuse Truck, and Necessary Attachment Equipment, From Rush Truck Centers, in the Amount of $193,285.72 for the Refuse Department to Replace Vehicle E-1291

REPORT IN BRIEF

Considers approving the purchase of one 2027 Curbtender Quantum 8YD Refuse Rear Loader in the amount of $193,285.72 utilizing the cost savings government procurement program (Sourcewell). The purchase of the new vehicle will increase collection efficiency, improve reliability, reduce maintenance costs, and increase efficiency in daily operations.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one 2027 Curbtender Quantum 8YD Refuse Rear Loader in the amount of $193,285.72 from Rush Truck Centers, through Sourcewell contract # 032824-RTG; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

J.8. 26-643

SUBJECT: Approval to Purchase One (1) 2027 PBLDB-10 Dump Truck for $234,269.98 for the Street Division as a New Acquisition from PB Loader, and One (1) MDD5-6 Dump Truck for $178,795.55 for the Wastewater Treatment Plant to Replace E-1179, with all Necessary Attachment Equipment, from Altec Industries, Inc

REPORT IN BRIEF

Considers approving the purchase of one (1) 2027 PBLDB-10 Dump Truck for $234,269.98, and one (1) MDD5-6 Dump Truck for $178,795.55 utilizing the cost savings government procurement program (Sourcewell). This purchase was included in the FY 26/27 adopted budget as a vehicle replacement for the Street Division.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one (1) 2027 PBLDB-10 Dump Truck for $234,269.98 from PB Loader, through Sourcewell Contract # 050625-PBL, and one (1) MDD5-6 Dump Truck for $178,795.55 from Altec Industries, Inc., through Sourcewell Altec Industries, Inc. Contract # 110421-ALT; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order and approval of change orders not to exceed 10% of the total purchase price.

J.9. 26-645

SUBJECT: Approval to Purchase One (1) New Front Loader Refuse Truck, and Necessary Attachment Equipment, From Interstate Truck Center - Valley Peterbilt, in the Amount of $394,219.35 for the Refuse Department to Replace E-1425

REPORT IN BRIEF

Considers approving the purchase of one 2027 Peterbilt 520 truck with NewWay Mammoth Front End Loader body in the amount of $394,219.35 utilizing the cost savings government procurement program (Sourcewell). The purchase of the new vehicle will replace aging equipment that will improve reliability, reduce maintenance costs, and increase efficiency in daily operations.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one 2027 Peterbilt 520 truck with NewWay Mammoth Front End Loader body in the amount of $394,219.35 from Interstate Truck Center - Valley Peterbilt, through Sourcewell contract # 032824-PMC; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

J.10. 26-648

SUBJECT: Approval of Professional Services Agreement with Vetcor of Merced, LP dba Valley Animal Hospital for Veterinary Services

REPORT IN BRIEF

Considers approving a Professional Services Agreement with Vetcor of Merced, LP, doing business as Valley Animal Hospital, to provide veterinary services for Animal Control operations and Police Department K9s through July 31, 2029. The agreement formalizes the City's longstanding relationship with Valley Animal Hospital, establishes the scope of services, and updates the reimbursement limit for Animal Control cases from $250 to $400 per case to reflect increased veterinary costs.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Professional Services Agreement with Vetcor of Merced, LP dba Valley Animal Hospital for veterinary services through July 31, 2029; and,

B. Authorizing the City Manager, or designee, to execute the agreement and any documents necessary to implement its provisions.

J.11. 26-646

SUBJECT: Second Reading and Final Adoption of a Zoning Ordinance Amendment to Complete the Regional Housing Needs Allocation Requirements for Compliance with the State Housing Laws

REPORT IN BRIEF

Second reading and Final Adoption of a Zoning Ordinance Amendment to comply with State Housing Laws.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2594,** an Ordinance of the City Council of the City of Merced, California, Amending Ordinance No. 2577, and adopting environmental review #26-0068 (Statutory Exemption).

K. ACTION ITEMS

K.1. 26-641

SUBJECT: Adoption of a Resolution Calling a November 3, 2026, General Municipal Election for the Purpose of Placing a Measure on the Ballot Known as the City of Merced Vital Services Protection Measure Establishing a 1¢ Sales Tax, Until Ended by Voters, and Requesting the County Board of Supervisors to Consolidate the City's Election with the Statewide General Election Being Held on the Same Date

REPORT IN BRIEF

Considers adopting a Resolution Calling a November 3, 2026, General Municipal Election for the purpose of placing a measure on the ballot known as the City of Merced Vital Services Protection measure establishing a 1¢ sales tax, until ended by voters, and requesting the County Board of Supervisors to consolidate the City's election with the Statewide General Election being held on the same date.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2026-52,** a Resolution of the City Council of the City of Merced, California, Approving an Ordinance and Ordering that a Measure be Submitted to the Voters of the City at the General Municipal Election to be held on November 3, 2026, to Consider a Local 1¢ (1%) General Transactions and Use Tax to be Administered by the California Department of Tax and Fee Administration; and,

B. Approving the form and ballot question; and,

C. Directing the City Manager/City Clerk and the City Attorney's Office to prepare and execute documents appropriate to carry out the tasks necessary for the General Municipal Election and to take actions related thereto.

K.2. 26-647

SUBJECT: Adopt Resolution 2026-48 Approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced

REPORT IN BRIEF

Considers adopting a Resolution approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced. The First Amendment extends the term of the Agreement for three (3) additional years, with all remaining terms and conditions remaining unchanged.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2026-48**, a Resolution of the City Council of the City of Merced, California, Approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced, Dated August 16, 2016.

K.3. 26-591

SUBJECT: Approve the Police Department to Apply for the United States Department of Justice (USDOJ) Community Oriented Policing Services (COPS) Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program Grant to Expand Existing Health and Wellness Programs not to Exceed $250,000 and Approve to Accept the Grant Award When Offered

REPORT IN BRIEF

Considers Staff's request to apply for the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program grant and accept the grant funding when awarded

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2026-47**, a Resolution of the City Council of the City of Merced, California approving the grant application and accepting the grant award from the US Department of Justice, Community Oriented Policing Services; and,

When Awarded,

B. Authorizing the acceptance of the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program grant not to exceed $250,000; and,

C. Authorizing the Finance Officer to make necessary budget adjustments; and,

D. Authorizing the use of pooled cash to cover the appropriation until grant

funds are reimbursed; and,

E. Authorizing the City Manager to execute the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program Grant Award Agreement and any related documents.

K.4. 26-354

SUBJECT: Approval of Amendments No. 1 to the Measure V Regional Project Funding Agreement with Merced County Association of Governments to Receive Measure V Funds for the Highway 59 Widening Phase 1 Project CP200064 (Agreement No. 20180913SD L-1) and Highway 59 Black Rascal Bridge Project CP200065 (Agreement No. 20180913SD-1)

REPORT IN BRIEF

Consider approving Amendments No. 1 to the Measure V Regional Funding Agreement with Merced County Association of Governments to receive Measure V Regional funds for the Highway 59 Widening Phase 1 Project CP200064 and Highway 59 Black Rascal Bridge Project CP200065 to continue with design, commence with right-of-way acquisition, and prepare for bidding the project for construction.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving Amendment No. 1 to the Measure V Regional Funding Agreement for the Highway 59 Widening Phase 1 Project CP200064, with Merced County Association of Governments; and,

B. Approving Amendment No. 1 to the Measure V Regional Funding Agreement for the Highway 59 Black Rascal Bridge Project CP200065, with Merced County Association of Governments; and,

C. Authorizing the use of pooled cash for expenditures until City receives reimbursement funds; and,

D. Authorizing the Finance Officer to make the necessary budget adjustments; and,

E. Authorizing the City Manager to execute the necessary documents.

K.5. 26-624

SUBJECT: Adoption of a Resolution Accepting $246,000 in Post-Programming Congestion Mitigation and Air Quality Improvement (CMAQ) Carryover Apportionment Funds for Project No. CP220066 -

Merced Traffic Signal Synchronization

REPORT IN BRIEF

Considers adopting a resolution accepting $246,000 in Post-Programming Congestion Mitigation and Air Quality Improvement (CMAQ) Carryover Apportionment funds to supplement construction funding for the Merced Traffic Signal Synchronization Project along R Street, M Street, G Street, Yosemite Avenue, and Olive Avenue.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2026-49,** A Resolution of the City Council of the City of Merced, California, Accepting Post-Programming CMAQ Carryover Apportionment Funds in the Amount of $246,000 and Authorizing Related Budget Adjustments; and,

B. Approving a budget amendment increasing revenue in Fund 5005-Street and Signal CIP in the amount of $246,000 and appropriating the same to Project No. CP220066 for costs associated with the construction costs of traffic signal synchronization; and,

C. Approving the use of pooled cash until reimbursement is received from the grant; and,

D. Authorizing the City Manager to execute the necessary documents.

K.6. 26-649

SUBJECT: Approval of Arts and Culture Advisory Commission's Recommended 250th Commemorative Mural Art Project

REPORT IN BRIEF

Considers the Arts and Culture Advisory Commission's (ACAC) recommended 250th Commemorative Mural Art Project to be installed on an exterior wall of the City of Merced Public Works Corp Yard facing West Avenue with expenditures not to exceed $15,000.00.

RECOMMENDATION

City Council - Adopt a motion approving the ACAC's recommended 250th Commemorative Mural art project to be installed on an exterior wall of the City of Merced Public Works Corp Yard facing West Avenue and expenditures not to exceed $15,000.00.

K.7. 26-650

SUBJECT: Approval of Arts and Culture Advisory Commission's

Recommended Remaining Public Art Projects

REPORT IN BRIEF

Considers the Arts and Culture Advisory Commission's (ACAC) recommended remaining public art projects from the 2026/27 budget.

RECOMMENDATION

City Council - Adopt a motion approving the ACAC's recommendations for remaining art projects from the 2026/27 budget which include, $13,000 for programmed events at Bob Hart Square, $10,000 for a splash pad mural at Stephen Leonard Park, and $20,000 for the Utility Box Refresh Project.

L. BUSINESS

L.1. 26-644

SUBJECT: Request to Remove a Member of the Personnel Board and Appointment to the Personnel Board to Appoint One Employee Nominated Individual

REPORT IN BRIEF

Considers removing a Personnel Board member due to violating the attendance policy and appointing one Employee nominated individual to the Personnel Board.

RECOMMENDATION

City Council - Adopt a motion:

A. Removing Jessica Fernandez as the Employee Appointed Personnel Board Member; and,

B. Appointing Pamela Toconis to serve as the Employee Nominated member for the Personnel Board with a partial term expiring on July 1, 2027, respectively.

L.2. 26-631

SUBJECT: Annual Appointments to the Bicycle and Pedestrian Advisory Commission (District 5, District 6, and One Ex-Officio)

REPORT IN BRIEF

Accept nominations to fill vacancies on the Bicycle and Pedestrian Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting nominations and appointing individuals to serve as members of the Bicycle and Pedestrian Advisory Commission (District 5, District 6, and One Ex-Officio); or,

B. Accepting nominations and appointing as many members as Council sees appropriate and directing staff to continue the recruitment of applicants.

L.3. 26-638

SUBJECT: Reappointment of Robert Tyler as the Citizens' Oversight Committee - Measure V City Representative

REPORT IN BRIEF

Nomination for reappointment to the Measure V Transportation Expenditure Plan - Citizens Oversight Committee.

RECOMMENDATION

City Council - Adopt a motion nominating Robert Tyler for reappointment to the City of Merced seat on the Citizens' Oversight - Measure V Committee.

L.4. 26-536

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

L.5. 26-537

SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

M. ADJOURNMENT

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-659

Meeting Date: 8/3/2026

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation: One (1) Potential Case. Pursuant to California Government Code Section Gov. Code § 54956.9(d)(2)

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-660

Meeting Date: 8/3/2026

SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: City Manager; Authority: Government Code Section 54957

ADMINISTRATIVE REPORT

File #: 26-630 Meeting Date: 8/3/2026

Report Prepared By: Casey Wilson, Fire Department

SUBJECT: Presentation from the City of Merced Fire Department on Independence Day Holiday Response

REPORT IN BRIEF

Merced Fire Department and Merced Police Department worked together to enforce the City of Merced Ordinance on fireworks. Chief Wilson will make a brief presentation on the public inputs and enforcement results. The presentation will include a summary of response activity for the 4th of July.

ATTACHMENTS

1. 2026 Celebrate Safe Council Presentation

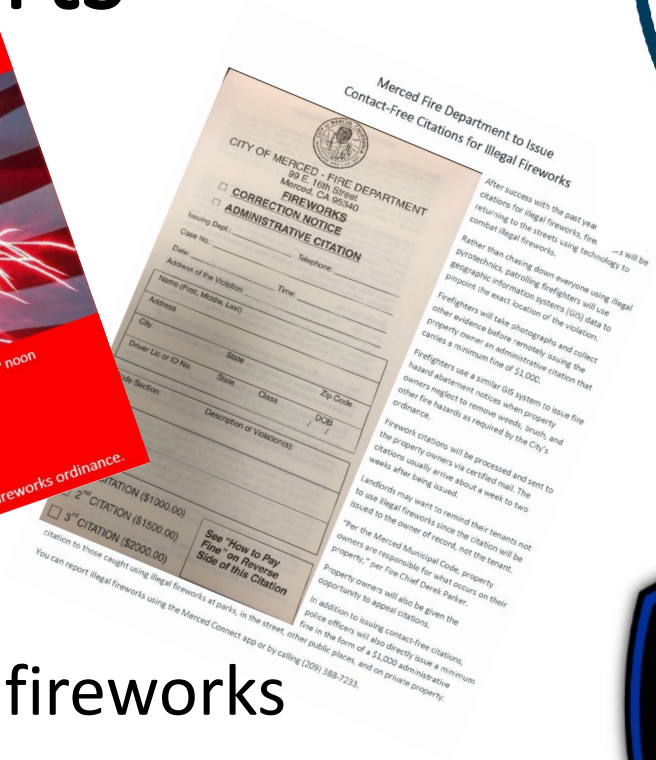
City of Merced Fire Department
Casey Wilson, Fire Chief

Independence Day Response & Enforcement Efforts 2026

Education and Outreach Efforts

- Social media posts
  - Facebook and Instagram
- Social media videos
- Television interviews
- Banner across G Street to deter the use of fireworks





Mitigation and Prevention Efforts

- Implementation of Property Owner Citations
  - No contact by MFD members
  - 3 Administrative Citations Issued
- Utilization of GIS data to focus enforcement efforts
- Additional Fire Staffing
  - Additional Chief Officer
- Two additional MPD officers 6/29-7/4 focused on fireworks enforcement



July 4th Response

Fire Department Calls for Service

2025 July 4th – Friday	2026 July 4th – Saturday
Calls for service – 61	Calls for service – 44
Fires – 26	Fires – 16
Structure Fire – 1	Structure Fire – 1

Police Department Calls for Service

Police Calls for Service	
Calls for service	**177** (June 1st –July 5th)

***Duplicate calls for service are not entered**

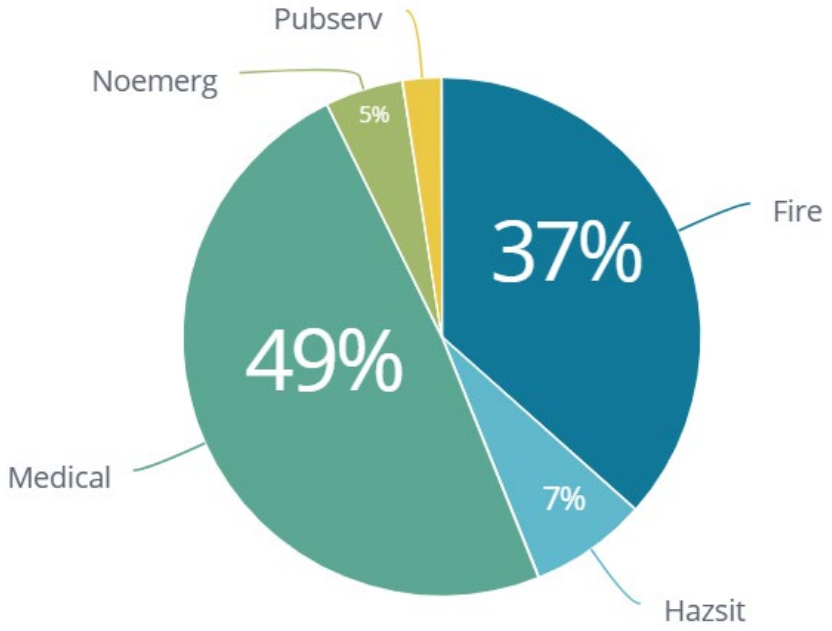
Celebrate Safe Phone Line

388-SAFE
July 3rd - 6
July 4th & 5th - 69
Total - 75

2026 July 4th Response

Fire Department Calls for Service

- Fires – 16
  - 1 Building
  - 15 Grass, Brush, Rubbish, Dumpster Fires
- EMS - 21
- Public Assist - 3
- Motor Vehicle Accidents - 3
- Smell of Gas - 1
- Mutual Aid Request - 4



2026 July 4th Response

Significate Incidents

- Structure Fire - Baxter Court
  - Two story residential with heavy fire to the rear of the structure
  - One adult male rescued and transported
  - Illegal Fireworks caused
- MVA - Campus Parkway and Childs Ave
  - Vehicle accident w/Fire
  - 1 patient, critical injuries, ALS care and transport
  - Civilian rescue



Moving forward…

- Utilize Drones and GIS Technology to support and enhance enforcement efforts.
- Proven success across the state





City of Merced Fire Department
Casey Wilson, Fire Chief

Questions?

ADMINISTRATIVE REPORT

File #: 26-571 Meeting Date: 8/3/2026

SUBJECT: Proclamation - National Health Center Week

REPORT IN BRIEF
Accepted by Yamilet Valladolid, Golden Valley Health Centers Director of Government and Community Affairs.

ATTACHMENTS
1. National Health Center Week Proclamation

Proclamation

WHEREAS, for more than 60 years, Community Health Centers have provided high-quality, affordable, comprehensive primary and preventive health care in communities with limited access, delivering value to and having a significant impact on America's health care system; and

WHEREAS, as the nation's largest primary care network, Community Health Centers serve more than 52 million Americans through over 17,000 service delivery sites across the country, providing care to one in seven people in the United States; and

WHEREAS, Community Health Centers are a critical component of the nation's health care system, serving rural, suburban, island, frontier, mountain, and urban communities, and often providing the only source of primary care in underserved areas; and

WHEREAS, Golden Valley Health Centers, founded in 1972, is a trusted safety-net provider serving the Central Valley through 50 locations across Merced, San Joaquin, and Stanislaus Counties; and

WHEREAS, Golden Valley Health Centers employs more than 1,400 dedicated professionals who embody the mission of delivering compassionate, patient-centered care while advancing health equity and improving access to care throughout the Central Valley; and

WHEREAS, during National Health Center Week, we celebrate the legacy of America's Community Health Centers and their vital role in building innovative care where it matters most;

NOW, THEREFORE, I, MATTHEW SERRATTO, Mayor of the City of Merced, do hereby proclaim August 2-8, 2026, as National Health Center Week. I encourage all Americans to participate in this week by visiting their local health center and celebrating the vital partnership between America's Community Health Centers and the communities they serve.

Signed this 3rd day of August 2026.

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Matthew Serratto, Mayor of Merced

ADMINISTRATIVE REPORT

File #: 26-657 Meeting Date: 8/3/2026

SUBJECT: Certificates of Recognition to Kaden and Anthony Nance, Requested by Mayor Serratto

REPORT IN BRIEF
Certificate of Recognition Received by Kaden and Anthony Nance.

ATTACHMENTS
1. Certificate of Recognition Kaden Nance
2. Certificate of Recognition Anthony Nance

Certificate of Recognition

This certificate is presented to

Kaden Nance

Awarded in recognition being named No. 3 Ranked Intermediate Boxer in the United States.

Matthew Serratto
Mayor

August 3, 2026
Date

Certificate of Recognition

This certificate is presented to

Anthony Nance

Awarded in recognition being named No.1 Ranked Junior Boxer in the United States.

Matthew Serratto
Mayor

August 3, 2026
Date

ADMINISTRATIVE REPORT

File #: 26-535 Meeting Date: 8/3/2026

SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF
Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION
City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-618 Meeting Date: 8/3/2026

Report Prepared by: *Alyssa Carter, Records Clerk, City Clerk's Office*

SUBJECT: Information Only Contracts for the Month of July 2026

REPORT IN BRIEF
Notification of awarded Non-Public Works contracts under $39,000 and of Public Works contracts under $87,278.

AUTHORITY
Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2025-2026 threshold of $87,278, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2025-2026 threshold of $39,000, the contracts listed on the attached table were entered into by the City.

ATTACHMENTS
1. "Information Only" Contracts Table for July 2026

Exhibit 1 – Table of Contracts

8/3/2026 City Council Meeting

Department/Division	Vendor	Purpose/Location	Amount
3000 – FIRE	MERCED FENCE CO	Statement of Services – Repairs and Maintenance of Fire Department Gates	$5,000.00
3000 – FIRE	CALIFORNIA CABLING LLC	Statement of Services – Install Video Surveillance	$4,932.50
3550 – POLICE - CODE ENFORCEMENT	PROGRESSIVE SOLUTIONS INC	Pet Track Dog Licensing Software/License	$5,914.08
4720 – INFORMATION TECH - NETWORK	CALIFORNIA CABLING LLC	Statement of Services – Cabling work at the Transportation Building	$1,659.92
5000 – ENGINEERING	MERCED GATEWAY LLC	Grant Deed – Right of Way Dedication	$0.00
5020 – PLANNING & PERMITTING	JESUS NOVOA BAEZA & ANA GUADALUPE VASQUEZ	Water Connection Agreement	$0.00
6005 – PUBLIC WORKS / FACILITIES MAINTENANCE	HOFFMAN ELECTRONIC SYSTEM	Statement of Services – City Wide Testing and Repair of Fire and Security Alarm Systems for the 26/27 Fiscal Year	$8,000.00
6005 – PUBLIC WORKS / FACILITIES MAINTENANCE	REYES, ZACHARY C	Statement of Services – On-Call HVAC Services for FY 26/27	$14,999.00
6005 – PUBLIC WORKS / FACILITIES MAINTENANCE	PROTECH SECURITY & ELECTRONICS INC	Statement of Services – Alarm and Security System Services	$5,000.00
6005 – PUBLIC WORKS / FACILITIES MAINTENANCE	BARTON OVERHEAD DOOR INC	Statement of Services – FY 26/27 Overhead Door Service	$8,000.00
6010 – PUBLIC WORKS / PARKS MAINTENANCE	PRIVITATION CONSULTING CORP	Statement of Services – On-Call HVAC Services for FY 26/27	$14,999.00
6070 – PUBLIC WORKS / WASTEWATER TREATMENT PLANT	PRIVITATION CONSULTING CORP	Statement of Services – On-Call HVAC Services for FY 26/27 for the Wastewater Treatment Plant	$6,000.00
6070 – PUBLIC WORKS / WASTEWATER TREATMENT PLANT	BAY CITY BOILER & ENGINEERING CO IN	Statement of Services – FY 26-27 On-Call Maintenance and Repair for the Two Boilers Located at the Wastewater Treatment Plant	$3,000.00

Copies of all the contracts listed above are available in the City Clerk's Office.

6070 – PUBLIC WORKS / WASTEWATER TREATMENT PLANT	SALEM ENGINEERING GROUP, INC	Statement of Services – Drill Borings and Provide Soil Samples for WWTP	$2,800.00
6080 – PUBLIC WORKS / STORM DRAINS	GOT POWER INC	Statement of Services – Install PVC for Generator to Meet San Joaquin Valley Air Pollution Control District standards	$3,883.50

Copies of all of the contracts listed above are available in the City Clerk's Office.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-633 Meeting Date: 8/3/2026

Report Prepared by: Cameron Switzer, Administrative Assistant I, Planning Division

SUBJECT: Information Only - Site Plan Review Committee Minutes of May 28, 2026, and July 9, 2026

RECOMMENDATION
For Information Only

ATTACHMENTS
Site Plan Review Committee Minutes of May 28, 2026
Site Plan Review Committee Minutes of July 9, 2026

CITY OF MERCED
Site Plan Review Committee

MINUTES

3rd Floor Conference Room
Merced Civic Center
Thursday, May 28, 2026

Senior Planner BROWN called the meeting to order at 1:31 p.m.

1. ROLL CALL

Committee Members Present:	Senior Engineer Flores, and Plan Examiner Valencia
Committee Members Absent:	Chief Building Official Frazier, and Planning Manager Rashe
Staff Present:	Planner Abarca, Development Services Technician II Lee, Senior Planner Brown, Senior Planner Renteria, Recording Secretary Switzer

2. MINUTES

M/S VALENCIA/FLORES, and carried by unanimous voice vote, to approve the Minutes of April 30, 2026, as submitted.

3. COMMUNICATIONS

None.

4. ITEMS

4.1 **Subject: Site Plan Application #25-0012, submitted by Manuel Prado, for Rico's Tacos, to allow a food truck within the Gulf gas station parking lot, located at 782 Carol Avenue, within a Thoroughfare Commercial (C-T) Zone.**

Planner ABARCA reviewed the application.

M/S VALENICA/FLORES, and carried by the following vote, to approve SP #25-0012 for Extension of Site Plan Application #25-0012.

AYES: Committee Members Flores, Valencia, and Senior Planner Brown
NOES: None
ABSENT: Chief Building Official Frazier, and Planning Manager Rashe

5. INFORMATION ITEMS

5.1 Calendar of Meetings/Events

There was no discussion regarding the calendar of meetings/events.

6. ADJOURNMENT

There being no further business, Senior Planner Brown adjourned the meeting at 1:35 p.m.

Respectfully submitted,

Cameron Switzer, Recording Secretary
Merced City Site Plan Review Committee

APPROVED:

Sam Rashe, Chairperson/
Planning Manager
Merced City Site Plan Review Committee

CITY OF MERCED
Site Plan Review Committee

MINUTES

3rd Floor Conference Room
Merced Civic Center
Thursday, July 9, 2026

Planning Manager RASHE called the meeting to order at 1:30 p.m.

1. **ROLL CALL**

Committee Members Present:	Planning Manager Rashe, Senior Engineer Jordan, and Chief Building Official Frazier
Committee Members Absent:	City Surveyor Cardoso
Staff Present:	Economic Development Administrator Mendoza-Gonzalez, Planner Abarca, Deputy City Manager Quintero, Economic Development Associate Williams, Fire Inspector Bolser, Fire Chief Wilson, PWM Water Baptista, and Recording Secretary Switzer

2. **MINUTES**

M/S JORDAN/FRAZIER, and carried by unanimous voice vote, to approve the Minutes of May 28, 2026, as submitted.

3. **COMMUNICATIONS**

None.

4. **ITEMS**

4.1 **Subject: Site Plan Application #25-0016, submitted by Kimley-Horn, for Lyons Investments, LP, to construct a 152,000-square-foot warehouse facility on an approximate 27.50-acre site located at 3254 and 3260 E. Childs Avenue, with a General Plan designation of Industrial (IND), and a Zoning Classification of Heavy Industrial (I-H).**

Planner MENDOZA-GONZALEZ reviewed the application.

Public Comments: Building Industry Association of the Greater Valley, San Joaquin Valley Air Pollution Control District, Mac Carlsen, Bill Lyons, Alejandro Martinez, Daniel Garcia, Victor De La Torre, Doug Fluetsch, Vinten Thenquall, Steve Maxey, and Mike Mendoza.

M/S FRAZIER/JORDAN, and carried by the following vote, to approve Initial Study #26-53 of Site Plan Review Application #25-0016.

AYES: Planning Manager Rashe, Senior Engineer Jordan, and Chief Building Official Frazier
NOES: None
ABSENT: City Surveyor Cardoso

M/S FRAZIER/JORDAN, and carried by the following vote, to approve Site Plan Review Application #25-0016

AYES: Planning Manager Rashe, Senior Engineer Jordan, and Chief Building Official Frazier
NOES: None
ABSENT: City Surveyor Cardoso

5. **ADJOURNMENT**

There being no further business, Planning Manager Rashe adjourned the meeting at 1:57 p.m.

Respectfully submitted,

Cameron Switzer, Recording Secretary
Merced City Site Plan Review Committee

APPROVED:

on behalf of Sam Rashe, Chairperon

Sam Rashe, Chairperson/
Planning Manager
Merced City Site Plan Review Committee

ADMINISTRATIVE REPORT

File #: 26-639 Meeting Date: 8/3/2026

Report Prepared by: Ian Sather, E.I.T Assistant Engineer, Engineering Department

SUBJECT: Approval to Reject All Bids Received for the Re-Bid of Project No. CP220077 Merced Regional Fire Training Facility

REPORT IN BRIEF
Considers rejecting all bids received to construct the Merced Regional Fire Training Facility due to insufficient funding.

RECOMMENDATION
City Council - Adopt a motion rejecting all bids received for Project CP220077 - Merced Regional Fire Training Facility and direct staff to re-elevate the scope, funding and re-bid the project.

ALTERNATIVES
1. Approve, as recommended by staff; or,
2. Approve, subject to conditions as specified by the City Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items as requested by City Council.

AUTHORITY
Charter of the City of Merced, Article II, Section 200 - Powers, City of Merced and Article XI, Section 1109 - Contracts on Public Works.

Merced Municipal Code, Chapter 3.04, Article IV - Public Works Contracts.

The City Council, in its discretion, when it is in the best interests of the city to do so, may waive any informalities or minor irregularities in any bid process, may reject any or all bids, or may accept the bid that best serves the public purpose even though it may not be the lowest. The City Council may readvertise for bids or, except as otherwise provided in this chapter, proceed with the purchase of the materials, supplies, equipment or contractual services by negotiation in the open market.

CITY COUNCIL PRIORITIES
As provided for in the FY 2026/2027 Adopted Budget.

DISCUSSION
Background

The Merced Regional Fire Training Facility (City Project No. CP220077) is a capital improvement project planned for construction in the Airport Industrial Park in Merced, California. In 2023, the Merced Fire Department completed a strategic planning process. Goal 3 of the Strategic Plan is to "provide an effective and efficient response to all emergencies." One of the objectives established under this goal is to secure the funding and resources necessary for the Hawk Regional Training Center to advance MFD's mission while supporting the career and technical education programs of Merced College and the Merced Union High School District.

MFD continues to experience record-setting call volumes year after year, with no projected slowdown in service demand. The Department has outgrown its current training facilities at 99 E. 16th Street, Fire Station 51. As MFD continues to expand through the addition of fire stations, apparatus, and personnel, the existing space will no longer be sufficient to provide the training necessary to maintain operational readiness and effectively serve the community.

On June 5, 2023, the City Council authorized the acceptance and appropriation of $3,000,000 in state funding secured by Senator Anna M. Caballero for the Merced Regional Fire Training Center, Phase 1.

Phase 1 of the project scope includes site preparation, water and sewer infrastructure, storm drainage infrastructure, a storm drainage pump station, restrooms to include decontamination areas for both personnel and equipment, concrete and paving work, site fencing, site lighting, electrical infrastructure, and communication conduit installation. Phase 1 also includes the relocation of 3 portable classrooms previously procured by MFD.

On July 7, 2026, the City opened bids for the project and received three responses from the following contractors:

Bidder	Location	Total Bid Amount
Avison Construction, Inc.	Madera, CA	$3,656,183.00
F & H Construction	Woodbridge, CA	$3,909,000.00
American Paving Co.	Fresno, CA	$4,710,194.00

The total project budget after adjusting for contingency, engineering, testing & inspections, was calculated to be:

Construction	$ 3,656,183.00
Contingency (10%)	$ 365,618.30
Engineering, Testing & Inspection (5%)	$ 182,809.15
TOTAL:	$ 4,204,610.45

The lowest bid, submitted by Avison Construction, Inc. at $3,656,183.00, exceeds the project's available funding of $2,890,994, creating an estimated shortfall of $1,313,616.

Staff recommends all bids be rejected to allow staff to re-evaluate the project scope, explore different funding opportunities and possible partnerships with our local agencies.

IMPACT ON CITY RESOURCES

Project CP220077 was established as a Capital Improvement Project with Fund 2003-Measure Y Fire 20% and State Funding from Senator Anna Cabello.

ATTACHMENTS

1. Bid Results
2. Rejection Letter

CITY OF MERCED
Project #CP220077
Fire Training Facility

Bid Opening: 7/7/2026
City of Merced
Project No. CP220077 - Fire Training Facility

NO.	ITEM	UNIT OF MEASURE	ESTIMATED QUANTITY	Avison Construction, Inc. (Madera, CA) UNIT PRICE	Avison Construction, Inc. (Madera, CA) ITEM TOTAL	F & H Construction (Woodbridge, CA) UNIT PRICE	F & H Construction (Woodbridge, CA) ITEM TOTAL	American Paving Co. (Fresno, CA) UNIT PRICE	American Paving Co. (Fresno, CA) ITEM TOTAL
1	Permits, Bonds, Licenses & Insurance	LS	1	$ 95,000.00	$ 95,000.00	$ 87,000.00	$ 87,000.00	$ 50,000.00	$ 50,000.00
2	Public Convenience and Safety	LS	1	$ 25,000.00	$ 25,000.00	$ 21,000.00	$ 21,000.00	$ 400,000.00	$ 400,000.00
3	Water Pollution Control	LS	1	$ 5,000.00	$ 5,000.00	$ 60,000.00	$ 60,000.00	$ 25,000.00	$ 25,000.00
4	Street Sweeping	LS	1	$ 5,000.00	$ 5,000.00	$ 33,000.00	$ 33,000.00	$ 1.00	$ 1.00
5	Surveying Services	LS	1	$ 30,000.00	$ 30,000.00	$ 23,000.00	$ 23,000.00	$ 27,300.00	$ 27,300.00
6	Monumentation	LS	1	$ 500.00	$ 500.00	$ 4,000.00	$ 4,000.00	$ 3,300.00	$ 3,300.00
7	Remove Existing Pavement	SF	269	$ 10.00	$ 2,690.00	$ 23.00	$ 6,187.00	$ 9.00	$ 2,421.00
8	Remove Existing Curb and Gutter	LF	141	$ 35.00	$ 4,935.00	$ 42.00	$ 5,922.00	$ 26.00	$ 3,666.00
9	Relocate Existing Street Light	EA	1	$ 8,000.00	$ 8,000.00	$ 11,600.00	$ 11,600.00	$ 7,500.00	$ 7,500.00
10	Earthwork	CY	11,944	$ 24.00	$ 286,656.00	$ 10.00	$ 119,440.00	$ 48.20	$ 575,700.80
11	Fine Grading	SF	230,580	$ 0.25	$ 57,645.00	$ 1.00	$ 230,580.00	$ 0.10	$ 23,058.00
12	6" PVC - Sanitary Sewer	LF	545	$ 69.00	$ 37,605.00	$ 38.00	$ 20,710.00	$ 61.00	$ 33,245.00
13	48" Sanitary Sewer Manhole	EA	1	$ 6,000.00	$ 6,000.00	$ 19,000.00	$ 19,000.00	$ 5,300.00	$ 5,300.00
14	Connect to Existing Sanitary Sewer Manhole	EA	1	$ 4,500.00	$ 4,500.00	$ 4,800.00	$ 4,800.00	$ 3,900.00	$ 3,900.00
15	Sanitary Sewer Cleanout	EA	3	$ 1,500.00	$ 4,500.00	$ 1,030.00	$ 3,090.00	$ 1,200.00	$ 3,600.00
16	48" RCP - Storm Drainage	LF	411	$ 335.00	$ 137,685.00	$ 353.00	$ 145,083.00	$ 295.00	$ 121,245.00
17	24" RCP - Storm Drainage	LF	150	$ 130.00	$ 19,500.00	$ 177.00	$ 26,550.00	$ 117.00	$ 17,550.00
18	18" SDR -26 - Storm Drainage	LF	876	$ 115.00	$ 100,740.00	$ 104.00	$ 91,104.00	$ 102.00	$ 89,352.00
19	12" SDR -26 - Storm Drainage	LF	613	$ 100.00	$ 61,300.00	$ 78.00	$ 47,814.00	$ 87.00	$ 53,331.00
20	6" PVC Force Main - Storm Drainage	LF	33	$ 200.00	$ 6,600.00	$ 200.00	$ 6,600.00	$ 178.00	$ 5,874.00
21	96" Storm Drainage Manhole	EA	1	$ 20,000.00	$ 20,000.00	$ 42,000.00	$ 42,000.00	$ 18,300.00	$ 18,300.00
22	60" Storm Drainage Manhole With Grated Lid	EA	2	$ 11,000.00	$ 22,000.00	$ 22,000.00	$ 44,000.00	$ 10,000.00	$ 20,000.00
23	60" Storm Drainage Manhole	EA	1	$ 10,000.00	$ 10,000.00	$ 16,000.00	$ 16,000.00	$ 10,000.00	$ 10,000.00
24	48" Storm Drainage Manhole With Grated Lid	EA	3	$ 6,500.00	$ 19,500.00	$ 11,500.00	$ 34,500.00	$ 6,000.00	$ 18,000.00
25	48" Storm Drainge Manhole	EA	1	$ 6,500.00	$ 6,500.00	$ 19,000.00	$ 19,000.00	$ 6,000.00	$ 6,000.00
26	Connect to Existing Storm Line with Manhole	EA	1	$ 15,000.00	$ 15,000.00	$ 14,000.00	$ 14,000.00	$ 11,000.00	$ 11,000.00
27	24" Storm Drainage Catch Basin	EA	1	$ 5,000.00	$ 5,000.00	$ 8,500.00	$ 8,500.00	$ 4,000.00	$ 4,000.00
28	18" Storm Drainage Catch Basin	EA	4	$ 4,500.00	$ 18,000.00	$ 6,000.00	$ 24,000.00	$ 3,700.00	$ 14,800.00
29	Storm Drainage Curb Inlet - City Standard	EA	1	$ 12,000.00	$ 12,000.00	$ 21,000.00	$ 21,000.00	$ 6,000.00	$ 6,000.00
30	Bubble-up Structure	EA	1	$ 15,000.00	$ 15,000.00	$ 17,000.00	$ 17,000.00	$ 12,000.00	$ 12,000.00
31	Storm Drainage Pump Station	LS	1	$ 275,000.00	$ 275,000.00	$ 113,000.00	$ 113,000.00	$ 238,000.00	$ 238,000.00
32	Storm Drainage Trash Rack	EA	1	$ 45,000.00	$ 45,000.00	$ 27,000.00	$ 27,000.00	$ 36,500.00	$ 36,500.00
33	8" PVC - Water	LF	1,004	$ 95.00	$ 95,380.00	$ 73.50	$ 73,794.00	$ 86.00	$ 86,344.00
34	6" PVC - Water	LF	124	$ 73.00	$ 9,052.00	$ 97.00	$ 12,028.00	$ 84.00	$ 10,416.00
35	2" PVC - Water	LF	574	$ 42.00	$ 24,108.00	$ 29.00	$ 16,646.00	$ 39.00	$ 22,386.00
36	8" Water Valve	EA	3	$ 4,000.00	$ 12,000.00	$ 6,500.00	$ 19,500.00	$ 3,500.00	$ 10,500.00
37	6" Water Valve	EA	1	$ 3,700.00	$ 3,700.00	$ 4,600.00	$ 4,600.00	$ 3,400.00	$ 3,400.00
38	8" Double Detector Check Valve	EA	1	$ 36,000.00	$ 36,000.00	$ 47,100.00	$ 47,100.00	$ 32,500.00	$ 32,500.00
39	6" Single Detector Check Valve W/FDC	EA	1	$ 20,000.00	$ 20,000.00	$ 24,600.00	$ 24,600.00	$ 19,000.00	$ 19,000.00
40	8" Water Service Meter	EA	1	$ 40,000.00	$ 40,000.00	$ 770.00	$ 770.00	$ 38,600.00	$ 38,600.00
41	2" Water Service Meter	EA	1	$ 7,500.00	$ 7,500.00	$ 770.00	$ 770.00	$ 6,900.00	$ 6,900.00
42	2" Backflow Preventer	EA	1	$ 7,000.00	$ 7,000.00	$ 10,300.00	$ 10,300.00	$ 6,600.00	$ 6,600.00
43	Fire Hydrant Assembly	EA	4	$ 10,000.00	$ 40,000.00	$ 21,500.00	$ 86,000.00	$ 14,000.00	$ 56,000.00
44	Stub and Plug Proposed Water Line	EA	3	$ 1,400.00	$ 4,200.00	$ 500.00	$ 1,500.00	$ 1,200.00	$ 3,600.00
45	Connection to Existing Water System	EA	3	$ 10,000.00	$ 30,000.00	$ 21,100.00	$ 63,300.00	$ 8,600.00	$ 25,800.00
46	Pressure Testing and Disinfection	LS	1	$ 10,000.00	$ 10,000.00	$ 2,300.00	$ 2,300.00	$ 5,900.00	$ 5,900.00
47	6" Vertical Curb and Gutter	LF	665	$ 78.00	$ 51,870.00	$ 75.00	$ 49,875.00	$ 35.00	$ 23,275.00
48	6" Vertical Curb	LF	1,116	$ 39.00	$ 43,524.00	$ 70.00	$ 78,120.00	$ 20.00	$ 22,320.00
49	Heavy Duty Concrete	SF	21,391	$ 17.00	$ 363,647.00	$ 17.00	$ 363,647.00	$ 16.10	~~$ 342,785.10~~
								$ 16.10	$ 344,395.10
50	Driveway Concrete	SF	14,595	$ 14.00	$ 204,330.00	$ 17.00	$ 248,115.00	$ 13.20	$ 192,654.00
51	Pedestrian Concrete	SF	7,309	$ 12.00	$ 87,708.00	$ 17.00	$ 124,253.00	$ 9.90	$ 72,359.10
52	4" AC Over 12.0" Cement Stabilized Soil	SF	15,312	$ 9.00	$ 137,808.00	$ 10.50	$ 160,776.00	$ 8.00	$ 122,496.00
53	Concrete ADA Ramp	EA	2	$ 4,000.00	$ 8,000.00	$ 5,500.00	$ 11,000.00	$ 4,200.00	$ 8,400.00
54	ADA Sign	EA	3	$ 600.00	$ 1,800.00	$ 800.00	$ 2,400.00	$ 600.00	$ 1,800.00
55	Parking Lot Stripping	LS	1	$ 9,000.00	$ 9,000.00	$ 30,000.00	$ 30,000.00	$ 30,500.00	$ 30,500.00
56	Chain Link Fence	LF	1,313	$ 50.00	$ 65,650.00	$ 52.00	$ 68,276.00	$ 58.00	$ 76,154.00
57	Wrought Iron Fence	LF	283	$ 350.00	$ 99,050.00	$ 376.00	$ 106,408.00	$ 500.00	$ 141,500.00
58	Wrought Iron Fence Electric Slide Gate	EA	2	$ 74,000.00	$ 148,000.00	$ 81,500.00	$ 163,000.00	$ 44,000.00	$ 88,000.00
59	Trash Enclosure	EA	1	$ 50,000.00	$ 50,000.00	$ 57,000.00	$ 57,000.00	$ 75,200.00	$ 75,200.00
60	Restoration	LS	1	$ 30,000.00	$ 30,000.00	$ 33,000.00	$ 33,000.00	$ 4,700.00	$ 4,700.00
61	Site Lighting Poles S1, S2, S3 with Lights, Concrete Foundatior	EA	7	$ 12,000.00	$ 84,000.00	$ 10,500.00	$ 73,500.00	$ 8,600.00	$ 60,200.00
62	Training Tower Flood Light Poles with 3 Flood Lights Per Pole,	EA	3	$ 20,000.00	$ 60,000.00	$ 19,100.00	$ 57,300.00	$ 12,400.00	$ 37,200.00
63	Site Lighting Conduit and Wire	LF	1,500	$ 20.00	$ 30,000.00	$ 26.00	$ 39,000.00	$ 40.00	$ 60,000.00
64	Utility Pole	EA	1	$ 5,000.00	$ 5,000.00	$ 9,700.00	$ 9,700.00	$ 6,000.00	$ 6,000.00
65	Utility Transformer Pad	EA	1	$ 12,000.00	$ 12,000.00	$ 10,800.00	$ 10,800.00	$ 13,000.00	$ 13,000.00
66	Utility Primary Conduits to Property Line	LF	250	$ 63.00	$ 15,750.00	$ 74.00	$ 18,500.00	$ 83.00	$ 20,750.00
67	Utility Secondary Conduits and Wire	LF	250	$ 196.00	$ 49,000.00	$ 227.00	$ 56,750.00	$ 83.00	$ 20,750.00
68	Multimeter Service Switchboard	EA	1	$ 65,000.00	$ 65,000.00	$ 75,100.00	$ 75,100.00	$ 68,000.00	$ 68,000.00
69	Concrete Pullboxes	EA	10	$ 2,000.00	$ 20,000.00	$ 2,100.00	$ 21,000.00	$ 2,400.00	$ 24,000.00
70	Feeder to Modular Building	LF	1,600	$ 55.00	$ 88,000.00	$ 66.00	$ 105,600.00	$ 52.00	$ 83,200.00
71	Feeder Connection to Tower	LF	350	$ 25.00	$ 8,750.00	$ 31.00	$ 10,850.00	$ 172.00	$ 60,200.00
72	Conduit and Wire to Gate Motors	LF	650	$ 46.00	$ 29,900.00	$ 54.00	$ 35,100.00	$ 210.00	~~$ 73,500.00~~
								$ 210.00	$ 136,500.00
73	Conduit and Wire to Pump	LF	650	$ 24.00	$ 15,600.00	$ 29.00	$ 18,850.00	$ 28.00	$ 18,200.00
74	Connection to Pump Panel and Pump	EA	1	$ 10,000.00	$ 10,000.00	$ 11,000.00	$ 11,000.00	$ 10,000.00	$ 10,000.00
75	Conduit for Future EV	LF	850	$ 20.00	$ 17,000.00	$ 23.00	$ 19,550.00	$ 23.00	$ 19,550.00
76	2" PVC - Telephone Line	LF	2,500	$ 10.00	$ 25,000.00	$ 14.00	$ 35,000.00	$ 122.00	$ 305,000.00
77	Communication Conduits	LF	6,000	$ 10.00	$ 60,000.00	$ 14.00	$ 84,000.00	$ 65.00	$ 390,000.00
78	**PROJECT LABOR AGREEMENT**				$ 60,000.00		$ 21,842.00		$ 1.00
					$ -		$ -		~~$ 4,645,584.00~~
	TOTAL BID				**$ 3,656,183.00**		**$ 3,909,000.00**		**$ 4,710,194.00**

CITY OF MERCED

Tuesday, July 14, 2026

NOTICE OF BID REJECTION
MERCED REGIONAL FIRE TRAINING FACILITY PROJECT

To All Contractors

Re: Merced Regional Fire Training Facility Project (Project No. CP220077)

Dear All,

Thank you for submitting a bid in response to our solicitation for the **Merced Regional Fire Training Facility** project. We appreciate the time and effort your firm has spent preparing your proposal.

Pursuant to local procurement rules, this letter serves as formal notice that the City will reject all proposals received and cancel this solicitation at the City Council meeting on August 3rd, 2026. This decision was made because of two changing project requirements:

- **Budget Constraints:** All bids received significantly exceeded our internal estimates and available project funding.
- **Federal Grant Compliance:** The municipality is actively pursuing federal grant funding to help support this project, which requires changes to the scope and specifications of the project.

We are currently adjusting the project's specifications to meet both our budgetary constraints and federal grant criteria. We look forward to your bid proposal in the future.

Thank you for your continued interest in doing business with the City of Merced.

Respectfully,



Daryl Jordan, P.E
City Engineer
City of Merced – Engineering Department

ADMINISTRATIVE REPORT

File #: 26-622 Meeting Date: 8/3/2026

Report Prepared by: Jeremy Geiger, Public Works Supervisor - Environmental Control

SUBJECT: Approval of Services Agreement with Black Water Consulting Engineers for Development of a Former Sludge Drying Bed Closure Work Plan in the Amount not to Exceed $51,348 for the Contract Term Ending on March 31, 2027

REPORT IN BRIEF

Considers approving a services agreement with Black Water Consulting Engineers in the amount of $51,348 for development of a former sludge drying bed closure work plan, with contract term ending on March 31, 2027.

RECOMMENDATION

City Council - Adopt a motion approving the Services Agreement with Black Water Consulting Engineers, contract term ending on March 31, 2027, in the amount not to exceed $51,348, and authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve as recommend by Staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny; or,
4. Refer back to Staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a Council future meeting.

AUTHORITY

Charter of the City of Merced, Article XI, Section 1111 - Competitive bidding, and Merced Municipal Code Charter 3.04 Article III - the purchase of materials, supplies, equipment, and contractual services of an estimated value greater than thirty-nine thousand dollars ($39,000), the “contract threshold”, shall be made by the purchasing supervisor by written contract with the lowest responsible bidder.

COUNCIL PRIORITIES

As provided for in the FY 2026/2027 budget.

DISCUSSION

Background

The purpose of this contract is to satisfy the requirements of the National Pollutant Discharge Elimination System (NPDES) permit by retaining an environmental consultant to develop a

contamination site closure work plan. The work plan will include a timeline for the identification of constituents of concern and characterization of nitrogen compounds, arsenic, manganese, and other identified constituents of concern in soils beneath the former sludge drying beds, compared to background concentrations. It will also include an evaluation of the potential risks to groundwater quality from residual nitrate, Total Kjeldahl Nitrogen (TKN), arsenic, manganese, and other constituents of concern in the soils, as well as a plan for site closure, potential repurposing, and the long-term maintenance and use of the site.

In addition, the Final Technical Report will evaluate the impact of the Effluent Channel on the potential mobilization of constituents of concern associated with the former sludge drying beds.

The work plan implementation schedule shall not exceed seven years from the effective date of the City's NPDES Permit, Order No. R5-2026-0005, which was issued on April 1, 2026.

The City of Merced issued a Request for Proposals (RFP) to obtain specialized consulting and engineering services to complete the work described above. One proposal was received:

1. Black Water Consulting Engineers

As only one proposal was received, staff evaluated the submission from Black Water Consulting Engineers and determined it to be responsive and qualified to perform the required services. The Services Agreement will commence upon City Council approval and remain in effect through March 31, 2027.

Staff recommends City Council approve the Services Agreement with Black Water Consulting Engineers in an amount not to exceed $51,348.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed; funding is available in the FY 26/27 approved budget for the Wastewater Treatment Plant (60006070).

ATTACHMENTS

1. Services Agreement

SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Black Water Consulting Engineers, a Corporation, whose address of record is 602 Lyell Drive, Modesto, CA 95356, (hereinafter referred to as "Contractor").

WHEREAS, City is undertaking a project to develop a Former Sludge Drying Bed Closure Work Plan; and,

WHEREAS, Contractor represents that it possesses the professional skills to provide engineering/consulting services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. SCOPE OF SERVICES. The Contractor shall furnish the following services: Contractor shall provide the engineering/consulting services described in Exhibit "A" attached hereto.

No additional services shall be performed by Contractor unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Public Works or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Contractor.

2. TIME OF PERFORMANCE. All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Contractor may change the requirements in said Schedule.

3. TERM OF AGREEMENT. The term of this Agreement shall commence upon the day first above written and end on March 31, 2027.

4. COMPENSATION. Payment by the City to the Contractor for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Contractor agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Contractor's services rendered under this Agreement, City shall pay Contractor the not to exceed sum of $51,348.00.

5. METHOD OF PAYMENT. Compensation to Contractor shall be paid by the City after submission by Contractor of an invoice delineating the services performed.

6. RECORDS. It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Contractor relating to the matters covered by this Agreement shall be the property of the City, and Contractor hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. CONTRACTOR'S BOOKS AND RECORDS. Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. INDEPENDENT CONTRACTOR. It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire same at its expense.

In the event Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System

(PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Contractor shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Contractor or Contractor's officers, employees, volunteers, and agents during performance of this Agreement; Contractor shall indemnify, protect, defend (with counsel selected by the City) save and hold City, its officers, employees and agents harmless from any and all claims or causes of action for any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Contractor or its employees, subcontractors, or agents, or by the quality or character of Contractor's work. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars ($100,000) for any one person and as required by law, including Employer's Liability limits of $1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

(i) Contractor shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.

(ii) Contractor shall maintain limits of no less than One Million Dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage.

(iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Contractor.

(iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

(v) Contractor shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

(i) Contractor shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

(ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Contractor.

(iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Contractor shall carry professional liability insurance appropriate to Contractor's profession in the minimum amount of One Million Dollars ($1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Reserved.

f. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

(i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,

(ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

g. Certificate of Insurance. Contractor shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium. In addition to any other remedies City may have, City reserves the right to withhold payment if Contractor's insurance policies are not current.

11. PREVAILING WAGES.

A. Labor Code Compliance. If the work performed under this Agreement falls within Labor Code Section 1720(a)(1) definition of a "public works" the Contractor agrees to comply with all of the applicable provisions of the

Labor Code including, those provisions requiring the payment of not less than the general prevailing rate of wages. The Contractor further agrees to the penalties and forfeitures provided in said Code in the event a violation of any of the provisions occurs in the execution of this Agreement.

B. These wage rate determinations are made a specific part of this Agreement by reference pursuant to Labor Code Section 1773.2. General Prevailing Wage Rate Determinations may be obtained from the Department of Industrial Relations Internet site at http://www.dir.ca.gov/.

C. After award of the Agreement, and prior to commencing work, all applicable General Prevailing Wage Rate Determinations, if applicable, are to be obtained by the Contractor from the Department of Industrial Relations. Theses wage rate determinations are to be posted by the Contractor at the job site in accordance with Section 1773.2 of the California Labor Code.

D. Contractor agrees to include prevailing wage requirements, if applicable, in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771.

12. NOTICES. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by: (i) personal service, (ii) delivery by a reputable document delivery service, such as, but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Merced
678 West 18th Street
Merced, California 95340
Attention: City Manager

To Contractor: Black Water Consulting Engineers
602 Lyell Drive
Modesto, CA 95356
Attention: Alison Furuya

13. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Contractor and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Contractor under this Agreement will be permitted only with the express written consent of the City.

14. TERMINATION FOR CONVENIENCE OF CITY. The City may terminate this Agreement any time by mailing a notice in writing to Contractor that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

15. CONFORMANCE TO APPLICABLE LAWS. Contractor shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Contractor in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Contractor hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

16. WAIVER. In the event that either City or Contractor shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

17. INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS. In the event of any contradiction or inconsistency between any

attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

18. AMBIGUITIES. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

19. VENUE. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

20. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

21. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

22. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

23. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the

counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal Corporation

BY:_____
D. Scott McBride
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 6-24-2026
City Attorney Date

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY:_____
Verified by Finance Officer

{Signatures continued on next page}

CONTRACTOR
Black Water Consulting Engineers

BY: _____
(Signature)

Alison Furuya
(Typed Name)

Its: Vice President
(Title)

BY: _____
(Signature)

Aja Verburg
(Typed Name)

Its: Vice President
(Title)

Taxpayer I.D. No. 46-1504431

ADDRESS: 602 Lyell Drive
Modesto, CA 95356

TELEPHONE: 209.322.1820
FAX: None
E-MAIL:stacy@blackwater-eng.com

PROJECT UNDERSTANDING

Black Water understands the requirements of the City's National Pollutant Discharge Elimination System Permit, Order No. R5-2026-0005 (NPDES Permit). The NPDES Permit requires the City to prepare a Former Sludge Drying Beds Closure Work Plan (Work Plan) for its Wastewater Treatment Facility (WWTF).

The Work Plan must propose actions to permanently decommission the former sludge drying beds and must be submitted to the California Regional Water Quality Control Board, Central Valley Region (Central Valley Water Board) for review by April 1, 2027.

Per the NPDES Permit, the Work Plan must include the following:

- Proposed actions to permanently decommission the former sludge drying beds
- A timeline for a proper identification of constituents of concern and characterization of nitrogen compounds, arsenic, manganese, and the identified constituents of concern in soils beneath the former sludge drying beds compared to background concentrations
- An evaluation of potential risks to groundwater quality from residual nitrate, total Kjeldahl nitrogen, arsenic, manganese, and other constituents of concern in soils
- A plan for closure
- Potential repurposing
- Long-term maintenance and use of the site

The timeline for implementation of the Work Plan shall not exceed seven (7) years from the effective date of the NPDES Permit, April 1, 2026.

Black Water understands that the City will retain a contractor to prepare the Final Technical Report following implementation of the Work Plan.

Per the NPDES Permit, the Final Technical Report must include:

- Evaluation that demonstrates that the former sludge drying beds do not pose a threat to groundwater quality.
- Analyze the Effluent Channel's impact on potentially mobilizing constituents of concern associated with the former sludge drying beds.

TASK 1.0 – PROJECT MANAGEMENT, ADMINISTRATION, AND MEETINGS

Black Water will provide proactive project management and maintain clear communication with the City to support the successful and timely completion of the Work Plan. Black Water will keep the City informed of project status, key issues, schedule, and budget tracking throughout the project.

This task includes internal project management, staff scheduling, monthly project updates to the City, budget oversight, project correspondence, document production, quality control review, and general administrative support.

Black Water will also participate in project meetings to support timely completion and effective coordination with City staff:

- Kickoff Meeting: Black Water will conduct one (1) kickoff meeting to review the scope of services, confirm initial data needs and data collection methods, and establish a detailed project schedule.
- Progress Meetings: Black Water will attend up to two (2) progress meetings with City staff to provide project updates and discuss key findings or outstanding items.

Deliverables: Kickoff meeting agenda and summary, Monthly progress reports, Meeting agendas and meeting minutes, and Project schedule updates

TASK 2.0 – PREPARE FORMER SLUDGE DRYING BED CLOSURE WORK PLAN

Black Water will prepare the Work Plan in accordance with the applicable NPDES Permit requirements and guidance from the Central Valley Water Board. *Under this task, Black Water will:*

- Collect and review available historical and analytical data provided by the City
- Conduct a site visit
- Prepare the draft Work Plan for City review
- Incorporate City comments, as appropriate
- Prepare the Final Work Plan
- Assist the City with the submission of the Work Plan to the Central Valley Water Board
- Respond to one round of comments from the Central Valley Water Board, as appropriate

The Work Plan is anticipated to include the following sections:

- Introduction
- Background
- Proposed Methodology and Schedule for Identification and Characterization of Constituents of Concern in Soil
- Evaluation of Potential Risks to Groundwater Quality
- Plan for Closure
- Potential Repurposing
- Long-term maintenance and site use

Preparation of the Final Technical Report is not included under this task. The Final Technical Report is anticipated to be prepared following implementation of the Work Plan activities by others under a separate contract.

Deliverables: Draft and Final Former Sludge Drying Beds Closure Work Plan

Exclusion:

- *Preparation of the Final Technical Report*
- *Field investigation activities, including drilling, sampling, and laboratory analysis*
- *Additional services not specifically identified in this scope of work*

EXHIBIT B

SCHEDULE

Black Water is committed to delivering quality work in a timely manner. We recognize that adherence to schedule is critical for our municipality clients, especially when tied to regulatory milestones, funding deadlines, and seasonal construction windows.

Scheduling Approach | Our project schedule is regularly updated to meet the changing demands of evolving projects. This ongoing maintenance mitigates project delays and ensures key project delivery milestones are met.

Black Water approaches scheduling with a proactive and collaborative mindset—setting realistic internal deadlines, maintaining frequent communication with stakeholders, and using internal QA/QC checkpoints to avoid late-stage revisions. Our project managers monitor progress weekly and anticipate delays early, allowing us to adjust resources or sequencing as needed. This disciplined approach has enabled us to consistently deliver submittals on time.

Black Water will maintain the following project schedule to complete the Former Sludge Drying Beds Closure Work Plan in advance of the required State submittal deadline

Project Schedule:

Task	Description	Date
	Estimated Notice to Proceed	August 3, 2026
	Contract Term End Date per RFP	March 31, 2027
1	Project Management, Administration, and Meetings	
	Project Management and Administration	August 3, 2026 – March 31, 2027
	Kickoff Meeting	August 10, 2026
	Progress Meeting 1	October 2026
	Progress Meeting 2	February 2027
2	Prepare Former Sludge Drying Bed Closure Work Plan	
	Data Collection and Review	August 3, 2026 – August 31, 2026
	Prepare Draft Work Plan	September 1, 2026 – December 31, 2026
	Draft Work Plan City Review Period[1]	January 1, 2027 – February 28, 2027
	Prepare Final Work Plan	March 1, 2027 – March 24, 2027
	Submit Final Work Plan[2]	March 30, 2027
	Respond to State Questions/Comments[3]	As needed

[1] Per the RFP, the Draft Former Sludge Drying Beds Closure Work Plan is due to the City for review by March 1, 2027. Black Water proposes to deliver the Draft Work Plan in advance of this deadline to allow adequate time for City review, comments, and preparation of the Final Work Plan.
[2] Per the RFP, the Final Former Sludge Drying Beds Closure Work Plan is due no later than March 31, 2027.
[3] Black Water recommends extending the contract term beyond March 31, 2027, to allow for responses to State comments, if needed.

EXHIBIT C

BLACK WATER
CONSULTING ENGINEERS

CITY OF MERCED
FORMER SLUDGE DRYING BEDS CLOSURE WORK PLAN
21-May-26

Fee Proposal
Level of Effort

		BLACK WATER								Totals
	Billing Rates $/hr	302	239	193	178	155	155			
TASK	Task Activity	Principal	Asst. Project Manager	Assistant Engineer	Design/ Drafting	QA/QC	Admin	Black Water Total Hours	Black Water Fee	Total Fee
1	**Project Management, Administration, and Meetings**									
1.1	Kickoff Meeting	1	1	1				3	$734	$734
1.2	Progress Meetings	2	2	2				6	$1,468	$1,468
1.3	Project Management and Administration	6	10				10	26	$5,752	$5,752
	Task 1 Total	*9*	*13*	*3*	*0*	*0*	*10*	*35*	*$7,954*	$7,954
2	**Prepare Former Sludge Drying Bed Closure Work Plan**									
2.1	Data Collection and Review	2	10	24				36	$7,626	$7,626
2.2	Prepare Draft Work Plan	8	30	80	8	8		134	$27,690	$27,690
2.3	Prepare Final Work Plan	4	10	20		4		38	$8,078	$8,078
	Task 2 Total	*14*	*50*	*124*	*8*	*12*	*0*	*208*	*$43,394*	$43,394
	TOTALS	**23**	**63**	**127**	**8**	**12**	**10**	**243**	**$51,348**	**$51,348**
									TOTAL FEE	$51,348

Notes:
1. All scope items and associated fees are based on the best approximation we can make given the current level of information we have.
2. Black Water will discuss and/or negotiate with the Client any scope or fee item shown on this Proposal.

ADMINISTRATIVE REPORT

File #: 26-632 Meeting Date: 8/3/2026

Report Prepared by: Cosmo Ordunez, Public Works Manager-Internal Services

SUBJECT: Approval to Purchase Three (3) 2026 Chevrolet Trailblazers in the Total Amount of $95,994.63 to Replace Vehicles E-1300 and E-1302 for the Inspection Services Division and to Replace Vehicle E-1369 for the Recycling Division and Purchase One (1) 2026 Chevrolet Colorado in the Amount of $38,779.67 as a New Vehicle for the Refuse Department from National Auto Fleet Group - Chevrolet of Watsonville

REPORT IN BRIEF

Considers approving the purchase of three (3) 2026 Chevrolet Trailblazers in the total amount of $95,994.63, and one (1) 2026 Chevrolet Colorado in the amount of $38,779.67, utilizing the cost savings government procurement program (Sourcewell). The purchase of these vehicle will replace aging equipment that will improve reliability, reduce maintenance costs, and increase efficiency in daily operations. The purchase of the new Chevrolet Colorado will aid the Refuse Department with route inspection.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of three (3) 2026 Chevrolet Trailblazers and one (1) 2026 Chevrolet Colorado in the total amount of $134,774.30 from National Auto Fleet Group - Chevrolet of Watsonville, through Sourcewell contract # 091521-NAF; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order(s), and approval of change orders not to exceed 10% of the total purchase price.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,

4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY
Municipal Code Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES
As provided for in the FY 26/27 Adopted Budget.

DISCUSSION
History

Sourcewell offers an equipment/vehicle purchase program to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City is able to purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Buying these vehicles directly through this outside program requires waiving the City's competitive bid requirements. In addition to cost savings, purchasing directly from Sourcewell allows the City to standardize equipment, which is a desire of the Fleet Services Division. With standardized equipment, Fleet Services will have the ability to reduce parts inventory, and ensure the vehicle controls, handling, and maneuvering are the same for vehicles that are currently being used by City employees. The vehicles requested will be the same make and model as other City equipment.

The Public Works Department, Fleet Services Division, is requesting Council authorize the purchase of four (4) currently budgeted fleet vehicles to replace two (2) Inspection Services vehicles, replace one (1) replacement Recycling Division vehicle, and one (1) addition for the Refuse Department utilizing the nationwide government procurement service Sourcewell via National Auto Fleet Group - Chevrolet of Watsonville.

Two of the Chevrolet Trailblazers will replace existing vehicles assigned to the Inspection Services Division. These vehicles are used daily by inspectors to perform construction inspections, code compliance activities, and other field responsibilities throughout the City. Dependable vehicles are essential to maintaining inspection schedules, providing timely customer service, and supporting development projects. The third Trailblazer will replace an aging vehicle assigned to the Recycling Division that is used for operational support functions. Replacing this vehicle will improve operational reliability and ensure staff can continue providing uninterrupted support to refuse-recycling collection operations.

The purchase of the new 2026 Chevrolet Colorado is requested to support the Refuse Division in meeting State requirements for route inspection. This is an additional vehicle and is not replacing an existing asset. Route inspection includes monitoring residential and commercial collection routes, investigating missed collections and customer service concerns, verifying service levels, documenting field conditions, and ensuring compliance with state regulations. Because these duties

require extensive daily travel throughout the City, a dedicated vehicle is necessary to allow staff to respond quickly and efficiently to service issues without impacting the availability of other fleet vehicles.

Adding this vehicle will improve the Refuse Division's ability to monitor collections in real time, provide enhanced operational oversight, and ensure state requirements. The Chevrolet Colorado provides durability, cargo capacity and versatility needed to transport equipment, traffic control devices and field supplies while remaining economical to operate. Together, these vehicle purchases represent an investment in replacing aging fleet assets while providing the resources necessary to support expanding operational responsibilities and maintain efficient, reliable public services.

The listed vehicles to be purchased is budgeted in the FY 26/27 vehicle replacement adopted budget. The vehicles requested for purchase in this report will meet the California Air Resources Board (CARB) air vehicle pollution rating.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities.

Staff requests waiving the bidding requirements in order to standardize equipment and utilize the government pricing contract.

IMPACT ON CITY RESOURCES

The vehicles for Inspection Service are approved in the FY2026/27 adopted budget in Fund 7006-Vehicle Replacement Fund. The approved funding for each project includes a 10% contingency, and no other funding will be needed.

ATTACHMENTS

1. National Auto Fleet Group - Trailblazer Quote 1
2. National Auto Fleet Group - Trailblazer Quote 2
3. National Auto Fleet Group - Trailblazer Quote 3
4. National Auto Fleet Group - Colorado Quote
5. National Auto Fleet Group Sourcewell Contract Documentation
6. Sourcewell Membership

National Auto Fleet Group
A Division of Chevrolet of Watsonville
490 Auto Center Drive, Watsonville, CA 95076
(855) 289-6572 • (831) 480-8497 Fax
Fleet@NationalAutoFleetGroup.com

7/6/2026
7/6/2026 Re-Configured

Government Quote ID: **43845 R1**

Order Cut Off Date: **7/24/2026**

Cosmo Ordunez
City of Merced
Public Works - Fleet

1776 Grogan Ave.
1776 Grogan Ave.

Merced, California, 95341

Dear Cosmo Ordunez,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.
One (1) New/Unused (2026 Chevrolet Trailblazer (1TW56) AWD 4dr LT,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	$28,500.00	$27,784.53	2.510 %	$715.47
2 Additional Key(s)		$600.00		
Tax (8.2500 %)		$2,341.72		
Tire fee		$8.75		
Total		$30,735.00		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 081325-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497

Sourcewell
Awarded Contract
Contract # 081325-NAF

Purchase Order Instructions & Resources

Once units are scheduled by OEM, no cancellations are accepted

In order to finalize your purchase please submit this purchase packet to your governing body for a purchase order approval and submit your purchase order in the following way:

Email: Fleet@NationalAutoFleetGroup.com

Fax: (831) 480-8497

Mail: National Auto Fleet Group

490 Auto Center Drive

Watsonville, CA 95076

We will send a courtesy confirmation for your order and a W-9 if needed.

Additional Resources

Learn how to track your vehicle:	**www.NAFGETA.com**
Use the upfitter of your choice:	**www.NAFGpartner.com**
Vehicle Status:	**ETA@NationalAutoFleetGroup.com**
General Inquiries:	**Fleet@NationalAutoFleetGroup.com**

For general questions or assistance please contact our main office at:

1-855-289-6572

Vehicle Configuration Options

EMISSIONS	
Code	**Description**
YF5	Emissions, California state requirements
ENGINE	
Code	**Description**
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)
TRANSMISSION	
Code	**Description**
M3F	Transmission, 9-speed automatic, (STD)
AXLE	
Code	**Description**
FXP	Axle, 3.17 final drive ratio
PREFERRED EQUIPMENT GROUP	
Code	**Description**
1LT	LT Preferred Equipment Group, Includes Standard Equipment
WHEELS	
Code	**Description**
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)
TIRES	
Code	**Description**
QA3	Tires, 225/60R17 all-season, blackwall, (STD)
PAINT	
Code	**Description**
GAZ	Summit White
SEAT TYPE	
Code	**Description**
A50	Seats, front bucket, (STD)
SEAT TRIM	
Code	**Description**
H1D	Jet Black, Cloth seat trim
RADIO	
Code	**Description**
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)
ADDITIONAL EQUIPMENT	
Code	**Description**
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist
Q8E	Mechanical jack with tools

ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools
RIA	LPO, All-weather floor liners, front and rear
UD7	Rear Park Assist
UFG	Rear Cross Traffic Alert
UKC	Lane Change Alert with Side Blind Zone Alert
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)
NOTE	
Code	**Description**
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **

2026 Fleet/Non-Retail Chevrolet Trailblazer AWD 4dr LT

WINDOW STICKER

2026 Chevrolet Trailblazer AWD 4dr LT

CODE	MODEL	MSRP
1TW56	2026 Chevrolet Trailblazer AWD 4dr LT	$26,500.00
	OPTIONS	
YF5	Emissions, California state requirements	$0.00
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)	$0.00
M3F	Transmission, 9-speed automatic, (STD)	$0.00
FXP	Axle, 3.17 final drive ratio	$0.00
1LT	LT Preferred Equipment Group, Includes Standard Equipment	$0.00
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)	$0.00
QA3	Tires, 225/60R17 all-season, blackwall, (STD)	$0.00
GAZ	Summit White	$0.00
A50	Seats, front bucket, (STD)	$0.00
H1D	Jet Black, Cloth seat trim	$0.00
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)	$0.00
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist	$395.00
Q8E	Mechanical jack with tools	INC
ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools	$195.00
RIA	LPO, All-weather floor liners, front and rear	$265.00
UD7	Rear Park Assist	INC
UFG	Rear Cross Traffic Alert	INC
UKC	Lane Change Alert with Side Blind Zone Alert	INC
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)	($650.00)
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **	$0.00

Please note selected options override standard equipment

SUBTOTAL	**$26,705.00**
Advert/ Adjustments	$0.00
Manufacturer Destination Charge	$1,795.00
TOTAL PRICE	**$28,500.00**

Est City: 22 MPG
Est Highway: 29 MPG
Est Highway Cruising Range: 562.60 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Quote ID: 43845

Standard Equipment

MECHANICAL

Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT) (155 hp [115 kW] @ 5600 rpm, 174 lb-ft torque [236 N-m] @ 1600 rpm) (STD) (Available on FWD. Standard on AWD.)
Transmission, 9-speed automatic (STD) (AWD models.)
Axle, 3.17 final drive ratio

EXTERIOR

Wheels, 17" (43.2 cm) High Gloss Black machined aluminum (STD)
Tires, 225/60R17 all-season, blackwall (STD)

ENTERTAINMENT

Audio system, 11" diagonal HD color touchscreen, AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, wireless Apple CarPlay and wireless Android Auto capable (STD)

INTERIOR

Seats, front bucket (STD)

GVWR

GVWR, 4409 lbs. (2000 kg) (AWD models.)

ADDITIONAL EQUIPMENT

Chevy Safety Assist includes (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking, (UHX) Lane Keep Assist with Lane Departure Warning, (UE4) Following Distance Indicator, (UEU) Forward Collision Alert and (TQ5) IntelliBeam
Engine air filtration monitor
Keyless Start, push-button
Engine control, stop-start system
Engine control, stop-start system override
Driver shift control, tap-up/tap-down on shifter
Drivetrain, all-wheel drive
Trailering provisions, wiring (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Suspension, Ride and Handling
Steering, power, non-variable ratio, electric
Brakes, 4-wheel antilock, 4-wheel disc
Brakes, front and rear, electric
Brake, electronic parking
Tire inflator kit
Side rails, roof-mounted (Silver-painted. High Gloss Black when (WJP) Midnight Edition is ordered.)
Fascia, front and rear lower insert, silver-painted
Shutters, front upper grille, active
Moldings, Anthracite lower bodyside
Headlamps, LED
Headlamp control, automatic on and off
IntelliBeam, auto high beam control
Tail lamps, halogen
Lamp, LED center high-mounted stop/brake lamp
Mirrors, outside heated power-adjustable, manual-folding (Body-color mirror caps. High Gloss Black when (WJP) Midnight Edition is

ordered.)
Windshield, solar absorbing
Glass, deep-tinted, rear windows and liftgate
Wiper, rear intermittent
Ornamentation, Trailblazer lettering
Ornamentation, AWD badge
Ornamentation, LT badge
Liftgate, manual
Door handles, body-color
Audio system feature, 6-speaker system, enhanced performance with amplifier (AWD models.)
SiriusXM Trial Subscription (IMPORTANT: The SiriusXM trial subscription is not provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. Trial subscription is subject to the SiriusXM Customer Agreement and privacy policy, visit siriusxm.com which includes full terms and how to cancel. All fees, content, features, and availability are subject to change.)
Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)
Wireless Apple CarPlay/Wireless Android Auto
Active Noise Cancellation (AWD models.)
Seat trim, Cloth
Seat adjuster, driver 6-way manual
Seat adjuster, front passenger 4-way manual
Seatback, front passenger flat-folding
Seat, rear 40/60 split-bench, folding (60 percent on passenger side)
Head restraints, front, 2-way adjustable
Knee bolster, driver and front passenger
USB ports, 2 one type-A and one type-C, located within the instrument panel
Console, floor, with armrest
Floor mats, front (Deleted when LPO floor mats/liners are ordered.)
Floor mats, rear (Deleted when LPO floor mats/liners are ordered.)
Steering wheel, polyurethane
Steering wheel controls mounted audio, Driver Information Center, Forward Collision Alert gap adjust and phone interface controls
Steering column, tilt and telescopic
Driver Information Center 8" diagonal display, fully digital color, reconfigurable
Vehicle health management provides advanced warning of vehicle issues
Compass display
Windows, power with driver express-up/down and front passenger and rear express-down
Key system, 2 key fobs
Keyless Open, front doors includes extended range Remote Keyless Entry
Remote Start
Cruise control, electronic with set and resume speed
Theft-deterrent system, electrical, unauthorized entry
Air conditioning, single-zone electronic
Heater, electric, heater defroster system, reinforced (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Air filter, cabin
Heating ducts, under front seats, rear vent
Mirror, inside rearview manual day/night
Visors, driver and front passenger vanity mirrors, covered, sliding
Assist handle, driver
Assist handle, front passenger
Assist handle, rear outboard
Lighting, interior, overhead courtesy and dual reading lamp
Lighting, interior, roof, rear courtesy
Lighting, rear cargo compartment lamp

Shift knob, satin silver and chrome
Map pocket, driver seatback
Map pocket, front passenger seatback, lateral mesh
Automatic Emergency Braking
Front Pedestrian Braking
Daytime Running Lamps, signature LED
Airbags, driver and front passenger frontal and knee, seat-mounted side-impact and roof rail-mounted head-curtain for all outboard seating positions and Passenger Sensing System for front passenger (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
OnStar Services capable (See onstar.com for details and limitations. Services vary by model. Service plan required.)
HD Rear Vision Camera
Lane Keep Assist with Lane Departure Warning
Following Distance Indicator
Forward Collision Alert
Seat belts, 3-point, driver and front passenger, height-adjustable includes pretensioners and front passenger load limiter
Seat belts, 3-point rear, all seating positions
Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened, programmable
Door locks, rear child security
LATCH system (Lower Anchors and Tethers for CHildren) for child restraint seats, second row, 2 lower anchors for outboard seating positions only, 3 top tether anchors for all 3 seating positions
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver
Tire Pressure Monitoring System (Does not monitor spare tire.)
Tire Fill Alert (Does not monitor spare tire.)
Tire Pressure Display by tire (Does not monitor spare tire.)
Remote panic alarm
OnStar Basics (OnStar Fleet Basics for Fleet) Drive confidently with core OnStar services including remote commands, built-in voice assistance, real-time traffic and navigation, and Automatic Crash Response to help if you're in need. (Requires (UE1) OnStar. OnStar Basics includes remote commands, Navigation, Voice Assistance, and Automatic Crash Response, for eligible vehicles with compatible software. OnStar Basics is standard for 8 years; OnStar plan, working electrical system, cell reception and GPS signal required. OnStar links to emergency services. Service coverage varies with conditions and location. Service availability, features and functionality vary by device and software version. See onstar.com for details and limitations.)

National Auto Fleet Group
A Division of Chevrolet of Watsonville
490 Auto Center Drive, Watsonville, CA 95076
(855) 289-6572 • (831) 480-8497 Fax
Fleet@NationalAutoFleetGroup.com

7/6/2026

Government Quote ID: **43848**

Order Cut Off Date: **7/24/2026**

Cosmo Ordunez
City of Merced
Public Works - Fleet

1776 Grogan Ave.
1776 Grogan Ave.

Merced, California, 95341

Dear Cosmo Ordunez,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.
One (1) New/Unused (2026 Chevrolet Trailblazer (1TW56) AWD 4dr LT,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	$28,500.00	$27,784.53	2.510 %	$715.47
2 Additional Key(s)		$600.00		
Tax (8.2500 %)		$2,341.72		
Tire fee		$8.75		
Total		$30,735.00		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 081325-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497

Sourcewell
Awarded Contract
Contract # 081325-NAF

CHEVROLET Ford NISSAN TOYOTA GMC

Purchase Order Instructions & Resources

Once units are scheduled by OEM, no cancellations are accepted

In order to finalize your purchase please submit this purchase packet to your governing body for a purchase order approval and submit your purchase order in the following way:

Email: Fleet@NationalAutoFleetGroup.com

Fax: (831) 480-8497

Mail: National Auto Fleet Group

490 Auto Center Drive

Watsonville, CA 95076

We will send a courtesy confirmation for your order and a W-9 if needed.

Additional Resources

Learn how to track your vehicle:	**www.NAFGETA.com**
Use the upfitter of your choice:	**www.NAFGpartner.com**
Vehicle Status:	**ETA@NationalAutoFleetGroup.com**
General Inquiries:	**Fleet@NationalAutoFleetGroup.com**

For general questions or assistance please contact our main office at:

1-855-289-6572

Vehicle Configuration Options

EMISSIONS	
Code	**Description**
YF5	Emissions, California state requirements
ENGINE	
Code	**Description**
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)
TRANSMISSION	
Code	**Description**
M3F	Transmission, 9-speed automatic, (STD)
AXLE	
Code	**Description**
FXP	Axle, 3.17 final drive ratio
PREFERRED EQUIPMENT GROUP	
Code	**Description**
1LT	LT Preferred Equipment Group, Includes Standard Equipment
WHEELS	
Code	**Description**
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)
TIRES	
Code	**Description**
QA3	Tires, 225/60R17 all-season, blackwall, (STD)
PAINT	
Code	**Description**
GAZ	Summit White
SEAT TYPE	
Code	**Description**
A50	Seats, front bucket, (STD)
SEAT TRIM	
Code	**Description**
H1D	Jet Black, Cloth seat trim
RADIO	
Code	**Description**
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)
ADDITIONAL EQUIPMENT	
Code	**Description**
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist
Q8E	Mechanical jack with tools

ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools
RIA	LPO, All-weather floor liners, front and rear
UD7	Rear Park Assist
UFG	Rear Cross Traffic Alert
UKC	Lane Change Alert with Side Blind Zone Alert
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)
NOTE	
Code	**Description**
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **

2026 Fleet/Non-Retail Chevrolet Trailblazer AWD 4dr LT

WINDOW STICKER

2026 Chevrolet Trailblazer AWD 4dr LT

CODE	MODEL	MSRP
1TW56	2026 Chevrolet Trailblazer AWD 4dr LT	$26,500.00
	OPTIONS	
YF5	Emissions, California state requirements	$0.00
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)	$0.00
M3F	Transmission, 9-speed automatic, (STD)	$0.00
FXP	Axle, 3.17 final drive ratio	$0.00
1LT	LT Preferred Equipment Group, Includes Standard Equipment	$0.00
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)	$0.00
QA3	Tires, 225/60R17 all-season, blackwall, (STD)	$0.00
GAZ	Summit White	$0.00
A50	Seats, front bucket, (STD)	$0.00
H1D	Jet Black, Cloth seat trim	$0.00
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)	$0.00
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist	$395.00
Q8E	Mechanical jack with tools	INC
ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools	$195.00
RIA	LPO, All-weather floor liners, front and rear	$265.00
UD7	Rear Park Assist	INC
UFG	Rear Cross Traffic Alert	INC
UKC	Lane Change Alert with Side Blind Zone Alert	INC
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)	($650.00)
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **	$0.00

Please note selected options override standard equipment

SUBTOTAL	**$26,705.00**
Advert/ Adjustments	$0.00
Manufacturer Destination Charge	$1,795.00
TOTAL PRICE	**$28,500.00**

Est City: 22 MPG
Est Highway: 29 MPG
Est Highway Cruising Range: 562.60 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Quote ID: 43848

Standard Equipment

MECHANICAL

Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT) (155 hp [115 kW] @ 5600 rpm, 174 lb-ft torque [236 N-m] @ 1600 rpm) (STD) (Available on FWD. Standard on AWD.)
Transmission, 9-speed automatic (STD) (AWD models.)
Axle, 3.17 final drive ratio

EXTERIOR

Wheels, 17" (43.2 cm) High Gloss Black machined aluminum (STD)
Tires, 225/60R17 all-season, blackwall (STD)

ENTERTAINMENT

Audio system, 11" diagonal HD color touchscreen, AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, wireless Apple CarPlay and wireless Android Auto capable (STD)

INTERIOR

Seats, front bucket (STD)

GVWR

GVWR, 4409 lbs. (2000 kg) (AWD models.)

ADDITIONAL EQUIPMENT

Chevy Safety Assist includes (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking, (UHX) Lane Keep Assist with Lane Departure Warning, (UE4) Following Distance Indicator, (UEU) Forward Collision Alert and (TQ5) IntelliBeam
Engine air filtration monitor
Keyless Start, push-button
Engine control, stop-start system
Engine control, stop-start system override
Driver shift control, tap-up/tap-down on shifter
Drivetrain, all-wheel drive
Trailering provisions, wiring (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Suspension, Ride and Handling
Steering, power, non-variable ratio, electric
Brakes, 4-wheel antilock, 4-wheel disc
Brakes, front and rear, electric
Brake, electronic parking
Tire inflator kit
Side rails, roof-mounted (Silver-painted. High Gloss Black when (WJP) Midnight Edition is ordered.)
Fascia, front and rear lower insert, silver-painted
Shutters, front upper grille, active
Moldings, Anthracite lower bodyside
Headlamps, LED
Headlamp control, automatic on and off
IntelliBeam, auto high beam control
Tail lamps, halogen
Lamp, LED center high-mounted stop/brake lamp
Mirrors, outside heated power-adjustable, manual-folding (Body-color mirror caps. High Gloss Black when (WJP) Midnight Edition is

ordered.)
Windshield, solar absorbing
Glass, deep-tinted, rear windows and liftgate
Wiper, rear intermittent
Ornamentation, Trailblazer lettering
Ornamentation, AWD badge
Ornamentation, LT badge
Liftgate, manual
Door handles, body-color
Audio system feature, 6-speaker system, enhanced performance with amplifier (AWD models.)
SiriusXM Trial Subscription (IMPORTANT: The SiriusXM trial subscription is not provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. Trial subscription is subject to the SiriusXM Customer Agreement and privacy policy, visit siriusxm.com which includes full terms and how to cancel. All fees, content, features, and availability are subject to change.)
Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)
Wireless Apple CarPlay/Wireless Android Auto
Active Noise Cancellation (AWD models.)
Seat trim, Cloth
Seat adjuster, driver 6-way manual
Seat adjuster, front passenger 4-way manual
Seatback, front passenger flat-folding
Seat, rear 40/60 split-bench, folding (60 percent on passenger side)
Head restraints, front, 2-way adjustable
Knee bolster, driver and front passenger
USB ports, 2 one type-A and one type-C, located within the instrument panel
Console, floor, with armrest
Floor mats, front (Deleted when LPO floor mats/liners are ordered.)
Floor mats, rear (Deleted when LPO floor mats/liners are ordered.)
Steering wheel, polyurethane
Steering wheel controls mounted audio, Driver Information Center, Forward Collision Alert gap adjust and phone interface controls
Steering column, tilt and telescopic
Driver Information Center 8" diagonal display, fully digital color, reconfigurable
Vehicle health management provides advanced warning of vehicle issues
Compass display
Windows, power with driver express-up/down and front passenger and rear express-down
Key system, 2 key fobs
Keyless Open, front doors includes extended range Remote Keyless Entry
Remote Start
Cruise control, electronic with set and resume speed
Theft-deterrent system, electrical, unauthorized entry
Air conditioning, single-zone electronic
Heater, electric, heater defroster system, reinforced (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Air filter, cabin
Heating ducts, under front seats, rear vent
Mirror, inside rearview manual day/night
Visors, driver and front passenger vanity mirrors, covered, sliding
Assist handle, driver
Assist handle, front passenger
Assist handle, rear outboard
Lighting, interior, overhead courtesy and dual reading lamp
Lighting, interior, roof, rear courtesy
Lighting, rear cargo compartment lamp

Shift knob, satin silver and chrome
Map pocket, driver seatback
Map pocket, front passenger seatback, lateral mesh
Automatic Emergency Braking
Front Pedestrian Braking
Daytime Running Lamps, signature LED
Airbags, driver and front passenger frontal and knee, seat-mounted side-impact and roof rail-mounted head-curtain for all outboard seating positions and Passenger Sensing System for front passenger (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
OnStar Services capable (See onstar.com for details and limitations. Services vary by model. Service plan required.)
HD Rear Vision Camera
Lane Keep Assist with Lane Departure Warning
Following Distance Indicator
Forward Collision Alert
Seat belts, 3-point, driver and front passenger, height-adjustable includes pretensioners and front passenger load limiter
Seat belts, 3-point rear, all seating positions
Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened, programmable
Door locks, rear child security
LATCH system (Lower Anchors and Tethers for CHildren) for child restraint seats, second row, 2 lower anchors for outboard seating positions only, 3 top tether anchors for all 3 seating positions
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver
Tire Pressure Monitoring System (Does not monitor spare tire.)
Tire Fill Alert (Does not monitor spare tire.)
Tire Pressure Display by tire (Does not monitor spare tire.)
Remote panic alarm
OnStar Basics (OnStar Fleet Basics for Fleet) Drive confidently with core OnStar services including remote commands, built-in voice assistance, real-time traffic and navigation, and Automatic Crash Response to help if you're in need. (Requires (UE1) OnStar. OnStar Basics includes remote commands, Navigation, Voice Assistance, and Automatic Crash Response, for eligible vehicles with compatible software. OnStar Basics is standard for 8 years; OnStar plan, working electrical system, cell reception and GPS signal required. OnStar links to emergency services. Service coverage varies with conditions and location. Service availability, features and functionality vary by device and software version. See onstar.com for details and limitations.)

National Auto Fleet Group
A Division of Chevrolet of Watsonville
490 Auto Center Drive, Watsonville, CA 95076
(855) 289-6572 • (831) 480-8497 Fax
Fleet@NationalAutoFleetGroup.com

7/9/2026

Government Quote ID: **43899**

Order Cut Off Date: **7/24/2026**

Cosmo Ordunez
City of Merced
Public Works - Fleet

1776 Grogan Ave.
1776 Grogan Ave.

Merced, California, 95341

Dear Cosmo Ordunez,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.
One (1) New/Unused (2026 Chevrolet Trailblazer (1TW56) AWD 4dr LT,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	$32,235.00	$31,285.34	2.946 %	$949.66
2 Additional Key(s)		$600.00		
Tax (8.2500 %)		$2,630.54		
Tire fee		$8.75		
Total		$34,524.63		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 081325-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497

Sourcewell Awarded Contract Contract # 081325-NAF

Purchase Order Instructions & Resources

Once units are scheduled by OEM, no cancellations are accepted

In order to finalize your purchase please submit this purchase packet to your governing body for a purchase order approval and submit your purchase order in the following way:

Email: Fleet@NationalAutoFleetGroup.com

Fax: (831) 480-8497

Mail: National Auto Fleet Group

490 Auto Center Drive

Watsonville, CA 95076

We will send a courtesy confirmation for your order and a W-9 if needed.

Additional Resources

Learn how to track your vehicle:	**www.NAFGETA.com**
Use the upfitter of your choice:	**www.NAFGpartner.com**
Vehicle Status:	**ETA@NationalAutoFleetGroup.com**
General Inquiries:	**Fleet@NationalAutoFleetGroup.com**

For general questions or assistance please contact our main office at:

1-855-289-6572

Vehicle Configuration Options

EMISSIONS	
Code	**Description**
YF5	Emissions, California state requirements
ENGINE	
Code	**Description**
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)
TRANSMISSION	
Code	**Description**
M3F	Transmission, 9-speed automatic, (STD)
AXLE	
Code	**Description**
FXP	Axle, 3.17 final drive ratio
PREFERRED EQUIPMENT GROUP	
Code	**Description**
1LT	LT Preferred Equipment Group, Includes Standard Equipment
WHEELS	
Code	**Description**
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)
TIRES	
Code	**Description**
QA3	Tires, 225/60R17 all-season, blackwall, (STD)
PAINT	
Code	**Description**
GAZ	Summit White
SEAT TYPE	
Code	**Description**
A50	Seats, front bucket, (STD)
SEAT TRIM	
Code	**Description**
H1D	Jet Black, Cloth seat trim
RADIO	
Code	**Description**
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)
ADDITIONAL EQUIPMENT	
Code	**Description**
ZL3	Convenience Package, (Also includes (A2X) driver 8-way power seat adjuster, (AL9) driver 2-way power lumbar, (DA5) rear center armrest and (TB5) power liftgate.
PDE	LPO, Trailering Package, includes (SDE) trailer hitch, LPO, (RZW) trailer hitch harness, LPO and (5KE) trailer hitch bezel, LPO

Y19	LT Cold Weather Package, includes (KA1) heated driver and front passenger seats, (UVD) heated steering wheel, (N5F) wrapped steering wheel and (VY7) wrapped shift knob
ZRG	Adaptive Cruise Control Package, includes (KSG) Adaptive Cruise Control
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist
SDE	LPO, Trailer hitch
5KE	LPO, Trailer hitch bezel
RZW	LPO, Trailer hitch harness
Q8E	Mechanical jack with tools
ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools
TB5	Liftgate, power
KA1	Seats, heated driver and front passenger
A2X	Seat adjuster, driver 8-way power
AL9	Seat adjuster, driver 2-way power lumbar
KI6	Power outlet, 120-volt, located on rear of front console
USS	USB charging-only ports, one type-A and one type-C, charging only, located on rear of center console
K4C	Wireless Charging
DA5	Armrest, rear center
RIA	LPO, All-weather floor liners, front and rear
N5F	Steering wheel, wrapped
UVD	Steering wheel, heated
KSG	Adaptive Cruise Control
C68	Air conditioning, single-zone automatic climate control, includes (ASV) cabin humidity sensor
ASV	Sensor, cabin humidity
DD8	Mirror, inside rearview auto-dimming
DMS	Visors, driver and front passenger illuminated vanity mirrors, covered, sliding
VY7	Shift knob, wrapped, satin silver and chrome
VLI	LPO, Cargo mat
UD7	Rear Park Assist
UFG	Rear Cross Traffic Alert
UKC	Lane Change Alert with Side Blind Zone Alert
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)
NOTE	
Code	**Description**
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **

2026 Fleet/Non-Retail Chevrolet Trailblazer AWD 4dr LT

WINDOW STICKER

2026 Chevrolet Trailblazer AWD 4dr LT

CODE	MODEL	MSRP
1TW56	2026 Chevrolet Trailblazer AWD 4dr LT	$26,500.00
	OPTIONS	
YF5	Emissions, California state requirements	$0.00
L3T	Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT), (STD)	$0.00
M3F	Transmission, 9-speed automatic, (STD)	$0.00
FXP	Axle, 3.17 final drive ratio	$0.00
1LT	LT Preferred Equipment Group, Includes Standard Equipment	$0.00
PYQ	Wheels, 17" (43.2 cm) High Gloss Black machined aluminum, (STD)	$0.00
QA3	Tires, 225/60R17 all-season, blackwall, (STD)	$0.00
GAZ	Summit White	$0.00
A50	Seats, front bucket, (STD)	$0.00
H1D	Jet Black, Cloth seat trim	$0.00
IVA	Audio system, 11" diagonal HD color touchscreen, AM/FM stereo., (STD)	$0.00
ZL3	Convenience Package, (Also includes (A2X) driver 8-way power seat adjuster, (AL9) driver 2-way power lumbar, (DA5) rear center armrest and (TB5) power liftgate.	$1,495.00
PDE	LPO, Trailering Package, includes (SDE) trailer hitch, LPO, (RZW) trailer hitch harness, LPO and (5KE) trailer hitch bezel, LPO	$1,025.00
Y19	LT Cold Weather Package, includes (KA1) heated driver and front passenger seats, (UVD) heated steering wheel, (N5F) wrapped steering wheel and (VY7) wrapped shift knob	$595.00
ZRG	Adaptive Cruise Control Package, includes (KSG) Adaptive Cruise Control	$495.00
ZL5	Driver Confidence Package, includes (UKC) Lane Change Alert with Side Blind Zone Alert, (UFG) Rear Cross Traffic Alert and (UD7) Rear Park Assist	$395.00
SDE	LPO, Trailer hitch	INC
5KE	LPO, Trailer hitch bezel	INC
RZW	LPO, Trailer hitch harness	INC
Q8E	Mechanical jack with tools	INC
ZDC	Tire, compact spare 16" (40.3 cm), includes 16" (40.3 cm) spare wheel and (Q8E) mechanical jack with tools	$195.00
TB5	Liftgate, power	INC
KA1	Seats, heated driver and front passenger	INC
A2X	Seat adjuster, driver 8-way power	INC
AL9	Seat adjuster, driver 2-way power lumbar	INC
KI6	Power outlet, 120-volt, located on rear of front console	INC
USS	USB charging-only ports, one type-A and one type-C, charging only, located on rear of center console	INC
K4C	Wireless Charging	INC
DA5	Armrest, rear center	INC
RIA	LPO, All-weather floor liners, front and rear	$265.00
N5F	Steering wheel, wrapped	INC
UVD	Steering wheel, heated	INC
KSG	Adaptive Cruise Control	INC
C68	Air conditioning, single-zone automatic climate control, includes (ASV) cabin humidity sensor	INC
ASV	Sensor, cabin humidity	INC
DD8	Mirror, inside rearview auto-dimming	INC
DMS	Visors, driver and front passenger illuminated vanity mirrors, covered, sliding	INC
VY7	Shift knob, wrapped, satin silver and chrome	INC
VLI	LPO, Cargo mat	$125.00
UD7	Rear Park Assist	INC

UFG	Rear Cross Traffic Alert	INC
UKC	Lane Change Alert with Side Blind Zone Alert	INC
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)	($650.00)
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **	$0.00

Please note selected options override standard equipment

SUBTOTAL	**$30,440.00**
Advert/ Adjustments	$0.00
Manufacturer Destination Charge	$1,795.00
TOTAL PRICE	**$32,235.00**

Est City: 19 MPG
Est Highway: 24 MPG
Est Highway Cruising Range: 513.60 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Quote ID: 43899

Standard Equipment

MECHANICAL

Engine, ECOTEC 1.3L I3 Turbo DOHC SIDI with Variable Valve Timing (VVT) (155 hp [115 kW] @ 5600 rpm, 174 lb-ft torque [236 N-m] @ 1600 rpm) (STD) (Available on FWD. Standard on AWD.)
Transmission, 9-speed automatic (STD) (AWD models.)
Axle, 3.17 final drive ratio

EXTERIOR

Wheels, 17" (43.2 cm) High Gloss Black machined aluminum (STD)
Tires, 225/60R17 all-season, blackwall (STD)

ENTERTAINMENT

Audio system, 11" diagonal HD color touchscreen, AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, wireless Apple CarPlay and wireless Android Auto capable (STD)

INTERIOR

Seats, front bucket (STD)

GVWR

GVWR, 4409 lbs. (2000 kg) (AWD models.)

ADDITIONAL EQUIPMENT

Chevy Safety Assist includes (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking, (UHX) Lane Keep Assist with Lane Departure Warning, (UE4) Following Distance Indicator, (UEU) Forward Collision Alert and (TQ5) IntelliBeam
Engine air filtration monitor
Keyless Start, push-button
Engine control, stop-start system
Engine control, stop-start system override
Driver shift control, tap-up/tap-down on shifter
Drivetrain, all-wheel drive
Trailering provisions, wiring (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Suspension, Ride and Handling
Steering, power, non-variable ratio, electric
Brakes, 4-wheel antilock, 4-wheel disc
Brakes, front and rear, electric
Brake, electronic parking
Tire inflator kit
Side rails, roof-mounted (Silver-painted. High Gloss Black when (WJP) Midnight Edition is ordered.)
Fascia, front and rear lower insert, silver-painted
Shutters, front upper grille, active
Moldings, Anthracite lower bodyside
Headlamps, LED
Headlamp control, automatic on and off
IntelliBeam, auto high beam control
Tail lamps, halogen
Lamp, LED center high-mounted stop/brake lamp
Mirrors, outside heated power-adjustable, manual-folding (Body-color mirror caps. High Gloss Black when (WJP) Midnight Edition is

ordered.)
Windshield, solar absorbing
Glass, deep-tinted, rear windows and liftgate
Wiper, rear intermittent
Ornamentation, Trailblazer lettering
Ornamentation, AWD badge
Ornamentation, LT badge
Liftgate, manual
Door handles, body-color
Audio system feature, 6-speaker system, enhanced performance with amplifier (AWD models.)
SiriusXM Trial Subscription (IMPORTANT: The SiriusXM trial subscription is not provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. Trial subscription is subject to the SiriusXM Customer Agreement and privacy policy, visit siriusxm.com which includes full terms and how to cancel. All fees, content, features, and availability are subject to change.)
Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)
Wireless Apple CarPlay/Wireless Android Auto
Active Noise Cancellation (AWD models.)
Seat trim, Cloth
Seat adjuster, driver 6-way manual
Seat adjuster, front passenger 4-way manual
Seatback, front passenger flat-folding
Seat, rear 40/60 split-bench, folding (60 percent on passenger side)
Head restraints, front, 2-way adjustable
Knee bolster, driver and front passenger
USB ports, 2 one type-A and one type-C, located within the instrument panel
Console, floor, with armrest
Floor mats, front (Deleted when LPO floor mats/liners are ordered.)
Floor mats, rear (Deleted when LPO floor mats/liners are ordered.)
Steering wheel, polyurethane
Steering wheel controls mounted audio, Driver Information Center, Forward Collision Alert gap adjust and phone interface controls
Steering column, tilt and telescopic
Driver Information Center 8" diagonal display, fully digital color, reconfigurable
Vehicle health management provides advanced warning of vehicle issues
Compass display
Windows, power with driver express-up/down and front passenger and rear express-down
Key system, 2 key fobs
Keyless Open, front doors includes extended range Remote Keyless Entry
Remote Start
Cruise control, electronic with set and resume speed
Theft-deterrent system, electrical, unauthorized entry
Air conditioning, single-zone electronic
Heater, electric, heater defroster system, reinforced (Included and only available with (L3T) 1.3L Turbo engine on FWD. Standard on AWD.)
Air filter, cabin
Heating ducts, under front seats, rear vent
Mirror, inside rearview manual day/night
Visors, driver and front passenger vanity mirrors, covered, sliding
Assist handle, driver
Assist handle, front passenger
Assist handle, rear outboard
Lighting, interior, overhead courtesy and dual reading lamp
Lighting, interior, roof, rear courtesy
Lighting, rear cargo compartment lamp

Shift knob, satin silver and chrome
Map pocket, driver seatback
Map pocket, front passenger seatback, lateral mesh
Automatic Emergency Braking
Front Pedestrian Braking
Daytime Running Lamps, signature LED
Airbags, driver and front passenger frontal and knee, seat-mounted side-impact and roof rail-mounted head-curtain for all outboard seating positions and Passenger Sensing System for front passenger (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
OnStar Services capable (See onstar.com for details and limitations. Services vary by model. Service plan required.)
HD Rear Vision Camera
Lane Keep Assist with Lane Departure Warning
Following Distance Indicator
Forward Collision Alert
Seat belts, 3-point, driver and front passenger, height-adjustable includes pretensioners and front passenger load limiter
Seat belts, 3-point rear, all seating positions
Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened, programmable
Door locks, rear child security
LATCH system (Lower Anchors and Tethers for CHildren) for child restraint seats, second row, 2 lower anchors for outboard seating positions only, 3 top tether anchors for all 3 seating positions
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver
Tire Pressure Monitoring System (Does not monitor spare tire.)
Tire Fill Alert (Does not monitor spare tire.)
Tire Pressure Display by tire (Does not monitor spare tire.)
Remote panic alarm
OnStar Basics (OnStar Fleet Basics for Fleet) Drive confidently with core OnStar services including remote commands, built-in voice assistance, real-time traffic and navigation, and Automatic Crash Response to help if you're in need. (Requires (UE1) OnStar. OnStar Basics includes remote commands, Navigation, Voice Assistance, and Automatic Crash Response, for eligible vehicles with compatible software. OnStar Basics is standard for 8 years; OnStar plan, working electrical system, cell reception and GPS signal required. OnStar links to emergency services. Service coverage varies with conditions and location. Service availability, features and functionality vary by device and software version. See onstar.com for details and limitations.)

National Auto Fleet Group
A Division of Chevrolet of Watsonville
490 Auto Center Drive, Watsonville, CA 95076
(855) 289-6572 • (831) 480-8497 Fax
Fleet@NationalAutoFleetGroup.com

7/9/2026

Government Quote ID: **43897**

Order Cut Off Date: **7/24/2026**

Cosmo Ordunez
City of Merced
Public Works - Fleet

1776 Grogan Ave.
1776 Grogan Ave.

Merced, California, 95341

Dear Cosmo Ordunez,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.
One (1) New/Unused (2026 Chevrolet Colorado (14C43) 2WD Crew Cab WT 5.1' Box,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	$35,975.00	$35,216.09	2.110 %	$758.91
2 Additional Key(s)		$600.00		
Tax (8.2500 %)		$2,954.83		
Tire fee		$8.75		
Total		$38,779.67		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 081325-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497

Sourcewell Awarded Contract Contract # 081325-NAF

Purchase Order Instructions & Resources

Once units are scheduled by OEM, no cancellations are accepted

In order to finalize your purchase please submit this purchase packet to your governing body for a purchase order approval and submit your purchase order in the following way:

Email: Fleet@NationalAutoFleetGroup.com

Fax: (831) 480-8497

Mail: National Auto Fleet Group

490 Auto Center Drive

Watsonville, CA 95076

We will send a courtesy confirmation for your order and a W-9 if needed.

Additional Resources

Learn how to track your vehicle:	**www.NAFGETA.com**
Use the upfitter of your choice:	**www.NAFGpartner.com**
Vehicle Status:	**ETA@NationalAutoFleetGroup.com**
General Inquiries:	**Fleet@NationalAutoFleetGroup.com**

For general questions or assistance please contact our main office at:

1-855-289-6572

Vehicle Configuration Options

EMISSIONS	
Code	**Description**
YF5	Emissions, California state requirements
ENGINE	
Code	**Description**
L3B	Engine, TurboMax, (STD)
TRANSMISSION	
Code	**Description**
MFC	Transmission, 8-speed automatic, (STD)
AXLE	
Code	**Description**
GU6	Rear axle, 3.42 ratio
PREFERRED EQUIPMENT GROUP	
Code	**Description**
2WT	Work Truck Preferred Equipment Group, includes standard equipment
WHEELS	
Code	**Description**
RD6	Wheels, 17" X 8.0" (43.2 cm x 20.3 cm), Ultra Silver Metallic steel, (STD)
TIRES	
Code	**Description**
QHR	Tires, 255/65R17 all-season, blackwall, (STD)
PAINT	
Code	**Description**
GAZ	Summit White
SEAT TYPE	
Code	**Description**
A50	Seats, front bucket, (STD)
SEAT TRIM	
Code	**Description**
H1T	Jet Black, Cloth seat trim
RADIO	
Code	**Description**
URL	11.3" diagonal advanced color LCD display with Google Built-In, (STD)
ADDITIONAL EQUIPMENT	
Code	**Description**
ZL6	Advanced Trailering Package, (Includes (Z82) Trailering Package, (G80) Differential, automatic locking rear, (U1D) Trailering App.)
PCU	WT Convenience Package II, includes (N5G) 4-spoke wrapped steering wheel, (A2X) 8-way power driver seat, (AL9) driver seat power lumbar, (PPA) EZ lift and lower tailgate, (BPC) StowFlex Tailgate and (BDR) Locking Cylinder

G80	Differential, automatic locking rear
U1D	Trailering App
JL1	Trailer brake controller, integrated
Z82	Trailering Package, heavy-duty, (Includes (JL1) Trailer brake controller.
BDR	Locking cylinder Tailgate, keyed cylinder lock
CGN	Bedliner, Spray-on, Black with Chevrolet logo
PPA	Tailgate, EZ-Lift and Lower
BPC	StowFlex Tailgate, storage compartment, lockable
A2X	Seat adjuster, driver 8-way power
AL9	Seat adjuster, power driver lumbar control
RIA	LPO, All-weather Floor Liner, 1st and 2nd rows, includes Chevrolet logo, (dealer-installed)
N5G	Steering wheel, wrapped
UKW	Blind Zone Steering Assist with Trailering
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)

2026 Fleet/Non-Retail Chevrolet Colorado 2WD Crew Cab WT 5.1' Box

WINDOW STICKER

2026 Chevrolet Colorado 2WD Crew Cab WT 5.1' Box

CODE	MODEL	MSRP
14C43	2026 Chevrolet Colorado 2WD Crew Cab WT 5.1' Box	$32,400.00
	OPTIONS	
YF5	Emissions, California state requirements	$0.00
L3B	Engine, TurboMax, (STD)	$0.00
MFC	Transmission, 8-speed automatic, (STD)	$0.00
GU6	Rear axle, 3.42 ratio	$0.00
2WT	Work Truck Preferred Equipment Group, includes standard equipment	$0.00
RD6	Wheels, 17" X 8.0" (43.2 cm x 20.3 cm), Ultra Silver Metallic steel, (STD)	$0.00
QHR	Tires, 255/65R17 all-season, blackwall, (STD)	$0.00
GAZ	Summit White	$0.00
A50	Seats, front bucket, (STD)	$0.00
H1T	Jet Black, Cloth seat trim	$0.00
URL	11.3" diagonal advanced color LCD display with Google Built-In, (STD)	$0.00
ZL6	Advanced Trailering Package, (Includes (Z82) Trailering Package, (G80) Differential, automatic locking rear, (U1D) Trailering App.)	$945.00
PCU	WT Convenience Package II, includes (N5G) 4-spoke wrapped steering wheel, (A2X) 8-way power driver seat, (AL9) driver seat power lumbar, (PPA) EZ lift and lower tailgate, (BPC) StowFlex Tailgate and (BDR) Locking Cylinder	$545.00
G80	Differential, automatic locking rear	INC
U1D	Trailering App	INC
JL1	Trailer brake controller, integrated	INC
Z82	Trailering Package, heavy-duty, (Includes (JL1) Trailer brake controller.	INC
BDR	Locking cylinder Tailgate, keyed cylinder lock	INC
CGN	Bedliner, Spray-on, Black with Chevrolet logo	$475.00
PPA	Tailgate, EZ-Lift and Lower	INC
BPC	StowFlex Tailgate, storage compartment, lockable	INC
A2X	Seat adjuster, driver 8-way power	INC
AL9	Seat adjuster, power driver lumbar control	INC
RIA	LPO, All-weather Floor Liner, 1st and 2nd rows, includes Chevrolet logo, (dealer-installed)	$265.00
N5G	Steering wheel, wrapped	INC
UKW	Blind Zone Steering Assist with Trailering	INC
R9L	Removes OnStar Basics (OnStar Fleet Basics for Fleet)	($750.00)

Please note selected options override standard equipment

	SUBTOTAL	**$33,880.00**
	Advert/ Adjustments	$0.00
	Manufacturer Destination Charge	$2,095.00
	TOTAL PRICE	**$35,975.00**

Est City: 19 MPG
Est Highway: 24 MPG
Est Highway Cruising Range: 513.60 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Quote ID: 43897

Standard Equipment

MECHANICAL

Engine, TurboMax (310 hp [231 kW] @ 5600 rpm, 430 lb-ft of torque [583 Nm] @ 3000 rpm) (STD)
Transmission, 8-speed automatic (STD)
Rear axle, 3.42 ratio

EXTERIOR

Wheels, 17" X 8.0" (43.2 cm x 20.3 cm), Ultra Silver Metallic steel (STD)
Tires, 255/65R17 all-season, blackwall (STD)

ENTERTAINMENT

11.3" diagonal advanced color LCD display with Google Built-In includes color touch-screen, multi-touch display, AM/FM stereo, Bluetooth streaming audio for music and most phones; featuring wireless Android Auto and Apple CarPlay capability for compatible phones, advanced voice recognition, in-vehicle apps, personalized profiles for infotainment and vehicle settings (STD) (Terms and limitations apply.)

INTERIOR

Seats, front bucket (STD)

SPARE TIRE

Tire, spare 255/65R17 all-season, blackwall

ADDITIONAL EQUIPMENT

Safety Package includes (UKI) Blind Zone Steering Assist, (UFB) Rear Cross Traffic Braking and (UD7) Rear Park Assist (With (ZL6) Advanced Trailering Package, includes (UKW) Blind Zone Steering Assist with Trailering that replaces (UKI) Blind Zone Steering Assist.)
Chevy Safety Assist includes (UHY) Automatic Emergency Braking, (UKT) Front Pedestrian and Bicyclist Braking, (UHX) Lane Keep Assist with Lane Departure Warning, (UE4) Following Distance Indicator, (UEU) Forward Collision Alert and (TQ5) IntelliBeam
Engine control, stop/start system disable button
Engine air filtration monitor
Push Button Start
Automatic Stop/Start
Rear wheel drive
Battery, AGM, 800 cold-cranking amps with 80 amp hour rating, 12V
Alternator, 170 amp (Not available with (Z82) Trailering Package.)
Radiator Grille Shutters, automatic
Vehicle health management, provides advanced warning of vehicle issues
Hitch Guidance dynamic single line to aid in truck trailer alignment for hitching
Frame, fully-boxed
GVWR, 6049 lbs. (2744 kg)
Pickup box
Brakes, 4-wheel antilock, 4-wheel disc
Capless fuel fill
Wheel, spare, 17 x 8" (43.2 cm x 20.3 cm) steel
CornerStep, rear bumper
Moldings, Black beltline
Headlamps, halogen with automatic exterior lamp control
IntelliBeam, automatic high beam on/off

Headlamp control, automatic on and off with automatic delay
Cargo box light, back of cab
Mirrors, outside heated power-adjustable
Mirror caps, molded with color
Glass, deep-tinted
Glass, solar glazing front side windows
Glass, privacy glazing rear side windows
Windshield, solar absorbing
Door handles, Black
Tailgate, remote locking, (locks and unlocks with key fob)
Tailgate handle, Black
Audio system feature, 6-speaker system
SiriusXM with 360L Trial Subscription. SiriusXM with 360L transforms your customers' ride with our most extensive and personalized radio experience on the road. (IMPORTANT: The SiriusXM trial subscription is not provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. Trial subscription is subject to the SiriusXM Customer Agreement and privacy policy, visit siriusxm.com which includes full terms and how to cancel. All fees, content, features, and availability are subject to change. Some features require GM connected vehicle services.)
Wireless phone projection, for Apple CarPlay and Android Auto
Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)
Seat trim, Cloth
Seat adjuster, driver 6-way manual
Seat adjuster, passenger 4-way manual
Seat, rear 60/40 split-folding bench with storage
Console, floor front compartment with cup holders and cell phone storage
Floor covering, color-keyed carpeting
Steering column, tilt, manual
Steering wheel, urethane
Steering wheel controls, mounted audio controls
Speedometer, miles/kilometers
Driver Information Center, 11" diagonal fully-digital display
Windows, power front, driver express down
Window, power front, passenger express down
Windows, power rear, express down
Window, rear-sliding, manual
Door locks, power
Remote Keyless Entry
Cruise control, electronic, automatic
Theft-deterrent system, unauthorized entry
USB Ports, 2 (first row) located on console
Power outlet, 12-volt located in center console bin
Air conditioning, single-zone manual climate control
Air vents, rear
Heater, air conditioning duct, rear passenger
Defogger, rear-window electric
Handles, door release, front and rear, Jet Black
Mirror, inside rearview manual day/night
Visors, driver and front passenger vanity mirrors
Lighting, interior, center dome
Lighting, interior
OnStar Basics (OnStar Fleet Basics for Fleet) Drive confidently with core OnStar services including remote commands, built-in voice assistance, real-time traffic and navigation, and Automatic Crash Response to help if you're in need. (Requires (UE1) OnStar. OnStar Basics includes remote commands, Navigation, Voice Assistance, and Automatic Crash Response, for eligible vehicles with compatible software. OnStar Basics is standard for 8 years; OnStar plan, working electrical system, cell reception and GPS signal required. OnStar

links to emergency services. Service coverage varies with conditions and location. Service availability, features and functionality vary by device and software version. See onstar.com for details and limitations.)
Automatic Emergency Braking
Front Pedestrian and Bicyclist Braking
Rear Cross Traffic Braking
StabiliTrak, stability control system with Proactive Roll Avoidance and traction control includes electronic trailer sway control and hill start assist
Hitch View
Daytime Running Lamps, Halogen
Airbags, Dual-stage frontal airbags for driver and front passenger; Seat-mounted side-impact airbags for driver and front outboard passenger; Head-curtain airbags for front and rear outboard seating positions; Includes front outboard Passenger Sensing System for frontal passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
Front outboard Passenger Sensing System for frontal outboard passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
OnStar services capable (See onstar.com for details and limitations. Services vary by model. Service plan required.)
HD Rear Vision Camera
Rear Park Assist
Blind Zone Steering Assist (Not available with (ZL6) Advanced Trailering Package.)
Lane Keep Assist with Lane Departure Warning
Forward Collision Alert
Following Distance Indicator
LED Reflective Windshield Collision Alert
Seat Belt, Black
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior.
Door locks, rear child security
Rear Seat Reminder
Rear Seat Belt Indicator
Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened; times out after 20 seconds and encourages seat belt use, can be turned on and off in Settings menu (Not available with (T4Z) Buckle To Drive.)
Tire Fill Alert provides an audible indication when tire pressure is added to a tire that is low. Aids to achieve optimal tire pressure
Tire Pressure Monitoring System (does not apply to spare tire)

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MASTER AGREEMENT #081325
CATEGORY: Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories
SUPPLIER: 72 Hour LLC, dba National Auto Fleet Group

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC, dba National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

Article 1:
General Terms

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.

2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.

3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.

4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about Sourcewell eligibility requirements and required documentation. Supplier will be responsible for

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ensuring sales are with Participating Entities.

5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on November 13, 2029, unless it is cancelled or extended as defined in this Agreement.

   a. **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.

   b. **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.

6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.

7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in RFP # 081325 to Participating Entities. In Scope solutions include:

   a. Category 1: ALL engines, fuel, and propulsion type Automobiles, SUVs, Vans, and Light Trucks:

      i. Vehicles of the following types and classifications:
         (1) Automobiles: mini, subcompact, compact, coupe, sedan, and full size;
         (2) Sport Utility Vehicles: cross-over, light duty, and heavy duty;
         (3) Vans: passenger and cargo; and
         (4) Light Trucks: light duty, half-ton, three-quarter ton, and one ton.
      ii. Vehicles of the types and classifications in subsections 7 a. i. (1)-(4). above with upfitting designed for:
         (1) Public safety applications;
         (2) ADA and paratransit applications;
         (3) Service bodies and utility bed for light trucks; and
         (4) Equipment, lighting, technology, accessories, safety products, and upfitting services directly related to turnkey solutions for subsections 7 a. ii. (1)-(3).
      iii. A wide range of vehicles by seating or cargo configurations, drive train options, trim levels, and optional equipment offerings.
      iv. Proposers may include related equipment, accessories, supplies, parts, and services to the extent that the solutions are directly related to turnkey solutions for subsections 7 a. i. and 7 a. ii. above.

   Proposers may include related equipment, accessories, and services to the extent that these solutions are ancillary or complementary to the equipment, products, or services being proposed.

8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.

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9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.

10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.

11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcewell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.

12) **Open Market.** Supplier's open market pricing process is included within its Proposal.

13) Supplier Representations:

i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.

ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.

iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Solutions are suitable for and will perform in accordance with the ordinary use for which they are intended.

14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the term of this Agreement.

15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time during the term of this Agreement.

16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or

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conditions. Within this Section, all references to "federal" should be interpreted to mean the United States federal government. The following list applies when a Participating Entity accesses Supplier's Included Solutions with United States federal funds.

i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

ii) **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must comply with all applicable Davis-Bacon Act provisions.

iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or

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contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further

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certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.

xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.

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xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

Article 2:
Sourcewell and Supplier Obligations

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

1) **Authorized Sellers**. Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.

2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
   - Identify the applicable Sourcewell Agreement number;
   - Clearly specify the requested change;
   - Provide sufficient detail to justify the requested change;
   - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
   - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

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A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcewell for this Agreement and must provide prompt notice to Sourcewell if that person is changed. The Authorized Representative will be responsible for:
   - Maintenance and management of this Agreement;
   - Timely response to all Sourcewell and Participating Entity inquiries; and
   - Participation in reviews with Sourcewell.

   Sourcewell's Authorized Representative is its Chief Procurement Officer.

4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcewell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.

5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement and Sourcewell reserves the right to pursue all remedies available at law including cancellation of this Agreement.

6) **Reporting Requirements.** Supplier must provide Sourcewell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

   The Report must contain the following fields:
   - Participating Entity Name (e.g., City of Staples Highway Department);
   - Participating Entity Physical Street Address;
   - Participating Entity City;
   - Participating Entity State/Province;
   - Participating Entity Zip/Postal Code;
   - Sourcewell Participating Entity Account Number;
   - Transaction Description;
   - Transaction Purchased Price;
   - Sourcewell Administrative Fee Applied; and
   - Date Transaction was invoiced/sale was recognized as revenue by Supplier.

   If collected by Supplier, the Report may include the following fields as available:
   - Participating Entity Contact Name;
   - Participating Entity Contact Email Address;
   - Participating Entity Contact Telephone Number;

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7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.

8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.

9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.

10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.

11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.
12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.

13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.

14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

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15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.

16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.

17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell, arising out of any act or omission in the performance of this Agreement by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in design, condition, or performance of Included Solutions under this Agreement. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.

19) **Grant of License.**
    a) **During the term of this Agreement:**
        i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.

        ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.

    b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.

    c) **Use; Quality Control.**
        i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

        ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under

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this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.

21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.

- $1,500,000 each occurrence Bodily Injury and Property Damage
- $1,500,000 Personal and Advertising Injury
- $2,000,000 aggregate for products liability-completed operations
- $2,000,000 general aggregate

b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.

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c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

Article 3:
Supplier Obligations to Participating Entities

The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.

2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms

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of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.

3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.

4) **Ordering Process and Payment.** Supplier's ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier's standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity's unique Sourcewell account number.

6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.

7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.

8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

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Sourcewell

Signed by:
Jeremy Schwartz
C0FD2A139D06489...

By: _____

Jeremy Schwartz

Title: Chief Procurement Officer

Date: 11/12/2025 | 12:32 PM CST

72 Hour LLC, dba National Auto Fleet Group

Signed by:
FACBB5730C1E467...

By: _____

Jesse Cooper

Title: Fleet Manager

Date: 11/12/2025 | 11:01 AM CST

RFP 081325 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name:	72 HOUR LLC
Does your company conduct business under any other name? If yes, please state:	National Auto Fleet Group
Address:	490 Auto Center Drive Watsonville, CA 95076
Contact:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Phone:	951-440-0585
Fax:	831-840-8497
HST#:	263297677

Submission Details

Created On:	Friday August 01, 2025 12:01:47
Submitted On:	Sunday August 10, 2025 16:56:26
Submitted By:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Transaction #:	31d3edf8-96d1-4de1-b38c-173d68dcae06
Submitter's IP Address:	147.243.244.170

Specifications

Table 1: Proposer Identity & Authorized Representatives (Not Scored)

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer's corporate organization affiliation.

Line Item	Question	Response *	
1	Provide the legal name of the Proposer authorized to submit this Proposal.	72 Hour LLC DBA: National Auto Fleet Group By: Jesse Cooper	*
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes	*
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	72 Hour LLC has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group Chevrolet of Watsonville Watsonville Ford (WCAF LLC) Watsonville CDJR (WCDJR, LLC) Watsonville Fleet Group Clewiston Motor Company, inc Alan Jay Automotive Inc Alan Jay Ford Alan Jay CDJR Alan Jay Chrysler Jeep Inc Alan Jay Buick Alan Jay outlet Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	Duns#: 023680653 Unique Entity ID: Y1FHD2Z1ZDY5 CAGE/NCAGE: 7ZXM2	*
5	Provide your NAICS code applicable to Solutions proposed.	441110 (New Car Dealers) 532112 (Passenger Car Leasing)	
6	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
7	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
8	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
9	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com 855-289-6572	*

10	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Melvin Cooper President 490 Auto Center Drive Watsonville, CA 95076 831-722-4122	*

Table 2A: Financial Viability and Marketplace Success (50 Points, applies to Table 2A and 2B)

Line Item	Question	Response *	
11	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.	National Auto Fleet Group was founded in 2010 as a new division of 72 Hour LLC, born from a single dealership in Southern California with a bold vision for streamlined fleet solutions. Since then, we've expanded our reach to include a growing network of dealerships both within and beyond California, allowing us to serve public agencies and government entities with greater efficiency and scale. From day one, our company has embraced a people-first mindset by hiring from within, investing in long-term careers, and building a culture rooted in loyalty and growth. Many of our original Fleet Managers are still with us today, a reflection of our commitment to strong internal leadership and lasting relationships. As the automotive landscape has evolved, so have we by adapting to emerging technologies, sustainability trends, and industry innovations. And yet, our core values remain unchanged: integrity, service, and a deep responsibility to the members we serve. We live by our promise to deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place, at the RIGHT price. Proudly family-owned and operated, National Auto Fleet Group carries forward generations of automotive experience with a forward-looking approach. With future generations already preparing to carry the torch, we remain focused on delivering unmatched value and service for decades to come.	*
12	What are your company's expectations in the event of an award?	If awarded, this would mark our sixth Sourcewell contract, which is an achievement we're incredibly proud of. We're fully prepared to execute with the same precision, care, and commitment that has defined our previous partnerships with Sourcewell. Our expectations are simple: to continue delivering exceptional customer service, to raise the bar on satisfaction, and to deepen our value to your members. We plan to leverage this award to launch new growth strategies and expand the reach of our offerings to even more agencies across the country. As part of that growth, we're excited to introduce our Partner Program, detailed in the "Marketing Plan for NAFG 081325" attachment. This next-generation tool empowers members to choose preferred upfitters, creating a seamless quoting and service experience through National Auto Fleet Group. We believe there's immense value in building these flexible, member-driven partnerships and we're committed to providing turnkey solutions that are not just efficient, but genuinely satisfying from start to finish.	*
13	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.	To demonstrate National Auto Fleet Group's financial strength and stability we've uploaded current bank commitment letters under the Financial Strength section of the online application. We maintain a direct line of credit of $85,000,000, actively utilized to support our current and previous Sourcewell contracts. This line can be extended as needed to meet the evolving demands of Sourcewell members. To further reinforce our market position, we've included a summary of awarded government contracts that, collectively, represent hundreds of millions of dollars in vehicle and equipment deliveries under our existing Sourcewell agreement. In addition, we've provided letters of commitment from several of our nationally recognized upfitting partners, including The Knapheide Manufacturing Company, as well as regional leaders such as Phenix Truck Body in Southern California. These suppliers serve as trusted partners, offering localized support to help us fulfill orders efficiently and with precision. Lastly, we've attached supporting documentation to show the consistent growth we've achieved since receiving our first Sourcewell contract in 2012. We hope these materials clearly demonstrate our long-term commitment to financial integrity, operational excellence, and building trusted relationships with both our partner upfitters and the members we serve.	*
14	What is your US market share for the Solutions that you are proposing?	Across the brands and OEMs we represent, our estimated U.S. market share for the proposed Solutions falls between 60% and 75%. This strong presence reflects our deep partnerships, longstanding industry relationships, and consistent ability to deliver tailored fleet solutions nationwide.	*

15	What is your Canadian market share for the Solutions that you are proposing?	While it is difficult to precisely quantify Canadian market share for the brands and OEMs we represent, we estimate it aligns closely with our U.S. share, which is approximately 60% to 75%. This estimate reflects the consistent performance and availability of our represented brands across both markets. *
16	Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.	None *
17	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b). a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	National Auto Fleet Group is best described as option 'A' - a distributor/dealer/reseller and authorized dealer partner for over 17 OEM manufacturers. Our network includes major brands such as Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac, and Volkswagen. All orders are placed through franchised dealerships and titled directly to the purchasing member, ensuring compliance with all regulatory and manufacturer requirements. Supporting documentation, franchise agreements and seller's permits are authorization by the OEM's, including certifications, DMV authorizations, and factory licenses, can be found in the “Related Certification” section of this RFP submission. Please note: We do not offer used equipment under this contract. *
18	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Required licenses include a Dealer’s License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller’s permit license. All which NAFG and Dealer Partner’s hold. Please review our attachment documents in section “Related Certification” for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8. Some of our Licenses are outlined here but not limited to: CA Certificate of Good Standing 200824810190 State of Florida License Certificates: VF/1000974/4 VF/1000950/1 VF/1046516/1 VF/1024619/2 VF/1024619/1 VF/1018615/1 VF/1021891/1 VF/1000974/3 VF/1105916/1 VF/1020705/1 VF/1000969/1 CA State Seller’s Permit 101-135239 CA State Seller’s Permit 245364864-00001 Department of Motor Vehicle, Vehicle Dealer/ License Number 97772 Department of Motor Vehicle, Vehicle Dealer License Number 97771 Department of Motor Vehicle, Vehicle Dealer License Number 43609 Bureau of Automotive repair Registration # ARD00296319 123120 CA State Seller’s Permit 232781952-00001 City of Watsonville Business License Number 1792 City of Watsonville Business License Number 4358 Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138 California General Resale Certificate Dun & Bradstreet Number: 023680653 Government of The District of Columbia Certificate Government of the District of Columbia Tax Registration # 7815888160711 City of Los Angeles Tax Registration Government of The District of Columbia CLEAN HANDS CERTIFICATION San Diego Freightliner Seller’s Permit Commonwealth of Virginia State Corporation Commission Certificate State of Maryland Good Standing Certificate Kansas Department of Revenue for Kansas City Peterbilt New Jersey Department of Treasury Registration Certificate New Jersey Business Registration Notice of Compliance of the Canton City Codified Ordinance Employee Information Report for the State of New Jersey State of Maryland New Sales and Use tax License CA State Seller’s Permit 98-037902 00006 South Carolina Department of Motor Vehicles License Number 36133 State of South Carolina Retail License Commonwealth of Kentucky Vehicle Dealer License 1583 20 100 State of West Virginia Dealer License Commonwealth of Kentucky Vehicle Dealer License 1581 20 036 State of Tennessee Vehicle Dealer License *
19	Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.	Not applicable. National Auto Fleet Group has not been suspended or debarred at any point within the past ten years. *

20	Describe any relevant industry awards or recognition that your company has received in the past five years.	Over the past five years, National Auto Fleet Group has been honored with several industry recognitions that reflect our commitment to excellence in government sales. Most notably, we received top placement from Ford Motor Company as the leading dealership in Government Sales -a distinction we're especially proud of. Additionally, our performance with Chevrolet has earned consistent recognition from General Motors, with honors received in five out of the past six consecutive years. These awards speak to the strength of our partnerships, the dedication of our team, and our ongoing focus on delivering outstanding service to public sector clients nationwide.	*
21	What percentage of your sales are to the governmental sector in the past three years?	Within our fleet division, approximately 90% of all sales over the past three years have been to governmental entities. This consistent focus reflects our deep experience and trusted relationships within the public sector.	*
22	What percentage of your sales are to the education sector in the past three years?	Over the past three years, approximately 20% of our government sector sales have been to educational institutions, including K-12 districts, colleges, and universities. Education remains a key focus within our public sector partnerships.	*
23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	We currently hold the State of California contract, under which we have delivered between 200 and 500 units annually over the past three years. In addition, we have maintained multiple Sourcewell contracts—including 091521-NAF and 032824-NAF with combined quarterly sales totaling over $350 million across that same period. These cooperative purchasing agreements have been instrumental in expanding our reach and supporting consistent, large-scale fulfillment for public sector members nationwide.	*
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's primary focus is on our Sourcewell contract, along with the State of California contract. We do not currently hold any GSA contracts or Standing Offers and Supply Arrangements (SOSA). Our annual sales volume across these agreements is estimated to exceed $150 million over the past three years.	*

Table 2B: References/Testimonials

Line Item 25. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Los Angeles, CA	Joe Casaletta	323-526-9233	*
City of Santa Monica, CA	Mark Zamora	310-458-8526	*
City of San Diego, CA	Ralph Monroy	619-527-7577	*
City of Jersey City, NJ	James Lovero	201-547-4423	

Table 3: Ability to Sell and Deliver Solutions (150 Points)

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	National Auto Fleet Group operates with a robust combination of direct and indirect sales force personnel. Our direct sales force includes both in-house employees and partner dealership staff, totaling over 300 full-time and part-time individuals. These professionals are strategically located across the U.S., enabling us to support members nationwide. We also leverage strong relationships with larger-class dealerships to fulfill lower-class vehicle needs creating a versatile, cross-functional sales team that serves both our dealership network and the NAFG Fleet Division. Our indirect sales force includes more than 100 personnel from our upfitter and supplier partner network, and that number continues to grow each year. This collaborative network supports quoting, fulfillment, and customer service, ensuring our members receive turnkey solutions that are seamless from start to finish. Together, our direct and indirect teams have enabled NAFG to successfully grow, scale, and serve the evolving needs of Sourcewell members. As membership expands, we are fully committed to continuing that growth by bringing on additional staff to meet rising demand and, more importantly, exceed expectations.	*

27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	Our network of Authorized Sellers spans both the United States, supported by a strong franchise system built through our 17 proposed OEMs. Each of these manufacturers has established extensive dealer networks across North America, with factory-authorized stores strategically located to ensure all members have access to local service, support, and warranty coverage. This built-in infrastructure enables us to deliver Solutions efficiently and reliably no matter where a member is located within the US. With certified dealerships in all 50 U.S. states, we are equipped to provide responsive delivery, servicing, and warranty fulfillment with consistency and scale. NAFG feel's the North American automotive supply chain, particularly for the OEMs we represent, is one of the strongest and most reliable in the world. Our access to this network ensures that Sourcewell members receive the highest level of support from order to delivery and beyond.	*
28	Service force.	The 17 OEMs we represent offer access to thousands of authorized service centers and warranty repair facilities across the United States. This expansive service network ensures that Sourcewell members have convenient, reliable support no matter where they are located with service centers in every state. All OEM service locations are fully equipped to handle maintenance and warranty needs for their respective brands, providing timely and expert service that supports the full lifecycle of the vehicles we deliver. While service accessibility is generally comprehensive across the continental U.S., members in Alaska and Hawaii may experience greater distances between franchise locations, which could impact travel time to the nearest authorized service center. Even in those cases, we work closely with our OEM partners to coordinate support and minimize disruption.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Members can inquire about a new vehicle order process in three convenient ways: Online by visiting www.NationalAutoFleetGroup.com and using our step-by-step quote builder, By phone at 855-289-6572 to speak directly with a fleet representative, or By email at Fleet@NationalAutoFleetGroup.com. Once an order is submitted, National Auto Fleet Group handles all coordination, including processing the order with the manufacturer and managing the vehicle's path through any requested upfitting or customization. Depending on the needs of the member, vehicles are either routed to an upfitting partner or shipped directly to the desired end-user location. Throughout the process, our team remains the primary point of contact—managing communication, timelines, and logistics between the member, the manufacturer, and any third-party service providers. This ensures a streamlined, transparent, and responsive ordering experience from start to finish.	*
30	Demonstrate your ability and experience handling large order volumes for autos through light trucks.	National Auto Fleet Group has consistently managed and delivered large-scale vehicle orders from government and education members nationwide. Ranging from 5 to 927 units in a single order from cars, vans, SUV's to light trucks, including complex multi-upfitted units. Our ability to deliver large scale orders is supported not only by a streamlined digital ordering process, strong OEM partnerships, and a coast-to-coast dealer and supplier network but also our strong commitment from our banking partner Bank of America which opened up $ 85,000,000 for our use to fulfill orders. For example, through our Sourcewell contracts, over the past 12 years we've fulfilled hundreds of millions of dollars in vehicle orders—often involving high-volume orders that include detailed upfitting, title coordination, and multi-location delivery logistics. With our track record of thousands of units processed through platforms like our www.NationalAutoFleetGroup.com quote builder, we've demonstrated time and again our readiness to support large-volume orders quickly, accurately, and	*

31	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Our customer service program is built on proactive support, personalized guidance, and transparency in every stage of the process. From quote to delivery, members are supported by our dedicated staff available Monday through Friday, 7 AM to 7 PM PST, as well as a live chat function on our website for real-time assistance. Members can generate quotes online through a secure dashboard, customize builds, request upfitting, and view transparent pricing including MSRP, contract discounts, and total savings all within a few clicks. After submitting an order, members receive a Courtesy Confirmation to double-check specifications, colors, quantities, upfits, and title information. We also provide members with a “Track Your Order” feature, allowing real-time status updates using their PO number, Quote ID, VIN, or Upfit Quote ID similar to tracking a UPS package. This visibility helps members feel in control and supported every step of the way. Our team also actively communicates factory cut-off dates, sends reminders, and documents these deadlines directly on quotes. Everything we do is focused on making the buying process easier, more transparent, and more member-driven.	*
32	Demonstrate in detail your ability to sell, deliver, and support vehicles sold on a master agreement throughout the contiguous United States; as well as sell, deliver, and support vehicles sold on contract in Alaska, Hawaii, US Territories, and Canada.	National Auto Fleet Group has nationwide reach and the infrastructure to serve all Sourcewell members across the contiguous U.S., Alaska, Hawaii, U.S. Territories, and Canada. Our network of 17 OEM partners includes factory-authorized dealers and service centers across all 50 states and Canadian provinces, ensuring local access to warranty work, vehicle servicing, and delivery coordination. Even in geographically challenging areas like Alaska and Hawaii, we work closely with manufacturers and logistics partners to overcome longer distances between franchise points, ensuring every member receives the same level of support. Members also benefit from real-time tracking through our website, and our Customer Service Team is available to assist with logistics, titling, and documentation whether delivery is local	*
33	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	We are fully committed to serving all Sourcewell participating entities. In fact, Sourcewell members are the core of our business making up over 90% of our government sales activity over the past three years. We provide a full scale Solution designed specifically with Sourcewell members in mind. From simplified online quoting to customized upfitting and transparent pricing. Whether it’s a school district ordering a fleet of vans or a public works department in need of a specialty upfit, we treat every request with urgency, accuracy, and care. Our willingness to support members isn’t just operational, it’s cultural. Our entire team are all aligned around one mission: to make it as easy as possible for Sourcewell members to get what they need, when they need it.	*
34	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	NAFG are both willing and eager to extend our products and services to Sourcewell members in Canada. Expanding into the Canadian market is a natural next step for our organization, and we believe strongly in building success through partnerships with established, local Canadian dealer groups. Our proven business model, competitive pricing, and seamless digital tools provide a strong foundation for growth. Additionally, our straightforward approach to U.S. Dollar to Canadian Dollar conversion ensures transparency and simplicity for Sourcewell members across borders. We’re excited about the opportunity to support Canadian members with the same commitment to service, reliability, and value that we’ve delivered in the U.S. for over a decade.	*
35	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	National Auto Fleet Group will fully support 100% of geographic areas within the United States under the proposed agreement. We will continue to serve all Sourcewell members through our 24/7 online portal, offering around-the-clock access to quotes, order tracking, and support. While we anticipate some logistical challanges in Canada, we are committed to expanding our infrastructure and dealer partnerships to offer equally robust service and customer care to Canadian members. One important note: while we do serve nonprofit organizations, these entities may not qualify for the same discounted pricing available to government agencies. Nonprofits are subject to a separate pricing program, and each request will be reviewed on a case-by-case basis to determine eligibility and ensure fair, appropriate solutions.	*

36	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only potential contract requirements or restrictions for participating entities in Hawaii, Alaska, and U.S. Territories are related to logistics and shipping constraints. Due to geographic distance and limited access to certain shipping ports, there may be additional freight, handling, and port fees associated with vehicle delivery to these regions. For example, vehicles destined for Alaska or Hawaii, particularly those that include upfits, are often coordinated through mainland processing before being shipped to the final destination. In these cases, members are informed in advance and may elect to include the additional shipping and port costs directly into their quote, ensuring full transparency and cost accuracy from the start. Despite these logistical considerations, National Auto Fleet Group is fully equipped and experienced in fulfilling orders for members in these areas, and we will continue to do so with the same level of attention, care, and service as we provide in the continental U.S.	*
37	Describe in detail your history and experience selling vehicles to state and local government agencies, public and private K-12 and higher education, and non-profits.	National Auto Fleet Group (NAFG) has over two generations of expertise in selling vehicles to state and local government agencies, public and private K-12 and higher education institutions, and non-profit organizations across the United States. As a minority family-owned business, we have built a strong reputation for our ability to navigate the complexities involved in government fleet vehicle purchasing. We specialize in offering hassle-free, reliable, and cost-effective solutions through our Sourcewell contracs since Sourcewell has done the bidding already on behalf of the members. Sourcewell contracts empower public agencies to bypass the tedious and time-consuming bidding process, allowing them to focus their efforts on other projects while we handle the procurement. NAFG holds two highly awarded Sourcewell contracts, which streamline vehicle purchases by providing a range of options—from light-duty vehicles like cars, vans, and SUVs to heavy-duty trucks, buses, and specialized vehicles for public entities. Through our partnerships with manufacturers and upfitters, we cater to the specific needs of government entities, school districts, and non-profits, ensuring the vehicles are ready for immediate in-service needs along with all necessary upfitting if needed. Our experience spans from working with small rural schools requiring a single van, to large cities replacing fleets of hunderds of utility trucks. No matter the scale or complexity, we are committed to offering the highest level of customer service and delivering vehicles that meet our clients' needs, budgets, and timelines. By leveraging the efficiency of Sourcewell's competitive contracts, we help our customers save both time and money, making vehicle purchasing seamless and efficient.	*
38	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	Yes, National Auto Fleet Group (NAFG) will extend the terms of any awarded master agreement to nonprofit entities, provided the vehicles and the entities meet the applicable qualifications. We understand the importance of supporting nonprofit organizations, and we are committed to offering the same competitive pricing, efficient service, and high-quality vehicles that we provide to our government and educational agency customers.	*

Table 4: Marketing Plan (100 Points)

Line Item	Question	Response *	
39	Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group (NAFG) uses a comprehensive, multi-tiered marketing strategy to promote the Sourcewell contract and streamline the vehicle purchasing process for government and education entities. Our marketing strategy combines digital, in-person, and relationship-based outreach to maximize exposure, drive engagement, and support long-term growth. Website and Inbound Marketing: Our professional, customer-focused website serves as a key marketing gateway. Members can browse in-stock vehicles, explore pricing, register for access, build vehicles, and request quotes. We create inbound opportunities through tailored content such as how-to videos, member success stories, and social media posts, directing potential members to our website and empowering them to make informed purchasing decisions. Email Marketing: Email remains one of our most effective outreach tools, given its high usage among public agency staff. We use visually rich, mobile-friendly email campaigns that include flyers with Sourcewell contract details, manufacturer incentives, seasonal promotions, first-time buyer offers, and factory cutoff reminders. These emails feature embedded videos, images, and direct links to the Sourcewell homepage and NAFG quoting tools. Our platform also allows us to track performance metrics such as open rates, click-throughs, and unsubscribes to continuously refine our messaging.	

In-Person Marketing and Trade Shows:
We attend major industry trade shows, including GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO to establish direct connections with members and vendors. These face-to-face meetings foster trust and long-term relationships. We also deliver in-person presentations to local cities, counties, school districts, water districts, and port authorities to explain how the NAFG–Sourcewell process works, how to buy without bidding, and the vehicle options available.

Customer Advocacy (Word-of-Mouth Marketing):
NAFG's reputation for exceptional service drives organic growth through member referrals. Our commitment to white-glove support from quote to post-delivery often results in repeat customers and unsolicited endorsements. We've built our brand through consistent follow-through, fast solutions, and personalized care—even years after a vehicle has been delivered.

Cross-Promotion Marketing with Sourcewell Vendors:
We actively collaborate with fellow Sourcewell vendors such as NCL Government Capital to offer joint marketing materials and turnkey financing options. For example, we've co-developed videos, infographics, and flyers showcasing how to lease or purchase vehicles through multiple Sourcewell contracts. We also cross-market with Hoglund Bus Company, highlighting how members can pair NAFG chassis with various Hoglund bus bodies. *

Preferred Vendor Program – NAFG Partner Page:
To increase our national network and visibility, we launched www.nafgpartner.com, a dedicated site encouraging body upfitters to join as preferred vendors. Partners receive benefits such as website and social media endorsements, referral opportunities, and PR support. To qualify, vendors agree to co-promote NAFG and refer their clients in need of chassis. This helps members easily locate qualified body upfitters in their area, while deepening vendor collaboration and contract awareness.

Customer Relationship Marketing:
Our sales team takes a relationship-first approach by focusing on solution-based selling and long-term support, not just transactions. We pride ourselves on building trust and delivering value, which translates to loyal clients and strong word-of-mouth.

Examples of Impactful Relationship Marketing:

A member used three Sourcewell contracts (NAFG, NCL Gov Capital, GovDeals) to finance, purchase, and dispose of a vehicle in a single seamless transaction.

A member urgently needed a vehicle due to an accident. We redirected them to our in-stock inventory and fulfilled the order within three weeks versus the standard 18-week factory lead time.

A liftgate malfunction two years after delivery was resolved at no cost thanks to our relationship with the original upfitter, ensuring continued satisfaction.

For a member uncertain about budget, we provided multi-OEM pricing through Ram, Chevrolet, and Ford—allowing them to choose without needing to shop around.

We expedited upfitting for a vehicle held up at a local body company by personally coordinating with the vendor, leading to early delivery.

This multi-pronged strategy ensures that National Auto Fleet Group not only promotes the Sourcewell contract widely but delivers measurable value to members across every stage of the vehicle procurement lifecycle.

40	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	National Auto Fleet Group (NAFG) utilizes a robust mix of technology, social media, and digital tools to drive marketing performance, boost engagement, and increase sales conversions. Social Media Marketing – LinkedIn Focus: LinkedIn serves as our primary digital channel to connect with public agencies and build our professional network. We use LinkedIn to: Share engaging content such as contract flyers, vehicle promotions, and program updates. Monitor member activity and job changes to identify opportunities to re-engage or offer tailored solutions. Send personalized messages to new members thanking them for registering, with direct links to our website and social platforms. This strategic outreach not only strengthens our relationships with current members but also helps us reach new decision-makers who can benefit from our vehicle procurement solutions. Video Marketing Strategy: To further enhance digital reach and content quality, our in-house marketing team creates and distributes professional-grade videos through both email and social media. These include: Welcome Video: A 90-second animated introduction to NAFG and our Sourcewell contract, featured in every weekly campaign. Walkthrough Videos: Guided, step-by-step explainers on how to purchase both Light-Duty and Heavy-Duty vehicles through the contract. In-Stock Vehicles Video: A visual showcase of available inventory with a call-to-action on how to request a quote. ETA Tracking Video: A video tutorial that empowers customers to track their own vehicle's status. Holiday-Themed Videos: Lighthearted, festive content that humanizes our brand and drives seasonal engagement. Social Media Shorts: Bite-sized videos tailored for LinkedIn and other platforms to promote new vehicles, highlight factory cutoff dates, and announce pricing changes. All videos are optimized for both desktop and mobile viewing, helping to engage a broader audience and improve retention of key messages. Email Campaign Analytics (Metadata): We track weekly email flyers, incorporating images, links, and embedded videos. The platform provides real-time data including: Open rates, Link click-throughs and Unsubscribes to asses our outreach to the members. This performance metadata allows us to adjust our messaging, layout, and frequency to ensure the highest level of engagement with our target audience. By analyzing this digital feedback, we continuously improve the effectiveness of each campaign. Live Chat Technology for Real-Time Engagement: To better serve website visitors, NAFG implemented a live chat feature that connects members directly with a live sales representative. This tool: Offers fast, real-time responses to inquiries Assists members while they build vehicle quotes online Increases quote submissions and conversions by reducing hesitation and increasing clarity during the decision-making process Early results show that our live chat feature has contributed to higher engagement, improved customer satisfaction, and shorter sales cycles—especially for first-time buyers navigating the Sourcewell process.

41	In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?	Sourcewell plays a pivotal role in promoting cooperative purchasing contracts by acting as a trusted bridge between vendors and public sector agencies across government, education, and nonprofit organizations. Its mission - "Our commitment to service and exceeding client expectations", which perfectly aligns with National Auto Fleet Group's relationship-based approach to sales and service. Sourcewell establishes trust and credibility by conducting a rigorous vetting and solicitation process before awarding cooperative contracts. This ensures that only qualified, ethical, and dependable vendors are awarded contracts, giving agencies confidence in their purchasing decisions. For National Auto Fleet Group (NAFG), this endorsement elevates our brand and reassures our members that they are working with a vetted and approved partner. Sourcewell's support tools, such as: Professionally designed flyers Training videos and webinars Procurement documentation Contract compliance support These help us deliver consistent, transparent, and educational messaging to both new and existing members. These resources are integrated into our own marketing and client education materials, ensuring clients understand both the value of the cooperative contract and how to access it with ease. In our sales process, the Sourcewell contract is woven into every touchpoint: Our website clearly highlights the benefits of cooperative purchasing through Sourcewell. Our email campaigns feature Sourcewell branding and direct links to contract resources. Our sales team is fully trained to walk clients through the Sourcewell purchasing process, eliminating confusion and saving agencies the time and cost of traditional competitive bidding. We educate members during in-person presentations and trade shows about how Sourcewell allows them to procure vehicles immediately while remaining fully compliant with public procurement laws. At NAFG, we believe Sourcewell is more than just a contract holder—it's a strategic partner that helps us build trust, streamline procurement, and serve our members with unmatched efficiency and integrity. We are proud to uphold the high standards Sourcewell represents and integrate them throughout our client-facing operations.	*

42	Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Yes, National Auto Fleet Group offers a fully accessible e-procurement solution through our website, which provides government and education agencies with a self-guided, efficient, and user-friendly platform to browse, customize, and request vehicle quotes. Our online system allows members to: Browse a wide selection of vehicle makes and models Customize builds to meet their agency's specifications, including factory options and body upfitting needs Generate real-time quotes, often in under five minutes depending on vehicle complexity Download or submit quotes and supporting documentation without ever needing to speak with a sales representative For agencies that prefer guided support, a dedicated live chat feature is available alongside traditional phone and email contact options. Clients can interact with a knowledgeable representative in real time for assistance with quote building, vehicle specs, or ordering next steps. To further enhance usability, we've created a "How-To Videos" section on our homepage. These step-by-step guides demonstrate: "How to register as a Sourcewell member" "How to build a vehicle online" "How to include upfitting needs in the quote" "How to submit a purchase order for processing" Once a quote is finalized, the client can complete the transaction by simply uploading in directly into our site or bysubmitting a purchase order via email. This approach enables a flexible hybrid of self-service and personalized support, accommodating both highly independent buyers and those who prefer a walk-through approach. Public agencies regularly use this e-procurement system to: Compare options across manufacturers Expedite quote generation and documentation for internal approvals Submit POs directly, avoiding the delays of traditional bidding processes Stay compliant through Sourcewell's competitively awarded contract framework This system not only saves time, but empowers agencies to manage their fleet procurement with autonomy, transparency, and full support from the NAFG team whenever needed	*

Table 5A: Value-Added Attributes (100 Points, applies to Table 5A and 5B)

Line Item	Question	Response *	
43	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends all product, equipment, maintenance, and operator training programs made available by the OEMs directly to Sourcewell members during the quoting process. Training availability and scope are typically determined by the vehicle class, equipment type, and geographic location, and are quoted accordingly by the manufacturer. When such training is offered, NAFG can include it in the member's quote and handles it similarly to an upfit by ensuring it is documented, transparent, and customized to the member's needs. These training programs may cover areas such as vehicle operation, safety, and maintenance procedures. Any associated costs are clearly outlined and passed through without markup, so members can make fully informed decisions.	*

44	Describe any technological advances that your proposed Solutions offer.	The technological advancements offered through National Auto Fleet Group reflect both cutting-edge manufacturer innovation and our own commitment to future-forward solutions. OEMs like Ford Motor Company, General Motors, and other top-tier brands continue to push the boundaries with advanced safety systems, connectivity features, alternative fuel capabilities, and electrified powertrains, many of which are available across a wide range of vehicle classes offered to Sourcewell members. In addition, NAFG supports members who are seeking to electrify their fleets by offering access to specialized upfits, for example including integration of Motive Power Systems. These options allow members to transition into sustainable vehicle solutions while maintaining performance and functionality.	*
45	Describe any service contract options or extended warranties being offered with your proposal.	National Auto Fleet Group (NAFG) offers all existing warranties provided by the Original Equipment Manufacturers (OEMs) as an option, which will be treated as an upfit. In addition to the OEM warranties, when asked by members, our standard offered extended warranty is a 5-year/100,000-mile coverage with a $0 deductible. This ensures that our customers receive peace of mind with comprehensive coverage for their fleet, minimizing potential repair costs over the long term.	*
46	Describe in detail warranties offered and how they will be administered, including if they cover all products, parts, labor, technician travel, and geographic regions covered.	Since we are offering 17 different brand names, we have included a "Warranty" file in the attachment under the specifications file in our response. The attachment outlines what is covered by each OEM and there length of coverage's by time and miles.	*
47	Describe any “green” initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.	National Auto Fleet Group is deeply committed to supporting meaningful green initiatives and forward-thinking partnerships. We played an integral role in the formation of the Climate Mayors Electric Vehicle Purchasing Collaborative, a coalition created in partnership with over 400 mayors nationwide to accelerate the adoption of clean, all-electric fleets. This initiative was designed specifically to help public agencies transition to zero-emission vehicles and lead by example in their communities. Through this collaboration, Sourcewell members have access to a growing lineup of 100% electric vehicles, including models such as the Chevrolet EV line up with Silverado EV, Ford Mustang Mach-E, and the all-electric Ford F-150 Lightning. As OEMs continue to expand their electric offerings, NAFG is committed to making those vehicles readily available to Sourcewell members. More information about this initiative can be found at www.DriveEVfleet.org. Certification and leadership for this program are guided by the Climate Mayors, Bloomberg Philanthropies, and C40 Cities.	*
48	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	National Auto Fleet Group, along with several of our partner suppliers and upfitters, maintains relevant third-party certifications that reflect a commitment to energy efficiency and sustainability. Key certifications include: California Air Resources Board (CARB) Certificate – Recognizing compliance with strict emissions standards and supporting low- or zero-emission vehicle offerings. Ford Qualified Vehicle Modifier (QVM) Certification – Awarded to select partners for meeting Ford’s rigorous requirements for safety, quality, and environmental standards in vehicle modifications. These certifications help demonstrate how our vehicles and upfitted solutions promote energy conservation, reduced emissions, and long-term operational efficiency. They also ensure that our offerings align with evolving environmental regulations and sustainability goals set by Sourcewell members.	*

49	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	What sets National Auto Fleet Group apart is not just our experience - it's our measurable commitment to results and service. From day one, our company has been built on a foundation of hard work, data-driven performance, and a relentless focus on customer satisfaction. We actively track and quantify our outcomes to ensure that real goals are being met, and that every Sourcewell member receives timely, attentive, and solutions-oriented service. Our internal metrics drive accountability and help us continually improve how we support members. One of our most unique offerings is our 24/7 online portal, which gives Sourcewell members secure access to quote-building tools, live tracking, support resources, and customer service assistance around the clock. Whether it's a complex upfit, a last-minute request, or a question about vehicle specs, our team is available to personally walk members through every step. We pride ourselves on being flexible, responsive, and creative problem solvers. No matter the challenge, we're committed to thinking outside the box and finding a solution that works.	*

Table 5B: Value-Added Attributes

Line Item	Question	Certification	Offered	Comment	
50	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or re-sellers if available. Select all that apply.		(•) Yes ( ) No	We offer leasing through Diversified Leasing owned and operated by Mr. Steve Wilson who is a Disabled Veteran Business Owner who runs his company along with Debbie Black his assistant. If an agency would like to work with Diversified Leasing we will help facilitate the transaction.	*
51		Minority Business Enterprise (MBE)	(•) Yes ( ) No	We are recognized as MBE by Supplier Clearinghouse, our certificate is attached in the attachments.	*
52		Women Business Enterprise (WBE)	( ) Yes (•) No	n/a	*
53		Disabled-Owned Business Enterprise (DOBE)	( ) Yes (•) No	n/a	*
54		Veteran-Owned Business Enterprise (VBE)	( ) Yes (•) No	n/a	*
55		Service-Disabled Veteran-Owned Business (SDVOB)	( ) Yes (•) No	n/a	*
56		Small Business Enterprise (SBE)	( ) Yes (•) No	n/a	*
57		Small Disadvantaged Business (SDB)	( ) Yes (•) No	n/a	*
58		Women-Owned Small Business (WOSB)	( ) Yes (•) No	n/a	*

Table 6A: Pricing (400 Points, applies to Table 6A and 6B)

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *	

59	Describe your payment terms and accepted payment methods.	Our standard payment terms are Net 20, with a 10-day grace period offered for flexibility. We accept the following payment methods: Check ACH (Automated Clearing House) These options are designed to accommodate the procurement processes of public sector entities while ensuring a smooth and secure transaction experience.	*
60	Describe any leasing or financing options available for use by educational or governmental entities.	To support educational and governmental entities with flexible procurement options, National Auto Fleet Group has partnered with National Cooperative Leasing (NCL) to offer customized leasing solutions for all vehicles quoted under our Sourcewell contract. We also offer leasing through Diversified Leasing. These leasing options are available to Sourcewell members as part of our standard offering and can be applied to any eligible NAFG quote. This partnership ensures members have access to competitive, compliant financing structures tailored to their budget cycles and operational needs. For additional details, a sample lease agreement is included in the “Member Walk Through” attachment the document titled “NCL Sample Lease.”	*
61	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	National Auto Fleet Group utilizes a set of standardized transaction documents designed to ensure transparency, accuracy, and ease of use for Sourcewell members. These documents may include: - Order forms specific to vehicle configuration and upfit details - Courtesy Confirmations to validate order specifications before final placement - Terms and Conditions outlining payment, delivery, and warranty provisions - Service contract agreements when applicable, particularly for upfitting or specialty builds - Title and registration documentation tailored to the member’s local requirements All relevant template documents have been uploaded in the Standard Transaction Document attachment. These documents reflect our commitment to clear communication and consistent standards, while also allowing room for customization based on the specific needs of each participating entity	*
62	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, National Auto Fleet Group accepts P-card payments from Sourcewell membes. We accept P-card transactions up to $2,500 per vehicle with no additional fee. For transactions exceeding $2,500, a credit card processing fee will apply, which will be transparently itemized and passed on to the member. This policy allows us to support convenient procurement while maintaining cost transparency and flexibility for all participating entities.	*
63	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group utilizes a line-item discount model based on Manufacturer Suggested Retail Pricing (MSRP). We are offering Sourcewell participating entities competitive discounts across 17 OEM brands, as detailed in the Price File. In addition to vehicle pricing, NAFG provides the option to customize vehicles with upfits based on the member’s needs. All upfit-related pricing is also included and clearly itemized in the Price Summary Page within the Price File. Each line includes the standard MSRP, the Sourcewell discounted price, and all applicable OEM available options. Where available, SKUs and product identifiers are listed to support clarity and consistency.	*

64	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	National Auto Fleet Group's pricing proposal includes line-item discounts off MSRP across 17 OEM brands. Including all factory options. The percentage discounts vary by manufacturer and vehicle model, and are fully detailed in the uploaded "Price File" ZIP under each respective tab. Below is a summary of the estimated discount ranges offered by brand: Ford Motor Company from -0.42% to 3.63% Chevrolet from 0.24% to 10.02% Ram Stellantis Company from 3.44% to 9.99% Dodge Stellantis Company from 4.05% to 6.93% Jeep Stellantis Company from -.073% to 6.82% Chrysler Stellantis Company from .49% to 1.81% Buick from 0.91% to 0.97% Honda from -1.48 to 3.4% Toyota from 0.07% to 5.22% Nissan from 0.73% to 17% Kia from -1.25% to 2.48% GMC from 1.28% to 5.19% Volkswagen from 1.74% to 3.08% Lincoln from .077% to 3.12% BMW from 0.32% to 2.9% Cadillac from 2.11% to 2.2% Mullen/Bollinger at 2% While a few models reflect slight negative variances due to MSRP or market fluctuations, the majority of offerings show meaningful cost savings. Full details, including price summary, models and discount breakdowns are included in the "Price File" for Sourcewell's review. Upfits can be added at dealer invoice up to 20% detailed in the price file	*
65	Describe any quantity or volume discounts or rebate programs that you offer.	National Auto Fleet Group encourages members considering large-volume purchases (typically 50 units or more) to reach out directly for customized pricing and additional volume-based discounts. While standard discounts are reflected in our price file, we recognize that high-volume opportunities often warrant special consideration. In such cases, we work closely with both OEMs and upfit partners to secure the most competitive pricing available, ensuring maximum value for Sourcewell members. Depending on the uniqueness of the large order and model, some extra costs not associated with a single purchase may be added, these are provided in the Price File. Each high-volume order is evaluated individually to provide tailored, transparent, and advantageous pricing.	*
66	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "non-contracted items". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open market" items or "sourced goods" that fall outside of standard configurations will be facilitated and treated as upfit components within the quoting process. National Auto Fleet Group will obtain quotes for these items on a case-by-case basis and include them as part of the final vehicle quote. In most cases, such items will be provided at cost, though a markup of up to 20% may apply depending on the complexity of the item or service and any associated handling or integration requirements. This approach ensures transparency while maintaining flexibility for Sourcewell members who require specialized, nonstandard solutions.	*

67	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All standard costs associated with the total acquisition for a standard vehicle purchase including factory options, upfits, and administrative fees which have been accounted are within the Price Summary Page and Price table included in the submitted price file. If a Sourcewell member requests a specialized or nonstandard solution that involves additional services such as installation, training, or setup, those costs will be clearly quoted as part of the upfit and incorporated into the final vehicle quote. These services may be fulfilled either by OEM-authorized providers or trusted third-party upfitters in our partner network, depending on the nature of the request.	*
68	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufacturers include a standard Factory Destination Charge as part of the vehicle's MSRP. In addition to this, members may incur separate freight or delivery costs if a vehicle requires additional transport. For example, to or from an upfitter or final delivery location. These secondary freight charges vary depending on distance, delivery type, and location, and will be clearly itemized in the member's quote for full visibility and approval before purchase. National Auto Fleet Group ensures that all such charges are communicated upfront and incorporated seamlessly into the overall pricing.	*
69	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Shipping to Alaska, Hawaii, Canada, and U.S. Territories may involve additional logistical expenses, including but not limited to ferry charges, port handling fees, and extended driver delivery costs. These region-specific costs are carefully calculated based on the delivery route and vehicle type. All such charges will be disclosed on the member's quote for review and approval prior to finalizing the purchase. National Auto Fleet Group is experienced in managing deliveries to these regions and ensures all logistics are handled efficiently, transparently, and in compliance with regional requirements.	*
70	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group operates within a highly developed, nationwide franchise dealer distribution network, supported by relationships with 17 major OEMs. This network enables us to deliver vehicles quickly and efficiently to members and their end users across the country. In addition, for vehicles requiring upfits or multi-stage delivery, NAFG coordinates logistics directly with upfitters and transport providers, ensuring a turnkey experience from quote to delivery. Our digital order tracking system also allows members to monitor each step in the delivery process, enhancing communication and transparency throughout.	*
71	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing.	National Auto Fleet Group employs a robust self-audit process to ensure full compliance with our Sourcewell agreement, including verification that participating entities receive accurate, contract-based pricing. Sourcewell members can generate quotes directly through our user-friendly online platform, which is updated daily to reflect the most current manufacturer MSRP data. This ensures that pricing remains accurate and aligned with the most recent OEM updates. Our system is designed to deliver 99.99% pricing accuracy, and every quote reflects both the Sourcewell contract discount and any applicable administrative fees. In addition to this front-end visibility, our internal processes include regular pricing audits, cross-checks, and validation against contract terms. We also maintain a streamlined reporting system that allows us to deliver accurate quarterly sales and administrative reports to Sourcewell within a 15-30 day turnaround window, helping ensure transparency and ongoing contract compliance.	*

72	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	One of the key internal metrics National Auto Fleet Group uses to track and measure success under the Sourcewell contract is maintained through our online platform, which logs all member-generated quotes in real time. We carefully monitor how many quotes are created, which are converted into purchase orders, and how frequently members engage with the system. This gives us immediate insight into usage trends, quote-to-order conversion rates, and which vehicle types or configurations are seeing the most interest. Each month, we evaluate these indicators and closely monitor sales volume, frequency, and geographic distribution. We also track whether orders come from new or returning members, allowing us to measure how well we're growing the Sourcewell member base and maintaining long-term relationships. In addition to these core metrics, we review: 1. Average order size and upfit complexity 2. Delivery timelines and fulfillment rates 3. Quote accuracy and pricing consistency 4. Regional sales performance and market penetration This data informs both our strategic decision-making and our day-to-day service operations. Ultimately, we use these metrics to ensure we're not only meeting contractual obligations, but exceeding expectations by delivering consistent value, responsive service, and a positive experience for every Sourcewell member.	*
73	Provide a proposed Administration Fee payable to Sourcewell. The Fee is in consideration for the support and services provided by Sourcewell. The propose an Administrative Fee will be payable to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	National Auto Fleet Group proposes the following Administrative Fee structure payable to Sourcewell for all completed transactions under this Master Agreement: $300 per vehicle purchased directly through NAFG $200 per vehicle purchased through our approved partner dealer, Alan Jay Automotive At this time, no other partner dealer groups are included in the scope of this agreement for administrative fee purposes. This fee will be submitted on all completed transactions during each applicable reporting period, in accordance with the terms outlined in the Master Agreement.	*

Table 6B: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments	
74	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	Members receive the best overall value, service and customer care from NAFG.	*

Table 7A: Depth and Breadth of Offered Equipment Products and Services (200 Points, applies to Table 7A, 7B, and 7C or 7D)

Sourcewell is seeking proposals for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories. Awards under this solicitation for Automobiles, SUVs, Vans, and Light Trucks will be in two (2) categories.

Proposers submitting a proposal in Category 1 as defined herein will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. For example, if a proposer offers vehicle solutions with Internal Combustions Engines (ICE) as well as vehicles with electric propulsion systems the Proposer should designate it is seeking an award in Category 1 ONLY.

Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems ONLY.

Line Item	Category Selection *	
75	Category 1: ALL engines, fuel, and propulsion type Automobiles, SUVs, Vans, and Light Trucks	*

Table 7B: Depth and Breadth of Offered Solutions

Line Item	Question	Response *	
76	Provide a detailed description of all the Solutions offered, including used Solutions if applicable, offered in the proposal.	National Auto Fleet Group is offering a comprehensive lineup of vehicles and turnkey fleet solutions under this proposal. We represent 17 OEM manufacturers, collectively offering over 100 makes and models across Class 1–3 vehicles, as well as select Cab & Chassis configurations. These include sedans, SUVs, pickup trucks, vans, hybrid models, and electric vehicles. Our inventory spans gas, diesel, hybrid, and all-electric platforms to meet the evolving operational and sustainability goals of Sourcewell members. All vehicle solutions offered through NAFG can be customized with upfits to meet industry-specific needs. They range from basic toolboxes and ladder racks to line mechanic bodies, service beds, utility bodies, and more. Upfits can be completed by either a trusted partner from our established upfitter network or by a supplier chosen by the member. In either case, NAFG coordinates directly to provide complete, turnkey quotes with all elements clearly specified. At this time, used vehicles are not offered as part of this proposal, as we are focused on delivering new, warrantied, and fully specifiable vehicles that align with Sourcewell members' procurement and compliance standards.	*
77	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Subcategory titles that best describe the solutions offered by National Auto Fleet Group include: Passenger Vehicles (Sedans, SUVs, Crossovers) Light-Duty Trucks (Class 1–3) Cab & Chassis Cargo and Passenger Vans Hybrid and Electric Vehicles Utility Vehicles and Work Trucks Upfitted Vehicles – Service Bodies, Mechanic Trucks, Utility Beds Fleet Leasing Options (via NCL) Custom Upfit Coordination (Turnkey Quotes) Online Quote Building and Member Support Tools These subcategories reflect the breadth of our offering and our ability to provide end-to-end solutions, from vehicle sourcing to upfit customization and delivery.	*

Table 7C: Depth and Breadth - Category 1 - All Engine Types

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

☐ We will not be submitting for Table 7C: Depth and Breadth - Category 1 - All Engine Types

Line Item	Category or Type	Offered *	Comments
78	Automobiles	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
79	Sport Utility Vehicles	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
80	Vans	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
81	Light Trucks (half ton, three quarter ton, and one ton)	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
82	Vehicles of the types and classifications in 78-81 above with upfitting designed for Public Safety Applications	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
83	Vehicles of the types and classifications in 78-81 above with upfitting designed for ADA and Paratransit Applications	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
84	Vehicles of the types and classifications in 78-81 above with upfitting designed for Service Body and Utility Bed for Light Truck	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
85	Conventional Internal Combustion models	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
86	Natural gas, propane autogas, hybrid, or alternative fuel models	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.
87	Electric powered models	◉ Yes ○ No	Models offered are from 17 OEM's outlined in the specifications attachment.

Table 7D: Depth and Breadth - Category 2 - Electric Propulsion Systems Only

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

☑ We will not be submitting for Table 7D: Depth and Breadth - Category 2 - Electric Propulsion Systems Only

Line Item	Category or Type	Offered *	Comments
88	Automobiles	○ Yes ○ No	
89	Sport Utility Vehicles	○ Yes ○ No	
90	Vans	○ Yes ○ No	
91	Light Trucks (half ton, three quarter ton, and one ton)	○ Yes ○ No	
92	Vehicles of the types and classifications in 88-91 above with upfitting designed for Public Safety Applications	○ Yes ○ No	
93	Vehicles of the types and classifications in 88-91 above with upfitting designed for ADA and Paratransit Applications	○ Yes ○ No	
94	Vehicles of the types and classifications in 88-91 above with upfitting designed for Service Body and Utility Bed for Light Truck	○ Yes ○ No	

Table 8: Exceptions to Terms, Conditions, or Specifications Form

Line Item 95. **NOTICE**: To identify any exception, or to request any modification, to Sourcewell standard Master Agreement terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Master Agreement Template provided in the “Bid Documents” section. Proposer must upload the redline in the “Requested Exceptions” upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Master Agreement.

Do you have exceptions or modifications to propose?	Acknowledgement *
	○ Yes ◉ No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - Price File for NAFG 081325.zip - Sunday August 10, 2025 00:37:53
- Financial Strength and Stability - Financial Strength and Stability for NAFG 081325.zip - Sunday August 10, 2025 00:38:28
- Marketing Plan/Samples - Marketing Plan for NAFG 081325.zip - Sunday August 10, 2025 00:38:58
- WMBE/MBE/SBE or Related Certificates - MBE and Realted Certificates for NAFG 081325.zip - Sunday August 10, 2025 00:39:21
- Standard Transaction Document Samples - Standard Transaction for NAFG 081325.zip - Sunday August 10, 2025 00:39:37
- Requested Exceptions (optional)
- Upload Additional Document - ALL 17 Manufacture Models and Warranty for NAFG 081325.zip - Sunday August 10, 2025 00:40:37

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.

3. The Proposer certifies that:

(1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and

(3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.

5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.

6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.

7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

8. Proposer its employees, agents, and subcontractors are not:

1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;
2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or
3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC, DBA: National Auto Fleet Group

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Tue August 5 2025 09:12 AM	☑	1
Addendum_5_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Mon August 4 2025 08:59 AM	☑	2
Addendum_4_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Wed July 30 2025 08:06 AM	☑	2
Addendum_3_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Mon July 28 2025 07:50 AM	☑	1
Addendum_2_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Fri July 25 2025 08:11 AM	☑	2
Addendum_1_Automobiles_SUVs_Vans_Light_Trucks_RFP_081325 Wed July 23 2025 04:15 PM	☑	2

Certificate of Membership

This certificate entitles you to purchase from competitively solicited contracts. You will save time and money by using Sourcewell contracts, while buying the quality products you want from nationally recognized vendors.

Together, we are Sourcewell.

Our membership team is ready to help you every step of the way. Contact us for more information.

Sourcewell
Sourcewell-mn.gov
membership@sourcewell-mn.gov
877-585-9706

City of Merced

Member # 2325

Dr. Chad Coauette, PhD, Executive Director/CEO

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-642 Meeting Date: 8/3/2026

Report Prepared by: Cosmo Ordunez, Public Works Manager-Internal Services

SUBJECT: Approval to Purchase One (1) New Curbtender Quantum 8YD Refuse Truck, and Necessary Attachment Equipment, From Rush Truck Centers, in the Amount of $193,285.72 for the Refuse Department to Replace Vehicle E-1291

REPORT IN BRIEF

Considers approving the purchase of one 2027 Curbtender Quantum 8YD Refuse Rear Loader in the amount of $193,285.72 utilizing the cost savings government procurement program (Sourcewell). The purchase of the new vehicle will increase collection efficiency, improve reliability, reduce maintenance costs, and increase efficiency in daily operations.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one 2027 Curbtender Quantum 8YD Refuse Rear Loader in the amount of $193,285.72 from Rush Truck Centers, through Sourcewell contract # 032824-RTG; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Municipal Code Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES
As provided for in the FY 26/27 Adopted Budget.

DISCUSSION
History

Sourcewell offers an equipment/vehicle purchase program to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City is able to purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Over the last several years, the City has purchased a variety of equipment including, street sweepers, leaf trucks, fire trucks, refuse trucks, etc. through the Sourcewell government procurement program with great success.

The Public Works Department, Fleet Services Division, is requesting Council authorization to purchase one (1) 2027 Curbtender Quantum 8YD Refuse Rear Loader to replace unit E-1291, a 13-year-old refuse collection vehicle that has reached the end of its useful life. As refuse collection vehicles age, repair costs continue to increase while vehicle availability decreases, creating operational challenges and increasing the likelihood of service interruptions.

Replacing this aging rear loader is essential to supporting the Refuse Division's primary objective of providing safe, reliable, and efficient solid waste collection services for the residents of the City of Merced. Reliable collection equipment enables crews to consistently complete scheduled routes, minimize downtime, reduce costly emergency repairs, and maintain dependable service levels for the community. Investing in replacement vehicles before catastrophic failures occur also allows Fleet Services to better manage maintenance resources while extending the overall effectiveness of the City's fleet replacement program.

The replacement vehicle will be the same make and model currently operated by the City, allowing the Fleet Services Division to continue standardizing equipment, minimizing operator training requirements, streamlining maintenance procedures, and reducing the inventory of replacement parts. Additionally, the new refuse truck meets current California Air Resources Board (CARB) emissions standards, providing improved environmental performance, enhanced safety features, and greater operational efficiency compared to the vehicle it is replacing.

The purchase of this vehicle is included in the FY2026/27 adopted Vehicle Replacement Program and supports the City's ongoing commitment to maintaining dependable public services through a proactive fleet replacement strategy.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to

cooperative purchasing in conjunction with other governmental entities.

Staff requests waiving the bidding requirements in order to standardize equipment and utilize the government pricing contract.

IMPACT ON CITY RESOURCES

This vehicle was approved in the FY 2026/27 adopted budget in Fund 7006-Vehicle Replacement; no additional appropriations are needed.

ATTACHMENTS

1. Rush Truck Centers - Quote
2. Rush Truck Centers Sourcewell Contract Documentation
3. Sourcewell Contract Price Information
4. Sourcewell Membership

Rush Medium-Duty Truck Centers of California, Inc. dba Rush Truck Center, Ceres
1720 Herndon Rd
Ceres, CA 95307-4421
(209) 857-7400

Customer Proposal Letter

City of Merced
1776 Grogan Ave
Merced, CA 95341

Thank you for trusting us with your business. Please review the proposal below, and if you approve, sign and return to us at your convenience. We look forward to working with you and will continue to do our best to earn your trust now and in the future.

VEHICLE INFORMATION

Year 2027 Make Ford Model F-600 Stock # TBD Serial # TBD

Additional Vehicle Details: SOURCEWELL CONTRACT #032824-RTG
VEHICLE MSRP: $64,080 - 1.5% SOURCEWELL DISCOUNT ($961.20)
UPFIT: $113,062.25

		Total
Quantity		
Truck Price per Unit	$ 178,181.05	$ 178,181.05
F.E.T. (Factory & Dealer Paid)	$ 0.00	
Net Sales Price	$ 178,181.05	$ 178,181.05
Optional Extended Warranty(ies)		
State Sales Tax	$ 14,727.17	$ 14,727.17
Documentary Fee	$ 80.00	$ 80.00
Administration Fee	$ 250.00	$ 250.00
Electronic Filing	$ 37.00	$ 37.00
Tire Recycling Program	$ 10.50	$ 10.50
Total Sales Price	$ 193,285.72	$ 193,285.72
Trade Allowance (see DISCLAIMER Below)		
Deposit / Down Payment		
Unpaid Balance Due on Delivery	$ 193,285.72	$ 193,285.72

Sales Representative _____ Signature — Carlos Perez Printed Name — Date

Purchaser _____ Signature — _____ Printed Name / Title — Date

Accepted by Sales Manager or General Manager _____ Signature — _____ Printed Name — Date

Quote good until 11/30/2026 **Note: The above Customer Proposal is a quotation only. Sale terms subject to approval of Sales Manager of Dealer.**

DISCLAIMER: Any order based on this Proposal is subject to Customer executing Dealer's standard form Retail Sales Order and other required documents incorporating the above terms. Any documentary fees, FET, state tax, title, registration and license fees subject to adjustment and change. This Proposal is based upon Dealer's current and expected inventory, which is subject to change. Dealer is not obligated to retain any specific vehicles in stock, nor maintain any specific inventory levels. Dealer shall not be obligated to fulfill Proposal in event quoted vehicle(s) is not in stock or available within requested delivery schedule. **Manufacturer has reserved the right to change the price to Dealer of any vehicle not currently in Dealer's stock, without notice to Dealer. If a vehicle identified in this Proposal is not currently in Rush's stock at the time an order is placed by the Customer, Dealer reserves the right to change the vehicle price at any time to reflect any price increases imposed by the Manufacturer.** Dealer shall not be liable for any delay in providing or inability to provide Quoted Vehicle(s). Above listed Trade Value based upon current appraisal of Trade Vehicle(s). Dealer may adjust Trade Value of Trade Vehicle(s) to reflect changes in condition and/or mileage of Trade Vehicle(s) between date of current appraisal and acceptance of the Trade Vehicle by Customer.

(1) Includes subscription period for # of specified months. (2) Customer's use of RushCare Service is governed by the RushCare User Agreement located at https://www.rushtruckcenters.com/rushcare-user-agreement. (3) Customer's use of Telematics Services is governed by separate 3rd party license terms and Rush is not liable for the Telematic Service. (4) Gap Coverage is provided and administered by an independent 3rd party provider under a separate contract directly between Customer and the 3rd party provider.

Preview Order C999 - F6K 4x2 Reg Chas Cab DRW: Order Summary Time of Preview: 07/10/2026 14:15:45 Receipt: NA

Dealership Name: Rush Truck Center, Ceres **Sales Code :** F72919

Dealer Rep.	Carlos Perez	**Type**	Stock	**Vehicle Line**	Superduty	**Order Code**	C999
Customer Name		**Priority Code**	80	**Model Year**	2027	**Price Level**	715

DESCRIPTION	MSRP	DESCRIPTION	MSRP
F600 4X2 CHASSIS CAB DRW/193	$59730	FRONT LICENSE PLATE BRACKET	$0
193 INCH WHEELBASE	$0	PLATFORM RUNNING BOARDS	$320
OXFORD WHITE	$0	22000# GVWR PACKAGE	$0
VINYL 40/20/40 SEATS	$0	50 STATE EMISSIONS	$0
MEDIUM DARK SLATE	$0	PRO POWER ONBOARD - 400W	$225
PREFERRED EQUIPMENT PKG.680A	$0	410 AMP DUAL ALTERNATOR	$215
.XL TRIM	$0	EXTERIOR BACKUP ALARM	$280
.AIR CONDITIONING -- CFC FREE	$0	DUAL BATTERY	$0
.AM/FM STEREO MP3/CLK	$0	REAR VIEW CAMERA & PREP KIT	$515
.7.3L DEVCT NA PFI V8 ENGINE	$0	CONN PKG:1 YR INCL W/FORD APP	$0
10-SPEED AUTO TORQSHIFT	$0	SECURITY PACKAGE: 1 YR INCL	$0
245/70R19.5G BSW ALL POSITION	$0	FUEL CHARGE	$0
4.88 RATIO LIMITED SLIP AXLE	$0	PRICED DORA	$0
CV LOT MANAGEMENT	$0	DESTINATION & DELIVERY	$2795

	MSRP
TOTAL BASE AND OPTIONS	$64080
DISCOUNTS	NA
TOTAL	$64080

Customer Name:
Customer Address:

Customer Email:

Customer Phone:

Customer Signature Date

This order has not been submitted to the order bank.

This is not an invoice.

Ray Gaskin Service

QUOTE

8553 Weyand Ave.
Sacramento, CA 95828
www.raygaskinservice.com
Cell: 216-952-7060
Local: 916-701-9889
Prepared by: John Laine

DATE	7/10/2026
VALID FOR	60 Days
TERMS	UPON COMPLETION

CUSTOMER

City of Merced - Cosmo Ordunez
1776 Grogan Ave.
Merced, CA 95341
via Carlos Perez - Rush Ford - Ceres, CA

DESCRIPTION	Quantity	AMOUNT
2026 Curbtender Quantum 8YD Rear Loader - On Customer Supplied Gasoline Chassis - 108" CA	1	$ 92,485.00
Full Ejection		
Hotshift PTO and Pump		
Kickbar with Lip and Latch Kit		
4,000lb Winch		
Diamondback Model 500 Tipper Center Mounted		
Hydraulic Tank Shut-off Ball Valve		
Oil Sample Port		
Suction Strainer		
Rear Riding Steps		
Broom & Shovel Holders (Curbside)		
Cleanout Tool & Holder		
Curbtender Camera System - Single Camera (Back up) w/7" monitor		
LED Stop/Tail/Turn/Reverse Lighting		
LED Dual Hopper Works Lights		
LED Reverse Mid Body Flood Lights		
LED Rear Strobe, Single, High Profile Center Mount		
Access Door Interlock, Streetside		
10lb Fire Extinguisher		
Enviro Spill Kit (Bag)		
Drive Away Freight (Gothenburg, NE to Sacramento, CA)	1	$
PDI		
Drive Away Freight (Sacramento, CA to Ceres, CA)	1	$
Warranty: Standard 1yr Warranty on Cylinders		
Standard 1yr Warranty on Body, Arm, Hydraulics		
Paint: Body Acrylic Urethane Enamel Color - Will need to Confirm Paint Code - White		

Subtotal	$	
Taxable		
Tax rate		
Tax due	$	-
Other	$	-
TOTAL	**$**	

TERMS AND CONDITIONS

1. Does not include taxes or fees unless otherwise noted
2. Quote Valid for 30 days unless otherwise noted, **Body build time is 180 days AFTER RECIEPT OF CHASSIS**
3. Please return after signing or submit PO to confirm
4. Billing will occur when the unit leaves the factory or 15 days prior to delivery, whichever occurs first.
5. **1.5% Discount can be applied, when payment is paid NET 10**

Customer Acceptance (sign below):

x _____ **Date:**_____ **PO#**_____

Print Name:

Number of Units:	1
TOTAL	$ 113,062.25

If you have any questions about this price quote, please contact
John Laine - John@raygaskinservice.com

Docusign Envelope ID: 5F8FB7AD-F93D-4280-A0F3-EB7758A0287D

Sourcewell

Solicitation Number: RFP #032824

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Rush Truck Centers of Texas, L.P., 555 IH-35 South Ste. 500, New Braunfels, TX 78130 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Class 4-8 Chassis and Cabs with Related Equipment, Accessories, and Services from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities located in the United States that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires July 9, 2028, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

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2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, subject to the Notice of Security Interest attached hereto as Exhibit A for Participating Entities with deferred payment terms. Any warranties on any Equipment and Products sold by Rush are limited only to any printed warranty provided by the applicable manufacturer of the Equipment or Product. Supplier agrees to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Supplier warrants that all services performed by Supplier for a Participating Entity, including repair, maintenance, and installation services ("Services"), will be performed in a good and workmanlike manner in accordance with industry standards ("Services Warranty"). The Services Warranty is valid for a period of ninety (90) days from the date the Service is completed.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Equipment, Products and Services will be offered for sale to Participating Entities through Supplier and its affiliates as stated in Supplier's Proposal. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered

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Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

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4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities located in the United States that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

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B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

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1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;

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- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the

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end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, brought or alleged by unaffiliated third parties arising out of any negligent act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by the negligent act or omission of Supplier relating to the Equipment, Products, or Services provided by Supplier under this Contract. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell

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under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

   a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

   b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

   a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

   b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

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C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed

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work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:

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$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

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D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the

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procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5).

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Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

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G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring

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solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

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22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Rush Truck Centers of Texas, L.P.
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: Michael Lyons 6583FB893EBF469...
By: _____	By: _____
Jeremy Schwartz	Michael Lyons
Title: Chief Procurement Officer	Title: Associate General Counsel
Date: 7/16/2024 | 5:23 PM CDT	Date: 7/16/2024 | 4:41 PM CDT

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Exhibit A

Notice of Security Interest

Notice Regarding Security Interest and Payment of Purchase Price

1. BMO Harris Bank N.A. or Navistar Capital (collectively, "Bank") financed or will finance the acquisition of each vehicle that Rush Enterprises, Inc. and its subsidiaries ("Rush") will in turn sell to you on deferred payment terms ("Vehicle"). Bank's agreement with Rush requires that Bank's security interest in each Vehicle continue until Bank receives the full amount that Bank financed for such Vehicle. Based on that agreement, your purchase of a Vehicle will be subject to Bank's prior, unrelinquished security interest, which will continue until Bank receives the total amount that Bank financed for such Vehicle.

2. By written notice to you, Bank may require you to pay the purchase price for Vehicles directly to Bank. If you pay any portion of the purchase price for a Vehicle directly to Bank, Rush will credit such payment(s) against the amount you owe to Rush.

RFP 032824 - Class 4-8 Chassis and Cabs with Related Equipment, Accessories, and Services

Vendor Details

Company Name:	Rush Enterprises
Does your company conduct business under any other name? If yes, please state:	Rush Truck Centers of Texas, LP
Address:	555 IH 35 S. New Braunfels, Texas 78130
Contact:	Colton Kruse
Email:	krusec@rushenterprises.com
Phone:	830-302-5200 5219
HST#:	74-2786264

Submission Details

Created On:	Saturday March 23, 2024 12:59:22
Submitted On:	Thursday March 28, 2024 14:25:34
Submitted By:	Colton Kruse
Email:	krusec@rushenterprises.com
Transaction #:	2a729aea-e652-4465-b1a3-ec0fab14dedf
Submitter's IP Address:	155.190.8.4

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Rush Truck Centers of Texas, L.P.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Rush Truck Centers of Texas, L.P. (RTC Texas) is a limited partnership formed in the state of Texas. Rush Truck Centers of Texas, L.P. has two partners: Rushtex, Inc. (a Delaware corporation) is the General Partner and Rushco, Inc. (a Delaware corporation) is the Limited Partner. Rushtex, Inc. and Rushco, Inc. are wholly owned subsidiaries of Rush Enterprises, Inc. Rush Enterprises, a public company traded on NASDAQ under the symbols RUSHA and RUSHB, began operations in Texas in 1965. Rush Enterprises operates its dealer network through state-based legal entities. A separate legal entity has been established for each state in which Rush operates, each of which is a wholly-owned subsidiary of Rush Enterprises. The following is a list of affiliates of RTC Texas that will be utilized to serve Participating Dealers outside of Texas under a resulting contract: Rush Truck Centers of Alabama, Inc., Rush Truck Centers of Arizona, Inc., Rush Truck Centers of Arkansas, Inc., Rush MD Truck Centers of California, Inc., Rush Truck Centers of California, Inc., Rush Truck Centers of Colorado, Inc., Rush Truck Centers of Florida, Inc., Rush Truck Centers of Georgia, Inc., Rush Truck Centers of Idaho, Inc., Rush Truck Centers of Illinois, Inc., Rush Truck Centers of Indiana, Inc., Rush Truck Centers of Kansas, Inc., Rush Truck Centers of Kentucky, Inc., Rush Truck Centers of Missouri, Inc., Rush Truck Centers of Nevada, Inc., Rush Truck Centers of New Mexico, Inc., Rush Truck Centers of North Carolina, Inc., Rush Truck Centers of Ohio, Inc., Rush Truck Centers of Oklahoma, Inc., Rush Truck Centers of Tennessee, Inc., Rush Truck Centers of Utah, Inc., Rush Truck Centers of Virginia, Inc.	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Rush Truck Center Phoenix, Rush Truck Center, Tucson, Rush Truck Center, Lowell, Rush Truck Center, Ceres, Rush Truck Center, Fontana Medium Duty, Rush Truck Center, Los Angeles, Rush Truck Center, San Diego, Rush Truck Center, Whittier, Rush Truck Center, Denver Medium Duty, Rush Truck Center, Denver, Rush Truck Center, Jacksonville, Rush Truck Center, Orlando, Rush Truck Center, Orlando Light & Medium Duty, Rush Truck Center, Orlando North, Rush Truck Center, Orlando South, Rush Truck Center, Atlanta, Rush Truck Center, Columbus, Rush Truck Center, Doraville, Rush Truck Center, Smyrna, Rush Truck Center, Tifton, Rush Int'l Truck Center, Boise, Rush Int'l Truck Center, Twin Falls, Rush Truck Center Bloomington, Rush Truck Center, Chicago Light & Medium Duty, Rush Truck Center, Elk Grove, Rush Truck Center, Olathe, Rush Truck Center, Springfield, Rush Truck Center, Las Vegas, Rush Int'l Truckc Center, Charlotte, Rush Truck Center, Cincinnati, Rush Truck Center, Columbus, Rush Truck Center, Dayton, Rush truck Center, Oklahoma City, Rush Truck Center, Tulsa, Rush Truck Center, Memphis, Rush Truck Center, Amarillo, Rush Truck Center, Austin, Rush Truck Center, College Station, Rush Truck Center, Corpus Christi, Rush Truck Center, Dallas Light & Medium Duty, Rush Truck Center, Dallas Medium Duty, Rush Truck Center, El Paso, Rush Truck Center, Houston, Rush Truck Center, Houston Medium Duty, Rush Truck Center, Houston Northwest, Rush Truck Center, Laredo, Rush truck Center, Lubbock, Rush Truck Center, Pharr, Rush Truck Center, San Antonio, Rush Truck Center, Sealy, Rush Truck Center, Texarkana, Rush Truck Center, Waco, Rush Truck Center, Chester Other Rush locations that can support ancillary parts and service needs are: Rush Truck Center, Chicago, Rush Truck Center, Cleveland, Rush Truck Center, Colorado Springs, Rush Truck Center, Cotulla, Rush Truck Center, Dalhart, Rush Truck Center, Dallas, Rush Truck Center, Dallas South, Rush Truck Center, Effingham, Rush Truck Center, Farmington, Rush Truck Center, Flagstaff, Rush Truck Center, Fontana, Rush Truck Center, Fontana MD, Rush Truck Center, Fontana Vocational, Rush Truck Center, Ft. Worth, Rush Truck Center, Gainesville , Rush Truck Center, Gary, Rush Truck Center, Greeley, Rush Truck Center, Haines City , Rush Truck Center, Hickory, Rush Truck Center, Houston, Rush Truck Center, Houston MD, Rush Truck Center, Houston NW, Rush Truck Center, Huntley, Rush Truck Center, Idaho Falls , Rush Truck Center, Indianapolis, Rush Truck Center, Jacksonville East, Rush Truck Center, Jefferson City, Rush Truck Center, Joliet, Rush Truck Center, Jonesboro, Rush Truck Center, Joplin, Rush Truck Center, Kansas City , Rush Truck Center, Lake City, Rush Truck Center, Las Cruces, Rush Truck Center, Lewiston, Rush Truck Center, Lima, Rush Truck Center, Long Beach, Rush Truck Center, Lufkin, Rush Truck Center, Macon, Rush Truck Center, Memphis West, Rush Truck Center, Mobile, Rush Truck Center, Nashville, Rush Truck Center, North Little Rock, Rush Truck Center, Odessa, Rush Truck Center, Ogden, Rush Truck Center, Olathe, Rush Truck Center, Otay Mesa, Rush Truck Center, Phoenix East, Rush Truck Center, Pontoon Beach, Rush Truck Center, Pueblo, Rush Truck Center, Quincy, Rush Truck Center, Richmond, Rush Truck Center, Russellville, Rush Truck Center, Saint Joseph, Rush Truck Center, Salina, Rush Truck Center, Salt Lake City, Rush Truck Center, Sedalia, Truck Center, Springfield IL, Rush Truck Center, Springville, Rush Truck Center, St. George ,Rush Truck Center, St. Peters, Rush Truck Center, Sylmar, Rush Truck Center, Tampa, Rush Truck Center, Topeka, Rush Truck Center, Tyler, Rush Truck Center, Valdosta, Rush Truck Center, Ventura, Rush Truck Center, Victoria, Rush Truck Center, Victorville, Rush Truck Center, West Plains, Rush Truck Center, Wichita, Rush Truck Center, Wichita Falls, Rush Truck Center, Yuma	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	RTC Dallas Light & Medium Duty - 9L0Y5/DBT5CJKUV7S3 RTC San Antonio - 8LKV5/N19JWEGVFM79 List of CAGE Codes/UEIs for all other Rush locations with a SAM account is available on request.	*
5	Proposer Physical Address:	555 IH 35 South Ste. 500 New Braunfels, Texas 78130	*
6	Proposer website address (or addresses):	www.rushtruckcenters.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Whitt Michael Senior Director of Medium Duty Sales 555 IH-35 South Ste. 500 New Braunfels, Texas 78130 michaelw@rushenterprises.com (830) 302-5242	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Colton Kruse National Account Sales Manager 555 IH-35 South Ste. 200 New Braunfels, Texas 78130 krusec@rushenterprises.com (830) 302-5219	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	N/A	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Rush Truck Centers of Texas, L.P. (RTC Texas) is a limited partnership formed in the state of Texas. Rush Truck Centers of Texas, L.P. has two partners: Rushtex, Inc. (a Delaware corporation) is the General Partner and Rushco, Inc. (a Delaware corporation) is the Limited Partner. Rushtex, Inc. and Rushco, Inc. are wholly owned subsidiaries of Rush Enterprises, Inc. Rush Enterprises, Inc. was founded in 1965 with (1) GMC dealership in Houston, Texas. Today we are publicly traded with over (140) locations representing (8) OEMs nationwide. Across those locations Rush Truck Centers employs over 8,000 people helping us to achieve an annual revenue of $7.2B at the close of 2023. Rush Enterprises, is traded on NASDAQ under the symbols RUSHA and RUSHB. Productivity, fairness, positive attitude, excellence, and integrity are the core values that Rush Truck Centers pushes each employee to embody every day. We work to continually make sure that our sales, parts, service & admin teams have any and all tools necessary to accomplish this mission ultimately resulting in the best customer experience possible. At Rush Truck Centers, our business philosophy is to truly create a welcome atmosphere where our industry experts and can help customers purchase equipment and keep their equipment on the road. We aim to do that through top notch customer service, as well as expanding our national dealer network to add more locations to better service our customer base. We are always looking for opportunities to grow and expand.
11	What are your company's expectations in the event of an award?	If awarded, Rush Truck Centers intends to showcase the award to all of our municipal, education and not for profit customers. As our sales, parts & service teams go out and call on this business sector we will use our industry knowledge and experience to provide a single source solution option to the customer base. The capability of bringing the ease of purchase through the Sourcewell contract with the customer base while offering Rush's top tier industry experience will make this a win win for any of our clients.
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Rush Truck Centers is publicly traded on the Nasdaq, in 2023 Rush Enterprises reported $7.92B in revenue. We have attached our most recent SEC filing in the document upload section.
13	What is your US market share for the solutions that you are proposing?	The overall market share in 2023 for Rush Truck Centers was 6.2% of the Class 8 US Truck Market and 5.7% of the Class 4-7 US Truck Market.
14	What is your Canadian market share for the solutions that you are proposing?	Rush Truck Centers is not currently proposing a solution for the Canadian market.
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Rush Truck Centers is best described as a distributor/dealer/reseller for this proposal. Rush is a contracted franchisee of the specific manufacturers represented on this proposal.
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	The Rush entities listed in item 2 are licensed in each applicable state as a representative of the manufacturers presented in this proposal. In addition, we have franchise contracts in place with each of the manufacturers on this proposal.
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Does not apply.

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
19	Describe any relevant industry awards or recognition that your company has received in the past five years	Rush Truck Centers has been recognized by each of the manufacturers represented for performance and customer service levels.
20	What percentage of your sales are to the governmental sector in the past three years	Approximately 15%, market dependent.
21	What percentage of your sales are to the education sector in the past three years	Approximately 5%, market dependent.
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Buyboard both State & National & H-GAC comprise between 250-350 units per year for an annual revenue in 2023 of $39.5MM.
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Rush does not have any formal contracts in place with the GSA.

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Austin, Texas	Janet Opheim	(512) 978-2634	*
City of Euless, Texas	Kyle McAdams	(817) 685-1598	*
City of DeSoto, Texas	Wade Williams	(972) 230-5714	*
City of Cedar Hill, Texas	Kenneth Atkins	(972) 291-5126 ext. 2840	
City of Houston, Texas	Daniel Davis	(281) 740-8030	

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Provided chassis and bodied up equipment to the City of Austin.	108	$21,700,396.98	*
City of Phoenix	Government	Arizona - AZ	Provided chassis and bodied up equipment to the City of Phoenix.	86	$28,355,662.56	*
Virginia Department of Transportation	Government	Virginia - VA	Provided chassis and bodied up equipment to the Virginia Department of Transportation.	110	$18,650,715.50	*
Illinois Department of Transportation	Government	Illinois - IL	Provided chassis and bodied up equipment to the to the Illinoi Department of Transportation.	104	$14,934,920.93	*
Ohio Department of Transportation	Government	Ohio - OH	Provided chassis and bodied up equipment to the Ohio Department of Transportation.	78	$8,835,185.02	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable.

Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Rush Truck Centers has a nationwide truck sales staff of approximately 275 people who maintain direct contact with our customers. The sales team is supported by a team within each dealership that handles finance, title work, as well as other administrative duties so that the sales team can stay customer focused. Rush Truck Centers also maintains very close relationships with our vendors to provide new and used vehicles, as well as parts & service solutions to our customer base. This includes organizations like Knapheide Manufacturing, Federal Signal, Wabash, Morgan Corporation, and Reading Truck Body to name a few.	*
27	Dealer network or other distribution methods.	With over 140 locations across the nation, Rush's capability to service customers in the U.S. is unparalleled in the industry. Rush Truck Centers maintains $350MM in on hand parts inventory nationwide. This provides the ability the move parts across the nation between our locations as needed. Beyond that, being a Hino, Dennis Eagle, Ford & Isuzu franchised dealer we also have the ability to utilize the overall OEM dealer network for warranty repairs & service should occasion call for it.	*
28	Service force.	Rush Truck Centers alone currently has over 1,400 technicians nationwide and over 350 outside parts and service personnel that actively work to keep our customer's equipment on the road. At Rush we work tirelessly to make sure that our technicians/service teams have the most up to date training, equipment, and tooling in an effort to minimize customer down time. Outside of the Rush dealer network, we also maintain very close relationships with our OEMs to make sure that our customers can be serviced anywhere in the nation.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Rush Truck Centers believes in a boots on the ground approach. We task our sales, parts & service teams to actively call on customers to understand their business and to provide solutions for the issues that they have. When a member of the sales team gains an opportunity to quote a Sourcewell member, the local salesperson will gather all of the details, and build a spec that will best work for the customer based on the customer's needs. If there is a need for a body or upfit, Rush will engage our partners to facilitate the request or work with the customer's requested upfitter. From there the local representative will work with our corporate team to build a Sourcewell compliant quote for the customer. Once approved for purchase and a P.O. is received, Rush will process the P.O. immediately and will work to get the unit/part or service requested delivered as quickly as possible.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Rush Truck Centers prides itself in being timely. Our sales, parts and service teams will work to get quotes back from vendors and make sure that the customer has the final numbers as quickly as possible. We utilize our preferred vendor partnerships to maintain the shortest lead times possible for both quotes and deliveries. During the purchasing process our sales, parts and service teams will work to keep the customer informed of unit's status as it moves through the various stages of completion prior to delivery. Using our customer first philosophy we strive to provide the best customer service in the industry.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Rush Truck Centers is prepared to offer products and services nationwide. We have a national account presence with several large fleets that operate equipment across the United States. Rush Truck Centers intends to use that same business model to service Sourcewell clients regardless of their geographical location in the United States. Primarily utilizing the more than 2,000 sales, parts and service personnel that are employed by Rush Truck Centers nationwide.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	At this time, we are not prepared to expand these proposed solutions into Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Rush is uniquely positioned to service all government, education, and not for profit customers in the United States. Each customer will be taken care of by one of our industry experts depending on their geographic location and need.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Except for the Federal government, as discussed below, Rush Truck Centers is willing to serve all participating entity sectors. As we currently hold Buyboard & H-GAC contracts, we do not have any type of exclusivity agreement in place. Rush's presence is national, and our goal is to serve every customer possible in the United States. Being awarded the Sourcewell contract would open another avenue for Rush Truck Centers to do just that. Regarding the Federal government, our ability to serve Federal agencies will be determined by Rush on a case-by-case as there may be certain Federal requirements that Rush or its suppliers cannot meet.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Logistical/Transportation cost will be a limiting factor. As equipment is moved to ports, there are loading fees, freight costs, and other logistical expenses that would be incurred to deliver units to Alaska, Hawaii and other U.S. Territories. These costs would of course need to be factored into sales price of the vehicle during the quote process.	*

Table 7: Marketing Plan

Line Item	Question	Response *
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Our marketing strategy is multifaceted. We rely heavily on digital marketing through our website, e-blast, social media platforms to reach our customer base. While also using more traditional forms of marketing such as mailers, print adds in magazines, NASCAR sponsorships, even wrapping our mobile trucks as well as many other media to ensure we are reaching as many prospects as possible. This broad-spectrum approach is ultimately anchored by our most important asset, our people, that ensure that the personal touch and support remain in the sales process with our customers while delivering the message of the capabilities that Rush Truck Centers has to offer. We have found that through this process we reach a relatively broad demographic of clientele creating a well-diversified portfolio of customers.
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Rush Truck Centers uses a host of social media platforms to reach new/prospective clients. Platforms such as LinkedIn, Facebook, and others allow us to both reach out to customers directly via direct message as well as through broader marketing strategies such as government/educational/not for profit specific posts. We also monitor comments and messages on these platforms to either facilitate requests or respond to questions that clients may have. The goal of our marketing campaigns is to maximize click through. Rush has found that offering a more targeted marketing approach offers the best results where even our e-blasts are tailored to the business segment we serve. This approach ensures that our message is relevant to the specific clients that we are targeting.
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell is a very well known purchasing cooperative entity and is trusted by many of the municipal and not for profit organizations in the U.S.. If awarded, Rush intends to showcase the award to all of our clients through email campaigns, trade shows, in person meetings, as well as through our vendor relationships. In short, Sourcewell's members trust the cooperative and are loyal. Rush aims to build upon the brand recognition Sourcewell brings through communication with our industry experts, highlighting our complete offering of service capabilities. Allowing Sourcewell members to work with our industry experts for their fleet needs, while offering customers the flexibility of purchasing through a cooperative contract. Rush Enterprises goal if awarded is to combined Sourcewell (one of the largest purchasing cooperative in the nation) with the largest commercial truck dealer group in the nation to provide single source solutions to as many government, education and not for profit entities as possible.
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Due to the variance in specifications in the vehicles that we provide, Rush prefers each client request be handled by one of our industry experts to ensure the right product is provided for the application. This approach allows Rush to have more interaction with the customer to offer solutions that they may not know is available to them. Our sales teams are trained to be solution minded and to make sure we offer customers all potential solutions that we feel may help their business, this is best accomplished with personal interaction. In support of this customer base, we do offer an ecommerce solution to sourcing parts and receiving service from our locations aross the United States. This customer-based solutions allows for comprehensive parts pricing, sourcing, and research. In addition we offer an extensive service incident management platform for managing vehicles that are being serviced and repaired in our dealerships. Real-time status updates, estimate review and approval, and historical repair reference are just some of the features of this platform that are available to Sourcewell members to assist with their fleet management.

Table 8: Value-Added Attributes

Line Item	Question	Response *
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Rush works closely with our original equipment manufacturers as well as body upfitters and vendors to provide a comprehensive training strategy for vehicles and equipment provided. These programs are tailored to meet the specific needs of the Sourcewell member and will be developed as requested. Any associated costs for this training will be discussed upfront after maximizing support from all involved.
41	Describe any technological advances that your proposed products or services offer.	Working in concert with our represented OEM's in advancing fleet management technologies, Rush Truck Centers works to simplify the application of these technologies for the Sourcewell member. Through the development of our RushCare system, we offer real-time communication platforms that are often communicating with the technologies incorporated in the equipment provided. Monitored by our 24/7 call center, we aid customers in predictive incident and preventative maintenance of their fleets. Through our dedicated telematics division, Rush remains on the forefront of new and emerging technologies ensuring maximum uptime for our customers and solutions for their fleet needs.
42	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Being a leader in emerging technologies, Rush again led the industry in the adoption of alternate-fuel vehicles and environmentally-focused dealer operations. This was evident of the early development of it's own CNG fuel systems, incorporating them into the vehicles provided to simarly-minded customers. It continues with the dedication to the electric initiatives in support of the adoption of these vehicles in the market by providing battery charging stations at our facilities, supported by solar panel based energy storage and delivery systems. In fact, the dedication to this initiative is evident by operating electric vehicles in our own delivery fleet. Our commitment to these environmental-based technologies will remain a focus and will continue to expand as more opportunities arise.
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Ratings and certifications for the products included in the proposal are typically attained and managed at the original equipment manufacturer level. As a distributor that represents these manufacturers, we fully support the initiatives set forth to accomplish and maintain these sustainability recognitions.
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or HUB partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Rush Truck Centers does not hold any of these certifications.
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Being the largest commercial truck dealer group in the nation, Rush Truck Centers offers an expansive sales, parts, service and administrative team that offers top tier customer service. We pride ourselves on being a dedicated commercial dealer group that has extensive knowledge of commercial vehicle capabilities along with the industry expertise that our body/upfit partners provide. Clients will have a wealth of industry knowledge at their disposal while working with our expert teams.

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure.

You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	All product warranty coverages in reference to this proposal are provided to the end user by the original equipment manufacturer or upfitter. We have attached copies of the standard warranty coverage for each OEM that we are offering on this proposal.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Each OEM warranty has different usage restrictions and limitations. We have attached the standard warranty coverage for each of the manufacturers we are offering on this proposal.	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Case dependent; typically the warranty coverage offered by the OEM does not include travel or mileage if mobile service is requested. Any associated costs with these services will be presented prior to any services being performed. In terms of towing, some OEMs will cover the expense of a tow into the closest factory certified warranty facility if the unit is undrivable.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Any potential geographic restrictions will be discussed with the client at the time of quote to ensure that the vehicle can be properly serviced and maintained for the Sourcewell member. We will work to spec equipment that maximizes operating capability, but also maximizes access to service support for the client whether through the OEM network or our network of Rush Enterprises locations.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranty coverage is passed on from the OEM.	*
51	What are your proposed exchange and return programs and policies?	Rush Truck Centers does not offer an exchange or return policy.	*
52	Describe any service contract options for the items included in your proposal.	Extended service contracts are offered through OE programs as well as from Rush through our third-party partners. However, these extended service contracts are somewhat customizable and need to be discussed, quoted and evaluated with each client on a case-by-case basis.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Rush Truck Centers does offer NET30 terms from the date of delivery (upon credit risk approval by the Rush credit team).	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	Rush Enterprises does offer municipal leasing and financing options through our third-party lending partners. At the time the vehicle is quoted we will gladly review these options with Sourcewell members to find the best option for them. Any leasing or financing terms would be agreed to separately by the customer and the leasing/financing company.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Rush Truck Centers requires a Retail Sales Order, Delivery Receipt, and a CARB Attestation form. The State of Attestation/Domicile form is required by Rush to be signed by the customer to make sure that non-California compliant trucks ultimately won't registered or primarily operated in the State of California due to new CARB, ACT, ACF, and Low Nox Omnibus regulations. Other forms may include warranty start forms depending on the OEM.	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Rush Truck Centers does except P-cards for payment on parts and service without a credit card processing fee.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Rush Truck Centers will offer a discount off of List/MSRP for 3 of the 4 OEMs included in this proposal, the OEM that will not show a discount off of pricing is Dennis Eagle which does not have a List Price or MSRP. In the case of Dennis Eagle, the pricing shown is the Sourcwell member's price before any volume discounts are applied. Please note this is for the chassis only as any upfit that is requested or needed will need to be added to the quote to provide a complete price for the customer.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Rush Truck Centers is prepared to offer the following minimum discount range off of List/MSRP per OEM: Ford Motor Company: 1.50% to 7.00% Hino: 10% to 15% Isuzu: 10% to 15%" Dennis Eagle: 0% as Dennis Eagle does not have a List/MSRP	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	Any Sourcewell member looking to purchase 10 or more units, please contact us for additional price concession.	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Products or Goods sourced through open market channels will be quoted with additional markup not to exceed 15% of the MSRP of the goods Products or Goods quoted to Rush Truck Centers.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	From a chassis perspective we have included all applicable charges in our attached pricing list. If there is a specific need, training or special installation we will include that with the upfit portion of the quote to the Sourcwell members.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Some of the OEMs allow for courtesy delivery by other dealers in the OEM dealer network to minimize any additional freight cost. If this resource is available through the specific OEM quoted, or if the equipment quoted doesn't require any upfit and we're able to ship directly to the end user from the factory we will certainly do so. However, if the unit requires additional equipment to be added or an upfit prior to delivery then there will be freight cost incurred to move the unit from the body company to the dealership or its final destination.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Shipping to Alaska, Hawaii, Canada and other off shore entities present several logistical hurdles that will require additional expense such as port fees, loading fees, etc.. These additional expenses will be listed out on the customer's quote for their review.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	In addition to working with the franchised dealer network of the represented OEMs, Rush will utilize its extensive network of dealerships to optimize delivery to the Sourcewell member while minimizing associated costs.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	Rush Truck Centers is offering Sourcewell pricing that is more aggressive than we've priced on other cooperative contracts.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Rush Truck Centers has a strict self-audit process in place to help ensure compliance to not only company policy and procedures, but also to requirements of contracts with our customer base. This oversight is provided by our internal audit staff in our accounting department as well as auditors from our Ethics and Compliance division based at corporate headquarters. The Rush Sales Operations group will also help ensure compliance with the business requirements of the contract in place as well as providing reporting based on the terms requested in the contract.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	This Sales Operation Team will track the performance of the contract in place. While using a broad distribution model to approach this opportunity, the management of the contract will be handled centrally by the responsible representative assigned to the contract with senior leadership oversight. Extensive reporting tools are in place to assist with this management.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See the RFP and template Contract for additional details.)	Rush is prepared to offer a per unit fee of: $400.00 for all units class 3-5 $750.00 for all units class 6-8	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Proposers submitting a proposal in Category 1 as defined herein will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. For example, if a Proposer offers chassis and cabs with Internal Combustion Engines (ICE) as well as chassis and cabs with electric propulsion systems the Proposer should designate it is seeking an award in Category 1 **only**. Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems **only**.

Line Item	Category Selection *	
69	Category 1: All engines, fuel, and propulsion type chassis and cabs	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Rush Truck Centers is offering (4) OEMs on this proposal comprising of (39) individual models with even more specific order codes under each model. We are also offering a range of upfit options from spray in bed liners and toolboxes to service bodies, refuse equipment and sewer inspection equipment. To provide a complete solution to meet the customer's needs Rush Enterprises will work with our extensive list of vendors and even work with vendors specifically requested by the Sourcewell member (once approved by Rush Truck Centers risk team).	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Our subcategories will be broken down by Make, Model, and trim level (where applicable).	
72	Describe any manufacturing processes or materials utilized that contribute to chassis strength, cab strength, overall durability, driver safety.	Rush Truck Centers has the utmost confidence in the manufacturers we represent to produce the highest quality products available on the market.	
73	Describe any differentiating serviceability attributes (remote diagnostics, etc.) your proposal offers.	As detailed above, Rush Truck Centers offers a unique business case to Sourcewell members. Its network and forward-looking approach to solutions technologies positions Rush to offer products and services at a customizable-level to meet any transportation need proposed. Between the tools developed and available to the Sourcewell member base and the team of experts assembled to provide the solutions, Rush is a differentiator in the industry. Whether it be the widely available, pre-upfitted quick delivery inventory of vehicles, extensive and diverse parts inventory, or available service bays at our state-of-the-art facilities supported by a fleet of 600+ mobile service technicians, Rush Truck Centers is prepared to offer solutions to Sourcewell members.	

Table 15: Category 1 - Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Proposers submitting a proposal in Category 1 will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. See RFP Section II. B. 1 for details.

☐ We will not be submitting for Table 15: Category 1 - Depth and Breadth of Offered Equipment Products and Services

Line Item	Category or Type	Offered *	Chassis Type (ICE and/or BEV)	Comments	
74	Class 4 chassis	◉ Yes ○ No	Internal Combustion Engine fuel types (ICE)	The OEMs Rush is offering currently only offer ICE solutions for the class 4 space.	*
75	Class 5 chassis	◉ Yes ○ No	Both Chassis Types (ICE and BEV)	None of the OEMs Rush is offering currently offer BEV solutions for the class 5 space. However, Isuzu is releasing a BEV class 5 that is projected to be available in 2025. We are looking to offer that product once pricing is published and able to be ordered.	*
76	Class 6 chassis	◉ Yes ○ No	Internal Combustion Engine fuel types (ICE)	None of the OEMs Rush is offering currently offer BEV solutions for the class 6 space. Although Hino is projecting to announce a class 7 BEV in 2025 at which time we will work with Sourcwell to have the product added to the contract.	*
77	Class 7 chassis	◉ Yes ○ No	Internal Combustion Engine fuel types (ICE)	None of the OEMs Rush is offering currently offer BEV solutions for the class 7 space. Although Hino is projecting to announce a class 7 BEV in 2025 at which time we will work with Sourcwell to have the product added to the contract.	*
78	Class 8 chassis	◉ Yes ○ No	Internal Combustion Engine fuel types (ICE)	None of the OEMs Rush is offering on this proposal offer BEV solutions for the class 8 space.	*
79	Related equipment, accessories, parts, upfitting, services, used chassis and Class 3 chassis	◉ Yes ○ No	Both Chassis Types (ICE and BEV)	Through Ford Rush is offering both ICE & BEV on the Transit T-250 & T-350 in the class 3 space. The Super Duty line, more specifically F-250 & F-350 are offered as ICE only.	

Table 16: Category 2 - Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems **only**. See RFP Section II. B. 1 for details.

☐ We will not be submitting for Table 16: Category 2 - Depth and Breadth of Offered Equipment Products and Services

Line Item	Category or Type	Offered *	Comments
80	Battery Electric Vehicle (BEV) Class 4 Chassis	○ Yes ◉ No	Rush Truck Centers is not offering an OEM that has a BEV vehicle for the class 4 space.
81	Battery Electric Vehicle (BEV) Class 5 Chassis	◉ Yes ○ No	Isuzu is looking to offer a BEV class 5 unit towards the end of 2024/beginning of 2025. Although pricing isn t currently available, once made available to Rush Truck Centers, we intend to work with Sourcwell to have this model added to the contract.
82	Battery Electric Vehicle (BEV) Class 6 Chassis	○ Yes ◉ No	Rush Truck Centers is not offering an OEM that has a BEV vehicle for the class 6 space on.
83	Battery Electric Vehicle (BEV) Class 7 Chassis	○ Yes ◉ No	Rush Truck Centers is not offering an OEM that has a BEV vehicle for the class 7 space.
84	Battery Electric Vehicle (BEV) Class 8 Chassis	○ Yes ◉ No	Rush Truck Centers is not offering an OEM that has a BEV vehicle for the class 8 space.
85	Related equipment, accessories, parts, upfitting, services, used chassis and Class 3 chassis	◉ Yes ○ No	Rush Truck Centers is offering the Ford E-Transit line which we are offering on this proposal.

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - MSRP Pricing.zip - Thursday March 28, 2024 13:53:27
- Financial Strength and Stability - 2023 10-K Final.pdf - Tuesday March 26, 2024 10:49:33
- Marketing Plan/Samples (optional)
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - Exhibit C - Rush Limited Warranty.pdf - Thursday March 28, 2024 12:41:37
- Standard Transaction Document Samples - Sourcewell Docs Example.pdf - Thursday March 28, 2024 14:24:57
- Requested Exceptions - RFP_033824_Class_4-8_Chassis_&_Cabs_Contract_Template_Rush revisions.docx - Tuesday March 26, 2024 11:39:46
- Upload Additional Document - Additional Documents.zip - Thursday March 28, 2024 12:40:50

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;
    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or
    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Whitt Michael, Senior of Medium Duty Sales, Rush Truck Centers of Texas, LP

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_7_Class 4-8 Chassis and Cabs _RFP_032824 Thu March 21 2024 08:45 AM	☑	1
Addendum_6_Class 4-8 Chassis and Cabs _RFP_032824 Wed March 20 2024 12:36 PM	☑	3
Addendum_5_Class 4-8 Chassis and Cabs _RFP_032824 Mon March 18 2024 12:01 PM	☑	1
Addendum_4_Class 4-8 Chassis and Cabs _RFP_032824 Wed March 6 2024 09:38 AM	☑	1
Addendum_3_Class 4-8 Chassis and Cabs _RFP_032824 Wed February 21 2024 04:08 PM	☑	2
Addendum_2_Class 4-8 Chassis and Cabs _RFP_032824 Wed February 14 2024 04:12 PM	☑	1
Addendum_1_Class 4-8 Chassis and Cabs _RFP_032824 Thu February 8 2024 04:24 PM	☑	1

Rush Trucks #032824-RTG

Pricing for contract #032824-RTG offers Sourcewell participating agencies the following discounts:

- Ford Motor Company: 1.5% - 7% discount off MSRP
- Hino: 10% - 15% discount off MSRP
- Isuzu: 10% - 15% discount off MSRP
- In addition, a volume discount may be considered when purchasing 10 or more units

Certificate of Membership

This certificate entitles you to purchase from competitively solicited contracts. You will save time and money by using Sourcewell contracts, while buying the quality products you want from nationally recognized vendors.

Together, we are Sourcewell.

Our membership team is ready to help you every step of the way. Contact us for more information.

Sourcewell
Sourcewell-mn.gov
membership@sourcewell-mn.gov
877-585-9706

City of Merced

Member # 2325

Dr. Chad Coauette, PhD, Executive Director/CEO

ADMINISTRATIVE REPORT

File #: 26-643 Meeting Date: 8/3/2026

Report Prepared by: Cosmo Ordunez, Public Works Manager-Internal Services

SUBJECT: Approval to Purchase One (1) 2027 PBLDB-10 Dump Truck for $234,269.98 for the Street Division as a New Acquisition from PB Loader, and One (1) MDD5-6 Dump Truck for $178,795.55 for the Wastewater Treatment Plant to Replace E-1179, with all Necessary Attachment Equipment, from Altec Industries, Inc

REPORT IN BRIEF

Considers approving the purchase of one (1) 2027 PBLDB-10 Dump Truck for $234,269.98, and one (1) MDD5-6 Dump Truck for $178,795.55 utilizing the cost savings government procurement program (Sourcewell). This purchase was included in the FY 26/27 adopted budget as a vehicle replacement for the Street Division.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one (1) 2027 PBLDB-10 Dump Truck for $234,269.98 from PB Loader, through Sourcewell Contract # 050625-PBL, and one (1) MDD5-6 Dump Truck for $178,795.55 from Altec Industries, Inc., through Sourcewell Altec Industries, Inc. Contract # 110421-ALT; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order and approval of change orders not to exceed 10% of the total purchase price.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY
Municipal Code Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES
As provided for in the FY 26/27Adopted Budget.

DISCUSSION
History

Sourcewell offers an equipment/vehicle purchase program to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City is able to purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Over the last several years, the City has purchased a variety of equipment not provided by local vendors including, street sweepers, leaf trucks, fire trucks, refuse trucks, etc. through the Sourcewell government procurement program with great success.

The Public Works Department is requesting authorization to purchase two dump trucks through the Sourcewell cooperative purchasing contract with Altec Industries, Inc. The proposed purchase includes one (1) 2027 PBLDB-10 Dump Truck for the Street Division and one (1) MDD5-6 Dump Truck for the Wastewater Treatment Plant.

The Street Division's responsibilities continue to grow as the City expands and infrastructure ages. Staff is responsible for maintaining and repairing streets, sidewalks, curb and gutter, storm drainage, systems, traffic control devices, signs, and other public right-of-way infrastructure throughout the City. Dump Trucks are essential pieces of equipment used daily to transport asphalt, aggregate, soil, concrete, debris, and other materials required for maintenance and repair activities. Adding an additional dump truck to the Street Division fleet will improve operational efficiency by allowing multiple crews to work simultaneously, reducing delays caused by equipment availability, and increasing the Division's ability to respond to routine maintenance needs, emergency repairs, and storm-related events. The additional vehicle will enhance productivity, support timely completion of work orders, and help the Division meet its objective of maintaining safe and reliable streets and public infrastructure for the community.

The proposed purchase also includes replacing an 18-year-old dump truck, E-1179, currently assigned to the Wastewater Treatment Plant. The dump truck is a critical asset used to transport soil, gravel, construction materials, biosolids, and other equipment necessary to maintain and repair treatment plant facilities and supporting infrastructure. Replacing this aging vehicle will improve reliability, reduce maintenance costs and service interruptions, increase employee safety through modern equipment and safety features, and ensure Wastewater Treatment Plant staff have dependable equipment to efficiently perform essential maintenance and operational activities.

Both vehicles were included in the FY 26/27 adopted budget. In addition to improving operational reliability and efficiency, the new dump trucks will comply with current California Air Resources Board (CARB) emission standards, supporting the City's efforts to maintain a cleaner and more sustainable fleet.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities.

Staff requests waiving the bidding requirements in order to standardize equipment and utilize the government pricing contract.

IMPACT ON CITY RESOURCES

The vehicles were approved in the FY 26/27 adopted budget in Fund 7006-Fleet Replacement Fund to replace E-1179 for the Wastewater Treatment Plant dump truck, and Measure C-Roads funded the acquisition of the Street Division's new dump truck. No additional appropriation of funds is needed.

ATTACHMENT

1. PB Loader Quote
2. Altec Industrial, Inc., MDD7 Quote
3. Altec Sourcewell Contract Extension
4. Altec Sourcewell Pricing
5. Altec Industrial, Inc., Sourcewell Contract Information
6. PB Loader Sourcewell Contract Information
7. PB Loader Sourcewell Pricing

Sourcewell

QUOTATION
NO. 13236 R1

CUSTOMER: CITY OF MERCED

SOURCEWELL MEMBER ID # 2325

SUBJECT: 15FT 12-14 CUBIC YARD DUMP TRUCK

DATE: 7/22/2025
TERMS: NET 30
F.O.B: MERCED
MFG PRODUCT: SEE BELOW
INSTALL: SEE BELOW

QTY	PART NO.	DESCRIPTION	PRICE	EXTENSION
		PB LOADER SOURCEWELL CONTRACT NO. 050625-PBL - LISTED PRICES		
		DUMP BODY & ACCESSORIES		
1	PBLDB-10	PB LOADER SUPPORT BODY, 15 FT 12-14 YARD, HPT53-130 CLASS 80 NTEA HOIST, 3/16" STEEL FLOOR AND TAILGATE, 10 GAUGE STEEL BALANCE, 38" SIDES, 56" FRONT AND 46" REAR, 12" SPREADER APRON, 1/4 CABSHIELD, LED LIGHTS, WIRING HARNESS & BACKUP ALARM, PUMP, CONTROLS, TANK, VALVE, MUD FLAPS, STEEL MUDGUARDS, HOT SHIFT PTO, AIR TAILGATE, PAINT BLACK, INSTALLATION		$45,679.00
		BODY ACCESSORIES:		
1	2014-00	SIDE BOARDS WOOD W/ LINSEED OIL		$1,037.00
1	7660-00	PULL TARP ELECTRIC - VINYL FOR ASPHALT W/ ROPE HOOKS		$5,489.00
2	2001-10	STAINLESS-STEEL SPRING ASPHALT LUTE HOLDER - ONE MOUNTED ON EACH SIDE OF BODY, WITH LUTE STORED HORIZONTALLY NEAR	$187.00	$374.00
1	7000-24	TOOL BOX 24" - MOUNTED PASSENGER SIDE IN FRONT OF REAR WHEELS		$1,158.00
1	8200-00	HITCH PLATE W/ D-RINGS W/ 7 -WIRE SOCKET		$1,725.00
1	7050-40	45 TON PINTLE (PREMIER 270A) W/ AIR CHAMBER - MOUNTED AT 28" FROM GROUND		$1,167.00
		WARNING LIGHTS & SAFETY ACCESSORIES:		
2	695-2MC	WHELEN LED MICRONS MCRNSA (SET OF TWO) - MOUNTED IN GRIILLE, ONE SET HIGH ONE SET LOW	$1,700.00	$3,400.00
2	695-063	BEACON - WHELEN L31HAF LED - MOUNTED ON EACH CORNER OF CAB SHIELD	$1,534.00	$3,068.00
2	695-064	STROBE BRANCH GUARD	$270.00	$540.00
2	695-910	STROBE SWIVEL BRACKET	$267.00	$534.00
1	7999-10	FIRE EXTINGUISHER 5# - SHIPPED LOOSE IN CAB		$333.00
		SUB-TOTAL OF LISTED ITEMS:		$64,171.00
		10% SOURCEWELLMEMBER DISCOUNT:		($6,418.00)
		SUB-TOTAL W/ DISCOUNT:		$57,753.00
		MARKET PRICE ITEMS		
1		UPGRADE ABOVE BODY TO INCLUDE: - FLOOR, SIDES, REAR, AND FRONT UPGRADED TO 1/4" AR450 - 1/2 CAB SHIELD (ILO 1/4) - ONE (1) PULL-DOWN STYLE DITCH GATE IN CENTER OF TAILGATE WITH EXTENSION HANDLE ON STORAGE PEG REAR DRIVER SIDE OF BODY - ONE (1) HORIZONTAL SIDE BRACE EACH SIDE OF BODY - ONE (1) PULL-OUT LADDER UNDER FRONT PASSENGER SIDE OF BODY WITH TWO VERTICAL GRAB HANDLES AND TWO (2) STEPS ABOVE LADDER ON BODY - HOOKS PROVIDED TO SECURE MUD FLAPS UP WHILE DUMPING - TWO (2) WHELEN 900 SERIES AMBER STROBES WITH CHROME FLANGE MOUNTED ON TOP OF TAILGATE FACING REAR - PAINT BODY WHITE - MATCHING CHASSIS CAB		$7,003.00
		MARKET PRICE CHASSIS		
1		NEW 2027 FREIGHTLINER M2 106 SET BACK AXLE CONVENTIONAL CHASSIS COMPLETE WITH CUMMINS L9 330HP @ 2200 RPM DIESEL ENGINE, ALLISON 3500 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION, DASH MOUNTED PTO SWITCH, FOUR (4) SETS OF KEYS, 80 GAL. ALUMINUM FUEL TANK, TANDEM REAR AXLE WITH HENDRICKSON HAULMAAX @40,000# REAR SUSPENSION, 18,000# TAPERLEAF FRONT SUSPENSION, MAXION STEEL DISC WHEELS, CAB PAINTED WHITE		$150,274.00
		TOTAL:		$215,030.00
		SALES TAX (8.25%):		$17,739.98
		FREIGHT:		$1,500.00
		TOTAL WITH FREIGHT:		$234,269.98

NOTES:
1. ALL WARNING LIGHTS WIRED TO UPFITTER SWITCH IN CAB.

2. NON-LISTED ADDITIONS AND UPGRADES ARE NOT LISTED ON PB LOADER'S CONTRACT. PRICES FOR THESE ITEMS ARE NET PRICE AT BEST MARKET VALUE.

3. CHASSIS PRICE SUBJECT TO MODEL YEAR SURCHARGES AND ESCALATORS.

4. LEAD TIME DETERMINED AT TIME OF ORDER.

Delivery times are approximate.

Altec Industries, Inc.

Quote Number:	2053401
Opportunity Number:	26206196
Sourcewell Contract #:	110421-ALT
Date:	6/25/2026

Customer Contact: City of Merced
Altec Account Manager: Kyle Brunson

REFERENCE ALTEC MODEL		Sourcewell Price
WORK-DUMP	MDD7 with 10 Foot Dump Bed sourced by Altec Work Truck	$156,123.23

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1			
2			
3			
4			

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
		SOURCEWELL OPTIONS TOTAL:	$0

(B.) **OPEN MARKET ITEMS** *(Customer Requested)*

1	UNIT		$0
2	UNIT & HYDRAULIC ACC		$0
3	BODY	10 Foot Fixed Side Dump Body	$0
4	BODY & CHASSIS ACC		$0
5	ELECTRICAL		$0
6	FINISHING		$0
7	CHASSIS	2027 Freightliner M2-106	$0
8	OTHER		$0
		OPEN MARKET OPTIONS TOTAL:	$0

SUB-TOTAL FOR UNIT/BODY/CHASSIS:	**$156,123.23**
Delivery to Customer:	**$9,220.77**
Tax	**$12,892.55**
CA Doc/Admin/Tire Fees:	**$559.00**
Total Price	**$178,795.55**

Pricing valid for 45 days

NOTES

PRICING: Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are considered budgetary due to potential cost inflation, market volatility, and tariff implications. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model years beyond the current open order bank are estimates only. Altec's turn-key pricing is subject to change based on chassis pricing received from the OEM. Chassis model year, specifications, and price will be reviewed and confirmed when specific model year information becomes available from the OEM, and any chassis price difference, including adjustments for tariffs, will be passed through to the customer.

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer. Altec extended warranties are available, please contact your local Altec Account Manger for information

TO ORDER: To order, please contact the Altec Account Manager listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: TBD Based on availability, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Please ask your Altec Account Manager for more information

Sourcewell

CONTRACT EXTENSION

Contract Number: 110421-ALT

Sourcewell 202 12th Street Northeast P.O. Box 219 Staples, MN 56479 (Sourcewell)	and	Altec Industries 210 Inverness Center Dr Birmingham, Alabama (Vendor) 35242-4834

have entered into Contract Number: 110421-ALT
for the procurement of: Public Utility Equipment with Related Accessories and Supplies

The Contract has an expiration date of 2025-12-27 , but the parties may extend the Contract by mutual consent.

Sourcewell and Vendor acknowledge that extending the Contract benefits the Vendor, Sourcewell and Sourcewell's Members. Vendor and Sourcewell agree to extend the Contract listed above for an additional period, with a new Contract expiration date of 2026-12-27 . All other terms and conditions of the Contract remain in full force and effect.

Sourcewell

Signed by:
Jeremy Schwartz
C0ED2A139D08489...
Authorized Signature

Jeremy Schwartz
Name

Chief Operating and Procurement Officer
Title

8/19/2025 | 6:34 AM CDT
Date

DocuSigned by:
Brooklyn Russell
1F0625CF2D724D8...
Authorized Signature

Brooklyn Russell
Name

- Contract Specialist
Title

8/21/2025 | 11:57 AM PDT
Date

Altec #110421-ALT

Pricing for contract #110421-ALT offers Sourcewell participating agencies the following discounts:

- Up to a 5% discount off list price
- Up to a 28.6% discount off the typical seller's fee on items purchased through JJ Kane Auctioneers (an Altec Company)

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Sourcewell

Solicitation Number: RFP #110421

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Altec Industries, Inc., 210 Inverness Center Drive, Birmingham, AL 35242 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Public Utility Equipment with Related Accessories and Supplies from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires December 27, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.

C. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

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Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

Except as expressly agreed in the participating addendum or transaction document with the participating entity, all Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all new Equipment, Products, and Services furnished (which does not include equipment or products that are solely financed) are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

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A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

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- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized

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subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions for the direct purchase of new equipment or products must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

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7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and

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Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

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C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any negligent act or omission or willful misconduct in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use thetrademark(s) provided to Supplier by Sourcewell in advertising and

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promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

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D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

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1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

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3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or

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"work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

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21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

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C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

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of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

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and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

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T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...

By: _____
Jeremy Schwartz
Title: Chief Procurement Officer
1/12/2022 | 12:44 PM CST
Date: _____

Altec Industries, Inc.

DocuSigned by:
Riley Browne
DDB79E9FF5034DA...

By: _____
Riley Browne
Title: Contract Specialist
1/12/2022 | 1:03 PM CST
Date: _____

Approved:

DocuSigned by:
Chad Coauette
7E42B8F817A64CC...

By: _____
Chad Coauette
Title: Executive Director/CEO
1/12/2022 | 1:06 PM CST
Date: _____

RFP 110421 - Public Utility Equipment with Related Accessories and Supplies

Vendor Details

Company Name:	Altec Industries, Inc.
Does your company conduct business under any other name? If yes, please state:	Global Rental Co Inc, JJ Kane Auctioneers, Altec Capital, Altec Supply, Altec Sentry, Altec Service
Address:	33 Inverness Center Pkw Birmingham, AL 35242
Contact:	Riley Browne
Email:	riley.browne@altec.com
Phone:	205-408-2341
HST#:	

Submission Details

Created On:	Thursday September 16, 2021 15:53:03
Submitted On:	Thursday November 04, 2021 12:46:34
Submitted By:	Riley Browne
Email:	riley.browne@altec.com
Transaction #:	d9f5703c-9b11-4637-9a77-a68682d8b3ec
Submitter's IP Address:	209.149.164.250

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Altec Industries, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Altec Capital Services Altec Service JJ Kane Auctioneers Altec NUECO Altec Supply Altec Sentry	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Altec Industries, Inc. Altec Capital Services Altec Service JJ Kane Auctioneers Altec NUECO Altec Supply Altec Sentry	*
4	Proposer Physical Address:	Altec Industries, Inc 210 Inverness Center Drive Birmingham, AL 35242	*
5	Proposer website address (or addresses):	www.altec.com https://www.jjkane.com/ https://www.altec.com/altec-capital/ https://www.altec.com/service/ https://connect.altec.com/store http://www.altec.com/altec-nueco https://www.altec.com/safety/ https://www.altec.com/altec-parts/	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Riley Browne Contract Specialist riley.browne@altec.com 205-408-2341	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Riley Browne Contract Specialist riley.browne@altec.com 205-408-2341	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Breanna Kinman Contract Specialist breanna.kinman@altec.com 816-236-1296	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Altec is a leading provider of products and services to the public utility, electric utility, telecommunications, tree care, lights and signs, and contractor markets. Altec Inc. is the holding company for Altec Industries, Inc. which holds Global Rental, Altec NUECO, JJ Kane Auctioneers, Altec Worldwide, Altec Capital, Altec Supply, Altec Ventures, LLC, Altec Spray Equipment, and Altec Air. We deliver products and services in more than 100 countries throughout the world. Since 1929, Altec has been a company committed to excellence in the Public Utility Equipment industry. Our products are the industry leaders and consistently raise the bar through innovative product design, integrated safety features, and continued dedication to total customer satisfaction. Altec continues to pursue a singular business philosophy: To be recognized by customers as the preferred supplier of products, services and solutions in all markets we serve. Our values sustain that vision, our goals build upon it and our associates help us to achieve it. Altec's values are the cornerstone of our corporate culture and every associate is considered an integral part of Team Altec. The history, tradition and culture of Altec are founded on our core values (listed in alphabetical order): • Customer first • Enjoyment of work • Family • Financial stability • Integrity • People are our greatest strength • Quality • Spiritual development • Teamwork	*
10	What are your company's expectations in the event of an award?	We hope to further strengthen our relationships with Sourcewell and government agencies through cooperative purchasing. We want to achieve continued growth within our government business sectors and be recognized as the preferred supplier of hydraulic equipment solutions for Sourcewell and its members.	*
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Altec Industries, Inc is a financially sound and conservatively managed company and has been in business for 93 years under the same family ownership. Because we are privately held we do not disclose detailed financial data, however please reference attached files "Financial Strength - Financial Statement Letter", "Financial Strength - Bank Statement Letter", and "Financial Strength - Dun and Bradstreet Screenshot" for more information regarding our financial strength and stability.	*
12	What is your US market share for the solutions that you are proposing?	We maintain a market share of approximately 70% for our core products. Non-core products are approximately 30%.	*
13	What is your Canadian market share for the solutions that you are proposing?	Canada market share is approximately 20%.	*
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No, we have never petitioned for bankruptcy protection.	*
15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Altec is a manufacturer with direct sales force. Our sales force consists of 100% direct employees of Altec. Our sales force covers all 50 States, Canada, and over 100 countries throughout the world. Our service force is also 100% direct employees of Altec (both mobile service and service center employees). We are a direct sale / service / manufacturing company and do not maintain a dealer network. Please see attached documents "Company Information - Altec Production Facilities" and "Company Information - Altec Service Centers and Mobile Service Locations"	*

16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Altec Industries holds all credible licenses and certifications necessary for providing goods and services referenced in this RFP (related to OSHA/ANSI/ASME standards for manufacturing). We are ISO 9001:2015 certified for technical sales, application engineering, procurement, materials, final assembly, product creation, manufacturing, quality, and general processes related to production of electronic components, fiberglass structures and the final assembly of utility equipment at 2106 Riverside Rd, Saint Joseph, MO and the production of aerial devices and digger derricks at 5001 E. 36 Hwy, Saint Joseph, MO. • Technical sales, application engineering, materials, final assembly, manufacturing, product creation, and quality processes related to the production of specialty utility equipment at 3907 S. 48th Terr, Saint Joseph, MO. • Manufacturing and quality processes related to the production of fiberglass structures and electronic components at 1009 Vernon Rd, Wathena, KS. • Materials and quality processes at 5703 Mitchell Ave, Saint Joseph, MO. • Product creation and quality processes related to design validation activities at 4906 E. 36 Hwy, Saint Joseph, MO. • Please see attached "Company Information - ISO Quality Certification" for more information Employees of our plants hold welding certifications, Fluid Power Society certifications and various engineering certifications, including Professional Engineering licenses Account Managers who specialize in our Crane product lines are required to become Certified Operators every 5-years, through our Sentry Operator Certification training program. ALTEC Industries, Inc. is capable of providing certification for equipment operators through our Sentry training program. Motor Vehicle Dealer Licenses in each state where applicable All of our facilities employ the Atec Production System which features the Kanban system of lean manufacturing. Authorized Representative Riley Browne and Government Sales Manager Elana Martinez hold Certified Schedules Contracts Manager (CSCM) certifications	*
17	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	Altec has never been suspended or disbarred.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	• Selected to Forbes list of America's Best Midsize Employers 2019 • Altec won Exelon’s 2017 Innovation Award based on the application and acceptance of our JEMS product at all 4 Excelon companies. • 2017-2021 Altec has been recognized as a top supplier for Avista, a US-based energy company serving eastern Washington, northern Idaho and parts of southern and eastern Oregon. Each year, Avista uses a scorecard to rigorously rate suppliers’ customer service and value provided to the company. • Altec was named one of the “Best Places to Work” for 2017 by the Birmingham Business Journal. • Altec Mt. Airy Associates won the Chairman’s Award from the United Fund of Surry for 2017	*
19	What percentage of your sales are to the governmental sector in the past three years	Less than 10% of our sales are to the government.	*
20	What percentage of your sales are to the education sector in the past three years	Less than 1% of our sales are to the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Texas Multiple Award Schedule (TXMAS): Over $1MM Commonwealth of Pennsylvania (Co-Stars): Over $1MM Michigan MI Deal: Over $1MM Washington State Purchasing Cooperative: Over $500k State of Ohio: Over $500k	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	GSA Contract GS-30F-026GA, over $5MM annually. We also hold two DLA contracts with similar combined volume	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Los Angeles Department of Water and Power (Member # 40257)	Joseph Ortiz	213-840-8489	*
City of Lakeland (Member # 4862)	Dwayne Goostree	863-581-3443	*
City of Seattle (Member # 25215)	Guy Noren	206-684-0141	*
Lewis County PUD (Member # 76495)	Bryan Watt	360-748-9261	

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Federal Government Agency	Government	Georgia - GA	Located throughout US and world, purchases Aerial Devices, Digger Derricks	Transaction sizes range from 1 truck to multiple trucks per PO	Over $2M	*
Federal Government Agency	Government	California - CA	Located throughout US and world, purchases Aerial Devices, Digger Derricks, Cranes, Cable Pullers	Transaction sizes range from 1 truck to multiple trucks per PO	Over $2M	*
Federal Government Agency	Government	District of Columbia - DC	Located throughout US and world, purchases Aerial Devices, Digger Derricks, Cranes	Transaction sizes range from 1 truck to multiple trucks per PO	Over $2M	*
Federal Government Agency	Government	District of Columbia - DC	Located throughout US and world, purchases Aerial Devices	Transaction sizes range from 1 truck to multiple trucks per PO	Over $2M	*
Local Government Entity	Government	California - CA	Purchases Aerial Devices and Service Bodies	Transaction sizes generally are greater than 5 per PO	Over $2M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	Altec employs a direct sales force of over 100 Account Managers who are dedicated to government and commercial sales and support within their respective territories. Their territories are established based on concentration of customers, and they live in their territories. Our Account Managers spend 100% of their time; communicating, consulting and managing customer's needs. The products represented in this RFP are core to our customers and industry, thus allowing our Account Managers to provide expert knowledge to Sourcewell members of their benefits and usage. Altec's Sourcewell contract is our preferred method by which to serve our government customers. There is no overlap in our sales and service functions	*
26	Dealer network or other distribution methods.	Altec is a factory direct sales / service company, we do not use dealer or distribution networks.	*
27	Service force.	All employees in our Service Force are employed by Altec Industries. Altec has 44 Service Centers located throughout the United States and Canada. These facilities are equipped with the tools, equipment, and certified hydraulic technicians needed to get your Altec unit up and running as soon as possible. The Altec Service Group employs over 150 Mobile Service Technicians nationwide that are available to be deployed to your location. Mobile service technicians are equipped with the trucks and tools needed to get your equipment serviced and back on the road as soon as possible. They provide on-site warranty, service and preventative maintenance solutions for our customers Additionally, Altec Mobile Service has 24 hour emergency assistance, as well as emergency storm coverage. There is no overlap in our sales and service functions. Please see attached map "Company Information - Altec Service Centers and Mobile Service Locations" that illustrate our service force coverage, and locations for our service centers.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Altec handles all quotes and orders directly. A quote will be created based on customer needs and requirements, and an order can be sent to Altec Account Manager from customer in response to the quote. All purchase orders are processed by Altec, as we are a factory direct company. We prefer a process whereas Sourcewell members issue purchase orders directly to us. Our Sourcewell quotes / orders are flagged in our system upon creation, and a report is run each quarter to report this sales data to Sourcewell. This process is the responsibility of a team at our corporate office with visibility of our word wide operations. Customers are also currently able to request quotes via our website, www.altec.com. Altec offers parts and accessory sales via our AltecConnect online portal, https://www.altec.com/altec-connect which serves as a as a "one stop online shop" for ordering tools, supplies, accessories, replacement parts and for managing your fleet information.	*

29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	When you purchase from Altec, you invest in a relationship that spans the life of the equipment. Altec Service Group backs up this promise with the most complete and comprehensive service and support organization in the industry. We also offer the most complete line of parts for equipment repair and maintenance, along with a technical support and training organization to train, educate, and problem solve. As the only authorized dealer of genuine Altec replacement parts, you can be assured that you will receive parts that meet the required Altec Quality and Engineering standards. Our dedicated line for parts / service / sales needs is 877-GO-ALTEC, it is available 24 hours a day. Our objective is to answer all parts calls in under 10 seconds. We have 35 parts experts with more than 300 years of combined experience taking parts calls. We hold 29,000 active items on hand, and 92.5% of product lines ship within 24 hours. Customers will never be sent to voicemail when calling 877-GO ALTEC for parts support. Additionally, a customer's Account Mangers will be available via their cell phones and email whenever needed, and during periods of natural disaster Altec will move resources into areas affected to provide parts and service work faster. We also offer Altec Connect, a more customer-focused experience that will allow our customers to view and search fleet information, order replacement parts and view APNs and service requests. In conjunction with the new Supply Store, Altec is dedicated to serving as a “one stop online shop” for ordering tools, supplies, accessories, replacement parts and for managing your fleet information. https://www.altec.com/altec-connect	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Altec proposes to service all Sourcewell members	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Altec will not have contract requirements or restrictions on Sourcewell members located in Hawaii, Alaska, or US Territories. The only difference in quoting will be shipping cost when a machine needs to travel via Ocean Freight.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	The Altec/Sourcewell marketing plan will include, the development of printed marketing materials, press releases, advertisements, web-based marketing, and the attendance of trade shows. While in attendance at trade shows with substantial Sourcewell eligible customers present, such as GFX, Altec will typically bring a vehicle and display Sourcwell promotional material. The Altec Government Sales team and Corporate Communications Project Manager will be involved in all Sourcewell promotions corporate-wide. Altec will continue to help create content that drives awareness of cooperative purchasing, as represented by attached "Marketing Plan - Altec Article". Examples of material are included "Marketing Plan - Sourcewell Value Flyer - Altec", as well as "Marketing Plan - GFX 2021 Altec Booth" for reference and "Marketing Plan - www.altec.com Sourcewell Landing Page" Our Account Managers being comfortable with the contract and well versed in how it works, may be our most impactful marketing strategy, as they are working with our customers regarding their equipment needs on a daily basis. Altec employs a National sales training team, that provided initial base sales training programs for all new Altec sales associates (both Account Managers and Technical Sales Specialists). Our Sourcewell contract is a topic in this training, and has dedicated time assigned to it. Thereafter, focused web-training modules and e-courses are used to provide a more procedural method for these types of sales calls. These materials will also serve as follow-up training for all associates with 2+ years of experience. Material is accessible 24/7 on Altec's internal Sales Resource Center, please see "Marketing Plan - Internal Altec Resources". In addition to the training team, Altec employs a Government Sales team focused on the management of all federal, state and cooperative contracts. This team serves as the experts for the company, for associates in the field who need on-the-fly support. The Government team in tandem with a newly formed Contracts Steering Committee will communicate contract changes, improvements and regulations with the National sales force regularly.	*
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Website data allows Altec's marketing and IT teams the ability to measure customer activity as well as the health of the website in one tool. From a marketing perspective, we are able to analyze that our content effectively moves our users and customers through the sales funnel to increase leads. This information also helps us confirm that our content is satisfactory to support our traditional sales teams with accurate information that helps our customers make informed decisions about purchases. From an IT perspective, we are able to analyze information that relates to website health such as mobile usage, operating system and load times. This information allows us to make informed decisions about the priority of initiatives to improve Altec's digital presence. We maintain an active social presence through Facebook (over 253,000 likes, over 258,000 follows), along with other sites.	*
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Our experience has been that Sourcewell provides numerous opportunities for promotion of our products via their own web traffic, tradeshow attendance and printed marketing materials. We hope this level of support will continue with this new RFP. Our Sourcewell contract is integrated into our sales process as the preferred method of using Cooperative Purchasing. Our sales team is required to complete training on Sourcewell and cooperative purchasing as a whole, and new members of our team attend a live training that details the contract and internal processes.	*
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Altec Connect provides for a more customer-focused experience that will allow our customers to view and search fleet information, order replacement parts and view APNs and service requests. In conjunction with the new Supply Store, Altec is dedicated to serving as a “one stop online shop” for ordering tools, supplies, accessories, replacement parts and for managing your fleet information. This system has been very well received by our customers, including governmental and educational customers because it reduces the number of places they need to go to get access to unit-specific information, replacement parts, tools, accessories, and service information. Altec manages federal customer solicitations/RFQs via the GSA E-buy system, FedBid and several other public sites. Although, awards (POs) are still provided manually by the respective contracting officer, these sites offer a method of standardized RFQ submissions. Consumers are currently able to request new/used equipment, rental and leasing quotes via our website.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	

39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	• Upon delivery of an Sourcewell member's completed equipment, the local Altec Account Manager provides an on-site equipment orientation with the appropriate operators. This In-Service is provided free of charge. • Each truck is delivered with two (2) sets of operator and maintenance/parts manuals. Within the equipment manuals, the standard features, safe operation, maintenance and repair information are covered. These are provided free of charge. • Additionally, over 150 basic operating and safety videos are available on https://store.altecsentry.com/catalog/free free of charge • Altec Sentry offers a variety of Instructor-Led courses for aerials, derricks and cranes. These OSHA and ANSI compliant courses aid in the fulfillment of employer training requirements. Many programs offer both Operator and Train-The-Trainer Formats. Additional costs apply based on duration of training, size of class, travel time for instructor, etc. Please navigate to https://www.altec.com/safety/ for more information. The following Instructor-Led Trainings are Available: o Insulating Aerial Device o Non-Insulating Aerial o Tree Care Aerial Device o Bucket Rescue o Digger Derrick o Backyard Digger o Crane o Wood Chipper Altec Sentry also offers more than 80 online courses for cranes, aerial devices, digger derricks and chippers. Through a simple dashboard and storefront, operators can receive ANSI and OSHA-compliant General Training and Familiarization without the need for traditional classroom sessions. • Other Altec Training options (additional costs apply): o Customized Altec equipment hydraulic maintenance training o International Fluid Power Society (IFPS) Certification training (testing provided by third party) o NCCCO certification programs for operators of mobile cranes and digger derricks	*
40	Describe any technological advances that your proposed products or services offer.	Our products are the industry leaders and are consistently raising the bar through innovative product design, integrated safety features, and continued dedication to total customer satisfaction. Altec showcases this through advancements such as; • Fiber Optic Controls • Lanyard Detection System that promotes safe unit operation by helping to ensure line workers are "clipped in" while conducting work from the platform. This operator aid helps reduce the risk of falling from the platform by reminding users to attach their lanyard before working at height (available on select models) • Altec Load Monitoring System (ALMS) acts as an aid to provide real-time visual and audible information about the percentage of rated load on your boom and/or platform. By actively monitoring your aerial's load capacity with a reliable system, you can avoid accidents and enhance safety on the job site (available on select models) • JEMS (Jobsite Energy Management System) wtih it's integrated plug-in system that uses stored electrical energy to power the aerial device, tools and exportable power, and provides cab comfort with Lithium-Ion batteries (available on select models) • Advanced paint systems • And many other was we keep our customers working safer and smarter	*
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Altec is the industry leader for sustainability efforts and is dedicated to listening and creating solutions. That's why we acknowledge the tremendous challenges and opportunities our customers face and aspire to responsibly care for the environment and the communities in which we operate. Altec's allegiance is evident in the development of numerous sustainability initiatives: • The Industry's First Green-Focused Facility. Located in Dixon, CA, Altec products are manufactured in a plant that features state-of-the-art sustainable construction that exceeds Title 24 energy and lighting codes. Altec received significant guidance and support on the development of this new green-focused facility from two of its customers – Pacific Gas & Electric Company (PG&E) and Southern California Edison. The new facility in Dixon allows Altec the opportunity to increase manufacturing of our Green Fleet line of products—the industry's leading energy-saving utility vehicles. Customer PG&E and Altec are in partnership to develop innovative, technologically advanced Green Fleet utility vehicles. These energy efficient Green Fleet vehicles provide a safer work environment for utility crews; significantly reduce emissions, and lower vehicle operating costs while extending vehicle life. • Meeting Customer Needs. Our Green Fleet product line decreases fuel consumption and greenhouse gas emissions, while lowering noise pollution. In partnership with the Department of Energy, Electric Partners Research Institute, CALSTART Hybrid Truck Users Forum and others, we offer a range of hybrid/electric and job-site energy management systems, along with recycled lightweight materials and alternative fuels. Altec JEMS (Jobsite Energy Management System) is an integrated plug-in system that uses stored electrical energy to power the aerial device, tools and exportable power, and provides cab comfort. The energy storage system is recharged by plugging into shore power or by the truck's internal combustion engine. Our JEMS product portfolio includes: o JEMS S o JEMS SE o JEMS LE • Facilities and Processes. Each Altec facility has established procedures and environmental management programs and actively engages in recycling steel, copper and aluminum, as well as consumer recyclables. The installation of powder coat and e-coat paint systems has substantially reduced solid waste volume and air emissions. All facilities in the corporation, including auction yards and service centers, have converted to energy efficient LED lighting. All new construction is reviewed and where applicable, energy efficiency products/construction are included (i.e., LED lighting, high efficiency gas burners, Energy Star appliances, motion activated lighting , etc.). • Our St. Joseph, MO facility has installed solar energy on three of the buildings on campus. • Altec EcoEasy Common Sustainability Goals. Green purchasing policies using Best-Value approach utilizing Staples' environmental office products and supplies has been implemented Corporate wide.	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	HVIP - Voucher Incentive Project for our Jobsite Energy Management System models. Visit https://californiahvip.org/vehicle-category/epto/ for more information Industry Organizations affiliations: • Calstart • Clean Cities	*

43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Altec recognizes that a diverse and talented workforce is a key competitive advantage. Our business success is reflected in the quality and skill of our people. Inclusion means understanding, valuing and respecting workplace diversity, so that no associate is excluded from the workplace nor the opportunity to develop skills and talents consistent with our values and business objectives. Altec Industries, Inc. and its affiliates are equal opportunity employers and maintain affirmative action plans to recruit, retain, develop and promote qualified individuals without unlawful consideration of race, gender, color, religion, sexual orientation, national origin, age, disability, citizenship status, veteran status, or any other characteristic protected by federal, state or local law. Altec is a National Corporate Member of the Women's Business Enterprise National Council. As part of our commitments to holding federal contracts, Altec is annually responsible to providing a small-business contracting plan which is reviewed and approved by one of our two federal contract agencies. Every year, we strive to find small business suppliers who will meet the quality and liability requirements, to supply products/services that meet/exceed our manufacturing standards. Suppliers who are interested in doing business with Altec are encouraged to register on our Supplier portal, located on our website.	*

44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Altec offers Sourcewell members the advantage of working with one company to manufacture, sell, engineer, integrate key components (unit/body/chassis), administer warranty, and provide service solutions for a full line of Public Utility Equipment. We can provide full equipment lifecycle solutions, including: o Altec Capital Services (ACS) - Equipment Financing o Global Rental Company - Equipment Rentals o Altec Supply - Tool and Accessory Sales o Altec Sentry - Operator Safety Training o Altec Fleet Services - Comprehensive Fleet Management Solutions o Altec Service Group - In-shop and Mobile service and replacement parts support o Altec NUECO Used Equipment/Trade-In options (The only supplier of Altec Certified Pre-Owned Trucks) o JJ Kane Auctioneers - Auctions - (Specializes in Utility Equipment) Canadian and World Wide Availability: o Altec Canada - Factory direct purchasing solutions for our Sourcewell Canadian customers with local Sales, parts, shop and mobile service, rental, and financing. o Altec Worldwide – We deliver products and services to more than 100 companies throughout the world. Company Ownership: Altec has been a family owned and privately held manufacturing company, since 1929. Longevity in ownership, is an assurance for our Sourcewell customers that they can rely on availability of older Altec replacement parts, ensure Altec units are trade-worthy at a future date, and ultimately that the values and principles Altec was founded on remain in place today - Total customer satisfaction in all aspects of the business. Customer Focus: Altec listens and engineers solutions for our customers and the daily challenges they face. It is from that commitment, that innovative equipment, features and options are designed to provide equipment that is highly productive and has a low overall cost of ownership. Government Focused Sales: Altec is committed to assisting in the acquisition and procurement goals of each government entity we serve. Having a team who is both engaged in the customer relationship and also procurement process, assists Sourcewell members achieve their procurement goals effectively and efficiently. Innovative Design: Our products are consistently raising the bar with innovative product design and integrated safety features. ISO Facility: Many units are designed, manufactured and final assembled in an ISO9001 registered factory (St. Joseph, MO). Supply Chain Innitiatives: Altec continues to make significant efforts corporate-wide to reduce and contain costs by using the Altec Production System and strengthening our supply chain. Quality Control: Altec provides the ability to control quality by manufacturing parts for our equipment. This allows us not only quality control but schedule control. o Altec feels that the fiberglass boom is one of the most important components in the building of an aerial device or a digger derrick. We don't have to rely on an outside vendor for quality control. Altec has composite engineers on staff, we have traceability from raw material to the finished product. o All booms ultrasonically tested and documents maintained. o All fiberglass booms to have a minimum of 7 to 1 to ultimate safety factor. o All welding to be done by AWS certified welders who meet Standard D1.1 on a 3G weld. o All bearing surfaces to be machined after welding. o All units with electronic circuit boards to be wave soldered o Provide a power distribution module (PDM) in the cab as a central point for all electrical. Include diagnostic capability with LED lights. Mechanic Certification: All quality and final testing of equipment prior to shipment from manufacturer and final assembler to be performed by FPS certified mechanics. Safety Certification Training: To promote and ensure the safe operation of our equipment amongst our Sourcewell members, Altec offers numerous OSHA based training CBTs and Trainer led safety programs. Altec SENTRY complies and demonstrates the vital safety features necessary for the industries in which we serve. Safety Standards: Standard Safety features are provided on every applicable unit; outrigger boom Interlock, outrigger motion alarm, back up alarm, unit/outrigger selector, Altec ISO Grip (Insulated Control Handle, Auxiliary Control Covers, Control Console (dashboard), Boom Tip Covers). Available tools; Lanyard interlock, Load Monitoring Systems, Basic Operating Videos, Safety Videos, Sales Videos. Corporate Training: People (training and certifications), process (a controlled process that provides traceability and accountability) and technology (machinery used) makes Altec a differencing Vendor. Warranty: Most of our products have a limited lifetime structural warranty. National Service / Support Network: As a private company dedicated to our customers and associates, Altec leads the way in service and customer satisfaction in the markets we serve. Altec is proud to provide products and services that help crews work safer and smarter. o On-line ordering is available at www.altecconnect.com. Altec Connect provides easy access to ordering Tools and Accessories or Replacement Parts, as well as detailed manuals and parts information for your units. o Altec is committed to bringing you the services and products you need. For additional assistance with Parts, Tools, & Accessories, Shop Service, Mobile Service, or Technical Support, call 1-877-GO ALTEC.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Yes, our standard warranty is 1 year parts and labor, with 90 days for travel. Additionally it includes a limited lifetime warranty on most models. Please see attached "Warranty - Documents" for more information	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No restrictions, however products must be operated and maintained in accordance with Altec operators and maintenance manuals, programs, and bulletins. Please see attached "Warranty - Documents" for more information	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Yes, standard warranty is 90 days for travel charges.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	No, Altec employs Mobile Service Technicians in all 50 states and Canada. We own and operate 44 service facilities across the United States and Canada. It will be the member's decision to schedule a Mobile Service Technician to come to their site or schedule in shop service. In either case, 1-877-GO ALTEC (1-877-462-5832) is our dedicated number for members to speak with their local Parts, Mobile, or Shop Service representative.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Products not manufactured by Altec which are supplied by Altec on special order would be covered under the manufacturer warranty. This would include items such as inverters, compressors, liftgates, generators, etc.	*
50	What are your proposed exchange and return programs and policies?	Parts ordered in error or no longer needed can be returned. If it was an error on Altec's part or otherwise not the customer's fault the 10% restocking fee will be waived. However. due to the nature of our equipment and the devaluation that occurs upon title / registration, there is no exchange or return program for equipment sales.	*
51	Describe any service contract options for the items included in your proposal.	We have included in our product offering service contract packages for member consideration at discounted rates. These include Preventative Maintenance (PM) Inspections at several different intervals, DOT inspections, Dielectric Tests.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
52	Describe your payment terms and accepted payment methods?	Payment Terms are Net 30. We accept payment by traditional methods such as check, wire transfer, and credit cards (There is a fee of 3% for credit card transactions used for the purchase of major units). Please see attached document "Payment Terms - Customer Detail" for complete details Customer payment inquiries can be sent to ARINQUIRY@ALTEC.COM or your local Altec Account Manager. Customer remittance information cab be sent to AEPREMITTANCE@ALTEC.COM or your local Altec Account Manager.	*
53	Describe any leasing or financing options available for use by educational or governmental entities.	Altec Industries provides Leasing and/or financing options through our subsidiary Altec Capital. Options include FMV, TRAC, and Capital leases, Equipment Finance Agreements (EFAs), and a dedicated Municipal Lease option to meet the equipment needs of our municipal customers. The benefits of our Municipal Lease option include: • Finance terms to match the useful life of the equipment. • Flexible lease options to shorten life cycles and decrease maintenance costs. • Conserves capital budget funds. • Match payments with budget allocations. • Non-appropriation language included. Equipment - Altec aerial trucks, digger derricks, cranes and miscellaneous specialty equipment. Ancillary non-Altec equipment will also be considered along with the leasing of Altec equipment Lease Term - 3 years to 8 years. Please call for shorter or longer lease terms. For used equipment, the age of the unit plus the lease term cannot exceed 8 years Purchase rates shown on attached document "Price List - Altec Capital Rate Matrix 11-1-2021" are good for 30 days from Date shown above. Credit Ratings - Baa or better Contact Altec Capital for a quote for your specific opportunity. With Altec Capital Services, there is no need to look anywhere else. Municipalities can now affordably purchase equipment in a timely, simplified way. The municipal lease offering is another product that Altec Capital Services, LLC offers to our customers in an effort to become your partner. Please feel free to visit http://www.alteccapital.com for more information.	*
54	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Each opportunity will be quoted to customer, in compliance with Sourcewell contract terms and conditions including pricing and discount structure. Altec has created templates to help standardize the work practice and ensure we are quoting in a compliant manner. Please see attached "Audit - Standard Docs - Quote Template Example". We will typically also include a detailed quote document, in order for customer to verify their requirements are being met with our proposal. This document will include additional notes at the end. Please see attached "Standard Docs - Detailed Quote Document Example".	*
55	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes Altec accepts the P-card, there is a fee of 3% for credit card transactions used for the purchase of major units	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of

an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
56	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Line Item Proposed Contract Pricing plus $2.20/mile delivery charge (CONUS only). The pricing provided includes a discount of between 3% - 5% off MSRP depending on the model. Please see attached "Price List - ALTEC 110421 11-4-2021" for USA, and "Price List - ALTEC 110421 11-4-2021 CANADA" for Canada . NUECO pricing sheet is attached as well and represents a 3% discount off of standard pricing "Price List - NUECO - 2021" JJ Kane Auctioneers, an Altec company, is a full-service auction company that specializes in the remarketing of Utility and Forestry Equipment including but not limited to aerial lifts, cranes, digger derricks, cable placing machines, directional drills, excavation equipment, and trenchers, is offering Sourcewell members a 28.6% savings off their typical sellers fee. Please see attached "Price List - and Notes JJ Kane" Altec Capital rate sheet is attached "Price List - Altec Capital Rate Matrix 11-1-2021" as well as "Altec Capital Sourcewell Proposal". These rates are based on a credit rating of Baa or better, and are not to exceed rates. There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.	*
57	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Line Item Proposed Contract Pricing plus $2.20/mile delivery charge (CONUS only). The pricing provided includes a discount of between 3% - 5% off MSRP depending on the model. Please see attached "Price List - ALTEC 110421 11-4-2021" for USA, and "Price List - ALTEC 110421 11-4-2021 CANADA" for Canada . NUECO pricing sheet is attached as well and represents a 3% discount off of standard pricing "Price List - NUECO - 2021" JJ Kane Auctioneers, an Altec company, is a full-service auction company that specializes in the remarketing of Utility and Forestry Equipment including but not limited to aerial lifts, cranes, digger derricks, cable placing machines, directional drills, excavation equipment, and trenchers, is offering Sourcewell members a 28.6% savings off their typical sellers fee. Please see attached "Price List - and Notes JJ Kane" Altec Capital rate sheet is attached "Price List - Altec Capital Rate Matrix 11-1-2021" as well as "Altec Capital Sourcewell Proposal". These rates are based on a credit rating of Baa or better, and are not to exceed rates. There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.	*
58	Describe any quantity or volume discounts or rebate programs that you offer.	For equipment purchase prices: 2-5 Units: 1% Discount from Contract Price 6-10 Units: 1.5% Discount from Contract Price 11-19 Units: 2% Discount form Contract Price 20+ Units: TBD at Time of Order Note: Units must be identical and ordered at the same time to qualify for quantity rebate.	*
59	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Altec is offering nearly 500 of our most commonly ordered line items with specific pricing for Sourcwell members. When specific customer work practice requirements, customer preferences, ect, drive a need to utilize the Open Market section of our quote template, we will present a unique quote for each such request for customer review that will supplement the base model and contract items being quoted. This will all be accomplished with our standard quote template document, and allow our customers to be able to customize their equipment as desired.	*
60	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Delivery is the only cost not included in pricing. It applies to all customers and the price is $2.20 / mile for CONUS. Quotes would need to done for anything outside of the CONUS and will be priced at or below fair market value.	*
61	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Altec has a team of drivers that work for the company. We will also contract with approved and vetted third party drive away companies to deliver our equipment from our manufacturing facilities to the customer site. Delivery is an additional $2.20 / mile and will be calculated at time of quote for CONUS. Anything outside of the CONUS would be contracted through a third party company and would need to be priced at time of initial quote to customer. Pricing will be at or below fair market value. All parties participating in delivery of equipment will meet certain insurance and liability requirements.	*
62	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Canada deliveries will be driven to customer site by approved and vetted third party drive away companies. Alaska, Hawaii, and worldwide deliveries will be contracted through a third party company and would need to be priced at time of initial quote to customer. Price will be at or below fair market rate. All parties participating in delivery of equipment will meet certain insurance and liability requirements.	*

63	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Altec Industries has manufacturing facilities located throughout the country. If customer has a requirement for a “regional build” they can indicate this at time of quote and we will be happy to accommodate, please see attached "Company Information - Altec Production Facilities" for locations. If customer has any unique delivery requirements (such as loading equipment on a trailer for delivery, etc), they can also indicate at time of quote. Additionally customers are welcome to pickup their equipment at the manufacturing location, take a guided tour of the plant, and meet the Altec team that built their truck if desired.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
64	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
65	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Our Technical Sales Representatives that prepare Sourcewell quotes for our customers go through training on the Sourcewell quote process, requirements, and our quote template is up to date and posted on our internal company site. The quote template governs our pricing and ensures we are providing contract compliant quotes. Our Account Managers must verify customer eligibility and flag the opportunity as a Sourcewell quote in our system in order to receive Sourcewell pricing and discounts. We currently, and will continue to run quarterly reports for orders invoiced and flagged as Sourcewell, and compare the customers on this list with members listed on Sourcewell's website to check again that customers are members. The reporting and audit process is administered by Altec Corporate, with visibility of global operations. Internally, we run reports every month and identify any potential discrepancies before it is time to report our quarterly numbers and pay administrative fee to Sourcewell. Please see attached "Audit - Standard Docs - Quote Template Example". We will typically also include a detailed quote document, in order for customer to verify their equipment requirements are being met with our proposal. This document may include additional notes at the end. Please see attached "Standard Docs - Detailed Quote Document Example".	*
66	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Monthly update on new customers using our Sourcewell contract. Customers that use our Rental Equipment contract #062320-ALT that we are able to transition and fulfill other equipment needs with this new contract. Also number and ratio of formal bids that are being requested by our Sourcewell eligible customers. Training for 100% of Account Managers and Technical Sales Representatives on benefits and use of contract.	*
67	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See the RFP and template Contract for additional details.)	We would like to propose a 1% administrative fee payment to Sourcewell on all orders through Altec Industries, including NUECO, Service, Supply and SENTRY. Altec Capital proposes a flat $250 fee for lease transactions under the Sourcewell Contract. We propose an administrative fee of 1% of JJ Kane revenue (buyers fee and sellers fee).	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
68	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Altec is proposing Sourcewell members have access to essentially our full product line of equipment, products, and services to enhance Altec's "cradle to grave" support of our products and provide Sourcewell members with the best possible experience. Equipment is proposed as "turn-key". This would include: • Insulated Aerial Devices with standard service bodies and chip dump bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Non-Insulated Aerial Devices with standard service bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Altec's Aerial offerings include material handling and personnel only platforms, with platform heights from 35' to 207' • Derrick Devices with standard service bodies mounted on chassis (backyard, distribution and transmission) • Boom Truck Cranes mounted on chassis (riding seat, behind cab mount, rear mount and tractor mount) • Knuckle Boom Cranes mounted on chassis (light, medium and large) • Knuckle Boom Crane Mounted Grapple Saws mounted on chassis • Pressure Diggers mounted on chassis (digging depth from 10-22 ft) • Insulator Washers mounted on chassis and skids • Cable Placers, Stringers, Tensioners and Pullers mounted on chassis or trailers (overhead and underground) • Wood Chippers • Spray Equipment mounted on chassis • Spray Equipment mounted on skids • Service Bodies mounted on chassis (aluminum, fiberglass and steel) • Chip Dump Bodies mounted on chassis. • Pole Trailers • Tool Trailers • Crane Bodies mounted on chassis • Altec Capital Services - financing • Altec Service - maintenance and service work • JJ Kane Auctioneers - specializes in the remarketing of Utility Equipment • Altec NUECO - the only supplier of Altec Certified Pre-Owned Trucks • Altec Supply - replacement parts and accessories • Altec Sentry - training Please visit our website at www.altec.com for more product specific details, and see attached file "Company Information - Altec Subsidiary Information".	*
69	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	• Altec Capital Services - financing • Altec Service - maintenance and service work • JJ Kane Auctioneers - specializes in the remarketing of Utility Equipment • Altec NUECO - the only supplier of Altec Certified Pre-Owned Trucks • Altec Supply - replacement parts and accessories • Altec Sentry - training Please and see attached file "Company Information - Altec Subsidiary Information".	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
70	Telescopic, articulated, mast, and boom, aerial lifts, towers, buckets, and platforms	(•) Yes ( ) No	Equipment is proposed as "turn-key" and would include: • Insulated Aerial Devices with standard service bodies and chip dump bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Non-Insulated Aerial Devices with standard service bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Altec's Aerial offerings include material handling and personnel only platforms, with platform heights from 35' to 207'	*
71	Digger derricks, and cable placing, pulling, and tensioning equipment	(•) Yes ( ) No	Equipment is proposed as "turn-key" and would include: • Derrick Devices with standard service bodies mounted on chassis (backyard, distribution and transmission) • Cable Placers, Stringers, Tensioners and Pullers mounted on chassis or trailers (overhead and underground)	*
72	Directional drills, trenchless excavation equipment, thrust and boring machines, soil piercing tools, trenchers, rock wheels, and pile drivers	(•) Yes ( ) No	Equipment is proposed as "turn-key" and would include: • Pressure Diggers mounted on chassis (digging depth from 10-22 ft)	*
73	Utility locating equipment	(•) Yes ( ) No	Altec has utility locating equipment available for purchase with new equipment, or through Altec Supply	*
74	Accessories, supplies, replacement or wear parts, and services related to the offering of equipment in Lines 69-72	(•) Yes ( ) No	Altec has accessory items and supplies available with the purchase of new equipment, and through Altec Supply. We have included service contract packages for member consideration. These include PM Inspections at several different intervals, DOT inspections, Dielectric Tests, with options to pre-purchase with new equipment, or purchase after equipment has been delivered. Additionally training through our Sentry group is included in our package. Due to the complex nature of our service offerings for repair, and the large geographic area our facilities cover, we are not providing a repair program offering at this time, with this proposal offering. We are providing a program for preventative maintenance (PM inspections, DOT inspections, Dielectric Tests, etc).	*

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in ord, Excel, or compatible formats may also be provided.

. Documents should NOT have a security password, as Sourcewell may not be able to open the file. t is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blan and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. f you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. f the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Mar eting Plan category save the document as "Mar eting Plan."

- Pricing - Price Lists.zip - Thursday November 04, 0 1 1 : 8:47
- Financial Strength and Stability - Financial Strength and Stability.zip - Thursday November 04, 0 1 1 : 9:41
- Mar eting Plan/Samples - Mar eting Plan - Samples.zip - Thursday November 04, 0 1 1 :3 :
- M E/M E/S E or elated Certificates (optional)
- arranty nformation - arranty - Documents.pdf - Thursday November 04, 0 1 1 :3 :56
- Standard Transaction Document Samples - Standard Transaction Document Samples.zip - Thursday November 04, 0 1 1 :35:18
- pload Additional Document - Altec Capital Sourcewell Proposal.docx - Thursday November 04, 0 1 1 :35:40

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:

    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Riley Browne, Contract Specialist, Altec Industries, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_4_Public_Utility_Equipment_RFP_110421 Thu October 14 2021 04:33 PM	☑	2
Addendum_3_Public_Utility_Equipment_RFP_110421 Mon September 27 2021 05:28 PM	☑	1
Addendum_2_Public_Utility_Equipment_RFP_110421 Fri September 24 2021 03:55 PM	☑	1
Addendum_1_Public_Utility_Equipment_RFP_110421 Mon September 20 2021 02:54 PM	☑	1

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AMENDMENT #1
TO
CONTRACT # 110421-ALT

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Altec Industries, Inc.** (Supplier).

Sourcewell awarded a contract to Supplier to provide Public Utility Equipment with Related Accessories and Supplies to Sourcewell and its Participating Entities, effective January 12, 2022, through December 27, 2025 (Contract).

NOW, THEREFORE, the parties wish to amend the Contract as follows:

1. Line item 2 in "Table 1: Proposer Identity & Authorized Representative" of the Proposal is modified to add the following: "Altec Teupen and Altec Fenex."

2. Line item 3 in "Table 1: Proposer Identity & Authorized Representative" of the Proposal is modified to add the following: "Altec Teupen and Altec Fenex."

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

By: Signed by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 9/22/2024 | 10:23 PM CDT

Altec Industries, Inc.

By: DocuSigned by: Brooklyn Russell 1F0625CF2D724D8...

Brooklyn Russell

Title: Contract Specialist

Date: 9/20/2024 | 12:23 PM PDT

Docusign Envelope ID: 72E1454E-2578-441F-8931-F55B12C90A12

MASTER AGREEMENT #050625
CATEGORY: Roadway Maintenance Equipment
SUPPLIER: PB Loader Corporation

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and PB Loader Corporation, 5778 W. Barstow Ave., Fresno, CA 93722 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

Article 1:
General Terms

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.

2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.

3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.

4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about

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Sourcewell eligibility requirements and required documentation. Supplier will be responsible for ensuring sales are with Participating Entities.

5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on July 7, 2029, unless it is cancelled or extended as defined in this Agreement.

   a) **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.

   b) **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.

6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.

7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in RFP #050625 to Participating Entities. In Scope solutions include:

   a. Asphalt recyclers and reclaimers, hot boxes;
   b. Patchers, seal coaters, joint and crack sealers, crack routers, mastic and adhesive melters;
   c. Chip spreaders, asphalt brooms, and pavement grinding or grooving equipment; and,
   d. Pavement marking application and removal equipment.

8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.

9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.

10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.

11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcewell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.

12) **Open Market.** Supplier's open market pricing process is included within its Proposal.

13) **Supplier Representations:**

   i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.

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ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.

iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Solutions are suitable for and will perform in accordance with the ordinary use for which they are intended.

14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the term of this Agreement.

15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time during the term of this Agreement.

16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Section, all references to "federal" should be interpreted to mean the United States federal government. The following list applies when a Participating Entity accesses Supplier's Included Solutions with United States federal funds.

i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

ii) **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted

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Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must comply with all applicable Davis-Bacon Act provisions.

iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders

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or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The

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right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.

xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.

xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

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xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

Article 2:
Sourcewell and Supplier Obligations

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

1) **Authorized Sellers**. Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.

2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
   - Identify the applicable Sourcewell Agreement number;
   - Clearly specify the requested change;
   - Provide sufficient detail to justify the requested change;
   - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
   - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

   A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcewell for this Agreement and must provide prompt notice to Sourcewell if that person is changed. The Authorized Representative will be responsible for:
   - Maintenance and management of this Agreement;
   - Timely response to all Sourcewell and Participating Entity inquiries; and
   - Participation in reviews with Sourcewell.

   Sourcewell's Authorized Representative is its Chief Procurement Officer.

4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcewell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.

5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement

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and Sourcewell reserves the right to pursue all remedies available at law including cancellation of this Agreement.

6) **Reporting Requirements.** Supplier must provide Sourcewell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

   The Report must contain the following fields:
   - Participating Entity Name (e.g., City of Staples Highway Department);
   - Participating Entity Physical Street Address;
   - Participating Entity City;
   - Participating Entity State/Province;
   - Participating Entity Zip/Postal Code;
   - Sourcewell Participating Entity Account Number;
   - Transaction Description;
   - Transaction Purchased Price;
   - Sourcewell Administrative Fee Applied; and
   - Date Transaction was invoiced/sale was recognized as revenue by Supplier.

   If collected by Supplier, the Report may include the following fields as available:
   - Participating Entity Contact Name;
   - Participating Entity Contact Email Address;
   - Participating Entity Contact Telephone Number;

7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.

8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.

9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.

10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be

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deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.

11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.

12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.

13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.

14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.

16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.

17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell, arising out of any act or omission in the performance of this Agreement by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in design, condition, or performance of Included Solutions under this Agreement. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.

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19) **Grant of License.**
   a) **During the term of this Agreement:**
      i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.

      ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.

   b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.

   c) **Use; Quality Control.**
      i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

      ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

   d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.

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21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.
22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.
   - $1,500,000 each occurrence Bodily Injury and Property Damage
   - $1,500,000 Personal and Advertising Injury
   - $2,000,000 aggregate for products liability-completed operations
   - $2,000,000 general aggregate

b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.

c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

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e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

Article 3:
Supplier Obligations to Participating Entities

The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.

2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.

3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.

4) **Ordering Process and Payment.** Supplier's ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier's

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standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity's unique Sourcewell account number.

6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.

7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.

8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

Sourcewell	PB Loader Corporation
Signed by: Jeremy Schwartz C0FD2A139D06489...	Signed by: Jason Thompson DE94D6F54AC44A1...
By: _____	By: _____
Jeremy Schwartz	Jason Thompson
Title: Chief Procurement Officer	Title: President
Date: 7/1/2025 | 1:49 PM CDT	Date: 7/1/2025 | 10:56 AM CDT

RFP 050625 - Roadway Maintenance Equipment

Vendor Details

Company Name:	PB Loader Corporation
Address:	5778 W Barstow Ave. Fresno, CA 93722
Contact:	Jason Thompson
Email:	jthompson@pbloader.com
Phone:	559-273-0006
HST#:	77-0307955

Submission Details

Created On:	Monday April 14, 2025 11:48:18
Submitted On:	Friday May 02, 2025 16:21:17
Submitted By:	Jason Thompson
Email:	jthompson@pbloader.com
Transaction #:	cc29e9dd-4973-4bf3-acb5-2bb26bb68bf6
Submitter's IP Address:	147.243.145.116

Specifications

Table 1: Proposer Identity & Authorized Representatives (Not Scored)

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer's corporate organization affiliation.

Line Item	Question	Response *	
1	Provide the legal name of the Proposer authorized to submit this Proposal.	PB Loader Corporation	*
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes	*
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	n/a	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	CAGE Code: 35GS0	*
5	Provide your NAICS code applicable to Solutions proposed.	333120	*
6	Proposer Physical Address:	5778 W Barstow Ave, Fresno, CA 93722	*
7	Proposer website address (or addresses):	www.pbloader.com	*
8	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Jason Thompson, President, 5778 W Barstow Ave, Fresno, CA 93722, jthompson@pbloader.com, Cell 559-273-0006, Tel 559-277-7370	*
9	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jason Thompson, President, 5778 W Barstow Ave, Fresno, CA 93722, jthompson@pbloader.com, Cell 559-273-0006, Tel 559-277-7370	*
10	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Matt Hinrichs, Business Manager, 5778 W Barstow Ave, Fresno, CA 93722, mhinrichs@pbloader.com, Cell 559-312-5013, Tel 559-277-7370 Marcus Putnam, Regional Sales Director, 5778 W Barstow Ave, Fresno, CA 93722, mputnam@pbloader.com, Tel: 559-277-7370, Cell: 559-304-1024.	*

Table 2A: Financial Viability and Marketplace Success (50 Points, applies to Table 2A and 2B)

Line Item	Question	Response *	

11	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.	PB Loader Corporation began operation in 1954 with the invention of the PB front loader and the pothole patcher and emulsion systems in the 1960's for use in Road Asphalt Maintenance. As a family founded and run company, relationships in business are at the center of what PB Loader stands for. We believe in Quality-Focused product which our customers can rely on year-in and year-out. We do not believe in a one-size-fits-all approach. We Innovate and engineer products to meet the exact needs of our customers. When a customer chooses PB they can count on a quality product assembled by experienced professionals. With a Customer Service Mindset, we stand behind our products with a successful network of dealers and a production, engineering, and sales staff who are available for support. PB Loader believes in conducting business with Integrity and Accountability, providing a proven product. Effective Communication both internal and external is paramount to achieving the best customer experience. We are committed to continuous improvement, fostering Growth for our employees, customers, and the communities we serve. Safety is our top priority and the driving force behind every truck we build—engineered from the ground up to protect what matters most. Upon invitation to partner with Sourcewell thirteen years ago, we learned their go-to-market strategy fell in line with our core values. Moving forward, we have adopted Sourcewell as our company's predominant method of procurement. We firmly believe the present and future of government procurement is cooperative purchasing with Sourcewell and PB leading the field.
12	What are your company's expectations in the event of an award?	We have risen to the top of the road maintenance Sourcewell category with contract #080521 over the last three terms. Upon receiving an award, we will continue this success. We will continue growth by training our sales force and dealer network on Sourcewell and Canoe procurement. Our commitment remains to keep Sourcewell at the forefront of our go-to-market strategy. As this contract matures, we will expand into additional Sourcewell product offerings, to enhance the customer's experience. We have, and will always, add customer-specific models to serve their requirements, facilitating effortless repeat equipment purchases. As an example, PB Loader has added listings of custom products for City of Los Angeles and San Diego County which plan to purchase multiple units continually each year
13	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.	PB Loader has been in business since the 1950's making us one of the oldest municipal manufacturers on the west coast. Because of our strength in the marketplace and the quality of our products, PB has been and will continue to be a financially responsible and solid company. PB Loader is in excellent financial health. We have experienced substantial growth over the last five years, which has resulted in almost doubling the size of our company. We have been resilient through the COVID pandemic, financial crash of '08, and will adapt to any future hardships with success. We know this is due to our commitment to excellence in the marketplace as well as utilizing the Sourcewell contract. PB is privately held and for this reason we cannot release financial statements and do not have SEC filings. Please see attached reference letters from our financial institution, vendors, and dealers.
14	What is your US market share for the Solutions that you are proposing?	Loader – 100% market share. This is a niche market, and we are the only manufacturer of the product. Patcher – Depending on the state, we have 45%-90% of the market share. We typically have a high market share in the West and some in the southern states. Overall, we represent approximately 60% of the market throughout North America. Since our last contract we have had an even better representation. We are committed to using local dealers who can serve our customers. We expect our market share to continue to growth because of our Sourcewell partnership.
15	What is your Canadian market share for the Solutions that you are proposing?	We represent one of the top suppliers in the Canadian market with our asphalt patchers and it continues to be an area of growth. We expect the continued roll-out of Canoe to be pillar on which we utilize for growth.
16	Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.	We have never petitioned for bankruptcy protection

17	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b). a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	PB Loader is a manufacturer who utilizes Sourcewell to sell our products in partnership with a network of dealers and our team of sales experts. We have 30 dealers with 49 branches covering the US states and Canada (see list). We are continually improving our dealer network and expanding into additional markets. We evaluate our dealers to ensure they continue to meet PB Loader and Sourcewell standards. We have a team of dedicated sales and support experts to train our dealers in the utilization of Sourcewell. PB Loader believes in providing first-class customer service that is tailored to the needs of Sourcewell customers and our dealers. Our team includes the President of PB Loader, National Sales Directors, Territory Sales Representatives, Inside Sales and Customer Care Specialists, Engineers, Trade Show Support Specialists and Sales Assistants.	*
18	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	PB Loader has various local and state resale/business licenses, Louisiana Motor Vehicles license, and California licensed used vehicle dealership. We are a final stage vehicle installer	*
19	Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.	PB Loader has never had any suspension or debarments applied	*
20	Describe any relevant industry awards or recognition that your company has received in the past five years.	We been a National Truck Equipment Association (NTEA) – MVP Member, and have received awards and recognitions from our vendors Top ranked vendor in sales revenue for the current Road Maintenance Equipment contract category.	*
21	What percentage of your sales are to the governmental sector in the past three years?	The year-over-year numbers are consistent at 99% Government (State, County and Municipal) versus 1% private sector. Within those government sales the vast majority of their spend utilizes our Sourcewell contract. Our internal and dealer sales force along with our products are specifically designed to meet the specialized needs of Government agencies. This sector of the market is the sole focus of our company. This allows us to better meet and understand their needs.	*
22	What percentage of your sales are to the education sector in the past three years?	Our product offering is geared toward public works agencies for maintenance, however, there is occasional overlap with school district ground maintenance equipment needs.	*
23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	None, we focus only on our Sourcewell contract	*
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	We do not have a GSA or SOSA contract. We do provide our road maintenance products to military bases. We are looking forward to participating in the Inter-governmental Support Agreement (IGSA) to better support their needs.	*

Table 2B: References/Testimonials

Line Item 25. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Los Angeles	Ray Perez	323-526-9221	*
City of Colorado Springs	Michael Shill Jr.	719-385-6711	*
Los Angeles County	, Frank Solano	626-458-7307	*
Shannon Platt	Inyo County	760-937-5136	
Brad Hunter	Fort Worth	214-399-5809	

Table 3: Ability to Sell and Deliver Solutions (150 Points)

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Our sales force is organized to support our dealer network while working directly with the member agencies. We take it upon ourselves to ensure Sourcewell members receive the highest level of customer service and are committed to their complete satisfaction with our products. Our sales force is specifically trained and has the knowledge and resources to ensure dealers and customers utilize Sourcewell as their primary procurement method. Each team member listed below is committed to growing our company revenue through Sourcewell. Our team consists of twenty-three (23) sales and support professionals: Five (5) Outside Sales personnel. The President of the company (1) and two (2) traveling National Sales Directors, and two (2) outside sales representatives. Five (5) Inside Sales personnel. One (1) Sales Manager, and four (4) Inside Sales Coordinators who are responsible for quotes and working with our customers/dealers on the specific and unique designs of our product as well as offering product knowledge and support. One (1) Sales Assistant who is responsible for supporting our sales team and dealers with product information, social media, trade show coordination, and many other support duties which allow our sales team more time to respond to customers. Two (2) Parts/Service Salesperson who are dedicated to meeting the aftermarket needs of our customers to ensure a quick response to customers' needs. One (1) Warranty Coordinator dedicated to meeting the aftermarket needs of our customers to ensure a quick response to any situation that arises. One (1) Trade Show Support provides extra sales assistance at booths and other event functions. We have an Engineering team of Ten (10) who are dedicated to support the sales teams with layout drawings and engineering information requests by customers, which ensures a high level of accuracy to meet the customers' needs.	*
27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	PB Loader sells via a network of dealers across North America. It is our belief that partnering with local dealers provides the best customer experience for Sourcewell members. Please see the attached dealer list. We currently have 30 dealers totaling 49 branch locations in the US and Canada, totaling almost 200 dealer salespeople. All our US dealers and their branches have received training from our staff on Sourcewell procurement and we are looking forward to doing the same with Canoe in Canada. Our sales team regularly visit our dealers to ensure they are trained in our product and the Sourcewell contract. We support many of our dealers' local trade shows and events. We are very active and encourage our dealers to be active in trade organizations such as APWA, MSA, RSFMA, NAPA, and others. These events are excellent opportunities to inform our government customers about Sourcewell procurement opportunities.	*

28	Service force.	The above-mentioned dealer network employs factory-trained parts and service representatives at their branches. These dealers typically handle other large municipal equipment like PB Loader. Because of this they have invested in service tooling at many of their locations, such as overhead cranes, mobile service trucks, and very capable shop facilities. The PB Loader sales team provides service support by being the first point of contact for customers' questions on the operation product usage, and troubleshooting. At initial delivery, we provide an operator training course. For added value, PB Loader offers free training for the life of the unit. We want to ensure that our customers can utilize the product safely and effectively. Replacement manuals and instruction/safety decals are also provided at no charge for the life of the unit. PB Loader utilizes its service and engineering teams that can be sent around the country to support our dealers and member agencies. We have complete manuals, engineering schematics, drawings, and videos. Troubleshooting assistance is available via phone and/or video conference. We partner with local third-party repair shops that are closer and provide a quicker turnaround than some dealer locations. We support customers who provide their own service. We offer a reimbursement program for those who are required to do their own warranty work.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Quotes are generated by the inside sales department at PB Loader using Sourcewell pricing. Members will generate a purchase order directed at PB or one of our authorized dealers. Once received, an order confirmation is generated to ensure accuracy of the order. Regular updates are provided as the unit progresses through the manufacturing process. Final delivery is done by PB or our dealers and includes operator training. Once payment is received, it is recorded and placed in our Sourcewell quarterly report.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	PB Loader's business philosophy is to provide superior quality in customer service which means quick response times and resolving issues to the customer's satisfaction. We require our dealers to provide immediate service to our member agencies. Many of our dealers offer multi-year service plans. We also offer multi-year warranty plans supported by our dealers. We also have a free lifetime replacement program for our manuals and all instruction/safety decals. PB Loader's engineering and customer care teams provide phone/video technical support to both dealers and end users. When we are contacted with a service/warranty issue, a ticket is created within our ERP system and an email is sent company wide. Production, engineering, sales, and support teams all receive this notification and start resolving the issue. By having such a large team involved in rectifying the problem, solutions develop quicker, and response times are improved.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	We have made and will continue to make the Sourcewell contract the preferred choice of procurement for our customers. We are firm believers that contract buying is the way of the future with its ease of use. Our desire is to have every product we make available through the Sourcewell contract. This philosophy is driven by the President of the company and upper management to ensure the entire organization is committed to making Sourcewell successful with PB Loader.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are looking forward to expanding Sourcewell procurement utilizing the Canoe platform with all our Canadian customers and dealerships. We currently have four (4) dealers in Canada with seven (7) branches covering nearly the entire country. Canada has been a major customer base for us and will continue to be.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	We fully serve all geographic areas within North America.	*
34	Identify any account type of Participating Entity which will not have full access to your Solutions if awarded an agreement, and the reasoning for this.	We fully serve all Sourcewell participating entities within North America	*
35	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no specific contract restrictions or requirements for participating entities in Hawaii, Alaska or US territories. We have experienced dealers who are trained to utilize Sourcewell. In Alaska, Craig Taylor Equipment offers sales and service support. In Hawaii we utilize the local truck dealerships for sales and service. Our Florida dealer, Environmental Products, has a dedicated salesperson who covers Puerto Rico.	*
36	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	Yes, we will fully serve nonprofit entitles	*

Table 4: Marketing Plan (100 Points)

Line Item	Question	Response *	
37	Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Sourcewell is integrated and promoted heavily into our sales process. A key part of our strategy is making sure our dealer network is promoting Sourcewell as our primary method of purchasing PB products. This is accomplished during all sales calls to every dealer and at customer demonstrations with dealer management and sales personnel. We want it to be known that PB is synonymous with Sourcewell. We help convey this message by displaying the Sourcewell logo on all demonstration vehicles and sales personal apparel. We have committed to displaying the Sourcewell logo everywhere possible: media, ads, promotional items, website, trade show displays, our office, dealer branch locations, and company sales vehicles. The most important part of our strategy is having direct conversations with members and potential member agencies on the value of utilizing Sourcewell for not only purchasing PB products but other products from Sourcewell vendors. We believe the more they utilize Sourcewell contract procurement, the more Sourcewell and PB will grow together. Through our own sales staff and with almost 200 dealer salespeople these conversations occur daily.	*
38	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	PB Loader utilizes a third-party agency to drive customers to our website, and we have seen great success with the number of customer inquiries. We also work with our dealer marketing departments to help them create content and post with their social media platforms. Social media posts will include trade shows, industry events, customer demonstrations, new unit deliveries to satisfied customers, product upgrades, new features and our Sourcewell contract. In 2025 we will move away from a third-party agency and hire a full-time marketing manager, we believe we create greater success this way and focus our message.	*
39	In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?	Being a current vendor, the Sourcewell contract is already integrated into our sales process, utilized, and promoted heavily. Many of our dealers are very familiar with the contract, because of us and the other manufacturers they represent who are also vendors of Sourcewell. We believe that Sourcewell provides the initial platform for member agencies and should work directly with awarded vendors to promote increased membership. We feel Sourcewell should provide consulting on the legal requirements for members to use cooperative purchasing. The sales integration process of Sourcewell being the primary method for our customers purchasing PB products, began thirteen years ago with our first contract. We were believers in the beginning that Sourcewell and cooperative purchasing would be the future of government procurement. We have made every effort to make it our future as well. As stated in the previous two questions we laid out our overall marketing strategy for Sourcewell and are committed to continually evolving and improving that strategy as new ideas come to the forefront.	*
40	Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We often see e-advertising as becoming more prevalent in our industry. We have noticed many new customers have sought our website on the internet. Because of the high technical nature, unlimited customizations, and the dollar value of our products, particularly being integrated with a chassis, a standard e-procurement system is inadequate to meet the needs of our customers. For these reasons we sell with a hands-on approach with our local dealer network which includes writing lengthy technical specs and doing 3-D layout drawings of the products. It is our belief that one size does not fit all therefore our products are custom designed and configured to meet the needs of our customers exactly. E-procurement is not robust enough of a process to fulfill our customers' needs.	*

Table 5A: Value-Added Attributes (100 Points, applies to Table 5A and 5B)

Line Item	Question	Response *	

41	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	We offer free operator training and maintenance training onsite when the member agency puts the unit into service. We provide free follow-up training for the lifetime of the unit conducted by our own factory trained staff and/or dealers. It is our business philosophy to ensure that our customers can effectively and safely use our products. We provide free manuals, and instructional/safety decals for the life of the unit. We have a dedicated person at the factory so that customers can call for any kind of troubleshooting or operational advice. The sales staff can also provide this service. There are instructional videos, blueprints, and other digital materials that can be sent to the customers as learning tools. Several times a year we provide pothole patcher training school which we encourage Sourcewell members to attend.	*
42	Describe in detail your warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response.	Our warranty covers all products, parts, and labor. In some cases, freight as well. It is our commitment to solve all warranty issues to the complete satisfaction of our customers. Our warranty does not have any usage restrictions or other limitations. It is important to PB Loader that on the rare occasion there is a manufacturer defect, it is rectified immediately. Either PB or our dealer network can provide a technician who will travel to all geographic locations in US and Canada. We will cover all items sold by PB Loader including those components manufactured by others. We believe this provides the best customer service for the end user. Customers can return and exchange parts within 30 days without a restocking fee, but pay return freight. After 30 days, there is a 25% restocking fee, but in appropriate cases this may be waived. We wish to ensure customer satisfaction.	*
43	Describe any technological advances that your proposed Solutions offer.	We like to be in the forefront of technological advances within the municipal and truck equipment industries. We have incorporated options for the latest in back up sensor technology and cameras on our equipment. We strive to make our units the safest in the industry and have adapted standard automotive technology to road maintenance equipment which we have seen few others accomplish. We have updated numerous hydraulic and control systems to more efficient components that integrate with the advanced chassis ECM programming and chip sets. This is accomplished through our engineering department working directly with chassis manufacturers. We have become very experienced with the installation of truck bodies on EV chassis, we have designed our products to integrate into EV chassis.	*
44	Describe any “green” initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.	To our knowledge, there are not any green agencies that certify our type of product (Pothole Patchers). However, our standard pothole patcher is heated by LPG which is an environmentally friendly fuel. We have worked closely with several electric chassis manufacturers so that we are at the forefront of the technology and offer fully electric equipment. As a company we feel our carbon footprint is important with our products and how we operate. The entire facility utilizes highly efficient LED lighting. We also have several recycling programs for steel, cardboard, and e-waste. We have replaced half our fleet of forklifts with EV full electric, and will replace the remaining fleet in the next few years	*
45	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	We do not know of any third parties that label road maintenance equipment specifically. As stated in question 44, the company is committed to developing green practices internally by utilizing energy efficiencies which will make us far more sustainable in the future.	*
46	Describe how your equipment reduces the carbon footprint compared to traditional asphalt repair equipment.	PB Loader’s products significantly reduce carbon emissions compared to traditional asphalt repair systems by integrating multiple low carbon innovative solutions. Among them are fully electric chassis, CNG-powered chassis, and ACT ultra-low emission chassis greatly reducing fossil fuel combustion and tailpipe emissions. We offer fully electric asphalt tools and accessories with our pothole patchers. Our units are heated by radiant air chambers which are very energy efficient. Many traditional units use heating oil which requires regular oil changes, creating a larger carbon footprint. Our patcher utilizes LPG or CNG as our main burner fuel choice, whereas many other units use diesel as their only fuel choice. There are electric heated units powered by hydraulic generators which require the chassis engine to burn more diesel to create electricity. We offer hook-lift and slip-in units that utilize existing chassis in the customers’ fleet, thus reducing the overall carbon footprint.	*
47	Describe if your solutions use low-VOC (volatile organic compound) or biodegradable materials to reduce environmental impact.	PB Loader uses the lowest VOC automotive paint on the market. In addition, we offer environmentally friendly solvents and emulsion oil which break down naturally without leaving toxic residues protecting ground water.	*

48	Describe any ergonomic features your solutions offer to minimize fatigue and strain on operators.	Our products are engineered with superior ergonomic features that deliver safety, and efficiency for operators. From large valve handles and dials designed for gloved use to intuitive cab controls and multiple control locations, every detail is made for ease of operation. The ladder and step system ensures safe, easy access. Other features include a fully hydraulic-operated lift for the compactor, top doors and rear doors. Our operator friendly emulsion application wand, optimal height for shoveling box, and hydraulic discharge system make handling materials easier and safer. With smart tool storage at comfortable heights and accessible maintenance points, our equipment is built to reduce fatigue.	*
49	Describe fire prevention and handling protocols or personal protective equipment needed while using your equipment to enhance operator safety.	Safety is a top priority in our equipment design and functionality. PB Loader boasts many safety features including traffic advisory warning lights and traffic flags/cone storage. Our burner system is safely positioned at the front of the unit well away from the operator and features a covered design for added protection, along with a labeled burner shut-off switch for rapid response. Every unit is also equipped with a fire extinguisher. We train strict PPE protocols: all personnel are instructed to wear gloves, steel-toe work boots, safety glasses, high-visibility vests, and ear protection. This combination of equipment-integrated safety features and PPE ensures both fire prevention and operator protection are consistently upheld.	*
50	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Quality and Customer Service have distinguished us as an industry leader and will continue to do so in the future. It is our business philosophy to stand by our products and customers. We want every customer to feel completely satisfied with the product and the service they receive over the product's lifetime. By listening to our customers and responding to their needs expeditiously we ensure their complete satisfaction. What makes our products unique is that we do not believe that one size fits all solutions; agencies have very different needs because of their geographic location, agency size, and other demographics. For this reason, we offer by far the largest selection of models and sizes with our products. More importantly, we offer hundreds of options and will custom build additional features base on the customer's needs. We believe in making it easy for our customers to purchase our products. We do this by first listening to their requirements and from there develop a detailed layout drawing. This allows our customers and their crews a great opportunity to design their own unit and know what they are getting before they purchase. On this contract we offer complete turnkey solutions with our products integrated with chassis so the customer can issue one PO to one vendor and have one point of contact. We have a large and dedicated dealer network whose goal is to support their local markets. In turn, we provide our dealers with the support to do this as well as offering support directly to the end user. Even though PB sells through dealers, we believe that it is our responsibility to ensure the member agency is completely satisfied.	*

Table 5B: Value-Added Attributes

Line Item	Question	Certification	Offered	Comment	
51	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or re-sellers if available. Select all that apply.		(•) Yes ( ) No	PB Loader is not accredited as a WMBE or SBE. However, we work with several hub partners:	*
52		Minority Business Enterprise (MBE)	( ) Yes (•) No	n/a	*
53		Women Business Enterprise (WBE)	( ) Yes (•) No	n/a	*
54		Disabled-Owned Business Enterprise (DOBE)	( ) Yes (•) No	n/a	*
55		Veteran-Owned Business Enterprise (VBE)	( ) Yes (•) No	n/a	*
56		Service-Disabled Veteran-Owned Business (SDVOB)	(•) Yes ( ) No	Westcoast Materials	*
57		Small Business Enterprise (SBE)	(•) Yes ( ) No	Cicero Brothers Main Street Materials	*
58		Small Disadvantaged Business (SDB)	( ) Yes (•) No	n/a	*
59		Women-Owned Small Business (WOSB)	( ) Yes (•) No	n/a	*

Table 6A: Pricing (400 Points, applies to Table 6A and 6B)

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *	
60	Describe your payment terms and accepted payment methods.	Our payment terms are Net 30. Check, ACH, and wire transfer are all acceptable forms of payment. We accept Visa and MasterCard for parts sales. We do not have a processing fee.	*
61	Describe any leasing or financing options available for use by educational or governmental entities.	For any customers seeking finance or leasing options, we partner with NCL Government Capital	*
62	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	Each standard Sourcewell transaction starts with a Quote Request Form and detailed dimensional forms. Once a purchase order is received, an Order Confirmation Form is generated.	*
63	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	We accept P-card payments with no additional processing fee.	*

64	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	See the attached Price Catalog for all our products being offered, which include their SKUs, MSRP, and Sourcewell discounts. We are offering a 10% discount off MSRP on the entirety of our catalog including chassis.	*
65	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	We are offering a 10% discount off MSRP on the entirety of our catalog including chassis.	*
66	Describe any quantity or volume discounts or rebate programs that you offer.	In an addition to the initial 10% discount to Sourcewell members, we also offer a 3% quantity discount for orders of six (6) or more units excluding chassis.	*
67	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or "non-contracted items". For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	We like to approach sourced items in one of two ways. First, if they are customer specific, we will add them to the contract just for that customer, so it makes repeat purchasing easier. The second method is to supply a cost plus a percentage quote for these specialty items.	*
68	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	There is a small PDI fee that dealers will charge to prep the unit prior to delivery. There may also be DMV and other government fees that may be accessed when applicable.	*
69	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Shipping and delivery are an additional cost. The amount depends on the size of the product and where it is going. We quote market rate.	*
70	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	For Canada, we contact truck freight brokers who specialize in crossing the border. We and our dealers are very familiar with the USMCA processes. For Alaska, Hawaii and offshore deliveries, our dealers have freight brokers that handle the complete process. We have regularly shipped to all these locations. This is nothing out of the ordinary for us.	*
71	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Our units are built as turnkey work ready products, so they can be delivered directly to the member agency and are ready for operation. We meet special delivery requests, to better serve the customer. Trail samples of green products are also available with delivery upon request.	*
72	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing.	It is mandatory for our dealers to request a Sourcewell quote and provide member entity information. From this, a quote number is assigned and is tracked through the sales process. Each purchase order we receive from our dealer or member agency is cross-checked with a quote number to identify it as a Sourcewell order. This ensures that all Sourcewell orders are placed in the quarterly report and a dealer cannot sell any Sourcewell product without our knowledge.	*
73	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	Since we have been an awarded vendor for three contracts, we have established historical metrics. We track the Sourcewell sales dollars within our total sales dollars. We also track the Sourcewell units and product types produced within our total units produced. We track Sourcewell quotes generated within the total number of quotes generated and the conversion rate to orders of Sourcewell quotes. We analyze this performance to grow our success with the Sourcewell contract.	*
74	Provide a proposed Administration Fee payable to Sourcewell. The Fee is in consideration for the support and services provided by Sourcewell. The propose an Administrative Fee will be payable to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	Our current contract has a fee of 2%. We would like to continue this with the new contract for our entire catalog including chassis.	*

Table 6B: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments	
75	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	The price is as good or better to Soucrewell members, than non-members	*

Table 7A: Depth and Breadth of Offered Solutions (200 Points, applies to Table 7A and 7B)

Line Item	Question	Response *
76	Provide a detailed description of all the Solutions offered, including used Solutions if applicable, offered in the proposal.	PB Loader offers a large range of roadway maintenance equipment from asphalt pothole patchers, asphalt hot boxes, seal coat/emulsion sprayers, and marker application bodies. We have an extensive offing of truck equipment products that support our and the greater marketplace for asphalt road maintenance equipment. For example, often crack sealers do not operate alone, you need a chassis with a flatbed and air compressor, not only to tow the crack sealer but also to blow out the debris in the crack before applying the crack sealant. Another example is pavement grinding equipment needs a dump truck to collect the grinding. With this significant depth and breadth of equipment offered by PB Loader we can better meet the needs of Sourcewell members by being one stop shop for most of their equipment requirements. Asphalt (Pothole) Patchers: PB Loader is the leading manufacturer of asphalt patchers with the largest selection of models, sizes, and options in the industry, as well as broad customization above and beyond that. Hot mix asphalt is required to complete a superior asphalt repair. PB patchers keep the temperature consistent throughout the entire shift in order to make a permanent patch. PB Asphalt Patchers carry all the equipment and material for a two-person crew to repair potholes, road shoulders, cut outs, skin patch, and utility cuts throughout the year. PB Patchers are fully equipped with all the tools needed so a team can tackle patching jobs with just one machine. All PB Patchers feature an insulated and heated asphalt hopper that keeps asphalt hot and usable all day. Four (4) Conveying Options: Belt, Single Auger, Double Auger, Dump Four (4) Mounting Options: Truck Chassis, Slip-In, Hook-Lift, Trailer Eight (9) Sizes: 1.5, 1.8, 3, 4, 5, 6, 8,10,12 cubic yards Hundreds of options and custom configurations such as: (refer to catalog for complete list) Flasher, safety Spoils bins Toolboxes and baskets Arrow boards Vibratory compactors and rollers Back up alarms and camera equipment Air compressors Generators Jack Hammers Hose reels Work decks Water containers Fire Extinguisher, first aid kits, triangle kits Many of these options are customizable within themselves. Locations on the truck, sizes, and usage are all considered when discussing these elements with the customer. PB Patchers come in two formats, a “V” hopper which uses either a continuous conveyor or auger to move the asphalt or a dump hopper which uses a hoist to raise the hopper which allows the asphalt to slide out. Both formats are available for mounting on truck chassis, slip-in, hook-lift or trailer models.

Proven Features
- Heavy Duty Design
- All Hydraulic Operation
- Radiant Heat System
- Burner Systems Available in LPG, Diesel, and Electric Generator
- Fully Insulated Asphalt Container
- Hand Torch with 200,000 BTU Output
- Convenient Operator Controls
- Emulsion Spray System

Hot Boxes:

PB Loader offers two main sizes (2 and 3 yard) of hot boxes trailers and skid mount units. They come equipped with fully hydraulic functions, seal coat/emulsion spray system, jack hammer systems, compactor plate with hydraulic lift, and many other accessories. The units can also be ordered bare bone to meet the more budget-friendly needs of Sourcewell members. Custom sizes and configurations are available upon request.

Seal Coat/Emulsion Sprayers:

PB offers seal coat/emulsion sprayers with more sizes and features than anyone else in the industry.

Fully equipped emulsion systems can be powered by a hydraulically driven pump or compressed air and sized to meet our customers' needs. These systems are truck mounted in conjunction with an asphalt patcher or truck equipment body. They are also available in trailers, hook lift, and slip-in models. All are available with a variety of options, sizes, and custom configurations.

Truck Mounted Styles: 15-200 gallons
Trailer Mounted and Slip-In Styles: 200-700 gallons

Pump Type Sprayers - Pump type emulsion sprayers include a solvent tank for flushing the emulsion hose and cleaning asphalt tools with a waste tank system. Truck mounted units are usually heated by the truck cooling system but can also be heated by LPG burner. All trailer units use LPG heaters.

Compressor Type Sprayers - Compressor type emulsion sprayers are available in many sizes. These can be charged off the truck brake system compressor, or any air compressor. These sprayers are heated by the truck cooling system or LPG burner. Trailer and slip-in models are equipped with an engine driven compressor.

Options and Features - All spray units can include Recirculation, Auxiliary Electric Heat, Tank Insulation, Discharge Strainer, Hose Reels, LPG Tanks, Thermostatic Controls, Loading Hose, Reverse Flow Systems, Draw Off Valve, Optional Engines, and Work Platform.

Oil (asphalt) Distributors:

PB Loader offers trailer and slip-in mounted oil distributors in the 600-to-1000-gallon range. These units are equipment with a 2" insulated tank, LPG burner system for heating, fully function spray bar with actuated side wings and individual adjusted spray nozzles. This will give the operator full control and adjustability of the desired material spray pattern. Our oil distributors are capable of surface treatments, chip sealing, fog sealing and prime coat for paving operations

Road Marker Application Bodies:

PB manufactures various maker and kettle applications bodies. Our maker body features two personal pods that can rise and lower to provide proper position for applying the melter adhesive and the reflective puck. The product is equipment with an adhesive melter kettle and storage for the melter material and pucks, with all other tools and safety equipment needed to get the job done. Our other application bodies feature a dedicated section for the mounting of an adhesive melter kettle, crack sealers or mastic systems and the storage system for the material they use. Tooling and safety equipment are also incorporated into their design.

PB Truck Mounted Loaders:

PB Truck Mounted Loaders combine a dump truck and loader shovel into one unit. Designed to load, haul and dump asphalt cold patch, leaves, gravel, dirt, snow, trash, or brush just to name a few. PB Loaders save operation cost, reduce manpower, and lets you tackle a variety of jobs that would otherwise require several pieces of equipment.

PB Loaders are built tough and come equipped with features that improve productivity and safety. An exclusive arm design allows the operator access to the cab when the shovel is on the ground or in the travel position. PB Loaders are available with a 3,000 lb. or 5,000 lb. shovel lifting capacity, and can be outfitted with a clam, tilt, clam/tilt or standard shovel. Shovel capacities range from 3/4 cubic yard to 1 1/2 cubic yards. Safety switches shut down all systems if the cab door is opened or the dump body is raised during loading operations.

Options include air or joystick controls, automatic grease lines, toolboxes, pull tarps, various sizes of dump bodies, emulsion spray systems, carbide blade and blocks for the shovel, installation on tilt cab or conventional chassis, and many more.

Road Maintenance Support Equipment

PB Bodies are offered in a variety of models and capacities that can be used in conjunction with a PB Truck Mounted Loader, PB Patchers, and PB Emulsion Systems. They can also be standalone units equipped to provide valuable service for road maintenance. Features include heavy-duty construction, a large variety of accessory equipment and tools, custom configured to meet the exact needs of the using agency.

Chassis:
PB Loader offers full turn-key solutions (single PO Source Purchasing) for our Sourcewell customers by providing a variety of chassis that are used in conjunction with our truck mounted products. For example:

Ford
Freightliner
Western Star
International
Kenworth
Peterbilt
Isuzu
Rizon
BattleMotors

Dump Bodies:
PB Loader offers many sizes and types of dump bodies. We work with several leading manufacturers which allows us to bring complete solutions to our Sourcewell customers. We also work with these manufacturers' national dealer networks by convincing them to sell dump bodies with Sourcewell in their local markets. For example:

- Small Contractor Bodies
  - Rigid and/or Fold-Down Sides
- Medium Duty Bodies
  - Bobtail Bodies
- Heavy Duty Bodies
  - Square Bodies
  - Elliptical Bodies
  - Demolition Bodies

Flatbeds / Stake Bodies / Platform Bodies:
PB represents several leading brands as well as manufacture our own models. These bodies can come in standard to heavy duty construction and can be custom built with inlay toolboxes, dump hoists, lift gates, and many other features. Bringing yet another complete solution to our SW customers. We work with these manufacturers' national dealer networks by convincing them to sell flatbed bodies with Sourcewell in their local markets. For example:

Smooth Floor
Tread Plate Floor
Wood Deck
Aluminum Body
Rancher Body
Dumping Bodies
Stake Sides (wood, steel, aluminum)
Various Lengths and Widths

Chipper Boxes / Landscape / Arbor Bodies:
PB represents several brands as well as manufacture our own models. These bodies come in many configurations to meet the roadway landscaping needs of our Sourcewell customers. We work with these manufacturers' national dealer networks by convincing them to sell their bodies with Sourcewell in their local markets. For example:

- Open Top Chipper Box
- Closed Top Chipper Box
- Side Open and barn door landscape bodies (rugby and reading)
- Arbor Bodies with included storage for saws and tree trimming equipment

Utility Bodies:
PB offers the Reading Utility Bodies product line to its SW customers. Reading has a full line of bodies that range from smaller maintenance units to large mechanic trucks for use in road maintenance applications. With a base body from reading, we can upfit additional SW listed equipment to customize a truck to create the best solution for our Sourcewell members. We work with Reading's national dealer network by convincing them to sell utility bodies with Sourcewell in their local markets. For example:

- Steel Constructed Bodies
- Aluminum Constructed Bodies
- Single and Dual Wheel
- Canopy Bodies
- Mechanics Bodies
- Mechanics Crane Bodies

Swaploader Hook Lifts:
We are offering a full hook-lift line, these products are often used in conjunction with our asphalt patchers and support bodies. Hook-lift systems provide an efficient fleet utilization system for municipalities because the customer can use one chassis with several pieces of equipment. We work with their dealer nationwide by convincing them to sell hook lift systems with Sourcewell in their local markets. For example:

- Single axle from 7,500 lbs. to 24,000 lbs. capacity
- Tandem axle from 33,000 lbs. to 65,000 lbs. capacity

Lift Gates:
Truck mounted lift gate systems that offer value added ease of accessibility to many truck equipment bodies. For example:

- Tommy Lift Gate
  - Pick Up Truck
  - Utility Body
  - Flatbed
  - Box Body
  - Rail Gate
  - Tuck under
  - Dump Through
- Palfinger Lift Gates
  - Cantilever
  - Pick Up Truck
  - Utility Body
  - Flatbed
  - Box Body
  - Rail Gate
  - Tuck Under

Compressor Systems:
Truck and skid mounted compressor systems that offer value added functions to many truck equipment bodies. These systems are utilized to run jack hammers, impact wrenches, blow guns, and many other air powered tools and accessories that road maintenance crews use regularly. For example:

- Vanair
  - Under deck rotary screw compressors from 60 to 185 CFM
  - Hydraulic driven compressors from 30 to 85 CFM
  - Engine driven compressors from 30 to 85 CFM
  - All-In-One systems combines air, electric generators, welder, and hydraulic into one unit
- Sullivan-Palletek
  - Above deck skid mount, engine driven, 185 CFM
- Other brands
  - Small engine reciprocating compressor

		Electric 12V compressor Cranes: We offer several brands of truck mounted cranes spanning many types and sizes. These cranes are sold in conjunction with other support bodies to increase the capabilities of the truck. For example: Elec Hydraulic Folding, compact Outriggers Spitzlif Palfinger/Reading Venturo Customer Specific Custom Road Maintenance Equipment: As a result of our many options and custom configurations to meet the exact needs of individual agencies, we have started a program of adding customer specific configurations to our current Sourcewell contract. This is to facilitate ease of purchasing for our customers, particularly those who have massive amounts of customized features. One of the greatest successes of this is with the City of Los Angeles which has more than a dozen custom SKUs which includes chassis for turn-key solutions. Additional Accessories: On this contract PB offers many additional accessories to upfit any truck or support bodies with all the tools that road crews need. For example, but not limited to: Whelen safety lights PSE Code3 Safety Lights Work lights and spotlights Warn Wenches Toolboxes and baskets Toolholders Back up cameras and sensors Bed vibrators Pull Tarps Inverter Systems with electrical outlets Fire extinguishers and triangle kits Water coolers Wash Tanks Ladder and material racks Vises Reflective safety tape and panels	
77	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Roadway Surface Maintenance and Repair Equipment – We manufacture pothole (asphalt) patchers, hot boxes, emulsion/seal coat sprayers oil distributors, and maker application bodies. We offer the largest selection by far of models and sizes of pothole patchers also custom built to our customers' needs. Equipment and Products in Support of Roadway Maintenance and Repair – We offer many additional asphalts support bodies that utilize emulsion systems and other products that municipalities use in conjunction with their pothole patcher and road maintenance programs. This also includes our PB front loader systems.	*

Table 7B: Depth and Breadth of Offered Solutions

Indicate below if the listed category or type of solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
78	Asphalt recyclers and reclaimers, hot boxes	(•) Yes ( ) No	We offer several sizes and types of hot boxes in Trailer and Skid mount designs	*
79	Patchers, seal coaters, joint and crack sealers, crack routers, mastic and adhesive melters	(•) Yes ( ) No	We offer a fully range of Patchers, and a large offering of seal coat/emulsion sprayers	*
80	Chip spreaders, asphalt brooms, and pavement grinding or grooving equipment	( ) Yes (•) No	We do not have these products	*
81	Pavement marking application and removal equipment	(•) Yes ( ) No	We offer marker application bodies	*

Table 8: Exceptions to Terms, Conditions, or Specifications Form

Line Item 82. NOTICE: To identify any exception, or to request any modification, to Sourcewell standard Master Agreement terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Master Agreement Template provided in the "Bid Documents" section. Proposer must upload the redline in the "Requested Exceptions" upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Master Agreement.

Do you have exceptions or modifications to propose?	Acknowledgement *
	○ Yes ◉ No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - 1_Pricing.zip - Friday May 02, 2025 15:16:25
- Financial Strength and Stability - 2_Financial Stregth & Stability.zip - Friday May 02, 2025 15:16:36
- Marketing Plan/Samples - 3_Marketing Plans & Samples.zip - Friday May 02, 2025 16:14:33
- WMBE/MBE/SBE or Related Certificates - Binder WMBE Certs.pdf - Monday April 28, 2025 14:49:16
- Standard Transaction Document Samples - 6_Standard Transaction Document Samples.zip - Friday May 02, 2025 15:24:23
- Requested Exceptions (optional)
- Upload Additional Document - 7_Additional Documents.zip - Friday May 02, 2025 15:24:39

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.

3. The Proposer certifies that:

(1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and

(3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.

5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.

6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.

7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

8. Proposer its employees, agents, and subcontractors are not:

1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;
2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or
3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jason Thompson, President, PB Loader Corporation

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_2_Roadway_Maintenance_Equipment_RFP050625 Wed April 23 2025 04:17 PM	☑	2
Addendum_1_Roadway_Maintenance_Equipment_RFP 050625 Tue April 8 2025 02:54 PM	☑	1

PB Loader #050625-PBL

Pricing for contract #050625-PBL offers Sourcewell participating agencies the following discounts:

- 10% discount off current MSRP on all products except chassis
- 5% discount off current MSRP on chassis
- An additional 3% quantity discount is available for orders of six (6) or more units, excluding chassis

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-645 Meeting Date: 8/3/2026

Report Prepared by: Cosmo Ordunez, Public Works Manager-Internal Services

SUBJECT: Approval to Purchase One (1) New Front Loader Refuse Truck, and Necessary Attachment Equipment, From Interstate Truck Center - Valley Peterbilt, in the Amount of $394,219.35 for the Refuse Department to Replace E-1425

REPORT IN BRIEF

Considers approving the purchase of one 2027 Peterbilt 520 truck with NewWay Mammoth Front End Loader body in the amount of $394,219.35 utilizing the cost savings government procurement program (Sourcewell). The purchase of the new vehicle will replace aging equipment that will improve reliability, reduce maintenance costs, and increase efficiency in daily operations.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one 2027 Peterbilt 520 truck with NewWay Mammoth Front End Loader body in the amount of $394,219.35 from Interstate Truck Center - Valley Peterbilt, through Sourcewell contract # 032824-PMC; and,

C. Authorizing the City Manager to execute any necessary documents for the purchase specified above; and,

D. Authorizing the issuance of the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY
Municipal Code Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES
As provided for in the FY 26/27 Adopted Budget.

DISCUSSION
History

Sourcewell offers an equipment/vehicle purchase program to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City is able to purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Over the last several years, the City has purchased a variety of equipment including, street sweepers, leaf trucks, fire trucks, refuse trucks, etc. through the Sourcewell government procurement program with great success.

Buying these vehicles directly through this outside program requires waiving the City's competitive bid requirements. In addition to cost savings, purchasing directly from Sourcewell allows the City to standardize equipment, which is a desire of the Fleet Services Division. With standardized equipment, Fleet Services will have the ability to reduce parts inventory, and ensure the vehicle controls, handling, and maneuvering are the same for vehicles that are currently being used by City employees. The vehicle requested will be the same make and model as other City equipment.

The Public Works Department, Fleet Services Division, is requesting Council authorize the purchase of one currently budgeted fleet vehicle to replace a Front Loader Refuse vehicle, utilizing the nationwide government procurement service Sourcewell via Interstate Truck Center/Valley Peterbilt. Replacing aging equipment is essential to the Refuse Division's operation because it ensures reliable service, reduces costly breakdowns and downtime, improves safety for staff, and supports more efficient and sustainable waste collection.

The listed vehicle to be purchased is budgeted in the FY 26/27 vehicle replacement adopted budget. The vehicle requested for purchase in this report will meet the California Air Resources Board (CARB) Tier IV final clean air vehicle pollution rating.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities.

Staff requests waiving the bidding requirements in order to standardize equipment and utilize the government pricing contract.

IMPACT ON CITY RESOURCES

This vehicle was approved in the FY 2026/27 adopted budget in Fund 7006-Vehicle Replacement Fund. No additional appropriation is needed.

ATTACHMENTS

1. Interstate Truck Center - Valley Peterbilt Quote
2. Peterbilt Sourcewell Contract Documentation
3. Sourcewell Contract Price Information
4. Sourcewell Membership

INTERSTATE TRUCK CENTER

dba Valley Peterbilt

2110 S. Sinclair Ave
Stockton, CA 95215
ph: 209-944-5821 - fx: 209-942-2182

5837 N. Goldenstate Blvd
Turlock, CA 95382
ph: 209-669-5444 - fx: 209-669-9674

Sourcewell Contract # 032824-PMC

Sold To:	City of Merced	*Ship To:*	New Way Trucks
Address:	1776 Grogan Ave Merced, CA 95340	*Address:*	101 State St Scranton, IA 51462
Contact:	Cosmo Ordunez	*Contact:*	John Laine
Number:	209-385-6944	*Number:*	216-952-7060
E-Mail:	ordunezc@cityofmerced.org	*E-Mail:*	john@raygaskinservice.com
Fax:		*Fax:*	

Chassis Information				*List Price*	*$ 260,065.00*
2027 Peterbilt 520					
62,000 lb GVW				*NJPA Discount*	*25.00%*
Paccar PX-9 & Allison Auto					
Front Loader				**Chassis Price**	**$ 195,048.75**
Sourced Goods / Open-Market Items					
Finish PDI / Prep					$ 1,550.00
Detail & Floormats					$ -
NewWay Mammoth FEL					$ 167,560.00
Non-Taxable Items					
Flooring		3.5%	0 Days		$ -
				Number of Units	1
Notes	Customer to Provide Resale Information			Subtotal	$ 364,158.75
	Customer to Provide FET Exemption Certificate			Sales Tax Rate	8.25%
	ITC to provide DMV Exempt Plate			Sales Tax	$ 30,043.10
				F.E.T.	0.00%
Authorized Signature	_____			EXEMPT	$ -
Purchasing Agent	_____			DMV Fees	$ -
Purchase Order Number	_____			CA Tire Tax	$ 17.50
Date	_____			**Total Invoice**	**$ 394,219.35**

DocuSign Envelope ID: 9BB83347-9852-442D-ABE7-863BAFA32866

Sourcewell

Solicitation Number: RFP #032824

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Peterbilt Motors Company, 1700 Woodbrook Street, Denton, TX 76205 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Class 4-8 Chassis and Cabs with Related Equipment, Accessories, and Services from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires July 9, 2028, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

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A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

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- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized

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subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

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A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted

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price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

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D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

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b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event
$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

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Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

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Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with

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the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and

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records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

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R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Peterbilt Motors Company
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: DD52CB0924194DD...
By: _____	By: _____
Jeremy Schwartz	Phill Hall
Title: Chief Procurement Officer	Title: National Fleet Sales Manager
Date: 7/5/2024 | 11:29 PM CDT	Date: 7/5/2024 | 2:26 PM CDT

RFP 032824 - Class 4-8 Chassis and Cabs with Related Equipment, Accessories, and Services

Vendor Details

Company Name:	Peterbilt Motors - MD Sales
Does your company conduct business under any other name? If yes, please state:	TX
Address:	3200 Airport Road Denton, TX 76205
Contact:	Phillip Hall
Email:	phillip.hall@paccar.com
Phone:	940-367-5665
Fax:	940-367-5665
HST#:	

Submission Details

Created On:	Thursday February 08, 2024 08:16:30
Submitted On:	Thursday March 28, 2024 09:59:08
Submitted By:	Phillip Hall
Email:	phillip.hall@paccar.com
Transaction #:	7e53e445-46c2-4228-b451-099b1f022cfa
Submitter's IP Address:	71.14.148.40

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Peterbilt Motors Company	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	N/A	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	8K065	*
5	Proposer Physical Address:	1700 Woodbrook Street Denton, Texas 76205	*
6	Proposer website address (or addresses):	http://www.peterbilt.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Phil Hall National Fleet Sales Manager 1700 Woodbrook Street Denton, Texas 76205 phillip.hall@paccar.com (940) 591-4006	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Phil Hall National Fleet Sales Manager 1700 Woodbrook Street Denton, Texas 76205 phillip.hall@paccar.com (940) 591-4006	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Corin Gleason District Sales Manager Corin.Gleason@paccar.com (708)-833-1508 Greg Grabinsky Vocational Sales Manager Greg.Grabinsky@paccar.com (416) 523-4497	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Peterbilt Motors Company was founded in 1939. For 80+ years Peterbilt has been manufacturing Medium-Duty and Heavy-Duty commercial trucks for the U.S. & Canadian Market. We are proud to be American-owned, headquartered in the great state of Texas. Peterbilt operates manufacturing and parts distribution facilities across the U.S. & Canada and has a large independently owned & operated dealer network consisting of 423 locations and adding on average of 25 locations per year. Our trucks are recognized as the most reliable, durable, and highest quality trucks, well suited for the harshest vocational applications that government/municipal fleets operate in on a daily basis. Peterbilt's four core values: 1) Purposeful Innovation - Provide technologically advanced products and services that deliver outstanding performance and value. 2) Individualized Solutions - Customize every Peterbilt product to meet the unique business needs of the customer, and support the customer with after-sales programs and services tailored to them. 3) Enduring Craftsmanship - Manufacture the industry s most durable and reliable trucks, assembled to the highest quality standards by the industry s proudest employees. 4) Pride & Class - Maintain a passion for unrivaled performance, forged out of the heritage of the iconic brand and focused on inspired styling and a premium driver experience. Peterbilt's business philosophy Peterbilt's business philosophy is to produce the highest quality, most durable, reliable trucks on the market that provide our owners with years of dependable and efficient service and therefore the best return on investment. Peterbilt trucks are designed to last longer than any other truck on the market - on purpose! Peterbilt is the most highly desired truck on the used-truck market for a reason; the trucks are still reliable & dependable and can provide many more years of service. In fact, 94% of Peterbilt trucks in-serviced 20 years ago are STILL being in-serviced now - far better than competing OEMs.	*
11	What are your company's expectations in the event of an award?	Peterbilt has marketed the Sourcewell Program on it's website; both internally and externally. We take every opportunity to advertise our contract with Sourcewell; trade- shows, conventions, expositions, dealer open houses, and dealer training events, etc. We hold Sourcewell Webinars for our entire dealer network multiple times/year and release Dealer Bulletins to further communicate and promote our contract. If awarded, we would continue to aggressively promote our Sourcewell contract both internally & externally at events, through training, marketing, social media, etc. Our expectation is that Sourcewell members will continue to utilize the Peterbilt contract in order to secure vehicles that offer class leading reliability, durability, and value.	*

12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Peterbilt is a Division of Paccar, Inc. (www.paccar.com). PACCAR is a global technology company that designs and manufactures premium quality light, medium and heavy duty commercial vehicles sold worldwide under the Kenworth, Peterbilt and DAF nameplates. PACCAR designs and manufactures diesel engines and other powertrain components for use in its own products and for sale to third party manufacturers of trucks and buses. PACCAR distributes aftermarket truck parts to its dealers through a worldwide network of Parts Distribution Centers. Finance and leasing subsidiaries facilitate the sale of PACCAR products in many countries worldwide. PACCAR maintains exceptionally high standards of quality for all of its products: they are well engineered, highly customized for specific applications and sell in the premium segments of their markets, where they have a reputation for superior performance and pride of ownership PACCAR had an outstanding year in 2022. The company's revenues of $28.82 billion and net income of $3.01 billion were the highest in the company's history. The after-tax return on revenue increased to 10.4%. PACCAR has earned an annual net income for 84 consecutive years. PACCAR's financial results reflect the company's industry leading trucks and powertrains, excellent aftermarket parts and financial services businesses and continued technology leadership. PACCAR's strong financial performance generated an industry leading after-tax return on beginning stockholders' equity of 26% in 2022. Year-end stockholders' equity was a record $13.17 billion. PACCAR's financial performance has enabled the company to declare $8.9 billion in dividends during the last ten years. PACCAR's A+/A1 credit rating supported PACCAR Financial Services' record pre-tax profits of $588.9 million, including $6.22 billion of new loan and lease volume. In 2022, capital investments were $505 million and research and development expenses were $341 million. These investments enabled PACCAR's truck factories to build zero emissions vehicles, supported global production capacity increases and implemented advanced technologies to enhance manufacturing efficiency, including the expanded use of automated guided vehicles. PACCAR made excellent progress in the development of its proprietary autonomous vehicle platform and advanced its partnership with Aurora to commercialize autonomous vehicles. Peterbilt, Kenworth and DAF continued to enhance their industry leading connected services offerings that provide valuable vehicle performance data to our customers, while also providing PACCAR with an increasing stream of recurring revenue. PACCAR is a leader in the development of battery-electric, hydrogen combustion and hydrogen fuel cell vehicles. Kenworth, Peterbilt and DAF delivered nearly 200 battery-electric trucks to customers in 2022 and have nine zero emissions vehicle models in production with a backlog of hundreds of customer units on order. PACCAR's three global embedded software development centers and global connected truck teams are providing proprietary, customer-focused solutions for all parts of the business. 2022 Financial Highlights • Worldwide net sales and revenues were $28.82 billion in 2022 compared to $23.52 billion in 2021, primarily due to higher truck and parts revenues. • Truck sales were $21.49 billion in 2022 compared to $16.80 billion in 2021, primarily due to higher truck deliveries and price realization in all markets. • Parts sales were $5.76 billion in 2022 compared to $4.94 billion in 2021 reflecting higher demand and price realization in all markets. • Financial Services revenues were $1.51 billion in 2022 compared to $1.69 billion in 2021, primarily due to lower used truck sales. • In 2022, PACCAR earned net income for the 84th consecutive year. Net income was $3.01 billion ($5.75 per diluted share) in 2022 compared to $1.87 billion ($3.57 per diluted share) in 2021 reflecting higher Truck, Parts and Financial Services operating results. • Capital investments were $505.0 million in 2022 compared to $511.8 million in 2021. • After-tax return on beginning equity (ROE) was 26.0% in 2022 compared to 17.7% in 2021. • Research and development (R&D) expenses were $341.2 million in 2022 compared to $324.1 million in 2021. See attached 01-PACCAR Annual Report
13	What is your US market share for the solutions that you are proposing?	Class 6/7: 6.1% Class 8: 13.9% Above numbers take into account ALL trucks/tractors with the majority being freight- hauling tractors and inner-city delivery trucks. Looking only at Vocational-Trucks, which includes the government sector, Peterbilt market share overall is 11.9% (Class 6/7/8 - all inclusive).
14	What is your Canadian market share for the solutions that you are proposing?	Class 6/7: 7.0% Class 8: 12.4% Above numbers take into account ALL trucks/tractors with the majority being freight- hauling tractors and inner-city delivery trucks. Looking only at Vocational-Trucks, which includes the government sector, Peterbilt market share is overall 9.67% (Class 6/7/8 - all inclusive).
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	NO

16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Peterbilt Motors Company is a manufacturer of commercial trucks. Peterbilt has a dealer network of 432 locations across the U.S. & Canada. Peterbilt dealers are independently owned & operated. All Peterbilt dealers must meet stringent sales, service, and parts support requirements as set forth in their dealer contract with Peterbilt Motors Company & Paccar, Inc. Peterbilt dealers employ 1,000+ salespersons across the U.S. & Canada. Dealer sales personnel are required to stay up to date on the latest product updates, industry technologies, emissions, etc through in-person & on-line training throughout each calendar year. All Peterbilt dealer salespersons are licensed to sell in the States they are assigned. In addition to the dealer network sales force, Peterbilt Motors also employs a factory- sales-management staff of approximately 40; 13 of which are focused on Vocational Trucks, including government/municipal accounts. Peterbilt also employs an individual dedicated to government contracts and the Sourcewell contract. Peterbilt factory sales managers are required to complete truck product, and all other industry related training throughout the year. All Peterbilt factory sales managers are licensed to sell in the States they are assigned. Peterbilt dealer AND factory sales forces work collaboratively with fleets to ensure the * customer experience is optimized in regards to truck specifications, performance, etc. Peterbilt dealer service network includes 432+ locations (add ~25/year), 60 independent dealer groups, 5,000+ dealer personnel, and highly trained technicians that are ALL 100% factory certified. Peterbilt dealer locations perform all levels of service work from standard preventive maintenance to warranty repairs to complete engine rebuilds. Dealers also offer custom maintenance solutions including contract maintenance, mobile service, and on-site technician support. Peterbilt dealers offer on-site comprehensive fluid analysis, DOT inspections and RapidCheck Express Service (provide diagnostics and an estimate of repairs in two hours or less). Dealers offer drop off service as well as pick-up and delivery. Dealers also provide Mobile Service truck for repairs at your locations.. 24/7 roadside assistance as well as a 24/7 repair hotline also available at 1-800-4- PETERBILT. Peterbilt factory service support management team consists of 30+ individuals across the U.S. & Canada that work collaboratively with our dealers service managers and technicians to take care of our customers & their trucks, from in-depth troubleshooting to warranty & policy support.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Peterbilt Manufacturing facilities are ISO 9001:2015 certified. Peterbilt maintains ISO 14001:2015 Environmental Management System (EMS) to improve its environmental programs and to reduce the environmental impacts of its operations and activities. Peterbilt trucks conform to all applicable Federal Motor Vehicle Safety Standards (FMVSS). Peterbilt trucks are equipped with emission control equipment to comply with all applicable US Environmental Protection Agency (EPA) regulations governing control of air pollution from new motor vehicles and new motor vehicle engines, which are in effect on the date of manufacture. In addition, all vehicles conform to the State of California Vehicle Code air quality standards (CARB) for new motor vehicles and new motor vehicle engines in effect on the date of vehicle manufacture. The exterior sound level of Peterbilt vehicles conforms to the noise legislation of the US Department of Transportation and the EPA. The interior sound level of Peterbilt vehicles, when measured in accordance with the test procedure of SAE J336 do not exceed the decibels per hour dictated in the test procedure. Peterbilt brake systems meet all NHSTA FMVSS regulations. Peterbilt trucks are equipped with a lighting system that conforms to the requirements of FMVSS 108. Peterbilt standard seat belt assembly (shoulder and lap), restraint system hardware, mounting, and performance conform to FMVSS Nos. 208, 209, 210. All instruments, indicators, and panel controls are located, identified and illuminated to conform to 49 CFR, Part 571, FMVSS No. 101. Peterbilt dealers are authorized/certified/licensed to sell Class 5-8 commercial trucks in the States & Provinces in which they do business.	*
18	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	N/A	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	2019 Awards 2019 Top Company for Women to Work for in Transportation by the Women In Trucking (WIT) Association • The organization's mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize the obstacles they face. 2020 Awards 2020 Top Company for Women to Work for in Transportation by the Women In Trucking (WIT) Association • The organization's mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize the obstacles they face. 2021 Awards 2021 Top Company for Women to Work for in Transportation by the Women In Trucking (WIT) Association • The organization's mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize the obstacles they face. Award of Distinction from the international Communicator Awards for Peterbilt Online EV Operations Cost Calculator. • The Communicator Awards is a leading international awards program dedicated to recognizing excellence, effectiveness and innovation across all areas of communication. The Peterbilt EV Operating Cost Calculator won for its user experience as a powerful tool for prospective customers to evaluate the Total Cost of Ownership of Peterbilt's three EV vehicle configuration on a per mile (on-highway applications) or per hour basis (vocational applications). 2022 Awards Operational Excellence Leadership Award from the National Association of Manufacturers (NAM) • Peterbilt received an Operational Excellence Leadership award for its Offline Priority Dashboard initiative, which provides a real-time, on-demand source of information assisting the Operations team to better forecast, prioritize and distribute resources, such as parts and labor, in the most effective manner in offline recovery efforts, and to achieve the delivery goals to assist with supply chain recovery across our country. With this new innovative process, Peterbilt streamlined offline processes to deliver trucks to our customers in the most efficient manner. Engineering and Production Technology Award from the National Association of Manufacturers (NAM) • Peterbilt received the award for the Structural Fastening Equipment Modernization project that utilizes a fastening equipment hydraulic system featuring MiniBooster hydraulic pressure intensifiers that are simple, inexpensive, and with a parallel installation and modular mounting system changeable on the fly in the case of failure. Transformative Culture Award from the National Association of Manufacturers (NAM) • Peterbilt received the Transformative Culture award for Safety Program Improvements, with the addition of the Velocity EHS and DuPont STOP program improving the efficiency with immediate corrective actions and shifting the safety culture to the proactive mindset that every safety incident can be prevented. About the National Association of Manufacturers The National Association of Manufacturers (NAM) is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. The NAM is a powerful voice in the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States. 2022 Top Company for Women to Work for in Transportation by the Women In Trucking (WIT) Association • The organization's mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize the obstacles they face. 2023 Awards 2023 Top Company for Women to Work for in Transportation by the Women In Trucking (WIT) Association • The organization's mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize the obstacles they face.	*
20	What percentage of your sales are to the governmental sector in the past three years	2%	*
21	What percentage of your sales are to the education sector in the past three years	<1%	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Peterbilt Motors Company only Cooperative purchasing contract is with Sourcewell. Rush Truck Centers holds contracts with The Florida Sheriffs Association (FSA) and the Houston-Galveston Area Council (H-GAC). Annual volume data available by request through Rush Enterprises.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	N/A	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Kent County Road Commission	Steve Roose	616-481-5368	*
Montcalm County Road Commission	Mark Christensen	616-835-6654	*
McHenry County DOT	Benjamen Justen	815-334-4977	*
Village of Northfield Illinois	John Rikje	224-707-2645	
Four Rivers Sanitation Authority	Dave Daughenbaugh	815-387-7583	

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Fresno	Government	California - CA	Refuse Trucks Model 520	6 Trucks	$955,750	*
City of Virginia Beach	Government	Virginia - VA	Refuse Trucks Model 520	15 Trucks	$2,018,482	*
City of Visalia	Government	California - CA	Refuse Trucks Model 520	9 Trucks	1,375,987	*
Kent County Road Commission	Government	Michigan - MI	Vocational Truck Model 365	11 Trucks	$1,854,965	*
Miami Dade County	Government	Florida - FL	Refuse Trucks Model 520	5 Trucks	$930,620	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable.

Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Peterbilt Motors Company Factory Sales force consists of Peterbilt's General Manager (equivalent to VP/President at other companies), Assistant General Manager, 3 General Sales Managers over the U.S. & Canada that have a total of 6 Region Managers reporting to them based out of Philadelphia (East), Nashville (South), Denton/Dallas (Midwest), Chicago (Great Lakes), Scottsdale/Phoenix (West), and Toronto (Canada). Each Region Manager oversees 3-4 District Sales Managers. In addition, Peterbilt Motors has a separate Medium-Duty Sales Team (1 per Region/Canada), Vocational Sales Team (1 per Region/Canada), and National Account Sales Team (1 per Region/Canada). Peterbilt also has one National Fleet Sales Manager that is dedicated to the Sourcewell Account. All Sales personnel mentioned above collaborate with Peterbilt's Dealer Network Sales teams which consists of 1,085 individuals throughout the US & Canada, including Sales VPs, Directors, Managers, Sales Personnel, and Sales Administrators. Peterbilt Motors Company also has 3 Dealer Sales Councils comprised of Sales Managers and Representative from all over the US & Canada. The 3 Councils are: National-Accounts Sales Council, Vocational/Government Sales Council, and Medium- Duty Sales Council.	*
27	Dealer network or other distribution methods.	Peterbilt Motors Company's dealer network is independently owned & operated. Peterbilt's dealer network consists of 432 locations across the US & Canada. In addition to the dealer network, Peterbilt's dealers are supported by 7 Paccar-owned Parts Distribution Centers strategically located across the US. The Parts Distribution Centers maintain a 99% fill- rate. In addition to Peterbilt Dealer parts inventories AND the Paccar Parts Distribution Centers, Peterbilt also offers All-Makes parts at over 101 TRP locations in US/Canada and online at https://trpparts.com/ Peterbilt dealers also maintain strong relationships with several Body-Manufacturers. Many of these Body-Companies are Sourcewell members and stock vehicles that utilize Peterbilt trucks. Please see attached 00-Peterbilt Dealer Locations	*
28	Service force.	Peterbilt Motors Company maintains an extensive Corporate service force consisting of a General Manager of Service, Assistant General Manager of Service (GM titles at Peterbilt are equivalent of VP at most companies), Director of Field Service, Director of Warranty, 6 Region Service Managers located across the US (East-Philadelphia, South-Nashville, Midwest-Dallas, Great Lakes-Chicago, West-Phoenix, and Canada- Toronto). Each Region Manager has 3 District Service Managers and 2 Engine Service Managers. The dealer network consists of 5,025 service personnel (Service Managers, Shop Foreman, Technicians, Service Advisors, Service Writers, etc.). Peterbilt Motors Company also has a Dealer Service Council that meets multiple times annually to discuss all things service, preventive maintenance, warranty, etc.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Orders will be coordinated and managed by an authorized Petertbilt Dealer sales person.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Peterbilt's Customer Service Program, TruckCare, starts with the initial request for service from the customer. Fleets can rely on Peterbilt TruckCare https://partsandservice.peterbilt.com/en/services to connect them to the help they need 24 hours a day, 365 days a year. Wherever in the U.S. or Canada, Peterbilt's dealer network will get you back on the road as fast as possible: • Fast help when you call 1-800-4-PETERBILT • Free registration • Assistance with towing, jump and pull starts, tires, mechanical repairs and preventive maintenance services • An efficient roadside assistance system that tracks all aspects of your job • Custom-mapping technology including On-board diagnostics through SmartLinq that locates the nearest Peterbilt dealer, other PACCAR dealer or independent service provider to best assist you • Personalized customer profiles to specify your roadside assistance preferences • Bilingual representatives and translation service to ensure quality assistance in any language Peterbilt Dealers must achieve a year-to-date TruckCare Preventive Maintenance Customer Service Score of 90% or higher from Peterbilt Motors Company. The Preventive Maintenance Customer Service Score for each dealer location will reflect a score based upon the following criteria: 1. Dealer s ability to set firm appointment 2. Resolving all customer complaints regarding service quality, customer treatment, or any other complaint deemed reasonable brought to the attention of the Customer Center. 3. Dealer holding appointment slot for customer. 4. Customer is not to wait longer than 1 hour from the scheduled time of the appointment 5. Customer to receive a completed copy of the Preventive Maintenance Inspection Form at the completion of the service. Since 2020, Peterbilt's "Platinum Service Center Certification". The program is intended to provide superior service for customers. The certification process is stringent: Platinum Factors for Dealerships scores are based on factors including: • Facilities and drivers lounges. • Expanded hours of service. • Parts availability. • Triage procedure. • Having certified Paccar MX engine technicians. Platinum Service Center locations will receive a special designation in Peterbilt s dealer locator on the company s website as well as a plaque to showcase in their dealership. Customer service is also a reflection of parts support; without the needed parts on hand a service event can be significantly delayed. Peterbilt has the parts you need, ready to ship, with a 99% fill rate. Fleets can reduce their inventory levels and gain security by relying on Peterbilt s dealer network of over 405 locations with 7 regional Parts Distribution Centers strategically located across the U.S. Fleets can be set up with Not-to-Exceed Pricing, Consolidated Billing, and dedicated Account Support locally and nationally. Response time capability: Rapidcheck: Available at all Peterbilt Dealer service locations, Rapidcheck provides a Diagnostic check within 2 hours of truck drop-off; No appointment necessary. Rapid Check guarantees the following within 2 hours of when the work order is started: Run initial diagnostic testing on the vehicle Determine needed repairs or if more complete diagnoses is required Check parts availability Provide an estimate of when the vehicle repairs will be complete Communicate all findings to the customer With customer permission, repairs that can be completed within 2 hours will be carried out Response Time Capability: Mobile Service: Peterbilt's dealer network operates a fleet of 968+ mobile repair trucks; the fleet is growing rapidly. Mobile service allows for fast response to problems where the customer cannot or prefers not to bring their vehicle to the Peterbilt dealer location. Common in remote areas or areas where traffic is heavy and therefore drive time to/from dealer is not ideal. Peterbilt also offers National Account Warranty Programs that include: Access to online truck service & option database (E-Portal), Online electronic parts catalog (ECAT), and Field Service Bulletins Option to perform in-house warranty repairs with a sponsoring Dealer Filing Warranty Claims on Behalf of Fleet (Dealer Sponsored) OR Fleet filing direct with Peterbilt (Direct Fleet) Discounted and/or free diagnostic tools.
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Peterbilt's full product line and support services are available to ALL Sourcewell participating entities in the United States.
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Peterbilt's full product line and support services are available to ALL Sourcewell participating entities in Canada.
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	N/A - Peterbilt services ALL geographic areas in the US & Canada.
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	N/A - Peterbilt will fully service ALL Sourcewell participating entity sectors.
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	N/A - No specific contract requirements or restrictions apply to Sourcewell entities in Hawaii, Alaska, or other US Territories.

Table 7: Marketing Plan

Line Item	Question	Response *
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Peterbilt Motors Company Marketing strategy for promoting the Sourcewell Contract consists of the following: Internal Dealer Bulletins (sent out to all Dealers Management & Sales Personnel) that announce the program, describe the program, provide pricing, and contact details. Peterbilt Intranet site: Sourcewell is the ONLY entity that has it's own dedicated page on Peterbilt Motors' internal website. The site contains an overview of the program, quick reference guide, customer presentation template, pricing guide, contact information & more. Peterbilt has and will promote Sourcewell at all Vocational/Government shows, conferences, and expos at which we exhibit; NTEA Work Truck Show, WasteExpo, Electric Utility Fleet Managers Conference (EUFMC), International Construction and Utility Electrical Expo (ICUEE), etc. This includes Peterbilt created marketing materials (see attached) as well as Sourcewell provided pop-ups, flags, truck vinyl logos, etc. All of Peterbilt's on-site training events include a module on Sourcewell. On-site training is held at Peterbilt's manufacturing locations on a quarterly basis and is open to all Dealer personnel. In addition to training held at Peterbilt facilities, Peterbilt also holds sales/product training at most major shows (NTEA, WasteExpo, etc) that also include module on Sourcewell. Peterbilt markets our Sourcewell contract on Social Media (Facebook, Twitter, LinkedIn). Peterbilt's dealer network actively promotes their participation in the Peterbilt Sourcewell contract through their websites, social media, and exhibition at various shows including local and regional APWA events. See attached 02-Marketing Plan
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Peterbilt Motors has and will continue to market Sourcewell on our Facebook page and Twitter account. Peterbilt will significantly increase our social media posts in general over the next several years with Sourcewell being part of that. Peterbilt's dealer network utilizes Facebook, Twitter, and LinkedIn primarily to promote their participation in the Sourcewell contract and to make announcements regarding customer procurement via the contract, etc.
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's role in promoting contracts arising out of this RFP would be to announce the contracts on their website and conduct email campaigns to Sourcewell members. Sourcewell's role is to continue to be present at major shows, expositions, and conferences to actively promote Sourcewell in general and provide assistance to contract holders to actively promote their specific contracts, including providing marketing materials, pop-up flags, truck decals, etc. Sourcewell should continue to offer sponsorship opportunities at major events for contract holders to participate - example) Peterbilt Motors sponsored the "Public Procurement Reception" at WasteExpo in CY2020. Peterbilt Motors Company integrates the Sourcewell contract by setting sales goals for its District Sales Managers and Vocational Sales Managers that involve key government/municipal target accounts in their territories with an emphasis on promoting our Sourcewell Contract. Peterbilt Dealers are provided with presentation templates, marketing material, and filtered spreadsheets of all Sourcewell members in their specific areas of operation. Sales Blitzes and joint sales calls with factory personnel are held monthly.
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Peterbilt products are not available through an e-procurement ordering process; only through Peterbilt Dealers and Sourcewell Member Body-Companies that sell complete/turnkey units to Sourcewell members.

Table 8: Value-Added Attributes

Line Item	Question	Response *
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Peterbilt Motors Company offers on-site and on-line product training, maintenance/service training, and many other courses relevant to the municipal/vocational truck market. Online training is available to all Sourcewell members 100% FREE of charge. Members would need to simply contact their local dealer who will sponsor the customer and provide the initial log in credentials at https://bca-training.net/peterbiltfleet/account/login Members can take any course on the site and/or Fleet Managers can assign courses & track progress. The following are just some of the training on the site that is available: EV Module Engine Service Low Power Visual Inspection Common Rail Troubleshooting Tandem Drive Axle Service Axle Kingpin Replacement Fuel System Flow and Components Common Rail Fuel System Engine Lubrication System Starting and Charging Systems Pending Active and Inactive Codes Clearing the MIL Light Smoke Analysis Low Power Diagnosis Manual Compression Testing EGR System Diagnosis Warning Lights DPF System Diagnosis DEF System Diagnosis Turbo System Diagnosis Diesel Emissions System Exhaust and Aftertreatment System Diagnosis NOx Sensor Diagnosis On-site training is available from Peterbilt Motors Company Factory Training Department for a fee on a reservation basis. Training can be conducted at a Peterbilt Motors facility (factory, Region Office, etc.) or at a Sourcewell Member's fleet location. Peterbilt's Dealer Network also offers operation, maintenance, service and other training. This training is offered for a fee on a reservation basis.
41	Describe any technological advances that your proposed products or services offer.	Peterbilt products and services incorporate leading technologies. By working with world-class supplier partners, Peterbilt leverages industry expertise to design and manufacture advanced vehicles, vehicle systems, powertrain components, hardware and software, all fully integrated to deliver outstanding performance and value. In addition to the standard features of Peterbilt trucks that will be listed below, Peterbilt trucks offer the following technological advances: Digital Display The Peterbilt Digital Display fully integrates with electrical and safety systems found on the new 579, 567, 589, 535,536,537,548, and 520 models including the Bendix Fusion Advanced Driver Assistance System. The state-of-art Digital Display features a fully customizable user interface (UI), delivering an almost endless combination of digital gauges on the main screen at any one time. Operators control the digital UI through one of

three different Drive View Zones. Minimized View eliminates everything but the speedometer and tachometer for minimal driver distraction. Basic View represents traditional information found on analog dashes with Air & Oil Pressure, Fuel & DEF level and Water temperature all prominently displayed along with a speedometer and tachometer. The Enhanced View builds upon the previous views displaying the maximum number of gauges from a list of over 30 information sources. The beauty of the Peterbilt Digital Display is that operators can fine-tune the information shown to suit their individual needs through the easy to use controls found on the all-new steering wheel.

SmartNav:

A high-tech infotainment system, SmartNav delivers GPS navigation (truck maps), communications (integrates with cell phones) and vehicle monitoring (virtual gauges and other truck info) direct to an in-dash seven-inch color touch-screen. The SmartNav display enables intuitive interaction with an array of technologies, functions and apps, including truck camera systems. SmartNav features voice recognition and control, keeping hands on the wheel and eyes on the road. SmartNav integrates seamlessly with your phone via Bluetooth® connection and includes WiFi capability, making it easy to stay in touch no matter where you are. The integrated audio system plays through the truck speakers and can also accommodate
satellite radio. The display is available in English, Spanish and French Canadian.

SmartAir:

Peterbilt s proprietary SmartAir system provides a factory installed, no-idle climate control solution that delivers maximum
comfort while also reducing emissions and lowering fuel costs.
The SmartAir system is powered by four, heavy-duty AGM batteries that are charged during normal driving conditions. When
the engine is off, SmartAir provides quiet, effi cient, high-power cooling capacity for up to 10 hours on a single charge.
Peterbilt s SmartAir design features one of the smallest footprints in the industry. It also features on-board diagnostics, full automatic temperature control in A/C and heating modes and a digital LCD
display that makes it easier to control the unit and provides battery monitoring. The system is fully integrated with Peterbilt s existing sleeper HVAC systems, resulting in increased cooling performance,
enhanced reliability, reduced maintenance and lower overall operating costs. SmartLinq:
SmartLINQ and its suite of connected services monitor your truck's health and have the capability to send customized alerts and notifications to your designated support team, including the nearest Peterbilt dealership.

Collision Mitigation:

Peterbilt offers both the Bendix Wingman Collision Mitigation System as well as the Meritor OnGuard System. These systems utilizes forward radar detection to provide driver alerts and active braking when objects are detected in the road or if closing on the vehicle ahead.
Systems also offer lane-keeping technology as well as side object detection. Camera- integrated option provides enhanced object detection and can even read speed limit signs and alert drivers if over the limit. Systems can provide electronic stability control to prevent rollovers as well as adaptive cruise control with reduces throttle and/or applies the service brakes to maintain safe distance with vehicles ahead.

HID + LED headlights:

Peterbilt offers both High-Intensity-Discharge headlights and LED headlights. HIDs provide
the best available forward visibility, while LEDs provide superior wide-range/close-range lighting Predictive Cruise:
Predictive Cruise if offered and provides (via forward radar sensor) for automated reduced throttle and/or service brake application to maintain safe distance with vehicles ahead.

Driver Performance Assistant:

When manual transmission is specified, Driver Performance Assistant provides a visual aid to drivers to encourage them to operate in the vehicles RPM "sweet spot" as well as "shift now" notifications to optimize shift patterns for operational efficiency and improved fuel economy

Driver Information Display:

The standard Peterbilt Driver Information Display, located in the center of the dash cluster, provides the operator with the following selections via a toggle switch: Standard view shows cruise status, park-brake status, and gear selected. Optional views show virtual gauges (i.e. voltmeter, transmission temperature gauge), engine RPM display, shut-down timer, trip information (fuel economy, miles operated, hours operated, idle time, etc.), truck information (VIN, engine make/model, transmission make/model, etc.), and diagnostics/warnings (fault codes with descriptions).

Stability Control with Automatic Traction Control:

Electronic Stability Control prevents roll-over situation by applying the anti-lock service brakes to individual wheels to maintain truck balance when taking turns.Combined with automatic traction control, the technology greatly enhances safety for drivers/fleets.

Zinc coated frame rails:

Peterbilt offers a zinc coating for it's frame rails and crossmembers that significantly reduces corrosion over the life of the truck.

Peterbilt offers a bump-fin style cooling system for extreme dirt environments to reduce wear on the engine.

Allison FuelSense:

Allison FuelSense technology optimizes shift patterns depending on the fleet's desired operating characteristics (power/max-fuel-economy/blend).

Peterbilt offers RollTek Air-Bag-equipped seats for enhanced safety in rollover accidents.

Peterbilt offers the full line of NFPA requirements including Seat & Occupancy sensor & warning, NFPA seats, NFPA grab handles, etc.

Peterbilt offers pre-wiring Provisions for fleet communication systems, camera systems, custom maintenance systems, etc.
Standard technology on Peterbilt trucks that provide value to fleets:

FRAME
Steel rails with gussets to maximize RBM.
Huck bobtail fasteners provide a consistent and durable clamping force up to 600% greater than bolted frames.
Tamper resistant round head and collar offers improved paint adhesion and corrosion resistance. Swage indicating features on collar allows for visual inspection of clamped joint.
Rubber-lined clamps along frame rail to protect air & electric lines routed in frame.
Chassis hose and wiring bundles conveniently routed through gussets provides protection for lines.

STEER AXLE

Zerk fittings on tie rod ends, king pins, and draglink ball joints for ease of maintenance and help extend service life of components.

Greaseless spring pins reduce maintenance and improve ride quality.
Cognis EMGARD® Synthetic Axle Lube reduces wear and extends maintenance intervals, resulting in increased uptime. Provides improved fluid flow to protect components in extreme cold conditions and withstand the stress from high temperatures, extending component life. Glidekote splines on steering shaft extend service life of components.

DRIVE AXLE

Laser factory axle alignment (accurate to .030 of an inch) to improve handling and reduce tire wear.
Magnetic rear axle oil drain plug captures and holds any metal fragments in drive axle lube to extend service life.

ENGINES & RELATED SYSTEMS

Magnetic engine oil drain plug captures and holds any metal fragments in engine oil to extend service life.
Silicone radiator and heater hoses enhance value, durability and reliability.
ClimaTech extended life coolant extends maintenance intervals which reduces maintenance costs.
Constant tension and torque band clamps reduce leaks.
Stainless steel hard-line manifold reduces coolant hoses in the engine compartment to improve durability and appearance.
Thermal fuse in the air conditioning compressor clutch allows the pulley to free spin in the event of a compressor failure, thus reducing belt wear and vehicle downtime.
Weather pack silicone sealed electrical chassis connectors enhance value, durability and reliability.
Maintenance free 12V batteries provide reliable power for starting and accessories. Stranded copper battery cables are double aught (00) or larger to reduce resistance. Stainless steel flex exhaust tubing & clamps provide durability.
Optimized exhaust routing to simplify the truck order process and provide optimal performance.

AIR SYSTEM

Teflon-lined, stainless steel braided compressor discharge hose provides long service life in high operating temperatures.

FUEL TANKS

Aluminum fuel tanks with heavy-duty aluminum brackets and stainless steel straps. Wire braid fuel lines increase durability and reduce potential for leaks.

ELECTRICAL SYSTEM

Multiplex electrical design utilizing the industry standard J1939 data bus that sends multiple signals over a single wire instead of having an individual wire for each function. This allows each component (engine, transmission and instrumentation) to communicate to each other.
This design improves reliability and offers increased functionality.
Proprietary Electronic Service Analyst (ESA) allows dealer to monitor the electrical system, isolate sensors and gauges, and keep a log of service history.
Braided chassis harness cover provides durability.
Convoluted tube covering on harnesses protects from chaffing. Wires numbered every 4 inches or less for ease of serviceability.

CAB / HOOD

Proprietary all-aluminum cab is light weight and durable for long service life. Spring assisted, hood opening for serviceability.
Proprietary anti-blow-down locking mechanism that keeps the hood open during servicing and prevents unintentional closing.
One piece roof reduces potential for leaks.
Lap seam construction and aircraft fasteners has greater clamp load than rivets.
Double wall stamped aluminum doors provide virtually water-tight, rattle-free performance.
Full length, light weight hidden gravity-hinge system that provides low resistance and ease for closing doors providing durability.
Interior Left and Right Side Grab Handles for easy access into the cab.

CAB INTERIOR
LH & RH door mounted map pockets with door mounted step lights Cast rubber flooring with integral sound barrier.
Integrated "dead pedal" for driver comfort.
Four ergonomically positioned entry / egress grabhandles
Proprietary non-slip threshold plate accented with a chrome inset and Peterbilt Red Oval adds a touch of Peterbilt class to safety and convenience.

LIGHTS

Projector module pod headlights provide outstanding visibility.
'Headlight On Warning' when headlights are active with door open and ignition off. The high beam headlamp icon flashes and sounds an audible alarm.
Headlights turn on automatically when windshield wiper blades are activated.
Lighting system is protected by an impact resistant Lexan® lens and requires no special tools for lamp adjustment or bulb replacement.

DASH & INSTRUMENTATION

Driver Information Display that allows the driver to view diagnostic information and monitor truck system behavior.
Information such as fuel economy, optimum engine speed and engine and transmission system management provides driver feedback and improves operating performance.
Dash features an "in-mold" color process that imbeds the color into the material making the color permanent and eliminating peeling and fading.
LED backlit gauges to prevent eye fatigue.

PAINT
Dupont Imron Elite two-stage non-metallic paint, one color cab / hood.

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Peterbilt manufactures the largest product lineup of Battery-Electric-Vehicles (Models 220EV, 520EV and 579EV) and continues to invest in this technology with a manufacturing plant dedicated to building batteries for its electric vehicles. Additionally, as part of the transition to zero emissions, PACCAR has introduced new electric vehicle charging stations to support electric vehicles. PACCAR is collaborating with Faith Technologies and Schneider Electric to provide charging infrastructure solutions for customers who purchase Peterbilt electric trucks in the US and Canada. Charging power from 20 kW up to 350 kW. Our financial strength enables us to invest over $1.11B in Capital projects and R&D in 2023 to: • Integrated powertrains including state to the art diesel; electric; hybrid; and hydrogen fuel technologies • Enhance our manufacturing capability for better efficiency • Strengthen our aftermarket transportation solutions • Leadership in autonomous systems, and connected vehicle services Peterbilt offers more models with CNG & LNG engines than any other OEM and has sold more CNG/LNG trucks and offered them longer (since 1996) than any other OEM. Peterbilt’s full line of engines are approved for the use of Biodiesel up to B20. Investing in Sustainable Operations: All Company manufacturing locations are ISO 14001 certified and more than 80% are zero-waste-to-landfill. The Company has invested $800 million over the past ten years in facility projects that have improved energy efficiency, reduced emissions, reduced water consumption and waste including $35 million in reusable containers. First in the truck industry to implement chassis robotic paint systems. This process has enhanced paint quality, reduced cost and decreased paint usage, waste and air emissions. Reducing Greenhouse Gas Emissions From 2013 to 2022 PACCAR reduced greenhouse gas emissions 50% on a per revenue basis. Hazardous air emissions have been reduced by over 200 metric tonnes per year in paint and other processes. Peterbilt joined the CDP Reporter Services for reporting greenhouse gas emissions and to benchmark performance to continue reducing our greenhouse gas footprint. Reducing Waste Many of the Company s manufacturing locations achieve "zero waste to landfill" by recycling, employing reusable containers and composting food and paper waste. Conserving Resources Peterbilt reduces the use of water through internal recycling, reduces paint waste through robotic paint systems and conserves energy by using new technologies such regenerative dynamometers that capture electricity from vehicle testing. Products All Peterbilt internal combustion engine vehicles have near-zero emissions of NOx, a smog causing compound, and are compliant with all applicable standards including those by the California Air Resources Board (CARB), the US Environmental Protection Agency (EPA) and the European Commission. Peterbilt uses Ecodesign, a software tool, to reduce environmental impacts through product design. Through this process, engineers increase recyclability of our trucks, reduce air emissions, use lighter materials to reduce fuel consumption and use fewer hazardous materials. Fuel-Efficient, Low-Emission PACCAR Engines Peterbilt has strengthened its leadership in environmental stewardship by expanding its global portfolio of high performing low emission engines. Over the past five years, these engines have reduced GHG emissions by up to 14%. NOx and particulate matter have also been reduced by over 83%.
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Peterbilt's full engine offerings all meet or exceed all Environmental Protection Agency (EPA) and California Air Resources Board (CARB) emissions requirements. All plants that manufacture Peterbilt products are are ISO 14001:2015 and/or ISO 14001:2015 Certified. Peterbilt offers EPA-Certified Green-House-Gas Emissions tires on all of its products. See Line Item 42 for additional details. CARB and EPA labels available upon request.
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or HUB partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Peterbilt's Dealer Network has several dealers/groups that operate as WMBE, SBE, and/or veteran owned businesses. Example certification, see attached 05-Montana Peterbilt LLC - MBE Other certifications/inquiries available upon request to Peterbilt Motors.
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Peterbilt is a US based (Headquartered in Denton, Texas) company that offers the widest array of trucks in the industry. Peterbilt offers Class 5 Conventional trucks, Class 6 & 7 Cab- Over trucks, Class 6 & 7 Conventional trucks & tractors, Class 8 Conventional trucks & tractors AND Class 8 Cab-Over trucks & tractors. No other OEM has the variety of trucks offered by Peterbilt Motors. This allows for a Sourcewell member fleet to procure all of their trucks from one OEM/Dealer. This "one-stop-shopping" benefits the member through a single source for all trucks, parts, and service needs, streamlining their operations. For example, if a fleet needs a large cab-over refuse truck, a small cab-over for paint striping, and a conventional tandem truck for a dump/plow application, Peterbilt is the ONLY OEM that can provide all 3 trucks. Additionally, Peterbilt is the only OEM who offers 3 Electric Trucks ranging from medium duty, vocational, and regional tractor. Peterbilt offers Class leading re-sale values on all of its trucks. If/when a Sourcewell Member trades/sells/auctions its used Peterbilts they will get significantly more than any competitor. This is reflected in NADA book values and can also be extracted from "Truck Paper" pricing. 94% of Peterbilt trucks in-serviced in Calendar Year 2022 were still in-serviced in Calendar Year 2022 94% of 20-year-old trucks were still being put into service. This is a testament to Peterbilt's design philosophy of durable, reliable, custom engineered work trucks.

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure.

You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
46	Do your warranties cover all products, parts, and labor?	Yes. See attached for full warranty schedule. For extended warranty information, members can reach out to their local Peterbilt dealer or Peterbilt's Sourcewell manager listed on the contract. Hundreds of different combinations of extended warranties are available, including custom warranties to match the members needs (ex - more years, less miles/yr, etc.) See Attached 03 Warranty Procedure Manual and Schedule
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No.
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Yes.
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	No.
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Typically warranty for components added to a truck AFTER FACTORY DELIVERY (i.e. a Refuse Body or Dump Body, etc.) is covered by the OEM/Dealer/Distributor for that Body. However, a number of Peterbilt Dealers are authorized distributors and/or service locations for other manufacturers/Body-Companies and can therefore provide warranty support. Peterbilt Dealer locations that are also authorized dealers/distributors for other manufacturers/Body-Companies can be researched via the Peterbilt dealer or manufacturer/Body-Company website or by contacting the Peterbilt Motors National Account Manager that manages the Sourcewell Contract listed on the Peterbilt landing page on the Sourcewell website.
51	What are your proposed exchange and return programs and policies?	Exchange & return policies for trucks are at the discretion of the individual Peterbilt dealer providing the vehicle.
52	Describe any service contract options for the items included in your proposal.	Service contracts direct through Peterbilt Motors would only be available through Peterbilt's company-owned Lease operations (PacLease). Fleet Field Service…. The majority of service contract options would be handled through Peterbilt Motors dealer network. Most Peterbilt Dealers offer service contracts that provide a variety of options i.e. Preventive Maintenance, towing services, DOT inspections, tire exchange programs, oil analysis, winter prep, etc. Most Peterbilt dealers can also offer on-site technicians, mobile-service, and full-maintenance-contracts.

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *
53	Describe your payment terms and accepted payment methods.	Payment terms are at the discretion of Peterbilt Dealers and vary depending on the type of truck purchased, body installed (if applicable), lead-times for components, etc. Payment terms are negotiable - typically Peterbilt dealers can provide payment terms that match what the Sourcewell member requests.
54	Describe any leasing or financing options available for use by educational or governmental entities.	Yes; Peterbilt Motors offers a full range of financing options including municipal leases through Paccar Financial Corporation (PFC), a Division of Paccar (Peterbilt is also a Division of Paccar). In addition to PFC, Peterbilt dealers can provide financing options through various banks and other financial partners. Also, many Dealer Groups operate their own finance companies and can provide options for Sourcewell members.
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Peterbilt Motors has created a special sales code that is added electronically in our "Truck Specification Software" that designates the truck(s) being ordered as a Sourcewell transaction. Peterbilt dealers submit Sourcewell orders electronically to Peterbilt Motors. A quarterly report is generated using the special sales code from the system that shows all trucks that were invoiced and in service for that period. An automatic email will go out to the Peterbilt dealer to verify the trucks sold to the customer is indeed a Sourcewell member. Peterbilt's system then cross references the special sales code with warranty start dates to determine what trucks were put into service during that particular quarter. The trucks are then loaded onto the Sourcewell quarterly sales report and submitted to Sourcewell and at the same time submitted to Peterbilt accounting for check processing to pay Sourcewell. All purchase orders from Sourcewell members go directly to and are processed by Peterbilt dealers. For trucks on the ground that were not ordered for particular Sourcewell deals (stock trucks), dealers submit pricing to Peterbilt's Sourcewell Manager to verify that the sell price qualifies as a Sourcewell contract pricing. Those "stock trucks" are then added to the quarterly tracking database.
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No.

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *

57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Peterbilt will continue with pricing that provides a %-off-of-list format. Peterbilt's published Sourcewell pricing lists sample MSRP/List prices for each model offered. Peterbilt will provide pricing for EVERY model we offer. Sourcewell members need to simply have their local Peterbilt dealer build their truck specification, obtain the specification from the dealer with the final list price. Member then takes the appropriate % (varies by Model) off of that list price to give them their final ceiling price for the truck. Pricing includes cab & chassis, factory-freight, Pre-Delivery-Inspection (PDI), marketing fee, and dealer profit Pricing does NOT include flooring/interest, any applicable taxes (i.e. FET), commodity surcharge(s), any options/services provided by the dealer outside of PDI (i.e. body, lights, manuals, training, Doc Fees, DEF fluid, additional fuel, truck clean-up, local delivery etc.). Also not included are any extended coverages requested and any engineering vehicle layout drawings if needed. *** Medium-Duty/Heavy-Duty/BEV Commercial trucks do not have true MSRPs - list prices can vary greatly depending on options. For example, the difference between a manual transmission and automatic transmission can be $10,000+ in list price. Aggressive deep-lug all terrain tires can add $5,000+. For BEV battery pack prices can vary $20,000+ due to range size.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Peterbilt's discount for the Sourcewell contract is a %-off-of-List-Price format. The %-off yields truck pricing that is equalized to our best Marketing Program at the time of the RFP which will provide for substantial savings for Sourcewell members. As per the comments in Line Item 57, Price is established by taking the appropriate % (varies by Model) off of the final list price of the truck (after dealer specs the truck per the Sourcewell member's specifications). Price yielded includes Peterbilt's factory freight and the Peterbilt dealer's profit & pre-delivery-inspection. Pricing does NOT include flooring/interest, any applicable taxes (i.e. FET), commodity surcharge(s), any options/services provided by the dealer outside of PDI (i.e. body, lights, manuals, training, Doc Fees, DEF fluid, additional fuel, truck clean-up, local delivery etc.). Also not included are any extended coverages requested and engineering vehicle layout drawings if needed. Latest pricing guide for specific Sourcewell Members will be updated yearly. Peterbilt dealers will have the latest pricing guide. See pricing example below: Sourcewell member works with local dealer to build a spec for a Model 548 and final list price with all options assuming is $200,000 and assuming the current discount is 15%. Sourcewell member simply takes % off of list price and the number yielded is what they would pay for the truck. (List Price x % off) = Discount ($200,000 X 15%) = $30,000 (List Price – Discount) = Sourcewell Price ($200,000 - $30,000) = $170,000	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	N/A	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Peterbilt dealers can provide turnkey solutions for Sourcewell Members. Peterbilt dealers can provide one invoice that includes the truck cab & chassis and all other components required on the vehicle. Examples of such components (or "sourced goods"): Bodies (refuse, dump, vacuum, etc.) Accessories (plows, additional lights, cameras, etc.) Peterbilt dealers will provide both Bodies & Accessories at cost plus a maximum of 10%. Cost plus 10% amount may not exceed $7,000 for Bodies & Accessories.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Items not included in Peterbilt's "%-off-of-List-Price" pricing are mentioned in Line Items 57 & 58. Truck (cab & chassis) price calculated from %-off-of-list-price equation includes Peterbilt factory freight charge and dealer profit and pre-delivery-inspection (PDI). Price does not include any component or service provided post factory delivery. Examples of components/services NOT included from Peterbilt Motors: Extended truck warranty Extended engine warranty Peterbilt Engineering Vehicle layout drawings Examples of components/services NOT included from Peterbilt Motors and provided by the Peterbilt Dealer: Body Federal Excise Tax (FET) - if applicable Other taxes Doc fees local delivery clean-up/truck wash additional manuals training additional lights camera systems additional fuel additional diesel exhaust fluid additional fuel engineering vehicle layout drawings Pricing does NOT include flooring/interest, any applicable taxes (i.e. FET), commodity surcharge(s), any options/services provided by the dealer outside of PDI (i.e. body, lights, manuals, training, Doc Fees, DEF fluid, additional fuel, truck clean-up, local delivery etc.). Also not included are any extended coverages requested and engineering vehicle layout drawings if needed.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight from the Peterbilt factory where the truck is being manufactured to the 1st delivery point (either Body-Company or Peterbilt Dealer) IS included in Peterbilt's Sourcewell pricing. Delivery of truck from the Body-Company or Peterbilt Dealer to the Sourcewell member is NOT included in Peterbilt's Sourcewell pricing and will be called out as a separate line item on the Body Company invoice and/or the Peterbilt dealer final invoice.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Terms for freight, shipping, and delivery to Alaska, Hawaii, Canada, and Puerto Rico no different that US from a pricing perspective. Time to ship estimated at 2-3 additional weeks for Alaska/Hawaii/Puerto Rico	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Peterbilt Motors dealers can offer delivery spread out across a calendar (depending on purchase volume and Peterbilt manufacturing schedule). Trucks can be delivered at intervals that suit the Sourcewell members need/budget.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	Peterbilt pricing proposal reflects our best Marketing Program offered YTD and due to limits placed on dealer profit/pdi and other costs, the final pricing is better than what is typically offered.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	As noted in Line Item 55, Peterbilt Motors has created a special sales code that is added electronically in our "Truck Specification Software" that designates the truck(s) being ordered as a Sourcewell transaction. Peterbilt dealers submit Sourcewell orders electronically to Peterbilt Motors. A quarterly report is generated that shows all trucks that were ordered with the code. Peterbilt's Sourcewell Manager then cross references the code with warranty start dates to determine what trucks were put into service during that particular quarter. Although not required by Sourcewell, Peterbilt Sourcewell Manager then obtains copies of all Peterbilt dealer invoices to the Sourcewell members for those trucks and verifies pricing meets the Sourcewell Contract. The trucks are then loaded onto the Sourcewell quarterly report and submitted to Sourcewell and at the same time submitted to Peterbilt accounting for check processing to pay Sourcewell. For trucks on the ground that were not ordered for particular Sourcewell deals (stock trucks), and therefore do not have the Sourcewell electronic code on them, dealers have been formally instructed through Peterbilt's Sourcewell dealer training material to notify Peterbilt Motors of any stock trucks that sell to a Sourcewell member. Dealers must also submit pricing for those stock trucks to Peterbilt's Sourcewell Manager to verify that the sell price meets our Sourcewell contract pricing.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Peterbilt will track each sale utilizing the quarterly report described in line 66. This report will be compared to other customer and regional sales reports at Peterbilt to determine if that quarter was a success. If orders are 50+ per quarter is deemed a successful program. Please note current market conditions limits exponential growth due to allocation.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Peterbilt Motors proposes to offer the flat $500/truck administrative fee that was provided for our current Sourcewell contract.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Proposers submitting a proposal in Category 1 as defined herein will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. For example, if a Proposer offers chassis and cabs with Internal Combustion Engines (ICE) as well as chassis and cabs with electric propulsion systems the Proposer should designate it is seeking an award in Category 1 **only**. Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems **only**.

Line Item	Category Selection *	
69	Category 1: All engines, fuel, and propulsion type chassis and cabs	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	

70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Peterbilt Motors offers the widest product line in the industry for Sourcewell members from class 5 to class 8. Peterbilt offers the following products: Cab over and conventional Medium, Vocational, Heavy, and EV Model 220: Cab-over cab. Truck configuration only (no tractor). 26,000 LBS GVW - 33,000 LBS GVW. 6.7 Liter diesel engine. Automated/automatic transmissions. Common applications include Street-Sweepers, Paint-Stripers, Stake-bed-trucks, and Van-body-trucks. Model 535: Conventional cab. Truck configuration only (no tractor). 19,500 LBS GVW. 6.7 Liter or 9 Liter diesel engine. Automated/automatic transmissions. Common applications include Service/Mechanics-trucks, Stake-bed-trucks, flat-bed- trucks, and Van-body-trucks. Model 536: Conventional cab. Truck configuration only (no tractor). 26,000 LBS GVW. Paccar 6.7 Liter or 9 Liter diesel engine. Automated/automatic transmissions. Common applications include Service/Mechanics-trucks, Stake-bed- trucks, flat-bed-trucks, and Van-body-trucks. Model 537: Conventional cab. Truck or tractor configuration. 26,000 LBS - 33,000 LBS GVW (52,000 LBS GVWR). 6.7 Liter or 9 Liter diesel engine. Automated/automatic or manual transmissions. Common applications include Dump- trucks, Van-body-trucks, hook-lift-trucks, and Utility-trucks. Model 548: Conventional cab. Truck or tractor configuration. 33,000 LBS - 66,000 LBS GVW & GVWR. 6.7 Liter or 9 Liter diesel or CNG/LNG engine. Automated/automatic or manual transmissions. Common applications include Dump/Plow-trucks, Vacuum-trucks, Crane-trucks, Refuse/Waste Collection-trucks and Tank-trucks. Model 567: Conventional cab. Truck or tractor configuration. 66,000 LBS - 80,000+ GVW & GVWR. 9 Liter, 11 Liter, 13 Liter, and 15 Liter diesel engine. Automated/automatic or manual transmissions. Common applications include Dump-trucks, Crane-trucks, Tank-trucks, and Low-Boy-tractors. Model 579: Conventional cab. Tractor configuration only (no truck). 66,000 LBS - 80,000 LBS GVWR. 9 Liter, 11 Liter, 13 Liter, or 15 Liter diesel engine and 12 Liter CNG or LNG engine. Automated/automatic or manual transmissions. Common applications include Van-Body-tractors, Flat-Bed-tractors, Tanker-tractors, and Low-Boy- tractors. Model 589: Conventional cab. Tractor or truck configurations. 80,000+ LBS GVW & GVWR. 13 Liter or 15 Liter diesel engine. Automated/automatic or manual transmissions. Common applications include Heavy-haul-tractors, Heavy-Dump-tractors, Low-Boy-tractors, and Heavy-Dump-trucks. Model 520: Cab-over cab. Truck configuration and limited tractor configurations. 66,000 LBS - 80,000 LBS GVW and 80,000 LBS GVWR. Automated/automatic or manual transmissions. Common applications include Refuse/Waste-Collection-trucks (Rear-Load, Automated-Side-Loader, Front-Loader, etc.), Paint-Striping-trucks, and Concrete-Pumping-trucks. Additional details can be found at https://www.peterbilt.com/trucks
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Truck & related Parts: Peterbilt Motors Company and its sister division, Paccar Parts can provide comprehensive parts solutions (all makes/all models) for Sourcewell members. Some members can qualify for National Account Parts pricing depending on volumes. Paccar Parts offers and "Online Parts Counter" (https://parts.peterbilt.com/), 24/7-365 parts ordering, consolidated billing, and Universal Credit Lines. In addition, Several Peterbilt Dealers operate very large Parts operations with their own dedicated distributions centers and can provide comprehensive parts solutions to Sourcewell members by way of substantial discounts, delivery service, and inventory management services.
72	Describe any manufacturing processes or materials utilized that contribute to chassis strength, cab strength, overall durability, driver safety.	Each Peterbilt truck is built at one of our 3 manufacturing facilities. All components that make up each individual Vehicle Identification Number (VIN) are tracked by their serial number, at what station they were installed, by what employee, using what tools, at what specific time of the day and even the exact torque value of components fastened to the truck. This allows for optimum monitoring of supplier quality, any manufacturing errors, and insight into issues in the field (i.e. - failure in the field can more easily be traced to a particular batch of parts or a particular supplier, manufacturing process may need adjusted, etc.). Peterbilt Motors uses the highest quality materials that exceed most NHTSA, TMC, or SAE standards. All conventional cabs are aluminum in construction and use aircraft grade huck or henrob fasteners for assembly. Chassis strength: All OEMs use similar frame RAILS in regards to PSI/RBM - Peterbilt is the only OEM that uses FIVE 5/8" huck fasteners on each side of the crossmembers in the frame. This gives Peterbilt the absolute strongest frame in the industry - up to 600% stronger. Most of Peterbilt's conventional cabs (535/536/537/548/567/589) are constructed of aluminum and are fastened together with adjoining aluminum sheets overlapped (lap- seam construction) and fastened using robotically punched henrob fasteners along with 2 adhesives (structural & acoustic) to fasten the cab together. This superior frame and cab construction contributes to Peterbilt having 94% of it's trucks in-serviced in 1999 STILL being in-serviced in 2024! - Class leading durability. Safety features include: Bendix ESP Stability Control System Bendix Wingman collision mitigation Meritor OnGuard Smart Traction Control Battery disconnect switches Auto Neutral activates with parking brake Brake lock PTO control Seat belt and occupancy sensor Remote keyless entry Optional Severe Service Cab Orange/Red seat belts RollTek Air-bag equipped seats Other Peterbilt features & benefits/advantages: FRAME • Steel rails with gussets to maximize RBM. • Huck bobtail fasteners provide a consistent and durable clamping force up to 600% greater than bolted frames. Tamper resistant round head and collar offers improved paint adhesion and corrosion resistance. Swage indicating features on collar allows for visual inspection of clamped joint. • 3-piece C-Channel crossmember with cast gussets for the strongest crossmembers in the industry. • Each crossmember is attached with FIVE 5/8" huck fasteners making for the strongest frames in the industry. • Rubber-lined clamps along frame rail to protect air & electric lines routed in frame. • Chassis hose and wiring bundles conveniently routed through gussets provides protection for lines. • Stanard front wheel mudflaps reduce road spray, help maintain a cleaner truck and better visibility. • Two frame mounted tow pins standard. STEER AXLE • Available with set forward front axle configuration for a smoother ride or set back front axle configuration for increased maneuverability and optimized weight distribution. • Factory front axle alignment to improve handling and reduce tire wear. • Zerk fittings on tie rod ends, king pins, and draglink ball joints for ease of maintenance and help extend service life of components. • Greaseless spring pins reduce maintenance and improve ride quality. • Standard oil seals for long lasting leak protection.

- Cognis EMGARD® Synthetic Axle Lube reduces wear and extends maintenance intervals, resulting in increased uptime. Provides improved fluid flow to protect components in extreme cold conditions and withstand the stress from high temperatures, extending component life.
- Glidekote splines on steering shaft extend service life of components.

- DRIVE AXLE
- Laser factory axle alignment (accurate to .030 of an inch) to improve handling and reduce tire wear.
- Magnetic rear axle oil drain plug captures and holds any metal fragments in drive axle lube to extend service life.
- Parking brakes on ALL drive axles for optimal performance.
- Cognis EMGARD® Synthetic Axle Lube for all Rear Axles.

ENGINES & RELATED SYSTEMS
- Magnetic engine oil drain plug captures and holds any metal fragments in engine oil to extend service life.
- Silicone radiator and heater hoses enhance value, durability and reliability.
- ClimaTech extended life coolant extends maintenance intervals which reduces maintenance costs.
- Low coolant level sensor warns of low coolant condition to prevent engine damage.
- Constant tension and torque band clamps reduce leaks.
- Stainless steel hard-line manifold reduces coolant hoses in the engine compartment to improve durability and appearance.
- Thermal fuse in the air conditioning compressor clutch allows the pulley to free spin in the event of a compressor failure, thus reducing belt wear and vehicle downtime.
- Weather pack silicone sealed electrical chassis connectors enhance value, durability and reliability.
- 12 Volt System with circuit protection for reliable easy maintenance and service.
- Composite fan is light-weight but strong and corrosion resistant.
- Full fan shroud, ring and rubber boot improves under hood airflow and provides a robust fan-to-radiator shroud interface for greater cooling capacity.
- Maintenance free 12V batteries provide reliable power for starting and accessories.
- Stranded copper battery cables are double aught (00) or larger to reduce resistance.
- Stainless steel air cleaner straps, brackets and fasteners provide a durable bright finish.
- Molded rubber air intake connections with lined stainless steel clamps seal to prevent contaminants in air intake.
- Washer bottle with 1.3 gallon capacity extends maintenance intervals to refill.
- Polished stainless steel grille with a distinctive punched oval grille pattern provides a durable bright finish.
- Stainless steel flex exhaust tubing & clamps provide durability.
- Optimized exhaust routing to simplify the truck order process and provide optimal performance.
- 5" diameter chrome plated steel standpipe cools exhaust for safety.

TRANSMISSION & RELATED SYSTEMS
- Synthetic lubricant to reduce friction, improve efficiency and extend component life.
- Magnetic transmission oil drain plug captures and holds any metal fragments in transmission oil to extend service life.
- Coated driveshaft splines extend service life.
- Configured Clutch to simplify the truck order process and provide optimal performance.
- Torque limiting clutch brake

AIR SYSTEM
- Engine mounted air compressor with remote mounted air system filter dryer to reduce moisture in air system components.
- Teflon-lined, stainless steel braided compressor discharge hose provides long service life in high operating temperatures.
- Schrader valve for charging of air system from external source.

FUEL TANKS
- Aluminum fuel tanks with heavy-duty aluminum brackets and stainless steel straps.
- Under cab fuel tanks include steps for cab access.
- Single fuel tank will receive a single draw / single return fuel system.
- Dual fuel tanks will receive dual draw / dual return fuel system equalizes fuel load.
- Top draw fuel plumbing reduces chance of introducing air into the fuel system during low fuel level conditions due to the central placement of the fuel pickup tube.
- Optimized filler neck location on under cab fuel tanks optimizes access and safety.
- Paddle handle filler cap with threadless filler neck to avoid stripping
- Wire braid fuel lines increase durability and reduce potential for leaks.

ELECTRICAL SYSTEM
- Multiplex electrical design utilizing the industry standard J1939 data bus that sends multiple signals over a single wire instead of having an individual wire for
each function. This allows each component (engine, transmission and instrumentation) to communicate to each other. This design improves reliability and offers increased functionality. Standard are two RP1226 connectors inside the cab for easy connections.
- Proprietary Electronic Service Analyst (ESA) allows dealer to monitor the electrical system, isolate sensors and gauges, and keep a log of service history.
- Automatically resetting circuit breakers in selected circuits
- Braided chassis harness cover provides durability.
- Convoluted tube covering on harnesses protects from chaffing.
- Wires numbered every 4 inches or less for ease of serviceability.
- Power distribution center in cab is centrally located in a protected environment for easy access.

CAB / HOOD
- Proprietary all-aluminum cab is light weight and durable for long service life.
- Light-weight, gently sloped, hood with and one-piece grille crown improves air flow and increases visibility.
- Spring assisted 90 degree hood opening for serviceability.
- Proprietary anti-blow-down locking mechanism that keeps the hood open during servicing and prevents unintentional closing.
- Hood latch on each side secures the hood to the cowl.
- Three point rubber cab mounting
- One piece roof reduces potential for leaks.
- Lap seam construction and aircraft fasteners has greater clamp load than rivets.
- Bulkhead style doors provide virtually water-tight, rattle-free performance.
- Extruded aluminum door frames for strength and durability.
- Full length, heavy-duty piano-type stainless steel door hinges and pins provide durability.
- View window in RH door for safety.
- Electric windshield wipers and washers with intermittent wiper function
- Grab handles mounted on cab LH & RH for cab access.
- Convex mirror over RH door and below each rear view mirror for improved visibility and safety

CAB INTERIOR
- Upper and lower dash panels in a dark charcoal color that is not only easier to clean and shows less scratches and scuffs, but also improves driver visibility due to less glare.
- Contoured door pads featuring integrated ergonomic armrests for driver comfort
- LH & RH door mounted map pockets with built-in courtesy lights
- Power lift passenger window controls integrated into the door panel are within easy reach of the driver for safe and convenient operation.
- Padded vinyl headliner is easy to clean.
- Two inside sunvisors with map straps provide driver and passenger comfort and convenience.
- Two coat hooks for driver and passenger convenience.
- Integrated cup holder in dash
- Cast rubber flooring with integral sound barrier.

		• Heater / air conditioner with dedicated side window defroster • Adjustable steering column • Key start ignition for an automotive feel. • Ignition and doors keyed alike for driver convenience. • Cigar lighter and ashtray with power port • Integrated "dead pedal" for driver comfort. • Five ergonomically positioned entry / egress grab-handles • Proprietary non-slip threshold plate accented with a chrome inset and Peterbilt Red Oval adds a touch of Peterbilt class to safety and convenience. • Header mounted dome light • Driver and passenger dome and reading lights • Footwell lighting • 12-volt and USB power outlet in dash • Peterbilt in-dash Navigation System available LIGHTS • State-of-the-art LED and halogen projector module headlights increase visibility. • 'Headlight On Warning' when headlights are active with door open and ignition off. The high beam headlamp icon flashes and sounds an audible alarm. • Headlights turn on automatically when windshield wiper blades are activated. • Polished cast aluminum headlight pod housing with LED side-turn indicators and an impact resistant lens matches durability with style. DASH & INSTRUMENTATION • Driver Information Display that allows the driver to view diagnostic information and monitor truck system behavior. Information such as fuel economy, optimum engine speed and engine and transmission system management provides driver feedback and improves operating performance. • Ergonomic dash provides enhanced driver comfort and productivity. • Dash features an "in-mold" color process that imbeds the color into the material making the color permanent and eliminating peeling and fading. • LED backlit gauges to prevent eye fatigue. • Standard warning lights with audible alarm for high coolant temperature, low oil pressure and low air pressure • Warning indicators for high beam, parking brake, turn signals, low fuel, road surface ice potential • Seat belt reminder • Cruise control for driver convenience. • Rocker switches with long-life LED indicators that are easy to reach for driver safety and convenience. PAINT • The best paint in the industry: Dupont Imron Elite two-stage non-metallic paint, one color cab / hood
73	Describe any differentiating serviceability attributes (remote diagnostics, etc.) your proposal offers.	Peterbilt hoods tilt a full 90-degrees providing class-leading engine compartment access for optimum serviceability of all components. All other OEMs hood tilt at approximately up to 75-degrees or worse. In addition, Peterbilt's conventional cabs do NOT have dog-houses which push the back end of the engine into the cab. Peterbilt's engine bay with no dog-house provides the best engine access for service in the industry. Peterbilt offers individually replaceable gauges that allow for fast & inexpensive gauge replacement. Approximately 10 minutes & $50 to replace a gauge in the gauge "cluster" vs ALL other OEMs needing the entire cluster replaced if 1 gauge goes out - approximately $1,200 & 1-2 hours. Peterbilt's cabin air filter is located out of the elements and easy to access near the passenger footwell. Other OEMs have external cabin air filters that require the windshield cowl to be removed and are exposed to the elements. Peterbilt uses weatherpack connectors with o-ring seals on wiring connection points to keep the elements out and provide secure connections. All wires clearly numbered (every 4 inches) and include aluminum tags to help identify them for easier service. Air lines are color-coded for simple tracing. Published Labor Times for Common Maintenance and Repair Items Show that a Peterbilt can Save up to 20% on Labor Costs Peterbilt trucks come standard with on-board-diagnostics, visible to the driver via the 7" or 15" digital displays. The on-board diagnostics will alert the driver of a fault code and provide the fault code number and a brief description. If the fault requires service soon or immediately the display will provide the driver with the level of the fault and the time (in hours) to de-rate and if severe, the time in hours to (shut- down). If, for example, a fault has a time in hours to de-rate of 5-hours and the operator has only 2 hours left in their route, they can finish their route and return to their shop or take to the dealer at the end of their route. Without on-board- diagnostics and just a simple dash light, operators would often times cut their route off as soon as the light illuminated. Peterbilt also offers Remote-diagnostics via our standard SmartLinq system. SmartLinq provides the same information noted above (on-board-diagnostics) but additionally through a desktop and/or mobile app format. The SmartLinq web portal can be set up for management by one or several fleet personnel and provides a dashboard that will display a map of all SmartLinq-enabled trucks the fleet operates. The vehicles move on the map in real time and will display color-coded symbols to denote their current operating status (i.e. green-normal, yellow-service soon, red-service now, etc.). Each truck can be clicked on for more detailed information. Email notifications can be set up to alert the fleet SmarLinq adminstrator(s) when a truck experiences a fault code and can be tailored to only alert when faults are mission disabling, etc. More information can be found at https://www.peterbilt.com/why-peterbilt/purposeful-innovation Peterbilt dealers offer "RapidCheck" service. Peterbilt launched the Rapid Check service program to provide diagnostics and an estimate of repairs in two hours or less. The program is available throughout the more than 432 locations in the Peterbilt dealer network. Within two hours, Rapid Check provides basic vehicle diagnostics, with more complex diagnostics if necessary. The information is evaluated and repairs are provided along with an estimated time needed to complete the work - again; all within 2 hours. The service is being offered to maximize customer uptime. The service is available for ANY truck make or model, not just Peterbilt.

Table 15: Category 1 - Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Proposers submitting a proposal in Category 1 will be submitting in the broad category that includes all types of engines, fuel, and propulsion systems. See RFP Section II. B. 1 for details.

☐ We will not be submitting for Table 15: Category 1 - Depth and Breadth of Offered Equipment Products and Services

Line Item	Category or Type	Offered *	Chassis Type (ICE and/or BEV)	Comments	
74	Class 4 chassis	○ Yes ◉ No	Internal Combustion Engine fuel types (ICE)	Peterbilt does not offer Class 4 chassis.	*
75	Class 5 chassis	◉ Yes ○ No	Internal Combustion Engine fuel types (ICE)	Conventional cab. Truck only. Body- installation unlimited. Up to 19,500 LBS GVW	*
76	Class 6 chassis	◉ Yes ○ No	Both Chassis Types (ICE and BEV)	Conventional cab & Cab-Over. Trucks & tractors. Body-installation unlimited. Up to 26,000 LBS GVW and 52,000 LBS GVWR	*
77	Class 7 chassis	◉ Yes ○ No	Both Chassis Types (ICE and BEV)	Conventional cab & Cab-Over. Trucks & tractors. Body-installation unlimited. Up to 33,000 LBS GCW and 66,000 LBS GVWR	*
78	Class 8 chassis	◉ Yes ○ No	Both Chassis Types (ICE and BEV)	Conventional cab & Cab-Over. Trucks & tractors. Body-installation unlimited. Up to 160,000 LBS GVWR.	*
79	Related equipment, accessories, parts, upfitting, services, used chassis and Class 3 chassis	○ Yes ◉ No	Internal Combustion Engine fuel types (ICE)	Peterbilt does not offer Class 3 chassis.	

Table 16: Category 2 - Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Proposers seeking an award in Category 2, as defined herein, must include at least one solution offered within the scope of Category 2 for electric propulsion systems **only**. See RFP Section II. B. 1 for details.

☐ We will not be submitting for Table 16: Category 2 - Depth and Breadth of Offered Equipment Products and Services

Line Item	Category or Type	Offered *	Comments	
80	Battery Electric Vehicle (BEV) Class 4 Chassis	○ Yes ◉ No	Peterbilt does not offer Class 4 chassis.	*
81	Battery Electric Vehicle (BEV) Class 5 Chassis	○ Yes ◉ No	Peterbilt does not offer Class 5 chassis.	*
82	Battery Electric Vehicle (BEV) Class 6 Chassis	◉ Yes ○ No	Class: 6 GCWR: 26,000 lbs. Used for: Local Pickup, Delivery & Regional Haul/Beverage Max Horsepower: 355 hp (265kw) - 499 hp (372kw) Front Axle & Suspension: 10,000 lbs. Rear Axle & Suspension: 17,000 lbs. Est Daily Range: 100, 150 or 200 Miles Per Charge Minimum Charge Time: 2.1 Hours Box Size Configurations: 24', 26', 30'	*
83	Battery Electric Vehicle (BEV) Class 7 Chassis	◉ Yes ○ No	Class: 7 GCWR: 33,000 lbs. Used for: Local Pickup, Delivery & Regional Haul/Beverage Max Horsepower: 355 hp (265kw) - 499 hp (372kw) Front Axle & Suspension: 12,000 lbs. Rear Axle & Suspension: 21,000 lbs. Est Daily Range: 100, 150 or 200 Miles Per Charge Minimum Charge Time: 2.1 Hours Box Size Configurations: 24', 26', 30'	*
84	Battery Electric Vehicle (BEV) Class 8 Chassis	◉ Yes ○ No	Model 579EV Class: 8 GCWR: 82,000 lbs. Used for: Regional Haul, Drayage Max Horsepower: 670 hp (500kw) Front Axle & Suspension: 12,000 - 14,600 lbs. Rear Axle & Suspension: 40,000 lbs. Est Daily Range: 150 Miles Per Charge Minimum Charge Time: 3 Hours Model 520EV Class: 8 GCWR: 66,000 lbs. Used for: Right-Hand Side Loader and Rear Loader Refuse Collection Max Horsepower: 670 hp (500kw) Front Axle & Suspension: 20,000 - 23,000 lbs. Rear Axle & Suspension: 46,000 lbs. Est Daily Range: 80 - 120 Miles Per Charge (1,100 Bin Pickups) Minimum Charge Time: 3 Hours	*
85	Related equipment, accessories, parts, upfitting, services, used chassis and Class 3 chassis	○ Yes ◉ No	Peterbilt does not offer Class 3 chassis.	

Table 17: Exceptions to Terms, Conditions, or Specifications Form

Line Item 86. **NOTICE**: To identify any exception, or to request any modification, to Sourcewell standard Contract terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Contract Template provided in the "Bid Documents" section. Proposer must upload the redline in the "Requested Exceptions" upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Contract.

Do you have exceptions or modifications to propose?	Acknowledgement *
	○ Yes ◉ No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - 00-2024 Peterbilt Pricing Example.JPG - Tuesday March 26, 2024 17:38:03
- Financial Strength and Stability - 01 - PACCAR Annual Report.pdf - Tuesday March 26, 2024 17:38:15
- Marketing Plan/Samples - 02 - Marketing Plan.pdf - Tuesday March 26, 2024 17:38:32
- WMBE/MBE/SBE or Related Certificates - 05-Montana Peterbilt LLC-MBE.pdf - Tuesday March 26, 2024 17:39:01
- Warranty Information - 03 Warranty Procedure Manual and Schedule.pdf - Tuesday March 26, 2024 17:39:26
- Standard Transaction Document Samples (optional)
- Requested Exceptions (optional)
- Upload Additional Document - 00-Peterbilt Dealer Locations.xls - Tuesday March 26, 2024 17:40:44

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;
    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or
    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Phillip Hall, National Account Manager, Peterbilt Motors Company

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ○ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_7_Class 4-8 Chassis and Cabs _RFP_032824 Thu March 21 2024 08:45 AM	☑	1
Addendum_6_Class 4-8 Chassis and Cabs _RFP_032824 Wed March 20 2024 12:36 PM	☑	3
Addendum_5_Class 4-8 Chassis and Cabs _RFP_032824 Mon March 18 2024 12:01 PM	☑	1
Addendum_4_Class 4-8 Chassis and Cabs _RFP_032824 Wed March 6 2024 09:38 AM	☑	1
Addendum_3_Class 4-8 Chassis and Cabs _RFP_032824 Wed February 21 2024 04:08 PM	☑	2
Addendum_2_Class 4-8 Chassis and Cabs _RFP_032824 Wed February 14 2024 04:12 PM	☑	1
Addendum_1_Class 4-8 Chassis and Cabs _RFP_032824 Thu February 8 2024 04:24 PM	☑	1

DEALER BULLETIN

SUBJECT: Sourcewell Customer Pricing CY2024-2028

DB # 24-21
DATE: 09-16-24

Peterbilt is excited to announce the extension of the Sourcewell Customer Pricing program for 2025-2028. Sourcewell, formerly NJPA, holds national contracts that offer an easy, time-saving procurement process for all levels of government and education. The discount by model represents the "% Off List" price the customer will pay when ordering units on the Sourcewell program.

Sourcewell
Formerly NJPA

Sourcewell Customer Pricing CY2024-2028

Peterbilt Motors Company Contract #032824-PMC July 29, 2024 REVISION

Model	Model 220	Model 220EV	Model 535	Model 536	Model 537	Model 548
Average List Price	$119,000	$367,900	$115,500	$128,000	$145,800	$177,000
CY2024-2028 Sourcewell DISCOUNT	5%	5%	15%	15%	15%	15%
Estimated Sourcewell Customer Price	$113,050	$349,505	$98,175	$108,800	$123,930	$150,450

Model	Model 567	Model 579	Model 579EV	Model 589	Model 520	Model 520EV
Average List Price	$281,000	$264,700	$662,700	$294,000	$284,000	$690,300
CY2024-2028 Sourcewell DISCOUNT	25%	25%	25%	25%	25%	25%
Estimated Sourcewell Customer Price	$210,750	$198,525	$497,025	$220,500	$213,000	$517,725

Certificate of Membership

This certificate entitles you to purchase from competitively solicited contracts. You will save time and money by using Sourcewell contracts, while buying the quality products you want from nationally recognized vendors.

Together, we are Sourcewell.

Our membership team is ready to help you every step of the way. Contact us for more information.

Sourcewell
Sourcewell-mn.gov
membership@sourcewell-mn.gov
877-585-9706

City of Merced

Member # 2325

Dr. Chad Coauette, PhD, Executive Director/CEO

ADMINISTRATIVE REPORT

File #: 26-648 Meeting Date: 8/3/2026

Report Prepared by: Lieutenant Kalvin Haygood, Merced Police Department

SUBJECT: Approval of Professional Services Agreement with Vetcor of Merced, LP dba Valley Animal Hospital for Veterinary Services

REPORT IN BRIEF

Considers approving a Professional Services Agreement with Vetcor of Merced, LP, doing business as Valley Animal Hospital, to provide veterinary services for Animal Control operations and Police Department K9s through July 31, 2029. The agreement formalizes the City's longstanding relationship with Valley Animal Hospital, establishes the scope of services, and updates the reimbursement limit for Animal Control cases from $250 to $400 per case to reflect increased veterinary costs.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Professional Services Agreement with Vetcor of Merced, LP dba Valley Animal Hospital for veterinary services through July 31, 2029; and,

B. Authorizing the City Manager, or designee, to execute the agreement and any documents necessary to implement its provisions.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff; or,
3. Deny; or,
4. Refer to staff for consideration of specific items.

AUTHORITY

Merced Municipal Code Section 3.04.

CITY COUNCIL PRIORITIES

This item supports the City Council's Public Safety priority by ensuring uninterrupted veterinary care

for the City's Animal Control program and Police Department K9 Unit while maintaining emergency response capabilities and animal welfare.

DISCUSSION

The Merced Police Department Animal Control Division and Police Department K9 Unit have utilized Valley Animal Hospital for veterinary services for many years. Valley Animal Hospital provides routine medical care, emergency treatment, diagnostic services, surgical procedures, and other veterinary services necessary to support animals in the City's custody and Police Department K9s.

To formalize this longstanding working relationship, staff is recommending approval of a Professional Services Agreement with Vetcor of Merced, LP, doing business as Valley Animal Hospital. Prior to recommending this agreement, the Police Department distributed a Letter of Interest to veterinary service providers seeking qualified firms capable of providing the required services. No additional responses were received. As a result, Valley Animal Hospital remains the only known local provider willing and able to provide the comprehensive veterinary services necessary to support the City's Animal Control operations and Police Department K9 Unit.

In addition to providing Animal Control services, Valley Animal Hospital serves as the primary veterinary provider for the Police Department's K9 Unit. During Fiscal Year 2025-2026, K9 veterinary expenditures totaled $1,258, and annual costs are expected to average approximately $1,500 for routine and emergency veterinary care. These costs are funded through the Police Department's approved K9 operating budget.

The agreement establishes the scope of veterinary services, payment procedures, insurance requirements, indemnification provisions, and other standard contractual terms. The agreement will remain in effect through July 31, 2029.

The previous reimbursement cap of $250 per Animal Control case was established in 2013. Since that time, veterinary operating costs have increased substantially. Valley Animal Hospital requested that the reimbursement limit be increased to $400 per case to better reflect the actual costs associated with examinations, diagnostics, emergency treatment, surgical procedures, medications, and continued care. Valley Animal Hospital estimates it absorbed approximately $15,000 in unreimbursed Animal Control costs during 2024 and approximately $9,000 during 2025 because of the existing reimbursement limitation.

During Fiscal Year 2025-2026, the City expended approximately $43,531 for Animal Control veterinary services and $1,258 for Police Department K9 veterinary care. Based on historical utilization and the increased reimbursement limit, Animal Control veterinary costs are projected to increase by approximately $1,000 per month beginning in Fiscal Year 2026-2027. Staff estimates annual Animal Control veterinary expenditures of approximately $60,000, based on an average

monthly cost of $5,000.
Under the agreement, Valley Animal Hospital will continue providing walk-in, semi-immediate veterinary care for injured stray and unowned animals during normal business hours. Animals requiring after-hours emergency treatment will continue to be referred to regional emergency veterinary hospitals, consistent with current practice. The agreement also provides that treatment decisions, including euthanasia when medically appropriate, remain within the attending veterinarian's professional medical judgment.

Approval of this agreement will ensure uninterrupted veterinary services for the City's Animal Control program and Police Department K9 Unit while establishing a formal contractual relationship governing the services to be provided and the responsibilities of both parties.

IMPACT ON CITY RESOURCES

During Fiscal Year 2025-2026, the City expended approximately $43,531 for Animal Control veterinary services and $1,258 for Police Department K9 veterinary services, for a total annual expenditure of $44,789.

For Fiscal Year 2026-2027, Animal Control veterinary expenditures are estimated at approximately $60,000, reflecting the increased reimbursement limit of $400 per case and an anticipated increase of approximately $1,000 per month over historical expenditures. Annual K9 veterinary costs are expected to remain approximately $1,500, resulting in a total estimated annual expenditure of approximately $61,500.

Funding for these services will be requested annually through the Police Department's Animal Control and K9 operating budgets, subject to City Council approval through the annual budget process.

ATTACHMENTS

1. Valley Animal (Vetcor) Service Agreement 2026-2029

SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Vetcor of Merced LP, dba Valley Animal Hospital, a Limited Liability Company, whose address of record is 58 W 16th St., Merced, CA 95340, (hereinafter referred to as "Contractor").

WHEREAS, City is undertaking a project to provide veterinary care services; and,

WHEREAS, Contractor represents that it possesses the professional skills to provide veterinary care services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. SCOPE OF SERVICES. The Contractor shall furnish the following services: Contractor shall provide the veterinary care services described in Exhibit "A" attached hereto.

No additional services shall be performed by Contractor unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Chief of Police or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Contractor.

2. TIME OF PERFORMANCE. All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "A" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Contractor may change the requirements in said Schedule.

3. TERM OF AGREEMENT. The term of this Agreement shall commence upon the day first above written and end on July 31, 2029.

4. COMPENSATION. Payment by the City to the Contractor for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. The Contractor agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "A". For Contractor's services rendered under this Agreement, City shall pay Contractor the not to exceed sum of $400 per case.

5. METHOD OF PAYMENT. Compensation to Contractor shall be paid by the City after submission by Contractor of an invoice delineating the services performed.

6. RECORDS. It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Contractor relating to the matters covered by this Agreement shall be the property of the City, and Contractor hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. CONTRACTOR'S BOOKS AND RECORDS. Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. INDEPENDENT CONTRACTOR. It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire same at its expense.

In the event Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System

(PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Contractor shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Contractor or Contractor's officers, employees, volunteers, and agents during performance of this Agreement; Contractor shall indemnify, protect, defend (with counsel selected by the City) save and hold City, its officers, employees and agents harmless from any and all claims or causes of action for any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Contractor or its employees, subcontractors, or agents, or by the quality or character of Contractor's work. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars ($100,000) for any one person and as required by law, including Employer's Liability limits of $1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

(i) Contractor shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.

(ii) Contractor shall maintain limits of no less than One Million Dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage.

(iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Contractor.

(iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

(v) Contractor shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

(i) Contractor shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

(ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Contractor.

(iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Contractor shall carry professional liability insurance appropriate to Contractor's profession in the minimum amount of One Million Dollars ($1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Cyber Liability Insurance. Consultant shall obtain and maintain Cyber Liability insurance in a minimum amount of One Million Dollars ($1,000,000) per occurrence or claim, One Million Dollars ($1,000,000) aggregate.

Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including, but not limited to, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information **or personally identifiable information (PII),**, alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties and credit monitoring expenses with limits sufficient to respond to these obligations. Cyber Liability insurance must be maintained, and evidence of insurance shall be provided to CITY for at least two (2) years after completion of work under this Agreement.

f. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

(i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,

(ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

g. Certificate of Insurance. Contractor shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium. In addition to any other remedies City may have, City reserves the right to withhold payment if Contractor's insurance policies are not current.

11. PREVAILING WAGES.

A. Labor Code Compliance. If the work performed under this Agreement falls within Labor Code Section 1720(a)(1) definition of a "public works" the Contractor agrees to comply with all of the applicable provisions of the Labor Code including, those provisions requiring the payment of not less than the general prevailing rate of wages. The Contractor further agrees to the penalties and forfeitures provided in said Code in the event a violation of any of the provisions occurs in the execution of this Agreement.

B. These wage rate determinations are made a specific part of this Agreement by reference pursuant to Labor Code Section 1773.2. General Prevailing Wage Rate Determinations may be obtained from the Department of Industrial Relations Internet site at http://www.dir.ca.gov/.

C. After award of the Agreement, and prior to commencing work, all applicable General Prevailing Wage Rate Determinations, if applicable, are to be obtained by the Contractor from the Department of Industrial Relations. Theses wage rate determinations are to be posted by the Contractor at the job site in accordance with Section 1773.2 of the California Labor Code.

D. Contractor agrees to include prevailing wage requirements, if applicable, in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771.

12. NOTICES. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by: (i) personal service, (ii) delivery by a reputable document delivery service, such as, but not limited to, Federal Express, that provides a receipt showing date and time

of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Merced
678 West 18th Street
Merced, California 95340
Attention: City Manager

To Contractor: Vetcor of Merced, LP
dba Valley Animal Hospital
58 W. 16th St., Merced, CA 95340
Attention: Adam Lauppe, DVM

13. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Contractor and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Contractor under this Agreement will be permitted only with the express written consent of the City.

14. TERMINATION FOR CONVENIENCE OF CITY. Either party may terminate this Agreement, in whole or in part, for convenience by providing written notice to the other party. Termination shall be effective upon the date specified in the notice. Upon such termination, Contractor shall cease further work as directed and shall be paid for that percentage of the phase of work actually completed as of the effective date of termination, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received. Contractor shall also be reimbursed for reasonable, documented costs necessarily incurred in reliance on this Agreement and properly allocated to the terminated portion that cannot be cancelled or mitigated. No payment shall be made for anticipated profits or unperformed services.

15. CONFORMANCE TO APPLICABLE LAWS. Contractor shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by

Contractor in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Contractor hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

16. WAIVER. In the event that either City or Contractor shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

17. INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS. In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

18. AMBIGUITIES. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

19. VENUE. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

20. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

21. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

22. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

23. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY:_____
D. Scott McBride
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 6-5-2026
City Attorney Date

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY:_____
Verified by Finance Officer

{Signatures continued on next page}

CONTRACTOR
Vetcor of Merced, LP
dba Valley Animal Hospital

BY: A. C. Lauppe, DVM
(Signature)

Adam Lauppe, DVM
(Typed Name)

Its: Doctor of Veterinary Medicine
(Title)

BY:_____
(Signature)

_____
(Typed Name)

Its:_____
(Title)

Taxpayer I.D. No. 85-3445968

ADDRESS: 58 W. 16th St.
Merced, CA 95340

TELEPHONE: (209) 384-7387
FAX:_____
E-MAIL:

EXIBIT A

Valley Animal Hospital
58 W. 16th Street, Merced
384-7387

December 22, 2025

Chief Steven Stanfield
Merced City Police Department
611 W. 22nd St.
Merced, CA 95340

Chief Stanfield,

This letter is to clarify the scope of services provided by Valley Animal Hospital for injured stray/un-owned animals recovered within the city limits of Merced, and the compensation for such services. Valley Animal Hospital and its veterinarians are happy to continue to offer walk-in, semi-immediate emergency care for any injured dog, cat, or other species that the City of Merced Animal Control Officers, Peace Officers, or other agents of the City may bring into our clinic during normal business hours. We are currently open for business Monday through Friday, from 7:30 AM to 6:00 PM. We are not open late-evening/night hours or on weekends. After-hour emergencies in Merced are routinely referred to out-of-town clinics in Turlock, Modesto, and Fresno.

We are requesting an increase from the current $250 per case that was last updated on October 21, 2013 to a limit of $400 per case. This is in response to our clinic bearing the financial cost for savable cases that have exceeded the current $250 cap. In 2024, we discounted $15000 in fees that exceeding the cap for Merced City Animal Control cases, and as of today's date in 2025, we have discounted $9000 in fees. The cost of doing veterinary medicine has increased in the 12 years since the original agreement was setup, and so have our operating costs. Currently an exam ($65) and X-rays ($245) for a potential animal that has been hit by a car cost $310, which allows us no room for any potential sedation or pain medications, the minimum required for such a case. A $400 limit per case will allow us to better serve these lost animals and the community who may be looking for their lost pets.

It will be at the attending veterinarian's discretion to authorize euthanasia or make a determination of care necessary to continue until an owner might be located, or it is deemed unclaimed and relinquished to the Animal Shelter or a rescue group for further care at their expense.

We want to continue assisting the community in this way and in any other way possible. Please contact me at any time at the clinic number (209)384-7387, or at my email aclauppe@gmail.com.

Thank you,

Adam C. Lauppe, DVM

ADMINISTRATIVE REPORT

File #: 26-646 Meeting Date: 8/3/2026

Report Prepared by: Leah Brown, Senior Planner, Development Service Department

SUBJECT: Second Reading and Final Adoption of a Zoning Ordinance Amendment to Complete the Regional Housing Needs Allocation Requirements for Compliance with the State Housing Laws

REPORT IN BRIEF
Second reading and Final Adoption of a Zoning Ordinance Amendment to comply with State Housing Laws.

RECOMMENDATION
City Council - Adopt a motion adopting **Ordinance 2594,** an Ordinance of the City Council of the City of Merced, California, Amending Ordinance No. 2577, and adopting environmental review #26-0068 (Statutory Exemption).

ALTERNATIVES
1. Adopt Ordinance as recommended by staff; or,
2. Provide direction on specific revisions to the Ordinance; or,
3. Request additional information; or
4. Continue the matter to a date certain; or
5. Decline to act.

AUTHORITY
Charter of the City of Merced, Sections 200, 405, and 1105.

CITY COUNCIL PRIORITIES
Fiscal Year 2026/27 Adopted Goals and Priorities, Housing and Homelessness.

DISCUSSION
California Housing Element law requires every jurisdiction to prepare and adopt a housing element as part of its General Plan. State housing element requirements are framed in Government Code, Sections 65580 through 65589, Chapter 1143, Article 10.6. The law requires the State Department of Housing and Community Development (HCD) to administer the law by reviewing housing elements for compliance with state law and by reporting its written findings to the local jurisdiction. The Housing Element must identify existing and projected housing needs, establish goals and policies to address those needs, and demonstrate adequate capacity to accommodate the jurisdiction's Regional Housing Needs Allocation (RHNA). Additionally, a certified housing element is a key

requirement to qualify for numerous state grants and funding.

State law mandates that housing elements be updated every eight years. The City of Merced last adopted a Housing Element that was certified by HCD in September 2016 for the Fifth Cycle planning period.

For the Sixth Cycle Housing Element, covering the planning period of January 31, 2024, through January 31, 2032, the City elected to participate in the Merced County Multi-Jurisdictional Housing Element (MJHE). The collaborative effort included the County of Merced and the Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced. Participation allowed the jurisdictions to coordinate regional housing analyses, public outreach, technical studies, and consultant services while preparing individual jurisdiction-specific Housing Elements.

The City Council first considered participation in the MJHE during meetings in October and December 2022. On August 7, 2023, the City Council adopted Resolution 2023-63 authorizing participation in the MJHE.

Preparation of the Housing Element involved extensive public participation over more than three years. Public outreach included community workshops, stakeholder meetings, Planning Commission hearings, City Council study sessions, legally required public review periods, online engagement, and coordination with HCD, housing providers, advocacy organizations, neighboring jurisdictions, and the general public.
Between May 2024 and March 2026, the City submitted multiple draft Housing Elements to HCD for review. Following each review, the City revised the document to address HCD comments, update housing data and analyses, refine implementation programs, and incorporate changes resulting from public comments and ongoing planning efforts.

The Housing Element serves as the City's long-range policy document for addressing existing and future housing needs. The document evaluates demographic trends, housing conditions, housing constraints, special housing needs, available residential land, and opportunities to increase housing production and preserve existing housing stock.

The updated Housing Element includes:

- Updated demographic, housing, and economic analyses;
- A residential sites inventory demonstrating adequate capacity to accommodate the City's RHNA allocation;
- Goals, policies, and implementation programs addressing housing affordability, housing production, preservation, equal housing opportunity, special needs populations, and homelessness;
- Programs to monitor Housing Element implementation and maintain compliance with State law; and

- Revisions responding to HCD comments received throughout the review process.

A key aspect to the Housing Element is the platform of programs the city must implement over the period of the 6th Cycle. In January 2025, the City held a workshop to review the programs and receive public input. The city examined 14 Programs:

Program 1: Regional Collaboration

Collaborate regionally on housing, funding, best practices, and efforts addressing housing, transit, economic development, and homelessness.
- Participate in regional meetings
- Partner with regional agencies to:
    - Address homelessness
    - Management and implement transit and services
    - Provide a public forum
    - Implement a 10-Year Plan to End Homelessness

Program 2: Adequate Sites for RHNA and Monitoring of No Net Loss

Ensure there are adequate sites at appropriate densities during the planning period to accommodate City's share of regional housing need.
- Facilitate development*
- Rezone*
- Maintain an inventory of prospective sites*
- Meet with property owners
- Monitor no net-loss*

**Strictly required by state law*

Program 3: By-Right Approval

If a site has been used in the City's inventory in prior housing element cycles and meets certain criteria, projects on those sites are subject to by-right approval when a project includes 20 percent of the units affordable to lower-income households and no subdivision is proposed.
- Update zoning code to reflect state law

**Strictly required by state law*

Program 4: Replacement Housing

Development on non-vacant sites with existing residential units is subject to replacement requirements, pursuant to AB 1397.
- Amend the zoning code to address replacement requirements

**Strictly required by state law*

Program 5: Accessory Dwelling Units

Continue to encourage the production of ADUs and work to provide affordable units for lower-

income households.
- Facilitate development-provide technical assistance, resources, and education
- ADU amnesty program
- Pursue funding sources to enhance ADU affordability

Program 6: Zoning Code Amendments

Remove constraints to housing development by amending the Zoning Code to facilitate a variety of housing types, especially housing for lower-income households and those with special needs.
- Allow for emergency shelters, transitional and supportive housing, and other resources for low -income families and people experiencing homelessness*
- Revise development standards
- Allow for farmworker and employee housing*

**Strictly required by state law*

Program 7: Facilitating Affordable Housing Development

Expand affordable housing options for households of all income levels using development tools such as density bonus provisions, waiving development fees and streamlining the application process.
- Pursue funding
- Conduct outreach to affordable housing developers

Program 8: Preservation of At-Risk Housing

The City will work to preserve assisted units and will proactively monitor to encourage continued affordability beyond existing covenants and work proactively with owners of affordable units to assist in rehabilitation needs.
- Monitor at-risk units
- Work with property owners to ensure tenants are properly notified

**Strictly required by state law*

Program 9: Housing Preservation and Rehabilitation

The City works cooperatively with citizens to ensure Municipal Code compliance and explore funding for housing rehabilitation.
- Track where rehabilitation needs are heightened
- Conduct a housing conditions survey
- Public education

Program 10: Lower-Income and Special Needs Housing

Assist in the development of housing to meet the needs of extremely low-, very low-, and low-income households.
- Connect residents to resources
- Collaborate with the Housing Authority

- Develop and inventory of affordable housing
- Work with UC Merced to complete a Student Housing Plan
- Density bonus for senior housing

Program 11: Farmworker Housing

Merced had 2,781 farmworkers in 2021, representing 22.6 percent of the total farmworker population across the county.

- Apply for funding for farmworker housing
- Work with farm owners to identify farmworker housing needs
- Facilitate development through expedited review and development standard concessions

Program 12: Water and Sewer Service

The City of Merced is the provider of water and sewer services within city limits. Adequate water and sewer services are available to fully accommodate the City's share of the RHNA.

- Adopt a policy to prioritize water/sewer services to affordable housing projects if capacity is limited*
- Update master plans
- Conduct outreach on conservation measures
- Rehabilitation assistance for conservation

**Strictly required by state law*

Program 13: Community and Economic Development

Develop and maintain infrastructure for economic growth and equal access to essential services.

- Review the City's Capital Improvement Projects
- Work with MCAG on transportation plans
- Connect street and pedestrian/bicycle networks

Program 14: Fair Housing Outreach and Enforcement

Assist residents with fair housing issues

- Provide and disseminate information and resources
- Conduct workshops
- Support homeownership opportunities

Over the course of the multiple reviews, the State requested more robust definitions and specific measurable deliverables for each program. There were several meetings with HCD staff and technical advisors working in coordination with the city and consultants. Much of the revisions were statutory requirements and had to be incorporated to gain full compliance with Housing Element law. The detailed programs are within Section G7 Housing Plan of the attached Appendix G: City of Merced.

As part of the Housing Element update process, the City completed a comprehensive review of its residential land inventory and identified sites capable of accommodating its RHNA allocation. To

ensure adequate residential capacity, the City adopted Ordinance No. 2577 in April 2025, completing a series of rezoning actions necessary to satisfy State Housing Element requirements.

While the State acknowledges the City rezoned 27 parcels to meet its RHNA, HCD requires additional statutory language to be incorporated into the Zoning Ordinance for the rezones to be considered complete. This language is included in Zoning Ordinance Amendment #26-0001 and reflected in Program 2 of the Housing Element, which outlines the City's actions to ensure adequate sites consistent with Government Code Sections 65583(c)(1)(A) and 65583.2.

The Zoning Ordinance Amendment for the rezoned sites shall include the following components pursuant to Government Code Section 65583.2(i):

- Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.

- Permit the development of at least 16 units per site.

- Establish a minimum density of 20 units per acre and a maximum density of at least 24 units per acre for all rezone sites to accommodate lower income RHNA.

- Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

On March 17, 2026, HCD issued a letter finding that the City's Housing Element substantially complies with State Housing Element Law, contingent upon completion of minor revisions and final ordinance language regarding the City's rezoning program. Those revisions have now been incorporated into the final Housing Element presented for adoption.

Adoption of the Housing Element completes the City's Sixth Cycle Housing Element update and positions the City to maintain compliance with State Housing Element Law while implementing policies and programs designed to facilitate housing opportunities for all income levels through January 31, 2032.

Staff believe the Housing Element satisfies applicable requirements of State Housing Element Law and reflects extensive coordination with HCD and public stakeholders throughout the planning process. Following City Council adoption, staff will submit the adopted Housing Element to HCD requesting formal certification.

The proposed action has been reviewed in accordance with the California Environmental Quality Act (CEQA). Pursuant to Government Code Section 65453, adoption or amendment of a General Plan for the purpose of complying with State Housing Element Law is exempt from CEQA. Accordingly,

Staff recommends that the City Council adopt Statutory Exemption No. 26-0068.

Implementation of future development projects or subsequent zoning amendments contemplated by the Housing Element will be subject to environmental review, as required, prior to approval.

Notice of the public hearing was provided in accordance with applicable provisions of State law. The Housing Element was made available for public review during multiple public review periods throughout the update process, and public comments were considered during Planning Commission and City Council hearings.

On June 17, 2026, the Planning Commission adopted Resolution #4181:

- Concurring with and adopting the Analysis, Environmental Determination and General Plan Consistency sections of Planning Commission Staff Report #26-344.
- Recommending that the City Council of the City of Merced approve and adopt General Plan Amendment #24-06.
- Recommending that the City Council of the City of Merced approve and adopt Zoning Ordinance Amendment #26-0001.
- Recommending that the City Council of the City of Merced approves and adopts Environmental Review #26-0068 finding these actions Statutorily Exempt from CEQA pursuant to CEQA Guidelines Section 15162.

Previous Actions

The City Council heard this item at their July 20, 2026, meeting, introducing Ordinance 2594. The item passed and is now before City Council for a second reading and final adoption.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Merced Multijurisdictional Housing Element
2. Appendix G: City of Merced - Housing Element
3. HCD’s letter of March 2026
4. General Plan EIR Addendum
5. Environmental Review #26-0068
6. Zoning Ordinance Amendment 2594



2024 - 2032

MERCED COUNTY MULTIJURISDICTIONAL HOUSING ELEMENT

A Regional Plan for Addressing Housing Needs

Merced County *Atwater* *Dos Palos* *Gustine* *Livingston* *Los Banos* *Merced*

Attachment 1

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Appendices

Appendix A1 Survey Results Report

1 Introduction and Regional Collaboration

The Housing Element provides a coordinated strategy for preserving existing housing stock and advancing opportunities for new housing in a smart and sustainable way that enhances quality of life and equitable access to resources. It also serves as a strategy to address housing needs across the economic and social spectrum, reflecting the needs of each jurisdiction.

The County of Merced, and the cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced have jointly developed this Multi-Jurisdictional Housing Element (MJHE), coordinated by the Merced County Association of Governments (MCAG). This Housing Element was prepared for the planning period of 2023 to 2031 and represents the 6th Cycle Housing Element.

1.1 Housing Element Purpose and Content

The State of California has stated that the availability of decent and suitable housing for every California family is "a priority of the highest order." This objective has become increasingly urgent in recent years as communities across the state struggle to meet the housing needs of all their residents. The Housing Element is the primary tool for cities and counties to create a road map to meet their housing goals. The Housing Element is a comprehensive strategy for encouraging development of safe, decent, and affordable housing for all residents and preventing housing loss. The Housing Element must include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement, and development of housing;
- Identification of adequate sites for housing;
- Assessment of fair housing issues; and
- Adequate provision for existing and projected housing needs of all economic segments of the community.

Many new state housing laws have taken effect since the last Housing Element update (the 5th cycle). This Housing Element update incorporates and addresses pertinent housing law changes through analysis, new policies, or new programs.

The Housing Element helps each jurisdiction determine how to address existing and future housing needs and plan for future growth. While housing policies cannot commit the jurisdictions to construct new housing units, the Housing Element identifies ways in which each jurisdiction will provide for the housing needs of current and future residents during the Housing Element update cycle. Each jurisdiction will then adjust their zoning designations to accommodate the county's housing needs.

1.1.1 Organization of the Regional Housing Element

The Regional Housing Element is comprised of the following components:

- **Chapter 1: Introduction** provides a brief overview of the purpose and background for the Housing Element and a summary of the document.
- **Chapter 2: Regional Housing Needs Assessment** analyzes demographic and socio-economic conditions, housing conditions, and other factors to evaluate current and future housing needs in Merced County.
- **Chapter 3: Regional Housing Constraints** analyzes regulations and conditions that constitute constraints to housing production and preservation across the region, including governmental regulations, infrastructure requirements and nongovernmental market conditions such as costs for land, construction, and labor.
- **Chapter 4: Regional Assessment of Fair Housing** provides an assessment of compliance with fair housing laws, fair housing conditions, and disparities in access to opportunities in Merced County, compared to other counties in the region.
- **Chapter 5: Regional Housing Resources and Development Trends** documents resources available for housing development and an analysis of development trends throughout the region.

> **"I would love to see more diversity in housing choices within walkable neighborhoods to foster connectivity and access to essential amenities like parks, trails, schools, and transit.**
>
> **- City of Merced Resident**

Corresponding analyses for each participating jurisdiction follow the Regional Housing Element as appendices. Jurisdictional analyses also include summaries of public participation and engagement materials.

1.2 Regional Housing Requirements

State law requires that every housing element include an inventory of land suitable and available for residential development to meet the jurisdiction's share of the regional housing need called the Regional Housing Needs Allocation (RHNA). MCAG plays a key role in the RHNA process. Every eight years, the State of California Department of Housing and Community Development (HCD) provides MCAG with a regional determination, which represents the number of units the region must plan for across five income categories. MCAG is responsible for developing a methodology for allocating these units by income category to each city and the Merced County. Once jurisdictions have their share of the RHNA, they must adopt a Housing Element that demonstrates how they can accommodate their share of the RHNA. The 6th Cycle RHNA is based on population projections, income distribution, and access to jobs.

The RHNA is broken down into affordability categories based on Area Median Income (AMI). For planning and funding purposes, HCD has developed the following income categories based on the AMI of a metropolitan area:

- **Extremely Low-income:** households earning up to 30 percent of the AMI
- **Very Low-income:** households earning between 31 and 50 percent of the AMI
- **Low-income:** households earning between 51 percent and 80 percent of the AMI
- **Moderate-income:** households earning between 81 percent and 120 percent of the AMI
- **Above Moderate-income:** households earning over 120 percent of the AMI

1.3 Relationship to Other General Plan Elements

Under state law, the Housing Element is one of the eight required elements (or chapters) of each jurisdiction's General Plan and must be consistent with all other elements. Jurisdictions may also include optional elements or combine subject areas where appropriate. Pursuant to Government Code section 65302, the mandatory elements of a General Plan include Land Use, Circulation, Conservation, Open Space, Noise, Safety, and, for some jurisdictions, Environmental Justice. In addition, cities and counties within the San Joaquin Valley Air Pollution Control District—including all jurisdictions in Merced County—must address air quality in their General Plans.

All elements bear equal weight, and no element has legal precedence over another. California Government Code Section 65583(c) requires the Housing Element to maintain internal consistency with other General Plan Elements. For example, residential density limits established by the Land Use Element are reflected in the Housing Element and form the basis for analyzing residential capacities within the jurisdiction. When any element of the General Plan is amended in the future, each jurisdiction will review its own Housing Element and, if necessary, amend it to ensure internal consistency is maintained.

Government Code Section 65302.10(a) requires each city and county to review and update the Land Use Element of its General Plan, based on available data—including, but not limited to, data and analysis developed pursuant to Government Code Section 56430—regarding unincorporated island, fringe, or legacy communities located within or near its boundaries (defined as Disadvantaged Unincorporated Communities or DUCs). Pursuant to Government Code Section 65588, each local government must, on or before the due date for each subsequent revision of its Housing Element, review and, if necessary, amend its General Plan to update the analysis and address infrastructure and service deficiencies in identified DUCs.

Each jurisdiction is required under Government Code section 65302(g)(3) to update its Safety Element when it updates the Housing Element or upon adoption of its next Hazard Mitigation Plan. Additionally, jurisdictions must incorporate environmental justice policies into their General Plans—either through a dedicated Environmental Justice Element or by integrating related goals, policies, and objectives across existing elements. This integration is required upon the adoption or revision of two or more elements. Therefore, if a jurisdiction updates its Safety Element in conjunction with its Housing Element, it must also update its environmental justice policies or Environmental Justice Element.

The policies and implementation programs in this Housing Element are aligned and consistent with those in the other elements of each jurisdiction's General Plan. As jurisdictions amend their General Plans in the future, local governments will review and revise the Housing Element as needed to maintain internal consistency.

1.4 Data Sources and Methods

Data from a variety of sources is used to complete the Housing Element. The most commonly cited source is the U.S. Census, which provides consistent demographic characteristics that are widely accepted. The American Community Survey is a feature offered by the U.S. Census and includes five-year estimates on population and demographic characteristics. Other data sources include the following:

- U.S. Census and the American Community Survey (ACS)
- California Department of Finance (DOF)
- California Department of Housing and Community Development (HCD)
- California Housing Finance Agency
- California Tax Credit Allocation Committee (TCAC)
- Merced County Association of Governments (MCAG)
- Home Mortgage Disclosure Act (HMDA) lending data
- Regional Homeless Point-in-Time (PIT) Count
- State Employment Development Department (EDD)
- Comprehensive Housing Affordability Strategy (CHAS)
- United States Department of Housing and Urban Development (HUD)
- Jurisdiction Staff

1.5 Public Outreach

The Housing Element must reflect the values and preferences of the community. Accordingly, community participation is an important component of the development of this Element. Government Code Section 65583(c)(8) states that the local government must make "a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element." This process not only includes community members, but also participation from local agencies and housing groups, community organizations, and housing sponsors.

Each jurisdiction solicited input from stakeholders and community members through interviews, surveys, a project-specific website, community events, and public meetings. To jumpstart the outreach process and to inform the community about the Housing Element Update, the cities of Dos Palos, Merced, Los Banos, Atwater, Livingston, and Gustine, and Merced County compiled a list of 42 stakeholders and organizations that provide affordable and market-rate housing, homeless and other non-profit services, economic development services, and community members. Staff asked organizations to forward the information to their own stakeholders and requested assistance and partnership in community outreach.

These entities were included in all notifications associated with the Housing Element update, including community events, housing survey, and release of the public draft Housing Element. A summary of the public participation is detailed below.

1.5.1 Public Notification

To reach the largest and broadest spectrum of community members and stakeholders, the cities and the County utilized the following notification methods throughout the Housing Element update process:

- Posts to the cities' and the County's social media accounts, including Facebook and Instagram, announcing project website launch, survey, public meetings, and release of the Draft Housing Element for public review.
- Email lists of community and advocacy groups, non-profits, faith-based organizations, school-based organizations, disability advocates, and neighborhood groups to provide outreach and regular updates on the project. In addition, the cities and County are maintaining an "interested parties" list for those who have requested regular updates about the Housing Element.
- Flyers in English and Spanish advertised the project. Specifically, the cities and County developed and circulated a bilingual, introductory flyer informed residents about the Housing Element, the need for adequate housing, how to plan for new housing, types of housing, a project schedule, and contact information. Flyers were distributed to government facilities, community centers, and local businesses.

1.5.2 Project Website

To facilitate the distribution and gathering of information, a project website dedicated to the Housing Element update was created. The project website provided detailed background information on the Housing Element, answers to frequently asked questions, links to upcoming and past event materials, links to articles and videos on the general plan topics, including the Housing Element. Educational materials included an introduction, informational flyers, and frequently asked questions specifically on the housing element (mercedmjhe.com). Project materials associated with the Housing Element update were regularly posted on the project website, including documents available for public review, information for upcoming events, and workshop PowerPoint presentations and video recordings. A link on the website enabled people to sign up for project email updates and provide comments at any time throughout the project process.

1.5.3 Community Workshops

Community workshops were held in September and October of 2023 to help inform the 2024-2032 Merced County Multi-Jurisdictional Housing Element.

Seven in-person workshops were conducted to introduce new Housing Element goals and requirements to the cities included in the Housing Element. The workshops aimed to educate the community on housing element requirements and assess participants' housing needs, priorities, and concerns in their community. The workshops also aimed to obtain feedback from participants about housing needs in the community, their experience finding housing, potential programs to address housing needs, and input on the housing opportunity sites.

Flyers advertising the workshops were posted on the cities' and the County's websites in advance of the workshop series to encourage public attendance and participation. The flyers provided meeting details (dates, times, locations, zoom links), the Housing Element Update website and email, and were bilingual (English and Spanish).

Workshops were hosted in the cities of Merced, Atwater, Livingston, Gustine, Dos Palos, Los Banos, and the County of Merced on August 22nd, August 28th, August 29th, August 29th, August 30th, August 31st, and September 26th, respectively. Each workshop consisted of an informative PowerPoint presentation on housing sites, a questionnaire about the proposed sites, and a Q&A and public discussion period. The workshop activities invited participants to share their opinions on what makes their neighborhood great and their experience finding housing, take part in a sticker activity to rank the most effective housing programs, and reasons it is difficult to find housing in their communities. Participants were also asked to weigh in on the selected housing opportunity sites. The PowerPoint presentation was available in Spanish via written translation. Live Spanish translation was available upon request.

> **"The affordability of desired housing remains a challenge, especially when it comes to accessing resources. I would prefer it if there were resources more readily available for middle-class working families like mine because the dream of owning a home is often hindered by lack of support. I find that I am caught between earning too much to qualify for assistance yet earning too little to save for a down payment.**
>
> **- Los Banos Resident**

For more specific information on findings from each community's workshop, please reference Chapter 7, *Public Participation*, for each jurisdiction.

1.5.4 Stakeholder Interviews

Jurisdictions also participated in a series of stakeholder interviews with service providers, community organizations, and affordable and market-rate housing developers held between August 8 and August 23, 2023 and on December 18, 2024, via Zoom. Stakeholders were identified through an iterative process with MCAG and the cities of Merced, Atwater, Livingston, Gustine, Dos Palos, and Los Banos, the County of Merced, and consultants from Rincon Consultants, Inc., and represented a variety of organizations and segments of the community.

Community organizations identified the need for housing near medical facilities and public transportation. Additional housing needs include transitional housing and citywide and countywide rent control. Compared to larger cities in the region, smaller, rural areas have vastly fewer amenities and housing resources. According to market-rate housing developers, barriers to developing housing include high construction costs, limited resources offered for affordable housing within the central coast, and lack of subsidies for affordable housing units. Affordable housing developers described the need for more attainable zoning and entitlement approvals and the necessity of transit being near affordable housing locations. According to affordable housing developers, cities can foster strong relationships with affordable housing providers and maintain knowledgeable staff to pursue grant opportunities for affordable housing.

Community Service Providers: Key Findings

- Need for deeply affordable and climate resilient housing.
- Community stewardship (land banking, land trusts, limited equity homeownership opportunities), allow to maintain deeply affordable housing over generations.
- Housing needs to be located near public transit, jobs, and resources.
- Tenants' rights, particularly for minority communities that experience discrimination are needed. Housing navigators and legal assistance can help.
- Affordability covenants expire, properties are then purchased and existing tenants are displaced. An Affordable Housing Trust Fund can serve as a way to acquire properties or develop a land trust with residents to keep them permanently affordable.
- Property maintenance is a large issue. Landlords are often reluctant to make repairs. Landlords are often not held accountable.
- The vast majority of community-based rent relief programs are out of funds and were strained even more by the severe weather and the ongoing recovery efforts.
- Need for behavioral health and substance abuse services for persons experiencing homelessness.
- Cities have an aging population that require addition resources for rental assistance and in-home services to assist those on a fixed income.

Housing Developers: Key Findings

- Building affordable units is very expensive. Large government subsidies are needed. However, resources are scarce. The entire Central Valley of California is at a disadvantage, as State subsidies are often directed to the coastal areas.

- There is a need for a variety of different housing types (smaller lots, ADUs, triplexes, etc.), but builders are reluctant to build more affordable housing. Minimum lot size requirements is a constraint on other types of development, particularly within rural areas.
- Two types of housing are developed, either 100 percent subsidized or housing for high income households. There is very little middle-income housing, which is a significant need.
- Rises in interest rates have reduced demands for purchasing housing. People who have low interest rates are not moving, reducing supply of available housing.
- Securing state funding for affordable housing is difficult because cities in Merced County lack resources to make these projects competitive in terms for state grants.
- Permit expediting fees are costly and often comprise a significant portion of permitting fees for affordable housing projects.

Community Members: Key Findings

- Significant concerns regarding the cost of living and stagnating wages. Housing is very expensive.
- Housing condition is an issue but repairs often cause an increase in rents. There are high rates of evictions in the region. Desire for a rent stabilization program to keep housing affordable, and increase code enforcement programs, such as a rental registry.
- Concerns over ADUs being used for short-term rentals instead of adding to the housing stock.
- Access to water and sewer is a concern, particularly in South Merced. Air pollution is also a concern.
- Mobile homes are not protected in the same way as traditional rental units. Residents feel taken advantage of.
- Need for home ownership opportunities/assistance.
- Rural communities often lack access to housing and supportive services, which are primarily located within the city of Merced. Transit access from rural communities to existing services is limited.

1.5.5 Community Survey

An online survey to help inform the 2023-2031 Merced County Multi-Jurisdictional Housing Element. The survey is one part of a broader community engagement and outreach strategy to inform housing needs and preferences the Merced region, specifically in the cities participating in this Housing Element: Merced, Atwater, Livingston, Gustine, Dos Palos, and Los Banos, and the County of Merced. The survey was available in English and Spanish from March 27 to December 22, 2023. The survey consisted of 16 questions and used different formats for questions: checkbox, ranking, and open-ended questions. A total of 172 people responded to the survey. The following key themes were collected from community input:

- Most survey participants reported being residents of the city of Merced or the unincorporated county. Most own their own home and live in single-family homes.
- Most respondents' households are multi-generational.
- The top three most important aspects of housing when looking for new housing were affordability, the quality and size of housing, and location close to work and/or school.
- When asked to rank the largest barriers to finding affordable housing, respondents said the cost of quality housing is too high, there is a lack of available rent-restricted housing, and there is not

enough housing overall. The most urgent housing challenges were similar, but also included homelessness.

- The three most selected beneficial programs to assist residents with housing needs were: 1) Rental assistance or housing vouchers, 2) Homebuyer loan counseling services, and 3) Housing assistance for residents with special needs. Respondents also cited pathways to homeownership and programs for first-time homeowners as beneficial programs to assist with housing needs. More than 40 percent of respondents also identified home rehabilitation assistance and over 20 percent identified landlord/tenant mediation services as beneficial programs.
- "Housing with 3 or more bedrooms" was ranked as most needed in the region followed by "housing with 1-2 bedrooms," and accessory dwelling units (ADUs).
- "Respondents ranked areas near public transit stops, employment, and shopping centers;" "downtown or town center locations;" and "areas with existing housing (increasing the number of housing units that could be built on each property such as with fourplexes, courtyard houses, and other types of apartment complexes)" as the highest priority areas for housing development.
- When asked to rank preferred forms of ADU assistance, most responded "Financial assistance with construction expenses" and "Educational 'How to' webinar series regarding financing, construction, and permitting processes." Thirty-five percent expressed interest in building an ADU, while 34 percent said they were not interested.
- About 40 percent of respondents identified as Hispanic/Latino (of any race), and 31 percent identified as Caucasian, not Hispanic/Latino. The majority of respondents were in the age range 41 to 65 years old, followed by 26 to 40 years old (25 percent). One-quarter of respondents reported their household income as over $100,000, and the next most common income categories were less than $25,000, $25,000 to $49,999, and $50,000 to $74,999 (16 percent in each).

Full survey results can be found in Appendix 1 to the Regional Housing Element, *Community Survey Results*. Responses specific to jurisdictions are summarized in each jurisdictions' housing element.

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2 Regional Housing Needs Assessment

This section provides a comprehensive assessment of housing needs as the basis for preparing responsive policies and implementation programs. This section summarizes demographic, employment, and housing characteristics for the Northern San Joaquin Valley (NSJV) region and the jurisdictions in Merced County. The NSJV region comprises of three counties: San Joaquin County, Stanislaus County, and Merced County. The main source of the information is the pre-approved data package for jurisdictions approved by the California Department of Housing and Community Development (HCD), which is noted in the sources for the data tables in this section. The pre-approved data package uses several data sources, including the 2020 U.S. Census, 2021 American Community Survey, 2019 Comprehensive Housing Affordability Strategy (CHAS), and the California Department of Finance (DOF). Other sources of information in this section include the following: the California Employment Development Department (EDD), the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), and local economic data (e.g., home sales prices, rents, wages). It is important to note that the ACS data is a multi-year estimate based on sample data and has a large margin of error, especially for smaller cities.

2.1 Population Characteristics

Population characteristics, such as growth rate, age, and income levels, affect the type and amount of housing needed in a community. Residents' age and income, employment trends, and other factors influence the type of housing needed and the community's ability to afford housing. The following section analyzes population characteristics and trends in the NSJV region and the jurisdictions in Merced County. The information presented on population characteristics relies on the 2017-2021 American Community Survey (ACS) estimates.

2.2 Population Growth

U.S. Census Bureau population estimates for each trend in the NSJV region and the jurisdictions in Merced County are shown in Table 2-1. Analyzing population change can help assess where there may be a need for new housing and services.

Merced County had a total population of 279,150 in 2021. The unincorporated county had the largest population of all jurisdictions with 91,287 residents, followed by the City of Merced (85,993 residents) and City of Los Banos (44,421 residents).

Merced County's population increased by 21.5 percent from 2000 to 2010, with the cities of Los Banos, Merced, Livingston, and Atwater experiencing the highest growth rates. Between 2010 and 2021, the county population grew at a slower pace of 9.1 percent but was higher than growth statewide (5.6 percent) during this time. When compared to the counties in the NSJV region, , Merced County's population change was more similar to Stanislaus County and higher than San Joaquin County.

Table 2-1 Population Change (2000 - 2021)

Jurisdiction	2000	2010	2021	Percent Change 2000-2010	Percent Change 2010-2021
Merced County	210,554	255,793	279,150	21.5%	9.1%
Atwater	23,113	28,168	31,401	21.9%	11.5%
Dos Palos	4,581	4,950	5,651	8.1%	14.2%
Gustine	4,698	5,520	5,990	17.5%	8.5%
Livingston	10,473	13,058	14,078	24.7%	7.8%
Los Banos	25,869	35,972	44,421	39.1%	23.5%
Merced	63,893	78,958	85,993	23.6%	8.9%
Unincorporated Merced County	77,927	89,167	91,616	14.4%	2.7%
California	33,971,648	37,253,956	39,455,353	9.7%	5.6%
Stanislaus County	563,598	685,306	771,406	21.6%	11.2%
San Joaquin County	446,997	514,453	550,842	15.1%	6.6%

Source: U.S. Census Bureau, Census 2000, 2010; Social Explorer tables for Census 2021.

2.3 Age Characteristics

Although population growth strongly affects total demand for new housing, housing needs are also influenced by age characteristics. Typically, different age groups have distinct lifestyles, family characteristics, and incomes. As people move through each stage of life, their housing needs and preferences also change. Age characteristics are, therefore, important in planning for the changing housing needs of residents.

Table 2-2 shows a breakdown of the NSJV region and the jurisdictions in Merced County population by age group and each group's percentage of the total population. The age groups include preschool (under 5 years), school-age students (5 to 7 years), college-age students (18 to 24 years), young adults (25 to 44), middle-aged adults (45 to 64), and seniors (65 and over). A population with a large percentage of seniors may require unique housing, located near health care, transit, and other services. College students may need more affordable homes. Young adults and middle-aged adults, which make up the workforce, may need homes located near employment or transit centers.

Of the jurisdictions within Merced County, Gustine, Dos Palos, and Atwater have the largest senior populations, between 12 and 16 percent of the total populations of these cities. Young adults make up the largest percentage of the population in each city, varying between 25 and 31 percent. These percentages of seniors and young adults are similar to the statewide population. The City of Merced, home to the University of California at Merced, has the highest college-age student population, accounting for 12.8 percent of the total population, while Livingston has the smallest college-age student population accounting for 8.4 percent. Compared to the NSJV region, Merced County reported the largest percentage of their populations as young adults, followed by school age students.

Table 2-2 Population by Age Group (2021)

Jurisdiction	Under 5 Years (Preschool)	5 to 17 Years (School-age Students)	18 to 24 Years (College-age Students)	25 to 44 Years (Young Adults)	45 to 64 Years (Middle-aged Adults)	65 Years and Over (Seniors)	Total Population
Merced County	**20,969**	**61,609**	**31,111**	**75,342**	**59,131**	**30,988**	**279,150**
Percent	7.5%	22.1%	11.1%	27.0%	21.2%	11.1%	
Atwater	**1,898**	**6,983**	**2,838**	**8,626**	**7,157**	**3,899**	**31,401**
Percent	6.0%	22.2%	9.0%	27.5%	22.8%	12.4%	
Dos Palos	**427**	**936**	**541**	**1,553**	**1,290**	**904**	**5,651**
Percent	7.6%	16.6%	9.6%	27.5%	22.8%	16.0%	
Gustine	**145**	**1,003**	**653**	**1,630**	**1,623**	**936**	**5,990**
Percent	2.4%	16.7%	10.9%	27.2%	27.1%	15.6%	
Livingston	**1,364**	**2,701**	**1,181**	**4,326**	**3,133**	**1,373**	**14,078**
Percent	9.7%	19.2%	8.4%	30.7%	22.3%	9.8%	
Los Banos	**4,100**	**11,051**	**4,305**	**11,270**	**9,195**	**4,500**	**44,421**
Percent	9.2%	24.9%	9.7%	25.4%	20.7%	10.1%	
Merced	**6,291**	**19,636**	**11,048**	**23,620**	**16,962**	**8,436**	**85,993**
Percent	7.3%	22.8%	12.8%	27.5%	19.7%	9.8%	
Unincorporated Merced County	**6,744**	**19,299**	**10,545**	**24,317**	**19,771**	**10,940**	**91,616**
Percent	7.4%	21.1%	11.5%	26.5%	21.6%	11.9%	
California	**2,350,335**	**6,642,097**	**3,665,851**	**11,282,671**	**9,844,520**	**5,669,879**	**39,455,353**
Percent	6.0%	16.8%	9.3%	28.6%	25.0%	14.4%	
San Joaquin County	**38,789**	**111,502**	**51,569**	**150,618**	**127,019**	**71,345**	**550,842**
Percent	7.0%	20.2%	9.4%	27.3%	23.1%	13.0%	
Stanislaus County	**52,937**	**156,578**	**73,498**	**210,055**	**180,815**	**97,523**	**771,406**
Percent	6.9%	20.3%	9.5%	27.2%	23.4%	12.6%	

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B01001.

2.4 Race and Ethnicity

Table 2-3 shows race and ethnicity of residents in the NSJV region and the jurisdictions in Merced County. In terms of race, most of the population in all jurisdictions except Livingston is white alone. Within Merced County, 46 percent of the population identified as white, similar to the 47 percent in San Joaquin County. The populations of Dos Palos, Gustine, and Atwater are more than 50 percent white, with the second largest group being Some Other Race. Livingston has the lowest population share of white residents at 22.8 percent. The second largest population is “some other race,” with a high of 47.6 percent in Livingston and representing 33.7 percent of the total population in Merced County, this differs from the NSJV region where “two or more races” is the second largest population. The proportion of white residents across the NSJV region and the jurisdictions in Merced County is lower than in California where 52 percent of residents identify as white, with Stanislaus County as the exception with 64.8 percent of its population being white. However, the proportion of Some Other Race across Merced County jurisdictions is higher than in the NSJV where

11.9 percent of residents in San Joaquin County, 11.4 percent of residents in Stanislaus County, and in California where 10.7 percent of residents identify as Some Other Race. In terms of ethnicity, most of the population of Merced County identifies as Hispanic or Latino (of any race), with 61.2 percent of the population of Merced County identifying as Hispanic or Latino. Across the NSJV region, this is higher than in California where 39.5 percent of residents identify as Hispanic or Latino.

Table 2-3 Population by Race

Jurisdiction	White Alone	Black or African American Alone	American Indian and Alaska Native Alone	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race	Two or More Races	Hispanic or Latino, Any Race	Total
Merced County	**128,897**	**8,057**	**3,267**	**20,945**	**797**	**93,978**	**23,209**	**170,730**	**279,150**
Percent	46.2%	2.9%	1.2%	7.5%	0.3%	33.7%	8.3%	61.2%	
Atwater	**16,026**	**1,252**	**250**	**1,611**	**257**	**9,475**	**2,530**	**17,360**	**31,401**
Percent	51.0%	4.0%	0.8%	5.1%	0.8%	30.2%	8.1%	55.3%	
Dos Palos	**3,013**	**101**	**162**	**48**	**-**	**1,744**	**583**	**3,980**	**5,651**
Percent	53.3%	1.8%	2.9%	0.8%	0.0%	30.9%	10.3%	70.4%	
Gustine	**3,347**	**-**	**71**	**161**	**-**	**1,974**	**437**	**3,423**	**5,990**
Percent	55.9%	0.0%	1.2%	2.7%	0.0%	33.0%	7.3%	57.1%	
Livingston	**3,206**	**-**	**182**	**2,955**	**-**	**6,706**	**1,029**	**10,386**	**14,078**
Percent	22.8%	0.0%	1.3%	21.0%	0.0%	47.6%	7.3%	73.8%	
Los Banos	**21,081**	**1,006**	**545**	**1,088**	**464**	**15,641**	**4,596**	**32,513**	**44,421**
Percent	47.5%	2.3%	1.2%	2.4%	1.0%	35.2%	10.3%	73.2%	
Merced	**39,154**	**3,842**	**1,429**	**9,652**	**29**	**24,705**	**7,182**	**49,943**	**85,993**
Percent	45.5%	4.5%	1.7%	11.2%	0.0%	28.7%	8.4%	58.1%	
Unincorporated Merced County	**43,070**	**1,856**	**628**	**5,430**	**47**	**33,733**	**6,852**	**53,125**	**91,616**
Percent	47.0%	2.0%	0.7%	5.9%	0.1%	36.8%	7.5%	58.0%	
California	**20,553,732**	**2,233,258**	**360,607**	**5,887,396**	**148,278**	**6,036,865**	**4,235,217**	**15,593,787**	**39,455,353**
Percent	52.1%	5.7%	0.9%	14.9%	0.4%	15.3%	10.7%	39.5%	
Stanislaus County	**356,790**	**16,361**	**6,215**	**31,925**	**3,233**	**62,746**	**73,572**	**264,020**	**550,842**
Percent	64.8%	3.0%	1.1%	5.8%	0.6%	11.4%	13.4%	47.9%	
San Joaquin County	**358,383**	**53,843**	**6,006**	**127,533**	**4,717**	**91,957**	**128,967**	**326,185**	**771,406**
Percent	46.5%	7.0%	0.8%	16.5%	0.6%	11.9%	16.7%	42.3%	

*Note: Other race includes American Indian and Alaskan Native, Native Hawaiian and Pacific Islander, Two or More Races, and Some Other Race.

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B02001; U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B03001.

2.5 Economic Characteristics

2.5.1 Employment

Occupations held by residents determine the income earned by a household and their corresponding ability to afford housing. Higher-paying jobs provide broader housing opportunities for residents, while lower-paying jobs limit housing options. Understanding employment and occupation patterns can provide insight into present housing needs.

Table 2-4 shows employment by industry for the NSJV region and each jurisdiction in Merced County. In Merced County, the largest employment industry is educational services, and health care and social assistance with 22.0 percent of employed residents, similar to the NSJV region with 20.0 percent in San Joaquin County and 21.7 percent in Stanislaus County. This industry is also the largest employment industry in Atwater, Gustine, Livingston, Los Banos, and Merced.

The second largest industry group in Merced County is Agriculture, forestry, fishing and hunting, and mining which represents 11.4 percent of total jobs. This industry is the most common industry in Dos Palos (21.1 percent) and the second-largest industry in the unincorporated county (16.4 percent). By comparison this industry represents only 2.1 percent of total jobs statewide. When compared to the NSJV, Merced County had a noticeably larger Agriculture, Forestry, Fishing and Hunting, and Mining industry. However, educational services, and heath care and social assistance were commonly the largest employer across all three counties.

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Table 2-4 Employment by Industry (2021)

	Agriculture, Forestry, Fishing and Hunting, and Mining	Construction	Manufacturing	Wholesale Trade	Retail Trade	Transportation and Warehousing, and Utilities	Information	Finance and Insurance, and Real Estate, and Rental and Leasing	Professional, Scientific, and Management, and Administrative, and Waste Management Services	Educational Services, and Health Care and Social Assistance	Arts, Entertainment, And Recreation, and Accommodation and Food Services	Other Services, Except Public Administration	Public Administration
Merced County	**12,326**	**8,623**	**11,778**	**4,036**	**11,804**	**7,626**	**968**	**3,075**	**7,146**	**23,797**	**7,682**	**4,275**	**5,058**
Percent	11.4%	8.0%	10.9%	3.7%	10.9%	7.0%	0.9%	2.8%	6.6%	22.0%	7.1%	4.0%	4.7%
Atwater	**1,231**	**1,064**	**1,516**	**549**	**1,455**	**1,036**	**58**	**514**	**806**	**3,352**	**698**	**409**	**502**
Percent	9.3%	8.1%	11.5%	4.2%	11.0%	7.9%	0.4%	3.9%	6.1%	25.4%	5.3%	3.1%	3.8%
Dos Palos	**488**	**314**	**139**	**107**	**189**	**139**	**58**	**126**	**134**	**315**	**16**	**183**	**108**
Percent	21.1%	13.6%	6.0%	4.6%	8.2%	6.0%	2.5%	5.4%	5.8%	13.6%	0.7%	7.9%	4.7%
Gustine	**235**	**81**	**254**	**67**	**171**	**222**	**10**	**135**	**158**	**419**	**194**	**76**	**160**
Percent	10.8%	3.7%	11.6%	3.1%	7.8%	10.2%	0.5%	6.2%	7.2%	19.2%	8.9%	3.5%	7.3%
Livingston	**859**	**291**	**1,161**	**157**	**638**	**538**	**-**	**129**	**389**	**1,388**	**418**	**98**	**90**
Percent	14.0%	4.7%	18.9%	2.6%	10.4%	8.7%	0.0%	2.1%	6.3%	22.5%	6.8%	1.6%	1.5%
Los Banos	**1,076**	**2,651**	**1,927**	**575**	**2,434**	**816**	**191**	**325**	**1,602**	**2,811**	**1,355**	**554**	**495**
Percent	6.4%	15.8%	11.5%	3.4%	14.5%	4.9%	1.1%	1.9%	9.5%	16.7%	8.1%	3.3%	2.9%
Merced	**2,781**	**1,979**	**2,690**	**902**	**3,639**	**1,927**	**378**	**1,149**	**2,067**	**8,429**	**3,239**	**1,466**	**2,405**
Percent	8.4%	6.0%	8.1%	2.7%	11.0%	5.8%	1.1%	3.5%	6.3%	25.5%	9.8%	4.4%	7.3%
Unincorporated Merced County	**5,656**	**2,243**	**4,091**	**1,679**	**3,278**	**2,948**	**273**	**697**	**1,990**	**7,083**	**1,762**	**1,489**	**1,298**
Percent	16.4%	6.5%	11.9%	4.9%	9.5%	8.5%	0.8%	2.0%	5.8%	20.5%	5.1%	4.3%	3.8%
California	**394,881**	**1,235,586**	**1,676,715**	**501,378**	**1,919,513**	**1,071,181**	**539,683**	**1,107,961**	**2,612,859**	**3,990,094**	**1,835,141**	**927,253**	**864,476**
Percent	2.1%	6.6%	9.0%	2.7%	10.3%	5.7%	2.9%	5.9%	14.0%	21.4%	9.8%	5.0%	4.6%
Stanislaus County	**11,560**	**20,918**	**28,580**	**7,634**	**26,904**	**18,073**	**2,104**	**7,590**	**19,890**	**50,950**	**19,681**	**11,530**	**8,911**
Percent	4.9%	8.9%	12.2%	3.3%	11.5%	7.7%	0.9%	3.2%	8.5%	21.7%	8.4%	4.9%	3.8%
San Joaquin County	**15,758**	**28,719**	**30,593**	**9,014**	**38,168**	**28,577**	**4,334**	**14,746**	**32,997**	**65,604**	**27,218**	**14,821**	**16,942**
Percent	4.8%	8.8%	9.3%	2.8%	11.7%	8.7%	1.3%	4.5%	10.1%	20.0%	8.3%	4.5%	5.2%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C24050.

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According to the California Bureau of Labor Statistics, the unemployment rate in Merced County as of September 2024 is 7.8 percent, which is lower than the long-term average of 8.4 percent observed over the previous two years. Since 2020, Bureau of Labor Statistics Data indicates that unemployment rates have decreased significantly in Merced County and California. Merced County's unemployment rate (7.8 percent) is much higher than the statewide average (5.3 percent).

Table 2-5 shows the major employers in Merced County, the number of employees, and type of industry. The majority of large employers are located in the City of Merced, which is the county's largest city and the county seat. The largest employers in Merced County include the Dignity Health-Mercy Medical Center (1,000-4,999 employees) and Foster Farms (1,000-4,999 employees).

Table 2-5 Major Employers in Merced County (2024)

Employer Name	Number of Employees	Location	Industry
Costco Wholesale	100-249	Merced	Wholesale Clubs
County-Merced-Behavioral Hlth	100-249	Merced	Clinics
Dignity Health-Mercy Med Ctr	1,000-4,999	Merced	Hospitals
Foodmaxx	100-249	Merced	Grocers-Retail
Foster Farms	1,000-4,999	Livingston	Poultry Processing Plants (mfrs)
Golden Valley Health Ctr	500-999	Merced	Pharmacies
Golden Valley Health Ctr	100-249	Merced	Clinics
Hilmar Cheese Co Inc	500-999	Hilmar	Cheese Processors (mfrs)
J Marchini & Son Inc	500-999	Le Grand	Farming Service
Liberty Packing Co	250-499	Los Banos	Packing & Crating Service
Live Oak Farms	250-499	Le Grand	Fruits & Vegetables-Growers & Shippers
Livingston Union School District	250-499	Livingston	School Districts
Malibu Boats Inc	250-499	Merced	Boats-Manufacturers
Memorial Hospital Los Banos	100-249	Los Banos	Hospitals
Mental Health Svc For Merced	250-49	Merced	Mental Health Services
Merced County Human Svc	500-999	Merced	Government Offices-County
Quad/Graphics Inc	500-999	Merced	Printers (mfrs)
Scholle	100-249	Merced	Packaging Materials-Manufacturers
Sensient Natural Ingredients	250-499	Livingston	Dehydrating Service (mfrs)
University of CA Merced	500-999	Merced	Schools-Universities & Colleges Academic
Walmart	250-499	Merced	Department Stores
Walmart Supercenter	250-499	Atwater	Department Stores
Weaver Union School District	100-249	Merced	School Districts
Western Marketing & Sales	500-999	Atwater	Farms
Yosemite Wholesale Warehouse	100-249	Merced	Warehouses

Source: California Employment Development Department, Major Employers in Merced County. Accessed 2024 https://labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000047

Table 2-6 shows the employment estimates, average hourly wage, and average annual wage for employment industries in the Merced Metropolitan Statistical Area (MSA) as of May 2023. The occupations offering the lowest wages are food preparation and serving related, healthcare support,

farming, fishing, and forestry. Occupations offering the highest wages include Management, Legal, and Healthcare Practitioners.

The largest percentage of employed civilians in Merced County are in health care, manufacturing, and farming, fishing, and forestry. The "healthcare practitioners and technical" occupational group is reported to have a higher mean annual wage ($107,806) than Merced County's Area Median Income (AMI), which was $87,900 in 2021. However, the healthcare support group is reported to have annual ($36,900) about half of AMI. Additionally, mean annual wages for manufacturing/production ($45,760) and farming, fishing, and forestry ($37,398) fall short of AMI as well. Compared to the annual income limits shown on Table 2-47, it can be assumed that the majority of healthcare practitioners fall in the above moderate-income category, construction and sales workers fall into the low-income category, and healthcare support workers fall into the very low-income category.

Table 2-6 Occupational Employment and Wages by Major Occupational Group, Merced Metropolitan Area (2023)

Major Occupational Group	Mean Hourly Wage	Mean Annual Wage
Total, all occupations	$27.45	$57,096
Management	$58.77	$113,073
Business and financial operations	$37.87	$78,770
Computer and mathematical	$43.64	$90,771
Architecture and engineering	$43.00	$89,440
Life, physical, and social science	$36.22	$75,338
Community and social service	$28.81	$59,925
Legal	$54.16	$112,653
Educational instruction and library	$36.71	$76,357
Arts, design, entertainment, sports, and media	$28.59	$59,467
Healthcare practitioners and technical	$51.83	$107,806
Healthcare support	$17.74	$36,900
Protective service	$29.50	$61,360
Food preparation and serving related	$17.87	$37,170
Building and grounds cleaning and maintenance	$20.78	$43,222
Personal care and service	$19.05	$39,624
Sales and related	$21.76	$45,261
Office and administrative support	$23.71	$49,317
Farming, fishing, and forestry	$17.98	$37,398
Construction and extraction	$30.48	$63,398
Installation, maintenance, and repair	$30.43	$63,294
Production	$22.00	$45,760
Transportation and material moving	$22.02	$45,802

Source: U.S. Bureau of Labor Statistics. Occupational Employment and Wages in Merced (May 2023)
https://www.bls.gov/regions/west/news-release/occupationalemploymentandwages_merced.htm

2.5.2 Income Definitions and Income Limits

The state and federal governments classify household income into several categories based upon the relationship to the county area median income (AMI), adjusted for household size. The U.S. Department of Housing and Urban Development (HUD) estimate of AMI is used to set income limits for eligibility in federal housing programs. The income categories include:

- Acutely low-income households, which earn up to 15 percent AMI;
- Extremely low-income households, which earn up to 30 percent AMI;
- Very low-income households, which earn between 31 and 50 percent AMI;
- Low-income households, which earn between 51 and 80 percent AMI; and
- Median-income households, which earn 100 percent AMI.

For all income categories, income limits are defined for various household sizes based on a four-person household as a reference point. Income limits for larger or smaller households are calculated by HUD (See Table 2-7). According to HUD, the AMI for a four-person household in Merced County was $80,300 in 2022.

Table 2-7 HUD Income Limits by Person per Household (dollars)

Household Size:	1	2	3	4	5	6	7	8
Acutely Low	$8,450	$9,650	$10,850	$12,050	$13,000	$14,000	$14,950	$15,900
Extremely Low	$16,350	$18,700	$23,030	$27,750	$32,470	$37,190	$41,910	$46,630
Very Low	$27,300	$31,200	$35,100	$38,950	$42,100	$45,200	$48,300	$51,450
Low Income	$43,650	$49,850	$56,100	$62,300	$67,300	$72,300	$77,300	$82,250
Median Income	$56,200	$64,250	$72,250	$80,300	$847,300	$931,500	$99,550	$106,000
Moderate Income	$67,450	$77,100	$89,700	$96,350	$104,050	$111,750	$119,450	$127,200

Source: U.S. Department of Housing and Urban Development (HUD), 2022, *Grants and Funding*, https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf. Accessed June 2023.

The California Department of Housing and Community Development (HCD) uses the income categories shown in Table 2-8 to determine eligibility for state housing programs. HCD's methodology for calculating AMI is slightly different from HUD's methodology, and therefore the AMI and income limits vary.

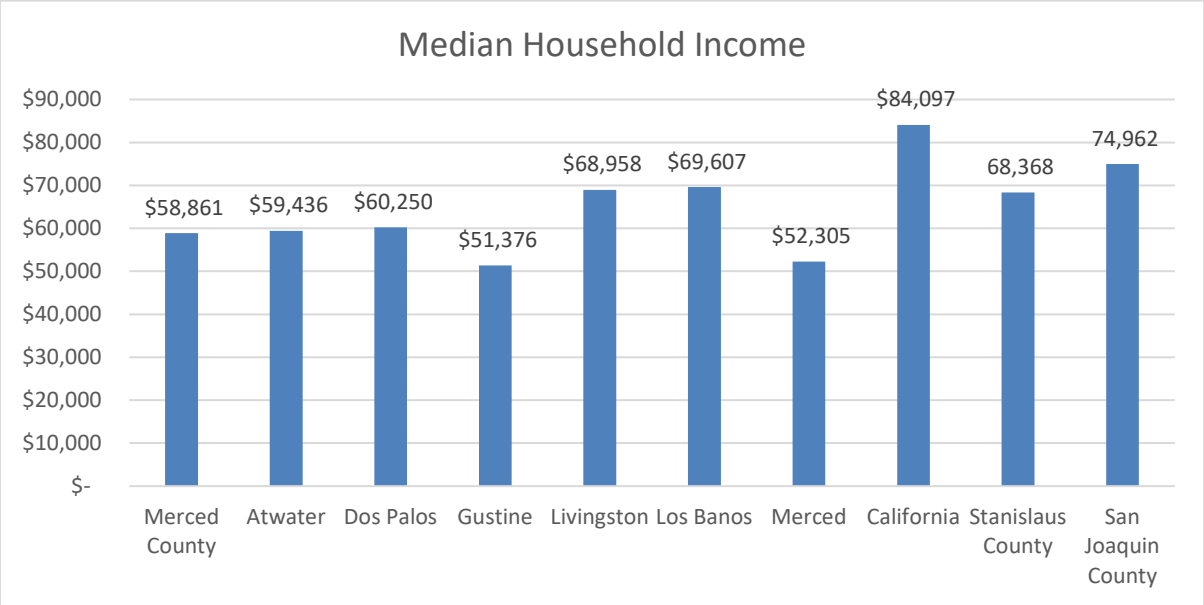
Table 2-8 State of California Income Categories

Income Category	Percent of County Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31%-50% AMI
Low	51%-80% AMI
Moderate	81%-120% AMI
Above Moderate	120% AMI or greater

Source: California Health and Safety Code, Section 50093.

Figure 2-1 shows median household income the NSJV region and each jurisdiction in Merced County as reported by the 2017- 2021 ACS. This median income is for all households, regardless of household size. The median household income in California was $84,097 in 2021, significantly higher than the NSJV region and the jurisdictions within Merced County median of $58,861. The jurisdiction with the highest median household income in 2021 was Los Banos with $69,607. The jurisdiction with the lowest median income was Gustine with $51,376. The median income of Los Banos was 35 percent higher than the median income of Gustine. Merced County reported a significantly lower median household income compared to the other counties within the NSJV region.

Figure 2-1 Median Household Income



Note: Data not available for unincorporated area.

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B19013.

Table 2-9 analyzes the 2021 median household income for the NSJV region and each jurisdiction in Merced County by race and ethnicity. Native Hawaiian and Other Pacific Islander households had the highest median income in Merced County ($125,500), this is also true in San Joaquin County ($115,032). Asian households had consistently higher median incomes across the NSJV region and all jurisdictions in Merced County compared to other racial groups, which is similar to statewide data. Black or African American households had the lowest median income in the county ($45,573), region ($54,791), and state ($58,958). However, median household incomes were notably higher among minority racial groups in San Joaquin County when compared to Merced and Stanislaus Counties.

Table 2-9 Median Household Income by Race/Ethnicity

Jurisdiction	White, Alone	Black or African American, Alone	American Indian and Alaskan Native, Alone	Asian, Alone	Native Hawaiian and Other Pacific Islander, alone	Some Other Race, Alone	Two or More Races, Alone	Hispanic or Latino, Any Race
Merced County	$60,918	$45,573	$50,214	$71,829	$125,500	$55,083	$56,355	$54,635
Atwater	$59,386	$46,010	$26,823	$73,365	$73,381	$61,324	$60,909	$58,679
Dos Palos	$73,145	–	–	–	–	$31,016	–	$47,738
Gustine	$42,177	–	–	–	–	$75,689	$55,268	$56,801
Livingston	$55,776	–	–	$97,899	–	$69,500	$72,083	$67,667
Los Banos	$68,879	$54,643	$113,625	$73,516	–	$70,145	$62,083	$70,507
Merced	$53,261	$42,868	$19,107	$71,868	–	$49,071	$54,684	$46,092
California	$88,616	$58,958	$66,904	$108,477	$87,066	$63,975	$79,777	$67,327
Stanislaus County	$70,630	$59,776	$58,676	$65,580	$70,898	$62,744	$59,787	$61,681
San Joaquin County	$77,639	$59,023	$86,995	$99,694	$115,032	$64,807	$70,241	$65,353

Note: Data not available for Unincorporated Merced County

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B19013.

State and federal housing law defines overpayment (also known as cost burden) as a household paying more than 30 percent of gross income for housing expenses. Table 2-10 lists the number of owner-occupied, renter-occupied, and total households overpaying for the NSJV region and each jurisdiction in Merced County. The total percent of households overpaying for housing costs in Merced County is 33.2 percent, slightly below the state average. The jurisdictions of Atwater, Gustine, Los Banos, and Merced have a higher rate of overpayment for housing costs than the Merced County average. Gustine has the highest percentage of owner-occupied overpaying households at 19.5 percent of households, and Dos Palos and Livingston have the lowest at 9.6 percent of households. Generally, renters are more affected by overpayment than owners. The City of Merced has the highest number of renter-occupied overpaying households at 29.6 percent. Unincorporated Merced County and Dos Palos have the lowest percentages of overpaying renter households, approximately 14 percent in each jurisdiction. Within the NSJV region, there were fewer total cost burdened households in Merced County compared to Stanislaus; however, Merced County reported more cost burdened households than San Joaquin County.

Table 2-10 Cost Burdened Households

Jurisdiction	Owner-Occupied Overpaying	Renter-Occupied Overpaying	Total Overpaying
Merced County	**9,611**	**17,470**	**27,081**
Percent	11.8%	21.4%	33.2%
Atwater	**1,162**	**2,231**	**3,393**
Percent	11.3%	21.6%	32.9%
Dos Palos	**160**	**234**	**394**
Percent	9.6%	14.1%	23.7%
Gustine	**423**	**483**	**906**
Percent	19.5%	22.3%	41.8%
Livingston	**316**	**508**	**824**
Percent	9.6%	15.4%	25.0%
Los Banos	**1,804**	**2,540**	**4,344**
Percent	15.0%	21.1%	36.1%
Merced	**2,594**	**7,908**	**10,502**
Percent	9.7%	29.6%	39.4%
Unincorporated Merced County	**3,152**	**3,566**	**6,718**
Percent	12.4%	14.0%	26.4%
California	**1,904,162**	**3,030,934**	**4,935,096**
Percent	14.4%	22.9%	37.3%
Stanislaus County	**32,849**	**48,697**	**81,546**
Percent	18.8%	27.8%	46.6%
San Juaquin County	**24,361**	**34,308**	**58,669**
Percent	10.4%	14.6%	25.0%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 16-20 (5-year Estimates), Tables B25091 and B25070.

Table 2-11 identifies the level at which cost burdened households are overpaying for housing. Severe cost burden is when households spend more than 50 percent of income on housing costs, and moderate cost burden is when households spent 30 to 50 percent of income on housing costs. The City of Merced has the highest percentage of households considered severely cost burdened, with one out of five households considered severely cost burdened, which is a higher rate than the county and state averages. Overall, more than 40 percent of households experience a moderate or severe housing cost burden in the city of Merced. All other jurisdictions than the City of Merced have a lower percentage of severely cost burdened households than Merced County, the NSJV region, and statewide figures. However, all incorporated cities have a higher percentage of households with a moderate cost burden than the county average. The city of Gustine has the highest percentage of overpaying households with a moderate cost burden (between 30 and 50 percent). Unincorporated Merced County has the lowest percent of households that experience housing cost burden. When comparing to the NSJV region, Merced County had a lower percentage of cost-burdened households compared to Stanislaus and San Joaquin counties.

Table 2-11 Overpayment by Tenure

Jurisdiction	Moderate Cost Burden >30% to <=50%	Severe Cost Burden >50%	Total Households
Merced County	**14,710**	**12,285**	**80,010**
Percent	18.4%	15.4%	100.0%
Atwater	**1,780**	**1,314**	**9,160**
Percent	19.4%	14.3%	100.0%
Dos Palos	**310**	**155**	**1,515**
Percent	20.5%	10.2%	100.0%
Gustine	**560**	**195**	**2,055**
Percent	27.3%	9.5%	100.0%
Livingston	**725**	**478**	**3,605**
Percent	20.1%	13.3%	100.0%
Los Banos	**2,300**	**1,585**	**10,775**
Percent	21.3%	14.7%	100.0%
Merced	**5,129**	**5,310**	**25,490**
Percent	20.1%	20.8%	100.0%
Unincorporated Merced County	**3,906**	**3,248**	**41,020**
Percent	9.5%	7.9%	100.0%
California	**2,632,205**	**2,427,660**	**13,044,265**
Percent	20.2%	18.6%	100.0%
Stanislaus County	**44,510**	**39,185**	**228,565**
Percent	19.5%	17.1%	100.0%
San Juaquin County	**33,805**	**28,284**	**173,900**
Percent	19.4%	16.3%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

2.6 Household Characteristics

A household refers to the people occupying a home, such as a family, a single person, or unrelated persons living together. This definition does not include people living in group homes. Families with children often prefer larger homes, while single people often occupy smaller housing units with fewer bedrooms. Single-person households often include seniors living alone or young adults.

Table 2-12 provides information on household type across the NSJV region and each jurisdiction in Merced County. According to 2021 ACS estimates, there are 81,618 households in Merced County, of which 39,912 are married-couple households with or without children and 6,862 are cohabitating couple households with or without children. The jurisdictions of Los Banos and Livingston have the highest percentage of households with children (married couples and cohabitating). Dos Palos and the City of Merced have the lowest percentage of households with children. The percentage of married couple households and cohabitating couple households was similar throughout the NSJV region.

Table 2-12 Households by Type

	Married-Couple Household			Cohabitating Couple Household			
Jurisdiction	Total	Children	No Children	Total	Children	No Children	Total Households
Merced County	**39,912**	**18,171**	**21,741**	**6,862**	**3,910**	**2,952**	**81,618**
Percent	48.9%	22.3%	26.6%	8.4%	4.8%	3.6%	
Atwater	**5,096**	**2,192**	**2,904**	**665**	**350**	**315**	**10,309**
Percent	49.4%	21.3%	28.2%	6.5%	3.4%	3.1%	
Dos Palos	**842**	**271**	**571**	**131**	**64**	**67**	**1,661**
Percent	50.7%	16.3%	34.4%	7.9%	3.9%	4.0%	
Gustine	**863**	**313**	**550**	**166**	**21**	**145**	**2,169**
Percent	39.8%	14.4%	25.4%	7.7%	1.0%	6.7%	
Livingston	**1,588**	**723**	**865**	**380**	**190**	**190**	**3,299**
Percent	48.1%	21.9%	26.2%	11.5%	5.8%	5.8%	
Los Banos	**6,896**	**3,632**	**3,264**	**690**	**436**	**254**	**12,025**
Percent	57.3%	30.2%	27.1%	5.7%	3.6%	2.1%	
Merced	**10,645**	**5,017**	**5,628**	**2,499**	**1,546**	**953**	**26,673**
Percent	39.9%	18.8%	21.1%	9.4%	5.8%	3.6%	
Unincorporated Merced County	**13,982**	**6,023**	**7,959**	**2,331**	**1,303**	**1,028**	**25,482**
Percent	54.9%	23.6%	31.2%	9.1%	5.1%	4.0%	
California	**6,539,445**	**2,780,272**	**3,759,173**	**938,780**	**338,874**	**599,906**	**13,217,586**
Percent	49.5%	21.0%	28.4%	7.1%	2.6%	4.5%	
Stanislaus County	**90,944**	**41,534**	**49,410**	**12,124**	**6,308**	**5,816**	**175,067**
Percent	51.9%	23.7%	28.2%	6.9%	3.6%	3.3%	
San Joaquin County	**123,027**	**58,661**	**64,366**	**17,719**	**9,545**	**8,174**	**234,662**
Percent	52.4%	25.0%	27.4%	7.6%	4.1%	3.5%	

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B11012.

2.7 Large Households

A large household is defined as any household with five or more occupants. Table 2-13 provides information on large households by tenure across the NSJV region and each jurisdiction in Merced County. Large households make up 21.7 percent of households in Merced County, higher than other NSJV counties and the 13.8 percent state average. Of large households in Merced County, 9,371 (53 percent) are renter-occupied. Livingston, Los Banos, and unincorporated Merced County have the highest percentages of large households, ranging from 22 to 36 percent. Gustine (9.9 percent), Atwater (17.8 percent), and the City of Merced (19.6 percent) have the lowest percentages of large households. The difference in ratio of owner-occupied large households to renter-occupied varies across each jurisdiction. Renter occupied households make up a significantly larger proportion of large households in Dos Palos, Gustine, Livingston, and Los Banos, while owner-occupied households make up a greater proportion of large households in the City of Merced and unincorporated Merced County.

Table 2-13 Large Households by Tenure

Jurisdiction	Total Large Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced County	**17,710**	**4,737**	**1,952**	**1,649**	**5,380**	**2,184**	**1,808**
Percent	21.7%	5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
Atwater	**1,835**	**658**	**107**	**141**	**651**	**169**	**109**
Percent	17.8%	6.4%	1.0%	1.4%	6.3%	1.6%	1.1%
Dos Palos	**355**	**127**	**29**	**0**	**60**	**28**	**111**
Percent	21.4%	7.6%	1.7%	0.0%	3.6%	1.7%	6.7%
Gustine	**215**	**69**	**68**	**0**	**63**	**15**	**0**
Percent	9.9%	3.2%	3.1%	0.0%	2.9%	0.7%	0.0%
Livingston	**1,202**	**564**	**154**	**120**	**204**	**24**	**136**
Percent	36.4%	17.1%	4.7%	3.6%	6.2%	0.7%	4.1%
Los Banos	**3,137**	**1,003**	**334**	**367**	**793**	**336**	**304**
Percent	26.1%	8.3%	2.8%	3.1%	6.6%	2.8%	2.5%
Merced	**5,220**	**1,057**	**601**	**279**	**1,895**	**761**	**627**
Percent	19.6%	4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
Unincorporated Merced County	**5,746**	**1,259**	**659**	**742**	**1,714**	**851**	**521**
Percent	22.5%	4.9%	2.6%	2.9%	6.7%	3.3%	2.0%
California	**1,830,468**	**680,759**	**246,420**	**200,281**	**456,013**	**199,263**	**147,732**
Percent	13.8%	4.4%	1.9%	1.5%	3.5%	1.5%	1.1%
Stanislaus County	**31,341**	**9,817**	**4,683**	**3,605**	**7,512**	**3,626**	**2,098**
Percent	17.9%	5.6%	2.7%	2.1%	4.3%	2.1%	1.2%

Jurisdiction	Total Large Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
San Joaquin County	**47,037**	**14,350**	**6,295**	**5,966**	**11,674**	**4,983**	**3,769**
Percent	20.0%	6.1%	2.7%	2.5%	5.0%	2.1%	1.6%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25009.

2.8 Overcrowding

HCD defines an overcrowded unit as one occupied by one person or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. A typical home might have a total of five rooms, excluding the kitchen (three bedrooms, living room, and dining room). If more than five people were living in that typical home, it would be considered overcrowded. Overcrowding is strongly related to household size, particularly for large households, and the availability of suitably sized housing. Overcrowding in households typically results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. Overcrowding impacts both owners and renters; however, renters are generally more significantly impacted.

While family size and tenure are critical determinants in overcrowding, household income also plays a strong role in the incidence of overcrowding. Generally, overcrowding levels tend to decrease as income rises, especially for renters.

Table 2-14 provides information on overcrowding by tenure across the NSJV region and each jurisdiction in Merced County. In Merced County, 8.3 percent of households are overcrowded, which is similar to the NSJV region's average of 7.9, and the state's average of 8.1 percent. The jurisdiction with the highest rate of overcrowding is Los Banos with 10.4 percent of households being overcrowded. Dos Palos has the highest rate of overcrowded households for renter-occupied households (8.9 percent), much higher than the county average of 5.5 percent. Overall, the percentage of overcrowded owner-occupied and renter-occupied units is similar throughout the NSJV region.

Table 2-14 Overcrowding Severity by Tenure

Jurisdiction	Owner-Occupied			Renter-Occupied		
	Total Owner-Occupied	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room	Total Renter-occupied	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room
Merced County	**42,146**	**1,766**	**551**	**39,472**	**3,090**	**1,362**
Percent	51.6%	2.2%	0.7%	48.4%	3.8%	1.7%
Atwater	**5,366**	**158**	**76**	**4,943**	**349**	**132**
Percent	52.1%	1.5%	0.7%	47.9%	3.4%	1.3%
Dos Palos	**1,016**	**–**	**11**	**645**	**148**	**–**
Percent	61.2%	0.0%	0.7%	38.8%	8.9%	0.0%

Jurisdiction	Owner-Occupied			Renter-Occupied		
	Total Owner-Occupied	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room	Total Renter-occupied	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room
Gustine	**1,057**	**30**	**–**	**1,112**	**30**	**–**
Percent	48.7%	1.4%	0.0%	51.3%	1.4%	0.0%
Livingston	**1,881**	**102**	**68**	**1,418**	**45**	**89**
Percent	57.0%	3.1%	2.1%	43.0%	1.4%	2.7%
Los Banos	**6,732**	**498**	**93**	**5,293**	**375**	**288**
Percent	56.0%	4.1%	0.8%	44.0%	3.1%	2.4%
Merced	**11,185**	**310**	**107**	**15,488**	**1,006**	**504**
Percent	41.9%	1.2%	0.4%	58.1%	3.8%	1.9%
Unincorporated Merced County	**14,909**	**668**	**196**	**10,573**	**1,137**	**349**
Percent	58.5%	2.6%	0.8%	41.5%	4.5%	1.4%
California	**7,335,247**	**229,637**	**82,236**	**5,882,339**	**453,625**	**321,169**
Percent	55.5%	1.7%	0.6%	44.5%	3.4%	2.4%
Stanislaus County	**104,220**	**3,974**	**1,307**	**70,847**	**5,361**	**1,914**
Percent	59.5%	2.3%	0.7%	40.5%	3.1%	1.1%
San Joaquin County	**138,735**	**5,582**	**1,861**	**95,927**	**8,515**	**3,629**
Percent	59.1%	2.4%	0.8%	40.9%	3.6%	1.5%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 17-21 (5-year Estimates), Table B25014.

2.9 Special Needs Groups

Within the general population there are several groups of people who have special housing needs. These needs can make it difficult for members of these groups to locate suitable housing. The following subsections discuss these special housing needs of six groups identified in state Housing Element Law (Government Code, Section 65583(a)(7): elderly, persons with disabilities (including developmental disabilities), large households, farmworkers, single female-headed households, and families and persons experiencing homelessness. This section also describes the needs of extremely low-income households. Where possible, estimates of the population or number of households belonging to each group are shown.

2.9.1 Seniors

Table 2-15 identifies senior households by tenure across the NSJV region and each jurisdiction in Merced County. The percentage row identifies the percent of the specified age range out of all owner-occupied or renter-occupied households tenure column. There is a higher number of owner-occupied senior households across each jurisdiction compared to renter-occupied senior households. In Merced County, there are 5,030 seniors who rent housing and 12,967 who own their housing units. There is a similar distribution of senior owner-occupied and renter-occupied households in Merced County when compared to the counties in the NSJV region.

Table 2-15 Senior Households by Tenure

Jurisdiction	Owner-Occupied				Renter-Occupied			
	Total	65 to 74	75 to 84	85 and Over	Total	65 to 74	75 to 84	85 and Over
Merced County	**42,146**	**7,176**	**4,232**	**1,559**	**39,427**	**3,318**	**1,216**	**495**
Percent	100%	17.0%	10.0%	3.7%	100%	8.4%	3.1%	1.3%
Atwater	**5,366**	**826**	**545**	**262**	**4,943**	**409**	**302**	**105**
Percent	100%	15.4%	10.2%	4.9%	100%	8.3%	6.1%	2.1%
Dos Palos	**1,016**	**225**	**122**	**–**	**645**	**71**	**25**	**–**
Percent	100%	22.1%	12.0%	0.0%	100%	11.0%	3.9%	0.0%
Gustine	**1,057**	**216**	**151**	**–**	**1,112**	**166**	**21**	**54**
Percent	100%	20.4%	14.3%	0.0%	100%	14.9%	1.9%	4.9%
Livingston	**1,881**	**283**	**147**	**40**	**1,418**	**84**	**–**	**24**
Percent	100%	15.0%	7.8%	2.1%	100%	5.9%	0.0%	1.7%
Los Banos	**6,732**	**947**	**726**	**71**	**5,293**	**416**	**132**	**77**
Percent	100%	14.1%	10.8%	1.1%	100%	7.9%	2.5%	1.5%
Merced	**11,185**	**2,114**	**1,076**	**294**	**15,488**	**1,351**	**423**	**122**
Percent	100%	18.9%	9.6%	2.6%	100%	8.7%	2.7%	0.8%
Unincorporated County	**14,909**	**4,679**	**2,541**	**1,186**	**10,573**	**2,172**	**736**	**235**
Percent	100%	17.9%	9.7%	4.5%	100%	8.3%	2.8%	0.9%
California	**7,335,247**	**1,386,828**	**679,546**	**288,915**	**5,882,339**	**501,465**	**229,153**	**132,237**
Percent	100%	43.1%	21.1%	9.0%	100%	15.6%	7.1%	4.1%
Stanislaus County	**104,220**	**18,752**	**8,862**	**3,581**	**70,847**	**5,758**	**2,559**	**2,063**
Percent	100.0%	18.0%	8.5%	3.4%	100.0%	8.1%	3.6%	2.9%
San Joaquin County	**138,735**	**23,173**	**11,606**	**4,954**	**95,927**	**7,637**	**3,678**	**1,866**
Percent	100.0%	16.7%	8.4%	3.6%	100.0%	8.0%	3.8%	1.9%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B25007.

Table 2-16 shows housing cost burden data for senior households by income level in Merced County based on data extracted through HUD's Comprehensive Housing Affordability Strategy (CHAS) database. As shown, 52.2 percent of all senior households in Merced County are considered lower income, which means their household income is less than or equal to 80 percent of the HUD Area Median Family Income (HAMFI). Among owner-occupied senior units, 44.1 percent of senior households are lower income, compared to 73.3 percent of senior households in renter-occupied units. Additionally, in all lower income categories, senior households that rent experience significantly higher rates of cost burden than senior homeowners. Across the county, 3,700 lower-income senior households rent housing.

Table 2-16 Overpayment by Tenure among Senior Households, Merced County

	Owner Occupied				Renter Occupied					
	Elderly Family	Elderly Non-Family	Total	%	Elderly Family	Elderly Non-Family	Total	%	Grand Total	%
Household Income <= 30% HAMFI Extremely Low-Income	500	925	1,425	10.9%	285	1,210	1,495	29.6%	2,920	16.1%
Number w/ Cost Burden <= 30%	130	320	450	3.4%	70	360	430	8.5%	880	4.8%
Number w/ Cost Burden > 30% to <= 50%	65	220	285	2.2%	75	205	280	5.5%	565	3.1%
Number w/ Cost Burden > 50%	305	385	690	5.3%	140	645	785	15.5%	1,475	8.1%
Household Income > 30% to <= 50% HAMFI Very Low-Income	795	1,030	1,825	13.9%	405	705	1,110	22.0%	2,935	16.1%
Number w/ Cost Burden <= 30%	440	550	990	7.5%	140	165	305	6.0%	1,295	7.1%
Number w/ Cost Burden > 30% to <= 50%	130	195	325	2.5%	165	280	445	8.8%	770	4.2%
Number w/ Cost Burden > 50%	225	285	510	3.9%	100	260	360	7.1%	870	4.8%
Household Income > 50% to <= 80% HAMFI Low-Income	1,440	1,105	2,545	19.4%	535	560	1,095	21.7%	3,640	20.0%
Number w/ Cost Burden <= 30%	860	785	1,645	12.5%	265	185	450	8.9%	2,095	11.5%
Number w/ Cost Burden > 30% to <= 50%	455	200	655	5.0%	175	345	520	10.3%	1,175	6.5%
Number w/ Cost Burden > 50%	125	120	245	1.9%	95	30	125	2.5%	370	2.0%
Subtotal Lower Income (<= 80% HAMFI)	**2,735**	**3,060**	**5,795**	**44.1%**	**1,225**	**2,475**	**3,700**	**73.3%**	**9,495**	**52.2%**
Household Income > 80% to <= 100% HAMFI	605	495	1,100	8.4%	180	135	315	6.2%	1,415	7.8%
Household Income > 100% HAMFI	4,645	1,590	6,235	47.5%	590	445	1,035	20.5%	7,270	40.0%
Total	**7,985**	**5,145**	**13,130**	**100.0%**	**1,995**	**3,055**	**5,050**	**100.0%**	**18,180**	**100.0%**

HAMFI = HUD Area Median Family Income

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Table 2-17 summarizes cost burden data for units occupied by senior households. In Merced County, 33.5 percent of all senior households are overpaying for housing, including 17.7 percent with a cost burden between 30 and 50 percent, and 15.8 percent with a cost burden greater than 50 percent. This is notably lower than the 40.3 percent all senior households are overpaying for housing in Stanislaus County and the 39.3 percent in San Joaquin County. Compared to total households (see Table 2-11), the percentage of cost burdened senior households is slightly lower than total cost burdened households in Merced County, where 18.4 percent experience a cost burden between 30 and 50 percent and 15.4 percent experience a cost burden greater than 50 percent. The City of Merced has the highest percentage of seniors who are severely cost burdened (18.1 percent); however, all jurisdictions in Merced County have a lower rate of severe cost burden for senior households than the state average (22.2 percent). The jurisdictions of Atwater, Dos Palos, Gustine, Livingston, and Merced have a higher rate of moderate cost burden among senior households than the state average, with the highest rate in Gustine (33.1 percent of senior households).

Table 2-17 Cost Burdened Senior Households

Jurisdiction	Cost Burden <= 30%	Cost Burden >30% to <=50%	Cost Burden >50%	Total Senior Households
Merced County	**12,080**	**3,220**	**2,880**	**18,180**
Percent	66.4%	17.7%	15.8%	100.0%
Atwater	**1,260**	**403**	**315**	**1,978**
Percent	63.7%	20.4%	15.9%	100.0%
Dos Palos	**175**	**95**	**40**	**310**
Percent	56.5%	30.6%	12.9%	100.0%
Gustine	**395**	**240**	**90**	**725**
Percent	54.5%	33.1%	12.4%	100.0%
Livingston	**344**	**110**	**93**	**547**
Percent	62.9%	20.1%	17.0%	100.0%
Los Banos	**1,600**	**330**	**345**	**2,275**
Percent	70.3%	14.5%	15.2%	100.0%
Merced	**3,270**	**1,220**	**995**	**5,485**
Percent	59.6%	22.2%	18.1%	100.0%
Unincorporated Merced County	**5,036**	**822**	**1,002**	**6,860**
Percent	73.4%	12.0%	14.6%	100.0%
California	**1,963,195**	**620,335**	**736,510**	**3,320,040**
Percent	59.1%	18.7%	22.2%	100.0%
Stanislaus County	**32,915**	**10,255**	**11,975**	**55,145**
Percent	59.7%	18.6%	21.7%	100.0%
San Joaquin County	**26,055**	**8,365**	**8,480**	**42,900**
Percent	60.7%	19.5%	19.8%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Resources for Senior-Headed Households

The Merced County Housing Authority manages three senior housing complexes with 67 total senior housing units. The facilities are located in the cities of Atwater (14 units), Dos Palos (25 units), and Merced (28 units) and are subsidized Section 8 housing. There is a 100-unit Section 8 development located in the City of Merced and managed by a private developer. Overland Courts, a 69-unit deed restricted affordable senior housing complex located in Los Banos, was built in 2017 with California Tax Credit Allocation Committee (CTCAC) funds. Additionally, the McArthur Apartments located on D Street in Los Banos provides 100 units of subsidized Section 8 housing. There are no affordable senior housing complexes strictly for the elderly population in the unincorporated area of the county.

There are a number of "assisted living" facilities in the county which offer a variety of services for seniors. The Merced County Human Services Agency (HSA) provides services to assist seniors and adults with disabilities. Through the Area Agency on Aging (AAA) programs, HSA provides seniors with transportation, health insurance counseling, home-delivered meals, legal assistance, family caregiver support, and job placement assistance. HAS also provides services to seniors who are victims of abuse, neglect, and exploitation.

The Area Agency on Aging provides meals for seniors at no cost, though contributions of $2 are suggested. Meals are provided at Living Well Café, currently located at The Rock Church, 1701 Leonard Avenue, Dos Palos.

The Merced Senior Community Center, located at 755 W. 15th Street in Merced, offers classes, activities, a computer lab, library, and pool room for seniors in the community. They also hold special events and host educational and social activities throughout the year.

2.9.2 Persons with Disabilities (including Developmental Disabilities)

Persons with disabilities typically have special housing needs because of their physical and/or developmental capabilities, fixed or limited incomes, and higher health costs associated with their disabilities. A disability is defined broadly by the Census Bureau as a physical, mental, or emotional condition that lasts over a long period of time and makes it difficult to live independently. The Census Bureau defines six disabilities: hearing, vision, cognitive, ambulatory, self-care, or independent living disabilities.

Persons with disabilities have different housing needs depending on the nature and severity of the disability. Physically disabled persons generally require modifications to their housing units, such as wheelchair ramps, elevators or lifts, wide doorways, accessible cabinetry, and modified fixtures and appliances. Special design and other considerations for persons with disabilities include single-level units, availability of services, group living opportunities, and proximity to transit. While state regulations require all ground floor units of new apartment complexes with five or more units to be accessible to persons with disabilities, single family units have no accessibility requirements. If a disability prevents a person from operating a vehicle, then proximity to services and access to public transportation are particularly important. If a disability prevents an individual from working or limits income, then the cost of housing and the costs of modifications are likely to be even more challenging. Those with severe physical or mental disabilities may also require supportive housing, nursing facilities, or care facilities. In addition, many disabled people rely solely on Supplemental Security Income (SSI), which is insufficient for market rate housing.

Table 2-18 identifies the populations of the NSJV region and each jurisdiction in Merced County by number of disabilities. Merced County (12.8 percent) has a similar percentage of residents with a disability compared to Stanislaus County (12.2 percent) and San Joaquin County (12.7 percent), averaging to 12.6 percent for the NSJV region. Compared to the state average of 10.6, the NSJV has a slightly higher percentage of residents with disabilities. Within Merced County, the jurisdictions of Atwater, Gustine, Los Banos, and Merced have a larger percentage of their populations having two or more disabilities than a single disability. Gustine has the highest percent of persons with disabilities among all jurisdictions (24.8 percent), while Los Banos (9.7 percent) and Dos Palos (12.0 percent) have the lowest. Except for Los Banos, all jurisdictions in Merced County have a higher percentage of residents with a disability compared to the state average (10.6 percent).

Table 2-18 Population by Number of Disabilities

Jurisdiction	Total	With One Type of Disability	With Two or More Types of Disability	No Disability
Merced County	**276,304**	**18,099**	**17,266**	**240,939**
Percent		6.6%	6.2%	87.2%
Atwater	**31,214**	**2,266**	**2,144**	**26,804**
Percent		7.3%	6.9%	85.9%
Dos Palos	**5,625**	**375**	**299**	**4,951**
Percent		6.7%	5.3%	88.0%
Gustine	**5,990**	**615**	**868**	**4,507**
Percent		10.3%	14.5%	75.2%
Livingston	**14,078**	**1,446**	**539**	**12,093**
Percent		10.3%	3.8%	85.9%
Los Banos	**44,335**	**2,016**	**2,281**	**40,038**
Percent		4.5%	5.1%	90.3%
Merced	**85,330**	**5,542**	**6,097**	**73,691**
Percent		6.5%	7.1%	86.4%
Unincorporated Merced County	**89,732**	**5,839**	**5,038**	**78,855**
Percent		6.5%	5.6%	87.9%
California	**38,946,377**	**2,108,406**	**2,037,095**	**34,800,876**
Percent		5.4%	5.2%	89.4%
San Joaquin County	**760,179**	**45,786**	**46,795**	**667,598**
Percent		6.0%	6.2%	87.8%
Stanislaus County	**547,970**	**35,281**	**34,662**	**478,027**
Percent		6.4%	6.3%	87.2%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table S1810.

Table 2-19 describes disability by type for the total population of the NSJV region and each jurisdiction in Merced County. The most common disability in Merced County is ambulatory difficulty (7.2 percent), followed by independent living difficulty (6.2 percent). Persons with ambulatory difficulty make up the largest proportion of the population with a disability across each jurisdiction. This is also the case for the NSJV region, as well as the state.

Table 2-19 Disability by Type

Jurisdiction	With a hearing difficulty	With a vision difficulty	With a cognitive difficulty	With an ambulatory difficulty	With a self-care difficulty	With an independent living difficulty
Merced County	**9,041**	**8,276**	**13,955**	**18,310**	**6,822**	**11,989**
Percent	3.3%	3.0%	5.5%	7.2%	2.7%	6.2%
Atwater	**1,654**	**1,003**	**1,573**	**2,348**	**749**	**1,307**
Percent	5.3%	3.2%	5.0%	7.5%	2.4%	4.2%
Dos Palos	**121**	**159**	**140**	**438**	**87**	**267**
Percent	2.2%	2.8%	2.7%	8.4%	1.7%	6.3%
Gustine	**250**	**305**	**767**	**723**	**390**	**388**
Percent	4.2%	5.1%	13.1%	12.4%	6.7%	14.2%
Livingston	**436**	**588**	**728**	**682**	**164**	**282**
Percent	3.1%	4.2%	5.7%	5.4%	1.3%	3.8%
Los Banos	**1,016**	**921**	**1,642**	**2,264**	**999**	**1,535**
Percent	2.3%	2.1%	4.1%	5.6%	2.5%	5.3%
Merced	**2,594**	**2,971**	**4,926**	**6,224**	**2,730**	**4,109**
Percent	3.0%	3.5%	6.2%	7.9%	3.5%	6.9%
Unincorporated Merced County	**2,970**	**2,329**	**4,179**	**5,631**	**1,703**	**4,101**
Percent	3.3%	2.6%	4.7%	6.3%	1.9%	4.6%
California	**1,126,836**	**779,818**	**1,597,223**	**2,080,280**	**950,314**	**1,640,802**
Percent	2.9%	2.0%	4.4%	5.7%	2.6%	5.5%
San Joaquin County	**24,732**	**18,218**	**36,035**	**48,868**	**19,243**	**35,672**
Percent	3.3%	2.4%	5.1%	6.9%	2.7%	6.5%
Stanislaus County	**21,817**	**14,450**	**26,483**	**34,939**	**14,558**	**26,971**
Percent	4.0%	2.6%	5.2%	6.9%	2.9%	6.8%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C18108.

Table 2-20 describes disability by age categories for the total population of the NSJV region and each jurisdiction in Merced County. In Merced County, the majority of residents with a disability are between the ages of 18 and 64, followed by individuals who are 65 and older. The 18 to 64 age category makes up the largest proportion of the population with a disability across each jurisdiction. In the NSJV region, the population under 18 years age group has the lowest percentage of people with a disability, similar to Merced County.

Table 2-20 Disability by Age for the Total Population

Jurisdiction	Total Population	Under 18 Years	18 to 64 Years	65 Years and Older
Merced County	**276,304**	**3,666**	**18,311**	**13,388**
Percent		1.3%	6.6%	4.8%
Atwater	**31,214**	**523**	**2,005**	**1,882**
Percent		1.7%	6.4%	6.0%
Dos Palos	**5,625**	**13**	**314**	**347**
Percent		0.2%	5.6%	6.2%
Gustine	**5,990**	**156**	**849**	**478**
Percent		2.6%	14.2%	8.0%
Livingston	**14,078**	**125**	**1,376**	**484**
Percent		0.9%	9.8%	3.4%
Los Banos	**44,335**	**581**	**1,982**	**1,734**
Percent		1.3%	4.5%	3.9%
Merced	**85,330**	**1,310**	**6,352**	**3,977**
Percent		1.5%	7.4%	4.7%
Unincorporated Merced County	**89,732**	**958**	**5,433**	**4,486**
Percent		1.1%	6.1%	5.0%
California	**38,946,377**	**315,849**	**1,964,845**	**1,864,807**
Percent		0.8%	5.0%	4.8%
Stanislaus County	**547,970**	**5,586**	**36,155**	**28,202**
Percent		1.0%	6.6%	5.1%
San Joaquin County	**760,179**	**7,067**	**48,679**	**36,835**
Percent		0.9%	6.4%	4.8%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C18108

The California Department of Developmental Services (DDS) defines developmental disabilities as a group of conditions due to an impairment in physical, learning, language, or behavior areas. These conditions begin during the developmental period, may impact day-to-day functioning, and usually last throughout a person's lifetime. Table 2-21 identifies residents with a developmental disability by age across the NSJV region and each jurisdiction in Merced County. The state's population is divided almost evenly amongst residents over 18 and residents under 18 that have a developmental disability, which places the population of those under 18 slightly above the state average in the NSJV and Merced County. Compared to the NJSV, Merced County has a slightly higher percentage of population over the age of 18 with a developmental disability. In Merced County, there are 2,794 residents with a developmental disability, with approximately 42.4 percent residing in the City of Merced.

Table 2-21 Developmental Disability by Age

Jurisdiction	Under 18 Years	18 Years and Older	Total Population with a Developmental Disability
Merced County	**1,507**	**1,287**	**2,794**
Percent	100.0%	100.0%	100.0%
Atwater	**232**	**246**	**478**
Percent	15.4%	19.1%	17.1%
Dos Palos	**56**	**46**	**102**
Percent	3.7%	3.6%	3.7%
Gustine	**48**	**28**	**76**
Percent	3.2%	2.2%	2.7%
Livingston	**77**	**52**	**129**
Percent	5.1%	4.0%	4.6%
Los Banos	**244**	**158**	**402**
Percent	16.2%	12.3%	14.4%
Merced	**607**	**578**	**1,185**
Percent	40.3%	44.9%	42.4%
Unincorporated Merced County	**243**	**179**	**422**
Percent	16.1%	13.9%	15.1%
California	**192,384**	**185,353**	**377,737**
Stanislaus County	**3,375**	**2,529**	**5,904**
San Joaquin County	**5,405**	**3,953**	**9,358**

Source: Department of Developmental Services, Quarterly Consumer Report, December 2021.

Resources for Persons with Disabilities

Many mentally disabled persons can live and work independently within a conventional living environment. However, more severely disabled individuals require a group living environment in which partial or constant supervision is provided by trained personnel. The most severely affected individuals may require an institutional environment in which medical attention and therapy are provided within the living environment.

There are several agencies serving Merced County residents with a disability, including:

- **California Children Services (CCS).** Provides coverage for specialized medical care and rehabilitation for children with eligible medical conditions. 260 East 15th St., Merced, CA 95341, (209) 381-1114
- **Central Valley Regional Center (CVRC).** Administers developmental screenings for autism, epilepsy, cerebral palsy, and intellectual disabilities and provides care coordination to supportive services. 3172 M St., Merced, CA 95348, (209) 723-4245
- **Challenged Family Resource Center (CFRC)**. Provides support and advocacy training for families with children with disabilities. 827 West 20th St., Merced, CA 95340, (209) 385-5314
- **Deaf and Hard of Hearing Service Center, Inc. (DHHSC).** A private, non-profit social service agency that serves individuals who are deaf, hard of hearing, deaf-blind, and late-deafened,

their families, friends, and community service providers. 865 W. 18th Street, Merced, CA 95340, (209) 230-9910

- **Exceptional Parents Unlimited.** Provides supportive services for families and children with disabilities. 4440 N First St., Fresno, CA 93726, (559) 229-2000

Table 2-22 includes data summarizing the housing situation of residents with developmental disabilities in the jurisdictions in Merced County, as well as other counties within the NSJV region and the state of California. Residents with developmental disabilities in Merced County are primarily located in the city of Merced or the unincorporated county. A majority of residents with developmental disabilities in Merced County live in the home of a parent, family member, or guardian (89 percent), as is common throughout the NSJV region and the state. Most other residents with a developmental disability live in an independent/supported living facility (seven percent) or community care facility (two percent).

Table 2-22 Developmental Disability by Residence

		Residence Type					
Jurisdiction	Total Residents	Home of Parent /Family /Guardian	Independent /Supported Living	Community Care Facility	Intermediate Care Facility	Foster /Family Home	Other
Merced County	>3,309	2,937	232	80	60	<11	<11
Atwater	>472	385	47	29	11	<11	<11
Dos Palos	>97	84	<11	13	0	<11	0
Gustine	>75	75	<11	0	0	0	0
Livingston	>125	125	<11	0	0	<11	<11
Los Banos	>394	377	17	<11	0	<11	<11
Merced	>1,151	976	109	17	49	<11	<11
Unincorporated Merced County	>995	915	59	21	0	<11	<11
California	380,258	309,381	27,881	23,728	6,188	8,288	4,792
San Joaquin County	>8,608	7,181	468	732	137	90	<11
Stanislaus County	>5,672	5,040	349	283	<11	<11	<11

Source: California Department of Developmental Services, DDS Quarterly Consumer Report, January 2022.

The U.S. Social Security Administration reports the number of persons who receive benefits through the Social Security Disability Insurance (SSDI) program, which pays monthly benefits to persons with disabilities (or certain family members) who are unable to work due to a medical condition. As of December 2023, a total of 9,942 residents in Merced County received SSDI assistance, of which 7,812 residents received benefits due to being blind or disabled.[1]

[1] Source: U.S. Social Security administration. SSI Recipients by State and County, 2023. https://www.ssa.gov/policy/docs/statcomps/ssi_sc/2023/ca.pdf
Note: Although these figures can give a sense of the proportion of the population with different types of disabilities, a much smaller proportion of the population may actually require specially adapted housing to accommodate disabilities.)

2.9.3 Large Households

HUD defines a large household as one with five or more members. Large families may have specific needs that differ from other households due to income and housing stock constraints. The most critical housing need of large households is access to larger housing units with more bedrooms than a standard three-bedroom dwelling. As a result, large households may be overcrowded in smaller units. Table 2.11 above provides ACS data on large households by tenure across all county jurisdictions, while Table 2.12 examines overcrowding severity by tenure.

Table 2-23 below, quantifies large households in the NSJV region and each jurisdiction in Merced County by tenure compared to the number of total households. In Merced County, 17,710 households contain more than five people. These households account for 21.7 percent of total households, which is similar to the 19.9 percent in the NSJV region (17.9 in Stanislaus County and 20.0 percent in San Joaquin County). Of Merced County households, 9,372 (11.5 percent of total households) are renter-occupied households which is higher than the 7.6 in Stanislaus County and 8.7 percent in San Joaquin County. Of the Merced County jurisdictions, Livingston has the highest percentage of owner-occupied households that include five or more people at 25 percent of all households. The City of Merced has the highest percentage of renter-occupied households that include five or more people at 12.3 percent of all households. Apart from Gustine, all jurisdictions and Merced County have higher percentages of owner- and renter-occupied large households than the NSJV region and the state.

Table 2-23 Large Households by Tenure

		Owner-Occupied Large Households			Renter-Occupied Large Households		
Jurisdiction	Total Households	5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced County	**81,618**	**4,737**	**1,952**	**1,649**	**5,380**	**2,184**	**1,808**
Percent		5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
Atwater	**10,309**	**658**	**107**	**141**	**651**	**169**	**109**
Percent		6.4%	1.0%	1.4%	6.3%	1.6%	1.1%
Dos Palos	**1,661**	**127**	**29**	**–**	**60**	**28**	**111**
Percent		7.6%	1.7%	0.0%	3.6%	1.7%	6.7%
Gustine	**2,169**	**69**	**68**	**–**	**63**	**15**	**–**
Percent		3.2%	3.1%	0.0%	2.9%	0.7%	0.0%
Livingston	**3,299**	**564**	**154**	**120**	**204**	**24**	**136**
Percent		17.1%	4.7%	3.6%	6.2%	0.7%	4.1%
Los Banos	**12,025**	**1,003**	**334**	**367**	**793**	**336**	**304**
Percent		8.3%	2.8%	3.1%	6.6%	2.8%	2.5%
Merced	**26,673**	**1,057**	**601**	**279**	**1,895**	**761**	**627**
Percent		4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
California	**13,217,586**	**580,759**	**246,420**	**200,281**	**456,013**	**199,263**	**147,732**
Percent		4.4%	1.9%	1.5%	3.5%	1.5%	1.1%
Stanislaus County	**175,067**	**9,817**	**4,683**	**3,605**	**7,512**	**3,626**	**2,098**
Percent		5.6%	2.7%	2.1%	4.3%	2.1%	1.2%

Jurisdiction	Total Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
San Joaquin County	**234,662**	**14,350**	**6,295**	**5,966**	**11,674**	**4,983**	**3,769**
Percent		6.1%	2.7%	2.5%	5.0%	2.1%	1.6%

Source: U.S. Census Bureau, ACS 16-20 (5-year Estimates), Table B25009.

Resources for Large Households

Table 2-24 compares the number of households with five or more people to the number of units with five or more bedrooms. As shown, there are a total of 86,767 housing units in Merced County, including 17,656 units with four bedrooms and 3,002 units with five or more bedrooms. These large housing units represent 25.3 percent of Merced County housing stock, more than the percentage statewide (22.5 percent). Compared to the number of large households (17,710), when only considering the number of large units of five or more bedrooms (3,002), there is a considerable resource gap in the county of 14,535 units that can accommodate large households, which likely contributes to overcrowding. However, considering all large units with four or more bedrooms (20,658) fills and exceeds the need for adequate housing for large households in Merced County. Within the NSJV region, Merced County has a slightly higher percentage of large households compared to Stanislaus County and a significantly lower percentage of large households compared to San Joaquin County.

Table 2-24 Large Households and Units

Jurisdiction	Total Households	Large Households (5 or more Persons)	Total Units	Large Units (4 Bedrooms)	Large Units (5 or More Bedrooms)
Merced County	**81,618**	**17,710**	**86,767**	**17,656**	**3,002**
Percent		21.7%		20.3%	3.5%
Atwater	**10,309**	**1,835**	**10,580**	**1,291**	**360**
Percent		17.8%		12.2%	3.4%
Dos Palos	**1,661**	**355**	**1,661**	**224**	**0**
Percent		21.4%		13.5%	0.0%
Gustine	**2,169**	**215**	**2,302**	**503**	**124**
Percent		9.9%		21.9%	5.4%
Livingston	**3,299**	**1,202**	**3,407**	**774**	**267**
Percent		36.4%		22.7%	7.8%
Los Banos	**12,025**	**3,137**	**12,459**	**3,006**	**734**
Percent		26.1%		24.1%	5.9%
Merced	**26,673**	**5,220**	**28,400**	**5,977**	**746**
Percent		19.6%		21.0%	2.6%
Unincorporated Merced County	**25,482**	**5,746**	**27,958**	**5,881**	**771**
Percent		22.5%		21.0%	2.8%
California	**13,217,586**	**1,830,468**	**14,328,539**	**5,881**	**771**

Jurisdiction	Total Households	Large Households (5 or more Persons)	Total Units	Large Units (4 Bedrooms)	Large Units (5 or More Bedrooms)
Percent		13.8%		21.0%	2.8%
Stanislaus County	**175,067**	**31,341**	**182,606**	**34,331**	**7,085**
Percent		17.9%		18.8%	3.9%
San Joaquin County	**234,662**	**47,037**	**249,018**	**55,619**	**14,034**
Percent		20.0%		30.5%	7.7%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B25041.

2.9.4 Female-Headed Households

According to the U.S. Census Bureau, a single-headed household contains a household head and at least one dependent, which could include a related or unrelated child, or an elderly parent. Female-headed households have special housing needs because they are often either single parents or single elderly adults living on low- or poverty level incomes. Single-parent households with children often require special consideration and assistance because of their greater need for affordable housing, accessible day care, health care, and a variety of other supportive services. Moreover, because of their relatively lower household incomes, single-parent households are more likely to experience difficulties in finding affordable, decent, and safe housing.

Table 2-25 identifies all single female-headed households with their own children under age 18. The table values do not include female-headed households with unrelated dependents or without children. As shown, the jurisdictions of Merced, Atwater, and Livingston have the highest percent of single female-headed households in Merced County, while unincorporated Merced County, Dos Palos, and Gustine have the lowest percentages. In Merced County, 7.8 percent of all households are single female-headed households, which is slightly higher than the NSJV region (6.2 percent), and greater than statewide (4.7 percent).

Table 2-25 Single Female-Headed Households with Own Children

Jurisdiction	Total Households	Single Female-Headed Households*	Percent
Merced County	81,618	6,365	7.8%
Atwater	10,309	1,050	10.2%
Dos Palos	1,661	80	4.8%
Gustine	2,169	15	0.7%
Livingston	3,299	250	7.6%
Los Banos	12,025	841	7.0%
Merced	26,673	2,808	10.5%
Unincorporated Merced County	25,482	1,321	5.2%
California	13,217,586	614,747	4.7%
Stanislaus County	175,067	10,496	6.0%
San Joaquin County	234,662	13,448	5.7%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B11012.

Table 2-26 provides data on all female households with no spouse present (with or without children) by tenure. In Merced County, there are 14,698 households led by single female householders, including 4,569 owner-occupied households and 10,129 renter-occupied households. Across Merced County, renter-occupied households account for a larger proportion of single female-headed households than owner-occupied households, which is also true across the NSJV region. The jurisdictions of Los Banos, Livingston, and Merced have the greatest proportions of renter-occupied single-female households. In Merced County, the proportion of single female-headed households that rent (68.9 percent) is similar to the NSJV region (61.4 percent), and higher than the proportion statewide (58.3 percent). Overall, Merced County has a larger distribution of renter-occupied single female-headed households compared to Stanislaus County and San Joaquin County.

Table 2-26 Single Female-Headed Households by Tenure

Jurisdiction	Owner-Occupied	Renter-Occupied	Total
Merced County	**4,569**	**10,129**	**14,698**
Percent	31.1%	68.9%	
Atwater	**806**	**1,201**	**2,007**
Percent	40.2%	59.8%	
Dos Palos	**145**	**153**	**298**
Percent	48.7%	51.3%	
Gustine	**208**	**334**	**542**
Percent	38.4%	61.6%	
Livingston	**202**	**565**	**767**
Percent	26.3%	73.7%	
Los Banos	**625**	**1,142**	**1,767**
Percent	35.4%	64.6%	
Merced	**1,143**	**4,589**	**5,732**
Percent	19.9%	80.1%	
Unincorporated Merced County	**1,440**	**2,145**	**3,585**
Percent	40.2%	59.8%	
California	**713,100**	**996,675**	**1,709,775**
Percent	41.7%	58.3%	
San Joaquin County	**13,910**	**21,049**	**34,959**
Percent	39.8%	60.2%	
Stanislaus County	**10,805**	**15,500**	**26,305**
Percent	41.1%	58.9%	

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B25011.

Table 2-27 provides data on all female households with no spouse present (with or without children) by poverty level over the past 12 months. In Merced County, there are 5,470 single female householders experiencing poverty (8.8 percent of total families). This is a much higher percentage compared to the other counties in the NSJV with 5 percent of single female householders experiencing poverty in San Joaquin County and 4.8 percent in Stanislaus County. These counties are more similar to the statewide average of 4 percent, making Merced County an outlier. The jurisdictions of Atwater, unincorporated Merced County, and Merced have the greatest proportions of single-female households experiencing poverty.

Table 2-27 Single Female-Headed Households Below the Poverty Level in the Past 12 Months

Jurisdiction	Total Families	Total Income in the past 12 months below poverty level	Total Female householder, no spouse present
Merced County	**61,928**	**10,093**	**5,470**
Percent		16.3%	8.8%
Atwater	**7,783**	**1,256**	**584**
Percent		16.1%	7.5%
Dos Palos	**1,302**	**81**	**51**
Percent		6.2%	3.9%
Gustine	**1,473**	**92**	**45**
Percent		6.2%	3.1%
Livingston	**2,831**	**477**	**135**
Percent		16.8%	4.8%
Los Banos	**9,443**	**1,233**	**568**
Percent		13.1%	6.0%
Merced	**18,884**	**3,954**	**2,646**
Percent		20.9%	14.0%
Unincorporated Merced County	**20,212**	**3,000**	**1,441**
Percent		14.8%	7.1%
California	**9,060,746**	**791,378**	**358,164**
Percent		8.7%	4.0%
San Joaquin County	**176,001**	**18,516**	**8,725**
Percent		10.5%	5.0%
Stanislaus County	**130,428**	**13,882**	**6,262**
Percent		10.6%	4.8%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B17012.

Resources for Single-Parent and Female-Headed Households

Local agencies dedicated to assisting parents are summarized in the bullets below.

- First 5 Merced County works to improve the lives of Merced County's young children and their families through a comprehensive system of education, health services, and other crucial programs.
- Ace Overcomers Program helps teens and adults overcome the effects of adverse childhood experiences (ACEs).
- Merced County Office of Education provides educational services to children and families including childcare subsidies to offset the costs of care.
- Sierra Vista Child and Family Services supports the community by providing mental health services to children and youth ages 0 to 21.

- Maternal, Child, and Adolescent Health (MCAH) Services provides information and services to mothers and children.
- A Child Care Education Support System (ACCESS) assists families with resources and referrals to child care and after school programs.
- All Dads Matter provides parenting workshops and trainings and parenting support and engagement.
- All Moms Matter provides parenting support, education, and encouragement.
- Caring Kids provides families with parent education and support through workshops and trainings to promote healthy social and emotional development in young children.
- Family Resource Council provides parent support and referrals for families facing challenges, and offers child abuse and neglect prevention education and parenting skills classes.

2.9.5 Extremely Low-Income Households

Extremely low-income households are defined as households with income under 30 percent of the county's median household income. Extremely low-income households typically consist of minimum wage workers, seniors on fixed incomes, the disabled, and farmworkers. This group of households has specific housing needs that require greater government subsidies and assistance, housing with supportive services, single room occupancy (SRO) and/or shared housing, and/or rental subsidies or vouchers. Households in this income group are more likely than at other income levels to live in overcrowded and substandard housing conditions. In recent years rising rents, higher income and credit requirements imposed by landlords, and insufficient government assistance has exacerbated the problem. Without adequate assistance this group has a high risk of homelessness.

Table 2-28 identifies extremely low-income households by tenure for the NSJV region and each jurisdiction in Merced County. Renter-occupied households make up a larger percentage of total extremely low-income households in every jurisdiction except in Dos Palos. By comparison to total households, the jurisdictions of Livingston and Merced have the largest percentages of extremely low-income residents at 25.2 percent and 19.2 percent respectively, while Dos Palos (10.9 percent) and unincorporated Merced County (7.5 percent) have the lowest. Across the state, extremely low-income households make up 15.3 percent of total households. When compared to the NSJV, Merced County had a notably higher percentage of extremely low-income households.

Table 2-28 Extremely Low-Income Households by Tenure

Jurisdiction	Income <=30% HAMFI			Total Households
	Owner-Occupied	Renter-Occupied	Total ELI Households	
Merced County	**2,940**	**8,540**	**11,480**	**80,010**
Percent	3.7%	10.7%	14.3%	100.0%
Atwater	**364**	**965**	**1,329**	**9,160**
Percent	4.0%	10.5%	14.5%	100.0%
Dos Palos	**85**	**80**	**165**	**1,515**
Percent	5.6%	5.3%	10.9%	100.0%
Gustine	**100**	**160**	**260**	**2,055**
Percent	4.9%	7.8%	12.7%	100.0%
Livingston	**60**	**345**	**405**	**1,605**
Percent	3.7%	21.5%	25.2%	100.0%

Jurisdiction	Income <=30% HAMFI			Total Households
	Owner-Occupied	Renter-Occupied	Total ELI Households	
Los Banos	**395**	**970**	**1,365**	**10,775**
Percent	3.7%	9.0%	12.7%	100.0%
Merced	**685**	**4,205**	**4,890**	**25,490**
Percent	2.7%	16.5%	19.2%	100.0%
Unincorporated Merced County	**1,251**	**1,815**	**3,066**	**41,020**
Percent	3.0%	4.4%	7.5%	100.0%
California	**592,010**	**1,427,405**	**2,019,415**	**13,217,586**
Percent	4.5%	10.8%	15.3%	100.0%
San Joaquin County	**7730**	**19,320**	**27,050**	**228,565**
Percent	3.4%	8.5%	11.8%	100.0%
Stanislaus County	**5355**	**13,360**	**18,715**	**173,900**
Percent	3.1%	7.7%	10.8%	100.0%

Source: U.S. Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Table 2-29 shows extremely low-income households overpaying by tenure in the NSJV region and each jurisdiction in Merced County. Overpaying households are those that have housing cost burdens of more than 30 percent of their income towards housing. As shown, amongst owner-occupied and renter-occupied households, most extremely low-income households have a household cost burden of at least 30 percent. Renter occupied households are more likely to experience a housing cost burden across all jurisdictions. In Merced County, 85.3 percent of extremely low-income households have either a moderate or severe housing cost burden, like the distribution across the NSJV region (88.9 percent in San Joaquin County and 86.4 percent in Stanislaus County.

Table 2-29 Extremely Low-Income Households Overpaying by Tenure

Jurisdiction	Owner-Occupied			Renter-Occupied			Total ELI Households
	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	
Merced County	**615**	**595**	**1,730**	**1,075**	**1,530**	**5,935**	**11,480**
Percent	5.4%	5.2%	15.1%	9.4%	13.3%	51.7%	100.0%
Atwater	**75**	**95**	**194**	**70**	**140**	**755**	**1,329**
Percent	5.6%	7.1%	14.6%	5.3%	10.5%	56.8%	100.0%
Dos Palos	**15**	**-**	**70**	**-**	**45**	**35**	**165**
Percent	9.1%	0.0%	42.4%	0.0%	27.3%	21.2%	100.0%
Gustine	**20**	**-**	**80**	**-**	**85**	**75**	**260**
Percent	7.7%	0.0%	30.8%	0.0%	32.7%	28.8%	100.0%
Livingston	**10**	**15**	**35**	**50**	**25**	**270**	**405**
Percent	2.5%	3.7%	8.6%	12.3%	6.2%	66.7%	100.0%
Los Banos	**90**	**55**	**250**	**205**	**140**	**625**	**1,365**

Jurisdiction	Owner-Occupied			Renter-Occupied			Total ELI Households
	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	
Percent	6.6%	4.0%	18.3%	15.0%	10.3%	45.8%	100.0%
Merced	**135**	**160**	**390**	**405**	**765**	**3,035**	**4,890**
Percent	2.8%	3.3%	8.0%	8.3%	15.6%	62.1%	100.0%
Unincorporated Merced County	**270**	**270**	**711**	**345**	**330**	**1,140**	**3,066**
Percent	8.8%	8.8%	23.2%	11.3%	10.8%	37.2%	100.0%
California	**117,890**	**92,945**	**381,175**	**172,130**	**216,880**	**1,038,395**	**2,019,415**
Percent	5.8%	4.6%	18.9%	8.5%	10.7%	51.4%	100.0%
San Joaquin County	**1,035**	**1,145**	**5,550**	**1,950**	**2,420**	**14,950**	**27,050**
Percent	3.8%	4.2%	20.5%	7.2%	8.9%	55.3%	100.0%
Stanislaus County	**745**	**1,150**	**3,460**	**1,800**	**1,480**	**10,080**	**18,715**
Percent	4.0%	6.1%	18.5%	9.6%	7.9%	53.9%	100.0%

Source: US Housing and Urban Development, CHAS 2015-19 (5-Year Estimates).

Resources for Extremely Low-Income Households

The Housing Authority of the County of Merced administers the Housing Choice Voucher (HCV) Program under the auspices of the U.S. Department of Housing and Urban Development (HUD). The program provides rent subsidies to families in privately owned rental units in Merced County. HUD currently administers 2,705 housing HCVs within the county.[2]

Similar to the HCV program, the Housing Authority of Merced County also administers Emergency Housing Vouchers (EHV). In order to be eligible for an EHV, an individual must meet one of the four eligibility categories: 1. Homeless; 2. At risk of homelessness; 3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; 4. Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.[3]

2.9.6 Farmworkers

Due to a combination of limited English language skills and very low household incomes, the ability of farmworkers to secure rental housing or obtain housing loans for home purchase is extremely limited. Housing needs include permanent family housing as well as accommodations for migrant single men, such as dormitory-style housing, especially during peak labor activity in May through October.

[2] Housing Authority of Merced County, *Housing Choice Voucher*, http://www.merced-pha.com/housing-choice-voucher/. Accessed June 2023.
[3] Housing Authority of Merced County, *Emergency Housing Vouchers*, http://www.merced-pha.com/emergency-housing-vouchers-ehv-frequently-asked-questions-faq/. Accessed June 2023.

A growing number of migrant workers do not leave California during the non-farm season, but instead stay in the area and perform non-farm work such as construction and odd jobs. Housing needs of this migrant but non farmworker population are partially addressed by year-round housing units, but additional migrant units are needed.

Migrant and other seasonal farmworkers usually do not have a fixed physical address and work intermittently in various agricultural and non-agricultural occupations during a single year, with only casual employer-employee links. Many workers and/or their families live in rural, often remote areas and are reluctant to voice their housing needs and concerns to local government or housing authorities. According to California Employment Development Department, the median wage for farmworkers was $14.77 per hour in 2020 or approximately $34,561 per year for full-time work, which is considered extremely low-income in California. Many farmworkers are forced to pay market rate for their housing, since most farm owners do not provide housing for their workers, and many publicly owned or managed housing complexes are restricted to families. Because market-rate housing may be more than they can afford, many workers are forced to share a housing unit with several other workers, causing a severely overcrowded living situation. Migrant and seasonal farmworkers face several housing challenges, but primarily substandard housing conditions.

The nature of agricultural work also affects the specific housing needs of farmworkers. For instance, farmworkers employed on a year-round basis generally live with their families and need permanent affordable housing much like other lower-income households. Migrant farmworkers who follow seasonal harvests generally need temporary housing only for the workers themselves.

Table 2-30 provides data for the total farmworker population across the NSJV region and each jurisdiction in Merced County and the total farmworker population in Merced County for 2021. There are 12,326 farmworkers in Merced County, with the largest population of farmworkers concentrated in the unincorporated areas of the county (45.9 percent), followed by the City of Merced (22.6 percent) and City of Atwater (10.0 percent). Gustine has the smallest population of farmworkers accounting for 1.9 percent of Merced County's population. When compared to the NSJV, Merced reported a higher farmworker population than Stanislaus County and a lower population than San Joaquin County.

Table 2-30 Farmworker Population

Jurisdiction	Farmworkers
Atwater	**1,231**
Percent	10.0%
Dos Palos	**488**
Percent	4.0%
Gustine	**235**
Percent	1.9%
Livingston	**859**
Percent	7.0%
Los Banos	**1,076**
Percent	8.7%
Merced	**2,781**
Percent	22.6%
Unincorporated County	**5,656**

Jurisdiction	Farmworkers
Percent	45.9%
Merced County	**12,326**
Stanislaus County	**11,560**
San Joaquin County	**15,758**

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C24050.

Table 2-31 provides USDA Census of Agriculture data for farmworkers by population over time. The most recent 2017 data shows a decrease in the number of farmworkers by 6.5 percent from 17,265 to 15,566 workers between 2012 and 2017, this is similar to the overall decrease of 6.2 percent in the NSJV region. Of the counties in the NSJV region, Merced County has the highest migrant farm labor on farms reporting contract labor. The ongoing transition from agriculture-based industries to metropolitan-oriented employment in the larger jurisdictions, including Merced, Los Banos, and Livingston, is a primary factor in the decrease in the population of farmworkers, as evidenced by the decrease in the number of farms with hired labor during the same period, from 1,253 to 1,172.

Table 2-31 Farmworker Population Over Time

	Merced County			Stanislaus County			San Joaquin County			NSJV		
Type of Farm Labor	2012	2017	Change '12 – '17	2012	2017	Change '12 – '17	2012	2017	Change '12 – '17	2012	2017	Change '12 – '17
Hired farm labor (farms)	1,253	1,172	-6.5%	1,724	1,555	-9.8%	1,748	1,707	-2.3%	4,725	4,434	-6.2%
Hired farm labor (workers)	17,265	15,566	-9.8%	14,657	12,713	-13.3%	24,872	19,741	-20.6%	56,794	48,020	-15.4%
Workers by days worked – 150 days or more	8,448	7,903	-6.5%	5,900	6,284	6.5%	9,149	8,003	-12.5%	23,497	22,190	-5.6%
Workers by days worked – less than 150 days	8,817	7,663	-13.1%	7,810	6,429	-17.7%	15,723	11,738	-25.3%	32,350	25,830	-20.2%
Migrant farm labor on farms with hired labor	4,383	3,435	-21.6%	2,515	3,503	39.3%	11,214	9,297	-17.1%	18,112	16,235	-10.4%
Migrant farm labor on farms reporting only contract labor	81	154	90.1%	401	281	-29.9%	1920	2800	45.8%	2402	3235	34.7%

Source: U.S. Department of Agriculture, *Census of Agriculture*, https://www.nass.usda.gov/AgCensus/. Accessed June 2023.

In 2022, University of California, Merced conducted a Farmworker Health Study (FWHS)[4] survey funded by the California Department of Public Health and utilized active engagement of researchers from other institutions. The aim of the study was to assess the health of agricultural workers using comparable measures to those used in the initial farm study but extend that previous study (California Agricultural Health Workers Survey, conducted in 1999) with a focus on the long-term health of agricultural workers, the ability to access high quality health care, and the ability of the workforce to meet the changing demands of the industry.

The FWHS sample consisted of 1,242 participants across five major California regions[5], with a profile very similar to that of the broader farmworker population. The FWHS sample was largely Latino (99%), foreign-born (91%), and low-income—the very profile that the Latino paradox would predict to have above-average health outcomes. As shown in Table 2-32, farmworkers were most likely to be renters (92%), live in single-family homes (55%), and very few renters relied on employers to pay any or all of their rent (2%). Research suggests that farmworkers generally experience substandard housing (e.g., older homes, apartments, mobile homes, motels, garages, or other similar spaces), often requiring repairs such as new roofs, plumbing, heating and cooling systems, and termite clean-up. Poor ventilation and crowded spaces put farmworkers at increased risk for respiratory illnesses such as asthma and infectious diseases like tuberculosis and COVID-19.

Farmworkers faced issues related to the built environment of their homes. More than one-third (37%) reported a "taste of water at home" that was either very bad (24%) or bad (13%) — an indicator of poor water quality and possible health risks. More than one in three also experienced problems keeping a house cool (39%) or warm (36%), issues that will only increase in time as climate change exacerbates the temperature extremes. Farmworkers also encountered problems related to water and moisture—such as rotting wood (16%), mold (14%), water damage (13%), and water leaks (12%). Lastly, many farmworkers experienced problems with cockroaches (24%) and rodents (17%).

Table 2-32 Farmworker Housing-Type

Housing	Percentage
Home Type	
Single-Family Home	55%
Apartment	31%
Labor camp/boarding/motel	9%
RV/ car	4%
Garage	0%
Unspecified – renting a room	0%
N=	1,205
Pays rent or mortgage	
Rent	92%
Mortgage	8%
Neither	0%

[4] Farmworker Health Study. University of California, Merced. 2022. https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.2383.pdf

[5] The five regions in this study were: San Joaquin Valley (42%), Upper Central Coast (21%), Imperial and Coachella Valley (20%), Sonoma/Napa (12%), and Lower Central Coast (5%).

Housing	Percentage
N=	1,172
Rent paid by employer	
None	98%
All or part	2%
N=	1,225
Access to water inside home	90%
N=	1,224

Source: Farmworker Health Study. University of California, Merced. 2022.

Resources for Farmworkers

The Housing Authority of Merced County offers a farm labor housing program that provides housing for year-round and migrant or seasonal domestic farm laborers. The program is funded by the U.S. Department of Agriculture (USDA) and the Housing Authority, which has one housing development in the community of Planada with a total of 50 year-round rental units (Felix Torres Farmworker Housing Center) located on North Plainsburg Road in Planada, east of the City of Merced.

The Housing Authority also helps fund four migrant housing centers in the county that provide a total of 227 temporary housing units during the peak growing and harvest season, which is typically April through November. All units are equipped with furnishings, basic amenities, and the rent includes utilities. The migrant housing centers are listed below:

- Atwater Migrant Center. Located on W. Westside Boulevard, Atwater, 59 units.
- Merced Migrant Center. Located on N. Santa Fe Drive, Merced, 49 units.
- Planada Migrant Center. Located on N. Plainsburg Road, Planada, 71 units.
- Los Banos Migrant Center. Located on W. Henry Miller Road, Los Banos, 48 units.

Central Valley Opportunity Center provides job services and vocational training for migrant workers and low-income families.

- 6838 Bridget Ct., Winton, CA 95388, (209) 357-0062

Central California Child Development Services, Inc provides childcare for children ages 0-5 and supportive services for migrant families.

- John O'Banion CDC: 401 Lesher Dr. Ste. G, Merced CA, 95340, (209) 726-3154
- Livingston CDC: 1001 F St., Livingston, CA 95334, (209) 394-0066

2.9.7 Persons Experiencing Homelessness

Most families become homeless because they are unable to afford housing in a particular community. Nationwide, about half of those experiencing homelessness over the course of a year are single adults. Most enter and exit the system quickly. The remainder live in the homeless assistance system, or in a combination of shelters, hospitals, the streets, jails, and prisons. There are also single homeless people who are not adults, including runaway and "throwaway" youth (children whose parents will not allow them to live at home).

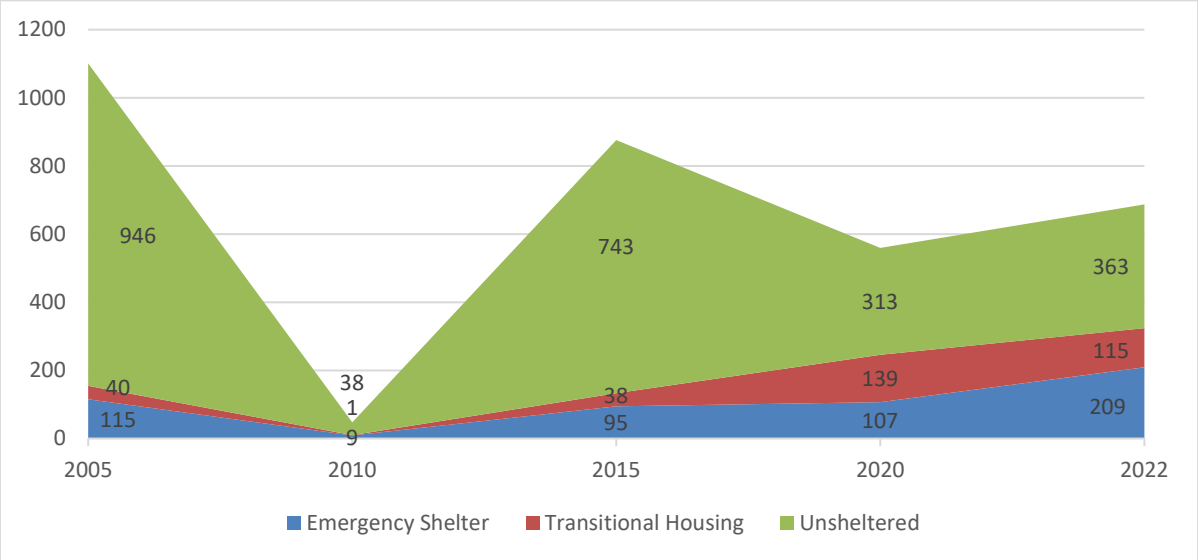
There are various reasons that contribute to a household experiencing homelessness. These may be any combination of factors such as loss of employment, inability to find a job, lack of marketable work skills, or high housing costs. For some, the loss of housing is due to chronic health problems, physical disabilities, mental health disabilities, drug and alcohol addictions, or an inability to access support services and long-term care. Although each household has different needs, the most urgent need is for emergency shelter capacity and case management (i.e., help with accessing needed services). Emergency shelters have minimal supportive services for homeless persons and are not limited to occupancy of six months or less. No individual or household may be denied emergency shelter because of an inability to pay.

For many, supportive housing, transitional housing, long-term rental assistance, and/or greater availability of low-income rental units are also needed. Supportive housing has no limit on length of stay and is linked to onsite or offsite services that assist residents in retaining housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

Transitional housing is usually in buildings configured as rental housing developments, but operated with state programs that require the unit to be cycled to other eligible program recipients after some pre-determined amount of time. Transitional housing programs provide extended shelter and supportive services for homeless individuals and/or families with the goal of helping them live independently and transition into permanent housing. Some programs require that the individual/family be transitioning from a short-term emergency shelter. Transitional housing may be configured for specialized groups within the homeless population such as people with substance abuse problems, residents with mental health challenges, domestic violence victims, veterans, or people with HIV/AIDS. In many cases transitional housing programs will provide services for up to two years or more. Supportive services may be provided directly by the organization managing the housing or by other public or private agencies in a coordinated effort with the housing provider.

The City of Merced and Merced County formed a regional Continuum of Care (CoC), a community-based organization that provides information on homeless services and information on the region's homeless population. Figure 2-2 shows households experiencing homelessness by type between 2005 to 2022. As shown, 2005 had the highest reported number of households (1,101) by the Merced County Continuum of Care (CoC), the majority of which were unsheltered. Data for 2020 indicates that 559 households experienced homelessness in the county, including 313 of those counted as unsheltered. These numbers increased from 2020 to 2022, at which point over 680 households experienced homelessness in the county.

Figure 2-2 Homelessness by Type Over Time, Households, Merced County



Source: U.S. HUD, CoC Homeless Populations and Subpopulations Reports (2005, 2010, 2015, 2020, 2022).

Table 2-33 provides the most recent point-in-time count for homelessness across Merced County. In 2023, 49.7 percent of those experiencing homelessness were counted as unsheltered, while the remaining 50.3 percent were living in emergency shelters or transitional housing. The majority (72.8 percent) of those counted were located in the city of Merced.

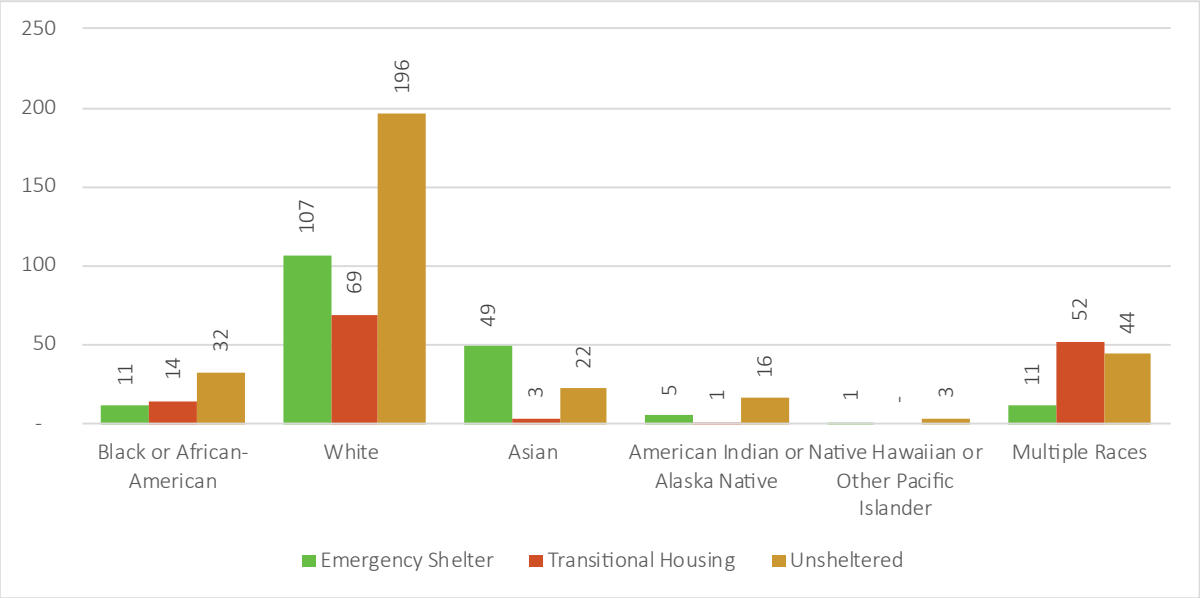
Table 2-33 Homelessness by Type (2023)

Jurisdiction	Sheltered	Unsheltered	Total
Merced County Total	394	390	784
Percent	50.3%	49.7%	100%
Atwater	9	27	36
Percent	2.3%	6.9%	4.6%
Dos Palos	**2**	15	17
Percent	0.5%	3.9%	2.2%
Gustine	**0**	**0**	**0**
Percent	0.0%	0.0%	0.0%
Livingston	0	6	6
Percent	0.0%	1.5%	0.7%
Los Banos	35	78	113
Percent	8.9%	20%	14.4%
Merced	394	390	784
Percent	87.3%	58.2%	72.8%

Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

Figure 2-3 identifies people experiencing homelessness by type by race in the county for the year 2022. Among those counted, 62 percent identify as white, 10 percent as Black/African American, and 14 percent identify as more than one race.

Figure 2-3 Homelessness by Type by Race (2022)



Source: Merced City and County Continuum of Care, Point-in-Time Count (2022).

The Merced City and County CoC data also considers ethnicity, as shown on Table 2-34. Among those counted, 279 of 855 individuals (32.6 percent) identify as Hispanic or Latino.

Table 2-34 Homelessness by Ethnicity (2022)

Jurisdiction	Sheltered	Unsheltered	Total
Hispanic/Latino (any race)	**136**	**143**	**279**
Percent	15.9	16.7	32.6
Not Hispanic/Latino	**232**	**344**	**576**
Percent	27.1	40.2	67.4

Source: Merced City and County Continuum of Care, Point-in-Time Count (2022).

Resources for Persons Experiencing Homelessness

Table 2-35 provides an inventory of emergency, transitional, and permanent supportive housing for people experiencing homelessness in Merced County. Housing for people experiencing homelessness is concentrated in the City of Merced with nine facilities, including emergency shelters (103 beds), transitional housing (90 beds), and permanent supportive housing (17 beds) for a total of 210 beds in the city, along with one transitional housing facility in Atwater, one emergency shelter (20 beds) in Los Banos, a respite home (6 beds) in Los Banos, and one permanent supportive housing facility in Los Banos. There are a total of 131 emergency shelter beds, 153 transitional housing beds, and 71 permanent housing units. Considering the 2022 point-in-time count for the total homeless population of 855 people, there is a need for 500 beds or housing units for residents experiencing homelessness.

Table 2-35 Emergency and Transitional Housing

Provider Name	Facility Name	Target Population	Family Units	Family Beds	Individual Beds	Seasonal	Overflow and Voucher	Total	Location
Emergency Shelter									
Valley Crisis Center - A Women's Place	Domestic Violence Shelter	SMF+DC, DV	2	8	4	0	3	15	Merced
Merced Community Action Agency	D Street Shelter	SMF+DC, DV	0	0	66	0	0	66	Merced
Merced County Human Services Agency	Motel Vouchers	SMF+HC	0	0	0	0	8	8	–
Merced County Rescue Mission	Rescue Mission	SM	0	0	22	0	0	22	Merced
Emergency Shelter Subtotal			**2**	**8**	**92**	**0**	**11**	**111**	**–**
Transitional Housing									
Community Social Model Advocate	Tranquility Village	SF+HC	8	22	35	N/A	N/A	57	Atwater
Community Social Model Advocates	Hobie House	SM	0	0	25	N/A	N/A	25	Merced
Merced County Mental Health	Parsons House	SF	0	0	4	0	0	4	Merced
Merced County Rescue Mission	New Life Transformation Program	SMF+SA	0	0	61	N/A	N/A	61	Merced
Transitional Shelter Subtotal			**8**	**22**	**125**	**0**	**0**	**147**	–
Permanent Supportive Housing									
Housing Authority	VASH	SMF+V	9	23	18	N/A	N/A	41	–
Housing Authority	Shelter Plus Care	SMF+HC	0	0	5	N/A	N/A	5	–
Merced County Mental Health	Project Hope Westside	SMF+MA	0	0	8	N/A	N/A	8	Los Banos
Merced County Mental Health	Project Home Start	SMF	0	0	4	N/A	N/A	4	Merced
Sierra Saving Grace Homeless Project	Sierra Saving Grace Homeless Project	SMF	1	2	0	N/A	N/A	2	Merced
Turning Point Community Programs	Turning Point	SMF+HC	1	2	9	N/A	N/A	11	Merced
Permanent Supportive Housing Subtotal			**11**	**27**	**44**	**–**	**–**	**71**	–
Total Beds			**21**	**57**	**261**	**0**	**11**	**329**	**–**

Source: Mintier Harnish, 2023.

2.10 Housing Stock Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age, condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. The following sections detail the housing stock characteristics of Merced County to identify how well the current housing stock meets the needs of current and future residents.

2.11 Housing Growth

Table 2-36 indicates the growth in the housing stock by providing the total number of units over time for the NSJV region and each jurisdiction in Merced County. As shown, production has slowed considerably since 2010. Atwater and Gustine had the greatest positive percent change in total units from 2010 to 2020, at 6.9 percent and 9.6 percent respectively. Between 2010 and 2020 the housing stock in the cities of Dos Palos and Los Banos decreased. Merced County's percent change from 2010 to 2020 is fairly similar to that of the state, but above Stanislaus County and below San Joaquin County.

Table 2-36 Total Housing Units Over Time (1980 to 2020)

Jurisdiction	2010	2020	Percent Change
Atwater	9,771	10,448	6.9%
Dos Palos	1,700	1,529	-10.1%
Gustine	2,087	2,287	9.65
Livingston	3,320	3,472	4.65
Los Banos	11,375	11,358*	-0.1%
Merced	27,446	28,120	2.5%
Unincorporated Merced County	27,999	29,477	5.3%
Merced County	83,089	86,691	4.3%
Stanislaus County	177,591	182,239	2.6%
San Joaquin County	231,114	245,192	6.1%
California	13,552,624	14,210,945	4.9%

*2021 ACS data for the City of Los Banos indicates a higher unit count of 12,459 units, which would indicate an increase in housing units of 8.7 percent between 2010 and 2021. For more information see Table 2-31.

Source: U.S. Census Bureau, ACS 16-20 (5-year Estimates), Table B25001.

2.12 Housing Type and Tenure

Table 2-37 identifies the total housing units by type across the NSJV region and each jurisdiction in Merced County. Most of the housing stock across Merced County consists of single-family detached homes, which make up 73.8 percent of the county's total housing units. This is notably higher than the statewide average of 57.6 percent, but similar to the average 74.8 percent of the NSJV. The second most common housing type in Merced County is mobile homes, with a total of 5,775 units or 6.7 percent of the total housing stock. The third largest unit type is 3- or 4-unit dwellings, which accounts for 4,172 units or 4.8 percent of the total housing stock. Merced County had a similar distribution of housing types compared to the NSJV region, in which single-family detached homes made up over 73 percent of housing units in each county.

Table 2-37 Total Housing Units by Type

Jurisdiction	Total	1, Detached	1, Attached	2	3 or 4	5 to 9	10 to 19	20 to 49	50 or more	Mobile Home	Boat, RV, Van, etc.
Merced County	**86,767**	**64,045**	**1,908**	**2,785**	**4,172**	**3,876**	**1,634**	**801**	**1,649**	**5,775**	**122**
Percent		73.8%	2.2%	3.2%	4.8%	4.5%	1.9%	0.9%	1.9%	6.7%	0.1%
Atwater	**10,580**	**7,016**	**381**	**971**	**645**	**375**	**329**	**18**	**159**	**686**	**0**
Percent		66.3%	3.6%	9.2%	6.1%	3.5%	3.1%	0.2%	1.5%	6.5%	0.0%
Dos Palos	**1,661**	**1,564**	**2**	**0**	**30**	**50**	**15**	**0**	**0**	**0**	**0**
Percent		94.2%	0.1%	0.0%	1.8%	3.0%	0.9%	0.0%	0.0%	0.0%	0.0%
Gustine	**2,302**	**1,771**	**73**	**54**	**199**	**66**	**20**	**21**	**9**	**89**	**0**
Percent		76.9%	3.2%	2.3%	8.6%	2.9%	0.9%	0.9%	0.4%	3.9%	0.0%
Livingston	**3,407**	**2,936**	**55**	**88**	**64**	**53**	**105**	**52**	**0**	**50**	**4**
Percent		86.2%	1.6%	2.6%	1.9%	1.6%	3.1%	1.5%	0.0%	1.5%	0.1%
Los Banos	**12,459**	**10,368**	**392**	**252**	**427**	**544**	**75**	**104**	**82**	**172**	**43**
Percent		83.2%	3.1%	2.0%	3.4%	4.4%	0.6%	0.8%	0.7%	1.4%	0.3%
Merced	**28,400**	**18,301**	**686**	**853**	**2,421**	**2,495**	**1,039**	**472**	**1,259**	**859**	**15**
Percent		64.4%	2.4%	3.0%	8.5%	8.8%	3.7%	1.7%	4.4%	3.0%	0.1%
Unincorporated Merced County	**27,958**	**22,089**	**319**	**567**	**386**	**293**	**51**	**134**	**140**	**3,919**	**60**
Percent		79.0%	1.1%	2.0%	1.4%	1.0%	0.2%	0.5%	0.5%	14.0%	0.2%
California	**14,328,539**	**8,248,814**	**1,031,608**	**340,666**	**777,600**	**842,158**	**721,058**	**713,636**	**1,121,470**	**514,764**	**16,765**
Percent		57.6%	7.2%	2.4%	5.4%	5.9%	5.0%	5.0%	7.8%	3.6%	0.1%
Stanislaus County	**182,606**	**138,760**	**7,361**	**3,822**	**6,807**	**4,587**	**3,171**	**2,786**	**6,957**	**8,121**	**234**
Percent		76.0%	4.0%	2.1%	3.7%	2.5%	1.7%	1.5%	3.8%	4.4%	0.1%
San Joaquin County	**249,018**	**185,505**	**10,840**	**4,855**	**8,969**	**8,854**	**6,394**	**5,922**	**9,050**	**8,444**	**185**
Percent		74.5%	4.4%	1.9%	3.6%	3.6%	2.6%	2.4%	3.6%	3.4%	0.1%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B25024.

Table 2-38 summarizes housing units by tenure in the NSJV region and each jurisdiction in Merced County. As shown, there are more owner-occupied units in all jurisdictions except Gustine and Merced. Dos Palos has the highest concentration of owner-occupied units, representing 61.2 percent of the jurisdiction's housing stock. This is greater than Merced County (51.6 percent), the NSVJ region (56.7 percent), and the state (55.5 percent). When compared to the NSJV region (40.5 percent in Stanislaus County and 40.9 in San Joaquin County), Merced County (48.4 percent) has a higher percent of renter-occupied housing units.

Table 2-38 Housing Units by Tenure

Jurisdiction	Total	Owner-Occupied	Renter-Occupied
Merced County	**81,618**	**42,146**	**39,472**
Percent		51.6%	48.4%
Atwater	**10,309**	**5,366**	**4,943**
Percent		52.1%	47.9%
Dos Palos	**1,661**	**1,016**	**645**
Percent		61.2%	38.8%
Gustine	**2,169**	**1,057**	**1,112**
Percent		48.7%	51.3%
Livingston	**3,299**	**1,881**	**1,418**
Percent		57.0%	43.0%
Los Banos	**12,025**	**6,732**	**5,293**
Percent		56.0%	44.0%
Merced	**26,673**	**11,185**	**15,488**
Percent		41.9%	58.1%
Unincorporated Merced County	**25,482**	**14,909**	**10,573**
Percent		58.5%	41.5%
California	**13,217,586**	**7,335,247**	**5,882,339**
Percent		55.5%	44.5%
Stanislaus County	**175,067**	**104,220**	**70,847**
Percent		59.5%	40.5%
San Joaquin County	**234,662**	**138,735**	**95,927**
Percent		59.1%	40.9%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

2.13 Vacancy Rate

The vacancy rate indicates the match between the demand for and supply of housing. A higher vacancy rate may indicate an excess supply of units, a softer market, and result in lower housing prices. A lower vacancy rate may indicate a shortage of housing and high competition for available housing, which generally leads to higher housing prices and reduced affordability. Table 2-39 provides data on vacancy status by type for the total vacant units across the NSJV region and each jurisdiction in Merced County. Of the total vacant units, other vacant units and units for rent make up the largest percentage of total vacant units. Out of all Merced County jurisdictions, the unincorporated county and the City of Merced had the highest percentage of total vacant units at 8.9 and 6.1 percent of total units, respectively. Within the NSJV region, Merced County had a higher percentage of vacant units (5.9 percent) compared to Stanislaus County (4.3 percent) and a lower percentage compared to San Joaquin County (6.1 percent).

Table 2-39 Vacancy Status by Type for Total Vacant Units

Jurisdiction	Total Vacant	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant
Merced County	**5,149**	**1,298**	**112**	**377**	**553**	**556**	**202**	**2,051**
Percent	5.9% of total units	25.2%	2.2%	7.3%	10.7%	10.8%	3.9%	39.8%
Atwater	**271**	**80**	**0**	**40**	**58**	**23**	**0**	**70**
Percent	2.6% of total units	29.5%	0.0%	14.8%	21.4%	8.5%	0.0%	25.8%
Dos Palos	**–**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Percent	–	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gustine	**133**	**0**	**0**	**0**	**0**	**0**	**0**	**133**
Percent	5.8% of total units	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Livingston	**108**	**39**	**0**	**0**	**15**	**0**	**0**	**54**
Percent	3.2% of total units	36.1%	0.0%	0.0%	13.9%	0.0%	0.0%	50.0%
Los Banos	**434**	**0**	**34**	**36**	**73**	**105**	**0**	**186**
Percent	3.5% of total units	0.0%	7.8%	8.3%	16.8%	24.2%	0.0%	42.9%
Merced	**1,727**	**983**	**60**	**166**	**136**	**35**	**0**	**347**
Percent	6.1% of total units	56.9%	3.5%	9.6%	7.9%	2.0%	0.0%	20.1%
Unincorporated Merced County	**2,476**	**196**	**18**	**135**	**271**	**393**	**202**	**1261**
Percent	8.9% of total units	7.9%	0.7%	5.5%	10.9%	15.9%	8.2%	50.9%
California	**1,110,953**	**240,840**	**53,537**	**73,319**	**54,970**	**370,908**	**2,992**	**314,387**
Percent	7.8% of total units	21.7%	4.8%	6.6%	4.9%	33.4%	0.3%	28.3%
Stanislaus County	7,539	**1,856**	**467**	**1,127**	**1,520**	**369**	**19**	**2,181**
Percent	4.3%	24.6%	6.2%	14.9%	20.2%	4.9%	0.3%	28.9%
San Joaquin County	14,356	**3,613**	**688**	**1,312**	**1,113**	**1,761**	**162**	**5,707**
Percent	6.1%	25.2%	4.8%	9.1%	7.8%	12.3%	1.1%	39.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25004.

2.14 Housing Unit Size

Table 2-40 provides housing unit size data for the NSJV region and each jurisdiction in Merced County. Three-bedroom units are the most common type across the NSJV. By comparison to statewide housing unit size trends, the NSJV region has a much larger proportion of 3-bedroom units (44.4 percent average) than the state (33.7 percent) and a considerably smaller percentages of studios, 1-, and 2-bedroom units.

Table 2-40 Housing Unit Size

Jurisdiction	Total	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 or More Bedrooms
Merced County	**81,618**	**1,883**	**4,320**	**16,306**	**38,451**	**17,656**	**3,002**
Percent		2.3%	5.3%	20.0%	47.1%	21.6%	3.7%
Atwater	**10,309**	**237**	**648**	**2,331**	**5,442**	**1,291**	**360**
Percent		2.3%	6.3%	22.6%	52.8%	12.5%	3.5%
Dos Palos	**1,661**	**11**	**25**	**383**	**1,018**	**224**	**0**
Percent		0.7%	1.5%	23.1%	61.3%	13.5%	0.0%
Gustine	**2,169**	**135**	**94**	**459**	**854**	**503**	**124**
Percent		6.2%	4.3%	21.2%	39.4%	23.2%	5.7%
Livingston	**3,299**	**6**	**24**	**425**	**1,803**	**774**	**267**
Percent		0.2%	0.7%	12.9%	54.7%	23.5%	8.1%
Los Banos	**12,025**	**347**	**462**	**1,485**	**5,991**	**3,006**	**734**
Percent		2.9%	3.8%	12.3%	49.8%	25.0%	6.1%
Merced	**26,673**	**908**	**2,261**	**6,168**	**10,613**	**5,977**	**746**
Percent		3.4%	8.5%	23.1%	39.8%	22.4%	2.8%
Unincorporated County	**25,482**	**239**	**806**	**5,055**	**12,730**	**5,881**	**771**
Percent		0.9%	3.2%	19.8%	50.0%	23.1%	3.0%
California	**13,217,586**	**564,387**	**1,691,491**	**3,539,857**	**4,451,995**	**2,373,268**	**596,588**
Percent		4.3%	12.8%	26.8%	33.7%	18.0%	4.5%
Stanislaus County	**175,067**	**3,252**	**12,369**	**37,860**	**80,867**	**33,698**	**7,021**
Percent		1.9%	7.1%	21.6%	46.2%	19.2%	4.0%
San Joaquin County	**234,662**	**5,509**	**16,709**	**51,085**	**93,896**	**53,915**	**13,548**
Percent		2.3%	7.1%	21.8%	40.0%	23.0%	5.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

2.15 Age and Condition of Housing Stock

Housing age can be an indicator of the need for housing rehabilitation. Generally, housing older than 30 years (i.e., built before 1990), while still needing rehabilitation, will not require rehabilitation as substantial as what would be required for housing units older than 50 years old (i.e., built before 1970). Housing units older than 50 years are more likely to require complete rehabilitation of housing systems such as roofing, plumbing, and electrical if they have not been maintained. As shown in Table 2-41, Merced County, there is a total of 23,891 occupied homes 50 years or older. These units account for 29.3 percent of the housing stock, which is less than the NSJV region where 39.4 percent of San Joaquin County homes and 33.8 percent of Stanislaus County homes, and less than in California as a whole, where 40.9 percent of homes are 50 years or older. Stanislaus County and San Joaquin County the majority of the housing stock was constructed between 1950 and 1959, which is different from Merced County where most if its construction occurred between 2000 and 2009.

Table 2-41 Total Occupied Housing Units by Year Built

Jurisdiction	Total	1939 or Earlier	1940 to 1949	1950 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2013	2014 or Later
Merced County	**81,618**	**3,943**	**5,007**	**7,356**	**7,585**	**14,718**	**11,034**	**11,846**	**16,856**	**3,229**	**44**
Percent		4.80%	6.10%	9.00%	9.30%	18.00%	13.50%	14.50%	20.70%	4.00%	0.10%
Atwater	**10,309**	**218**	**819**	**1,537**	**1,129**	**2,531**	**1,530**	**752**	**1,464**	**329**	**0**
Percent		2.10%	7.90%	14.90%	11.00%	24.60%	14.80%	7.30%	14.20%	3.20%	0.00%
Dos Palos	**1,661**	**252**	**141**	**106**	**126**	**521**	**163**	**147**	**174**	**31**	**0**
Percent		15.20%	8.50%	6.40%	7.60%	31.40%	9.80%	8.90%	10.50%	1.90%	0.00%
Gustine	**2,169**	**169**	**93**	**75**	**324**	**450**	**163**	**320**	**480**	**95**	**0**
Percent		7.80%	4.30%	3.50%	14.90%	20.70%	7.50%	14.80%	22.10%	4.40%	0.00%
Livingston	**3,299**	**66**	**201**	**289**	**156**	**521**	**368**	**769**	**870**	**59**	**0**
Percent		2.00%	6.10%	8.80%	4.70%	15.80%	11.20%	23.30%	26.40%	1.80%	0.00%
Los Banos	**12,025**	**222**	**731**	**585**	**817**	**1,524**	**1,400**	**2,987**	**3,054**	**705**	**0**
Percent		1.80%	6.10%	4.90%	6.80%	12.70%	11.60%	24.80%	25.40%	5.90%	0.00%
Merced	**26,673**	**1,243**	**1,368**	**2,610**	**2,096**	**5,040**	**4,091**	**2,706**	**6,271**	**1,217**	**31**
Percent		4.70%	5.10%	9.80%	7.90%	18.90%	15.30%	10.10%	23.50%	4.60%	0.10%
Unincorporated County	**25,482**	**1,773**	**1,654**	**2,154**	**2,937**	**4,131**	**3,319**	**4,165**	**4,543**	**793**	**13**
Percent		7.00%	6.50%	8.50%	11.50%	16.20%	13.00%	16.30%	17.80%	3.10%	0.10%
California	**13,217,586**	**1,162,732**	**753,750**	**1,755,123**	**1,728,569**	**2,295,943**	**1,980,874**	**1,438,264**	**1,451,946**	**634,508**	**15,877**
Percent		8.80%	5.70%	13.30%	13.10%	17.40%	15.00%	10.90%	11.00%	4.80%	0.10%
Stanislaus County	**175,067**	**61**	**4,684**	**29,316**	**25,264**	**30,615**	**34,506**	**17,063**	**14,918**	**8,218**	**10,422**
Percent		0.0%	2.7%	16.7%	14.4%	17.5%	19.7%	9.7%	8.5%	4.7%	6.0%
San Joaquin County	**234,662**	**387**	**14,593**	**44,551**	**32,855**	**34,711**	**35,286**	**21,863**	**22,975**	**12,238**	**15,203**
Percent		0.2%	6.2%	19.0%	14.0%	14.8%	15.0%	9.3%	9.8%	5.2%	6.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25036.

Table 2-42 provides information on substandard housing units across all county jurisdictions. The data indicates that there is a larger percentage of units lacking kitchen facilities than plumbing facilities across all jurisdictions except for unincorporated Merced County. Of the jurisdictions in Merced County, the City of Merced has the largest percent of substandard housing at 1.5 percent, while Dos Palos, Gustine, and Livingston do not have any reported substandard housing units. Merced County has a lower percentage of substandard housing units (0.8 percent) compared to the other counties in the NSJV region (1.2 percent in Stanislaus County and 1.3 percent in San Joaquin County) and California (1.5 percent).

Table 2-42 Substandard Housing Units

Jurisdiction	Total	Lacking Plumbing Facilities	Lacking Kitchen Facilities
Merced County	**81,618**	**298**	**357**
Percent		0.4%	0.4%
Atwater	**10,309**	**0**	**22**
Percent		0.0%	0.2%
Dos Palos	**1,661**	**0**	**0**
Percent		0.0%	0.0%
Gustine	**2,169**	**0**	**0**
Percent		0.0%	0.0%
Livingston	**3,299**	**0**	**0**
Percent		0.0%	0.0%
Los Banos	**12,025**	**0**	**40**
Percent		0.0%	0.3%
Merced	**26,673**	**162**	**233**
Percent		0.6%	0.9%
Unincorporated County	**25,482**	**136**	**62**
Percent		0.5%	0.2%
California	**13,217,586**	**53,643**	**149,252**
Percent		0.4%	1.1%
Stanislaus County	**175,067**	**650**	**1,316**
Percent		0.4%	0.8%
San Joaquin County	**234,662**	**1,031**	**2,117**
Percent		0.4%	0.9%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25049 and B25036.

2.16 Housing Costs

2.16.1 Median Home Sale Price

Table 2-43 provides information on the median housing value across all county jurisdictions from 1980 to 2020. The data indicates that prices rose steadily across the county from 1980 to 2000. Between 2000 to 2010 home prices spiked, including double- and triple-digit increases. Since 2010, home values have continued to increase but at a significantly slower pace in all jurisdictions except

for Dos Palos (94.7 percent increase) and the City of Merced (156.5 percent increase). According to Zillow, the average house prices In Merced County were $294,035 in 2020 and $407,096 in 2024.

Table 2-43 Median Housing Value Over Time (2010 to 2020)

Jurisdiction	1980	1990	2000	2010	2020
Atwater	**$56,000**	**$89,400**	**$99,900**	**$214,600**	**$259,900**
Percent Change		59.6%	11.7%	114.8%	21.1%
Dos Palos	**$44,300**	**$66,900**	**$88,500**	**$179,800**	**$350,000**
Percent Change		51.0%	32.3%	103.2%	94.7%
Gustine	**$50,800**	**$96,000**	**$111,400**	**$183,700**	**$270,300**
Percent Change		89.0%	16.0%	64.9%	47.1%
Livingston	**$43,400**	**$71,900**	**$92,300**	**$244,900**	**$345,100**
Percent Change		65.7%	28.4%	165.3%	40.9%
Los Banos	**$49,000**	**$110,100**	**$138,200**	**$248,900**	**$275,700**
Percent Change		124.7%	25.5%	80.1%	10.8%
Merced	**$57,700**	**$90,300**	**$103,200**	**$223,500**	**$573,200**
Percent Change		56.5%	14.3%	116.6%	156.5%
Merced County	**$53,100**	**$90,100**	**$110,900**	**$241,000**	**$268,800**
Percent Change		69.7%	23.1%	117.3%	11.5%

Note: Data unavailable for unincorporated county.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25077.

Table 2-44 provides information on the median housing value from 2000 to 2020 across the region, including Merced County and adjacent Stanislaus and Fresno County, as well as the state of California. The data indicates that prices steadily rose throughout the region and state during this period. From 2000 to 2010, Merced County experienced a similar increase in median home values (118.9 percent) to both California (116.8 percent) and a higher increase than Stanislaus County (100.3 percent) but lower than San Joaquin County (127.8 percent). From 2010 to 2020, growth of median housing value slowed across all regions compared to the previous decade. During this period, Merced County experienced a greater increase in home values (11.5 percent) than adjacent Stanislaus Couty (10.1 percent), and a lower percent change than San Joaquin County and the state (15.5 percent and 17.5 percent, respectively).

Table 2-44 Regional Median Housing Value Over Time (2000 to 2020)

Jurisdiction	2000	2010	2020
Merced County	**$110,100**	**$241,000**	**$268,800**
Percent Change		118.9%	11.5%
California	**$211,500**	**$458,500**	**$538,500**
Percent Change		116.8%	17.5%
Stanislaus County	**$142,400**	**$285,200**	**$314,100**
Percent Change		100.3%	10.1%
San Joaquin County	**$139,800**	**$318,600**	**$367,900**
Percent Change		127.8%	15.5%

Source: U.S. Census Bureau, Census 2000(SF3), ACS 06-10, 16-20 (5-year Estimates), Table B25077.

2.17 Distribution of Owner-Occupied Units

Due to historical practices of segregation, redlining, displacement, and other discriminatory measures, accumulating wealth through homeownership has been difficult for non-white households. Table 2-45 provides data on the number of owner-occupied housing units by race across all county jurisdictions. In Merced County, out of the total owner-occupied units, 59.3 percent are owned by households identifying as white and 22.7 are owned by residents identifying as some other race. Native Hawaiian and other Pacific Islander, and American Indian and Alaskan Native populations have the lowest proportion of homeowners in Merced County. These trends are consistent with the NSJV region and statewide data. When considering ethnicity, 43.5 percent of all owner-occupied units in Merced County are owned by residents identifying as Hispanic or Latino, which is lower than the percent of owner-occupied units statewide that are owned by residents identifying as Hispanic or Latino (52.6 percent).

Table 2-45 Owner-Occupied Units by Race and Ethnicity

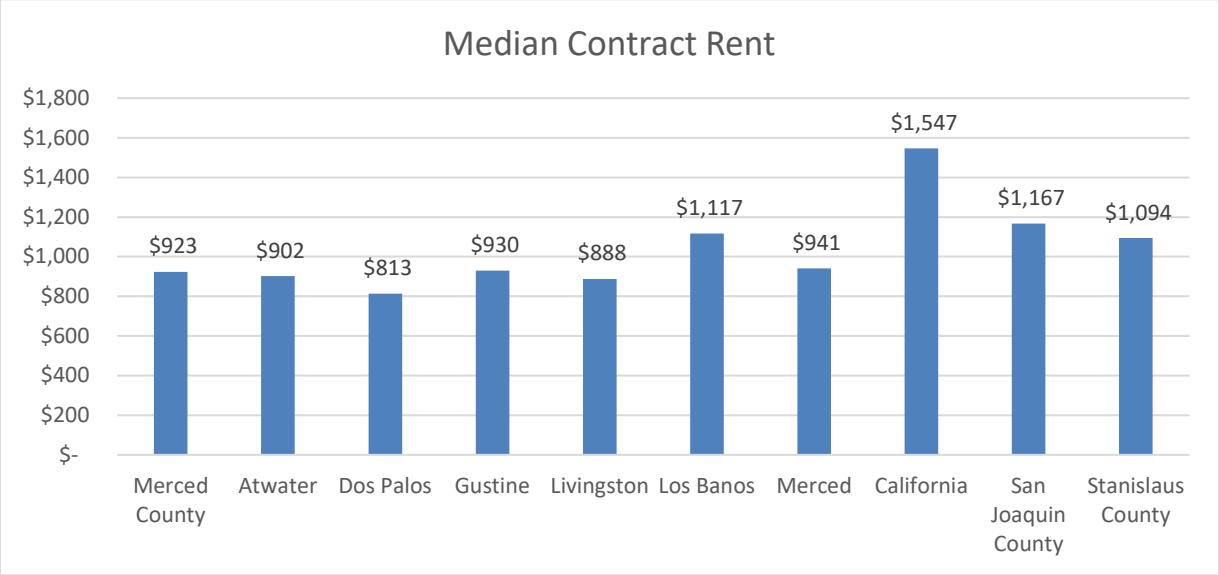
Jurisdiction	Total Owner-occupied Units	White	Black	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino of any Race
Merced County	**42,146**	**25,012**	**1,182**	**436**	**2,801**	**43**	**9,588**	**3,084**	**18,341**
Percent	100%	59.3%	2.8%	1.0%	6.6%	0.1%	22.7%	7.3%	43.5%
Atwater	**5,366**	**3,210**	**272**	**49**	**294**	**11**	**1,123**	**407**	**2,406**
Percent	100%	59.8%	5.1%	0.9%	5.5%	0.2%	20.9%	7.6%	44.8%
Dos Palos	**1,016**	**557**	**57**	**24**	**15**	**0**	**323**	**40**	**344**
Percent	100%	54.8%	5.6%	2.4%	1.5%	0.0%	31.8%	3.9%	33.9%
Gustine	**1,057**	**784**	**-**	**0**	**0**	**0**	**154**	**119**	**649**
Percent	100%	74.2%	0.0%	0.0%	0.0%	0.0%	14.6%	11.3%	61.4%
Livingston	**1,881**	**510**	**-**	**38**	**470**	**0**	**734**	**129**	**193**
Percent	100%	27.1%	0.0%	2.0%	25.0%	0.0%	39.0%	6.9%	10.3%
Los Banos	**6,732**	**3,779**	**149**	**75**	**258**	**0**	**1,839**	**632**	**2,308**
Percent	100%	56.1%	2.2%	1.1%	3.8%	0.0%	27.3%	9.4%	34.3%
Merced	**11,185**	**6,677**	**485**	**79**	**1,065**	**0**	**2,030**	**849**	**4,609**
Percent	100%	59.7%	4.3%	0.7%	9.5%	0.0%	18.1%	7.6%	41.2%
Unincorporated County	**14,909**	**9,495**	**219**	**171**	**699**	**32**	**3,385**	**908**	**7,832**
Percent	100%	63.7%	1.5%	1.1%	4.7%	0.2%	22.7%	6.1%	52.5%
California	**7,335,247**	**4,660,216**	**287,300**	**53,643**	**l,150,895**	**18,216**	**633,875**	**531,102**	**3,859,780**
Percent	100%	63.5%	3.9%	0.7%	15.7%	0.2%	8.6%	7.2%	52.6%
Stanislaus County	**104,220**	**74,992**	**2,268**	**1,215**	**5,664**	**548**	**9,224**	**10,309**	**34,700**
Percent	100.0%	72.0%	2.2%	1.2%	5.4%	0.5%	8.9%	9.9%	33.3%
San Joaquin County	**138,735**	**80,616**	**7,218**	**945**	**22,519**	**580**	**11,992**	**14,865**	**40,689**
Percent	100.0%	58.1%	5.2%	0.7%	16.2%	0.4%	8.6%	10.7%	29.3%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25003.

2.18 Housing Rents

The U.S. Census Bureau defines contract rent as the monthly rent agreed upon regardless of any furnishings, utilities, or services that may be included. According to the 2017-2021 ACS, the median contract rent for Merced County was $923 per month, which is lower than the median rent of the other counties in the NSJV region ($1,167 in San Joaquin County and $1,094 in Stanislaus County). Of the jurisdictions in Merced County, Los Banos had the highest median contract rent of $1,101, followed by the City of Merced with a median of $933 per month. Dos Palos and Atwater had the lowest median contract rents of $776 and $844 per month, respectively.

Figure 2-4 Median Contract Rent



Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25058.

Table 2-46 below provides an overview of median rent for rental housing by number of bedrooms based on 2021 ACS data. As shown, rents in Merced County were considerably less than in California and slightly less than the NSJV region across all unit sizes. Among the jurisdictions in Merced County, Atwater and Los Banos had the highest median rents. Comparatively, Merced County's median rent costs in Stanislaus County and San Joaquin County were higher than what was seen in both Atwater and Los Banos, the most expensive cities to rent within Merced County. statewide median rent costs were much higher than those seen across Merced County, Stanislaus County, and San Joaquin County. Rents were lower in Dos Palos and Livingston; however, these cities lack studio and 1-bedroom units.

Table 2-46 Median Rent by Number of Bedrooms

Jurisdiction	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Merced County	$708	$795	$989	$1,234	$1,548
Atwater	$692	$732	$962	$1,312	$1,460
Dos Palos	–	–	$891	$1,133	–
Gustine	–	$1,074	$1,006	$1,590	–
Livingston	–	–	$747	$1,185	$1,559
Los Banos	$669	$1,011	$1,015	$1,378	$1,844
Merced	$862	$890	$1,041	$1,242	$1,533
California	$1,293	$1,450	$1,737	$1,938	$2,326
Stanislaus County	$892	$1,083	$1,256	$1,551	$2,018
San Joaquin County	$860	$977	$1,237	$1,622	$2,053

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25031

2.19 Housing Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in the city with housing affordability for different income levels. This information indicates the number of households likely to experience displacement, overcrowding, and overpayment.

Housing affordability levels are determined by HUD, which conducts annual nationwide household income surveys to determine household eligibility for federal housing assistance. HCD determines annual income limits for monthly housing costs, including housing payments (rent or mortgage), utilities, and taxes (if housing owner). These income limits are further broken down by household size. Table 2-47 shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment).

Table 2-47 Housing Affordability Matrix – Merced County (2022)

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
Extremely Low Income (0-30% AMI)						
1-Person (Studio)	$16,350	$409	$226	$143	$183	$70,178
2-Person (1 BR)	$18,700	$468	$241	$164	$227	$79,367
3-Person (2 BR)	$23,030	$576	$276	$202	$300	$88,631
4-Person (3 BR)	$27,750	$694	$311	$243	$383	$97,821
5-Person (4 BR)	$32,470	$812	$381	$284	$431	$105,232
Very Low Income (30-50% AMI)						
1-Person	$27,300	$683	$226	$239	$457	$116,963
2-Person	$31,200	$780	$241	$273	$539	$132,279
3-Person	$35,100	$878	$276	$307	$602	$147,719

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
4-Person	$38,950	$974	$311	$341	$663	$163,035
5-Person	$42,100	$1,053	$381	$368	$672	$175,387
Low Income (50-80% AMI)						
1-Person	$43,650	$1,091	$226	$382	$865	$187,140
2-Person	$49,850	$1,246	$241	$436	$1,005	$211,646
3-Person	$56,100	$1,403	$276	$491	$1,127	$236,350
4-Person	$62,300	$1,558	$311	$545	$1,247	$260,856
5-Person	$67,300	$1,683	$381	$589	$1,302	$280,618
Median Income (80-100% AMI)						
1-Person	$43,650	$1,091	$226	$382	$865	$187,140
2-Person	$49,850	$1,246	$241	$436	$1,005	$211,646
3-Person	$56,100	$1,403	$276	$491	$1,127	$236,350
4-Person	$62,300	$1,558	$311	$545	$1,247	$260,856
5-Person	$67,300	$1,683	$381	$589	$1,302	$280,618
Moderate Income (100-120% AMI)						
1-Person	$62,856	$1,571	$226	$550	$1,345	$280,710
2-Person	$71,784	$1,795	$241	$628	$1,554	$317,468
3-Person	$80,784	$2,020	$276	$707	$1,744	$354,524
4-Person	$89,712	$2,243	$311	$785	$1,932	$391,284
5-Person	$96,912	$2,423	$381	$848	$2,042	$420,928

Assumptions:

1. Income limits are the 2021 HCD limits for Merced County.

2. Affordable housing costs are 30 percent of gross household income.

3. Utility costs are based on Merced County Housing Authority Utility Allowance Schedule for 2022.

4. Taxes, insurance, private mortgage insurance, and homeowners association dues are calculated at 35 percent of monthly affordable cost.

5. Affordable home price assumes a 30-year fixed mortgage with a 7 percent interest rate and 10 percent down payment.

6. Taxes and insurance costs apply to owners only.

Sources: 2022 HCD Income Limits, Merced County Housing Authority Utility Allowance Schedule, 2022.

Extremely Low-income Households

Extremely low-income households earn 30 percent or less of the County AMI. According to HCD estimates, extremely low-income households have an annual income of $16,350 or below for a one-person household and $32,470 or below for a five-person household. Extremely low-income households cannot afford market-rate rental or ownership housing in Merced County.

Very Low-income Households

Very low-income households earn between 31 and 50 percent of the County AMI—up to $27,300 for a one-person household and up to $42,100 for a five-person household in 2022. A very low-income household can generally afford homes offered at prices between $116,963 and $175,387,

adjusting for household size. After deductions for utilities, a very low-income household can afford to pay approximately $457 to $672 in monthly rent, depending on household size. Given the cost of housing in Merced County, very low-income households could not afford to purchase a home or rent an adequately sized unit without experiencing a housing cost burden.

Low-Income Households

Low-income households earn between 51 and 80 percent of the County AMI—up to $43,650 for a one-person household and up to $67,300 for a five-person household in 2022. A low-income household can generally afford homes offered at prices between $187,140 and $280,618, adjusting for household size. After deductions for utilities, a low-income household can afford to pay approximately $865 to $1,302 in monthly rent, depending on household size. Based on this data, finding appropriately sized market-rate rental housing in the county is likely to be challenging to households in this income group.

Median-Income Households

Median-income households earn between 80 and 100 percent of the County's AMI—up to $52,380 for a one-person household and up to $80,760 for a five-person household in 2022. The affordable home price for a median-income household ranges from $233,925 to $350,773. After deductions for utilities, a one-person median-income household could afford to pay up to $1,084 in rent per month and a five-person low-income household could afford to pay as much as $1,638. Despite increased household incomes, finding appropriately sized market-rate rental housing may still be challenging for households in this income group.

Moderate-Income Households

Moderate-income households earn between 100 and 120 percent of the County's AMI—up to $62,586 for a one-person household and up to $92,912 for a five-person household in 2022. The maximum affordable home price for a moderate-income household is $280,710 for a one-person household and $420,928 for a five-person family. The maximum affordable rent payment for moderate-income households is between $1,345 and $2,042 per month. Appropriately sized market-rate rental housing is generally affordable to households in this income group.

2.19.1 Cost Burden

As mentioned in Section 2.5.2, a housing cost burden occurs when households spend 30 percent or more of their monthly income on housing-related costs. Table 2-48 and Table 2-49 identify cost-burdened households by tenure over time in each Merced County jurisdiction. As shown, there has been a steady decrease in the number of owner-occupied cost-burdened households since 2010 in each jurisdiction. In contrast, there were increases in the number of renter-occupied cost-burdened households in nearly most cities during the same time except for Dos Palos, Livingston, and the unincorporated county. The jurisdiction with the greatest percent increase in cost burdened renter-occupied households was the City of Gustine, with nearly twice as many cost-burdened renter-occupied households from 2010 to 2020.

Table 2-48 Cost-Burdened Owner-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Atwater	**350**	**456**	**673**	**1,446**	**1,104**
Percent		30.3%	47.6%	114.9%	-23.7%
Dos Palos	**78**	**128**	**224**	**391**	**219**
Percent		64.1%	75.0%	74.6%	-44.0%
Gustine	**56**	**123**	**188**	**329**	**213**
Percent		119.6%	52.8%	75.0%	-35.3%
Livingston	**63**	**106**	**307**	**551**	**368**
Percent		68.3%	189.6%	79.5%	-33.2%
Los Banos	**270**	**380**	**1,165**	**2,556**	**1,135**
Percent		40.7%	206.6%	119.4%	-55.6%
Merced	**809**	**1030**	**1,762**	**2,993**	**2,131**
Percent		27.3%	71.1%	69.9%	-28.8%
Unincorporated Merced County	**853**	**1,186**	**2,422**	**5,309**	**3,136**
Percent		39.0%	104.2%	119.2%	-40.9%

Note: Data are not inflation-adjusted to current 2022 dollars.

Source: U.S. Census Bureau, Census 1980 (ORG STF1), 1990 (STF3), 2000 (SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25077

Table 2-49 Cost-Burdened Renter-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Atwater	**533**	**968**	**895**	**1415**	**1,728**
Percent		81.6%	-7.5%	58.1%	22.1%
Dos Palos	**120**	**213**	**197**	**190**	**181**
Percent		77.5%	-7.5%	-3.6%	-4.7%
Gustine	**74**	**166**	**201**	**212**	**420**
Percent		124.3%	21.1%	5.5%	98.1%
Livingston	**141**	**152**	**268**	**598**	**509**
Percent		7.8%	76.3%	123.1%	-14.9%
Los Banos	**413**	**702**	**621**	**1,523**	**1,828**
Percent		70.0%	-11.5%	145.2%	20.0%
Merced	**2,409**	**3,828**	**4,058**	**6,529**	**6,536**
Percent		58.9%	6.0%	60.9%	0.1%
Unincorporated Merced County	**1,164**	**1,559**	**1,785**	**3,443**	**2,496**
Percent		33.9%	14.5%	92.9%	-27.5%

Note: Data are not inflation-adjusted to current 2022 dollars.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25077.

2.20 Assisted Housing Units

Assisted housing units are those that are restricted for use by occupants with limited household incomes. These units are assisted under federal, state, and/or local programs, including HUD programs, state and local bond programs, former redevelopment agency (RDA) programs, density bonus, or direct assistance programs.

At-Risk Housing Units

The California Housing Partnership maintains an affordable housing database to monitor changes in affordable housing and to identify units or housing developments that are at risk of converting to market-rate uses. Assisted units in the preservation data base are classified by the following risk categories:

- **Low Risk**: affordable housing units that are at-risk of converting to market rate in 10+ years and/or are owned by a large/stable non-profit, mission-driven developer.
- **Moderate Risk**: affordable housing units that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.
- **High Risk:** affordable housing units that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

2.20.1 Funding Sources for Assisted Housing

HUD Section 8 Program

Under the HUD Section 8 program, which is administered by the Housing Authority of the County of Merced, participating building owners are entitled to receive HUD Fair Market Rents (FMRs) for units with Section 8 contracts. For Section 8 units, HUD makes up the difference between 30 percent of a household's monthly income and the FMRs.

Low Income Housing Tax Credit (LIHTC)

Created in 1986 by the federal government, the LIHTC program offers tax incentives to encourage the development of affordable housing. The LIHTC is jointly administered by the IRS and state Housing Credit Agencies (HCA) and have funded over eight billion annual tax credit units nationwide. California's HCA is the Tax Credit Allocation Committee (TCAC).

California Housing Finance Agency (CalHFA)

CalHFA uses approved private lenders and purchases loans that meet CalHFA standards to support very low, low, and moderate income assisted units. CalHFA partners with jurisdictions, developers, and other organizations to provide a variety of resources including loan assistance programs for homebuyers and renters aimed at increasing housing opportunities for low- and moderate-income residents.

2.20.2 Preservation of At-Risk Units

California housing element law requires all jurisdictions to include a study of low-income housing units which may at some future time be lost from the affordable inventory by the expiration of some type of affordability restrictions. The planning period for this at-risk housing analysis extends from 2023 through 2033. Table 2-50 provides an inventory of public assisted housing in the unincorporated county. Units at-risk of expiring based on the existing assisted use period.

The California Housing Partnership provides an assessment of the risk level for each facility based on ownership and expected affordability expiration date. Of the units listed, 233 units are at risk of being converted to market rate during the planning period. Of the 233 at-risk units, 136 are at high risk and 97 are at moderate risk. There are a total of 2,700 affordable housing units in Merced County, equating to 8.6 percent of total affordable units at moderate to high risk of conversion.

Table 2-50 Inventory of Public Assisted Complexes – Merced County

Name	Address	City	Zip	Affordable Units	Total Units	Active Program(s)	Estimated Affordability End Year/Date	Risk Level
Atwater Apartments - (Site A)	1191 Willow Street	Atwater	95301	35	36	LIHTC; HUD	2070	Low
Magnolia Gardens	9760 Gordon Avenue	Delhi	95315	34	34	USDA	4/19/2034	Low
Almond Garden Family	16240 W. Delhi Ave.	Delhi	95315	15	31	HCD	4/24/2043	Low
Almond Garden Elderly Apts	16200 West Delhi Avenue	Delhi	95315	33	34	LIHTC; USDA	2048	Low
Palos Verde Apartments	21797 South Reynolds Avenue	Dos Palos	93665	31	32	LIHTC; USDA	2026	Low
Dos Palos Apts/Meredith Manor Apts (Site A)	21100 State Highway 33	Dos Palos	93620	78	80	LIHTC; USDA	2063	Low
Gustine Garden Apartments	394 Wallis Avenue	Gustine	95322	33	34	LIHTC; USDA	2069	Low
Harvest Garden Apartments	1429 Nut Tree Road	Livingston	95334	43	44	LIHTC; USDA	2074	Low
Casitas Del Sol	1001 B Street	Livingston	95334	35	36	LIHTC; HCD	2055	Low
Vintage West Apartments	1000 Front Street	Livingston	95334	55	55	USDA	2039	Low
The Orchards On Newcastle	1972 Main Street	Livingston	95334	48	49	LIHTC; USDA	2067	Low
Los Banos Apartments	44 West I Street	Los Banos	93635	66	68	LIHTC; USDA	2066	Low
Central Valley Apts	1100 D Street	Los Banos	93635	40	40	USDA	3/29/2035	Low
Pacheco Place MHSA	232 W. J Street	Los Banos	93965	10	11	CalHFA	1/1/2042	Low
Central Valley II Apartments	1130 D Street	Los Banos	93635	40	40	USDA	08/11/2038	Low
Carrington Pointe	1985 San Luis Street	Los Banos	93635	79	80	LIHTC	2052	Low
Los Banos Family Apartments (Aka Pacheco Village)	2235 Gilbert Gonzales Jr. Drive	Los Banos	93635	105	105	LIHTC; HCD	1/22/2065	Low
Los Banos II Family Apartments	2125 Gilbert Gonzalez Jr. Drive	Los Banos	93635	79	80	LIHTC	2064	Low
Macarthur Apartments	1130 F Street	Los Banos	93635	49	50	LIHTC; HUD; USDA	2060	Low
Heritage Village Apartments	1156 San Luis Street	Los Banos	93635	49	50	LIHTC; USDA	2059	Low
Overland Court Apartments	405 Rockport Dr.	Los Banos	93635	69	70	LIHTC	2069	Low
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21	96	LIHTC; CalHFA	4/1/2024	High

Name	Address	City	Zip	Affordable Units	Total Units	Active Program(s)	Estimated Affordability End Year/Date	Risk Level
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16	80	CalHFA	9/1/2024	High
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99	99	LIHTC	2027	High
Merced Golden Manor	338 T St	Merced	95341	50	50	HUD	9/30/2030	Moderate
Merced Gardens	3299 Meadows Ave	Merced	95348	47	47	HUD	1/22/2032	Moderate
Merced Commons I	290 Q St.	Merced	95340	76	76	HUD	1/31/2025	Low*
Merced Commons II	290 Q St.	Merced	95340	71	71	HUD	9/30/2031	Low*
Gateway Terrace	410 Lesher Dr.	Merced	95340	65	66	LIHTC; CalHFA	2067	Low
Childs Avenue Apartments	1296 West First Street	Merced	95340	27	27	CalHFA	2022	Low
Alamar Apartments	218 South Canal St.	Merced	95340	24	24	LIHTC	2050	Low
Alamar Apartments II	286 South Canal Street	Merced	95340	79	80	LIHTC	2050	Low
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202	204	LIHTC	2058	Low
Sunnyside Apartments	988 D Street	Merced	95340	120	121	LIHTC	2059	Low
Sunny View Apartments	1108 D Street	Merced	95341	111	113	LIHTC	2062	Low
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74	75	LIHTC	2066	Low
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49	50	LIHTC	2073	Low
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118	119	LIHTC; HCD	2074	Low
Laurel Glen	777 Lougborough Dr	Merced	95348	127	128	LIHTC	2055	Low
Homekey CC915 Merced	73 South R Street	Merced	95341	21	21	HCD	2077	Low
Twelvethirteen	1213 V Street	Merced	95341	96	96	HCD	2077	Low
Felix Torres Year Round Center	925 N. Plainsburg Road	Unincorporated Merced	95365	53	53	USDA; HCD	7/1/2047	Low
Bear Creek Apts	1509 N. Plainsburg Road	Unincorporated Merced	95365	64	64	USDA; HCD	3/15/2060	Low
Le Grand Apartments	13171 East Brice Street	Unincorporated Merced	95333	34	35	LIHTC; USDA	2047	Low

Name	Address	City	Zip	Affordable Units	Total Units	Active Program(s)	Estimated Affordability End Year/Date	Risk Level
Casa Del Sol	9370 West Bigler Dr	Unincorporated Merced	95365	53	54	LIHTC; HCD	2052	Low

Note: All locally assisted or restricted developments may not be included in this list.

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

Source: California Housing Partnership, Inventory of Publicly Assisted Housing, 2023.

Acquisition/Rehabilitation

If these units were 100 percent deed restricted affordable housing with an expiring regulatory agreement, transferring ownership of an at-risk project to a non-profit housing provider is one of the least costly ways to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low-income restrictions can be secured, and the project would become potentially eligible for a greater range of governmental subsidies.

Under AB 1521, there are now prescribed steps for owners of deed-restricted properties to take prior to the expiration of those affordability requirements. This law requires that the owner consider an offer to purchase the deed-restricted units. Since only a portion of the property has deed-restricted units, it is unclear how a transaction like this could occur. Also, the feasibility of this option depends on funding sources to buy and potentially rehabilitate the property which might be challenging since it is not a 100 percent deed-restricted property.

Another option to preserve the affordability of this at-risk project is to support a Joint Power Authorities purchase of the property. If this option is exercised, it would require deed restrictions for 100 percent of the residential units but also allows for bond financing that would allow the owner to maintain the project as affordable housing.

Construction of Replacement Units

To understand the significance if these at-risk units are lost from the supply of city affordable housing, Chapter 3: Housing Constraints includes a hypothetical analysis that identifies the cost of construction of new regulated housing to replace these at-risk units if they are converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e., square footage and number of bedrooms), location, land costs, and type of construction, as discussed in the Non-governmental Constraints section of Chapter 3: *Housing Constraints*. Based on recent projects, the cost of construction in the county is estimated to be between $400,000 and $675,000 per unit, including land costs and administrative costs.[6] The total cost to replace the 136 high-risk affordable units with new construction would be between $54,000,00 and $91,000,000.

Rental Subsidies

The Housing Authority of Merced County provides rental assistance to very low and moderate-income families, seniors and the handicapped throughout the county. The Housing Authority offers many different programs, including the conventional public housing program, the housing choice voucher program, the farm labor program for families with farm labor income, senior housing programs, and other housing programs. All programs are handicap accessible. Reasonable accommodation may be requested from Housing Authority staff and will be reviewed on a case-by-case basis. A detailed list of rental assistance programs offered throughout the county are provided below.

[6] Central Valley Voice, *City of Merced Affordable Housing Project Update*, October 1, 2022, https://centralvalleyvoice.com/2023/02/22/city-of-merced-affordable-housing-project-update/ accessed June 2023.

- **Housing Choice Voucher Program.** The Housing Authority of the County of Merced administers Housing Choice Vouchers through the Department of Housing and Urban Development. Merced County currently administers 2,705 Housing Choice Vouchers.
- **Conventional Public Housing Program.** The Conventional Public Housing Program provides rental assistance to low and moderate-income families and individuals. The Housing Authority owns and manages 421 public housing units consisting of a variety of apartments, duplexes, and single-family homes.
- **Project Based Voucher (PBV) Housing.** PBV is one part of the Housing Choice Voucher program and helps pay for rent in privately owned rental housing in select privately-owned buildings or units.
- **Migrant Housing Centers.** The Housing Authority manages four Migrant Centers throughout Merced County. All units are furnished with a stove, refrigerator, beds, kitchen table, chairs, and all utilities are included in the cost of rent.
- **HUD Veterans Affairs Supportive Housing (VASH).** The VASH program provides voucher rental assistance through HUD funding specifically for qualifying homeless veterans.
- **Emergency Housing Vouchers (EHV).** The EHV Program is a tenant-based voucher program providing housing vouchers to people experiencing homelessness, people at risk of homelessness, people fleeing domestic violence, and people recently experiencing homelessness.

Qualified entities identified by HCD within Merced County include:

- ACLC, Inc.
- Eskaton Properties Inc.
- ROEM Development Corporation
- Self-Help Enterprises
- Volunteers of America National Services

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3 Regional Housing Constraints Analysis

Actual or potential constraints to the provision of housing affect the development of new housing and the maintenance of existing units for all income levels. State housing element law requires cities and counties to review both governmental and non-governmental constraints to the maintenance and production of housing for all income levels. Since local governmental actions can restrict the development and increase the cost of housing, state law requires the housing element to "address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Government Code Section 65583(c)(3)). The housing element must also analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities.

Non-governmental constraints are not specific to each community and are described in this section at the regional level. Governmental constraints, on the other hand, are specific to each local government and are described only generally in this section. The appendices contain a more detailed governmental constraints analysis for each local government.

3.1 Non-Governmental Constraints

The availability and cost of housing is strongly influenced by market forces over which local governments have little or no control. Nonetheless, state law requires that the housing element contain a general assessment of these constraints, which can serve as the basis for actions to offset their effects. The primary non-governmental constraints to the development of new housing are land costs, construction costs, and availability of financing. This section also addresses environmental constraints that might affect housing development.

3.1.1 Land Costs

The cost of land can be a major impediment to the production of affordable housing. Land costs are influenced by many variables, including land scarcity and developable density (both of which are indirectly controlled through governmental land use regulations), location, site constraints, and the availability of public utilities. As shown in Table 3-1 and Table 3-2 larger sites (over 10 acres) have a much lower cost-per-acre in both the cities and unincorporated areas.

Table 3-1 summarizes land prices for properties available for sale in August 2023. Data indicates that the price per acre for small parcels in incorporated areas is significantly higher than large parcels in both incorporated and unincorporated areas. Small parcels range from 0.06 acres to 9.7 acres and have an average listed price of $620,389.39 per acre in incorporated areas and $209,575.81 per acre in unincorporated areas. Large parcels range from 11.8 to 1,000.2 acres and have an average listed price per acre of $313,157.89 in incorporated areas and $119,282.49 in unincorporated areas. The average list price for small and large parcels is $598,444.28 per acre in incorporated areas and $119,282.49 in unincorporated areas.

Table 3-1 Listed Land Prices – Merced County

Lot Size	Average Price Per Acre (Listed)	
	Incorporated	Unincorporated
Less than 10 acres	$620,389.39	$209,575.81
10 or more acres	$313,157.89	$57,011.23
Average $/acre	$598,444.28	$119,282.49

Source: Zillow, Inc., 2023.

Table 3-2 includes the average prices paid for land per acre in the county in 2022. Average prices for land sold were less for both small parcels and for large parcels when compared to prices for currently listed land. Small parcels range from 0.1 acres to 8.0 acres and have an average sale price of $459,598 per acre in incorporated areas and $369,403.24 in unincorporated areas. Large parcels range from 11.8 to 79.6 acres and have an average sale price of $44,526.60 per acre in unincorporated areas. No land over 10 acres in size has been sold in incorporated areas of the county in the year 2022. The average list price for all parcels combined is $459,598.50 per acre in incorporated areas and $241,739.75 in unincorporated areas.

Table 3-2 Sold Land Prices – Merced County

Lot Size	Average Price Per Acre (Sold)	
	Incorporated	Unincorporated
Less than 10 acres	$459,598.50	$369,403.24
10 or more acres	No Available Data	$44,526.60
Average $/acre	$459,598.50	$241,739.75

Source: Zillow, Inc., June 2023.

3.1.2 Construction Costs

Construction costs can be broken down into two primary categories: materials and labor. A major component of the cost of housing is the cost of building materials, including wood and wood-based products, cement, asphalt, roofing materials, and pipe. The availability and demand for such materials affect prices for these goods.

Another major cost component of new housing is labor. The cost of labor in Merced County is comparatively low because the area's cost of living is relatively low compared to other areas in California. However, labor for government subsidized housing work is costly for the Central Valley, as wages are rooted in the required state labor standards based on higher northern and southern California prevailing wages.

Based on recent affordable multi-family projects, the cost of construction in the county is estimated to be between $400,000 and $675,000 per unit.[1] This estimate includes direct and indirect (e.g., insurance, permits, utilities, plans) construction costs, including material, labor, and equipment costs, the price of land, development impact fees, and administrative costs.

[1] Central Valley Voice, City of Merced Affordable Housing Project Update, October 1, 2022, https://centralvalleyvoice.com/2023/02/22/city-of-merced-affordable-housing-project-update/. Accessed June 2023.

Table 3-3 shows the estimated cost of constructing a basic 1,500 square foot single family home to be $300,252.19 in incorporated areas of the county and $243,977.58 in unincorporated areas. This estimate includes construction costs such as materials, labor, and equipment costs, but does not include the price of land, development impact fees, administrative costs, or developer profit.

Table 3-3 Estimated Construction Cost

Item	Cost	
	Incorporated	Unincorporated
Material[1]	$180,151.32	$146,386.55
Labor[2]	$114,095.83	$92,711.48
Equipment[3]	$6,005.04	$4,879.55
Total	**$300,252.19**	**$243,977.58**

Notes: Based on average costs of lots and units sold in 2022 and 2023. Typical 6,000 sq. ft. residential lot and 1,500 sq. ft. single-family unit; assumed 20 percent administrative costs and developer profit (margin).

[1]: Calculated as 60 percent of cost after removing 20 percent margin.

[2]: Calculated as 38 percent of cost after removing 20 percent margin.

[3]: Calculated as two percent of cost after removing 20 percent margin.

Source: Zillow, Inc, June 2023; Mintier Harnish., 2023.

There is little that municipalities can do to mitigate the impacts of high construction costs except by avoiding local amendments to uniform building codes that unnecessarily increase construction costs without significantly adding to health, safety, or construction quality.

3.1.3 Availability of Financing

Financing for affordable housing projects and programs are available through federal, state, and local funding sources. Funding through these programs can help developers, local governments, and non-profit organizations offset the cost to build new affordable housing units, preserve or rehabilitate existing affordable housing, and fund programs that offer homebuyer assistance to low-income households.

Mortgage interest rates have a large influence over housing affordability. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford. Lower interest rates result in a lower cost and lower monthly payments for the homebuyer. As shown in Figure 3-1, in the past 10 years mortgage rates across the United States remained relatively steady (between 3.5 and 4.8 percent through 2019, then dropped below three percent between 2020 and 2021). During 2022, mortgage rates increased significantly, reaching a high of 7.08 percent for a 30-year fixed-rate mortgage at the end of 2022. As shown in Figure 3-1 below, in 2023, mortgage rates started to decline slightly, but have since rebounded, making it difficult for households to purchase a home.

When interest rates rise, the market typically compensates by decreasing housing prices. Similarly, when interest rates decrease, housing prices begin to rise. There is often a lag in the market, causing housing prices to remain high when interest rates rise until the market catches up. Lower-income households often find it most difficult to purchase a home during this period.

Figure 3-1 Historical Mortgage Rates in the United States (2013-2023)



Source: Freddie Mac Primary Mortgage Market Survey.

Interest rates are determined by national policies and economic conditions and there is little that a local government can do to affect these rates. However, to extend homebuying opportunities to lower-income households, jurisdictions can offer interest rate write-downs. Additionally, government insured loan programs may be available to reduce mortgage down payment requirements.

High interest rates can also affect the cost of development. Where financing is available, construction capital seems to be directed at the best transactions—those with large, established, and well-capitalized sponsors. Given recent trends of increasing interest rates, the availability of financing is likely to be more of a constraint on new housing construction during this Housing Element planning period than it has been in the recent past.

Mortgage and Rehabilitation Financing

In 2022, the most recent data set available for the County of Merced, shows that 10,760 households applied for a home financing loan which includes loans for home purchase, home improvement, and refinancing. Table 3-4 shows that of the total applications received for home purchase, 47.7 percent of the loans originated while 15.7 percent were denied. The term “Loan Origination” refers to the entire process of receiving a mortgage for a home purchase, including all steps from the loan application to the dispersal of funds. A loan becomes originated once all purchase loan documents have been completed in full and funds are approved to be dispersed.

Table 3-4 Loan Purpose and Action Taken

Loan Action	Home Purchase (% of total)	Home Improvement (% of total)	Refinancing (% of total)	Other (% of total)	Total (% of total)
Loan Originated	2,700 (25.1%)	258 (2.4%)	526 (4.9%)	1,651 (15.3%)	5,135 (47.7%)
Application Approved but not Accepted	160 (1.5%)	24 (0.2%)	43 (0.4%)	101 (0.9%)	328 (3.0%)
Application Denied	325 (3.0%)	266 (2.5%)	232 (2.2%)	861 (8.0%)	1,684 (15.7%)
Application Withdrawn	707 (6.6%)	58 (0.5%)	294 (2.7%)	689 (6.4%)	1,748 (16.2%)
Purchased Loan	840 (7.8%)	9 (0.1%)	82 (0.8%)	252 (2.3%)	1,183 (11.0%)
Other	133 (1.2%)	56 (0.5%)	137 (1.3%)	356 (3.3%)	682 (6.3%)
Total Loans	**4,865 (45.2%)**	**671 (6.2%)**	**1,314 (12.2%)**	**3,910 (36.3%)**	**10,760 (100.00%)**

Source: FFIEC Home Mortgage Disclosure Act. 2022 Dataset

Conventional loans are made by the private sector (banks, mortgage companies, etc.) and are not guaranteed or insured by the U.S. government. Conversely, government-backed loans, such as those issued by the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and the Rural Housing Services/Farm Service Agency (RHA/FSA), are completely or partially insured by the U.S. government. Within the County 8,028 of the applications received were for conventional loans and 2,732 were for government backed loans. Table 3-5 shows that 37 percent of the conventional loans originated, and 12.6 percent of the applications were denied. The table also shows that 10.7 percent of the government backed loans originated and 3.1 percent of the applications were denied.

County data shows that the white racial group has the highest amount of loans originated (2,819). The white racial group also had the highest percentage of loans originated (55.1 percent) when looking at the total of loans received within each racial group's share of applications received. Within ethnic groups, Hispanic or Latino made up 37.2 percent of the total applications of loans received while Non-Hispanic or Latino made up 31.6 percent. Of the share of Hispanic or Latino ethnicity that applied, 53.0 percent of loans originated and 17.7 percent were denied. Of the Non-Hispanic or Latinos that applied, 53.1 percent of loans originated and 16.7 percent were denied.

Table 3-5 Loan Action and Loan Type

Loan Type	Conventional Loan	Government Backed Loan
Loan Originated	3,979 (37.0%)	1,156 (10.7%)
Application Approved but not Accepted	237 (2.2%)	91 (0.8%)
Application Denied	1,355 (12.6%)	329 (3.1%)
Application Withdrawn	1,281 (11.9%)	467 (4.3%)
Other	1,176 (10.9%)	689 (6.4%)
Total Loans	**8,028 (74.6%)**	**2,732 (25.4%)**

Source: FFIEC Home Mortgage Disclosure Act. 2022 Dataset

Table 3-6 Race and Loan Action

Racial Group	Loan Originated	Application Approved but Not Accepted	Application Denied	Application Withdrawn	Purchased Loan	Other	Total
2 or more Minority Races	9 (39.1%)	1	9 (39.1%)	2	1	1	23
American Indian or Alaska Native	44 (37.9%)	4	36 (31.0%)	15	3	14	116
Asian	596 (54.6%)	31	172 (15.8%)	201	52	40	1,092
Black or African American	116 (49.4%)	8	51 (21.7%)	46	1	13	235
Native Hawaiian or Other Pacific Islander	34 (45.3%)	0	19 (25.3%)	19	0	3	75
White	2,819 (55.1%)	161	814 (15.9%)	898	69	351	5,112
Other	1,517 (36.1%)	123	583 (14.2%)	567	1,057	260	4,107

Source: FFIEC Home Mortgage Disclosure Act. 2022 Dataset

Table 3-7 Ethnicity and Loan Action

Ethnicity	Loan Originated	Application Approved but Not Accepted	Application Denied	Application Withdrawn	Purchased Loan	Other	Total
Hispanic or Latino	2,122 (53.0%)	133	707 (17.7%)	695	48	297	4,002
Not Hispanic or Latino	1,806 (53.1%)	102	568 (16.7%)	635	82	205	3,398
Joint	209 (59.9%)	15	41 (11.7%)	52	9	23	349
Ethnicity not Available	996 (33.1%)	78	367 (12.2%)	366	1,044	157	3,008

Source: FFIEC Home Mortgage Disclosure Act. 2022 Dataset

3.2 Governmental Constraints

City policies and regulations can impact the feasibility and cost of housing development. Policies and regulatory actions include land use controls, development standards, site improvement requirements, building codes, and development fees. The following section describes these governmental constraints.

3.2.1 Land Use Controls

Land use controls provided in the general plan and the zoning code influence housing production in several ways. The permitted and conditionally permitted uses in each district guide new development and provide both developers and the public with an understanding of how vacant land will develop in the future. This includes the density of development that will occur within a particular zone, the compatibility of planned uses in each area, and the range and type of buildings and uses that will be located throughout the city or the county.

3.2.1.1 General Plan

Each city and county in California must prepare a comprehensive, long-term general plan to guide growth and development. The land use element of the general plan must contain land use designations, which establish the basic allowed land uses and density of development for the different ranges and areas within the jurisdiction. Under state law, zoning districts must be consistent with the general plan land use designations. The general plan land use designations must provide suitable locations and densities to accommodate each jurisdiction's regional housing needs allocation (RHNA) and implement the policies of the housing element.

3.2.1.2 Zoning Code

Land use controls provided in the zoning code influence housing production in several ways. The permitted and conditionally permitted uses in each district guide new development and provide both developers and the public with an understanding of how land will develop in the future. This includes the density of development that will occur within a particular zone, the compatibility of planned uses in a given area, and the range and type of buildings and uses that will be located throughout the jurisdiction.

Local governments regulate the type, location, and scale of residential development primarily through the zoning code. The zoning code implements the general plan. It contains development standards for each zoning district consistent with the land use designations of the general plan.

3.2.2 Residential Development Standards

Each jurisdiction's zoning code contains development standards for each zoning district. These standards vary by jurisdiction, but typically include density, parking requirements, lot coverage, height limits, lot size requirements, setbacks, and open space requirements. The Housing Element must analyze whether development standards impede the ability to achieve maximum allowable densities.

3.2.2.1 Parking

Parking requirements may present a constraint to housing by reducing the amount of available lot areas for residential development. Specific parking constraints within the participating jurisdictions are discussed in their respective Housing Constraints appendices.

3.2.2.2 Open Space and Park Requirements

Open space and park requirements can decrease the affordability of housing by increasing developer fees and/or decreasing the amount of land available on a proposed site for constructing units. Some jurisdictions require that park space is set aside in new subdivisions, or that developers pay a fee in lieu of providing parks. If such requirements are too onerous or expensive to implement, they can constrain a developer's ability to develop housing.

3.2.2.3 Density Bonus

A density bonus allows a parcel to accommodate additional residential units beyond the maximum for which the parcel is zoned. California density bonus law (Government Code Section 65915) establishes the following minimum affordability requirements to qualify for a density bonus:

- The project is eligible for a 20 percent density bonus if at least five percent of the units are affordable to very low-income households, or 10 percent of the units are affordable to low-income households.
- The project is eligible to receive a five percent density bonus if 10 percent of for-purchase units are affordable to moderate-income households.

A project can receive additional density based on a sliding scale. A developer can receive the maximum density bonus of 50 percent when the project provides either 15 percent very low-income units, 24 percent low-income units, or 44 percent moderate-income units.

Density bonus law also requires cities and counties to grant a certain number of incentives depending on the percentage of affordable units developed. Incentives include reductions in zoning standards, reductions in development standards, reductions in design requirements, and other reductions in costs for developers. Projects that satisfy the minimum affordable criteria for a density bonus are entitled to one incentive from the local government. Depending on the amount of affordable housing provided, the number of incentives can increase to a maximum of three incentives from the local government. If a project uses less than 50 percent of the permitted density bonus, the local government must provide an additional incentive.

Additionally, density bonus law provides density bonuses to projects that donate land for residential use. The donated land must satisfy all the following requirements:

- The land must have general plan designations and zoning districts that allow for the construction of very low-income affordable units as a minimum of 10 percent of the units in the residential development;
- The land must be a minimum of one acre in size or large enough to allow development of at least 40 units; and
- The land must be served by public facilities and infrastructure.

Density bonus law also imposes statewide parking standards that a jurisdiction must grant upon request from a developer of an affordable housing project that qualifies for a density bonus. These parking standards are summarized in Table 3-8. These numbers are the total number of parking spaces including guest parking and handicapped parking. The developer may request these parking standards even if they do not request the density bonus.

Table 3-8 Statewide Density Bonus Parking Standards

Number of Bedrooms	Required On-Street Parking (spaces)
0 to 1 bedroom	1.0
2 to 3 bedrooms	1.5
4 or more bedrooms	2.5

Source: California Government Code, Section 65915.

3.2.2.4 On- and Off-Site Improvement Standards

On/off-site improvement standards establish infrastructure or site requirements to support new residential development such as streets, sidewalks, water, sewer, drainage, curbs, and gutters, street signs, park dedications, utility easements, and landscaping. While these improvements are necessary to ensure public health and safety and that new housing meets the local jurisdiction's

development goals, the cost of these requirements can sometimes represent a significant share of the cost of producing new housing.

Although improvement requirements and development fees increase the cost of housing, jurisdictions have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements.

3.2.3 Provision of a Variety of Housing Types

State Housing Element Law (Government Code Section 65583(c)(1) and 65583.2(c)) requires that local governments analyze the availability of sites that will facilitate and encourage the development of a variety of types of housing for all income levels, including multi-family rental housing, factory-built housing, mobile homes, housing for farmworkers and employees, emergency shelters, transitional and supportive housing, single-room occupancy (SRO) units, group homes and residential care facilities, and accessory dwelling units.

3.2.3.1 Manufactured Housing

Manufactured housing can serve as an alternative form of affordable housing in low-density areas where the development of higher-density multi-family residential units is not allowed or not feasible because of infrastructure constraints. California Government Code Sections 65852.3 and 65852.4 specify that a jurisdiction must allow manufactured homes on a foundation on all "lots zoned for conventional single family residential dwellings." Permanently sited manufactured homes built to the HUD Code are subject to the same rules as site-built homes, except architectural requirements concerning the manufactured home's roof overhang, roofing materials, and siding materials may be imposed.

The only two exceptions that local jurisdiction are allowed to make to the manufactured home siting provisions are if: 1) there is more than 10 years difference between the date of manufacture of the manufactured home and the date of the application for the issuance of an installation permit; or 2) if the site is listed on the National Register of Historic Places and regulated by a legislative body pursuant to Government Code Section 37361.

3.2.3.2 Accessory Dwelling Units

An accessory dwelling unit (ADU) is an additional self-contained living unit either attached to or detached from the primary residential unit on a single lot. It has cooking, eating, sleeping, and full sanitation facilities. ADUs can be an important source of affordable housing since they can be constructed relatively cheaply and have no associated land costs. They can also provide supplemental income to the homeowner, allowing the elderly to remain in their homes or moderate-income families to afford a home.

To encourage ADUs, state law requires cities and counties to adopt an ordinance authorizing ADUs to be allowed ministerially and by right in any zoning district which allows either single-family or multi-family residential uses. Local governments are precluded from prohibiting ADUs in residentially zoned areas or zones which allow either single-family or multi-family residential uses.

3.2.3.3 Multi-Family Housing

Multi-family housing includes duplexes, apartments, condominiums, or townhomes, and is the primary source of affordable housing.

3.2.3.4 Group Homes / Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Lanterman Act) sets out the rights and responsibilities of persons with developmental disabilities. A state-authorized, certified, or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a day basis must be considered a residential use that is permitted in all residential zones. Group homes and residential care facilities with seven or more residents must be allowed by right in all residential zones. .

3.2.3.5 Emergency Shelters

Emergency shelters are defined as:

> "Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay."

Government Code Section 65583 requires every jurisdiction in California to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit. To address this requirement, a local government may amend an existing zoning district, establish a new zoning district, or establish an overlay zone. The zone(s) must provide sufficient opportunities for new emergency shelters to meet the homeless need identified in the analysis and must in any case accommodate at least one year-round emergency shelter. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial use within the same zone, except the local government may apply certain objective standards, as follows:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- The size and location of exterior and interior on-site waiting and client intake areas.
- The provision of on-site management.
- The proximity to other emergency shelters if emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

Chapter 654, Statutes of 2022 (AB 2339), adds additional specificity on how cities and counties plan for emergency shelters and ensure sufficient capacity for low-income housing in their housing elements.

3.2.3.6 Low-Barrier Navigation Centers

Government Code Section 65662 requires that the development of low-barrier navigation centers be allowed as a use by right in zones where mixed uses are allowed or in nonresidential zones that permit multi-family housing. For a navigation center to be considered "low barrier," its operation

should incorporate best practices to reduce barriers to entry, which may include, but are not limited to, the following:

- Permitting the presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.
- Pets.
- Ability to store possessions.
- Providing privacy, such as private rooms or partitions around beds in a dormitory setting or in larger rooms with multiple beds.

3.2.3.7 Transitional and Supportive Housing

State law requires cities and counties to treat transitional housing and supportive housing as a residential use and allow transitional and supportive housing in all zones that allow residential uses, subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments; and typically offers case management and support services to help return people to independent living (often six months to two years). State law (Government Code Section 65582 (j)) defines transitional housing as:

> "Transitional housing" means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special needs populations. Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments. State law (Government Code Section 65582 (g)) defines supportive housing as:

> "Supportive housing" means housing with no limit on length of stay, that is occupied by the target population and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

State law (Government Code Section 65582 (i)) defines the target population as:

> "Target population" means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

3.2.3.8 Farmworker Housing / Employee Housing Act

The Employee Housing Act (Health and Safety Code Section 17021.6) requires that any employee housing consisting of no more than 36 beds in group quarters or 12 units or spaces designed for use by a single family or household, shall be deemed an agricultural land use. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located. Under Assembly Bill 1783, certain multi-family farmworker housing projects are allowed to be approved with a streamlined, ministerial approval process. Eligible farmworker housing must be located on agricultural land which is not environmentally sensitive or subject to certain hazards and must meet other eligibility requirements pursuant to Health and Safety Code Section 17021.8.

3.2.3.9 Single-Room Occupancy Units

Single-room occupancy (SRO) units means a living or efficiency unit, as defined by California Health and Safety Code section 17958.1, intended or designed to be used as a primary residence by not more than two persons for a period of more than 30 consecutive days and having either individual bathrooms and kitchens or shared bathrooms and/or kitchens. SRO units can provide affordable private housing for lower-income individuals, seniors, and persons with disabilities. These units can also serve as an entry into the housing market for formerly homeless people.

3.2.4 On- and Off-Site Improvement Standards

On- and off-site improvement standards establish infrastructure or site requirements to support new residential development such as streets, sidewalks, water, sewer, drainage, curbs, and gutters, street signs, park dedications, utility easements, and landscaping. While these improvements are necessary to ensure public health and safety and that new housing meets the local jurisdiction's development goals, the cost of these requirements can sometimes represent a significant share of the cost of producing new housing.

Each jurisdiction-specific analysis describes specific site improvement standards for each jurisdiction. Although improvement requirements and development fees increase the cost of housing, jurisdictions have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements.

3.2.5 Housing for Persons with Disabilities

In accordance with Senate Bill 520 (Chapter 671, Statutes of 2001), jurisdictions must analyze the potential and actual governmental constraints on the development of housing for persons with disabilities.

Definition of Family

There are several state and federal rules that govern the definition of "family", including the federal Fair Housing Amendments Act of 1988, the California Fair Housing and Employment Act, the California Supreme Court case *City of Santa Barbara v. Adamson* (1980), and the California Constitution privacy clauses. The laws surrounding the definition of family have several purposes: to protect people with disabilities, to protect non-traditional families, and to protect privacy. According

to HCD and Mental Housing Advocacy Services, there are three major points to consider when writing a definition of family:

- Jurisdictions may not distinguish between related and unrelated individuals.
- The definition may not impose a numerical limit on the number of persons in a family; and
- Land use restrictions for licensed group homes for six or fewer individuals must be the same as those for single families.

3.2.5.1 Reasonable Accommodation Procedures

Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. It may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standards of the zoning code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances and must be decided on a case-by-case basis.

3.2.5.2 California Building Code

The 2022 California Building Code Title 24 regulations provide for accessibility for persons with disabilities. The Housing Element must identify the version of the Building Code adopted in each jurisdiction and whether a jurisdiction has adopted any amendments to the Code that might diminish the ability to accommodate persons with disabilities.

3.2.5.3 Zoning and Land Use Policies

Restrictive land use policies and zoning provisions can constrain the development of housing for persons with disabilities. The Housing Element must analyze compliance with fair housing laws, provisions for group homes, and whether or not jurisdictions have adopted any minimum distance requirements or other zoning procedures or policies that would limit housing for persons with disabilities.

3.2.6 Planning and Development Fees

The County collects various fees to cover the costs of processing permits and development impact fees. These include fees for planning and zoning approvals, subdivision map act approvals, environmental review, building permits, among others. Permitting fees and development impact fees are determined by the County and posted in the Master Fee Schedule online. Permitting and development fees are periodically updated and approved by a city council or County board of supervisors.

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Local governments charge various fees and assessments to cover the costs of processing permit applications and providing services and facilities, such as, parks, and infrastructure. Almost all of these fees are assessed based on the magnitude of a project's impact or on the extent of the benefit that will be derived. Additional fees and/or time may be necessary for required environmental review, depending on the location and nature of a project. A 2019 National Impact Fees Survey surveyed 37 jurisdictions in California. The study reports average impact fees of $37,471 per single-family unit and $21,703 per multi-family unit.

3.2.6.1 San Joaquin Valley Air Pollution Control District Fees

Merced County is within the regulatory jurisdiction of the San Joaquin Valley Air Pollution Control District (SJVAPCD). The air basin as a whole does not meet ambient air quality standards set at the state and federal levels and is within a "non-attainment" area for ozone, PM10 (state), and PM2.5.

As a consequence of these conditions, the SJVAPCD has implemented an Indirect Source Review (ISR) process to reduce the impacts of growth in emissions from all new land development. An Air Impact Assessment (AIA) and potential mitigation fees are required for residential projects with 50 or more dwelling units and when there is discretionary approval required. Fees are also exacted by the SJVAPCD to offset emissions created by typical operational sources. These fees can add hundreds of dollars to the cost of development. However, the cost is applied to all jurisdictions in the air basin and may be eliminated for a lesser number of units or reduced with additional mitigation measures. The SJVAPCD also offers a variety of grants and incentive programs to public agencies, residents, and businesses to help offset fees.

3.2.7 Local Ordinances

3.2.7.1 Inclusionary Housing Ordinance

Implemented by local jurisdictions, inclusionary housing ordinances require developers to reserve a certain percentage of units for very low- and low-income households as a way to ensure new development incorporates affordable housing. Whether rented or sold, affordability requirements are based on the Area Median Income (AMI) with very low-income defined as household making up to 50 percent of the AMI and low-income households making between 50 and 80 percent of the AMI. Actual rents cannot exceed 30 percent of the income for the associated income group.[2]

3.2.7.2 Permit Procedures and Processing Times

The processing of applications and permits for development can increase project time and costs. Processing times vary widely from a few weeks to several months depending on the type of permit required for development and if any discretionary review is required for approval. The time required to process a project varies greatly from one project to another and is directly related to the size and complexity of the proposal and the number of actions or approvals needed to complete the process.

3.2.7.3 Short-Term Housing Rentals

Short-term housing rental ordinances regulate the ways in which residential units can be converted to short-term vacation rentals in a jurisdiction. Jurisdictions are not required to adopted short-term housing rental ordinances. However, in areas with high demand for vacation rentals, jurisdictions often adopt such policies to ensure that the existing housing stock is not diminished and that housing options are maintained throughout the community.

3.2.8 Code Enforcement

Building codes and their enforcement can increase the cost of housing and impact the feasibility of rehabilitating older properties that must be upgraded to current code standards. In this manner,

[2] California Department of Housing and Community Development, Income Limits, 2023. https://www.hcd.ca.gov/grants-and-funding/income-limits. Accessed July 2023.

building codes and their enforcement can act as a constraint on the supply of housing and its affordability.

The California Building Standards Code, Title 24, serves as the basis for the design and construction of buildings in California. State law prohibits the imposition of additional building standards that are not necessitated by local geographic, climatic, or topographic conditions, and requires that local governments making changes or modifications in building standards must report such changes to the California Department of Housing and Community Development and file an expressed finding that the change is needed.

3.3 Environmental Constraints

Typical environmental constraints to the development of housing in Merced County include flooding, earthquakes, and wildfires. In many cases, development of these areas is constrained by state and federal laws (e.g., FEMA floodplain regulations, Alquist-Priolo Act).

3.3.1 Floodplains

Official floodplain maps are maintained by the Federal Emergency Management Agency (FEMA). FEMA determines areas subject to flood hazards and designates these areas by relative risk of flooding on a map for each community, known as the Flood Insurance Rate Map (FIRM). The 100-year flood is defined as the flood event that has a one percent chance of occurring in any given year.

Principal flooding problems exist in the central portion of the county, as identified by FEMA. The primary cause of local flooding is due to the drainage patterns that flow towards the San Joaquin River Basin and Merced County. The numerous tributaries of the San Joaquin—the Fresno, Chowchilla, Merced, Tuolumne, Mariposa Creek, Calaveras, Mokelumne, and other rivers—flowed freely across alluvial flood plains to join the river. All of the major tributaries of the river originate in the Sierra Nevada. Most of the streams that start in the Coast Range are intermittent and contribute little to the flow of the San Joaquin. During the winter, spring, and early summer, storms, and snowmelt swell the river. A large portion of Merced County continues to be subject to inundation during flood events, as approximately 380,010 acres have been determined to be in the FEMA floodplain. Both a 100-year and 500-year flood event scenario are critical events in Merced County as the flooding would cover at least 35 to 50 percent of the County.[3]

Development within a flood zone typically is required to be protected against flood damage. FEMA requires developers to obtain a flood zone elevation certificate when they apply for their permit. These certificates require elevating the developed area (i.e., house pad) above the known flood level of that flood zone. Projects must obtain a flood zone elevation certificate, which may increase the cost of a development but is necessary to protect against flood risks.

Each jurisdiction's sites inventory identifies parcel-specific environmental constraints, including whether or not the site is within the FEMA 100-year flood zone. While residential development can certainly occur within these zones, it does add an additional constraint.

[3] Merced County, Multi-Jurisdictional Hazard Mitigation Plan 2021-2026. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf. Accessed May 2023.

3.3.2 Seismic Zones

There are a number of active and potentially active faults within and adjacent to Merced County. The nearest faults of major significance are the San Andreas to the west of Merced County, a distance of approximately 15 miles from the county line; the Hayward and Calaveras faults to the northwest; the White Wolf, Garlock, and Sierra Nevada faults to the south; and the Bear Mountain Fault Zone about five miles east of and parallel to the eastern border of Merced County. These faults have been and will continue to be the principal source of seismic activity affecting the County of Merced. The only fault known inside the County is the "Ortigalita," also known as the "Telsa-Ortigalita Fault," located in the western quarter of the County, dissecting the Coast Range in a northwesterly direction. This fault has not been active in historic times; however, there is no guarantee that it will never become active again.

There have been no records of major seismic activity originating in the county, with most epicenters in the county being below a magnitude 4.0. However, the county has been shaken by earthquakes originating elsewhere. There is documented evidence of six earthquakes that shook the area, those of 1872, 1906, 1952, 1966, 1984, and 1989. Major damage occurred in Los Banos in 1906, with minor damage recorded throughout the county from other occurrences.[4]

Although all development must consider earthquake hazards, there is no specific threat or hazard from seismic ground shaking to residential development within the county, and all new construction will comply with current local and state building codes. Between the minimal historical hazard of earthquakes in the county and the use of the most current building codes and construction techniques, earthquakes pose a less than significant danger to residential development.

3.3.3 Wildfire

A wildfire is an uncontrolled fire spreading through vegetative fuels, posing danger and destruction to property and watersheds. While wildfires are often the direct result of lightning strikes, they can be caused by downed powerlines or mechanical equipment or are the result of human activities like landscape debris burns, carelessness, or arson. Wildfires often start in undeveloped areas and public land areas, such as state and federal lands, but can spread to urban areas where structures and other human development are more concentrated. The predominant dangers from wildfires are:

- Injury or loss of life to people in the affected area; and
- The destruction of vegetation, property, wildlife.

Communities throughout California are increasingly concerned about wildfire safety as increased development in the foothills and mountain areas and subsequent fire control practices have affected the natural cycle of the ecosystem. Wildfire risk is predominantly associated with wildland-urban interface areas, a general term that applies to development adjacent to landscapes that support wildfire. However, significant wildfires can also occur in heavily populated areas.

Both urban and wildland fires conditions exist in Merced County which increases the chances for damage to property, loss of life and/or injury. In the wildland-urban interface, where development has expanded into rural, higher risk areas, fires can result in major losses of property and structures. In most of Merced County, the California Department of Forestry and Fire Protection (CAL FIRE) ranks fuel loading as low. Fuels are mainly crops and grasses. In the southwest corner, there are

[4] Merced County, Multi-Jurisdictional Hazard Mitigation Plan 2021-2026. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf. Accessed May 2023.

some brush, pine, and grass fuels, which are ranked as moderate fuel hazards, primarily in the area west of Interstate 5. Based on CAL FIRE's Fire Hazard Severity Zones, there are no areas in Merced County classified as Very High Fire Hazard Zones and the areas ranked High are primarily located west of Interstate 5.[5]

[5] Merced County, Multi-Jurisdictional Hazard Mitigation Plan 2021-2026. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf. Accessed May 2023.

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4 Regional Housing Resources Analysis

4.1 Introduction

A critical part of the Housing Element is the site inventory, which identifies a list of sites that are suitable for future residential development. State law mandates that each jurisdiction ensures availability of an adequate number of sites that have appropriate zoning, development standards, and infrastructure capacity to meet its fair share of the regional housing need at all income levels. This inventory of sites is a primary tool that assists in determining if a jurisdiction has enough available land to support its Regional Housing Needs Allocation (RHNA), given the current regulatory framework.

The following section provides an overview of the resources available to support continued development, preservation, and rehabilitation of housing in the jurisdictions throughout Merced County. This section also summarizes development trends that occurred during the 5th Cycle Housing Element period to inform the site inventory for each of the seven jurisdictions.

4.1.1 Regional Housing Needs Allocation Requirement

This update of the Merced County Multi-Jurisdictional Housing Element covers the planning period of January 2023 through January 2031 (the 6th Cycle Housing Element). The Merced County Association of Governments (MCAG) is responsible for preparing the RHNA for the Merced County region based on recent growth trends, income distribution, and capacity for future growth. Each jurisdiction must identify adequate land with appropriate zoning and development standards to accommodate its assigned share of the region's housing needs. Merced County's combined regional future housing need is 22,620 total units. The number of units is distributed among five income categories and among each jurisdiction, as shown below in Table 4-1.

Table 4-1 Merced County Regional Housing Needs Determination Allocation

Jurisdiction	Total RHNA Allocation Units	Very Low-Income Allocation		Low-Income Allocation		Moderate-Income Allocation		Above Moderate-Income Allocation	
		Units	Percent of Total RHNA	Units	Percent of Total RHNA	Units	Percent of Total RHNA	Units	Percent of Total RHNA
Atwater	3,017	768	25.5%	526	17.4%	508	16.8%	1,215	40.3%
Dos Palos	261	56	21.5%	39	14.9%	49	18.8%	117	44.8%
Gustine	346	77	22.3%	53	15.3%	64	18.5%	152	43.9%
Livingston	1,097	311	28.4%	213	19.4%	169	15.4%	404	36.8%
Los Banos	3,132	719	23.0%	493	15.7%	566	18.1%	1,354	43.2%
Merced	10,517	2,543	24.2%	1,742	16.6%	1,838	17.5%	4,394	41.8%
Unincorporated County	4,250	1,042	24.5%	714	16.8%	736	17.3%	1,758	41.4%
Total	**22,620**	**5,5166**	**24.4%**	**3,780**	**16.7%**	**3,930**	**17.4%**	**9,394**	**41.5%**

In addition to identifying available land to accommodate their share of the RHNA, jurisdictions must identify adequate land with appropriate zoning and development standards. Jurisdictions can use planned and approved projects, estimated accessory dwelling unit (ADU) production, and vacant and underutilized sites to accommodate the RHNA. In addition, jurisdictions may also identify sites in non-residential zones to be rezoned to help reach RHNA numbers. Each of these topics are addressed further in each jurisdiction's *Housing Resources* section.

4.2 Development Trends

Development trends inform the assumptions behind each jurisdiction's site inventory. Example projects described in this section provide the basis for assumed densities and the suitability of both vacant and underutilized sites included in jurisdictional sites inventories.

During the previous housing cycle, all developments were on previously vacant or underutilized land throughout the region. Two out of the 17 sites discussed in this section included affordable housing units; all other developments were mostly market-rate single-family homes. The densities of these projects range from 1.64 to 51.34 dwelling units per acre. Of the affordable housing mentioned in Section 4.2, *Development Trends*, the average density was around 8.8 dwelling units per acre. Projects located in low-density residential zones averaged 67 percent density achieved, projects located in medium-density residential zones averaged 60 percent density achieved, and projects in high-density residential zones achieved 84 percent of allowable density. Table 4-2 summarizes the allowable density and achieved density for each project. In some cases, the percent density achieved is higher than 100 percent. A higher percentage is likely due to density bonuses provided by the jurisdiction.

Table 4-2 Development Trends for Recent Projects

Project Name	Total Units	Site Acreage	Achieved Density (du/ac)	Zoning District	Allowable Density (du/ac)	Number of units allowed	Percent Density Achieved	Affordability
Bell Crossing	188	40.43	4.65	Single-Family (low density)	5.81	234.90	80%	Market-rate
Nebela Drive Planned Development	127	28.34	4.48	Single-Family (low density)	5.81	164.66	77%	Market-rate
Sandstone Way Planned Development	122	30.85	3.95	Single-Family (low density)	5.81	179.24	68%	Market-rate
Pollitt Court Planned Development	11	2.33	4.72	Single-Family (low density)	5.81	13.54	81%	Market-rate
Connor Avenue	33	7.64	4.32	Single-Family (medium density)	7.3	55.77	59%	Market-rate

Project Name	Total Units	Site Acreage	Achieved Density (du/ac)	Zoning District	Allowable Density (du/ac)	Number of units allowed	Percent Density Achieved	Affordability
Stocking Street	44	9.83	4.48	Single-Family (medium density)	7.3	71.76	61%	Market-rate
North Avenue Developments	5	3.04	1.64	Single-Family (low density)	3.5	10.64	47%	Market-rate
Manzanita	213	51.33	4.15	Single-Family (low density)	7.5	384.98	55%	Market-rate
Sundance Village	97	21.63	4.48	Single-Family (low density)	7.5	162.23	60%	Market-rate
Overland Court Apartments	70	4.68	14.96	Multi-Family (high density)	30	140.40	50%	Market-rate
The Villas	231	58.95	3.92	Single-Family (medium density)	6	353.70	65%	Market-rate
Sunrise Ranch	197	43	4.58	Single-Family (low density)	6	258.00	76%	Market-rate
Westbrook	162	37.81	4.28	Single-Family (low density)	6	226.86	71%	Market-rate
Retreat Apartments	119	5.07	23.47	Multi-Family (medium density)	24	121.68	98%	Very Low Income and Low Income
Twelve Thirteen V Street Housing Project	96	1.87	51.34	Multi-Family (high density)	30	56.10	171%	Very Low Income
Lantana	99	20.6	4.81	Single-Family (low density)	8	164.80	60%	Market-rate
Stoneridge South	160	29.75	5.38	Single-Family (low density)	30	892.50	18%	Market-rate
Average	**116**	**23.36**	**8.80**		**11.5**	**205.40**	**70%**	

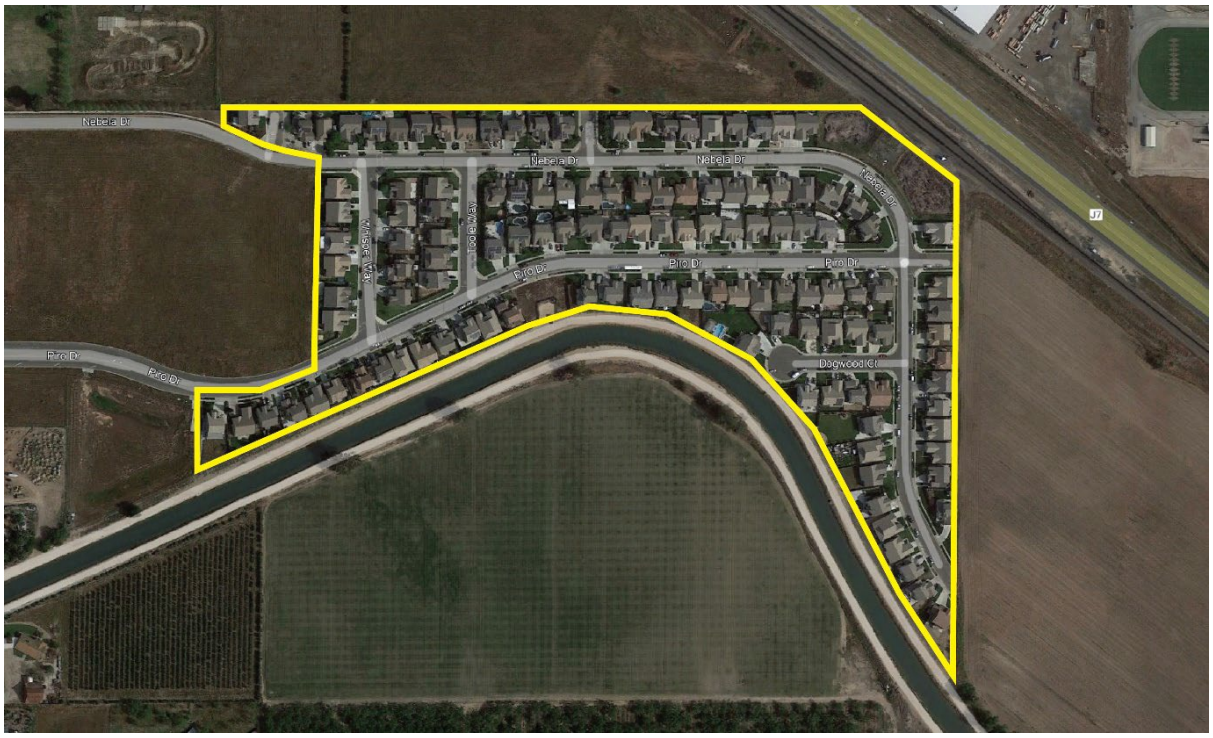
Bell Crossing



APN:	Varies	**Developer:**	D.R. Horton
Location:	Bell Drive & Truckee Drive, Atwater	**Year Built:**	2019
Development Type:	Low-density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	40.43 ac	**FAR/Density:**	0.28/4.65 dwelling units per acre

Bell Crossing is a suburban neighborhood located in the western portion of Atwater at the intersection of Bell Drive and Truckee Drive. This gated community was developed in 2019 and features 188 single-family homes and two neighborhood parks. This project is in a single-family zone which allows a maximum density of 5.81 units per acre, meaning the maximum unit capacity on this site would be approximately 235 units. Since this project was developed with 188 units, the project achieved 80 percent of allowable density.

Nebela Drive Planned Development



APN:	Varies	**Developer:**	–
Location:	Nebula Drive & N Buhach Road, Atwater	**Year Built:**	2015
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	28.34 ac	**FAR/Density:**	0.27/4.48 dwelling units per acre

The planned development located along Nebela Drive is in the eastern-most part of Atwater, just east of N Buhach Road. As of 2022, the neighborhood features 127 single-family homes. This development is in a single-family zone which allows a maximum density of 5.81 units per acre, meaning the maximum unit capacity on this site would be approximately 165 units. Since this project was developed with 127 units, the project achieved 77 percent of allowable density.

Sandstone Way Planned Development



APN:	Varies	**Developer:**	–
Location:	Stone Creek Drive & E Bellevue Road, Atwater	**Year Built:**	2017
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	30.85 ac	**FAR/Density:**	0.32/3.95 dwelling units per acre

The planned development along Sandstone Way is a suburban neighborhood located in the east-central portion of Atwater, south of E Bellevue Road. This neighborhood was built in 2017 and features 122 single-family homes. This project is in a single-family zone which allows a maximum density of 5.81 units per acre, meaning the maximum unit capacity on this site would be approximately 179 units. Since this project was developed with 122 units, the project achieved 68 percent of allowable density.

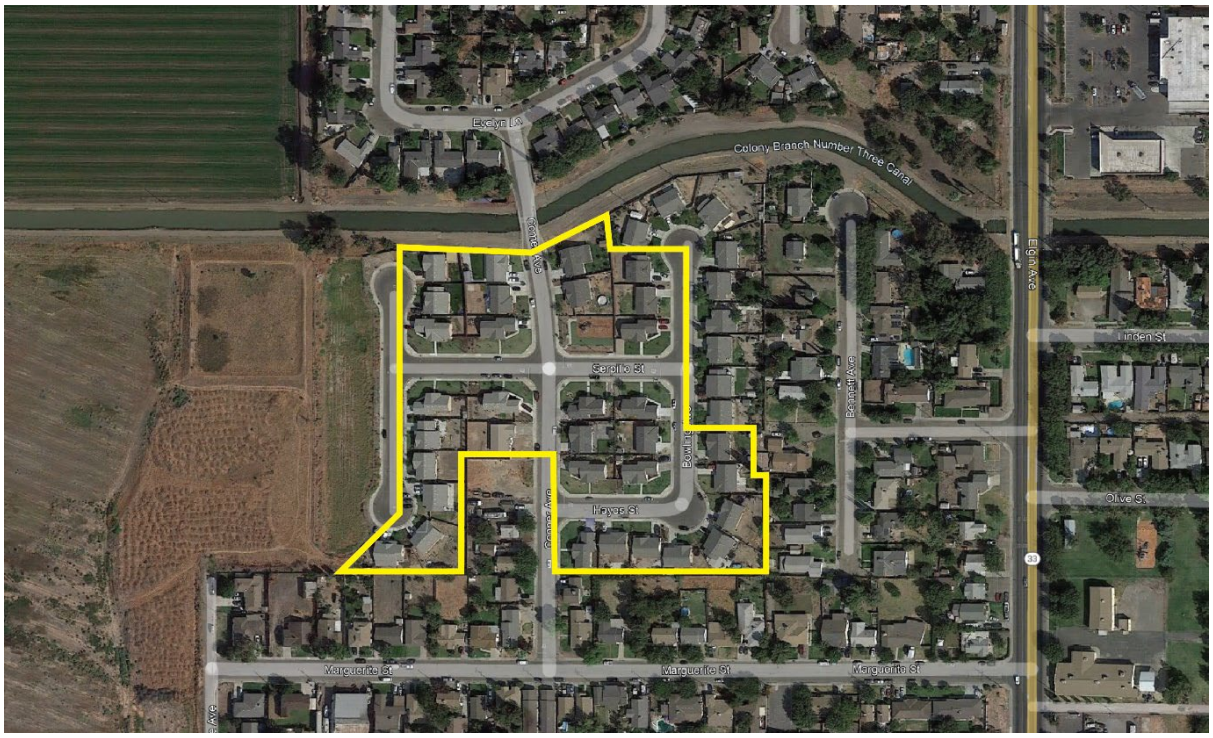
Pollitt Court Planned Development



APN:	Varies	**Developer:**	–
Location:	Pollitt Court & E Juniper Ave, Atwater	**Year Built:**	2017
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	2.33 ac	**FAR/Density:**	0.28/4.72 dwelling units per acre

The Pollitt Court planned development is located in the center of Atwater, near the intersection of E Juniper Avenue and Shaffer Road. This cul-de-sac features 11 single-family homes along a main arterial street built in 2017. This development is in a single-family zone which allows a maximum density of 5.81 units per acre, meaning the maximum unit capacity on this site would be approximately 13 units. Since this project was developed with 11 units, the project achieved 81 percent of allowable density.

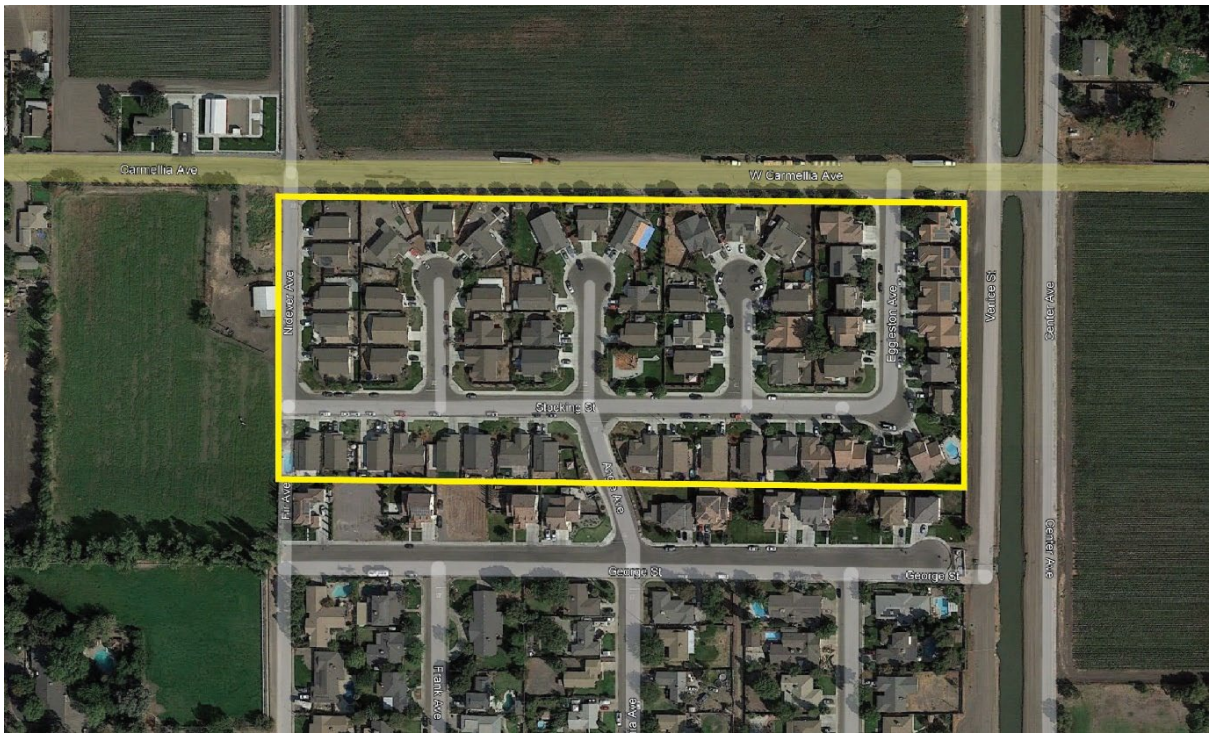
Connor Avenue



APN:	Varies	**Developer:**	–
Location:	Connor Avenue & Marguerite Street, Dos Palos	**Year Built:**	2017
Development Type:	Medium density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	7.64 ac	**FAR/Density:**	0.22/4.32 dwelling units per acre

The development located along Connor Avenue is in the western portion of Dos Palos, west of Elgin Avenue. This neighborhood features 33 single-family homes built in 2017. This project is in a single-family zone which allows a maximum density of 7.3 units per acre, meaning the maximum unit capacity on this site would be approximately 56 units. Since this project was developed with 33 units, the project achieved 59 percent of allowable density.

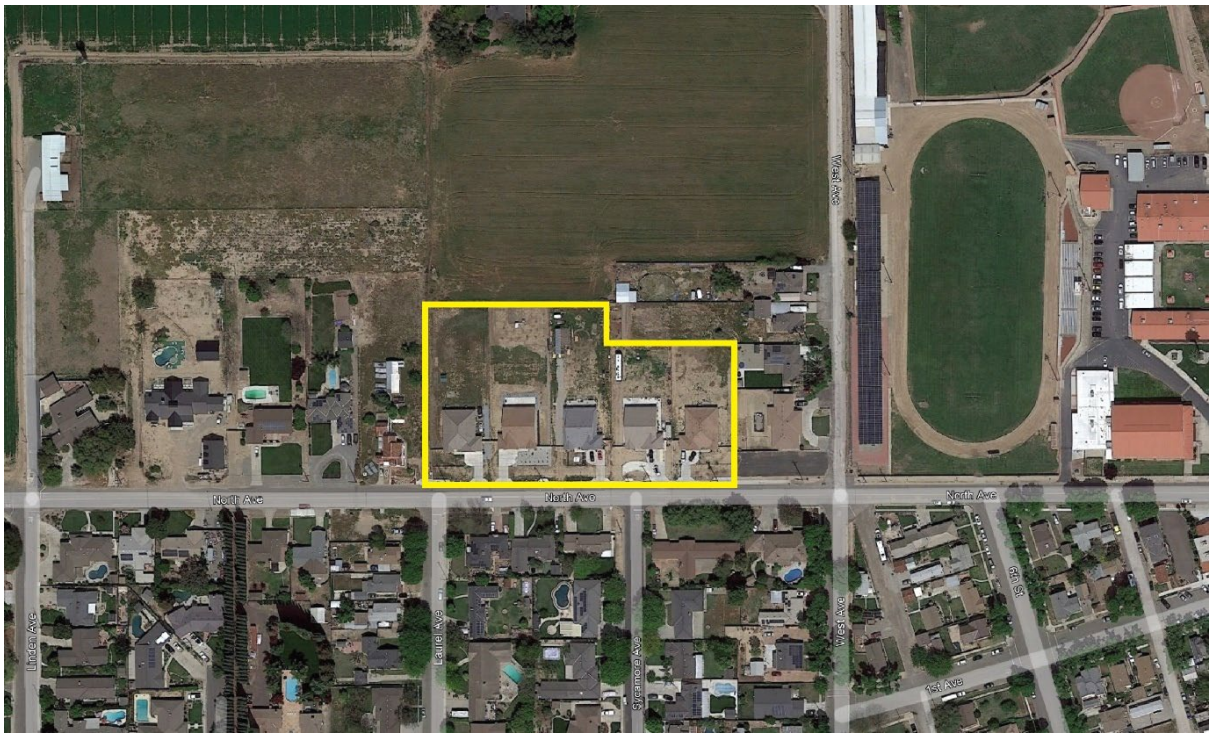
Stocking Street



APN:	Varies	**Developer:**	–
Location:	W Carmellia Avenue & Nidever Avenue, Dos Palos	**Year Built:**	2017
Development Type:	Medium density, single-family residential	**Previous Use:**	Agriculture
Parcel Size:	9.83 ac	**FAR/Density:**	0.22/4.48 dwelling units per acre

The development located along Stocking Street is in the northern-most portion of Dos Palos, south of Carmellia Drive. This neighborhood was built in 2017 and features 44 single-family homes. This project is in a single-family zone which allows a maximum density of 7.3 units per acre, meaning the maximum unit capacity on this site would be approximately 72 units. Since this project was developed with 44 units, the project achieved 61 percent of allowable density.

North Avenue Developments



APN:	Varies	**Developer:**	–
Location:	North Avenue & Sycamore Avenue, Gustine	**Year Built:**	2020
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	3.04 ac	**FAR/Density:**	0.13/1.64 dwelling units per acre

These five single-family homes are located along North Avenue in the northern end of Gustine. They were developed in 2020 and are in a single-family zone which allows a maximum density of 3.5 units per acre, meaning the maximum unit capacity on this site would be approximately 11 units. Since this project was developed with 5 units, the project achieved 47 percent of allowable density.

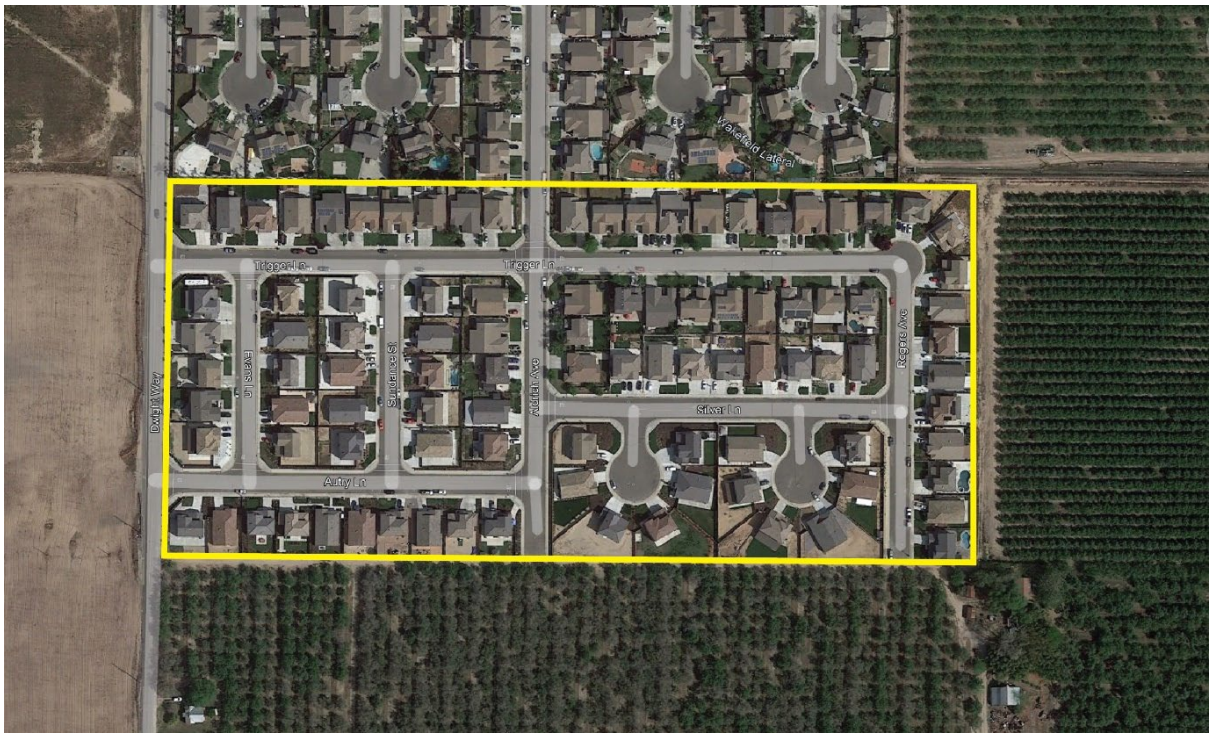
Manzanita



APN:	Varies	**Developer:**	Legacy Homes
Location:	Wakami Drive & Hammatt Avenue, Livingston	**Year Built:**	2021
Development Type:	Low density, single-family residential	**Previous Use:**	Agriculture
Parcel Size:	51.33 ac	**FAR/Density:**	0.25/ 4.15 dwelling units per acre

Manzanita is located in the northeastern part of Livingston and contains 213 single-family homes and a neighborhood park. The development contains seven styles of homes ranging from 1,500 square feet to just over 2,500 square feet, with up to five bedrooms. This project is in a single-family zone which allows a maximum density of 7.5 units per acre, meaning the maximum unit capacity on this site would be approximately 385 units. Since this project was developed with 213 units, the project achieved 55 percent of allowable density.

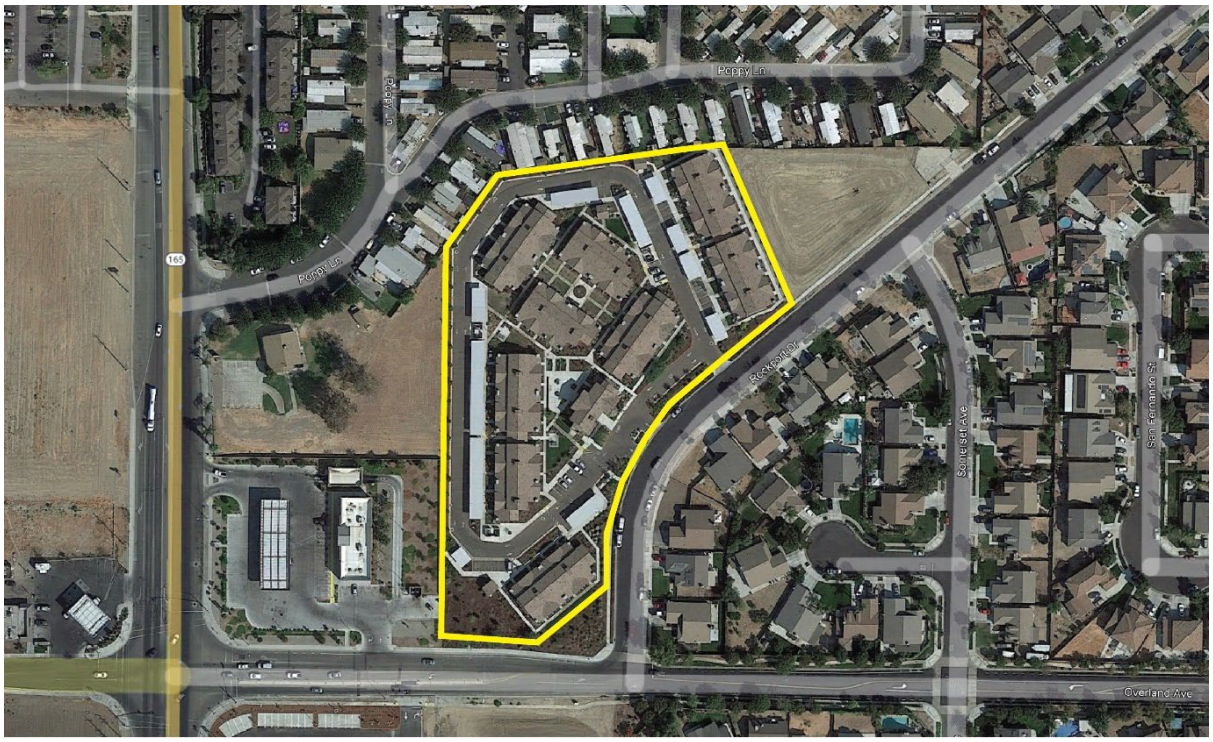
Sundance Village



APN:	Varies	**Developer:**	Bright Development
Location:	Trigger Lane & Aldrich Avenue, Livingston	**Year Built:**	2019
Development Type:	Low density, single-family residential	**Previous Use:**	Agriculture
Parcel Size:	21.63 ac	**FAR/Density:**	0.27/ 4.48 dwelling units per acre

Sundance Village is located in the heart of Livingston and is located near schools, parks, medical facilities, employment opportunities, and Highway 99. This new community features 97 single-family homes, with single- and two-story home designs ranging from 1,835 to 2,536 square feet. This project is in a single-family zone which allows a maximum density of 7.5 units per acre, meaning the maximum unit capacity on this site would be approximately 162 units. Since this project was developed with 97 units, the project achieved 60 percent of allowable density.

Overland Court Apartments



APN:	424-120-016	**Developer:**	Willow Partners, LLC
Location:	Rockport Drive and Overland Avenue, Los Banos	**Year Built:**	2017
Development Type:	High density, multi-family residential	**Previous Use:**	Vacant
Parcel Size:	4.68 ac	**FAR/Density:**	0.30/14.96 dwelling units per acre

The Overland Court Senior apartments are a 62+ age-restricted community with one and two-bedroom apartments. The property has a total of 69 units surrounding a large community building that houses the on-site manager's office along with a full kitchen and community space to host special events and gatherings. This complex is in a multi-family zone which allows a maximum density of 30 units per acre, meaning the maximum unit capacity on this site would be approximately 140 units. Since this project was developed with 69 units, the project achieved 50 percent of allowable density.

The Villas



APN:	431-270-004 & 431-270-010	**Developer:**	Stonefield Homes
Location:	309 Amabile Drive, Los Banos	**Year Built:**	–
Development Type:	Medium density, single-family residential	**Previous Use:**	Agriculture
Parcel Size:	58.95 ac	**FAR/Density:**	-/3.92 dwelling units per acre

The Villas is a 231-unit single-family residential private gated community. The project consists of custom, semi-custom, production homes, and four-acre dual use park and detention basin. This neighborhood is in a single-family zone which allows a maximum density of 6 units per acre, meaning the maximum unit capacity on this site would be approximately 354 units. Since this project proposes 231 units, the project will achieve 65 percent of allowable density.

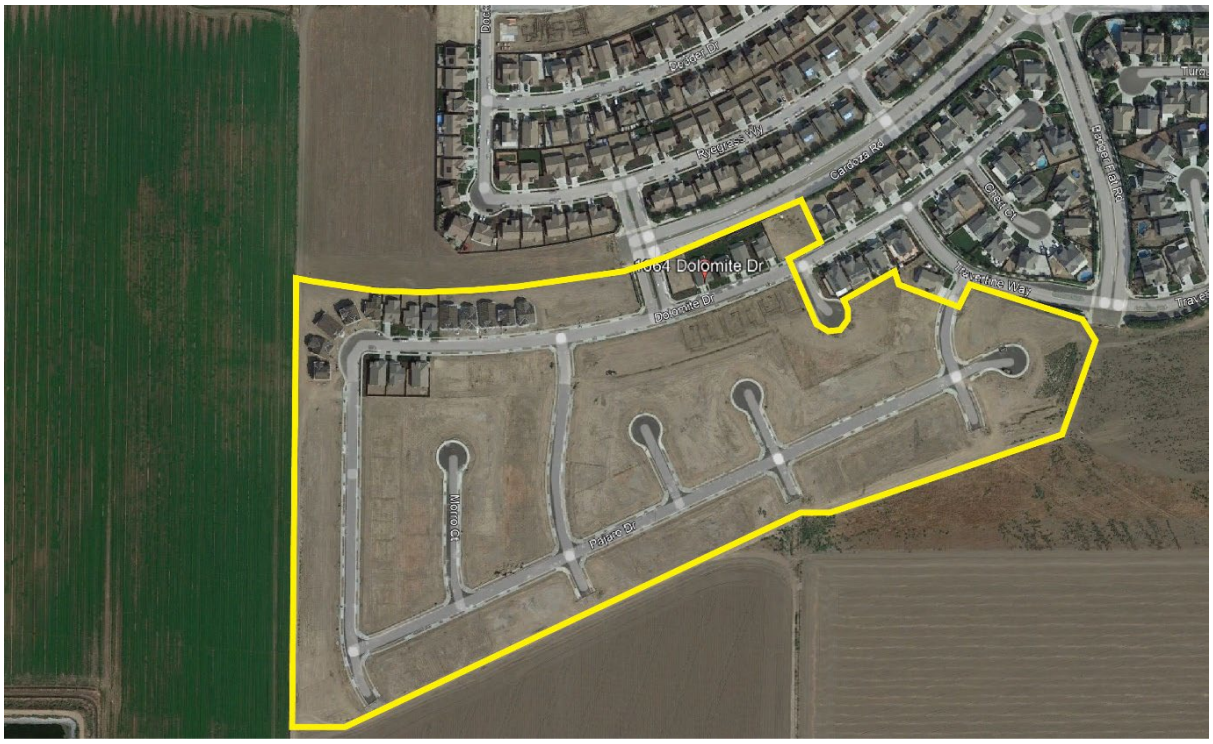
Sunrise Ranch



APN:	428-080-001	**Developer:**	Meritage Homes
Location:	338 Lolly Way, Los Banos	**Year Built:**	–
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	43 ac	**FAR/Density:**	-/4.58 dwelling units per acre

Sunrise Ranch is a 197-unit single-family residential community currently under construction. The project features five unique residences and is located less than one mile from schools for children of all ages and provides easy access to Highway 33 and Interstate 5. This neighborhood is in a single-family zone which allows a maximum density of 6 units per acre, meaning the maximum unit capacity on this site would be approximately 258 units. Since this project proposes 197 units, the project will achieve 76 percent of allowable density.

Westbrook



APN:	Varies	**Developer:**	Anderson Homes
Location:	1664 Dolomite Drive, Los Banos	**Year Built:**	–
Development Type:	Low density, single-family residential	**Previous Use:**	Agriculture
Parcel Size:	37.81 ac	**FAR/Density:**	-/4.28 dwelling units per acre

Westbrook is a 162-unit single-family residential community located in the western part of Los Banos. This community features single and two-story homes ranging from 1,409 to 2,460 square feet. Westbrook is within walking distance of major retailers, restaurants, parks, and a new school. This project is in a single-family zone which allows a maximum density of 6 units per acre, meaning the maximum unit capacity on this site would be approximately 227 units. Since this project proposes 162 units, the project will achieve 71 percent of allowable density.

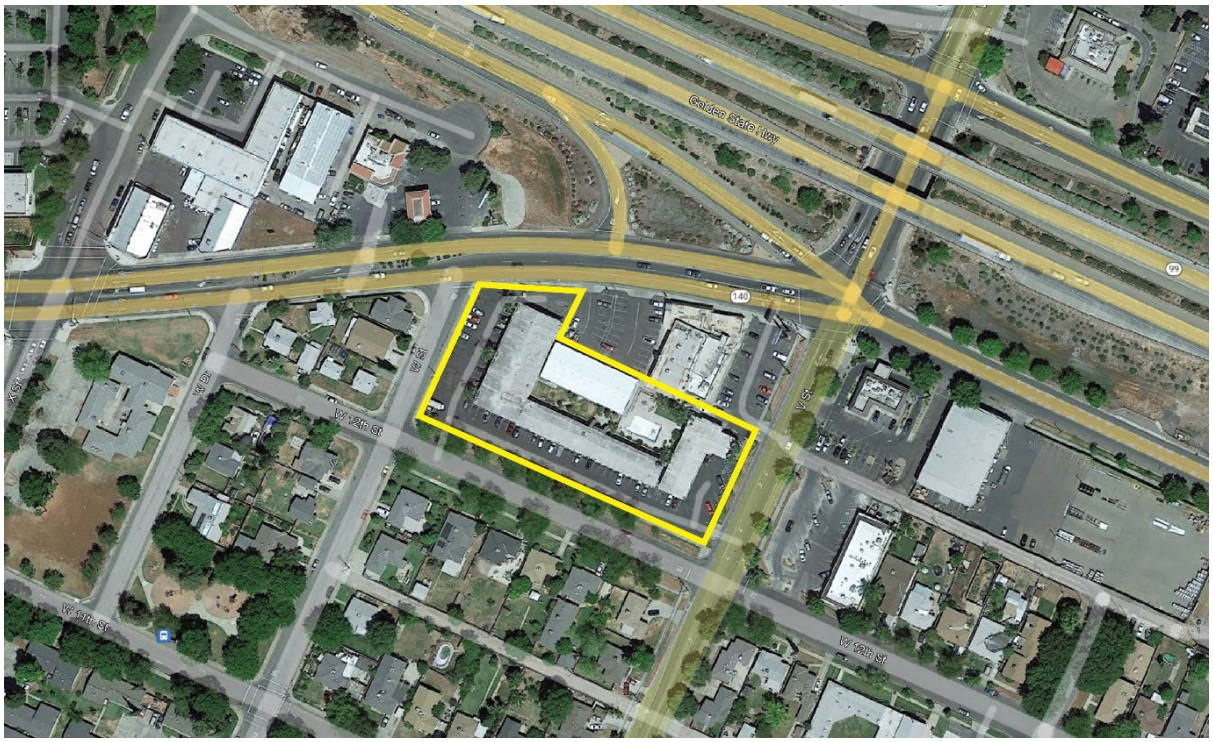
Retreat Apartments



APN:	035-010-071	**Developer:**	The Richman Group of California Development Company
Location:	1137 B Street, Merced	**Year Built:**	2020
Development Type:	Vacant	**Previous Use:**	Vacant
Parcel Size:	5.07 ac	**FAR/Density:**	-/23.47 dwelling units per acre

The Retreat Apartments are 119 one-, two-, and three-bedroom affordable rental apartments ranging from 573 to 1,302 square feet. There are 30 units affordable to extremely low-income households and 88 units affordable to low-income households. This complex is in a multi-family zone which allows a maximum density of 24 units per acre, meaning the maximum unit capacity on this site would be approximately 122 units. Since this project was developed with 119 units, the project achieved 98 percent of allowable density.

Twelve Thirteen V Street Housing Project



APN:	031-271-017	**Developer:**	UPholdings & RH Community Builders
Location:	1213 V Street, Merced	**Year Built:**	2020
Development Type:	High density, multi-family residential	**Previous Use:**	Motel
Parcel Size:	1.87 ac	**FAR/Density:**	0.27/51.34 dwelling units per acre

The Twelve Thirteen Housing Project, which repurposes the former motel at 1213 V Street, will include 96 units of permanent supportive housing for chronically homeless persons with incomes equal to or less than 30 percent of Area Median Income (AMI). Fifteen units will be accessible for those with mobility disabilities. Each unit will include a kitchenette, refrigerator, stove or hot plate, and microwave, and will be furnished. Residents will have access to supportive services such as intensive case management services, linkages to behavioral and physical health services, assistance obtaining benefits and essential documentation, and educational and employment services. This redevelopment project is in a commercial zone and as a motel its density is high. A high-density multi-family zone which allows a maximum density of 30 units per acre is an appropriate zone for this type of use. Using this density would provide a maximum unit capacity of approximately 56 units on this site. Since this project redevelops 96 units, the project will achieve 171 percent of allowable density.

Lantana



APN:	206-030-021 & 206-030-022	**Developer:**	D.R. Horton
Location:	1348 Eagle Crest Court, Merced	**Year Built:**	–
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	20.6 ac	**FAR/Density:**	-/ 4.81 dwelling units per acre

Lantana is a 99-unit single-family residential community located in north Merced, near schools, shopping, and easy access to Highway 99. The community features single- and two-story homes ranging from 1,515 to 2,814 square feet with four to five bedrooms. This project is in a single-family zone which allows a maximum density of 8 units per acre, meaning the maximum unit capacity on this site would be approximately 165 units. Since this project will be developed with 99 units, the project will achieve 60 percent of allowable density.

Stoneridge South



APN:	259-130-018	**Developer:**	D.R. Horton
Location:	333 Rubicon Court, Merced	**Year Built:**	–
Development Type:	Low density, single-family residential	**Previous Use:**	Vacant
Parcel Size:	29.75 ac	**FAR/Density:**	–

Stoneridge South is a single-family development of 160 units that features single- and two-story homes ranging from 1,515 to 2,814 square feet with four to five bedrooms. Stoneridge South is conveniently located near schools, shopping, and easy access to Highway 99. This neighborhood is in a multi-family zone which allows a maximum density of 30 units per acre, meaning the maximum unit capacity on this site would be approximately 892 units. Since this project is proposing 160 units, the project will achieve 18 percent of allowable density.

4.3 Summary of Developer Stakeholder Interview

As part of the outreach process, Rincon Consultants engaged various stakeholder representatives, service providers, and housing developers to inform and educate local organizations about the Housing Element Update. Staff solicited input on their organization's experience with affordable and attainable housing across Merced County.

On August 9, 2023, Rincon Consultants, on behalf of the participating jurisdictions, met with representatives from the development community, including:

- Building Industry Association Greater Valley, an advocate for the housing and building industry, representing the collective interests of builders and developers engaged in residential and commercial projects.
- Bernard Partnership, a marketing consulting firm that collaborates with buyers and developers during the construction or renovation of residential developments.
- UPholdings, an affordable housing development and management company committed to being community partners and working with the most vulnerable community members to design, build, and own housing that exceeds the industry's standards for both quality and efficiency.

Participants were asked to provide their thoughts on the following topic areas:

- Challenges to building housing or affordable housing.
- Difficulty of developing mixed-income and affordable housing in the Merced region compared to other Central Valley regions.
- Feasibility of housing development based on current market conditions.
- Supportive measures by cities in the Merced region for affordable or mixed-income housing development.
- Incentives and policies to increase the production of mixed-income or affordable housing.
- Identification of specific residents in the Merced region in need of housing and suitable housing types for them.

Stakeholders offered a range of insights into the housing market in Merced County and indicated that the main challenge to building market rate and affordable housing in the region is cost. Constructing affordable housing units requires significant financial resources, and subsidies are necessary to facilitate their development. Stakeholders emphasized that costs associated with permits and planning, among other fees, pose a major obstacle to achieving affordability.

Additional difficulties arise due to competition with neighboring counties like Stanislaus and San Joaquin. To address this challenge, Merced County must enhance its competitiveness by improving its appeal through amenities, infrastructure, and downtown revitalization strategies to make the area more attractive to potential residents. Encouraging more individuals to settle in the Central Valley is a broader challenge, particularly due to lack of transit options.

Stakeholders agreed that one of the most significant hurdles to constructing affordable housing in the Central Valley is the scarcity of financial resources, particularly when compared to coastal regions. The concentration of political influence along the coastline rather than within the Central Valley, along with a denser population, means that state and federal funding for housing is often channeled to the coastal regions. This creates an imbalance in resource allocation. Moreover, there is significant political resistance to building affordable, denser housing in rural areas of Merced

County, compounding the difficulties in development. Participants agreed that mandating higher density housing in certain areas would be the most impactful policy to encourage housing development.

4.4 Regional Financial Resources for Affordable Housing

4.4.1 Permanent Local Housing Allocation (PLHA)

The California Department of Housing and Community Development PLHA program provides funding to local governments in California for housing-related projects and programs that address the unmet housing needs of their local communities. Jurisdictions throughout Merced County have been recently awarded PLHA funding. The City of Merced, for example, is using PLHA funds to provide assistance in the form of low-interest, deferred loans to project sponsors for the development of Affordable Multi-Family Rental Housing.

4.4.2 Home Investment Partnership Program (HOME)

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low-income households, including:

- Building acquisition
- New construction and reconstruction
- Moderate or substantial rehabilitation
- Homebuyer assistance
- Rental assistance
- Security deposit assistance

Of all jurisdictions in Merced County, only the City of Merced qualifies for HOME funding. In 2022, the City of Merced received $603,192 of HOME funds. Other jurisdictions may qualify as a HOME Consortium, and during the planning period, may consider establishing a consortium.

4.4.3 Community Development Block Grant (CDBG)

The CDBG Program is administered by HUD. Through this program, the federal government provides funding to jurisdictions to undertake community development and housing projects.

Projects proposed by the jurisdictions must meet the objectives and eligibility criteria of CDBG legislation. The primary CDBG objective is the development of viable urban communities, including decent housing, a suitable living environment, and expanded economic opportunity, principally for persons of low- and moderate-income. Each activity must meet one of the three following national objectives:

- Benefit to low- and moderate-income families;

- Aid in the prevention of elimination of slums or blight; or
- Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

Of all jurisdictions in Merced County, only the City of Merced receives CDBG funding as an entitlement jurisdiction. In 2022, the City of Merced received $1,099,911 of CDBG funds. Other jurisdictions can apply for CDBG funds through the State Department of Housing and Community Development (HCD).

Other jurisdictions also may qualify for funding together as a HUD-designated Urban County, and may explore qualification during the planning period.

4.4.4 Continuum of Care (CoC) Program

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

CoC funding for Merced County is administered through the Merced City and County CoC. In 2021, the following organizations were awarded CoC funds in the Merced County region:

- County of Merced for $359,876, for Project Home Start and Project Hope Westside 2021 to provide permanent supportive housing.
- Housing Authority of the County of Merced for $77,010 for their Shelter Plus Care program to provide rental assistance.
- Merced County Community Action Board for $118,731 for their Homeless Management Information System (HMIS) administration.

4.5 Administrative Resources

4.5.1 Merced County Association of Governments

Merced County Association of Governments (MCAG) is an association of city and county governments. Members coordinate to solve regional problems related to transportation, solid waste, and air quality. MCAG administers the state-funded Regional Early Action Planning (REAP) program, which provides housing-related grants to member jurisdictions, and coordinated the RHNA allocation process.

4.5.2 San Joaquin Valley Regional Planning Agencies Policy Council

MCAG is one of eight San Joaquin Valley Councils of Government that make up the San Joaquin Valley Regional Planning Agencies Policy Council. The Policy Council provides a platform for the Valley to connect on regional issues that impact each agency such as transportation, air quality, and advocacy efforts. The council works to identify successful action items implemented by regional planning agencies that can result in a vision for the entire Valley.

4.5.3 Non-Profit Organizations

Non-profit housing developers and service providers are a critical resource for accomplishing the goals and objectives of this Housing Element. This can be accomplished through private/public partnerships. Non-profit organizations that have developed affordable housing in the county include the following:

- Housing Authority of the County of Merced
- Self-Help Enterprises

4.6 Infrastructure

A major constraint to the development of new housing units across Merced County is the lack of sewer and water service. The expense of providing a new system is prohibitive unless there is sufficient population density to support it.

Merced County has 15 independent water and/or sewer districts, each of which is governed by its own Board of Directors. Future development in Merced County is contingent upon the construction of additional facilities. Most districts plan to pay for new facilities through development fees, connection fees, and/or service agreements under which developers are required to construct and dedicate wells, lift stations, and other needed facilities.

A Water and Sanitary Sewer Infrastructure Capacity Assessment conducted by MKN & Associates for MCAG determined that the cities of Atwater, Dos Palos, Livingston, and Los Banos currently have the capacity to collect and process sewage both for their current population and to meet RHNA requirements. The assessment found that the City of Merced is not able to meet its current requirements for peak flows but is in the process of implementing capacity increases that will meet its current needs, as well as RHNA requirements. The study did not include information about capacities for the City of Gustine and unincorporated communities in Merced County and was therefore unable to conclude if adequate service could be provided in these areas. The study recommended that a study be conducted by the City of Gustine and the County to fill this information gap. Programs to address information gaps are found in jurisdictions' Housing Plans.

4.7 Opportunities for Energy Conservation

State law requires an analysis of the opportunities for energy conservation in residential development. Energy efficiency has direct application to affordable housing since higher energy bills result in less money available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserved to absorb cost increases and many times must choose between basic needs such as shelter, food, and energy.

4.7.1 California Building Code, Title 24

California Title 24 regulations require higher energy efficiency standards for residential and nonresidential buildings. The building code provides a great deal of flexibility for individual builders to achieve a minimum "energy budget" through the use of various performance standards. These requirements apply to all new residential construction, as well as all remodeling and rehabilitation construction.

4.7.2 Utility Programs

Pacific Gas and Electric Company (PG&E), which provides electricity service in Merced County, provides a variety of energy conservation services for residents as well as a wealth of financial and energy-related assistance programs for low-income customers:

- **The Balanced Payment Plan (BPP).** Designed to eliminate big swings in customer monthly payments by averaging energy costs over the year.
- **CARE (California Alternate Rates for Energy).** PG&E provides a 20 percent discount on monthly energy bills for low-income households.
- **Energy Partners Program**. The Energy Works Program provides qualified low-income tenants free weatherization measures and energy-efficient appliances to reduce gas and electricity usage.
- **Energy Efficiency for Multi-Family Properties**. The Energy Efficiency for Multi-Family Properties program is available to owners and managers of multi-family residential dwellings. The program encourages energy efficiency by providing rebates for the installation of certain energy saving products such as high-efficiency appliances, compact fluorescent light bulbs, attic and wall insulation, and efficient heating and cooling systems.
- **The Family Electric Rate Assistance (FERA) Program**. PG&E provides a rate reduction program for low-income households of three or more people.
- **REACH (Relief for Energy Assistance through Community Help).** The REACH program is sponsored by PG&E and administered through the Salvation Army. PG&E customers can enroll to give monthly donations to the REACH program. Through the REACH program, qualified low-income customers who have experienced unforeseen hardships that prohibit them from paying their utility bills may receive an energy credit up to $200.

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5 Regional Affirmatively Furthering Fair Housing Analysis

5.1 Introduction and Overview

In 2018, the California State Legislature passed Assembly Bill (AB) 686 to expand upon the fair housing requirements and protections outlined in the federal Fair Employment and Housing Act. The law requires all State and local public agencies to facilitate deliberate action to explicitly address, combat, and relieve disparities resulting from past patterns of segregation to foster more inclusive communities. AB 686 created new requirements that apply to all housing elements due for revision on or after January 1, 2021. The passage of AB 686 ensures that all local governments in California affirmatively further fair housing.

AB 686 defined "affirmatively further fair housing" (AFFH) to mean "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity." AB 686 added to the Housing Element requirements an assessment of fair housing which includes the following components:

- A summary of fair housing issues and assessment of the City's fair housing enforcement and outreach capacity
- An analysis of segregation patterns and disparities in access to opportunities
- An assessment of contributing factors
- An identification of fair housing goals and actions.[1]

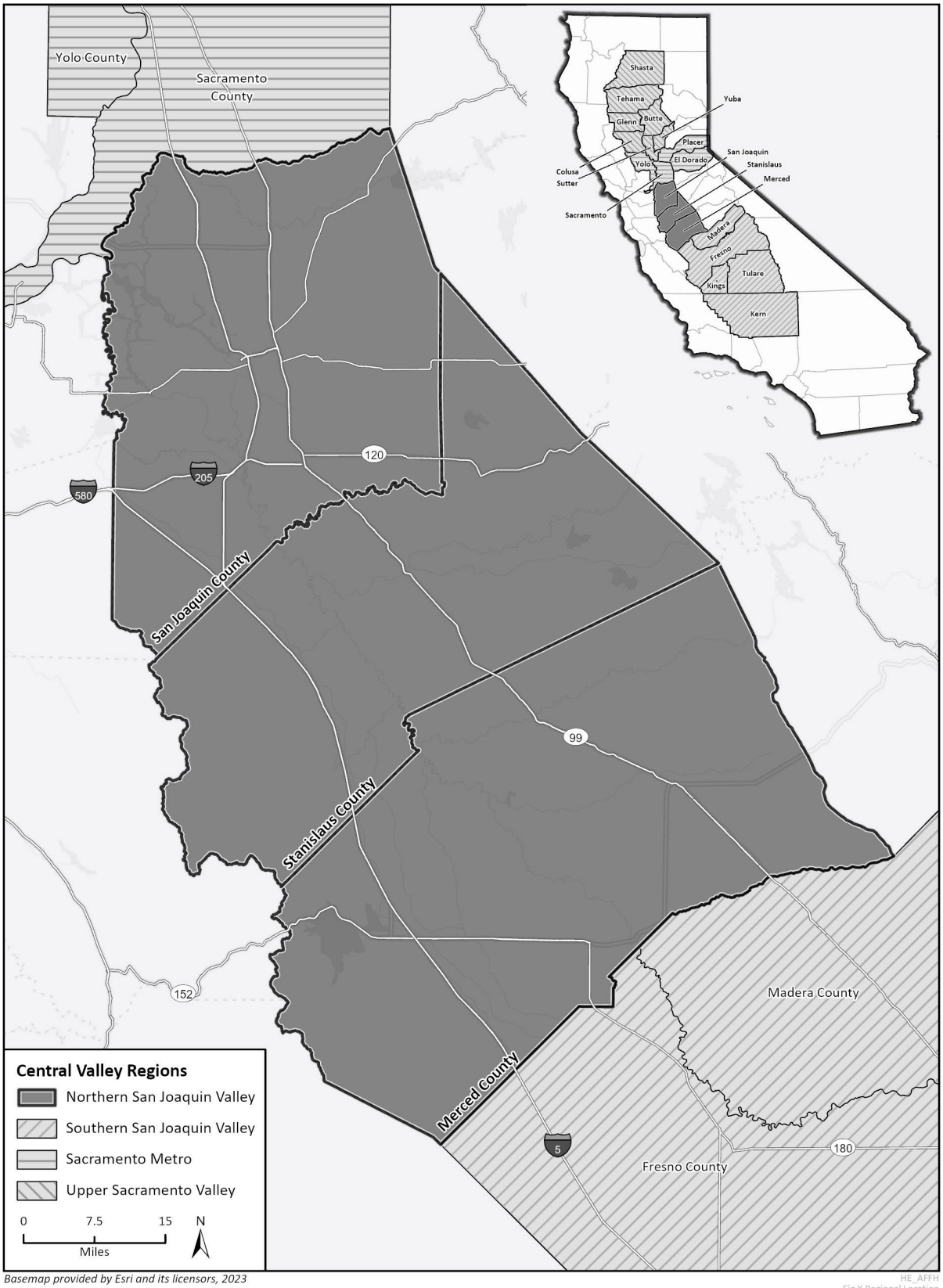
5.1.1 Regional Analysis

The Public Policy Institute of California (PPIC) is a nonpartisan organization dedicated to informing and improving public policy in California. In 2004, the PPIC published a policy report analyzing migration trends to, from, and within the Central Valley and the implications of those trends. This policy paper, *The Central Valley at a Crossroads: Migration and its Implications,*[2] identifies factors that drive migration, including economic, educational, and social factors. These factors differ dramatically throughout the Central Valley; therefore, the policy paper identifies four subregions of the valley: Upper Sacramento Valley, Sacramento Metro, Northern San Joaquin Valley, and Southern San Joaquin Valley. These four subregions are shown on the inset map of California in Figure 5-1. Seeing as Merced County is in the northern portion of the San Joaquin Valley region, this AFFH analysis assesses the Northern San Joaquin Valley (SJV) Subregion comprised of San Joaquin, Stanislaus, and Merced Counties, shown in Figure 5-1.

The settlement patterns described in *The Central Valley at a Crossroads: Migration and its Implications* provide insight on the level of access to opportunity and fair housing based on the following factors: race and ethnicity, education level, age, economics, and other social indicators specific to the subregion. Research from this paper is supported by U.S. Census data, regression modelling, interviews with community leaders, and published research.

[1] Housing and Community Development (HCD). 2021. https://www.hcd.ca.gov/community-development/affh/index.shtml
[2] Hayes, Joseph and Hans Johnson. *The Central Valley at a Crossroads: Migration and its Implications.* Public Policy Institute of California. https://www.ppic.org/wp-content/uploads/content/pubs/report/R_1104HJR.pdf

Figure 5-1 Northern San Joaquin Valley Region



Basemap provided by Esri and its licensors, 2023

HE_AFFH
Fig X Regional Location

The PPIC report concluded that residents in the North SJV subregion (San Joaquin, Stanislaus, and Merced counties) have access to jobs in the Bay Area and cheaper housing in the Valley, whereas residents in South SJV subregion (Madera, Fresno, Tulare, Kings, and Kern counties) do not have access to jobs in the Bay Area and rely on agriculture as the primary economic industry, with nearly 17 percent of its residents working within the industry. Access to educational opportunity is also more prevalent in the North SJV as opposed to the South SJV; however, the North SJV experiences longer commute times, traffic congestion, and poor air quality.

5.2 Methodology

This AFFH analysis has been prepared consistent with the California Department of Housing and Community Development (HCD)'s *Affirmatively Furthering Fair Housing Guidance for All Public Entities and for Housing Elements* which provides guidance on the preparation of housing elements and ensures statutory requirements are satisfied, pursuant to Government Code Section 65583(c)(10). HCD's AFFH Guidance instructs that AFFH analyses should examine local patterns and trends and compare them to the broader region to provide a broader context for local fair housing issues. Recognizing differences between local areas and the broader region, especially when identifying spatial patterns, is important to identify and prioritize contributing factors to fair housing issues that affect the locality.

This AFFH analysis is part of the Merced County Multi-Jurisdictional Housing Element for the 6th cycle, a collaborative effort between Merced County, and the cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced, with coordination assistance from the Merced County Association of Governments (MCAG). This analysis identifies patterns and trends at the regional scale (Northern SJV) to be used for comparison for the local scale analyses, located in each jurisdiction's chapter of this document.

The regional and local AFFH analyses evaluate the following fair housing issues:

- Fair Housing Enforcement and Outreach Capacity
- Integration and Segregation Patterns and Trends
- Racially and Ethnically Concentrated Areas of Poverty
- Disparities in Access to Opportunity
- Disproportionate Housing Needs

Each local AFFH analysis also includes the following that is not discussed in this section:

- Local Area Knowledge and Stakeholder and Community Input
- Other Relevant Factors, such as a history of preferential investment for certain neighborhoods or types of housing
- Analysis of the Housing Sites Inventory using AFFH indicators
- Identification and prioritization of Contributing Factors to fair housing issues

The local AFFH analyses also identify and prioritize contributing factors to fair housing issues. Fair housing issues are conditions that restrict fair housing choice or access to opportunity in the geographic area of interest. Fair housing choice means realistic housing opportunities exist, can be accessed without discrimination towards protected characteristics such as race, color, religion, sex, disability, etc., and are informed with adequate information regarding options. Each local AFFH

analysis addresses impediments through AFFH-specific goals and actions based on the contributing factors for each identified fair housing issue.

5.3 Data Sources

California Government Code Section 65583 (10)(A)(ii) requires cities and counties to analyze areas of segregation, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs, including displacement risk.

Data from a variety of sources was utilized to conduct this analysis, detailed below.

5.3.1 HCD AFFH Data Viewer

The AFFH Data Viewer and updated AFFH Data Viewer Version 2.0 are tools developed by HCD that features census block group and census tract level data from an expansive collection of sources including United States (U.S.) Census American Community Survey (ACS), U.S. Department of Housing and Urban Development (HUD), California Tax Credit Allocation Committee (TCAC), Urban Displacement Project (UDP), and Comprehensive Housing Affordability Strategy (CHAS). [3] The Data Viewer tool serves as a resource for local and regional governments and provides the ability to explore spatial data patterns concerning fair housing enforcement, segregation and integration, racially and ethnically concentrated areas of poverty, and disparities in access to opportunities and housing. The Data Viewer is intended to assist in the creation of policies that alleviate disparities, combat discrimination, and increase access to safe and affordable homes.

5.3.2 Urban Displacement Project (UDP)

The UDP was developed to track neighborhood change and identify areas that are vulnerable to gentrification and displacement in California.[4] The UDP measures indicators of gentrification and displacement at the census tract level based on data from the 2015-2019 ACS. UDP indicators examine census tracts to identify areas that qualify as disadvantaged neighborhoods. Additionally, census tracts identified as disadvantaged neighborhoods by UDP's criteria are further analyzed to explore changes in the percentage of college educated residents, non-Hispanic/Latino white population, median household income, and median gross rents over time to determine levels of gentrification and displacement risk.

5.3.3 CalEnviroScreen

The California Office of Environmental Health Hazard Assessment developed a screening methodology to identify communities disproportionately burdened by multiple sources of pollution.[5] This tool, called the California Communities Environmental Health Screening Tool (CalEnviroScreen), utilizes existing environmental, health, and socioeconomic data to rank census tracts based on 20 distinct indicators. In general, if a community has a high score for that indicator, it is more likely to have greater degree of pollution burden and a higher rate of residents vulnerable to the effects of that pollution exposure as compared to census tracts statewide. Designated disadvantaged communities are those with CalEnviroScreen percentile scores of 75 or higher,

[3] HCD AFFH Data Viewer. https://www.arcgis.com/apps/webappviewer/index.html?id=4d43b384957d4366b09aeeae3c5a1f60
[4] Urban Displacement Project. https://www.urbandisplacement.org/
[5] CalEnviroScreen 4.0. https://oehha.ca.gov/calenviroscreen

meaning that they scored within the highest 25 percent of census tracts for pollution and other social and economic burden indicators across California.

5.3.4 TCAC/HCD Opportunity Maps

To assist fair housing analysis, HCD and TCAC created the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and related state agencies/departments to further the fair housing goals.[6][7] The California Fair Housing Task Force created Opportunity Maps to identify resource levels across the state. Opportunity mapping is a way to measure and visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.[2] Opportunity Maps reflect scores in three different domains made up from a set of indicators shown in Table 5-1, as well as a composite score combining all three domains.

Table 5-1 Domains and List of Indicators for Opportunity Maps

Domain	Indicator
Economic	Poverty, adult education, employment, job proximity, median home value
Environmental	CalEnviroScreen 3.0 pollution indicators and values
Education	Math proficiency, reading proficiency, high school graduation rates, student poverty rates

Source: California Fair Housing Task Force, Methodology for the 2020 TCAC/HCD Opportunity Maps, December 2020

5.3.5 HUD Comprehensive Housing Affordability Strategy (CHAS) Data

Each year, HUD receives custom tabulations of 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.[8] CHAS data is estimated by the number of households that have certain housing problems and have income low enough to qualify for HUD's programs (primarily 30, 50, and 80 percent of median income). It is also important to consider the prevalence of housing problems among different types of households, such as the elderly, disabled, minorities, and different household types.

5.3.6 U.S. Census American Community Survey (ACS)

The ACS, conducted by the U.S. Census Bureau, is an ongoing survey that collects information on demographic, social, economic, and housing characteristics of the U.S. population.[9] ACS uses independent monthly samples, each with a sample size of 250,000 addresses (consisting of housing units and group quarters), surveyed via internet, mail, telephone, and personal visit. ACS data uses one-year and five-year estimates. The one-year data is collected over a period of 12 months and is useful for showing year-to-year fluctuations in data for geographic areas with at least 65,000 people. The five-year estimates represent data collected over a period of five years and are considered statistically more reliable than the one-year estimates, particularly for less populated areas and small population subgroups.

[6] TCAC Opportunity Maps. https://oehha.ca.gov/calenviroscreen
[7] Office of The State Treasurer (STO). 2021. https://www.treasurer.ca.gov/ctcac/opportunity/2020-tcac-hcd-methodology.pdf
[8] HUD Comprehensive Housing Affordability Strategy. https://www.huduser.gov/portal/datasets/cp.html
[9] U.S. Census American Community Survey. https://www.census.gov/programs-surveys/acs

5.3.7 AllTransit

AllTransit is an online database that examines factors related to transit access and produces a performance score that reveals the social and economic impact of transit, such as connectivity and access to jobs.[10]

5.3.8 Comprehensive Housing Report for the San Joaquin Valley

In response to housing supply and affordability challenges, the San Joaquin Valley Regional Early Action Planning (REAP) Committee commissioned a study of housing trends, impediments, and best practices in the San Joaquin Valley. Funded by the REAP grant program, and with the coordination of HCD staff, the 2022 study was conducted through outreach to the eight counties in the SJV, stakeholders, city and county staff, metropolitan planning organization staff, and the public. Interviews with builders, developers, housing advocates, and staff supported an analysis of barriers to housing affordability and production in the San Joaquin Valley.

The study concluded that while the region has become more diverse in the past few decades, there are existing disparities in income, poverty, and homeownership among racial and ethnic groups. Stakeholder interviews provided insight into trends and challenges in housing affordability, and also provided a list of opportunity areas for affordable housing.

5.4 Fair Housing Resources

Fair housing issues include, but are not limited to:

- Housing design that makes a dwelling unit inaccessible to an individual with a disability;
- Discrimination against an individual based on race, national origin, familial status, disability, religion, sex, or other characteristics when renting or selling a housing unit; and
- Disproportionate housing needs, including cost burden, overcrowding, substandard housing, and risk of displacement.

5.4.1 Enforcement and Outreach Capacity

Fair housing enforcement and outreach capacity is the ability of a local jurisdiction and fair housing agencies to provide fair housing and tenants' rights information to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, resolving issues, and conducting fair housing testing.

A number of organizations provide fair housing services throughout the Merced County region . Resources specific to each jurisdiction are discussed in the local AFFH sections. Table 5-2 lists organizations that address housing and community needs by providing the following services:

- Fair housing testing and complaints
- Fair housing counseling and education
- Tenant/landlord counseling and mediation
- Homeless prevention program
- Rental assistance program

[10] AllTransit. https://alltransit.cnt.org/

- Rent/deposit grant program
- Homeseeking services
- Shared housing counseling placement
- Homebuyers' education learning program

Table 5-2 Fair Housing Organizations Active in Merced County

Organization Name	Website	Services Provided
Fair Housing Council of Central California	http://fhc-cc.org/about.html	Mediation, counseling, advocacy, research, and fair housing training and workshops for consumers as well as housing providers.
Project Sentinel	https://www.housing.org/	Education and counseling to community members, housing providers, and tenants about fair housing laws. Investigation of complaints and advocacy for people experiencing housing discrimination.
Central California Legal Services	https://centralcallegal.org/	Free civil legal assistance to low-income individuals, families, organizations, and communities.
California Rural Legal Assistance	https://crla.org/	Free civil legal services to low-income residents of rural counties in the areas of employment and labor, housing, education, rural health, and leadership development.

5.5 Ability to Address Complaints

Fair housing complaints can be used as an indicator to identify characteristics of households experiencing discrimination in housing. Pursuant to the California Fair Employment and Housing Act Government Code Section 12921 (a), the opportunity to seek, obtain, and hold housing cannot be determined by an individual's "race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, or any other basis prohibited by Section 51 of the Civil Code."

Initiated by the Department of Justice's Civil Rights Division in 1991, fair housing testing is a technique used to uncover evidence of discrimination in rental housing. Fair housing testing involves one or more individuals who pose as prospective renters for the purpose of determining whether a landlord is complying with local, state, and federal fair housing laws. Enforcement actions may be taken when investigations yield evidence of a pattern or practice of illegal housing discrimination. Testing may be initiated following the filing of a specific housing discrimination complaint or, as is the case when testing for discrimination against a specific class, as part of an overall effort to determine whether the discrimination is happening in a consistent systemic pattern in a city or region. Fair housing testing is used to identify unlawful housing discrimination practices based on the real or perceived race, ethnicity, color, religion, gender identity or expression, national origin, disability, familial status, marital status, age, ancestry, sexual orientation, and source of income of prospective renters.

The California Civil Rights Department (CRD), formerly the Department of Fair Employment and Housing (DFEH), maintains a record of housing discrimination complaints filed in local jurisdictions. HUD's Office of Fair Housing and Equal Opportunity (FHEO) also collects fair housing complaint data. Fair housing complaints may be filed with either the CRD or FHEO, however, the FHEO may refer

complaints to the state or local agency for investigation. Between January 2006 and June 2020, a total of 207 cases were filed with the FHEO in San Joaquin County, 180 in Stanislaus County, and 46 in Merced County (Table 5-3). Disability-related discrimination comprised the largest proportion of cases (48.8 percent of cases), followed by race (18.4 percent of cases). Most of the race-based cases were filed by Black/African American residents (80.4 percent of race-based cases).

Table 5-3 Northern San Joaquin Valley Fair Housing Complaints (2006-2020)

Basis	Number in San Joaquin County	Number in Stanislaus County	Number in Merced County	Northern SJV Percent Total
Disability	100	113	31	48.8%
Race/Color	60	21	11	18.4%
Familial Status	34	29	4	13.4%
Sex	17	27	6	10.0%
National Origin	27	14	3	8.8%
Religion	3	0	0	0.6%
Total*	**241**	**204**	**55**	**100%**

* The total number is higher than the data reported above since some cases have multiple biases.

Source: Data.gov, Office of Fair Housing and Equal Opportunity Filed Cases, 2020

5.6 Segregation and Integration Patterns and Trends

To inform priorities, policies, and actions, the housing element must include an analysis of integration and segregation, including patterns and trends. Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability in a specific geographic area. Segregation generally means the opposite condition, in which there is a high concentration of the characteristics described above in a specific geographic area. To identify socio-economic and demographic spatial trends across these jurisdictions, this analysis utilizes HCD's AFFH Data Viewer, which provides an expansive collection of data from sources including the ACS, HCD, HUD, UDP, the Center for Disease Control and Prevention, and other regional and federal agencies.

In its AFFH guidance document published in April 2021, HCD describes the importance of segregation and integration analysis in relation to fair housing:

> Residential segregation and exclusion, whether by race, ethnicity, disability, or income, is a result of numerous housing policies, practices, and procedures—both public and private—that have had enduring and pervasive negative impacts. Overt and covert housing discrimination through land use policy, shifting housing markets, and patterns of investment and disinvestment, have restricted meaningful fair housing choice and equitable access to opportunity, particularly for communities of color. Historic patterns of segregation persist in California despite the long-standing federal mandate, established by the Fair Housing Act of 1968 (FHA), that federal agencies and federal grantees affirmatively further the purposes of the FHA. Past and present discriminatory policies and practices, including long-term disinvestment, have resulted in neighborhoods with concentrated poverty and poor housing stock, limited access to opportunity, unsafe environmental conditions, underfunded schools, dilapidated infrastructure, and other disproportionately experienced problems. In addition, governmental policies have subsidized the development of segregated, high-resourced suburbs in

metropolitan areas by constructing new highway systems—often through lower income communities of color— to ensure access to job opportunities in urban centers. This physical and policy infrastructure supports patterns of discrimination and high levels of segregation that continue to persist in California and across the country. All of these conditions persist despite the over 50-year-old obligation to prohibit discrimination and affirmatively further fair housing.[11]

5.6.1 Race and Ethnicity

The ethnic and racial composition of a region relates to fair housing concerns such as household size, locational preferences, and economic opportunity. Historic exclusionary governmental policies, biased mortgage lending practices, and other tactics have caused racial and ethnic segregation and spatial inequities.

Within the region, the most diverse areas are in city centers, containing populations with at least 60 percent non-white residents (Figure 5-2). These cities include Stockton, Tracy, Modesto, Merced, Los Banos, and Livingston. Comparatively, the central-eastern area of the region, which is relatively less urbanized, less densely populated, and is located in or near the foothills of the Sierra Nevada Mountains, is less diverse and contains a higher percentage of white residents.

Hispanic/Latino residents comprise the largest racial/ethnic group in the region, equaling approximately 48 percent of the total population in 2021 (Table 5-4). In the last decade, the racial/ethnic diversity has somewhat increased regionally. The white population of the region comprised approximately 40 percent of the population in 2010 but decreased to approximately 32 percent in 2021.

Table 5-4 Population by Racial Group

	Percent of Population							
	Merced County		San Joaquin County		Stanislaus County		NSJV	
Race	2011	2021	2011	2021	2011	2021	2011	2021
Hispanic/Latino (of any race)	54.4%	61.2%	38.3%	42.3%	41.3%	47.9%	42.2%	47.5%
Not Hispanic/Latino								
White	32.4%	25.9%	36.5%	29.6%	47.4%	39.6%	39.7%	32.4%
Asian American/Pacific Islander	7.5%	7.6%	14.5%	16.7%	5.6%	6.1%	10.1%	11.5%
Other or Multiple Races	1.7%	2.4%	3.4%	4.6%	2.5%	3.1%	2.7%	3.7%
Black/African American	3.5%	2.7%	6.9%	6.7%	2.6%	2.8%	4.8%	4.7%
Native American/Native Alaskan	0.2%	0.3%	0.5%	0.2%	0.6%	0.4%	0.5%	0.3%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2007-2011, 2017-2021), Table DP05.

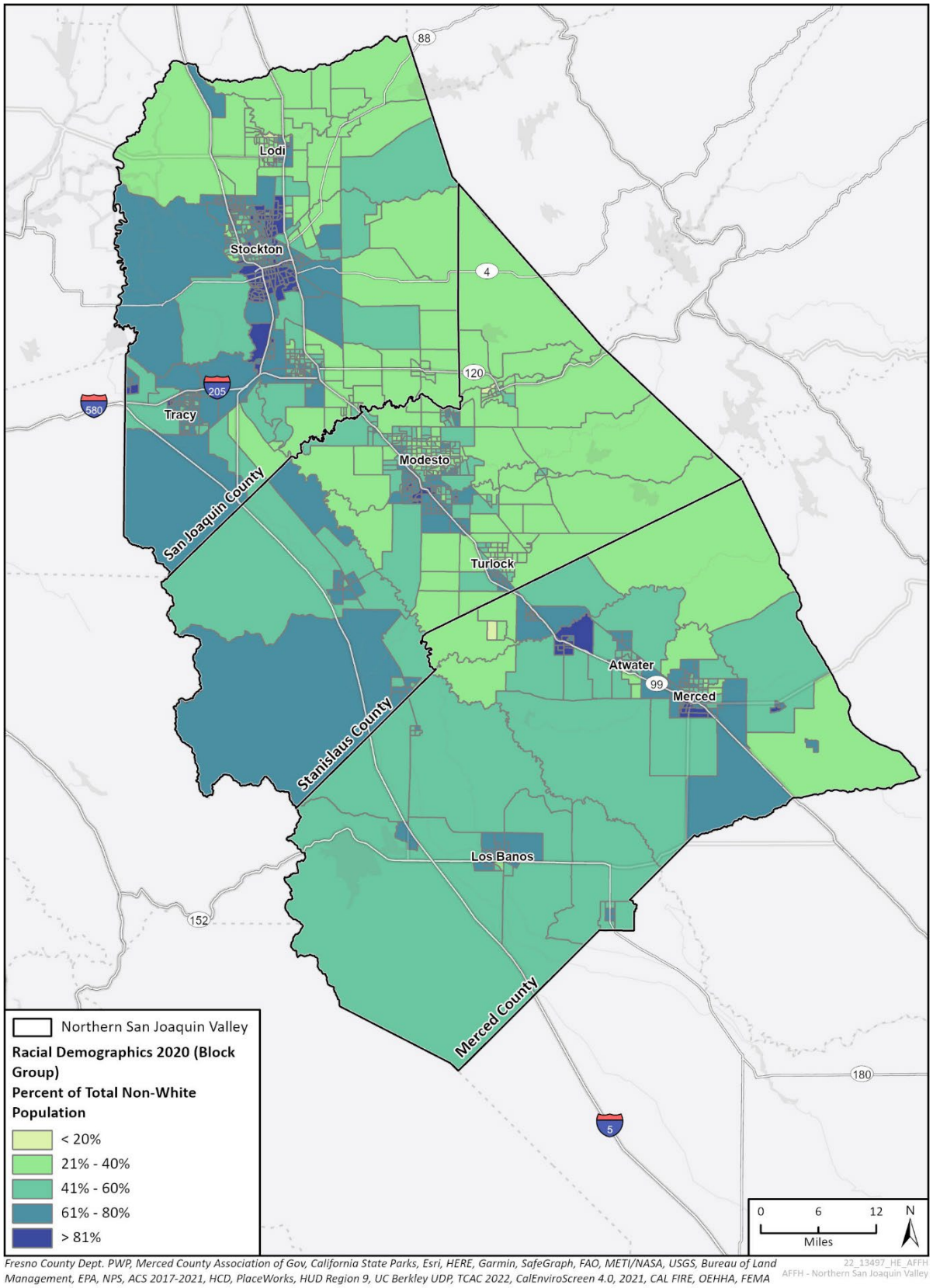
[11] HCD 2021. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf

The HCD AFFH Data Viewer identifies areas by racial/ethnic composition. A racial/ethnic group with a predominant majority has more than a 50 percent difference above the percentage of the population in the second most populated racial/ethnic group. Regionally, there are four predominant populations: White and Hispanic/Latino (found in all three counties), and Asian and Black or African American (found only in San Joaquin County). The south-western portion of the region and parts of northeastern San Joaquin County have moderate predominance, where most city centers have much higher predominance of Hispanic/Latino residents, compared to the predominant white population along the east (Figure 5-3).

Data gathered from the Othering and Belonging Institute (OBI) at the University of California, Berkeley, indicates that most of the eastern portion of the county is racially integrated or has low-medium segregation (Figure 5-4). Most of the northern portion of the region has high white segregation, overlapping with a high ratio of white residents in these areas. Throughout the region, there are a few areas with high people-of-color (POC) segregation[12] seen mostly in city centers like Stockton, Lodi, and parts of Modesto.

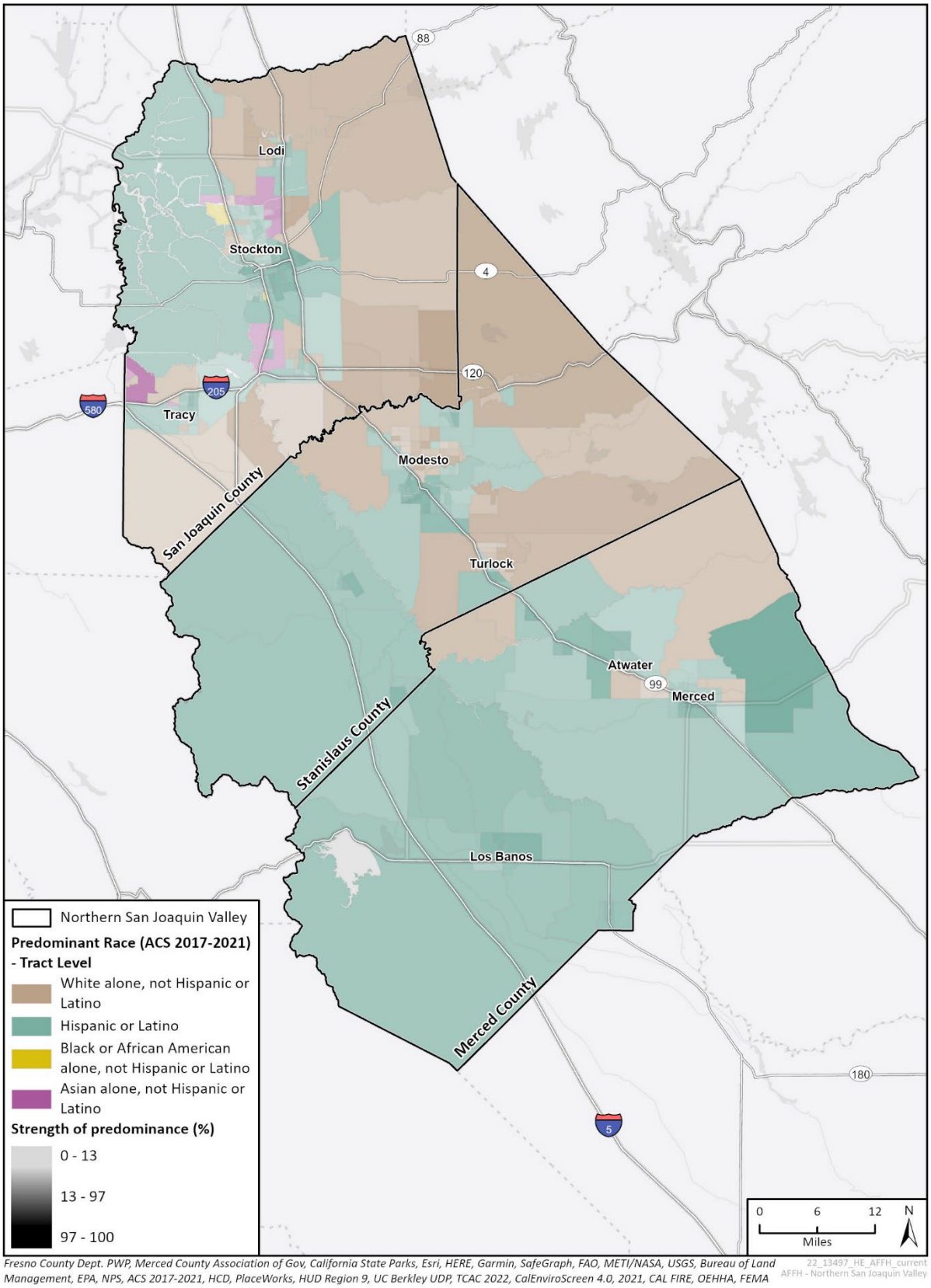
[12] Othering & Belonging Institute uses "people of color" segregation to describe segregated Black and/or Latino neighborhoods. (Source: University of California, Berkeley, Othering & Belonging Institute, "The Roots of Structural Racism Project." 2021. Accessed May 16, 2023. https://belonging.berkeley.edu/roots-structural-racism)

Figure 5-2 Percent of Total Non-White Population (Northern San Joaquin Valley)



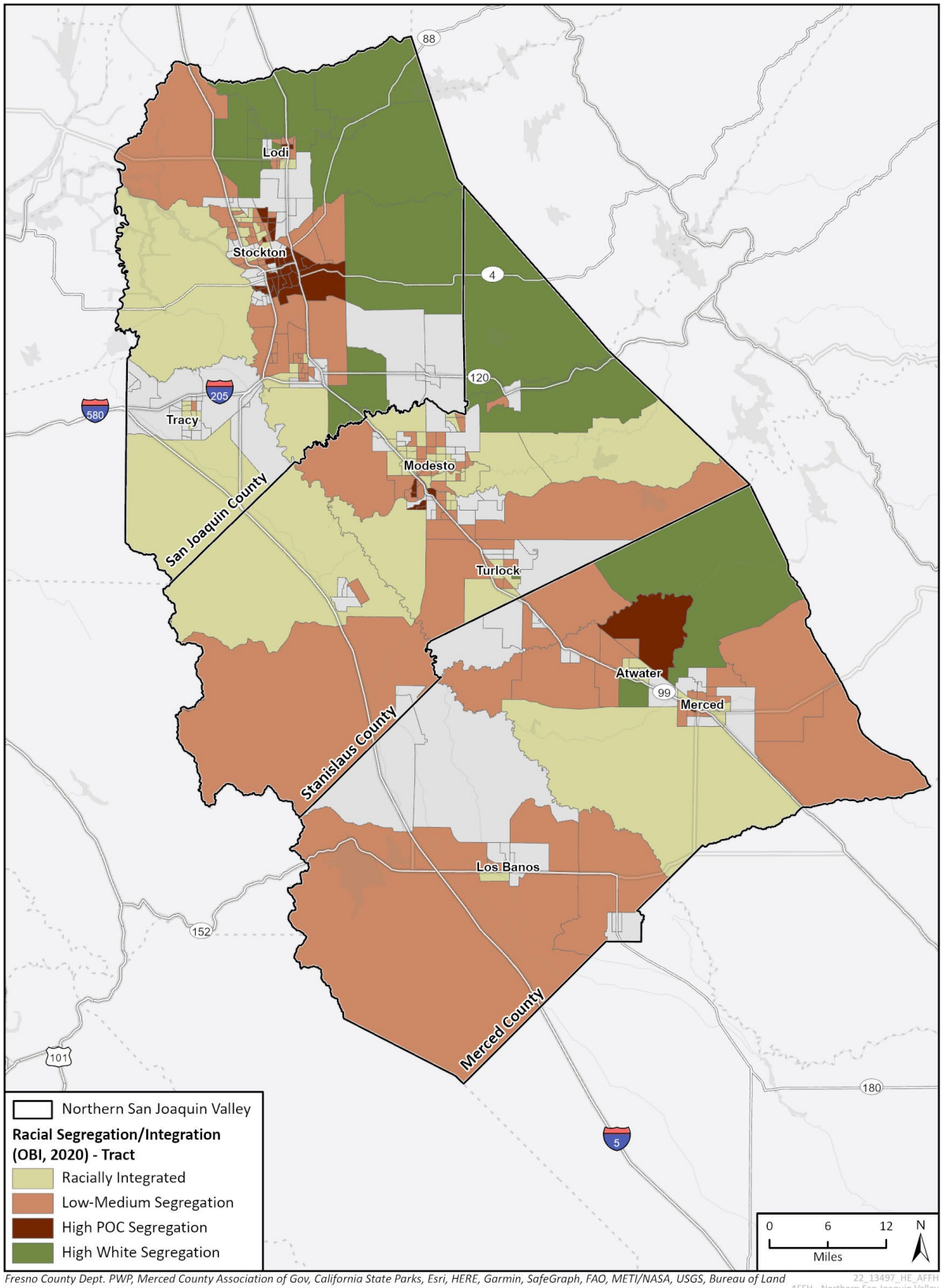
Source: AFFH Viewer, 2022

Figure 5-3 Predominant Populations (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-4 Racial Segregation and Integration (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

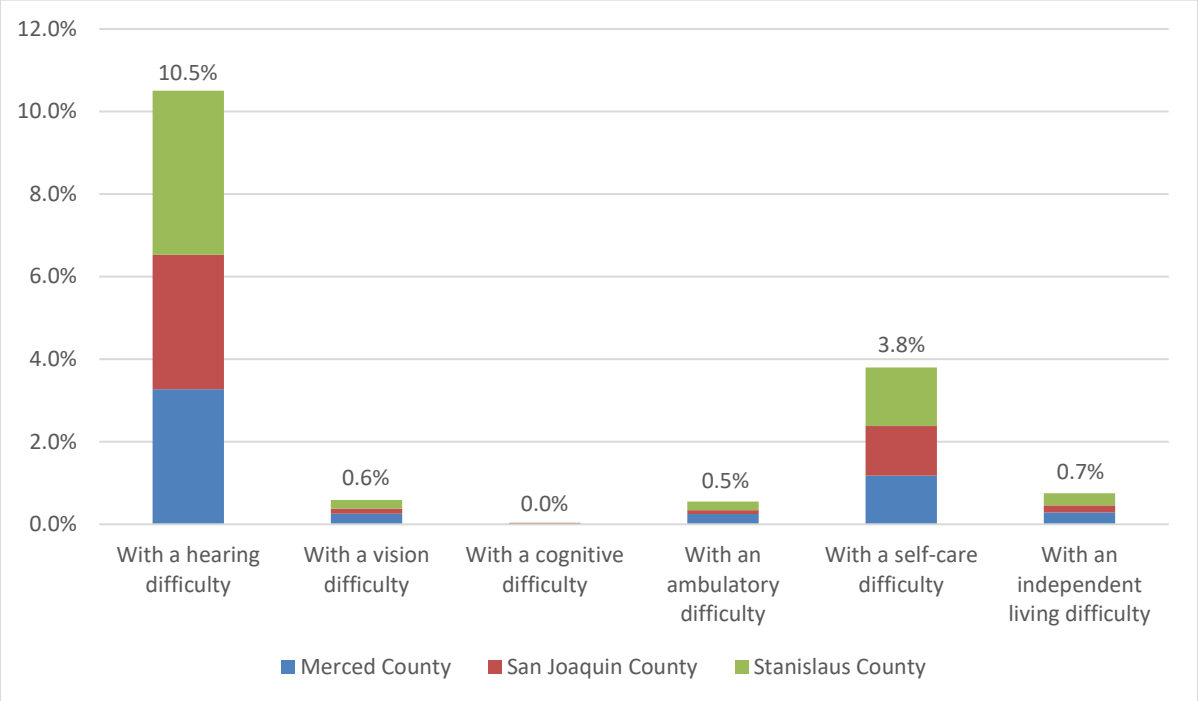
5.6.2 Persons with Disabilities

For persons with disabilities, fair housing choice and access to opportunity include access to accessible housing and housing in the most integrated setting appropriate to an individual's needs as required under federal civil rights law, including equitably provided disability-related services that an individual needs to live in such housing. For example, persons with disabilities who are unable to use stairs or need a zero-step shower may not have housing choice if there are not sufficient housing units with these accessibility features.[13]

High spatial segregation of persons with disabilities may indicate fair housing issues related to not only physical needs, but also economic disparities. According to the *2020 Annual Report on People with Disabilities in America*, more than 25 percent of persons with disabilities (including physical, intellectual, and developmental; sensory; and other disability categories) live below the Census Bureau-designated poverty line, which is 14.5 percentage points higher than people without a disability.[14] Persons with disabilities may be more reliant than persons without disabilities on fixed incomes or access to public transit.

As referenced in Chapter 2, *Housing Needs Assessment,* approximately 197,889 residents, equal to 12.5 percent of the total population in the Northern SJV region, are living with one or more disabilities. The most common disability in the region is hearing difficulty, followed by self-care difficulty (Figure 5-5). Disabilities are most prevalent amongst the ages 35 to 64 years (40.4 percent) and senior residents aged 65 and over (39.6 percent).

Figure 5-5 Disability by Type (Northern San Joaquin Valley)



Notes: These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed up.
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2017-2021), Table S1810.

[13] HCD, 2021. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf
[14] Annual Disability Statistics Compendium, 2020. https://disabilitycompendium.org/annualreport

In most of the Northern SJV region, 10 to 20 percent of the population have a disability. Throughout the central part of the region, there are some areas with a lower concentration of persons living with a disability (less than 10 percent of the population), as seen in Figure 5-6.

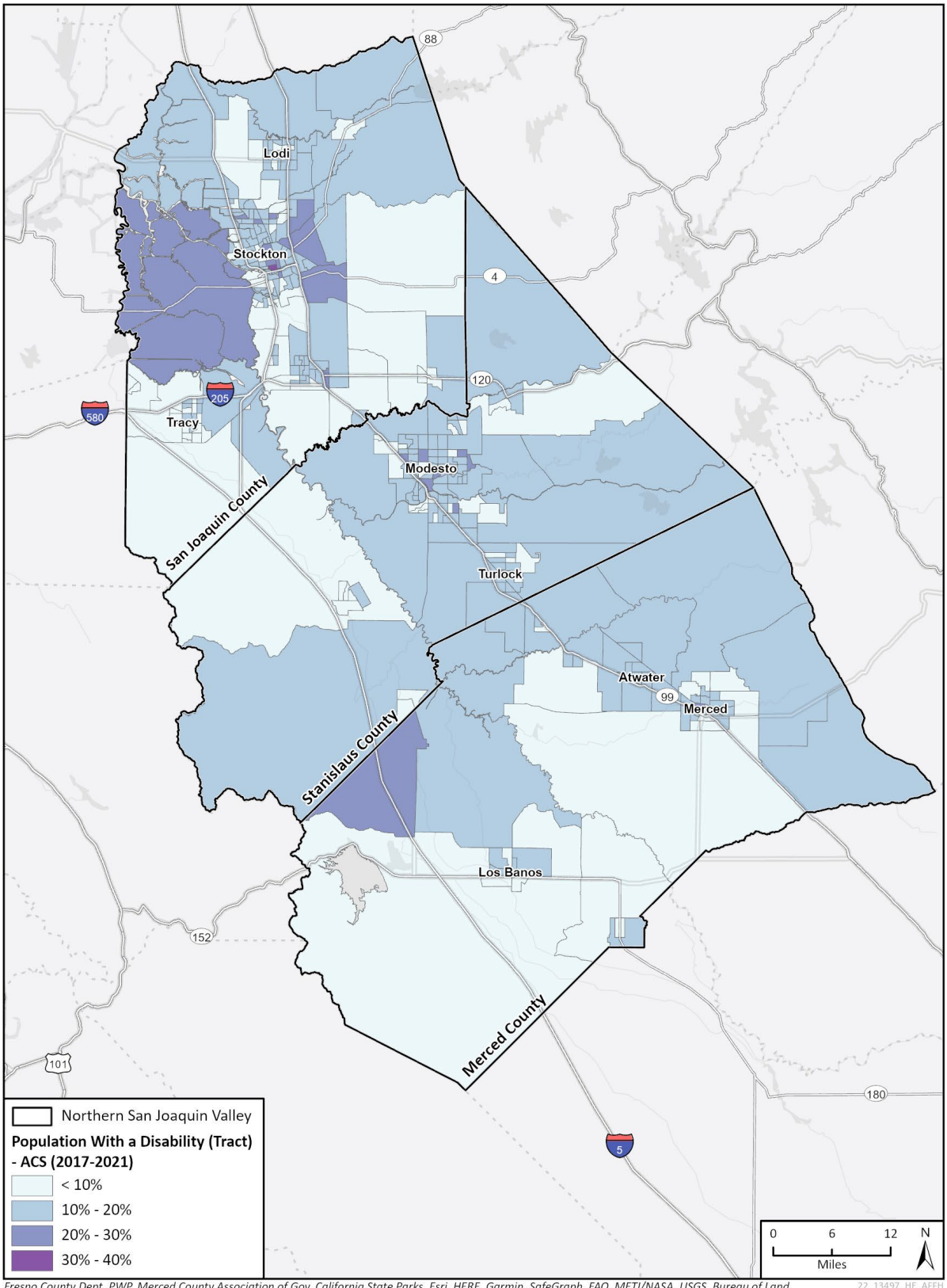
Approximately four percent of the total employed population in the region have one or more disabilities. Just under one percent of the unemployed population have one or more disabilities (Table 5-5).

Table 5-5 Employment Status by Disability Status (Northern San Joaquin Valley)

Disability Status	Merced County		San Joaquin County		Stanislaus County		Northern San Joaquin Valley	
	Employed 2017-2021 (Percent of Total Employed)	Unemployed 2017-2021 (Percent of Total Unemployed)	Employed 2017-2021 (Percent of Total Employed)	Unemployed 2017-2021 (Percent of Total Unemployed)	Employed 2017-2021 (Percent of Total Employed)	Unemployed 2017-2021 (Percent of Total Unemployed)	Employed 2017-2021 (Percent of Total Employed)	Unemployed 2017-2021 (Percent of Total Unemployed)
No Disability	97,220	11,512	293,085	21,720	210,936	18,615	601,241	51,847
	59.6%	7.1%	64.1%	4.8%	64.3%	5.7%	63.4%	5.5%
With a Disability	6,176	1,178	18,051	2,057	11,346	1,855	35573	5,090
	3.8%	0.7%	4.0%	0.5%	3.5%	0.6%	3.8%	0.5%
Total	**103,396**	**12,690**	**311,136**	**23,777**	**222,282**	**20,470**	**636,814**	**56,937**
	63.4%	**7.8%**	**68.1%**	**5.2%**	**67.8%**	**6.2%**	**67.2%**	**6.0%**

Source: U.S. Bureau of the Census, American Community Survey (ACS), Table C18120 Employment Status by Disability Status, 2017-2021 Estimates.

Figure 5-6 Percent of Population with a Disability (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.6.3 Familial Status

Familial status refers to the presence of children under the age of 18 and the martial status of the head of the household. Families with children may face housing discrimination by landlords who fear that children will cause property damage. Examples of differential treatment include limiting the number of children in an apartment complex or confining households with children to a specific location. These actions are potentially discriminatory. Single-parent households are protected by fair housing laws.

The Northern SJV had a total of 491,347 households in 2021. Households with children present comprised approximately 37 percent (182,601 households) of the total households in the region. Married-couple families with children comprised the largest share of households with children (24 percent), highest in San Joaquin County (49 percent). Most single-parent households are female single-parent households (8 percent). Single-parent, female-headed households are more likely to rent than own, comprising approximately 15 percent of renter-occupied households but only five percent of owner-occupied households (Table 5-6).

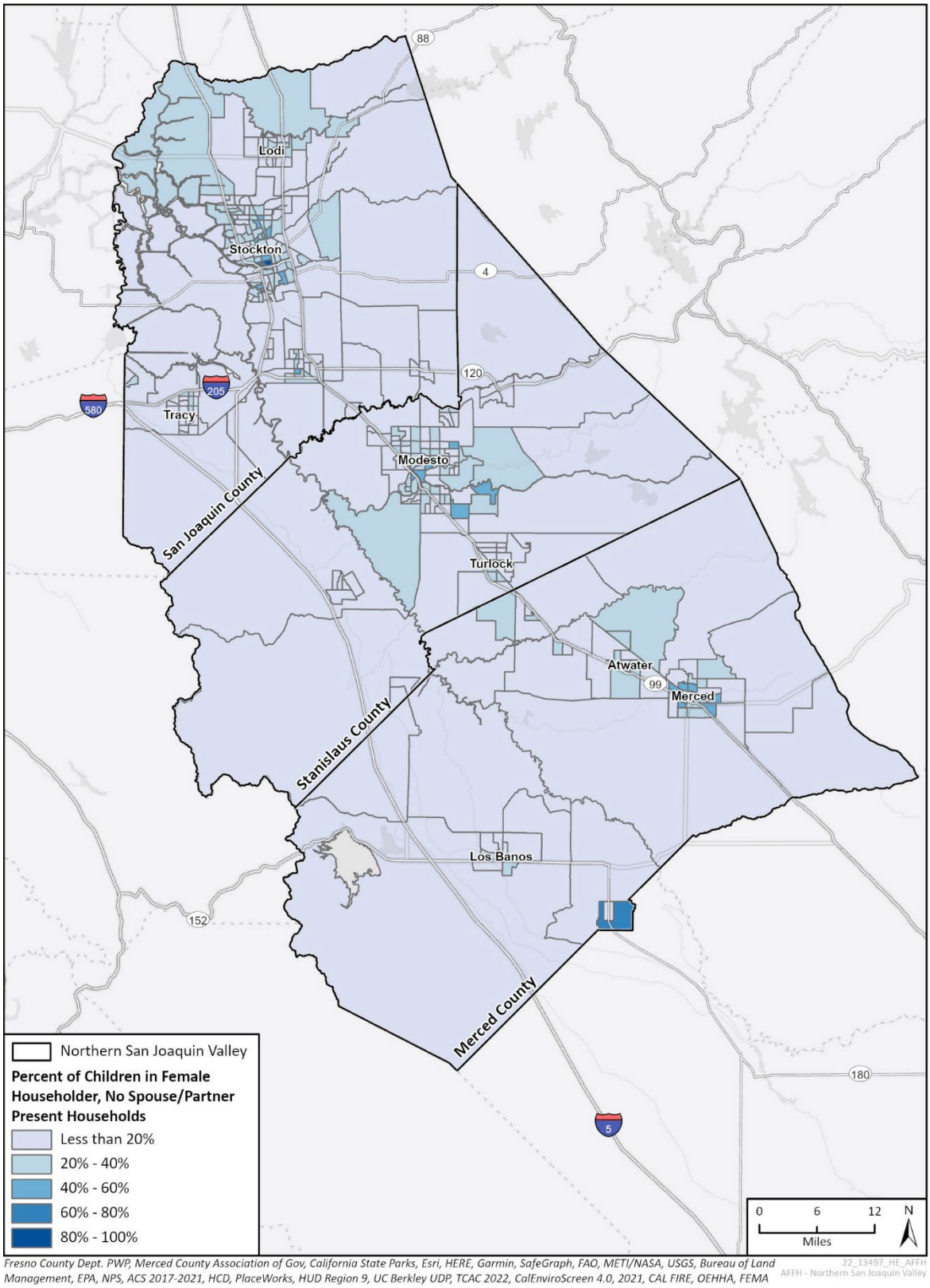
Urban parts of the region have higher percentages of children residing in female-headed, single-parent households. Major cities located along Highway 99 (Stockton, Modesto, and Merced) have higher percentages of children residing in female-headed, single-parent households, with between 40 and 60 percent of children in female-headed, single-parent households in some census tracts. In contrast, the outer edges of the region have less than 20 percent of children residing in female-headed, single-parent households (Figure 5-7). However, the outer edges of the region have a higher percentage of married-couple households with children present (Figure 5-8).

Table 5-6 Tenure by Household Type and Presence of Children (Northern San Joaquin Valley)

Household Type	Merced County		San Joaquin County		Stanislaus County		Northern San Joaquin Valley	
	Owner-Occupied (Percent of Total Owner-Occupied)	Renter-Occupied (Percent of Total Renter-Occupied	Owner-Occupied (Percent of Total Owner-Occupied)	Renter-Occupied (Percent of Total Renter-Occupied	Owner-Occupied (Percent of Total Owner-Occupied)	Renter-Occupied (Percent of Total Renter-Occupied	Owner-Occupied (Percent of Total Owner-Occupied)	Renter-Occupied (Percent of Total Renter-Occupied)
Married Couple Family, with Children Present	9,542	8,617	36,488	22,124	26,074	15,437	72,104	46,178
	22.6%	21.8%	26.3%	23.1%	25.0%	21.8%	25.3%	22.4%
Single-Parent, Male Householder, no Spouse Present, with children	1,260	1,849	8,247	5,544	2,094	3,929	11,601	11,322
	3.0%	4.7%	5.9%	5.8%	2.0%	5.5%	4.1%	5.5%
Single Parent, Female Householder, No Spouse Present, with children	1,544	7,115	5,258	13,729	3,234	10,516	10,036	31,360
	3.7%	18.0%	3.8%	14.3%	3.1%	14.8%	3.5%	15.2%
Total Households with Children Present	12,346	17,581	49,993	41,397	31,402	29,882	93,741	88,860
	29.3%	44.5%	36.0%	43.2%	30.1%	42.2%	32.9%	43.1%
Total Households	**42,146**	**39,472**	**138,735**	**95,927**	**104,220**	**70,847**	**285,101**	**206,246**

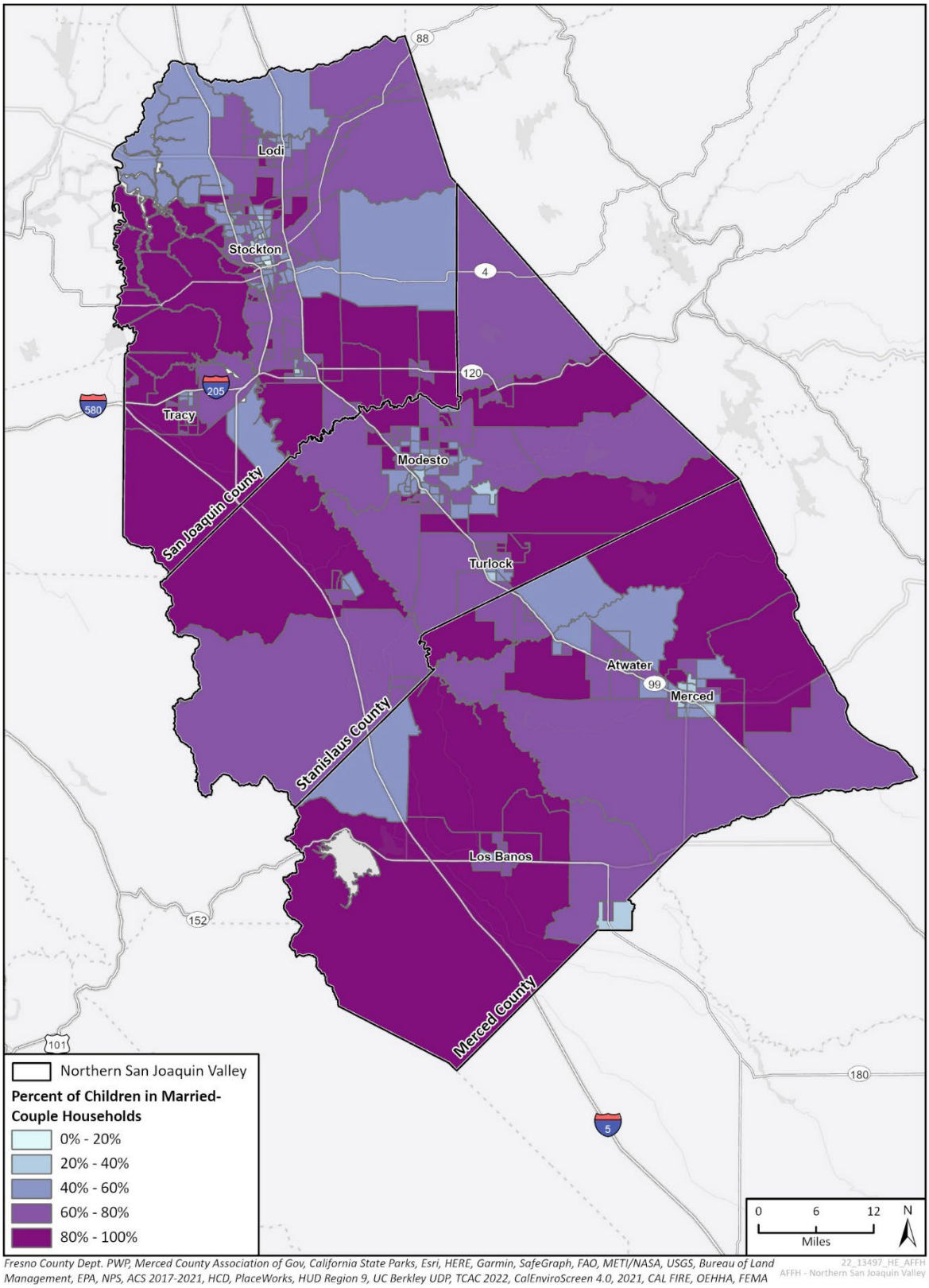
Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25115

Figure 5-7 Female-Headed Households with Children Present, No Spouse/Partner Present (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-8 Married-Couple Households with Children Present (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.6.4 Household Income

Household income is directly connected to the ability to afford housing. Higher-income households are more likely to own rather than rent housing. As household income decreases, households tend to pay a disproportionate amount of their income for housing and the number of persons occupying unsound and overcrowded housing increases. To achieve fair housing objectives, people in low-income households must have an actual choice in housing opportunities—that is, when they are able to locate units that are affordable and well maintained in all parts of a jurisdiction and region.

This section identifies household income disparities using data based on median household income and low- or moderate-income (LMI) geographies. HUD defines an LMI area as a census tract or block group where over 51 percent of the population is LMI. The definition of low- or moderate-income is based on HUD income definitions of up to 80 percent of the area median income (AMI). Data for this analysis are from the HUD Low- and Moderate-Income Summary Data based on the 2011-2015 American Community Survey (most recent available data).[15]

The Northern SJV region has a median household income of $68,368, as Table 5-7 displays. Median household income in the region is highest in rural areas outside of major cities such as Tracy, Modesto, and Merced (Figure 5-9). In most other parts of the region, the median household income is lower than the 2021 state median income of $84,097. Census tracts in urban areas of the region, including the cities of Merced, Modesto, and Stockton, have some of the lowest household median incomes in the region (less than $30,000 per year).

LMI populations are prevalent throughout the region, especially in western parts of Merced and Stanislaus County, and in major city centers (Figure 5-10). Most of the larger cities within the region have census tracts that contain the highest percentage of LMI populations in the region. Rural areas in San Joaquin County have the lowest percentage of LMI populations. Geographically, LMI populations overlap with census tracts with greater racial diversity (Figure 5-2) and census tracts that are predominantly Hispanic/Latino (Figure 5-3).

Table 5-7 Median Income by Household Type

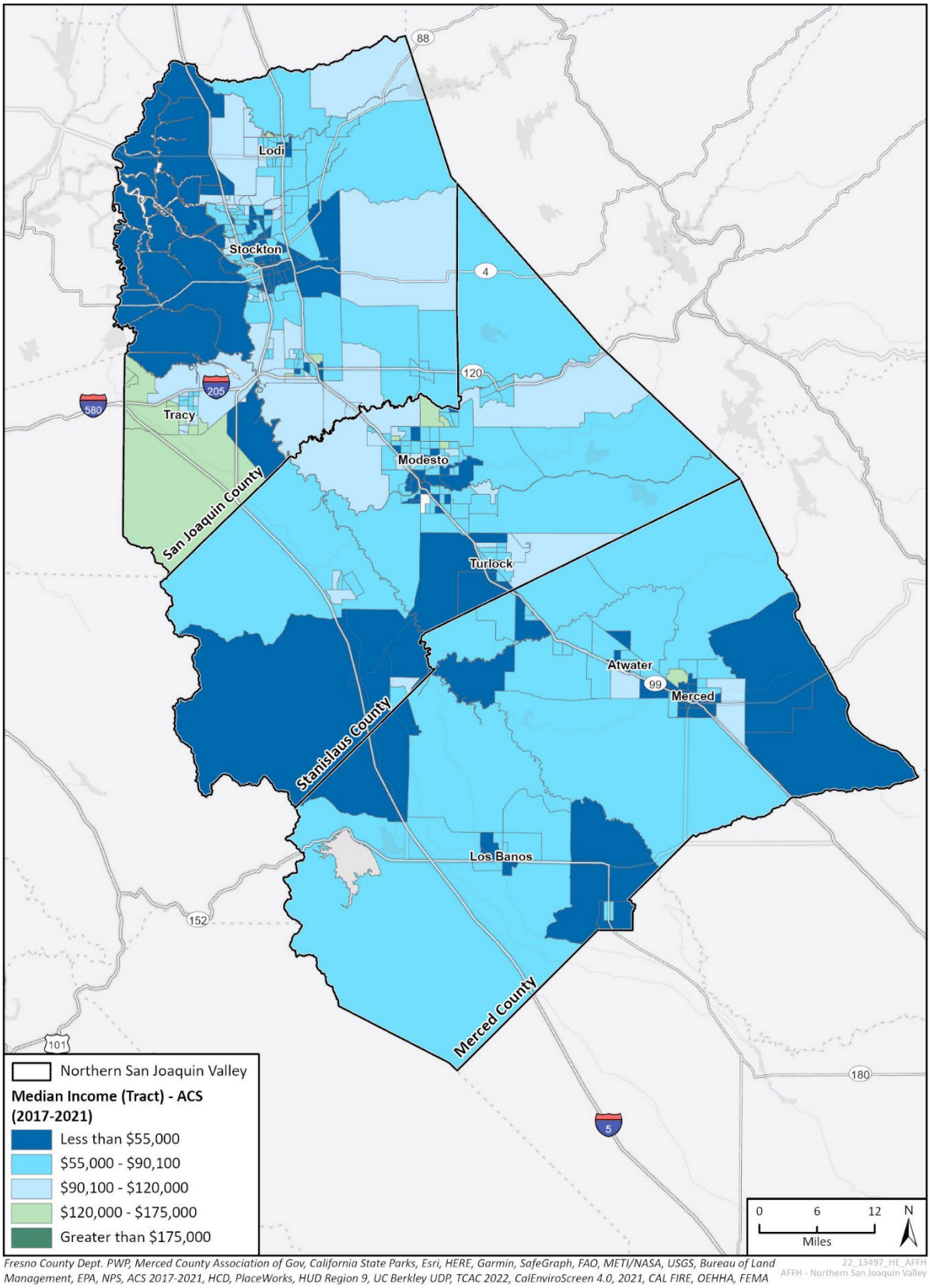
	Merced County	San Joaquin County	Stanislaus County	Northern San Joaquin Valley	California
All Family Households	$58,861	$74,962	$68,368	$68,368	$84,097
Families*	$64,175	$82,719	$75,348	$75,348	$95,971
Married-Couple Families	$77,637	$100,279	$90,553	$90,553	$115,013
Nonfamily Households	$36,048	$42,546	$41,637	$41,637	$54,019

*The U.S. Census defines "family" as a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Source: ACS 5 Year, 2017-2021, S1901

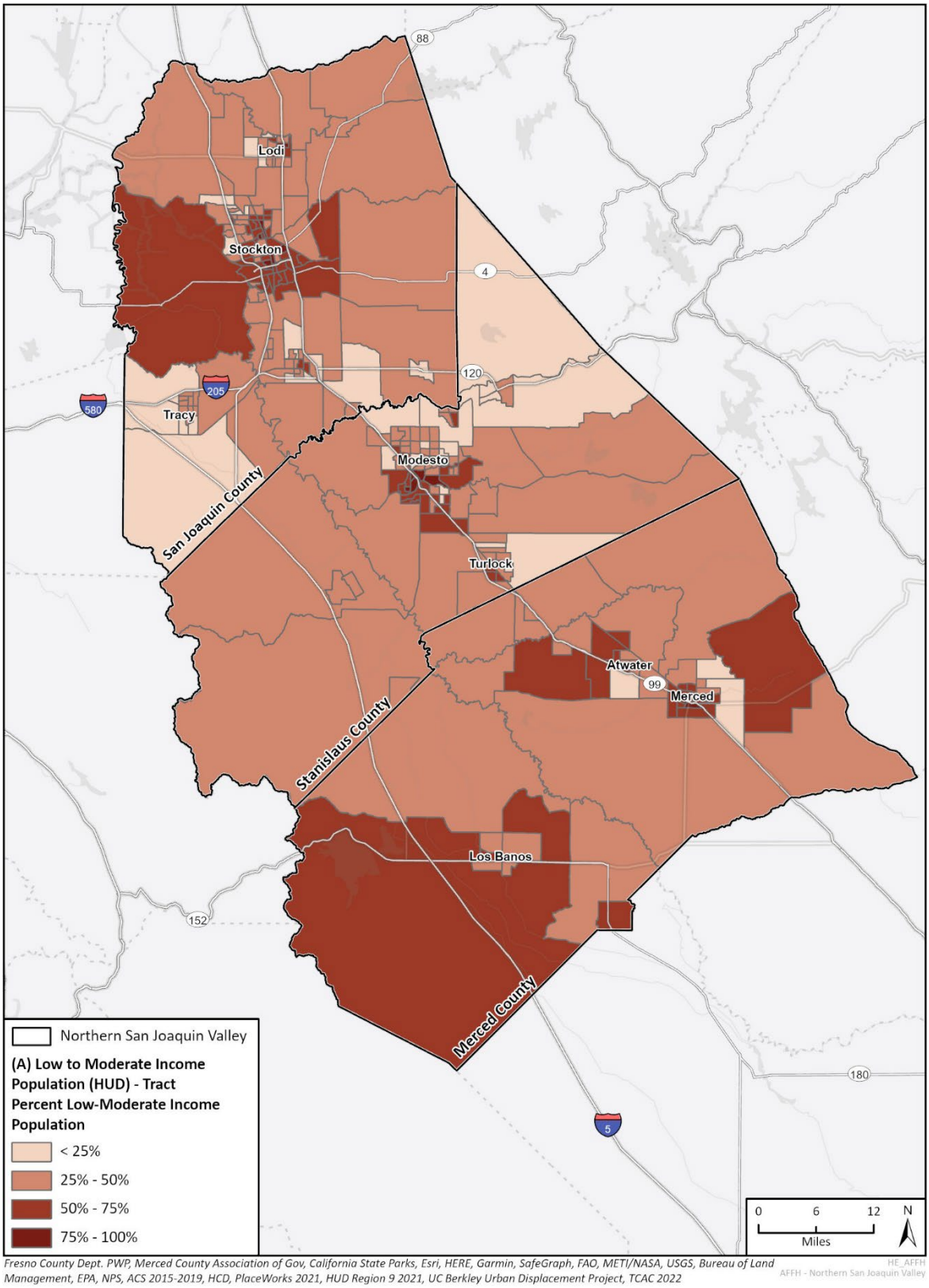
[15] HUD Exchange 2022: https://www.hudexchange.info/programs/acs-low-mod-summary-data/

Figure 5-9 Median Household Income (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-10 Percent of Low- to Moderate-Income (LMI) Population (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.6.5 Racially and Ethnically Concentrated Areas of Poverty

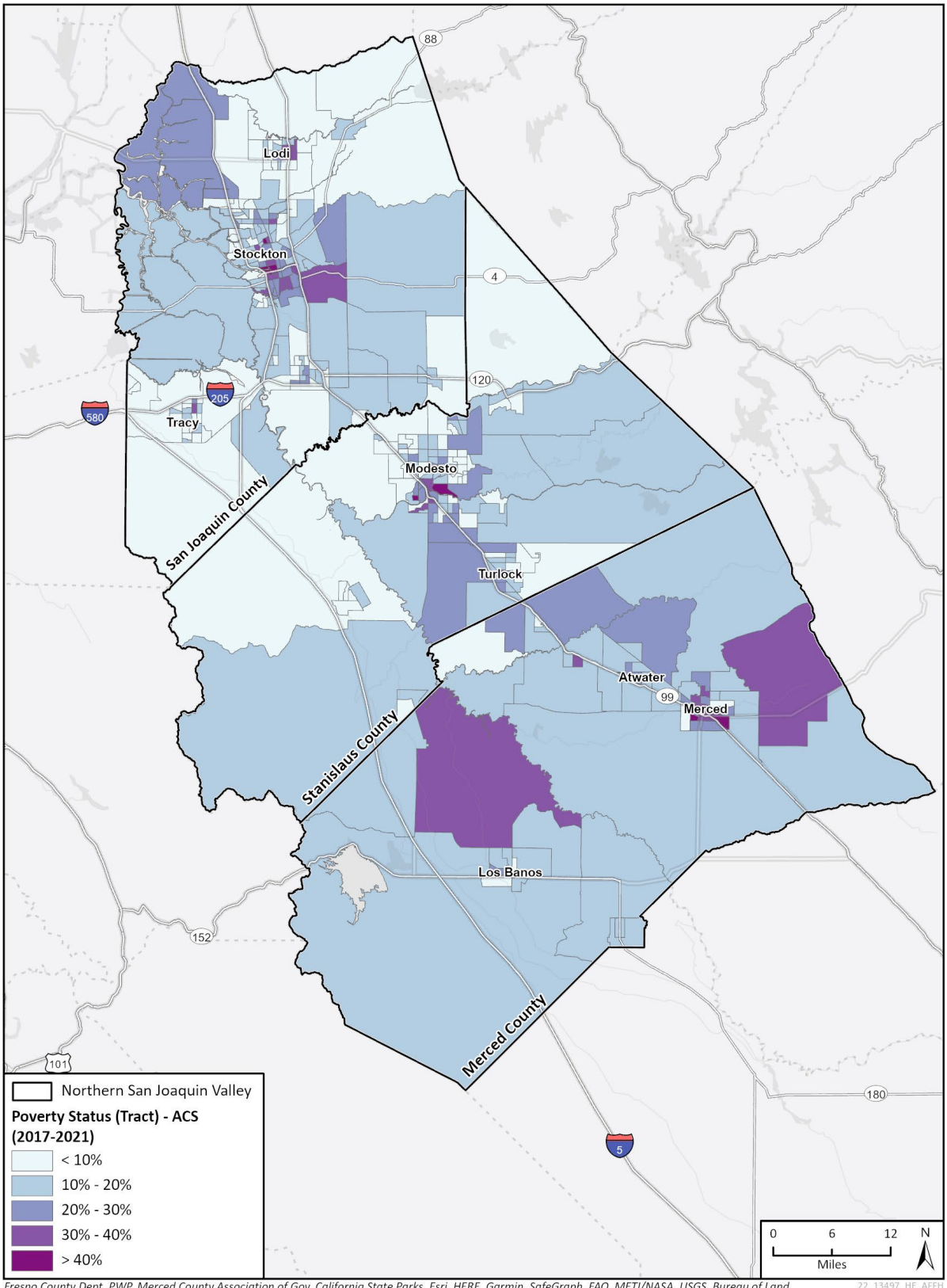
To identify racially and ethnically concentrated areas of poverty (known as R/ECAPs), TCAC includes a poverty concentration and racial segregation filter that aligns with HUD's R/ECAP methodology but is intended to reflect the level of racial and ethnic diversity more effectively. HUD developed thresholds based on racial and ethnic concentration and income level. The threshold for racial and ethnic concentration is a non-white population of 50 percent or more in metropolitan or micropolitan areas. The income threshold is based on areas of "extreme poverty," where 40 percent or more of households earn incomes at or below the federal poverty line, or where the poverty rate is three times the average poverty rate in the metropolitan area, whichever is less. An area that meets both thresholds for racial or ethnic concentration and "extreme poverty" is considered a R/ECAP.

TCAC categorizes census tracts that have both a poverty rate of over 30 percent and that are designated as being racially segregated (overrepresentation of people of color relative to the region) as areas of high segregation and poverty. Areas of high segregation and poverty in the Northern SJV region are found in larger cities. This includes the cities of Lodi, Stockton, Modesto, Turlock, Merced, and Los Banos (Figure 5-12). These areas overlap with census tracts that are predominantly Hispanic/Latino and high poverty (Figure 5-3).

5.6.6 Poverty and Segregation

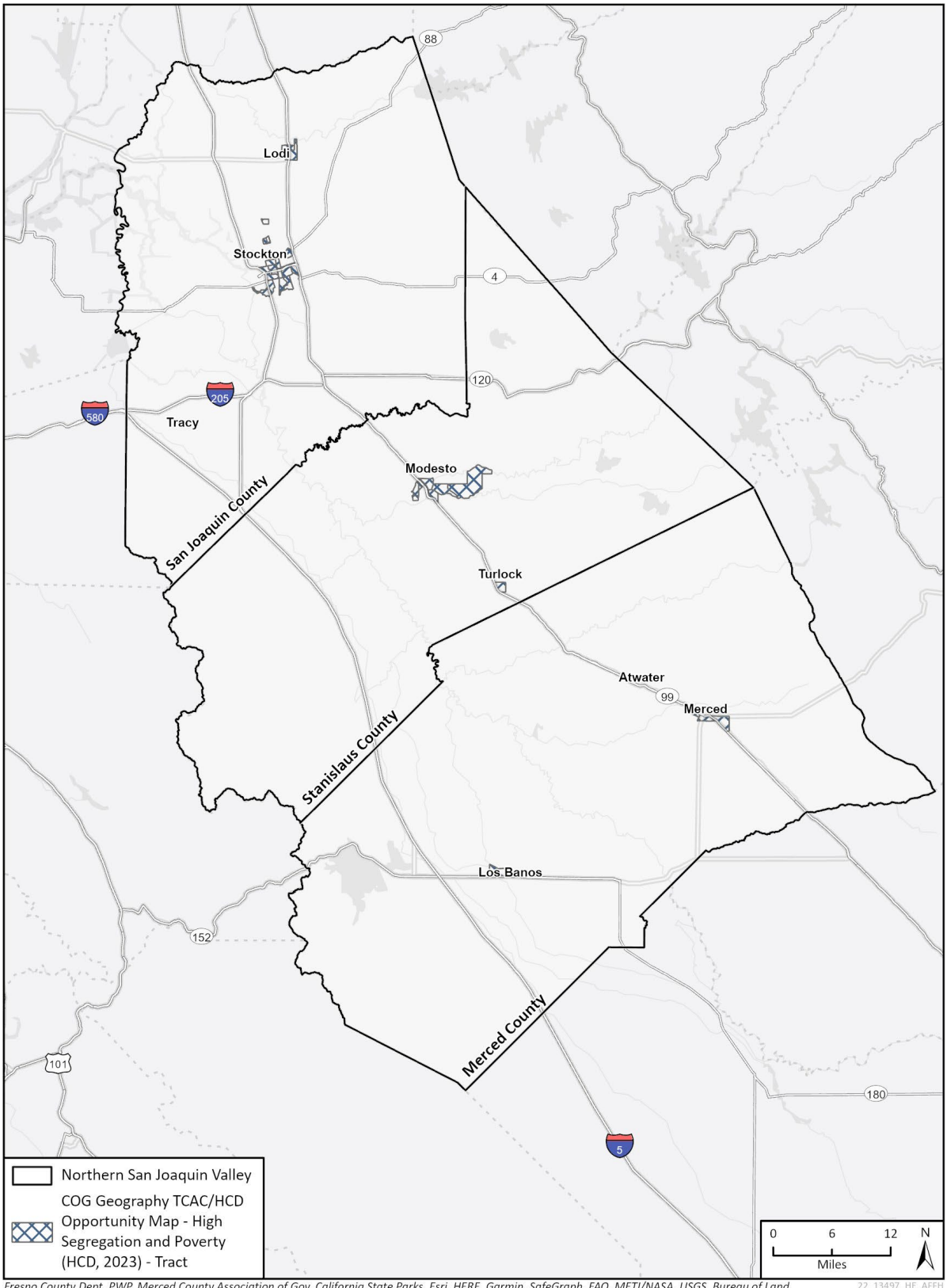
Poverty rates are high in more urban areas of the region (Figure 5-11). Rates are highest (over 40 percent of population with an income below the poverty level) in Stockton, Modesto, and Merced. Areas of the region that have more than 30 percent of the population living below the poverty line within the region are Lodi, Stockton, Modesto, Turlock, Merced, Planada, and just north of Los Banos. Parts of the region with the lowest poverty rates are along the western and eastern edge of San Joaquin and Stanislaus, with less than 10 percent of the population living below the poverty line. Areas in the region with a high percentage of residents living below the poverty line generally overlap with areas that are predominantly Hispanic/Latino (Figure 5-3).

Figure 5-11 Poverty Status (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-12 Areas of High Segregation and Poverty (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

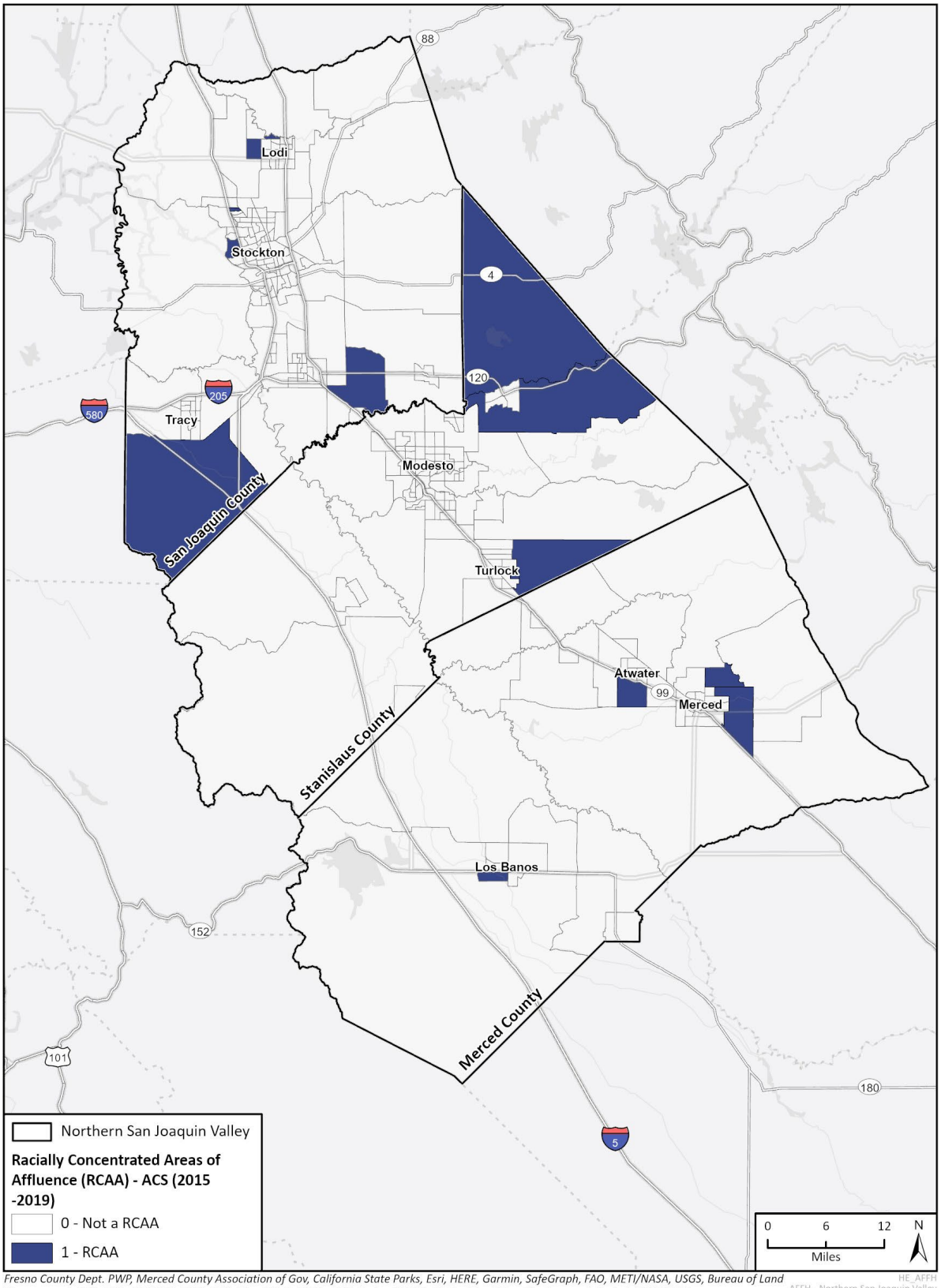
5.6.7 Concentrated Areas of Affluence

Racially Concentrated Areas of Affluence (RCAAs) are defined as affluent, white communities.[16] According to a policy paper published by HUD, white residents are the most racially segregated group in the United States and typically more affluent than majority non-white communities. In addition to having a higher median income, areas of affluence experience less overcrowding, less housing cost burden on renters, and are generally less susceptible to displacement compared to LMI areas.

HCD's AFFH Data Viewer identifies RCAAs as census tracts that have a white population that is 1.25 times higher than the Council of Governments region and a household median income 1.5 times higher than the AMI. RCAAs are located throughout the region and are seen in areas surrounding major cities in San Joaquin County, in rural, scarcely populated areas in Stanislaus County, and near major cities in Merced County (Figure 5-13). Per the definition, RCAAs in the Northern SJV region are predominantly white (Figure 5-3) and primarily have household median incomes much greater than the regional average of $68,368 (Figure 5-9).

[16] Goatz, Damanio and Williams, 2019. https://www.huduser.gov/portal/periodicals/cityscpe/vol21num1/ch4.pdf

Figure 5-13 Racially Concentrated Areas of Affluence (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.7 Disparities in Access to Opportunities

Land use policies and urban planning impact the ability of residents to access neighborhoods of opportunity, with high-performing schools, greater availability of jobs that afford entry to the middle class, and convenient access to transit and services. The limits on housing choice and access experienced by people within protected classes, such as race, sexual orientation, or disability, have far-reaching impacts on access to job opportunity, quality education, and mental and physical health.[17] This section analyzes the following place-based characteristics linked to opportunity indicators: quality education, employment, transportation, and healthy environment. The primary objective is to understand the disparity between communities in terms of access to real and potential economic benefits and quality of life.

5.7.1 Transit Access and Walkability

Reliable public transit access and active transportation options such as walking, and biking are imperative for low-income residents and/or persons with disabilities to connect to employment opportunities. Lack of transportation options can impede fair housing choice and continue to reinforce barriers for low-income communities in accessing housing and employment opportunities.

Commuting patterns within the region are characterized by substantial intercity and intercounty travel. Major cities within the region like Stockton, Modesto, and Merced contain a higher percentage of the region's jobs and population, and therefore are a major destination and point of origin for commuters. The average commute time for Northern SJV residents is 32.1 minutes, which is more than the state average of 29.5 minutes.[18] Out of the counties within the Northern SJV region, San Joaquin County residents have the highest average commute time of 35.2 minutes, with the highest percentage of commuters traveling 60 or more minutes (22 percent). This could be due to the county's proximity to job centers in the San Jose area and cheaper land prices further from San Jose.

The combined average AllTransit performance score for the Northern SJV is 3; likely due to a low combination of trips per week and number of jobs accessible by transit.[19] A little over one percent of commuters use transit.

Urban areas in the central part of the region, along Highway 99, have the greatest access to transit, particularly Stockton, Modesto, and Merced. Smaller cities, such as Lodi, Tracy, Turlock, and Atwater have less access to transit compared to larger cities in the region.

Each county in the region has different transit services. A more detailed breakdown of transit services for Merced County jurisdictions is provided in each jurisdiction's respective AFFH chapter.

5.7.2 Access to Quality Education

Educational outcomes are measured through the educational opportunity index, which measures the percentage of fourth-grade students testing proficient in reading and math within three miles of a census block group. Scores range from 0-1, with 1 being the most positive educational outcome, and 0 being the least positive educational outcome.

[17] HCD. 2021. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf
[18] U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table S0801
[19] AllTransit.Org, 2021. https://alltransit.cnt.org/

Economics literature has consistently found about a 10 percent increase in wages/salary with each additional year of education.[20] Therefore, educational attainment is directly linked to income and housing opportunities. To assess educational opportunities by geography, this analysis uses TCAC education domain scores, which incorporate a variety of indicators including math and reading proficiency scores, high school graduation rates, and student poverty rates at the census tract level.

Educational outcomes vary across the Northern SJV region. Areas in the north, east central, and west central edges of the region have more positive education outcomes compared to the rest of the region (Figure 5-14). The least positive education outcomes are found in city centers of urbanized jurisdictions like Stockton, Tracy, Modesto, and Los Banos. Out of the counties, Merced County has the most census tracts that have less positive education outcomes.

According to Kidsdata.org, a data compilation program of the Lucile Packard Foundation for Children's Health, high school graduation rates in the Northern SJV are highest among Filipino students (95.6 percent), Asian American students (93.0 percent), Native Hawaiian/ Pacific Islander students (89.2 percent), and white students (88.4 percent). Comparatively, Black/African American students (77.5 percent) and American Indian/Alaska Native students (76.8 percent) have lower graduation rates (Table 5-8).

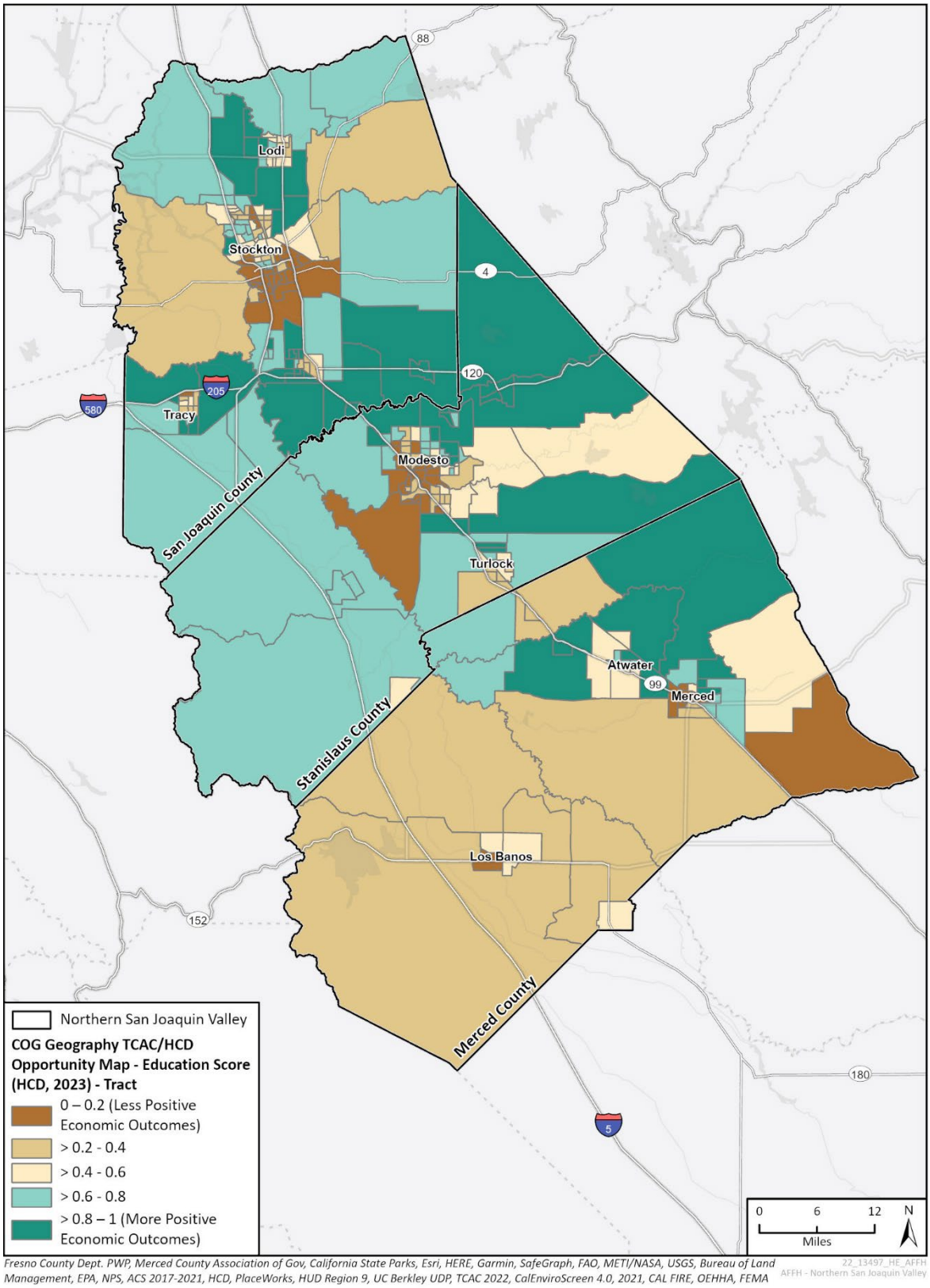
Table 5-8 High School Graduation Rates

	Merced County	San Joaquin County	Stanislaus County	Northern San Joaquin Valley
African American/Black	83.1%	74.5%	74.9%	77.5%
American Indian/Alaska Native	80.8%	70.9%	78.8%	76.8%
Asian	96.1%	89.9%	93.1%	93.0%
Filipino	100.0%	91.7%	95.0%	95.6%
Hispanic/Latino	90.0%	78.6%	83.5%	84.0%
Native Hawaiian/ Pacific Islander	-	86.1%	92.2%	89.2%
White	91.6%	85.9%	87.7%	88.4%
Multiracial	91.4%	76.2%	82.9%	83.5%

Source: Kidsdata.org 2021

[20] Annual Disability Statistics Compendium, 2020. https://disabilitycompendium.org/annualreport

Figure 5-14 TCAC Opportunity Areas – Education Outcomes (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.7.3 Economic Outcomes

Housing opportunities are directly related to economic opportunities. Access to high-quality employment close to desired and affordable housing results in more housing opportunities and shorter commute times. The analysis for economic opportunities uses TCAC opportunity maps, employment participation data from the ACS, and the HUD Jobs Proximity Index which assesses accessibility to job opportunities at the census block group level. The TCAC economic opportunity maps evaluate several indicators and score each census tract, a higher economic index score reflecting more positive economic outcomes. Scores are based on the following indicators:

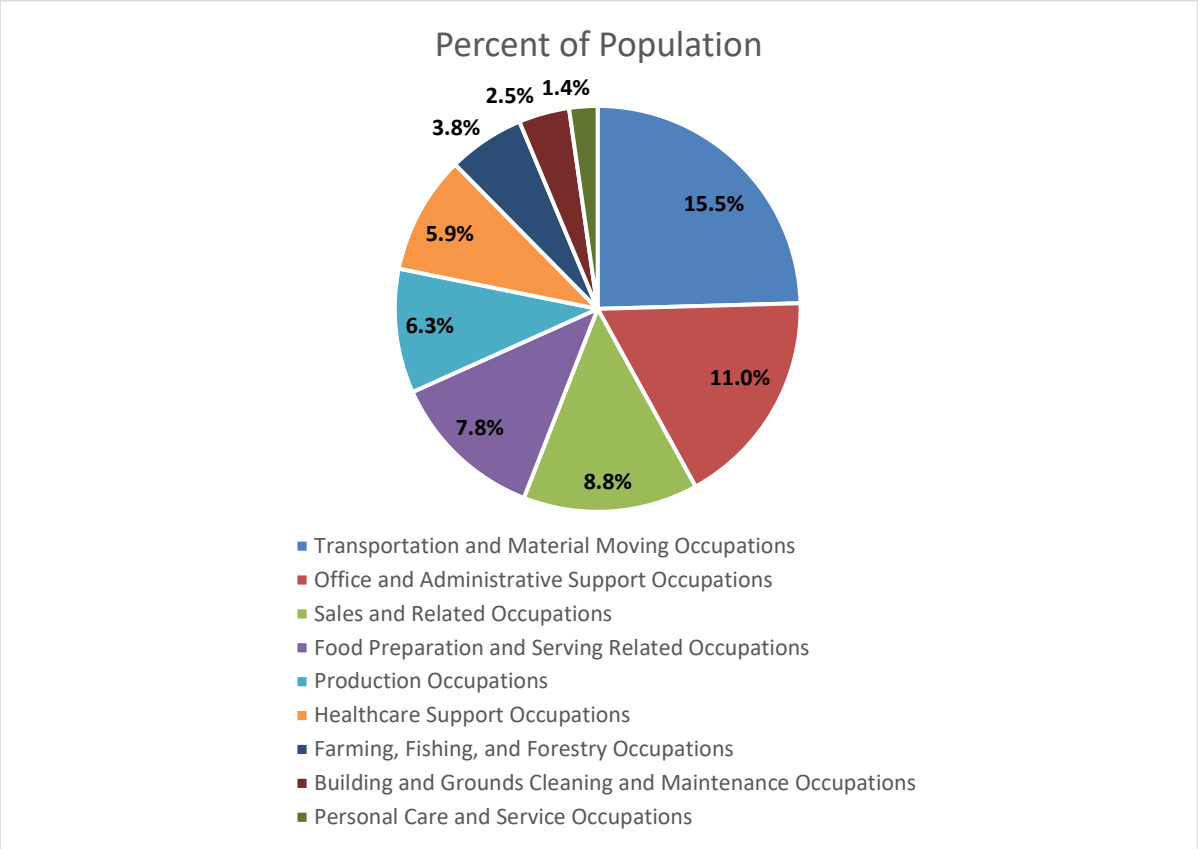
- Poverty (the percent of the population with an income above 200 percent of the federal poverty line)
- Adult education (the percent of adults with a bachelor's degree or above)
- Employment (the percent of adults between age 20-64 who are employed in the civilian labor force or armed forces)
- Job proximity (the number of jobs filled with less than a bachelor's degree that fall within a determined radius)
- Median home values (the value of owner-occupied units)

Throughout the Northern SJV region, more positive economic scores are in areas surrounding major cities in primarily agriculture zones. Areas with a less positive economic outcome are found within major cities and away from agriculture, as seen in Figure 5-16. This could be attributed to the key role and value that agriculture plays throughout the region.

The Northern SJV region has a labor force participation rate of 60.3 percent for persons 16 years and over.[21] Estimates from the California Employment Development Department show that the average salary in the Northern SJV region in 2021 was $55,958. Occupations with the highest average salaries in the region are management occupations, healthcare practitioners and technical occupations, and legal occupations, all with an average salary of over $100,000 (Table 5-9). Occupations with the lowest salaries include healthcare support occupations, food preparation and serving related occupations, and farming, fishing, and forestry occupations, all with average salaries under $37,000. A little less than half of the workforce in the region are employed in industries with lower-than-average salaries. Figure 5-15 shows the percentage of the employed population in occupations with salaries less than the average annual wage of $55,958.

[21] U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table DP03

Figure 5-15 Population Employed by Industry



Access to employment opportunities has a significant impact on the type and size of housing a household can afford. HUD's Jobs Proximity Index utilizes origin-destination employment statistics to examine the distance from a given neighborhood to all job locations in the region and assess the accessibility to job opportunities at the census block group level. Because the size of employment centers and the supply of labor differ across the region, the distance from any single job location is positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location.[22]

Table 5-9 Mean Salary by Occupation

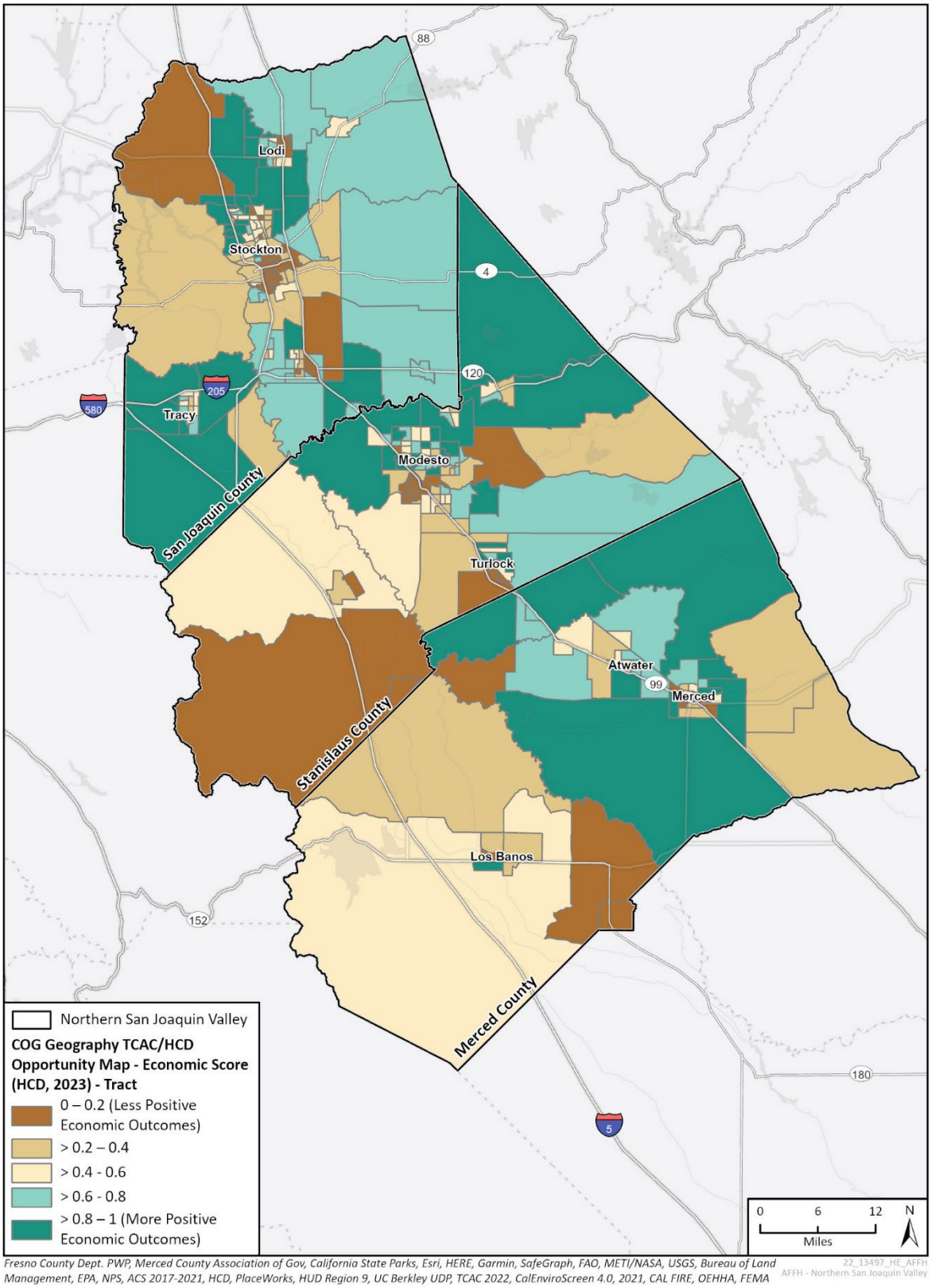
Occupation	Merced County Average Salary/ Percent of Population	San Joaquin County Average Salary/ Percent of Population	Stanislaus County Average Salary/ Percent of Population	Northern San Joaquin Valley Average Salary/ Percent of Population
Management Occupations	$109,952 5.3%	$115,955 4.4%	$113,947 4.6%	$113,285 4.8%
Healthcare Practitioners and Technical Occupations	$98,657 7.0%	$114,974 3.9%	$114,518 5.3%	$109,383 5.9%
Legal Occupations	$100,874 0.5%	$113,928 0.3%	$95,467 0.4%	$103,423 0.4%

[22]HUD, 2020. https://www.hud.gov/sites/dfiles/FHEO/documents/AFFH-T-Data-Documentation-AFFHT0006-July-2020.pdf

Occupation	Merced County Average Salary/ Percent of Population	San Joaquin County Average Salary/ Percent of Population	Stanislaus County Average Salary/ Percent of Population	Northern San Joaquin Valley Average Salary/ Percent of Population
Architecture and Engineering Occupations	$89,769 0.7%	$89,624 0.5%	$93,177 0.6%	$90,857 0.6%
Computer and Mathematical Occupations	$80,476 1.1%	$88,847 0.8%	$86,464 0.8%	$85,262 0.9%
Business and Financial Operations Occupations	$70,438 3.5%	$76,977 3.4%	$77,328 3.6%	$74,914 3.5%
Life, Physical, and Social Science Occupations	$65,868 0.9%	$75,016 1.2%	$80,610 0.9%	$73,831 0.9%
Educational Instruction and Library Occupations	$72,996 6.8%	$70,561 10.8%	$71,266 6.3%	$71,608 7.1%
Protective Service Occupations	$60,584 1.7%	$66,842 2.2%	$65,339 2.8%	$64,255 2.3%
Community and Social Service Occupations	$56,389 2.4%	$66,780 2.4%	$61,030 1.6%	$61,400 2.0%
Construction and Extraction Occupations	$58,103 4.3%	$64,087 3.6%	$61,260 4.1%	$61,150 4.1%
Installation, Maintenance, and Repair Occupations	$57,790 4.0%	$59,134 3.8%	$57,718 3.7%	$58,214 3.8%
Arts, Design, Entertainment, Sports, and Media Occupations	$56,555 0.6%	$57,529 0.5%	$55,167 0.7%	$56,417 0.7%
Production Occupations	$42,530 6.5%	$44,049 7.7%	$65,339 5.7%	$50,639 6.3%
Office and Administrative Support Occupations	$45,320 11.1%	$48,484 10.1%	$47,027 11.2%	$46,944 11.0%
Transportation and Material Moving Occupations	$42,789 11.0%	$46,087 9.8%	$42,715 20.3%	$43,864 15.5%
Sales and Related Occupations	$40,093 9.9%	$45,176 9.1%	$44,134 8.1%	$43,134 8.8%
Building and Grounds Cleaning and Maintenance Occupations	$39,924 2.5%	$41,171 2.5%	$41,246 2.6%	$40,780 2.5%
Personal Care and Service Occupations	$38,879 1.7%	$38,325 1.2%	$37,845 1.3%	$38,350 1.4%
Healthcare Support Occupations	$34,583 6.4%	$38,900 6.4%	$37,493 5.5%	$36,992 3.8%
Food Preparation and Serving Related Occupations	$35,180 8.5%	$35,649 7.6%	$35,222 7.3%	$35,350 7.8%
Farming, Fishing, and Forestry Occupations	$33,050 3.8%	$34,670 8.1%	$33,091 2.7%	$33,604 3.8%
All Occupations	$52,958	$57,245	$57,672	$55,958

Source: California Employment Development Department, Occupational Wage data, 2022

Figure 5-16 TCAC Opportunity Areas - Economic Outcomes (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.7.4 Healthy and Safe Housing Environment

Healthy Environment in AFFH addresses disparities in access to environmentally healthy neighborhoods by protected class groups. An assessment of environmentally healthy neighborhoods can include air and water quality, safety, environmental hazards, social services, and cultural institutions. Recent California laws (Assembly Bill (AB) 1550, Senate Bill (SB) 535 and SB 1000) emphasize the importance of environmental justice as a fair housing issue. HUD defines environmental justice as ensuring that people have equal access to safe and healthy housing. HUD requires all entitlement jurisdictions to conduct reviews under the National Environmental Protection Act to determine if a proposed project creates adverse impacts due to environmental conditions. It furthers the requirement that human health deserves equal protection for all people regardless of race, color, national origin, or income. Under Executive Order 12898, federally assisted projects may also target funding to communities that have disproportionately high and adverse human health impacts on minority and low-income populations due to environmental conditions.[23]

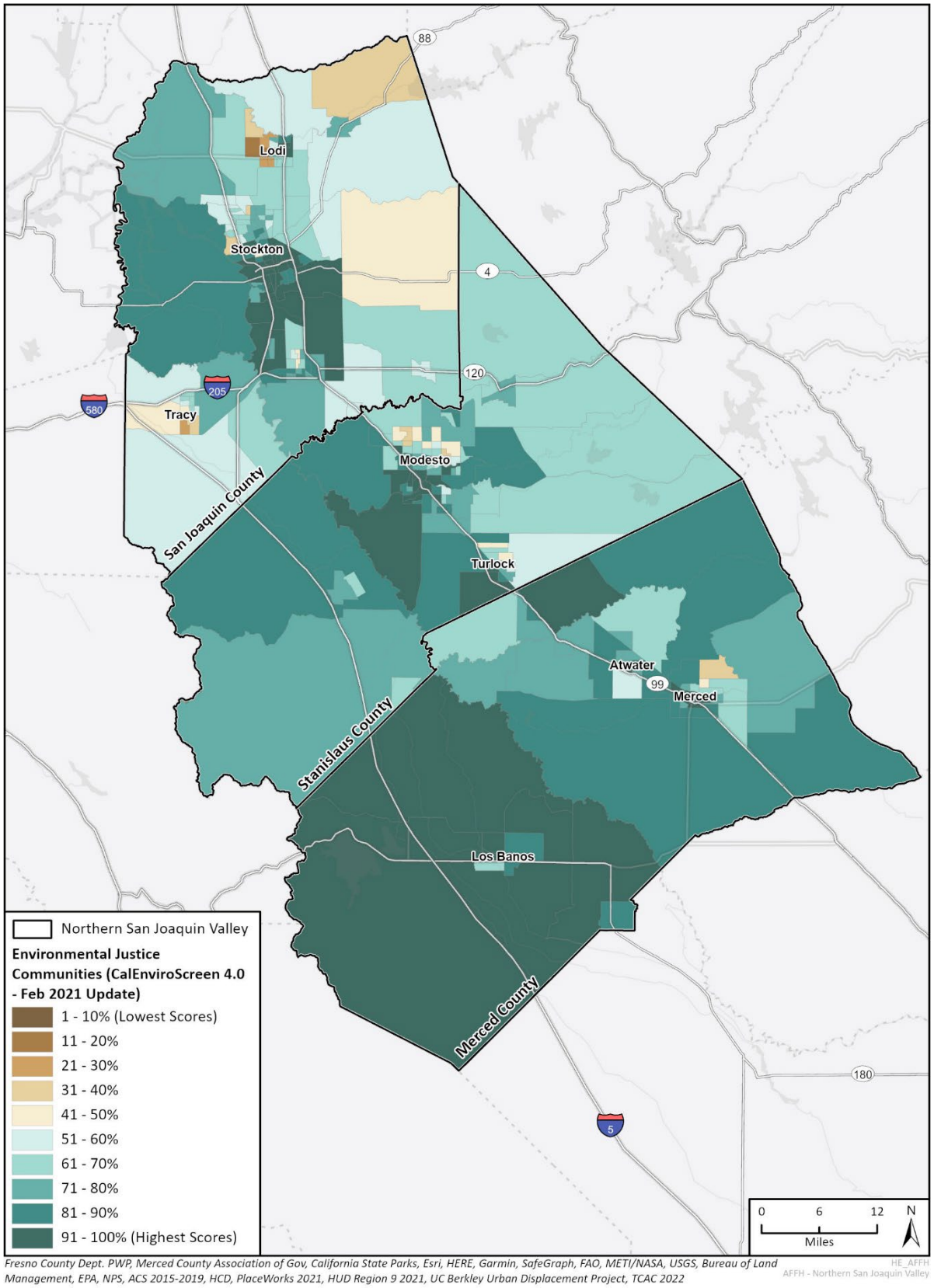
The California Office of Environmental Health Hazard Assessment developed CalEnviroScreen, a mapping tool that uses spatial data collected by various regulatory agencies (e.g., air quality indicators from the San Joaquin Valley Air Pollution Control District, monitored chemical releases into the air or water table from Environmental Protection Agency, HUD socio-economic indicators). The dataset uses a methodology to identify communities disproportionately burdened by exposures to pollution, environmental effects of existing pollutants in communities, among other indicators of sensitive populations or socioeconomic factors. Residents in census tracts with high CalEnviroScreen scores as compared to other California census tracts (shown as percentiles) are disproportionately burdened by pollution and are more vulnerable to related effects.

The CalEnviroScreen map for the Northern SJV region identifies the degree to which communities are considered burdened by pollution. CalEnviroScreen identified higher pollution burden in the northern end of the region, in most of San Joaquin County (Figure 5-17). A higher pollution burden can be seen in and around the cities of Lodi, Stockton, Tracy, Modesto, Turlock, and Merced. Pollution burden is higher in San Joaquin County due to ozone, particulate matter smaller than 2.5 micrometers in diameter, pesticide use, and groundwater threats. Pollution burden caused by drinking water contaminants and solid waste sites are high throughout the region. Similar to the CalEnviroScreen map, the TCAC opportunity map indicates environmental outcomes in the southern portion of the region are generally more positive and the environmental outcomes in the northern portion of the region are less positive (Figure 5-18). This difference could be due to the higher number of highways throughout San Joaquin County compared to the rest of the region.

Most of the southern Northern SJV region is considered a disadvantaged community under SB 535. Disadvantaged communities are low-income areas that are disproportionately affected by environmental pollution and other hazards, and are seen predominantly in Merced County, the eastern portion of Stanislaus County, and central San Joaquin County (Figure 5-19). Disadvantaged communities include census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen. SB 535 disadvantaged communities in the region include both rural and urban areas. Most major cities within the region (Lodi, Stockton, Tracy, Modesto, Turlock, Merced, and Los Banos) contain SB 535 disadvantaged communities. There are no SB 535 disadvantaged communities in the northeastern portion of the region.

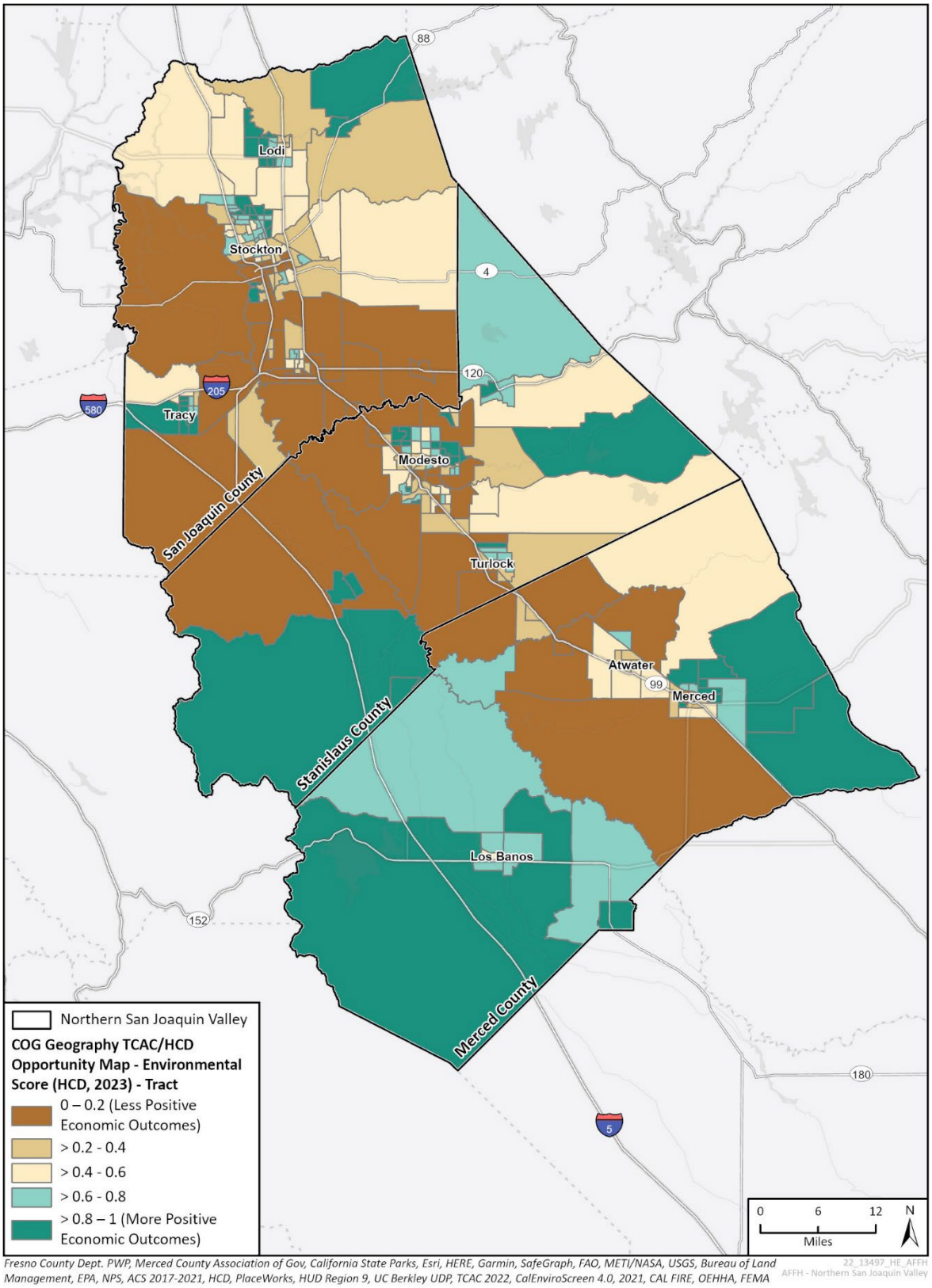
[23] HUD, 2021. https://www.hudexchange.info/programs/environmental-review/environmental-justice/

Figure 5-17 CalEnviroScreen 4.0 Percentile Scores (Northern San Joaquin Valley)



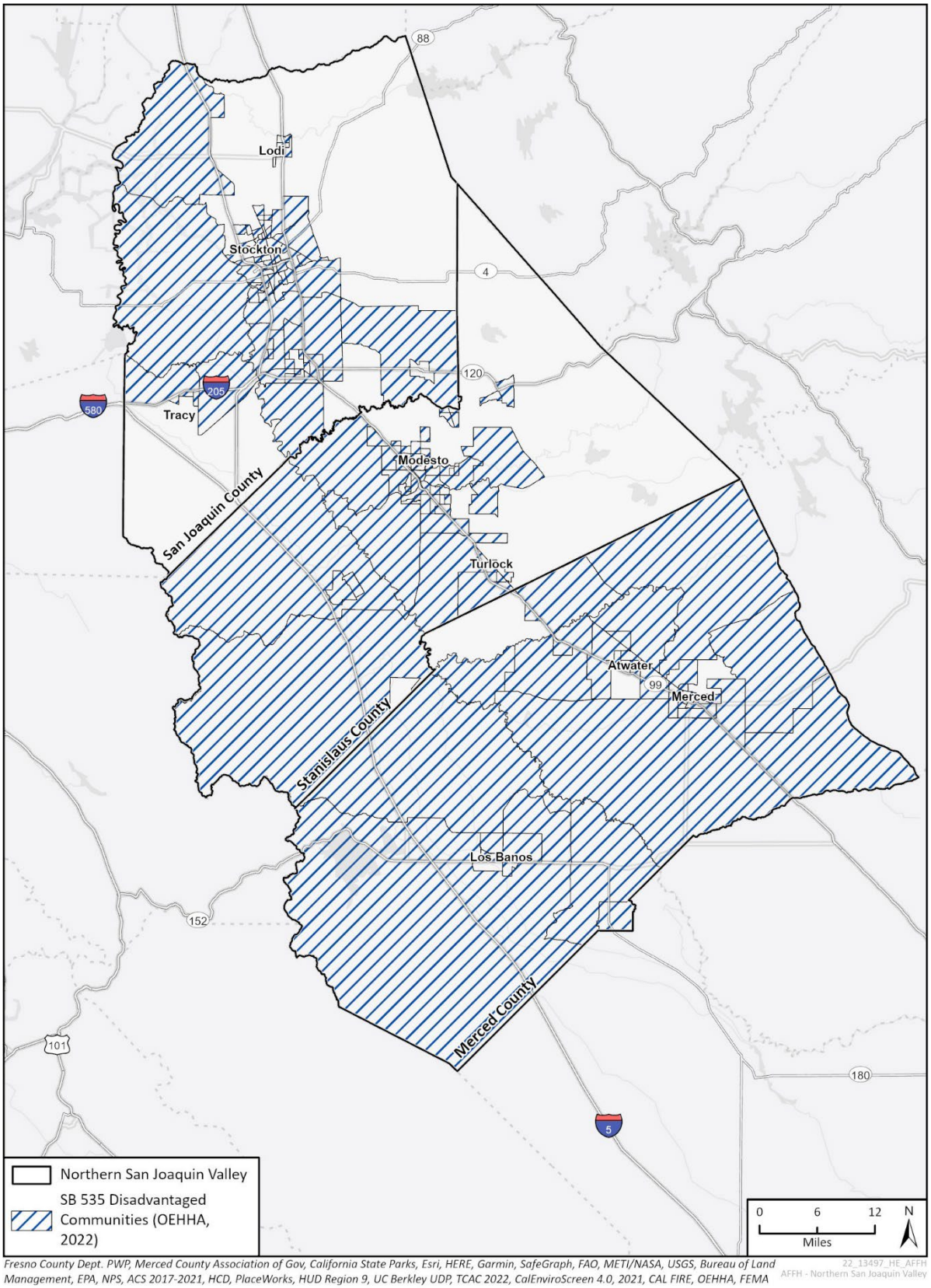
Source: AFFH Viewer, 2022

Figure 5-18 TCAC Opportunity Areas - Environmental Outcomes (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-19 SB 535 Disadvantaged Communities (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.8 Disproportionate Housing Needs

Disproportionate housing needs refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need, or the total population experiencing that category of housing need in the applicable geographic area. To analyze the extent of disproportionate housing needs, this section reviews data on housing cost burden, overcrowding, and substandard housing conditions (collectively known as "housing problems"); homelessness; and displacement risk. Information for this section relies on the HUD CHAS data.

5.8.1 Housing Problems

According to federal law, "housing problems" refers to any of four housing issues: cost burden and severe cost burden, overcrowding, and substandard housing conditions.

Approximately 41 percent of total households in the Northern SJV region experienced housing problems and 23 percent of households experienced severe housing problems from 2015 to 2019 (Table 48).

Table 5-10 Regional Housing Problems

	Merced County		San Joaquin County		Stanislaus County		Northern SJV	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
Housing Problems								
Household has at least 1 of 4 Housing Problems	11,785	19,830	39,445	55,780	30,760	39,360	81,990	114,970
	31,615 40%		95,225 42%		70,120 40%		196,960 41%	
Household has none of 4 Housing Problems OR cost burden not available no other problems	30,010	18,385	89,975	43,370	69,815	33,960	189,800	95,715
	48,395 60%		133,345 58%		103,775 60%		285,515 59%	
Total	**80,010**		**228,565**		**173,900**		**482,475**	
Severe Housing Problems								
Household has at least 1 of 4 severe housing problems	5,980	12,485	20,270	34,680	14,700	24,700	40,950	71,865
	18,465 23%		54,950 24%		39,400 23%		112,815 23%	
Household has none of 4 Housing Problems OR cost burden not available no other problems	35,815	25,725	109,150	64,465	85,875	48,620	230,840	138,810
	61,540 77%		173,615 76%		134,495 77%		369,650 77%	
Total	**80,010**		**228,565**		**173,900**		**482,475**	

Source: CHAS Data 2015-2019

Substandard Housing Conditions

HUD considers housing units to be "standard units" if they comply with local building codes. According to 2017-2021 ACS estimates 99.6 percent of occupied housing units within the NSJV region had complete plumbing facilities and 99.2 percent of units had complete kitchen facilities. Approximately 63.1 percent of the region's housing stock was constructed prior to 1990 and is more than 30 years old. These units are potentially in need of repair and modernization improvements. Many federal and state programs use the age of housing as a factor to determine a community's housing rehabilitation needs. Housing age can be an important indicator of housing condition in a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Typically, housing over 30 years old is more likely to have rehabilitation needs that may include replacing plumbing, roof repairs, foundation work, and other repairs. Housing units built before 1978 may have health risks such as lead-based paint and asbestos. Housing issues prompted by disrepair such as mold may elevate health conditions such as asthma.

Spatial data on housing conditions is not available, but more information can be found in *Chapter 2, Regional Housing Needs Assessment*.

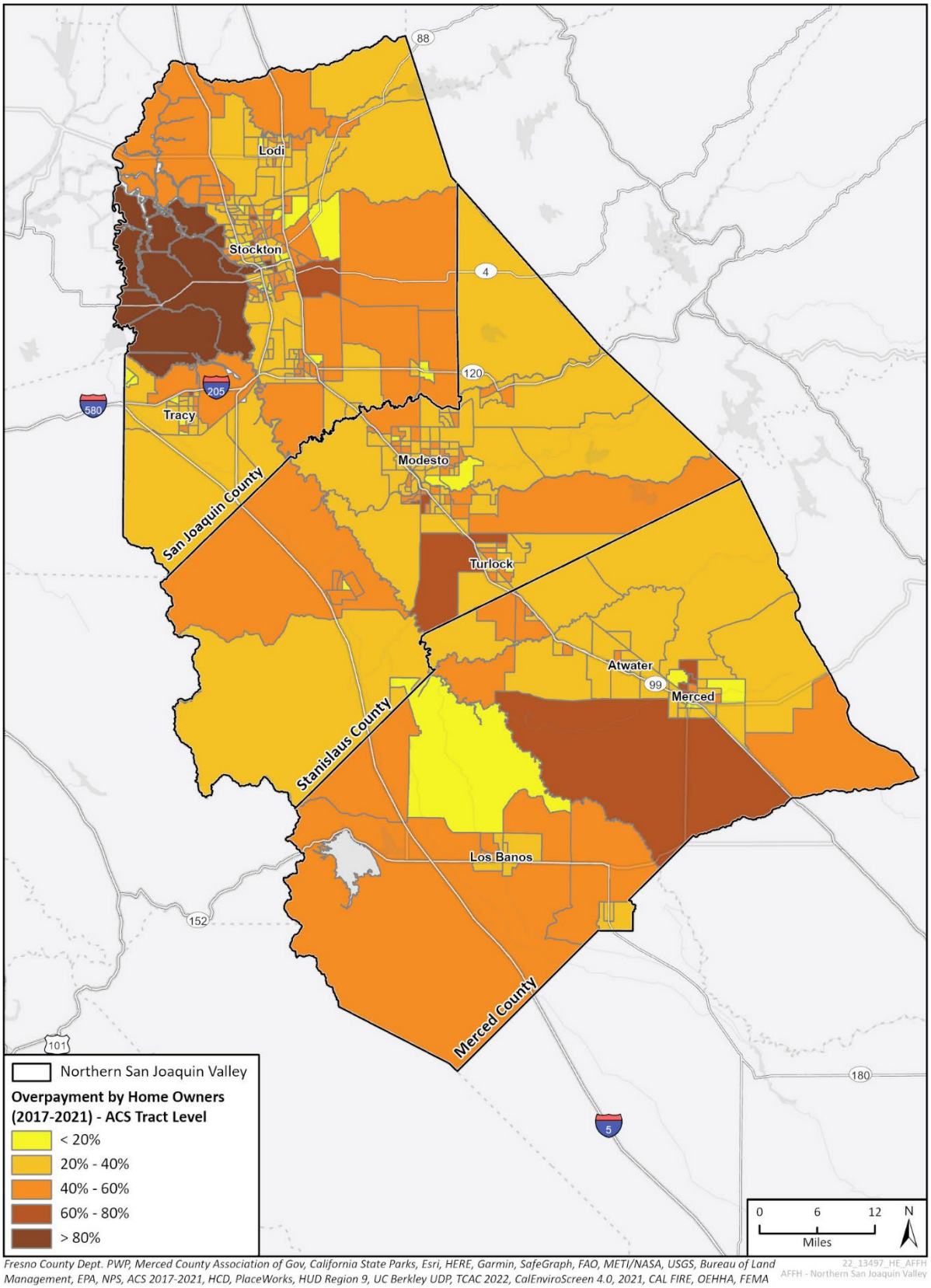
Housing Cost Burden

Housing cost burden is defined as the proportion of a household's total gross income spent on housing costs. Households that spend at least 30 percent of their total gross income on housing costs (rent, mortgage, utilities, and other housing-related costs) are considered "cost burdened," and households spending over 50 percent on housing costs are considered "severely cost burdened." The higher the housing cost burden, the more likely residents are to live in overcrowded and substandard conditions and are less likely to afford to relocate. Low-income households and persons in protected classes disproportionately experience severe housing problems.

Cost burden by homeowners and renters is moderate throughout the Northern SJV region. Approximately 56 percent of owner households are cost burdened, and 44 percent of renter households are cost burdened[24]. Cost burden by homeowners is lowest in and around the major cities throughout the region, as seen in Figure 5-20. In all other parts of the region, most census tracts fall within the 20 and 40 percent range of homeowners who are cost burdened. This is similar for renter households, where between 20 and 40 percent of households are cost burdened throughout most of the region (Figure 5-21). Some of the highest rates of overpayment by renters are in more urban areas, including the cities of Stockton, Modesto, Merced, and Los Banos where between 60 and 80 percent of renters are cost burdened.

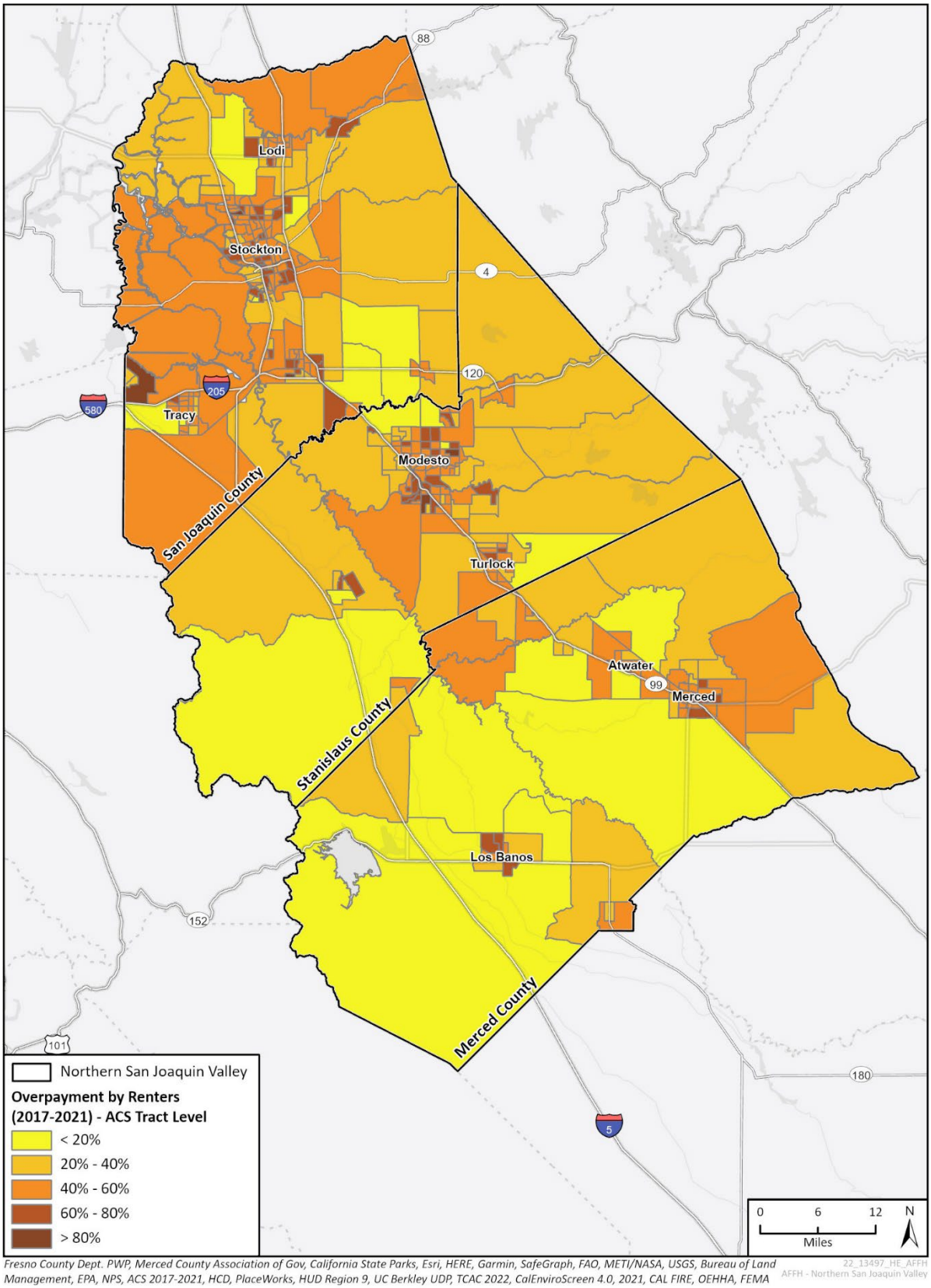
[24] 2015-2019 CHAS Data. https://www.huduser.gov/PORTAL/datasets/cp.html

Figure 5-20 Overpayment by Home Owners (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Figure 5-21 Overpayment by Renters (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Overcrowding

Overcrowding is defined as a housing unit with more than one person residing per room (including dining and living rooms but excluding bathrooms and kitchen) while severe overcrowding refers to more than 1.5 persons residing per room. Overcrowding is often an issue for large families, where there are five or more people per household. Generally, large households have special housing needs due to lower per capita income and the need for housing with three or more bedrooms.

Some large households may not be able to accommodate high-cost burdens for housing and accept housing with too few rooms. Potential fair housing issues emerge if non-traditional households are discouraged or denied housing due to a perception of overcrowding. Household overcrowding reflects various living situations, including housing units that are inadequately sized to meet a household's needs; the necessity or desire to have extended family members reside in an existing household; or unrelated individuals or families that share a single housing unit.

Not only is overcrowding a potential fair housing concern, but it can also potentially strain electrical systems in older housing that have not been updated or contribute to a perceived shortage of parking. As a result, some property owners/managers may be more hesitant to rent to large households, thus making access to adequately sized housing even more difficult. According to local fair housing service providers and property managers, addressing the issue of large households is complex as there are no set guidelines for determining the maximum capacity for a unit. Fair housing issues may arise from policies aimed to limit overcrowding that have a disparate impact on specific racial or ethnic groups with different preferences for housing size and/or ability to pay according to the household size standards identified.

The Northern SJV region has 192,176 large households, approximately 39 percent of total households, as shown in Table 5-11.

Additionally, the Northern SJV region has a greater portion of large households compared to the state average. Often, large households face significant difficulty in locating adequately sized, affordable housing due to the limited supply of appropriately sized homes. A higher percentage of renter households (21 percent) were considered large households compared to owner households (19 percent).

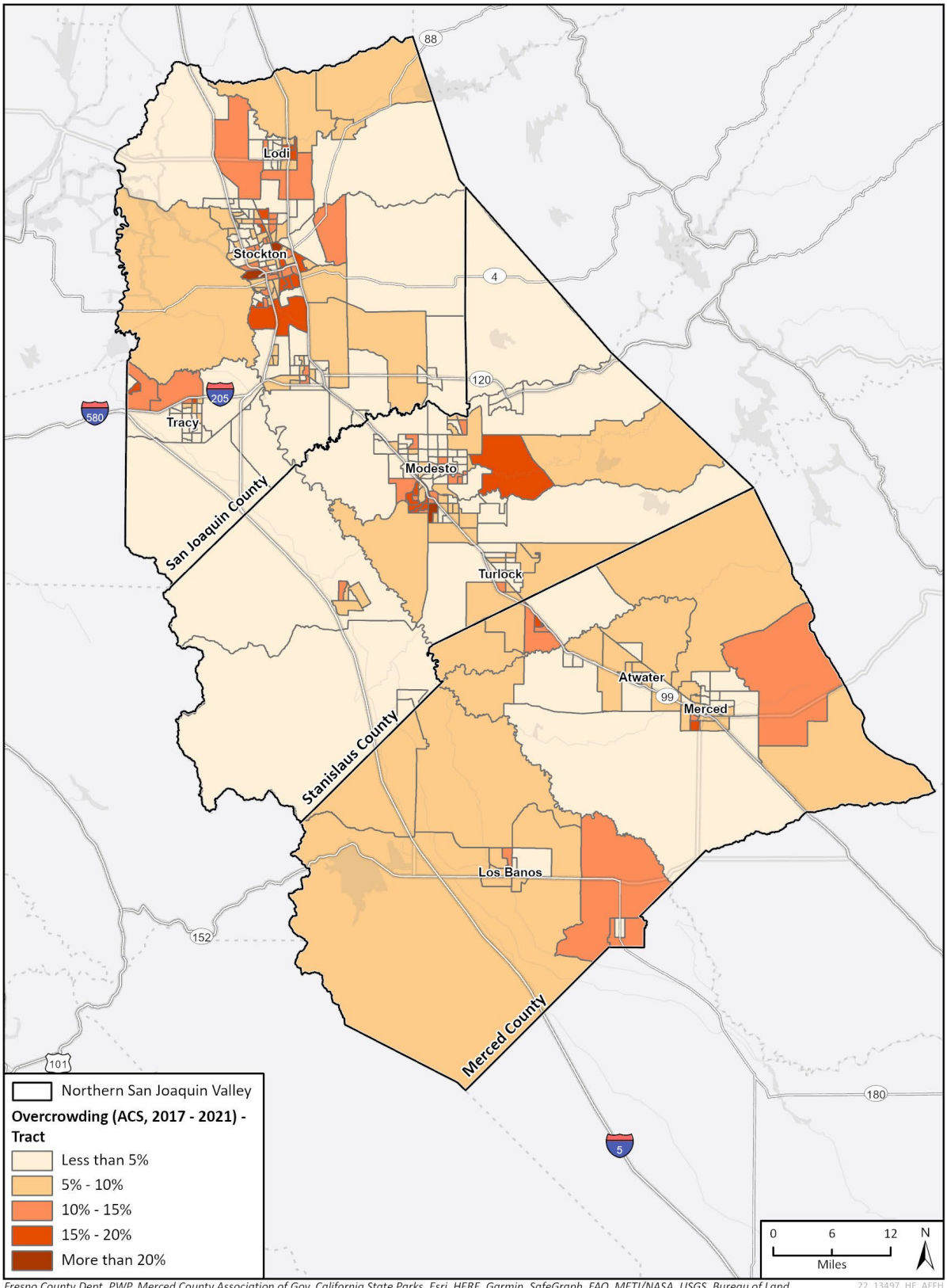
Overcrowded housing is seen throughout the region, with higher concentrations in and around major cities (Figure 5-22). The cities of Lodi, Stockton, and Modesto all have census tracts where over 20 percent of households were experiencing overcrowding. However, in most of the region less than 5 to 10 percent of households experience overcrowding.

Table 5-11 Large Households

	Number of Households (Percent of Households)				
	Merced County	San Joaquin County	Stanislaus County	Northern San Joaquin Valley	California
Total Occupied Housing Units	81,618	234,662	175,067	491,347	13,217,586
Total Large Households (5 or More Persons)	17,710 21.7%	47,037 20.0%	31,341 17.9%	96,088 19.6%	1,830,468 13.8%
5-Person Household	10,117 12.4%	26,024 11.1%	17,329 9.9%	53,470 10.9%	1,036,772 7.8%
6-Person Household	4,136 5.1%	11,278 4.8%	8,309 4.7%	23,723 4.8%	445,683 3.4%
7-or-More Person Household	3,457 4.2%	9,735 4.1%	5,703 3.3%	18,895 3.8%	348,013 2.6%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25009

Figure 5-22 Overcrowded Households (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.8.2 Persons Experiencing Homelessness

For the Northern SJV region, the three counties' 2022 point-in-time (PIT) counts showed a combined 5,031 persons experiencing homelessness.[25] This represents no net change since 2019. There was an increase of 248 homeless individuals in Merced County and a decrease of 310 homeless individuals in San Joaquin County due to prevention efforts such as the expansion of emergency shelters in major cities. In 2022, the total number of homeless individuals in each county were 855 in Merced County, 1,857 in Stanislaus County, and 2,319 in San Joaquin County – compared to 607 in Merced County, 1,795 in Stanislaus County, and 2,629 in San Joaquin County in 2019.

State law (Section 65583(a)(7)) requires municipalities to address the special needs of persons experiencing homelessness within their boundaries. "Homelessness," as defined by HUD, describes the condition of an individual, who is not imprisoned or otherwise detained, who:

- Lacks a fixed, regular, and adequate nighttime residence; and
- Has a primary nighttime 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.

Nearly half (46 percent) of persons experiencing homelessness in the Northern SJV region were located in San Joaquin County, 37 percent were located in Stanislaus County, and 17 percent were located in Merced County. Across the region, homelessness is consistently 0.3 percent of the total population, meaning there are no outliers.

The combined 2022 PIT found that most persons experiencing homelessness identified as white (67 percent), 17 percent identified as Black/African American, and 4 percent identified Native American/Alaskan Native. Approximately 32 percent of persons identified experiencing homelessness in the region were Hispanic/Latino. Of the homeless residents surveyed in the region, 32 percent identified mental disability as a barrier to housing, 26 percent identified substance use as a barrier to housing, and 10 percent identified as victims of domestic violence.

5.8.3 Displacement

Displacement, as defined by HCD, is used to describe any involuntary household move caused by landlord action or market changes. Shifts in neighborhood composition are often framed and perpetuated by established patterns of racial inequity and segregation. Movement of people, public policies, and investments, such as capital improvements and planned transit stops, and flows of private capital can lead to displacement. Displacement is fueled by a combination of rising housing costs, rising income inequality, stagnant wages, and insufficient market-rate housing production.

[25] Stanislaus County. 2022. Point in Time. https://www.stancounty.com/newsfeed/pdf/20220613-resch-pit.pdf
Merced County. 2022. Point in Time. https://static1.squarespace.com/static/6149207801c5c134f32b280c/t/625605199113fa3f4be48dbe/1649875108255/Merced+County+CoC+2022+Homeless+Count+and+Survey+Report+
San Joaquin County. 2022. Point in Time. http://www.sanjoaquincoc.org/wp-content/uploads/2022/06/PIT-Count-Report-2022-FINAL.pdf

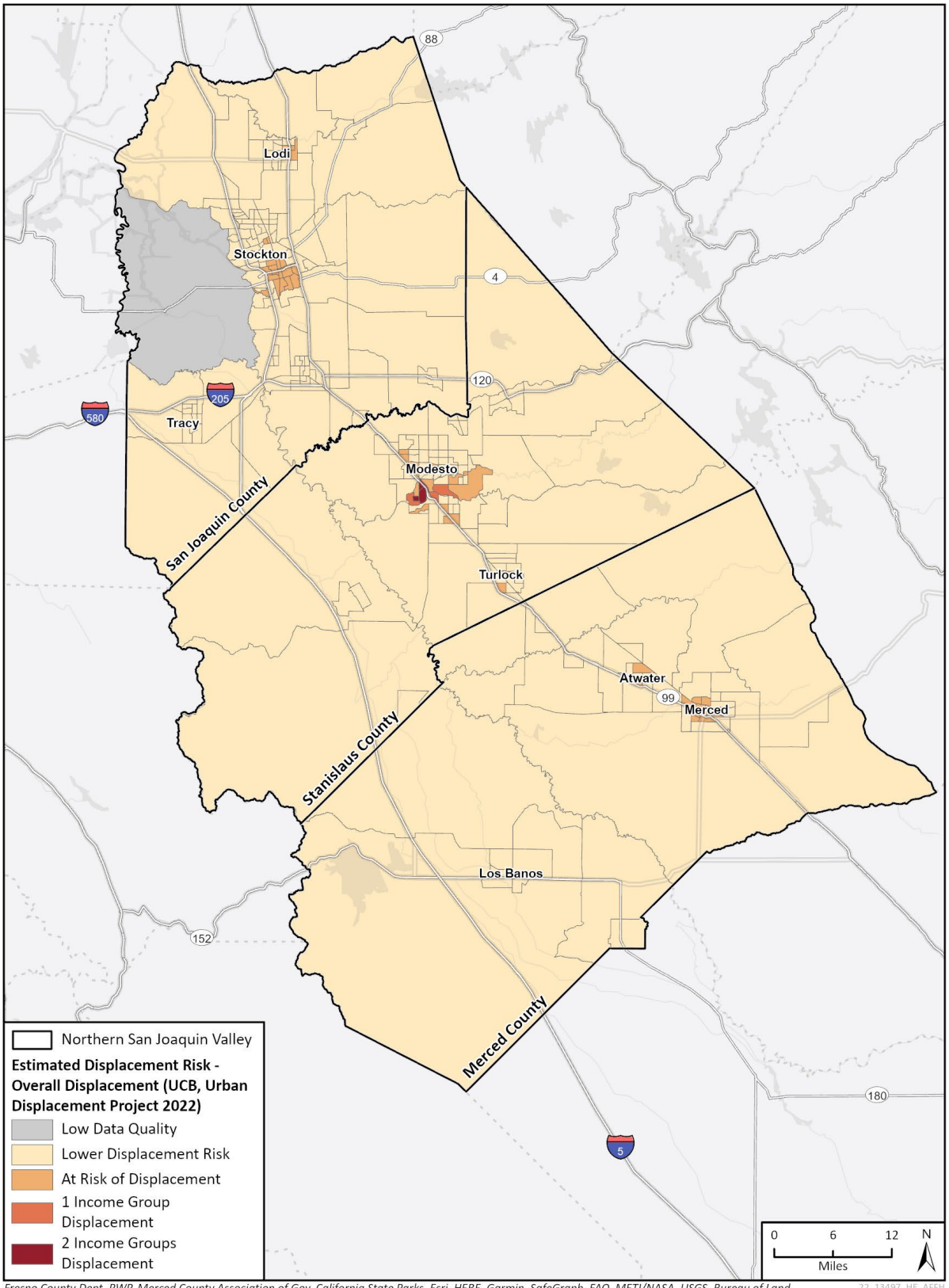
Decades of disinvestment in low-income communities, coupled with investor speculation, can result in a rent gap or a disparity between current rental income of the land and potentially achievable rental income if the property is converted to its most profitable use. These processes can disproportionally impact people of color, as well as lower income households, persons with disabilities, large households, and persons at-risk or experiencing homelessness.[26]

One measure of displacement risk is whether a community is deemed "sensitive." The UDP designates communities as sensitive if the share of very low-income residents is greater than 20 percent and have any of the two following characteristics: the share of renters is above 40 percent, the share of people of color is above 50 percent, the share of very low-income households that are severely rent burdened is above the county median, the percent change in rent is above the county median for rent increases.

The UDP has identified several census tracts in the Northern SJV region that are considered at risk of displacement, including in the cities of Lodi, Stockton, Modesto, Turlock, Atwater, and Merced (Figure 5-23). These census tracts are predominantly Hispanic/Latino (Figure 5-3) with a higher percentage of LMI residents (Figure 5-10). Stanislaus County is the only county within the region that has census tracts with one- or two-income groups at risk of displacement. This means that within these census tracts there are one- or two-income groups (typically low- or extremely low-income) that have a high or elevated risk of being displaced.

[26] HCD. 2021. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf

Figure 5-23 Displacement Risk (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

5.9 Local Area Knowledge

5.9.1 Historic Patterns of Segregation

Patterns of racial segregation are the byproduct of local and federal policies, private housing discrimination, and community prejudice. To understand present challenges to fair housing, it is necessary to review the history of actions that have led to regional patterns of segregation.

The first inhabitants in the San Joaquin Valley were the Yokut-speaking tribes, composed of approximately 50 groups who spoke various dialects. Mexican ranchers and American settlers gained prominence in the 1800s and raised animals. After the U.S. annexed California in 1848, the federal government sold vast tracts of land to the Southern Pacific Railroad Company as well as large-scale timber, ranching, and farming interests, ignoring and overriding the property rights of Mexican and Indigenous landholders. Many Native American tribes were forced to give up their land and live on reservations.[27] When gold was discovered in 1948, thousands of prospectors came to the San Joaquin Valley and with them, they brought diseases that quickly decimated the Native American population.[28]

Chinese and Japanese immigrants, originally brought to California by the Gold Rush and later to work on railroads, began to work as farm laborers throughout the San Joaquin Valley. However, resentment towards Chinese and Japanese immigrants, especially by jobless white residents, led to farms recruiting Black/African Americans from the southern U.S. to replace them as farm laborers. Many Black/African Americans began by working in the fields and vineyards and eventually transitioned from farm labor to living in the cities and towns.[29]

The Central Pacific Railroad was built in Merced County in 1872, connecting the region to northern and southern parts of the state. At the time, Merced County was a primarily agricultural region, particularly for farming wheat and rising cattle. The construction of reservoirs throughout the county accelerated the economic success of the region as major producer of agricultural goods.[30] The construction of Highway 99 in the early 20th Century further connected Merced County to other areas of the state. These linkages to the rest of the state brought significant growth to Merced County and cities along the railroad and Highway 99, as they opened opportunities for the transportation of goods and people.

In the 1930s, nearly half a million people migrated to Southern California and the San Joaquin Valley from across the United States during what was known as the "Dust Bowl." Many of these people moved to California in hopes of working in the agricultural industry, but were forced to take temporary and transient work, leaving them with little choice but to form makeshift camps near roadsides and ditches, without access to housing, clean water, and sanitation. These conditions reinforced existing desires by the white population, generally, for economic and racial segregation, leaving migrant farmworkers without access to medical treatment and education. When World War II created a need for manufacturing labor, many of the white "Dust Bowl" workers relocated to other cities in California, such as San Francisco, Los Angeles, and San Diego, leaving a gap in farm

[27] PolicyLink. Facing History, Uprooting Inequality: A Path to Housing Justice in California. https://www.policylink.org/sites/default/files/pl_report_calif-housing_101420a.pdf
[28] Tule River Indian Tribe of California. 2018. Tule River History. https://tulerivertribe-nsn.gov/history/
[29] Michael Eissinger. 2009. The Transplantation Of African Americans And Cotton Culture To California's Rural San Joaquin Valley During The Nineteenth And Twentieth Centuries. https://meissinger.com/uploads/3/4/9/1/34919185/transplantation_of_african_americans_and_cotton_culture_to_californias_rural_san_joaquin_valley.pdf
[30] 2020. Winton Community Plan Draft EIR. https://www.countyofmerced.com/DocumentCenter/View/26171/44---Cultural-Resources

labor.[31] Japanese, Punjabi, and Filipino people, as well as Black/African Americans from cotton regions, filled the void. Japanese residents, however, were forcibly relocated to internment camps from 1942 to 1946.[32]

In 1942, the federal government initiated the Bracero program, which enabled growers to replenish their labor supply with workers imported from Mexico. While the Bracero program ended in 1964, growers continue to rely on Mexican nationals to work California's lucrative "factories in the fields." Migrants today confront multiple social, environmental, and access issues, including affordable, safe, and sanitary housing.[33]

Increasingly after the first World War, to circumvent the US Supreme Court ban on outright racial zoning, local governments implemented other forms of exclusionary zoning that avoided direct mention of race but kept low-income people of color out by marshalling land use regulations against them. Through residential zoning that mandates larger parcel sizes for single-family homes, typically unaffordable to people of color, wealthier households established and maintained mostly white neighborhoods throughout California. The federal government subsidized white homeownership and wealth-building and excluded people of color.[34]

Throughout the state, but particularly concentrated in inland areas, cities have used their annexation power to reinforce patterns of racial exclusion and segregation. Since the 1960s, as cities expanded and selectively annexed land, some cities deliberately bypassed and grew around communities of color in unincorporated neighborhoods, the very places people of color were relegated to by restrictive covenants. This selective annexation process has left hundreds of disadvantaged unincorporated places, disproportionately of color, without the most basic elements of a healthy, safe community, such as utilities, sanitation, safe drinking water, and other critical community services. Restrictive covenants, exclusion, and racial violence pushed Black/African American and low-income people of color to settle outside of towns. In places throughout the San Joaquin Valley and on the fringes of cities such as Fresno, Bakersfield, Stockton, Tulare, and Modesto, such communities of color were left unincorporated and without access to incorporated areas' tax revenues or infrastructure.[35] Exclusionary post-war development started moving further from city centers, and within time, these communities often created their own civic and utility districts, which redistributed investment away from cities, in a movement known as "White Flight."

Across the United States, redlined and marginalized communities faced a higher propensity for environmental hazards that affects current populations. Residents of historically redlined neighborhoods located in cities with oil and gas production have disproportionately high exposure to oil and gas wells, compared to higher graded neighborhoods. Exposure disparities have implications for community environmental health, as the presence of active and abandoned (i.e., postproduction) wells have been shown to contribute to ongoing air pollution.

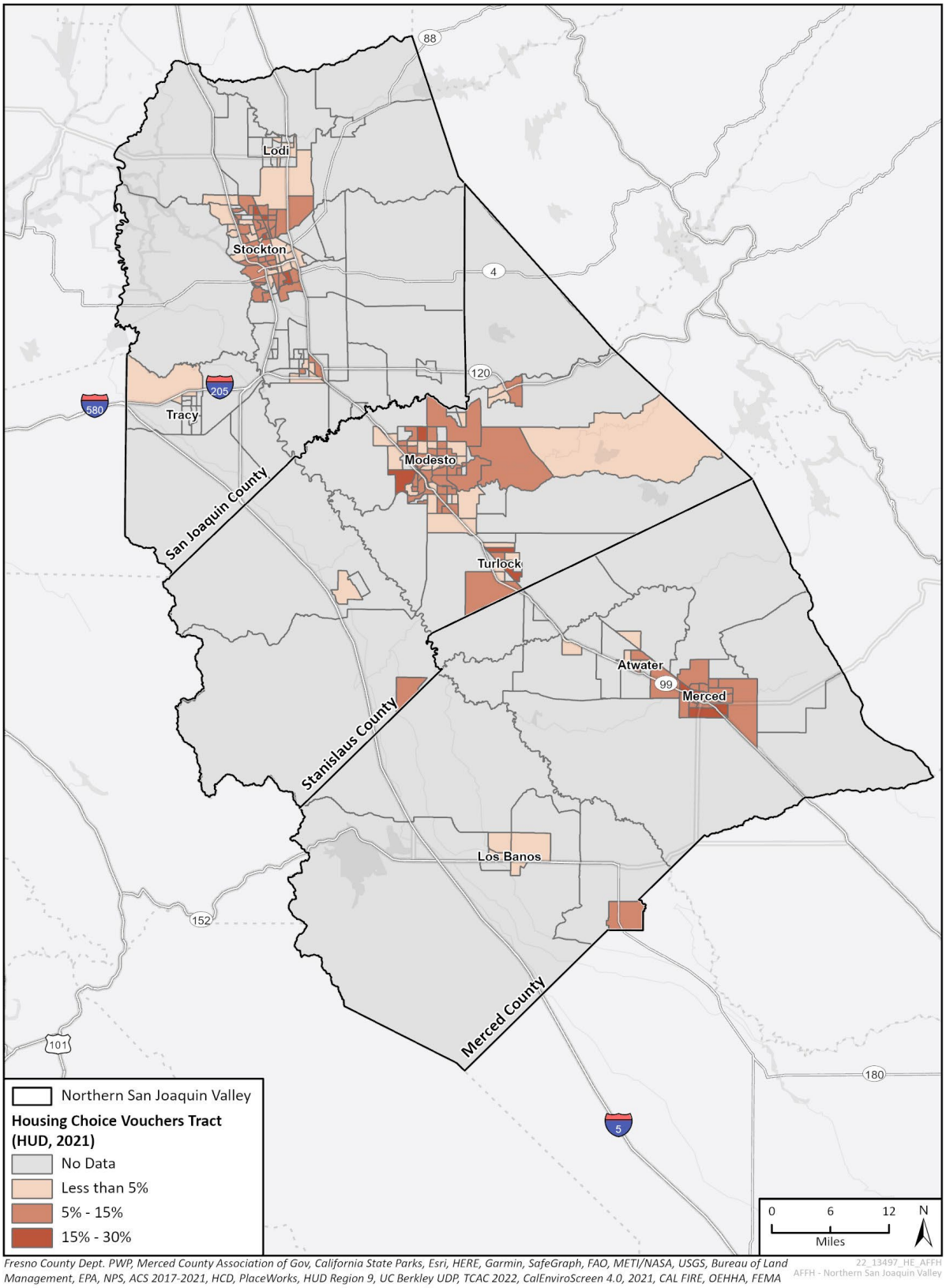
[31] Christy Gavin, California State University, Bakersfield. California Odyssey: Dust bowl migration archives. https://www.csub.edu/library/_files/DB_files/OkieHealth.pdf
[32] History.com. Japanese Internment. https://www.history.com/topics/world-war-ii/japanese-american-relocation
[33] Christy Gavin, California State University, Bakersfield. California Odyssey: Dust bowl migration archives. https://www.csub.edu/library/_files/DB_files/OkieHealth.pdf
[34] National Parks Service, U.S. Department of the Interior, and National Historic Landmarks Program, Civil Rights in America: Racial Discrimination in Housing, March 2021. https://www.nps.gov/subjects/nationalhistoriclandmarks/upload/Civil_Rights_Housing_NHL_Theme_Study_revisedfinal.pdf
[35] PolicyLink. Facing History, Uprooting Inequality: A Path to Housing Justice in California. https://www.policylink.org/sites/default/files/pl_report_calif-housing_101420a.pdf

The agricultural industry continues to play a large role in the economy and development patterns throughout the Northern SJV region. Incorporation and annexation have continued to influence disparity issues in the region, where incorporated municipalities tend to have more control over land use, decision-making, infrastructure budgeting, and the ability to address environmental concerns.

5.10 Subsidized Housing

Subsidized housing consists of affordable rental units that are subsidized by federal and State agencies but are owned by private owners. Subsidies including HUD, the U.S. Department of Agriculture, the California Housing Finance Agency, HCD, and the Low-Income Housing Tax Credit program administered by TCAC. The region has a range of publicly assisted rental housing affordable to lower and moderate-income households. The use of housing choice vouchers is more common in the larger cities within the region, with a higher concentration of households using housing choice vouchers in Merced, Modesto, and Stockton (Figure 5-24).

Figure 5-24 Housing Choice Vouchers (Northern San Joaquin Valley)



Source: AFFH Viewer, 2022

Appendix A1

Survey Results Report

Community Survey Results

The County conducted a community survey to inform the 6th Cycle Housing Element update. This summary memorandum presents the results and key findings from the survey responses.

Survey Marketing Summary

A variety of outreach efforts were conducted to encourage survey participation. The survey was also made available during various community outreach events. Below are some of the outreach efforts used to bring the survey to the community:

- Merced County Multijurisdictional Housing Element Website (https://mercedmjhe.com/)
- Merced County website (https://www.countyofmerced.com/2374/Planning)
- Merced County social media accounts including Facebook, Twitter, and Instagram

Methodology

The survey questions were developed by the consultant team with input from Merced County Association of Governments and participating jurisdiction staff. The survey was released to the public online on March 27, 2023, and remained open until December 22, 2023. A total of 186 people responded to the survey.

Survey Format

The survey consisted of 16 questions and used different formats for questions: checkbox, ranking, and open-ended questions. The checkbox questions asked respondents to indicate their preference for answer options. The ranking questions asked respondents to rank answer options from most to least important. The survey was made available in both English and Spanish.

Survey Results

The survey was presented in electronic form (online), and it should be noted that responses received may not represent the entire population being queried. Since only a portion of the county population responded, results do not represent the views or preferences of the entire County or jurisdictions within. However, the survey results can provide a general sense of residents' priorities and visions for the county of the topic areas presented. The survey received 172 responses in English and 14 responses in Spanish. The following provides a summary of survey responses and includes responses submitted in both English and Spanish.

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

Question 1 asked respondents in which jurisdictions they live, work, attend school, or own businesses or property. The results are listed below:

Table 1 Responses to Question 1

Jurisdiction	Count	Percent of Total Responses
Atwater	19	10%
Dos Palos	13	7%
Gustine	3	2%
Livingston	4	2%
Los Banos	12	6%
Merced (city)	135	73%
Merced County	62	33%
Other	5	3%

Based on a total of 186 responses, most survey participants live, work, attend school, or own businesses or property in Merced (73 percent of all participants), followed by unincorporated areas of Merced County (33 percent), with the remaining participants responding that they live, work, attend school, or own businesses or property in other cities throughout Merced County. Custom responses are listed in Table 2 below:

Table 2 Custom responses to Question 1

Winton
Hilmar
Hilmar
Winton
Winton

Question 2 Do you represent a group, organization, or business? For example: community group, business organization, service provider for a special needs population, tenants' rights group, or housing developer?

Question 2 asked respondents if they represent a local group, organization, or business. The results are listed below:

Table 3 Reponses to Question 2

Response	Count	Percent
Yes (provide the name of organization or business)	19	10%
No	167	90%

Based on a total of 186 responses, most survey participants do not represent a local group, organization, or business (90 percent). Approximately 10 percent of participants do represent a local group, organization, or business. Of the participants who represent a group, organization, or business, most live, work, attend school, or own a business or property in the city of Merced and/or Merced County. Custom responses are listed in Table 3 below:

Table 4 Custom responses to Question 2

City of Merced Public Works
Valley Land Alliance ngo
PGEU (Community Group) / Faith in the Valley
NAACP Merced County
PLTI
Central valley regional center
DNA Downtown Neighborhood Association
I am secretary for Winton MAC
Franklin county water district
In Care Home Service
Cultiva La Salud Merced
Cultiva la salud
Grupo comunitario
Valley Onward
PLTI, Cultiva la Salud ,
Cultiva la salud
Consejo de Liderazgo
Coalición latina
Cultiva la Salud

Question 3 If you live in the region, which best describes your housing situation?

Question 3 asked respondents to describe the housing situation, including if they own or rent and who they live with. The results are listed below:

Table 5 Results of Question 3

Living Situation	Count	Percent
Own my house, condominium, apartment, or mobile home	100	54%
Rent a house, condominium, apartment, or mobile home	46	25%
Live with roommates/family and assist with rent or mortgage payments	19	10%
Live with family/friends, do not own or pay rent	13	7%
Live in emergency, transitional, or supportive housing	2	1%
Other (please specify)	1	1%
Do not live in the region	0	0%

The majority of respondents reported that they own their own house, condominium, apartment, or mobile home (54 percent), followed by those who rent (25 percent). Approximately 10 percent of participants reported they "live with roommates/family and assist with rent or mortgage payments," seven percent "live with family/friends, do not own or pay rent," and one percent live in emergency, transitional, or supportive housing. All survey participants live within the region.

Question 4 If you live in the region, what type of housing best describes where you currently live?

Question 4 asked respondents to identify their current housing type. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 6 Results of Question 4

Housing Type	Count	Percent
Single-family home	152	82%
Apartment	13	7%
Duplex, triplex, or fourplex	8	4%
Mobile home	6	3%
Condominium	4	2%
Do not currently have a permanent home	1	1%
Accessory dwelling unit (also known as a granny flat)	0	0%
Do not live in the region	0	0%
Other (please specify)	0	0%

Most survey participants live in a single-family home (82 percent), followed by an apartment (seven percent), and duplex/triplex/fourplex (four percent). Approximately three percent of participants live in a mobile home, two percent live in a condominium, one percent (one respondent) do not currently have a permanent home, and none of the survey participants live in an ADU.

Question 5 If you live in the region, which of the following choices best describes your housing arrangement?

Question 5 asked respondents to identify their current living arrangement based on who they live with. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 7 Results of Question 5

Housing Arrangement	Count	Percent
Multiple generations living together (adult children, parents, grandparents, etc.)	59	32%
Couple living together, no children	43	23%
Couple with children under 18 living at home	41	22%
Living alone	32	17%
Single or couple, living with roommates	22	12%

Housing Arrangement	Count	Percent
Single with children under 18 living at home	18	10%
Multiple families living together, or family with roommates	3	2%
Other (please specify)	1	1%
Do not live in the region	0	0%

Survey participants reported a variety of living arrangements, with almost one third of respondents (32 percent) living in a household consisting of multiple generations, 23 percent consisting of couples living together without children living at home, 22 percent consisting of couples living together with children living at home. Additionally, 17 percent of respondents are living alone, 12 percent are living with roommates, and 10 percent are single parents. Two percent of participants identified their housing arrangement as consisting of multiple families living together or family living together with roommates. One participant reported their housing situation as "Other." Custom responses are listed in Table 8 below:

Table 8 Custom responses to Question 2

Family living together
$

Question 6 Which of the following aspects are important to you when looking for housing? (Check all that apply)

Question 6 asked respondents choose what aspects are most important when they are looking for housing. Higher scores indicate that more survey participants selected the aspect as important and lower scores indicate that fewer survey participants selected the aspect as important. The resulting scores were the following, listed from highest to lowest:

Table 9 Results of Question 6

Housing Aspect	Count	Percent
Affordability	145	78%
Quality and size of housing	126	68%
Close to work and/or school	103	55%
Close to shopping and services like groceries and medical facilities	103	55%
Close to public transit stop	42	23%
Able to construct or own an accessory dwelling unit (ADU)/granny flat or second unit on property	41	22%
Able to have land to grow crops and/or have a ranch	31	17%
Able to house multiple generations in one home	29	16%
Americans with Disabilities Act (ADA) accessibility	20	11%
Other (please specify)	16	9%

"Affordability" was the most important aspect when looking for new housing according to survey participants, as 78 percent of participants selected this as important. "Quality and size of housing" (68 percent), and "Close to work and/or school" (55 percent) and "Close to shopping and services like groceries and medical facilities" (55 percent) were also selected as important to most survey

participants. “Americans with Disabilities Act (ADA) accessibility” was selected by the fewest participants as important when looking for new housing (11 percent). In addition, 16 participants included other aspects as important when looking for housing. Many of these participants cited safety and affordability as important aspects for housing. Custom responses are listed in Table 10 below:

Table 10 Custom responses to Question 6

one without cockroach infestation
School district
Safe and secure area
Safe neighborhood
affordable homes to purchase
somwhere that isn't charging the same as a mortgage payment in other states.
Our own backyard. Community Pool. Getting CHILDREN OUTSIDE in safe spaces away from technology.
House in a good neighborhood with little to no crime
quality of home, value of home, neighborhood
able to have garage for more than 2 cars
safety, very quiet and peaceful neighborhood, neighbors who keep up their property, no commercial activity, little vehicle traffic
Close to Medical Services
Private yard for pets
Live my life without having to always deal with the rent is too damn high. I don't feels secure. Not enough tenant protections.
Un Lugar sin tanta delincuencia

Question 7 What do you believe is the single largest barrier to affordable desirable housing in the Merced County region?

Question 7 asked respondents to identify the largest barrier to affordable housing in Merced County. The highest possible score was 100 percent, meaning that every respondent selected the barrier as the largest barrier, and the lowest possible score was zero percent, meaning that no respondent selected that service as most needed in the community. The resulting scores were the following, listed from highest to lowest:

Table 11 Results of Question 7

Largest Barrier	Count	Percent
Cost of quality housing is too high	61	33%
Lack of availability of housing that is rent-restricted (affordable housing)	33	18%
Not enough housing	33	18%
Cost of housing is too high in areas with good jobs and services	27	15%
Other (please specify)	18	10%
Discrimination based on race/ethnicity, religion, number of children in household, disability, gender, sexual orientation, or another characteristic	8	4%

Largest Barrier	Count	Percent
There is no barrier to affording desirable housing	4	2%
I do not know	2	1%

Survey participants identified “Cost of quality housing is too high” as the largest barrier to affordable desirable housing in Merced County (selected by 33 percent of participants). “Lack of availability of housing that is rent-restricted (affordable housing),” “Not enough housing,” and “Lack of availability of housing that is rent-restricted (affordable housing)” were all selected by 18 percent of participants as the largest barrier to affordable desirable housing in Merced County. Fifteen percent of respondents selected “Cost of housing is too high in areas with good jobs and services.” The least commonly selected barrier to affordable desirable housing in Merced County was “Discrimination based on race/ethnicity, religion, number of children in household, disability, gender, sexual orientation, or another characteristic.” Four participants reported “There is no barrier to affording desirable housing” and two participants selected “I do not know.”

Table 12 Custom responses to Question 7

There are numverous reason, we should be able to pick more than one. Lack of availability housing that is not rent restricted, cost of quality housing is too high, not enough housing, to be more specific there is very little apartments, townhouses and/or duplexes in Los Banos. The middle income earners are squeazed out as make too much too qualify for programs and earn too little to save t purchase.
Cost of living inflation by Biden
Cost of quality housing which should be the gold standard for ALL housing. One day wonders are the norm in Merced City. Shameful!
So-called "non-profits" that push their own agenda. Thereby limiting good residential AND commercial development projects that will have a positive result in providing more housing and jobs for the region. These groups increase the time and cost for developers that would otherwise bring positive change to the community.
Lack of skilled/educated population; lack of jobs paying adequate income
The community is not pro-business and keeps focusing on the symptoms of this rather than the problem. More Jobs, More $, Homes become more affordable.
First, we live in a valley, which means we have set boundaries. There simply isnt room. As for the rental situation, that has beeb caused by owners being ruined by the laws and regulations favoring renters to the point that the home is ruined and the owner is stuck. Homeowners cant afford to trust a renter anymore. That is the fault of goverments
Available single family housing being converted to airb&b and rent by the room college housing
Too many regulations
Low-paying jobs, low wages and low education levels while an increase in housing prices
Investors are pricing out residents, houses should be limited to people who will live in the house
not enough jobs that offer a decent income, stagnation of real wages since 1970s thanks to globalization and corporate greed, rich getting richer and pooer getting poorer, erosion of the middle class
Lack of jobs, beyond service jobs; Lack of housing types
1) Policitians not investing local budget dollars to Affordable Housing. 2) Politicans not supporting Inclusionary Zoning. 3) Politicans not forcing developers to build Affordable housing. 4) Money in Politics. You need money to become a politician. So most of the time only rich people can become politicians and they only look out for themselves and other rich people.
Safety. Good safe neighborhoods.
density of housing

To many people
I see affordable housing as an issue in many cities and states.

Question 8 What do you believe are the most urgent housing challenges in the Merced Region? (Choose the three most urgent issues)

Question 8 asked respondents to rank seven housing issues in unincorporated Merced County in order from most to least urgent. The highest possible score for an item was 100 percent, meaning that every respondent ranked the issue as the most urgent, and the lowest possible score was zero percent, meaning that no respondents rated the issue as the most urgent. The resulting scores were the following, listed from highest to lowest:

Table 13 Results of Question 8

Housing Challenges	Count	Percent
Affordability of desired housing	161	87%
Availability of desired housing	129	69%
Homelessness	114	61%
Housing quality	71	38%
Overcrowding (more than one person per bedroom)	27	15%
Fair housing/discrimination	24	13%
Other (please specify)	17	9%
There are no urgent housing issues	7	4%
I do not know	7	4%

Survey participants identified “Affordability of desired housing,” “Availability of desired housing” (87 percent), “Availability of desired housing” (69 percent), and “Homelessness” (61 percent) as the most urgent housing challenges in Merced County. “Overcrowding (more than one person per bedroom)” and “Fair housing/discrimination” were the least commonly selected as urgent housing challenges. Ten percent of respondents selected “Other”, and respondents left a total of 17 individual comments. Multiple participants reported lack of affordable housing, lack of quality jobs, and too many regulations as the most urgent housing challenges. Custom responses are listed below in Table 14:

Table 14 Custom responses to Question 8

Numerous reasons, affordability of desired housing. The middle class working families have no resources to help purchase a home. They either make too much to qualify for help and always make too little to save to even purchase a home.
more housing inventory
build more units rent control
Development regulations. Policies like inclusionary zoning.
Applications fees has become a way for Property Managements to make income, majority of the time applicants are denied housing.
first time homebuyer programs

Homelessness is not a housing issue. Drug & Mental Health issue. Need MORE higher end homes to draw in job creators.
permit costs
Reduce regulation and have right to work to lower housing costs
Sanctuary State
factors that lead to homelessness such as loss of income, insufficient income, ridiculously low wages, lack of childcare for working parents especially single mothers, drug addiction, lack of mental health care
Lack of quality jobs; lack of housing variety
Qualified tenants who can afford to rent without govt assistance
Politicians do not care about housing and do not invest in housing and do not pass policies to support building Affordable housing and do not pass rent control. Politicians do not care about housing. They only care about dairy farms, prisons, companies, and rich people.
Housing prices are unreasonable
Safe neighborhoods
affordable housing is a problem in many areas of the country

Question 9 What do you believe would be the most beneficial programs to assist residents with housing needs in the Merced County region? (Choose the three most beneficial programs)

Question 9 asked participants which programs would be most beneficial in assisting residents with housing needs in Merced County. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 15 Results of Question 9

Beneficial Program	Count	Percent
Rental assistance or housing vouchers	121	65%
Homebuyer loan counseling services	100	54%
Housing assistance for residents with special needs (physical or developmental differences)	80	43%
Home rehabilitation assistance	80	43%
Landlord/tenant mediation services	66	35%
Foreclosure prevention services	46	25%
Other (please specify)	28	15%
Mobile home preservation and assistance	23	12%
I do not know	14	8%

Among the seven programs “Rental assistance or housing vouchers” (selected by 65 percent of respondents) and “Homebuyer loan counseling services” (selected by 54 percent of respondents) were the most commonly selected as the most beneficial programs by survey participants while “Mobile home preservation and assistance” was the least commonly selected as the most beneficial program (selected by 12 percent of respondents). Approximately 15 percent of participants selected

"other" as a beneficial program, citing programs for senior housing, first-time homebuyer assistance, and more affordable housing overall. Custom responses are listed in Table 16 below:

Table 16 Custom responses to Question 9

Programs to help middle income earners to purchase a home.
More housing stock and better jobs, lower Biden inflation.
Build more affordable housing
case management
Senior living. Meadows Senior apartments has a 5 - 7 year wait to even be offered the opportunity of a apartment. People are skipping the line IF THEY know someone who either works there or has other connections. Continuation of RAMPANT "it's who you know".
Homebuyer GRANT programs that don't vanish overnight; Making property ownership by foreign investors ILLEGAL.
First time buyer assistance
rent control
Help residents with money to build a dwelling for family members to live in
Limit new builds to people who plan on living in new builds, landlords should not be buying new builds
Senior housing options. Senior living communities such as apartments or senior living communities w/homes for purchase
More housing built
programs that help with home-buying for first time buyers
Free up business! Scariest words in the English language. "Hi, I'm from the Gov't and I'm here to help."
More moderately priced housing such as condos or smaller homes
No more programs. Get out of peoples business and the problems will take a natural course toward resolution. Renters need to be held responsible for thei committments
single family homes should be rented or sold to single families not to individuals or groups converting single family housing for other purposes
We need landlords to charge way less rent, its extremely unaffordable for all. Property Managements are obstacles to being able to rent a home. Mainly require high credit scores or double deposit and rent up front. Its a ripoff. Then when you want to move out of a housing unit the property management keeps your double deposit you gave them.
affordable assistance for middle class and lower middle class energy efficiency
more jobs that offer a real living wage; help for homeless people in getting and keeping jobs; childcare for working parents especially single mothers; readily available addiction recovery programs that are compassionate and effective; coordinated social services for homeless individuals to address their various needs; coordinated assistance for homeless individuals to transition into decent jobs, healthy and drug-free lifestyles, and housing
Grants to build ADUs
Inclusionary Zoning - policy where developers have to put 15% of what they build to be Affordable Housing for Low income families and Very-Low Income families.
Rent control and more affordable houses for purchase
Small single family homes built instead of just apartments
Financial assistance for LOCAL first time home buyers
Apoyos para remodelacion

Question 10 Using numbers from 1 through 7, with 1 being the most needed and 7 being the least needed, please rank the type of housing that you believe should be developed in the Merced County region:

Question 10 asked respondents to rank seven housing types on a scale of 7 to 1 based on the most to least needed type of housing in Merced County. The highest possible score for an item was 7, meaning that every respondent ranked that housing type as least needed, and the lowest possible score was 1, meaning that every respondent rated the housing type as most needed. The resulting scores were the following, listed from highest to lowest:

Table 17 Results of Question 10

Rank	Beneficial Program	Score
1 (most needed)	Housing with 3 or more bedrooms	3.1
2	Housing with 1-2 bedrooms	3.5
3	Accessory Dwelling Units (ADUs) or additional housing units on single-family and multifamily properties	3.7
4	Efficiency homes such as studio apartments	4.0
5	Emergency, transitional, or permanent housing for people experiencing homelessness	4.3
6	Housing for people with social and/or medical services for special needs (group homes, supportive housing)	4.5
7 (least needed)	Live/work housing (examples: work lofts with ground floor retail unit and upper floor living space)	4.9

Survey participants selected “Housing with 3 or more bedrooms,” “Housing with 1-2 bedrooms,” and “Accessory Dwelling Units (ADUs) or additional housing units on single-family and multifamily properties” as the most needed housing types in Merced County. The least needed housing types according to participants are “Housing for people with social and/or medical services for special needs (group homes, supportive housing)” and “Live/work housing (examples: work lofts with ground floor retail unit and upper floor living space).”

Question 11 Using numbers 1 through 6, with 1 being the best and 6 being the worst, please rank the areas where you believe housing should be developed in the Merced County region:

Question 11 asked respondents to rank the areas where housing should be developed in Merced County. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 18 Results of Question 11

Rank	Areas for Housing Development	Score
1 (best)	Areas near public transit stops, employment, and shopping centers	3.2
2	Downtown or town center locations	3.6
3	Areas with existing housing (increasing the number of housing units that could be built on each property such as with fourplexes, courtyard houses, and other types of apartment complexes)	3.7
4	Agricultural land on the edges of the cities	4.0
5	Land that could be converted from an underutilized non-housing use (e.g., office/store) to residential or mixed-use (e.g., apartments or condominiums with ground floor stores or restaurants)	4.2
6 (worst)	On existing single-family properties (accessory dwelling units (ADUs) or granny flats)	4.4
7	Vacant land on the edges of the cities	4.8

Survey participants selected “Areas near public transit stops, employment, and shopping centers” and “Downtown or town center locations” as the best areas for new housing development. According to participants the worst areas for housing development include “Vacant land on the edges of the cities” and “On existing single-family properties (accessory dwelling units (ADUs) or granny flats).” In addition, participants left 14 custom responses were received which are listed in Table 19 below:

Table 19 Custom responses to Question 11

Areas near schools
away from established neighborhoods
Your survey asks to rank from 1-5 but gives 7 choices. Confusing.
Land from underutilized non-housing use ends up with a home next to apartments/condominiums. Granny flats end up being used by people on Megan's list. totally unacceptable.
Stop putting SLE homes/low income in the remaining good areas of the city.
Is this question for market rate housing? or for affordable housing? If this question is for affordable housing, affordable housing should be built in North Merced. If this is for market rate housing, this should be built in South Merced.
Assuming #1 is on vacant lots within the city, if not, then this idea.
Que construyan estudios,para que las personas puedan pagar más poco dinero y sea más fácil de rentar ,para las familias de bajos ingresos.
Habilitar casas abandonadas o terrenos abandonados
Lugares habitaciones, tipo pies de casa para que a manera de las posibilidades la vayamos ampliando
Vender el terreno que nos rentan a las casas móviles

Question 12 Are there specific neighborhoods, streets, or areas in your city and/or local community where you would like to see housing developed? (Please specify)

Question 12 asked respondents to identify areas where survey participants would like to see housing developed. The results are listed below:

Table 20 Custom responses to Question 12

Convert properties that are not currently being used. There are dwellings downtown that could be converted.
near the lake. one thing that would be ideal Would be to have all the Agencies that assist in housing be centrally located
by walmart/college area.
There are vacant land located on G Street & Alpine and R Street and 19th, (cross streets could be off a little) where a complex could be developed. Providing future tenants access to public transporation, shopping.
Along highway 33 near Dos Palos. Along Blossom st in Dos Palos across from the mini storage.
Main Street, Merced
all over
Anywhere in Dos Palos. People are constantly looking for somewhere to rent or buy. Existing apartment complexes are very outdated.
South Dos Palos
Around Nero Avenue (Like of Almond St and Blossom Ave) or say Westside of Dos Palos or in between Dos Palos and South Dos Palos. More housing definitely needed in Dos Palos.
Dos Palos ca
Where services are located, shopping, education, etc.
land by hospital, land by bearcreek and parson
East of Thornton, South of Hwy 140
downtown, rehab older homes, strengthen standards for maintenance
Not sure.
The former Castle Air Base would be a great place to build housing with grocery stores and public transportation.
away from established neighborhoods
Peach Street, Olive, Robin.
I live in North Merced. I've been to South Merced. There are people who care about their homes. But there are some landlords that should be ashamed of themselves! There are also homeowners that may need help. I used to be involved in homeowner assistance programs through CDBG grants. The program was very successful in Los Banos, and Livingston. Senior citizens and single parents lives were changed. I know Merced doesn't have to compete for those funds. I would like to see more work done in South Merced.
Any vacant lot.
South Merced
Not in flood plain, in town, not sprawled where you need car for all activity such as Bellevue Ranch and north far from town, not for investors to rent bedrooms as now happening
Downtown and all areas close to it. Plus affordable housing or apartments in north merced
It would be great for low income residents to get help financially to build accessory dwellings for their relatives.
There should me much more dense housing available in the downtown area since it walkable and would boost the local economy. I also think the area surrounding the mall would be a good area to build more dense housing for the same reasons. Finally, I think the area surrounding the new campus parkway leading to UC Merced would be the perfect area to build more mixed use housing and commercial spaces.

Affordable housing and mixed use housing in underdeveloped areas of Merced and Merced County
In atwater on the corner next too and behind the CHP office
North Merced continues to grow, yet, other parts of Merced (such as East Merced remain undeveloped)
Empty lots in the city of merced. a lot og buildings have been removed
west 16th
The city should annex pockets of county land that are surrounded by city parcels to make for comprehensive service, landscape, responsibility and service. The city should market themselves to Developers that are known to build mixed developments including multigenerational units along with couple units. The city should regulate property management much like they do dispensaries to ensure for higher quality, legal tenant/owner treatment. Subletting rooms from homes is causing inflated prices as more students with much more disposable income drive rental prices higher and higher and the community pay the price for the more expensive cost of living causing gentrification
Between South and North Dos Palos, there are large stretches of land that feel as though they thin out our community. Also housing near our schools and closer to the main part of our town. There are lots of abandoned buildings that could house people that have been left to rot.
Planada, north of highway 140
Vacant lots within city jurisdictions
No
Ag land on Green Sands, east of Buhach.
Main street Atwater would benefit from mixed use...to liven up downtown
Affordable housing
Around the mall, willowbrook neighborhood, South Merced around home Depot.
Everywhere
near the uc or near Mission Blvd.
empty lots and/or abandoned buildings
In the outskirts, encourage nice, $800,000+, gated HOA communities with 1/2 Acre lots to encourage job creators and families to stay and benefit the region.
Livingston next to rancho san miguel.
Childs Ave
North Area Past the Hospital
The empty plot of land on the corner of G Street & Donna Drive. The empty plot of land behind the Urgent Care on Olive Avenue. The empty plot of land on G Street across from the In-Shape shopping center that has the Auto Resources sign on it. The empty plot of land on M Street and Yosemite Avenue that used to be a church before they demolished it. The empty plot of land on Paulson and Yosemite with a Auto Resources sign on it. The empty plot of land behind the surgical center on Yosemite and Parsons. The empty plot of land by the little dog park on Yosemite Avenue.
I would like to see shopping closer to the older part of town. Near the freeway would be the center of such an area. A Winco or Trader Joe would be a great addition the center where Savemart used to be, between 16th and 17th
n/a
The downtown area of Merced City needs serious redevelopment and is lacking maintenance. Infrastructure should be redesigned to be more walkable and less car dependent to minimize urban sprawl. Redeveloping areas needs to include rezoning for multi use to create “third places” for people to gather and live in.
undeveloped, abandoned property in established neighborhoods
Gerrard and Childs area
No. This land is already being developed for single family homes.
I say built on lots that are empty in town that are not being utilized. I say many lots empty in the community for years.

At the East child Ave between Martin Luther King and 99, there is plenty of empty land
In areas where there is no interference with agricultural land.
No
In-fill developments on pre-existing lots and/or vacant buildings
There should be more multi-family housing options in North Merced City. More affordable, rent controlled units are needed throughout the county.
as close to uc merced as possible
n/a
dre
Dan word Beachwood area
Between 99, 59, and mission avenue
Build east of the expressway
Not really. I'd like to see a lot fewer people overall on this planet, but voluntary population control doesn't seem to be a high priority for the human species. That aside, developing downtown housing might be desirable to accommodate people who want to forego cars and use mass transit. However, mass transit is abysmal in Merced as in most US communities. Higher-density apartment housing is needed in Merced, especially for UC students and working-class singles and couples. Temporary, affordable, supervised accommodation is needed for homeless people transitioning to jobs and more stable lives. Rigorous supervision is essential to keep out drugs and crime that undermine rehab and stable living arrangements. I don't see a good solution to the housing question, and I am not prepared to have my single-family home neighborhood transformed into a medium- or mixed-density housing neighborhood. These plans always look sexy to developers and politicans, but they don't work. Call me a NIMBY. I don't care. I have rented apartments or homes most of my 60+ years and found the majority of my neighbors to be noisy, rude, and lacking in any respect for the rental property they inhabited. Six years ago, I was finally able to afford a home in a relatively decent neighborhood. I have a severe chronic pain condition, and peace and quiet are essential to my physical health. My husband works from home, and so do many of our neighbors. People who work from home also need peace and quiet. And all people deserve a decent night's sleep. Unfortunately, renters tend to be noisier than the homeowners who are my neighbors. The one rental home nearby has consistently been inhabited by noisy proles, one group of which had gang connections and were probably operating an unlicensed daycare facility. The ear-splitting shrieking of children all day, every day, was ridiculous. Frankly, I don't want the value of my nest egg to decline because of slovenly renters, and I have had my fill of noisy, rude yahoos. The fact that there is such a severe shortage of affordable housing seems to be due to (a) lots more people in California, whose population is roughly 2.5 times what it was the year I was born, (b) unfettered real estate speculation and gouging in urban areas like the Bay Area and LA, and (c) stagnation of living wages for all working- and middle-class Americans since the 1970s. Thank you, corporate greed! Perhaps we should take all the tent cities and dump them into the backyards of those who helped create them, namely the ultra-rich, their hangers-on, and their political toadies.
Merced Mall
Not certain
Within and surrounding the Downtown Area.
Is this question for market rate housing? or for affordable housing? If this question is for affordable housing, affordable housing should be built in North Merced. If this is for market rate housing, this should be built in South Merced.
Current empty lots throughout the city.
more infill near downtown and public transportation and commercial
No
south merced
Off of Campus Parkway
South East merced
El redondo, where the big mansions are near the UC, Bellevue

South merced
Yes we do near some areas where people can have Acces to near thw stores or even by the schools
Small single family homes with fences in rural areas on the outskirts of the city.
N Hwy 59, Santa Fe , Beachwood area and behind Merced college seem like good areas
No
No.
Un used parcels
Castle Air Force Base Maybe some apartments.
More apartments near Merced JC, and put on the base property such as low income apartments.
Beachwood area
More multi unit housing in empty lots near Yosemite and Olive
Near grocery stores, parks, schools
Hostetler ranchwood/stonefield has bought up all the lands surrounding los banos. the city is landlock. Get rid of hostetler property and we will have plenty of land to build on.
There are a few vacant lots downtown, within neighborhoods, where maybe a house burned down (not sure) that could be used.
It don't matter where, it just needs to be more affordable and less stipulated on approval
Filling up vacant lots in the city with multifamily units, either duplexes/triplexes or apartments.
South of Merced
Livingston por winton way
no
En las áreas baldías,pueden construir también apartamentos de una recámara,para las familias pequeñas,para que puedan vivir solos,porque cuando uno vive en casas grandes o apartamentos,se generan muchos problemas con los compañeros de viviendas grandes.
El terreno de la Childs Ave y Canal St
Badger flat, volta pioner, ingomar
Si hay mucha falta de vivienda en todo California
La readly Rd
Sullivan road
Su, en las salidas del pueblo, ambos lados, por la Pacheco Blvd.
Cerca a los centros de servicios

Survey participants expressed overall support for development of affordable housing, multi-family housing, and higher density housing. New housing development is desired in areas near services, grocery stores, parks, shopping, and schools and in downtown areas of cities throughout the region. Participants support housing development on vacant lots and land with unused or underutilized buildings.

In Atwater, participants suggested areas for housing development on Main Street and on vacant lots throughout the City. In Dos Palos participants recommended housing development throughout the city, including along Nero Avenue and State Route 33. In Livingston, participants recommended housing development in the northwestern parts of the city and near Peach Avenue and Robin Avenue. In Los Banos participants suggested new housing development near Walmart, on vacant lots, and near Hostetler, Stonefield Homes, and Ranchwood Park. In the city of Merced, participants

suggested housing development throughout northern and southern parts of the city, in downtown, near East Childs Avenue, near Dan Ward Road and Beachwood Drive, near State Route 59, near State Route 99, near Mission Avenue, near the University of California, Merced, and on vacant and underutilized lots. Participants suggested new housing development in Planada, Bear Creek, near Castle Air Force Base, and unincorporated parts of the county near services, near hospitals, and on the outskirts of cities.

Question 12 Which accessory dwelling unit (ADU) assistance services would be beneficial for residents? (Select all that apply)

Question 12 asked respondents to identify beneficial ADU assistance services from a list of six options plus an "Other" option. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 21 Results of Question 12

ADU Assistance	Count	Percent
Financial assistance with construction expenses	115	62%
Educational "How to" webinar series regarding financing, construction, and permitting processes	102	55%
Pre-approved floorplans	88	47%
Homeowner one-on-one consultations with an ADU expert	87	47%
Advice on what type of ADU would work best for your situation	88	47%
Education on how to become a landlord	58	31%
I do not know	21	11%
Other (please specify)	0	0%

Almost all of the listed ADU assistance services were selected as beneficial by a substantial number of survey participants. The most frequently selected ADU assistance services were "Financial assistance with construction expenses" (selected by 62 percent of respondents) and "Educational "How to" webinar series regarding financing, construction, and permitting processes" (selected by 55 percent of respondents). The least selected ADU assistance service was "Education on how to become a landlord" (selected by 11 percent of respondents).

Question 13 Would you be interested in developing an accessory dwelling unit (ADU) on your property?

Question 13 asked survey participants if they would be interested in developing an accessory dwelling unit (ADU) on their property. The highest possible score for each item was 100 percent, meaning that every respondent selected that answer, and the lowest possible score was zero percent, meaning that no respondent selected that answer. The results are listed below:

Table 22 Results of Question 13

ADU Assistance	Count	Percent
Yes, on my existing or future property	66	35%
No	64	34%
Not sure	27	15%
I don't own or do not plan to own property	28	15%
I already have an ADU on my property	1	1%

Survey participants were split on whether or not they are interested in developing an ADU on their property. Approximately 35 percent of participants are not interested, 34 percent are interested, and 15 percent were not sure. Only one participant already has an ADU.

Question 14 Optional: What is your race/ethnicity:

Question 14 asked respondents to identify their household income level. The results are listed below:

Table 23 Results of Question 13

Race/Ethnicity	Count	Percent
Hispanic/Latino (of any race)	72	39%
Caucasian, not Hispanic/Latino	57	31%
Black/African American	15	8%
Other (please specify)	13	7%
Asian American/Pacific Islander	6	3%
Native American/Alaska Native	1	1%

Over one third of survey participants identify as Hispanic/Latino (39 percent) and 31 percent identify as Caucasian, not Hispanic/Latino. In addition, eight percent of participants identify as Black/African American, seven percent identify as other, three percent as Asian American/Pacific Islander, and one percent as Native American/Alaska Native.

Question 15 Let us know if there is anything we missed! What other information or housing-related issues would you like to be considered for the Housing Element? (Please specify)

Question 15 was a call for open-ended answers. A total of 44 custom responses were received, and are listed below in Table 25:

Table 24 Answer for Question 15

Age	Count	Percent
Under 18	0	0%
18-25	18	10%
26-40	47	25%
41-65	87	47%
66-85	19	10%
Over 85	0	0%

Approximately 47 percent of survey participants reported they are between the ages of 41 and 65, and 25 percent are between the ages of 26 and 40. Ten percent of participants reported they are over the age of 65.

Question 15 Optional Open Forum

Question 15 was a call for open-ended answers. A total of 44 custom responses were received, and are listed below in Table 25:

Table 25 Answer for Question 15

We need affordable housing for seniors that don't qualify for any assistance and for young adults just venturing out
No
Energy efficient housing
Need some skills for success graduate from a shared living home with a group of peers who have successfully been taught life skills, homeless people do not budget, buy and prepare meals, clean the bathroom, do laundry, make their bed. You give them a key to a door and are surprised when they tear the place up. If they don't know better what do you expect?
Housing that is near the Atwater Commerce Center as it grows.
We need to hold absentee landlords accountable for their property. No one wants to live in a hovel!
Continue housing development construction on past areas that were built or focused on but died. Example Christian st homes at Dos Palos being built then nothing when growing up.
yes this is an unfair survey .all answers lead back to the answers the county wants to hear. not the real answer that I want you to hear or acknowledge
Community centers, for both the unhoused and housed.
3e3
Sounds like you are pushing ADU's. This will create more revenue as more tax dollars.
none
I think you need to get the city councilperson and supervisors representing their district to get the lead out and talk to residents for issues on this topic. They don't seem to do much except collect a paycheck.
Like I was mentioning in the last commento have all the agencies in the area that help with housing in one location preferably near downtown they seemed to be scattered throughout the town and that would include the HSA also.
Build more housing and no housing trustfund and no limits on the scam of affordable housing. You cannot define what affordable housing is.
quality housing needs to be built. Nice custom/large homes as well as your standard track homes with/without ADU's
Have a workable plan for our homeless community that are good citizens.
I have a family member who is utilizing subsidized housing in a two bedroom apartment through Behavioral Support Services. More one bedroom subsidized units for folks dealing with mental health issues would be beneficial. People should not have to deal with a housemate when both are dealing from mental health problems. This current set up is NOT supportive to either client.
Stop building low income housing in established neighborhoods.
ADU policies and rental assistance are not the answer. Easing development regs and reducing barriers to new development will have the greatest positive impact on housing numbers in our community.
rent control, stop the outside investors, educate people to save for emergencies, discourage people from purchasing home without large downpayment, save older structures, encourage mixed use, plan for walking and bike riding off roads, infill, use more round abouts to keep traffice flowing, but slowed down

Please research data on how single family homes are actually occupied. Especially in the newer developments geared to investors...how many of these single family homes are occupied by families vs individual renters sharing a house. Before we focus on building more single family homes, consider how many would be freed up if there were more apartments available. And think of how sustainable it would be if apartments were built near commercial and public transit or paths so people could save money and not own cars they can't afford. Housing should be built closer to commercial services and amenities so we don't need to drive so much.
Stop property management/companies from taking applications fees as a way to get an income.
I think there should be more of an emphasis on housing as it relates to public transit, walkability, and alternative modes of transportation.
Resources for un- and under-housed
If additional housing is going to be developed, we need to consider how this will impact schools, traffic in the region, pollution, ect. will additional parks be built?
housing authority needs more workers who can handle cases quicker. especially if their site will not work properly to begin with
Rent control. When will we explore this option?
A big topic for Merced and Atwater but the region as a whole is the presence of inflated rental prices caused by UCM lack of student specific housing options that cater to students, leaving single family home or apartment complexes to lifelong residents. There is no mentioned of the UCM student overflow into the city or how it inflates prices by landlords setting up rental arrangements to sublease individual rooms. This inflates cost of living as long-term residents cannot afford the prices that UCM students can pay for the same house ($300-600 per room) and it decreases the quality of life for the entire community.
First-time homebuyer education courses.
County tends to give favorable to realtors instead of buyers or renters
Need to build more Sr. housing communities where people can gather in a safe place & make friends. We don't have many independent living facilities & the ones we have are not very enticing as they are old & don't offer many ammenities.
Yes
Have Child Care Services on site
A lot of properties do not have room for ADU due to very small properties. If the city only started providing. High density homes I would leave area. Providing homes for homeless would create very bad areas in the city without addressing the reason the person is homeless.
Get government out of our lives
Programs that qualify low-income/restricted income persons (SSI, Unemployment (seasonal jobs), Students) to buy a small 1-2 bedroom homes.
None
New, single-family houses should be limited to natural persons (not companies, LLCs, partnerships) and priority should be given to people who intend to live in the house instead of investors
Require address or specific motel information before providing cash aid. Stop providing Cash aid to the homeless. Provide one way ticket back to the counties that sent them here.
You can't solve the housing problem if people can't afford housing. Merced needs a lot more jobs that offer living wages.
Support for seniors with existing aging residences with contractors, work costs, technical advice to maintain reasonable serviceability of residence.
Diversity in housing choices within walkable neighborhoods. Neighborhood connectivity and access to walkable neighborhood amenities (e.g., parks, trails, schools, transit).
Inclusionary Zoning - policy where developers have to put 15% of what they build to be Affordable Housing for Low income families and Very-Low Income families. Rent Control.

Great survey
More regard for those who make 50,000-85,000. As we are struggling with inflation and rent prices also
For housing Merced needs to open up section 8 again help some family or single parents mom that are single rents are getting to high and some the houses are not in good condition and rent is to high
I would like to see more available affordable housing in merced.
There needs to be an option for homeless individuals that have addictions. Displacing and excluding homeless people doesn't work and costs extra money
Housing is not affordable for most people anymore. There is a need for incentives for local buyers, first time home buyers, etc. There is also a need for respectable transitional and permanent affordable housing for homeless, but often housing restrictions are too stringent for those with criminal records, substance use disorders, and/ mental illness. There's a need for funding for supportive care management services.
A utility like MID that uses solar or wind to help residents with energy costs.
Diversity, Inclusion and Equity!!!
Too many people for the county. They use too much water and energy.
The housing, Homes, Apartments are too expensive for some one making minimum wage. Some apartments are very low quality and residents are not people you would want around. Yet, these apartments are still too expensive for someone on minimum wage.
What about filling the gaps that already exist. I understand that there were over 600 high value assets built. No change in low-income assets. Why?
Elderly Condo community would be nice at affordable prices.
Build affordable housing with the opportunity to rent-to-own.
Viviendas para personas con salario bajo
Dar permiso a las dueñas de casas ,que construyan estudios o apartamentos en sus terrenos gratis.
Incluir a la gente trabajadora que carece de estatus legal en el pais
Capacitacion
En las viviendas arendadas, el mantenimiento necesario y sistemático para vivir en óptimas condiciones
Casas Mobiles tenemos derecho a comprar el terreno?
Asequibles en el costo.

Question 16 Optional: What is your total annual household income:

Question 16 asked respondents to select their community from a list of 23 unincorporated communities in Merced County, as well as offering an "Other" option. The results are listed below in Table 26:

Table 26 Results for Question 16

Annual Household Income	Count	Percent
Less than $25,000	30	16%
$25,000 to $49,999	30	16%
$50,000 to $74,999	30	16%
$75,000 to $99,999	16	9%
$100,000+	46	25%
Decline to state	20	11%

Survey participants reported a mix of annual household income, ranging from less than $25,000 to more than $100,000. Approximately 25 percent of participants have an annual household income of more than $100,000. In contrast, 16 percent of respondents have an annual household income of less than $25,000.



City of Merced
California

Appendix G: City of Merced

2024-2032 Merced County Multi-Jurisdictional Housing Element Update

Draft | April 2026

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G1 Review of Past Accomplishments

To develop appropriate programs to address the housing issues identified in the 2024-2032 Housing Element (6th cycle), the City of Merced has reviewed the housing programs adopted in the 2015-2022 Housing Element (5th cycle) and evaluated the effectiveness of these programs in delivering housing services and assistance. Table G1-1 summarizes the City's progress toward the previous Regional Housing Needs Allocation (RHNA) and Table G1-2 provides a detailed program-level assessment of housing accomplishments over the 5th cycle planning period. Programs that are routine staff functions with no specific actions and no direct City involvement are not continued as housing programs in the 6th Cycle Housing Element.

G1.1 Effectiveness in Addressing Special Needs

The City was successful in facilitating the development of housing for special needs groups during the 5th Cycle Housing Element. Several programs were incorporated during the 5th cycle that identified specific solutions to housing for special needs groups such as seniors, homeless, female-headed households, large families, low-income households, and/or persons with disabilities. This includes Program H1.3.a and H1.3.b in which the City worked with the Central Valley Coalition for Affordable Housing to enter into joint development agreements to develop the affordable housing project at Childs and B Street to support special needs groups, and the development of a 100 percent affordable housing project at 1213 V Street which provides housing units for extremely low and very low-income households, and permanent supportive housing units. In addition, the City has also worked with the Community Housing Development Organization and UP Holdings to provide and develop transitional and special needs supportive housing per Program H1.7.b. The City also continues to work with Housing Authority of the Merced County, the Community Action Agency, the Salvation Army, Continuum of Care partners, Merced Rescue Mission, and Sierra Saving Grave to implement Program H3.1.b, which encourages the City to coordinate with local agencies to provide housing assistance to extremely low-, very low-, and low-income households.

Through the implementation of Program 2.1.b., the County received funding from the Community Development Block Grant Program (CDBG), HOME Investment Partnership Program, Permanent Local Housing Allocation Program (PHLA), and Homekey Grant to encourage affordable housing development during the 5th cycle. With these funds, the City was able to contract developers to develop new single-family and multi-family affordable housing projects, including a 20-unit container home project for veterans experiencing homelessness, and Mercy and Linc, two multifamily affordable housing projects. The City will continue to apply for these grants and work closely with Merced County to identify other sources of funding related to behavioral health recovery services and railway encampment to housing programs during the 6th Cycle.

The success delivered from secured funds is set to result in new homes for veterans, farmworkers, and very low-income community members as well. The City of Merced secured $31 million in 2023 from HCD's Multifamily Finance Super Notice of Funding Availability awards, which allowed the city to develop two additional affordable housing developments. Bella Vista, a 108-unit project at 1808 Parsons Avenue expected to open in 2025, is available for individuals and families with incomes equal to or less than 60 percent of the Area Median Income. Additionally, Devonwood Apartments, a 156-unit development, is in the construction phase and expected to open in 2025, with 123 units available for individuals and families and 31 units for special needs individuals and families.

G1.2 Quantified Objectives

Table G1-1 summarizes the City's progress toward meeting the previous 5th Cycle Housing Element RHNA, as well as objectives to rehabilitate and conserve/preserve existing housing stock. The City of Merced, although it had a compliant 5th Cycle Housing Element Site Inventory, did not reach its 5th cycle RHNA goals in the Extremely Low-, Very Low-, Low-, and Moderate-Income categories.

Table G1-1 Quantified Housing Objective and Achieved Accomplishments

	New Construction		Rehabilitation		Preservation (At-Risk Units)	
	RHNA (2016-2024)	Actual	Objectives	Actual	Objectives	Actual
Extremely Low-Income	–	–	–		–	–
Very Low-Income	1,351	58	–		–	–
Low-Income	966	61	–		–	–
Moderate-Income	886	733	–		–	–
Above Moderate-Income	2,348	2,490	–		–	–
Total	**5,551**	**3,342**	**–**		**–**	**–**

G1.3 Review of Past Accomplishments

Table G1-2 provides a detailed program-level assessment of housing accomplishments during the 5th cycle housing element planning period.

Table G1-2 Review of Past Accomplishments

Program	Program Objectives	Progress and Continued Appropriateness
Program H1.1.a – Evaluate for Multi-Family Housing Development	The City will complete evaluation of vacant and underutilized parcels throughout the City to determine suitability and feasibility for potential multi-family development, considering at least, but not limited to, location, size, circulation, and available infrastructure. Staff will monitor and evaluate whether the higher density sites are providing realistic development opportunities for low-income households through the general plan annual review process (Government Code 65400). In addition, staff will work to educate the public and decision-makers about affordable housing, especially multi-family developments, to help alleviate "NIMBYism" when developments are proposed and to ensure decisions regarding developments are made based on adopted plans and policies. The City will encourage developments devoted exclusively to Senior housing.	The City maintains a listing of vacant sites for residential development. The City strives to update the list on an annual basis. In 2023, the City completed a Residential Infill Study, which is a complete list of vacant and developable land for residential development. Each parcel has a score, rating its proximity to schools, parks, and bus stops as well as available infrastructure. The Infill Report is publicly available on the City's webpage. The City recently reviewed Table 9.4.4 and 9.4.8 of the Housing Element and concluded that the City still has sufficient land designated for multifamily development to meet the RHNA requirement for extremely low-, very low-, and low-income households. The City advises developers of multifamily projects to host neighborhood meetings to help educate the neighborhood on their project. The City participates in these meetings by answering questions and helping to provide education about multifamily projects. In 2021, City staff attended two such meetings. The Planning Department provides information at the front counter and on the Planning Department website to educate the public about NIMBYism. The City also provides a Tentative Subdivision Activity List and Development Activity

Program	Program Objectives	Progress and Continued Appropriateness
		List on the Planning Department website. Additionally, the City has streamlined the approval process for many projects requiring a discretionary review from requiring a Conditional Use Permit before the Planning Commission or a Site Plan Review Permit to a staff-level approval is required. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.a will be refined and incorporated into the 6th Cycle Housing Element as Housing Program 2.
Program H1.1.b – Promote the use of Residential Planned Development Zoning	Expedite processing of Residential Planned Development (RPD) permits to encourage innovative site planning, multi-level developments, clustered housing design and planned open space. Evaluate the use of incentives, such as allowing higher densities, or other incentives determined to be appropriate, to developers providing childcare centers within their development. Provide more education to the public and decision-makers regarding the benefits of small lot developments.	The City's building permit review process has been streamlined to allow for master plan reviews. This allows the developer to submit specific house plans or in the case of multifamily development, specific building plans for review, then pull subsequent building permits with only a site plan and any other required documents for an expedited review. This process is used within all zones in the city. The City encourages higher-density developments and the inclusion of childcare centers within multifamily developments but has not yet developed an incentive program for such. The City is receptive to small lot developments and has included a section in the Zoning Ordinance (refined in 2016) to address small lot single-family homes. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.b is partially complete and will be refined and incorporated into the 6th Cycle Housing Element as Housing Program 7.
Program H1.1.c – Encourage Mixed Use Development	Expand the use of mixed-use residential/office/retail developments in the City's core downtown and other appropriate commercial centers to support both affordable housing and economic development goals through priority permit processing. Proposed amendments to the City's Zoning Ordinance would allow residential uses as a principally permitted use in Central Commercial (C-C) zone which encompasses most of the downtown area and would be consistent with the City's Downtown Strategy. The city will promote development consistent with the "Downtown Strategy." In addition, proposed changes in the Zoning Ordinance update would reduce the parking requirements for residential developments near approved transit stops. The use of other incentives will be reviewed.	In 2016, the City adopted a comprehensive update to the City's Zoning Code. This update included allowing multifamily development as a permitted use in the Central Commercial Zone (most of the downtown area). The update also included parking reductions for mixed-use developments and developments near transit stops. The City continues to promote development in the downtown area to include more housing and mixed-use developments. In 2020, the former Tioga Hotel, now renamed Tioga Apartments, opened its doors as an apartment complex in the downtown area providing approximately 79 units. Also, in 2020, a mixed-use development (The Hub) that included 200 market-rate units was approved in the northeast section of the City. This development is currently under construction and will be ready for tenants in 2024. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.c is ongoing and will be incorporated into the 6th Cycle Housing Element as part of the meaningful actions.

Program	Program Objectives	Progress and Continued Appropriateness
Program H1.1.d – Review and Update the City's Zoning Ordinance to Assure Compliance with State Law	Review Zoning Ordinance at least annually to assure compliance with state law. Complete comprehensive Zoning Ordinance update.	The City completed the comprehensive Zoning Code Update and the new Zoning Code became effective October 19, 2016. The City does an annual review to ensure compliance with state laws and would make any amendments necessary to implement any new laws. In 2019 the City refined the Accessory Dwelling Unit (ADU) Ordinance and made updates in 2020, 2021, and 2023 to comply with changes to state law. The City was awarded Senate Bill (SB) 2 Grant Funds which will be used to update the Zoning Code to provide provisions for tiny home development, expand the development of duplexes in single-family zones as a "by-right" development, streamline small-lot development, and update the tentative subdivision map process. The City also added a section into the ADU ordinance to allow tiny homes on wheels as ADU's. The City has also incorporated a procedure for reviewing SB 35 applications in 2020 but will be reviewing those procedures in 2023 and 2024. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.d is partially complete, and will be incorporated into the 6th Cycle Housing Element as Housing Program 6. Program 6 requires revisions to the Zoning Ordinance to remove constraints to housing development identified in the analysis, such as revising parking requirements, permitted uses, removing subjective language and discretionary actions, and ensures compliance with State law.
Program H1.1.e – Encourage Alternate Housing Types	Through priority permit processing, encourage the development of alternate housing designs that can be built on smaller footprints. The Planning Division will inform potential developers of the benefits/cost savings of alternate housing designs and smaller footprints fostering a larger return on investment (ROI) with more units per acre, thus providing more affordable housing. Priority processing saves developers time and money to help keep development affordable and is also important for them to meet State and Federal tax credit deadlines. The City's "Small Lot Design Guidelines" have been incorporated in the comprehensive Zoning Ordinance update and setback requirements have been increased providing more open space to encourage the public to be more accepting of the small lot design concept. Additionally, staff will encourage developments to build 2 and 3-story houses to provide more floor area on a smaller lot.	The refined Zoning Code included a section on small lots to make the development of these lots easier for developers. This section provides development standards and guidelines for small lot developments. Small lot developments require Conditional Use Permit approval which can typically be obtained within 60 to 90 days, as opposed to a zone change process which could take up to four to six months. The City has also added a section to the Zoning Code for ADUs in compliance with state requirements. The City continues to update this ordinance in compliance with state law. Additionally, the City added a section to provide for the development of tiny homes and tiny homes on wheels as ADUs. The city developed Pre-Approved ADU, duplex, and triplex design programs so that residents can save design costs when building these types of homes **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.e priority processing is ongoing with the adoption of the comprehensive Zoning Code in 2016 and will be incorporated into the 6th Cycle Housing Element as Housing Programs 5 and 6.

Program	Program Objectives	Progress and Continued Appropriateness
Program H1.1.f – Encourage the use of the Density Bonus Provision to allow a 50% increase in the number of units allowed in medium and high density zones dedicated exclusively for Senior Housing, if at least 50% of the units are affordable to very low-income households.	Complete the adoption of the Draft Zoning Ordinance, which includes a provision to allow a reduction in the number of parking spaces for "low demand" uses. Senior housing could be considered "low demand," and be eligible for such a reduction.	The updated Zoning Code brought the City's Density Bonus requirements into compliance with state law. The updated Zoning Code also has provisions for parking reductions when there is a low-demand use such as senior housing or when located near a transit stop. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.1.f is ongoing, with the adoption of Zoning Ordinance updates in 2016 and 2023. This program will be incorporated into the 6th Cycle Housing Element as Housing Program 6.
Program H1.1.g – Work with UC Merced to Develop a Student Housing Plan	City staff will work with representatives of UC Merced to consider the development of a Student Housing Plan. The plan should address issues of student housing within residential neighborhoods. It should include programs to educate students on being good neighbors. It should also address the need to locate fraternity/sorority housing within Medium-High and High Density Zones until such time as they can be supported on campus.	This program was initiated in December 2018. The City has not initiated talks with University of California (UC), Merced specifically related to housing. However, there have been several private developers who have been working with UC Merced to help provide student housing. The City supports the efforts of developers to provide multifamily student housing developments. The City will work to make contact with UC Merced to discuss the issues related to student housing in residential neighborhoods. In 2021, the City Council directed staff to begin the process to annex the UC Merced Campus using the provisions of Assembly Bill (AB) 3312, which should lead to more coordination between the City and UC on many issues. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.1.g is incomplete and will be refined and incorporated into the 6th Cycle Housing Element as Housing Program 10.
Program H1.1.h – Encourage the use of the City's Lot Split Process (Parcel Map) to subdivide large parcels into smaller parcels that would be more likely to be developed for affordable housing.	Encourage developers of affordable housing to consider subdividing large lots into smaller lots more suitable for affordable housing. This process is done through staff-level approval with no public hearings before the City Council or Planning Commission. The process takes approximately 3 weeks.	The City's Lot Split process continues to be available to all property owners to create smaller parcels for development. Lot Split applications are reviewed by the Minor Subdivision Committee, a staff level committee, which helps to expedite the process. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.1.h is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 7.
Program H1.2.a – Review Design Standards, Update for Affordability	Deviations to improvement standards contained in the Subdivision Ordinance may currently be granted by the Planning Commission through the Tentative Subdivision Map process. To reduce the need for multiple case-by-case considerations, continue periodic review of infrastructure and road requirements.	The City's Engineering Department does an annual review of the City's Improvement Standards. The City is currently working on a comprehensive update of all the City Standards. It is anticipated that the revised City Standards would be adopted in 2025. **Effectiveness:** Partially Implemented

Program	Program Objectives	Progress and Continued Appropriateness
	Identify potential revisions to reduce construction/improvement costs for new development without negative impact to quality or capacity.	**Continued Appropriateness:** Program H1.2.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 6.
Program H1.2.b – Continue City Housing Program	Provide incentives to encourage affordable housing development through the use of grant funds such as CDBG and HOME funds.	The City continues to receive Community Development Block Grant Programs (CDBG) and HOME funds to be used to help develop new affordable housing and maintain existing affordable housing units. The Housing Division works with Habitat for Humanity, Merced/Stanislaus Counties to perform rehabilitation projects on owner-occupied single-family homes and works with developers to provide new affordable housing projects (both single-family and multifamily). Currently, the City is working with the Central Valley Coalition for Affordable Housing to construct a new 68-unit affordable housing apartment complex (Gateway Terrace II). It was expected that this project would begin construction prior to the end of 2020. However, due to an issue with the Environmental Review for the project, the project has been delayed. Construction is expected to begin in mid-2024. The City also works with the Merced Rescue Mission, Habitat for Humanity, Merced/Stanislaus Counties, and Sierra Saving Grace to provide housing assistance. The City has used HOME & CDBG funds and a United States Department of Housing and Urban Development (HUD) 108 Loan to help fund one 119-unit affordable apartment complex at Childs & B Street and is working to help fund the Mercy Village project on Park Avenue and Devonwood Apartments, a 156-unit multi-family affordable project on Devonwood Dr. The City is working with a developer on a Home Key project to provide 93 permanent supportive housing units that just opened its doors in December 2023. Also, the City is working with a developer to open a 21-unit container home project specifically to provide permanent homes for homeless veterans. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.2.b is ongoing and will be refined and incorporated into the 6th Cycle Housing Element as Housing Program 7.
Program H1.2.c – Conduct studies to identify the needs of disadvantaged communities per Senate Bill 244	As annexations occur, conduct studies to determine the needs of disadvantaged communities within the City Sphere of Influence in proximity to the proposed annexation. Identify the areas lacking sewer and/or water availability and those areas in need of other revitalization efforts and other infrastructure upgrades (sidewalks, fire hydrants, etc.). Ensure that land annexed into the city for development can be supplied by the city's sewer and water facilities.	As of 2023, the City is currently working on six active annexations and has preliminary applications for six additional annexations. As part of the annexation process, the City will evaluate each area for disadvantaged communities and to ensure the City can supply adequate sewer and water to the annexation area. The City also kicked off a comprehensive General Plan Update in 2024. No disadvantaged communities were annexed during the 5th cycle. As part of the Housing Element, the City completed and is finalizing an SB 244 Analysis. **Effectiveness:** Partially Implemented

Program	Program Objectives	Progress and Continued Appropriateness
		Continued Appropriateness: Program H1.2.c shall continue as funds are available and as annexation occurs. This program will be incorporated into the 6th Cycle Housing Element as part of the AFFH meaningful actions.
Program H1.2.d – Pursue funding strategies to assist disadvantaged communities	Apply for funding such as the Community Revitalization and Investment Authority (AB 2) that focus on addressing distressed.	The City applied for the ongoing Permanent Local Housing Allocation (PLHA) funding for the available years of 2019-2021 (awarded in 2022) and will continue to re-apply annually. The City also applied for Homekey funding in 2022 (awarded in 2022) and REAP funding in 2023 (awarded in 2024). but staff continue to monitor all available funding and will apply for funding that supports the needs identified in the studies completed through Program H1.2.c. when appropriate to do so. **Effectiveness:** Not Implemented **Continued Appropriateness:** Program H1.2.d is incomplete and will be refined and incorporated into the 6th Cycle Housing Element as part of the AFFH meaningful actions and Programs 7, 9, 10, and 14. The programs in the 6th Cycle Housing Element have been refined to target funding applications towards areas with a high percentage of Low and Moderate-Income households (Districts 1, 2, 3, 4, and 5), as well as areas with higher proportions of aging housing units (District 3).
Program H1.3.a – Participate in Joint Development Agreements	Continue City staff exploration and pursuit of feasible development agreements for joint public/private development of affordable rental and ownership housing, including senior housing, "special needs" housing, farmworkers, supportive and transitional housing, or emergency shelters for the homeless within the city. Said development agreements shall ensure affordable housing mix, appropriate covenants of affordability terms, and conditional recapture provisions. Specifically, the city will invite developers of affordable housing to participate in Joint Development Agreements. Special focus will be placed on agreements for the development of housing for extremely low income households. The City's goal is to execute one agreement annually to achieve 50 units of low-mod housing. Use development agreements to encourage the construction of childcare centers within affordable housing developments.	The City continues to work with the Central Valley Coalition for Affordable Housing and enters into joint development agreements to provide affordable housing. Such agreements are being used for the Development of the 119-unit affordable apartment project at Childs & B Street. This development will provide units for extremely low- and very low-income households as well as permanent supportive housing units. The City went out for a Request For Proposal in 2021 to find qualified affordable housing developers. A number of developers responded and the City is working with them to bring forth developments for affordable housing. Projects include 1213 V Street, that just opened 96 units of permanent supportive housing for formerly homeless people. Several other developers have projects in various stages of pre-development with the City, most are expected to start construction in 2023 or 2024. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.3.a is ongoing and will be revised and incorporated into the 6th Cycle Housing Element as Housing Program 7.

Program	Program Objectives	Progress and Continued Appropriateness
Program H1.3.b – Encourage the construction of childcare centers within new housing developments through the use of Joint Development Agreements.	The city recognizes the need for quality childcare. In addition, the city recognizes the large amount of traffic and emissions produced by the numerous trips families make throughout the city in going to and from childcare centers. The city also recognizes that many families who need affordable housing, especially female-headed households, need childcare on-site (within apartment complexes) or within close proximity to their home or transit services.	This program was initiated in December 2019. The City encourages development of childcare centers within all housing developments. However, an incentive program has not been developed. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.3.b is incomplete and will be refined incorporated into the 6th Cycle Housing Element as part of the AFFH meaningful actions.
Program H1.4 – One-Stop Permit Center Fast Tracked Processing	Continue the City's current procedures for processing development proposals and approving permits; accelerating the approval process for affordable and senior housing developments.	Procedures remain in place to expedite the approval process for affordable and senior housing. City staff review these procedures every two years to determine if changes or updates to the current procedures need to be made. The City has incorporated a review process in compliance with SB 35. In addition, the City submitted an application for SB 2 funding and was awarded funding for various projects to promote housing. An application for Local Early Action Planning (LEAP) funding was submitted and received in 2021. The City committed to developing an "off-the-shelf" plan for ADUs and pre-designed duplex units to help expedite the development process and reduce development costs; those projects were completed in 2023. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** This is a routine procedure for the City. Therefore, this program will not be carried over into the 6th Cycle Housing Element.
Program H1.5.a – Encourage Homeowners to Construct Second Units	Continue to publicize the Second Unit Ordinance and the income benefits of second unit construction to homeowners in the city. Link this promotion with information on the availability of low-interest rehabilitation loans and other funding programs to support second unit development and provide technical support as necessary to interested homeowners. Provide information on second units and their benefits via the City's website, monthly newsletter, and brochures at the front counter.	The City provides information to customers when they inquire about building second units, now known as ADUs. The City's Zoning Code, which includes the regulations for ADUs, is available on the City's website. The City adopted a refined ADU ordinance in 2019, 2021, and continues to update the ordinance to be in compliance with state law, the most recent update being in 2023. The Ordinance now includes provisions for using tiny homes on wheels as ADUs. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.5.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 5.
Program H1.6.a – Apply for Funding to Support New Housing Construction	Continue to seek potential funding sources and actively pursue funding for affordable housing.	The City continues to actively seek different funding opportunities to help support the development of affordable housing. The City currently receives CDBG and HOME funds, as well as Cal-Home First-Time Home Buyer funds. The City received funds from the Affordable Housing Sustainable Communities (AHSC) program through the California Department of Housing and Community Development for the Childs

Program	Program Objectives	Progress and Continued Appropriateness
		& B Street project. The City has also received American Rescue Plan Act funds, of which a portion has been designated for affordable housing development. The City was awarded over $28 Million for two Homekey projects. The City also has a five-year Permanent Local Housing Allocation grant for affordable housing. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.6.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 1 and 7.
Program H1.6.b – Provide Assistance for Private and Nonprofit Applicants to State and Federal Programs	Assist private individuals and nonprofit organizations in applying for State and Federal funds at least once each year. Assistance may take the form of information referral, consultation regarding program applications, and/or lobbying by local officials on behalf of the applicant. Special focus will be given to applicants applying for funding to assist in the development of extremely-low income housing.	The City has assisted in assembling the funding for the Childs and B Street project. The City has also consulted other developers on possible funding opportunities and assists with completing forms needed for developers to receive federal and state tax credits. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.6.b is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 10.
Program H1.7.a – Continue Continuum of Care Development and Participation	The City will continue to work with Merced County and the Merced County Association of Governments to implement the Continuum of Care to address the homeless issues in Merced. The city will continue to research funding opportunities for homeless and transitional shelters and will work with other agencies to ensure the needs of the homeless community are met.	The City continues to participate in the Continuum of Care through the Housing Department. Typically, City employees have participated in the annual Homeless Count, but due to COVID-19, that count was not performed in 2020 or 2021. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.7.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 10.
Program H1.7.b – Promote and Develop Housing to Meet Special Needs	Assist private and nonprofit developers, such as the Central Valley Coalition for Affordable Housing, by identifying potential sites and financial resources for the construction of housing to meet special needs. Such projects might include, but are not limited to: senior housing, including congregate care facilities; housing for people with physical and mental disabilities; transitional housing for the homeless; an emergency shelter for the homeless; and housing for large families, extremely low-income families, and farmworkers. The City will provide further assistance to the identified need of additional emergency shelter facilities by applying for Proposition 46 funding to provide for such facilities or by supporting other agency applications.	The Housing Program works with the City's Community Housing Development Organization (CHDO) to complete at least one project annually to provide housing to those with special needs. The City will continue to work with the CHDO and any other agencies in an effort to provide more affordable housing for extremely low-, very low-, low-income, and special needs households. The City worked to help develop the Childs & B Street Project in conjunction with a private developer and the Central Valley Coalition for Affordable Housing. This project provides 119 units for affordable housing, including 30 permanent supportive housing units. Additionally, the City worked with UPHoldings to develop a Homekey project for 95 permanent supportive housing units. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.7.b will be incorporated into the 6th Cycle Housing Element as Housing Program 10.

Program	Program Objectives	Progress and Continued Appropriateness
Program H1.7.c – Assist in Obtaining Funding for Farmworker Housing	The City shall apply for or support applications for funding for farm worker housing. The City shall periodically review available funding programs to identify additional funding sources for farmworker housing.	The city has not identified any funding specifically available for farmworkers but supported a developer with an application for which they were awarded a grant for farmworker housing. The city will continue to monitor funding opportunities and will apply when appropriate. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.7.c will be monitored annually and incorporated into the 6th Cycle Housing Element as Housing Program 11.
Program H1.7.d – Assess the need for Farmworker Housing	Work with farm owners and central labor providers to determine the number of farmworkers who may need housing. The resulting report should address permanent workers, seasonal resident works, and migrant workers.	This program was initiated in December 2019. Due to limited staff and resources, the City has not met with farm owners and central labor providers to date. **Effectiveness:** Partially Implemented **Continued Appropriateness:** Program H1.7.d is incomplete and will be refined and incorporated into the 6th Cycle Housing Element, as Housing Program 11.
Program H1.7.e – Provide incentives for the development of farmworker housing	Provide fast-track permit processing: offer a reduction in the number of parking spaces required based on the number of vehicles used for transportation; Explore the use of modified site development standards, e.g. - street widths, paving, curbs/gutters, placement of public works improvements, or landscaping.	The City has not received any applications for farmworker housing to apply any of these processes. **Effectiveness:** Not Implemented **Continued Appropriateness:** Program H1.7.e is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 11.
Program H1.7.f – Consider amending the Zoning Ordinance to allow a reduction in parking requirements for persons with disabilities.	Complete the adoption of the Draft Zoning Ordinance which includes a section to allow the reduction in required parking spaces for uses considered to be "low demand." This could include parking requirements for developments for persons with disabilities.	This program was initiated in December 2016 and completed with the adoption of the Zoning Code Update in 2016. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.7.f was completed in 2016 and will not be incorporated into the 6th Cycle Housing Element.
Program H1.8.a – In-fill and Multi-family Lot Inventory	Develop an inventory of available infill and multi-family lots. The inventory will include location, parcel sizes, amenities, and available infrastructure. The city will keep said inventory current and information will be made available to developers.	The City has developed an inventory of available infill and multifamily lots and refines it as needed and makes it available to the public. Most recently an Infill Study was completed and posted online for the public to use. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.8.a will be monitored as needed and incorporated into the 6th Cycle Housing Element, as Housing Program 2.
Program H1.8.b – Prioritize City efforts to encourage residential development by focusing on in-fill development and	City staff will encourage development within the existing City Limits and especially within the City's Core Area. Staff will analyze vacant and underutilized land to identify constraints to in-fill development. Using the information found in the analysis, staff will develop an "In-fill Strategy." Staff will work with neighborhood and business groups, as	City staff continue to work with developers to develop infill sites. The city has approved entitlements for two apartment projects in 2021 totaling 160 units. The Infill Study was completed in 2023, the City is making good progress with the implementation of this policy. The city provides a Tentative Subdivision Map Activity list and a Development Activity list on the Planning

Program	Program Objectives	Progress and Continued Appropriateness
densification within the existing City Limits.	well as with other interested organizations, to identify and address their concerns and preferences related to in-fill development. In addition, staff shall consider providing incentives such as reduced fees or priority permitting for in-fill developments, especially within the City's Core Area.	Department website to provide information on current developments and future subdivisions. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.8.b is ongoing and will be refined and incorporated into the 6th Cycle Housing Element as Housing Program 2.
Program H1.8.c – Provide Ample Land Through Planned Annexations	The City will continue to monitor residential land availability and encourage and pursue annexations as necessary to maintain a 10-year supply of zoned vacant residential property.	The city is currently working on an annexation that would include 540 apartment units, plus an additional 30 units as part of a mixed-use development. The city is also working on another small annexation that includes 13.5 acres of land designated for multifamily development. The city has incorporated a preliminary application process to allow the City Council to review preliminary annexation applications and provide direction on the applications. The City is currently processing five preliminary applications, all of which would include land for housing. **Effectiveness:** Partially Implemented **Continued Appropriateness:** The Site Inventory does not include any sites that would require annexation. Therefore, this program will not be carried over into the 6th Cycle Housing Element.
Program H2.1.a – Continue the Housing Rehabilitation Loan Program	Continue to allocate monies from the City's Affordable Housing Program and expand the City's Housing Rehabilitation Grant Program.	The City continues to receive CDBG and HOME funds which are used to help develop new affordable housing and maintain existing affordable housing units. The Housing Program works with Habitat for Humanity, Merced/Stanislaus Counties to perform rehabilitation projects on owner-occupied single-family homes. The City also works with Sierra Saving Grace and the Merced Rescue Mission to provide funding for housing assistance. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H2.1.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Programs 7 and 9.
Program H2.1.b – Identify and Notify Owners of Substandard Units	Notify property owners regarding available rehabilitation programs to remedy code violations.	The City's Code Enforcement Officers work with the Inspection Services Department to identify substandard housing. Property owners are given an opportunity to correct violations and may be eligible for funding through the Housing Division. The City's Building and Housing Board of Appeals hears appeals regarding citations issued by the Code Enforcement officers related to substandard housing. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H2.1.b is continuous and will be incorporated into the 6th Cycle Housing Element as Housing Program 9.
Program H2.1.c – Provide Public Information on Preventative Maintenance and	Utilize information dissemination programs such as the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures,	The City continues to provide information on homeowner maintenance through the dissemination of brochures and information on the City's website. **Effectiveness:** Successfully Implemented

Program	Program Objectives	Progress and Continued Appropriateness
Energy Conservation	they can take to prolong the life and quality of their home and reduce their long-term utility and maintenance costs.	**Continued Appropriateness:** Program H2.1.c is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 9.
Program H2.1.d – Conservation of At-Risk Units	The city will continue to contact owners and operators of such units at least annually to monitor when/if the units are being considered for conversion. The city will, as needed, assist potential non-profit buyers to apply for California Housing Finance Agency funding to purchase and operate "At-Risk" facilities for continued affordability. The City will investigate possible incentive programs to encourage property owners to keep their properties affordable. Staff will work with the Housing Authority to determine if they offer programs that will assist property owners in maintaining their property as affordable units.	The City continues to monitor units that have a covenant for affordability and make contact with property owners as needed when units are considered to be "at-risk" of losing their affordability. An annual review is done to ensure existing affordable units are maintained as affordable. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H2.1.d will be monitored annually and incorporated into the 6th Cycle Housing Element as Housing Program 8.
Program H2.1.e – Energy Conservation	The City shall continue to assist low-income homeowners and renters in securing energy audits through local utility companies. Informational flyers should be provided at City offices and other public buildings to advertise funding sources for making any necessary changes such as energy conservation fixtures and devices. All projects funded through the Housing Program shall be designed to meet all state energy efficiency standards. The City will also continue to promote its participation in the HERO program.	The City Housing Division continues to provide information on energy efficiency and to ensure that all projects undertaken through the Housing Department meet the minimum energy standards required by the California Energy Code. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H2.1.e is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 9 and 12.
Program H2.1.f – Encourage Energy Conservation and Weatherization	The City will continue to assist low/moderate income families in obtaining information and participating in the Community Action Agency's weatherization program.	The City Housing Program continues to refer homeowners to the Community Action Agency for assistance with energy conservation and weatherization. Additionally, any new projects constructed through the Housing Program are constructed to meet current energy conservation standards. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H2.1.f is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 12.
Program H2.2 – Apply for State and Federal Funds to Support Housing Conservation and Rehabilitation	Identify and apply for funding at the State and Federal levels to help finance housing conservation and rehabilitation in the City.	The City Housing Program Supervisor, Management Analyst, and Development Services Director review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income eligible households. The City has applied to REAP 2.0 funding to support Planning efforts. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H1.7 will be reviewed annually and incorporated into the 6th Cycle Housing Element as Housing Program 11.

Program	Program Objectives	Progress and Continued Appropriateness
Program H3.1.a – Pursue State and Federal Funds for Down Payment Assistance	Continue the City's revolving loan fund and grant fund programs to provide low-interest loans to first-time low and moderate-income homebuyers. Expand utilization of the loan program to provide an "affordability gap" between housing prices and household incomes to sustain a live/work environment. The loan program is funded through state, CDBG, and HOME funds. There are established guidelines setting forth terms and conditions for loans. Annually review loan amount caps, need for requirement changes, etc., to meet changing housing markets. The City will continue to apply annually, or as available, for CalHome and BEGIN, and NSP funds. The city will explore and pursue all other available funding as it becomes available. The city will strive to assist at least one developer annually to apply for state and/or federal tax credits. Funding assistance is identified at the beginning of each fiscal year through the Housing Program's Annual Action Plan.	This program was initiated in 2015-2016. In 2021, the City applied for $2.5 million in CalHome funds for down payment assistance, owner occupied rehabilitation, ADUs and JADUs, and mobile homeowner-occupied rehabilitation. In 2021, the City completed its Permanent Local Housing Allocation Plan, which included two years of funding in the amount of $1.3 million in support of 67 supportive units on Park Avenue. The City received Cares Act Money through the federal Coronavirus Relief Funding. These funds were distributed to Sierra Saving Grace and Salvation Army to provide mortgage, rental, and utility assistance. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H3.1.a will be monitored annually and incorporated into the 6th Cycle Housing Element as Housing Program 14.
H3.1.b – Coordinate with Local Agencies to Provide Housing Assistance to Extremely Low, Very Low, and Low Income Households	Work with other agencies to assist in identifying and procuring funding for extremely-low, very-low, and low- income rental programs. Examples of other agencies include, but are not limited to, Housing Authority (Housing Choice/Section 8), Community Action and Salvation Army (displaced person's temporary assistance and limited financial grants), and Continuum of Care partners (transitional housing and homeless shelters).	The City continues to work with the Housing Authority of Merced County, the Community Action Agency, the Salvation Army, and other Continuum of Care partners to provide funding for income-eligible households. Recently, the City incorporated a program in conjunction with the Merced Rescue Mission and Sierra Saving Grace to provide deposit assistance for income-eligible households to obtain permanent rental houses. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H3.1.b is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 10.
Program H3.1.c – Minimize Governmental Constraints on Housing Development, Improvements, and Maintenance	Review governmental processes and regulations to identify any potential constraints to the development, improvement, or maintenance to housing.	The program was initiated in 2016. The City continues to review development processes and regulations to identify any potential constraints. The adoption of the updated Zoning Code in October 2016 eliminated some of the previous constraints by bringing the City's Zoning Code into compliance with state requirements. The Housing Division completed an update of the City's Analysis of Impediments to Housing in 2020. The City is reviewing that document and working on addressing any areas that may need to be improved as a result of the analysis. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** The identification of governmental constraints to the development of housing was completed as part of this Housing Element (Chapter G4, *Housing Constraints Analysis*). Therefore, this program will not be carried over into the 6th Cycle Housing Element.

Program	Program Objectives	Progress and Continued Appropriateness
Program H4.1.a – Provide Ongoing Public Information on Affordable Housing Issues and Programs	Establish a community notification list including, but not limited to, Housing Authority, Chamber of Commerce, schools, grocery and drug stores, PSAs, Community Resource Counsel, civic and service organizations, and community centers. Distribute information flyers and give public presentations on affordable housing issues and programs in the City of Merced to such groups, in addition to City residents, developers, and local lenders, by placing program brochures, copies of City documents, and other pertinent information in the City libraries and at the Merced Civic Center. In addition, make this information available to community-based groups serving lower income residents, such as the Lao Family Community Center, and add information to the city website. Consider a program for builders' and developers' informational meetings to explain available programs and designations, as well as a program to educate first time homebuyers on the process of purchasing a home.	The Housing Division provides information on its website regarding available programs, current plans, and other information for tenants, landlords, and property owners. During the COVID-19 Pandemic, outreach has been limited, but Housing staff utilized several online survey tools and virtual meetings. As COVID-19 restrictions are reduced additional outreach can be accomplished. All required public notices are also available on the Housing Division website. All notices required under the HUD Community Outreach Guidelines are provided in English, Spanish, and Hmong. The notices are published in two local newspapers as well as on the City's website. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H4.1.a is ongoing and will be incorporated into the 6th Cycle Housing Element as part of several different programs related to resources and housing programs for residents, including Housing Programs 5, 10, 12, and 14.
Program H4.1.b – Establish a Tenant and Landlord Education Program	Continue to work with the County Housing Authority, the Merced County Rental Housing Association, and other relevant organizations. Provide sponsorship of Fair Housing and Tenant/Landlord relationships and rights workshops to educate tenants and landlords on their rights and responsibilities.	Fair housing matters are referred to Project Sentinel, which is the outside agency contracted to handle fair housing issues. Additionally, contact information is provided to Central California Legal Services for tenant/landlord disputes, and issues of substandard housing in the City of Merced are referred to the City's Code Enforcement Department. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H4.1.b is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 14.
Program H6.1.a – Use CDBG funds for fair housing enforcement, education, and technical assistance activities.	Continue to contract with an outside agency to provide Fair Housing information to the City's residents.	The City continues to contract with Project Sentinel for fair housing enforcement. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H6.1.a is ongoing and will be incorporated into the 6th Cycle Housing Element as Housing Program 14.
Program H6.1.b – Prepare a HUD Consolidated Plan every 5 years	Prepare a Consolidated Plan every 5 years to include certification that the city will affirmatively further fair housing, conduct an analysis to identify impediments to fair housing choice, and take actions to overcome the effects of any impediments identified.	The City Council approved the Consolidated Plan covering 2020 to 2024 on November 16, 2020, and it was approved by HUD in 2021. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** The City prepares a Consolidated Plan every five years to identify and address impediments to fair housing choice. As this is a routine function of the City, this program will not be carried over into the 6th Cycle Housing Element.

Program	Program Objectives	Progress and Continued Appropriateness
Program H6.1.c – Prepare an Analysis of Impediments to Fair Housing every 5 to 7 years	Prepare and Analysis of Impediments (AI) every 5 to 7 years and take steps to address all barriers to affordable housing identified in the report.	The City Council approved the most recent Analysis of Impediments on November 16, 2020. The City continues to review the impediments identified and work on ways to remove or reduce those impediments. It takes five to seven years to prepare the report. Actions to address barriers to affordable housing are an ongoing task. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** The City prepares an Analysis of Impediments to Fair Housing approximately every five years to identify and address impediments to fair housing choice. As this is a routine function of the City, this program will not be carried over into the 6th Cycle Housing Element.
Program H6.2 – Ensure all new, multifamily construction meets the accessibility requirements of the federal and State fair housing acts through local permitting and approval processes.	Review all applications for multifamily construction to ensure all federal and State fair housing acts are being complied with. This shall be done through building permit review or other review as required (i.e., CUP, etc.).	All multi-family housing projects are reviewed during the entitlement process and building permit process to ensure compliance with all federal and state fair housing laws. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** This is a routine procedure performed during the entitlement and building permit process for all multifamily development. Therefore, this program will not be carried over into the 6th Cycle Housing Element.
Program H6.3 – Encourage a range of housing types to be constructed in subdivisions and large developments	Promote Neighborhoods that contain a variety of housing types, as allowed by the R-1, R-2, R-3, R-4, and P-D zones of the Merced Zoning Ordinance.	The City's Zoning Code allows a wide range of housing types. In 2021, 734 single-family homes and 160 multifamily units received entitlement permits. **Effectiveness:** Successfully Implemented **Continued Appropriateness:** Program H6.3 is ongoing and will be refined and incorporated into the 6th Cycle Housing Element as part of the AFFH meaningful actions.

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G2 Public Participation

Public Participation is an integral part of the Housing Element. Government Code Section 65583(c)(8) states that the local government must make "a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element." There were several public engagement efforts conducted at a regional level, including a community survey and stakeholder interviews. These efforts are described in Chapter 1, *Introduction and Regional Collaboration*. This section documents the efforts the City of Merced made to engage the public and gather input on the housing needs of the community to inform development of this Housing Element update. The City aimed to conduct frequent, meaningful and ongoing public participation to capture input from all sectors of the community which helped shape the priorities and objectives of the Housing Element update. Through consistent social media advertising, email blasts to interested parties, interviews on local television, and radio programs regarding the preparation and implementation of the Housing Element, the City has ensured that community members and stakeholder groups have had opportunities to participate in the multi-year process. Details on the various methods of community engagement, outreach efforts, and the input received from the public are described below in this chapter.

G2.1 Pop-Up Events

At the City's Spring Fair between May 3 and May 7, 2023, City staff distributed flyers with links to project website and survey to increase community awareness of the Housing Element process and encourage participation. Staff also attended the Hmong New Year Celebration, which took place at the Merced Fairgrounds December 20, 2024, through December 22, 2024. At this event an information booth was utilized to engage with the community and promote a workshop that was held on January 23, 2025.

G2.2 Community Workshops

The City hosted workshops to gain public insight on housing-related issues and to engage community members on the preparation of the Draft Housing Element. Flyers advertising the workshops were distributed by the City of Merced and posted to the City's website in advance of the workshop series to encourage public attendance and participation. The bilingual (English and Spanish) flyers provided meeting details (dates, times, locations, Zoom links) and links to the Housing Element Update website and email list.

August 2023 Workshops

The City hosted two workshops on the Housing Element on August 22 and August 26, 2023. These workshops consisted of an informative PowerPoint presentation on housing sites, a questionnaire about the proposed sites, and a Q&A and public discussion period. The workshop activities invited participants to share their opinions on what makes their neighborhood great and their experience finding housing, take part in a sticker activity to rank the most effective housing programs, and reasons it is difficult to find housing in their communities. Participants were also asked to weigh in on the selected housing opportunity sites. The PowerPoint presentation was available in Spanish via written translation. Live Spanish translation was available upon request.

Eleven participants attended the workshop on August 22,2023, and 16 participants attended the workshop on August 26, 2023. In general, the key findings from the workshop are as follows:

- Seniors on Supplemental Security Income face severe cost burdens, and evictions disproportionately impact seniors.
- Affordability challenges affect all residents, including the younger population.
- El Capitan and hospital areas are identified as suitable for multifamily housing and North Merced needs both multifamily and affordable housing options.
- Homebuyers from outside the community are buying homes due to the comparatively low real estate costs in the city. This raises concerns about housing accessibility for local residents.
- Community members value sustainability and climate-conscious housing.
- Walkability is crucial and public transit needs expansion.
- Increased housing development that expands into North Merced contributes to inequality. Housing discrimination issues persist.
- Affordable housing programs need fewer constraints.
- Better resources are needed to address homelessness challenges.

Participants were asked to provide their opinions on areas of Merced that would benefit from additional housing development. Participants noted that parts of northeast Merced near the University, as well as in the south and west of Merced. In particular, participants stated that South Merced would benefit from mixed-use development, senior housing, low-income housing above ground-floor commercial, and ADU incentives.

Participants were also asked how their experience has been in finding housing and what makes a neighborhood great. Residents expressed concerns about the lack of available and affordable housing, with affordable options often situated in proximity to polluted or industrial areas. The concentration of industrial land uses and pollution, such as excessive smog and traffic congestion, particularly in South Merced near schools, raises environmental and health issues. Affordability was a common theme, affecting young single residents seeking independence and low-income households in need of habitable and safe housing. Issues such as high security deposits, expensive rent applications, and discrimination were also noted, along with a lack of accessible housing for people with disabilities. Additionally, residents raised concerns about predatory behavior from landlords or management companies.

Participants cast their votes on the factors that make finding housing challenging. “Rent affordability or increases” and “difficult to buy a home” were voted as the two largest barriers to accessing housing in Merced with eight votes each. “Discrimination based on protected characteristics” and “lack of housing with supportive services” were voted as the next most significant housing barriers each with five votes. “Community opposition to new housing” was voted as the least significant barrier to accessing housing with one vote.

Participants noted that green infrastructure, such as streets lined with trees and safe parks, is considered crucial, especially in South Merced, providing both recreational spaces for children and contributing to overall safety. Residents value sustainable housing and renewable energy, including net zero homes and prefabricated options, aiming to reduce car dependency. Social housing is desired to prevent communities from being priced out. Access to essential resources, including grocery stores, parks, green spaces, and health clinics, as well as reliable infrastructure, is seen as vital for a thriving neighborhood.

Homelessness prevention and housing was the most voted program for effectively addressing housing needs in Merced with nine votes. This was closely followed by housing for special needs populations with eight votes. Rent-restricted affordable housing development and fair housing services both received seven votes. Housing rehabilitation, variety of new housing development, and development of rental housing for large households all received four votes.

Additionally, general comment cards were provided during the workshops to offer attendees an opportunity to submit any comments to the planning staff. A summary of the comments received is provided below.

- A survey is not adequate community engagement for the fair housing needs assessment. Jurisdictions and consultants should speak with community members (in contexts beyond the few workshops) to get a sense for the community's fair housing needs.
- Merced needs more deed-restricted affordable units for the City's lowest-income residents in high resource neighborhoods, rent control, right to counsel for tenants facing eviction or other landlord issues, more general tenant protection, long-term rental assistance programs, and first-time homebuyer programs.
- The City should eliminate barriers to accessing housing by eliminating rental application fees for tenants applying to rent.
- The City must include policies, programs, and actions that will address the historical and current concentration of polluting land uses in South Merced and areas that are predominantly communities of color.
    - This includes rezoning areas of South Merced away from industrial and to green space, residential, or commercial.
- The City should consider starting remediation programs to address lasting pollution from the past, and stopping new pollution by not siting new warehouses, distribution centers, or pollution causing projects near residential areas.
- The City must address the service needs of South Merced residents within the City's sphere of influence. These include water and sewer, stormwater drainage, fire protection services, as well as sidewalks and street lighting.
- Merced development is not sustainable.
- Residents brought up the need for the following policies/programs:
    - Right to counsel
    - Rent control ordinance
    - Affordable housing in high resourced areas
    - Inclusionary housing
    - More tenant protections
    - Permanent rental assistance program
    - First time home buyer program
    - Water/sewer service to unincorporated South Merced
    - Addressing inequitable land use planning
- In-lieu fee (City council resolution) as currently proposed does not fully fund the need for affordable housing, or properly ensure that developers build affordable housing in the same place as market-rate housing.

- The Housing Element must go beyond what it is currently doing to address its long history of discrimination which means taking meaningful actions that overcome pattern of segregation and foster inclusive communities free from barriers that restrict access to opportunities.

In addition, a member of Merced Lao Family Community, Inc. provided the consulting team with a survey that they conducted to better understand the housing preferences specific to this community. The survey asked individuals to indicate which home sizes are most needed in Merced County. The survey reports that three-bedroom homes are the most needed, followed by one-bedroom, four-bedroom, and two-bedroom homes.

January 23, 2025, Workshop

To provide opportunities for further public outreach, an additional Housing Element workshop was held on January 23, 2025. This workshop was conducted in person in the Sam Pipes Room at the Civic Center, with the option to join virtually. This workshop focused on the Housing Plan and programs that were published for public review from May 2024 to June 2024. The City gathered feedback from the public and answered questions. A total of 13 participants attended the event. Attendees included community members, housing developers, and members of community-based organizations including the Leadership Council for Justice and Accountability.

To reach a broad audience, the City used multiple communication channels to promote the workshop. This included City Staff answering questions in an 8-minute radio interview that aired on January 18, 2025, an advertisement in the Merced County Times and Merced Sun-Star, social media posts on Facebook and Instagram in English and Spanish, and email blasts to interested parties and community members which detailed the workshop's topic and logistics. Staff also promoted the workshop while staffing an information booth at the Hmong New Year celebration. Spanish translation services were provided and were used by one participant at the event. The workshop was held at noon, which is a typical lunchtime for many employees, in an effort to include workers or individuals with children that would be in school during this time, and to accommodate schedules of those that may have not been able to attend evening public hearings or Town Hall events.

The presentation included details on the significance of program updates, such as the incorporation of actionable commitments, remedying constraints to housing development, updating programs to comply with state law, and reducing fair housing issues. Programs discussed during the workshop included those related to regional collaboration, housing development, affordable housing options, housing and neighborhood preservation, housing for persons with special needs, resource conservation and sustainable development, and affirmatively furthering fair housing. Many of the attendee comments focused on rezoning efforts, special needs groups including seniors, lower-income households and renters.

A summary of the comments participants provided are summarized below:

- Upzone residential areas to promote higher density housing.
- Promote economic development, including small businesses in residential.
- Limit the conversion of homes to offices, especially in the downtown areas.
- Remove parking requirements to reduce constraints.
- Add housing as a use for commercial properties.
- Size requirements for high-density development should be changed.
- Promote transit-oriented development to reduce the need for car travel.

- Establish a rental assistance and stabilization program.
- Encourage affordability for those rentals with expiring affordability covenants.
- Establish a right to legal counsel.
- Invest in senior housing and resources.
- Regulate short-term rentals.
- More infrastructure and resources need to be introduced to the proposed Site Inventory sites, as rezones are not near grocery stores and are located in low-resource areas.
- Invest in infrastructure in food deserts.
- Explore program for tiny homes on wheels.

Several items proposed by the public are ongoing efforts and priorities for the City, including transit-oriented development and economic development. Moreover, items like reducing parking requirements will be tackled by new laws that mandate reduced parking standards and modifications to zoning ordinances to enable these changes. Staff is currently drafting zoning ordinance amendments to allow for mixed use residential in commercial zones. Comments gathered during this workshop were presented to City Council for review and consideration.

G2.3 Merced Family Resource Center "Action Forum"

The City meets monthly with Merced Family Resource Center, a community-based group in South Merced. Since May 2024, the City has met as part of the group to discuss goals and strategies for improving housing access and conducting outreach in South Merced. The group is composed of local residents, community leaders, and church representatives who live or work in South Merced. The group is racially and culturally diverse, with representation from the Hmong communities. Hmong translation services were provided to ensure inclusive participation.

The group identified that many families struggle to find affordable housing, and while various programs exist, awareness of these resources is limited and unevenly distributed across the community. Although members were aware that funding was available, there was uncertainty about how it was being allocated and how to access related services. Throughout the year, the group engaged with community organizations connected to affordable housing and social services. The following organizations were interviewed on what resources they provide for people looking for or to maintain housing:

- AceOvercomers
- Bay Valley Tech
- Behavioral Health Recovery Services
- Central California Alliance for Health
- Central Valley Coalition
- Friendship Baptist Church
- Golden Valley Health Center
- Healthy Housing Within A Match Coalition
- Housing Authority of the County of Merced
- Lifeline CDC
- Love, Faith, Hope
- Merced City Council – Mayor
- Merced County – Supervisor, District 1
- New Direction
- Second Baptist Church
- Sierra Saving Grace
- St. Matthews Church
- The Rescue Mission

Most organizations refer clients with housing needs to housing specific resource organizations, such as the Housing Authority of the County of Merced or Self-Help Enterprises.

The effort that the group conducted to reach out to aforementioned community organizations culminated in a public luncheon and housing forum held in May 2025. At this event, city staff and group members presented information on housing programs and available services to the broader community.

G2.4 City Council and Planning Commission Meetings and Hearings

Alongside City Council and Planning Commission meetings, City staff held study sessions with decision-making bodies, allowing additional public comment. These sessions reviewed Housing Element programs and rezoning efforts, offering more opportunities for community input. City Staff also attended general City Council Town Hall-style meetings on January 28, 2025, January 30, 2025, and February 6, 2025 to answer questions regarding the Housing Element and rezoning efforts.

August 7, 2023, City Council

A presentation to the City Council was held on August 7, 2023, to provide an overview of the 6th Cycle Housing Element update as an informational only session. No comments were received.

January 21, 2025, City Council and January 22, 2025 Planning Commission

The City held two study sessions to discuss rezoning required to accommodate the City's share of the Regional Housing Needs Allocation (RHNA). The meetings were duly noticed and open to the public for comment. City staff also promoted attendance through the Merced County Times and Merced Sun-Star on January 17, 2025.

February 5, 2025, Planning Commission Hearing

During this public hearing, the Planning Commission considered rezoning required to accommodate the City's share of the regional RHNA. In addition to the legal public notification process for this public hearing, City staff purchased a quarter-page printed advertisement in the Merced County Times, and promoted the hearing on the City website and email updates. There were no public comments.

February 18, 2025, City Council Meeting

A study session with City Council was held on February 18, 2025, to present the input received on the Housing Element programs gathered during the community workshop on January 23, 2025 and the January 21, 2025, and January 22, 2025, study sessions. One community member provided public comment, stating that they would like to see more Housing Plan programs or objectives to affirmatively further fair housing, expressing support for the adoption of buffer zones near industrial uses and regional collaboration efforts on housing programs, and suggested the need for additional opportunities to address the needs of low-income households and farmworkers. City Council approved the programs as presented and did not recommend adding additional programs to the Housing Plan, however, rental registry was noted as a potential point of discussion for future City Council meetings.

April 7, 2025, City Council Hearing

A public hearing was held on April 7, 2025, on rezoning to accommodate the City's share of the regional housing need. The hearing materials were posted on the City's Housing Element Webpage. The City Council approved the rezoning of all sites recommended by the Planning Commission.

G2.5 Survey

The County conducted a community survey to inform the 6th Cycle Housing Element update. The survey was made available from March 27 through December 22, 2023. The survey was also made available during various community outreach events. The survey consisted of 16 questions and used different formats for questions: checkbox, ranking, and open-ended questions. A total of 172 people responded to the survey. Of these, 131 respondents either live, work, attend school, or own a business or property in the City of Merced.

The input provided by the respondents included the following major themes:

- Affordability and quality and size of housing are the most important aspects when looking for new housing, followed by close to resources such as commercial, medical facilities, and work and school. Safe neighborhoods were also noted as important when searching for housing. Respondents want housing near public transit stops, employment, and shopping centers.
- The largest barriers to affordable desirable housing are the cost of quality housing and the limited supply of housing, particularly affordable housing. Respondents also noted the lack of good paying jobs to be able to afford housing.
- In addition to affordability and availability of housing, respondents noted that homelessness and housing quality were also urgent issues in the Merced Region.
- Respondents would like to see programs related to housing vouchers, homebuyer loan counseling services, landlord/tenant mediation services, and home rehabilitation assistance.
- Housing with three or more bedrooms, housing with one or two bedrooms, and accessory dwelling units are the most needed housing in the region.
- In the City of Merced, participants suggested housing development throughout northern and southern parts of the city, in downtown, near East Childs Avenue, near Dan Ward Road and Beachwood Drive, near State Route 59, near State Route 99, near Mission Avenue, near the University of California, Merced, and on vacant and underutilized lots.

Full survey results can be found in Appendix 1 to the Regional Housing Element, *Community Survey Results*.

G2.6 Stakeholder Interviews

The City also participated in a series of stakeholder interviews with service providers, residents, and housing developers held between August 8, 2023, and August 23, 2023. A complete summary of the stakeholder interviews can be found in Chapter 1, *Introduction*, to the Regional Housing Element. Key findings included:

- Service providers stated there is a need for affordable housing throughout the county with access to resources.
- Residents expressed that rental units need maintenance and repair.
- Additional housing services are needed throughout communities in the county include transitional housing, rental assistance, first-time homebuyer assistance, and education on tenants' rights.
- Residents expressed concern over the high cost of housing, particularly for renters.
- Residents identified a need for more community engagement efforts that allow residents to participate in a meaningful way, including workshops and translation services during outreach events.

G2.7 Response to Community Input

During community outreach events, community members identified Merced housing concerns that have been summarized into the following overarching themes. Each key statement and how it is addressed in the Housing Element include the following:

Need more affordable housing for both renters and buyers.

The City will accommodate at least 6,123 units affordable to very low-, low-, and moderate-income households. The City will accommodate these units on sites that are currently vacant or underutilized, including sites that will be rezoned to allow higher residential densities.

Housing Program 5 includes actions to encourage the development of at least 16 accessory dwelling units (ADUs) during the planning period by creating standard plans and streamlining the permit process. ADUs often provide relatively affordable rental options.

Through Housing Program 7, the City looks to expand multifamily housing stock through contacting non-profit and private developers to facilitate the production of affordable housing as well as pursue funding opportunities available at the local, regional, state and federal levels. Multifamily housing provides affordable housing options to add into the city's housing stock.

The City has 1,472 housing units that are deed restricted as affordable housing for lower-income households, and 233 units are at risk of conversion to market rate by 2033. Under Program 8, the City will work to preserve these units as affordable housing and will proactively monitor all other units to encourage continued affordability beyond existing covenants and work proactively with owners of affordable units to assist in rehabilitation needs.

Support for transit-oriented development and increasing density in areas with existing services.

Housing opportunity sites were prioritized by location, including proximity to transit, job centers, and community services. Site selection focused heavily on infill development of vacant and nonvacant sites along strategic corridors and in neighborhoods with existing services.

Housing Program 1 directs the City to collaborate with other jurisdictions on housing efforts, including funding opportunities, best practices, and other efforts to address housing, transit, economic development, and homeless issues in Merced County. This Program includes participation in MCAG to manage and implement regional transit services, including an annual community workshop to identify transportation needs for Merced residents.

Housing Program 13 directs the City to create a well-maintained city infrastructure to provide a safe and accessible urban environment. The City will implement an Active Transportation Plan and seek funding for and include pedestrian and bicycle improvements in Capital Improvement Planning, as feasible. This Plan will foster street connections and pedestrian/bicycle networks.

Need for rental assistance for low-income families and rent-restricted housing.

Housing Program 12 directs the City to assist in the development of housing to meet the needs of extremely low, very low- and low-income households and special needs households. The City will continue to work with the Housing Authority of the County of Merced to provide housing choice vouchers (HCV), public housing, project-based voucher program, and migrant housing. Starting in 2025

the City will annually conduct an outreach event for landlords on the HCV program, with a goal of seven events during the planning period.

Need to increase the variety of available rental and for-sale housing types, including apartments and townhomes, and more options for three-bedroom units.

In order to facilitate a variety of housing types, especially housing for lower-income households and those with special needs, the City will remove constraints on housing development by amending the Zoning Code through Housing Program 6. This would include zoning amendments to remove constraints associated with development standards, density bonus, ADUs, single-room occupancy, emergency shelters, residential care facilities, farmworker housing, and supportive housing.

Through Housing Program 7, the City looks to expand multifamily housing stock through contacting non-profit and private developers to facilitate the production of affordable housing as well as pursue funding opportunities available at the local, regional, state and federal levels. Multifamily housing will increase the variety of available rental and for sale housing types.

Need for housing rehabilitation services homeowners with aging housing stock and those with flood damage.

Housing Program 9 directs the City to utilize various programs and community partnerships to encourage the rehabilitation of housing units, as well as maintaining the supply of affordable housing. The City will work with non-profits in their community to assist with rehabilitation, annually research funding opportunities, with a goal to partner with Self-Help Enterprises for 10 owner-occupied rehabilitations, five manufactured home rehabs, and five ADU/JADU rehabs. The City will also partner with Habitat for Humanity for six rehab projects and assist with five units annually through the Weatherization Program.

Need increased education on housing rights and legal resources for tenants and landlords.

Under Housing Program 14, the City will continue to work with the Merced County Housing Authority to provide fair housing information and resources to residents and housing providers. Educational flyers and factsheets will be distributed and shared on the City's website, and annual staff training will start in 2025 on how to refer residents for fair housing complaints.

G2.8 General Plan Update Outreach Program

The City initiated a comprehensive General Plan Update in summer 2025. This project includes a robust multi-year public outreach program that, while separate from the Housing Element update effort, informs the City's understanding of community priorities. Outreach events have included open houses, pop up events, focus groups, Planning Commission and City Council study sessions, meetings and interviews, town halls, and public workshops. Outreach events were particularly focused in South Merced. These outreach events were hosted in various formats and times to ensure maximum possible participation.

G2.9 Public Review

May 2024 Public Review

The Draft Multi-Jurisdictional Housing Element was available for public review for the required 30 days, from May 13 to June 12, 2024. The City notified interested parties via email and the complete document was posted on the project website (https://mercedmjhe.com/). The draft Housing Element was also published on the City's website. Comments and responses from this public review period are integrated into the summary of comments table below, Table G2-1.

April 2025 Public Review

A revised Draft of the City of Merced Housing Element was available for public review for the required seven days, from April 14 to April 22, 2025. The City notified interested parties via email and the complete document was posted on the project website and on the City's website. The City received one comment letter from the Leadership Council for Justice & Accountability. Comments and responses from this public review period are integrated into the summary of comments table below, Table G2-1.

December 2025 Public Review

A revised Draft of the City of Merced Housing Element was available for public review from December 22, 2025, to January 9, 2026. The City notified interested parties via email and the complete document was posted on the project website and on the City's website. The City received one comment letter from the Leadership Council for Justice & Accountability. Comments and responses from this public review period are integrated into the summary of comments table below, Table G2-1.

Public Review Comment Matrix

In response to public comments, City staff enhanced the analysis contained throughout the Housing Element, including Chapter G3, *Housing Needs Assessment*, Chapter G5, *Assessment of Fair Housing*, and Chapter D7, *Housing Plan*, to reflect public input. A comment matrix with comments received and City responses is provided in Table G2-1 below.

Table G2-1 Summary of Comments and Responses

Comment Theme	Comment Source	Comment Summary	Response
AFFH: Adequate Public Participation	LCJA, Maria-Elena Young et al.	Comments expressing concern over the adequacy of community outreach conducted prior to the creation of the Draft and revised Draft Housing Element.	The City provided various engagement opportunities and methods including workshops that were accessible via zoom with translation services. Additionally, the City coordinated with MCAG and the other participating jurisdictions to host an online survey that was advertised at various outreach events, pop-up events and meetings with stakeholder groups. Additional information on the methods of outreach conducted can be seen in Chapter G2, Public Participation. The fair housing analysis in Chapter A5, Fair Housing Analysis, and contributing factors to fair housing issues were informed by community outreach conducted for the draft Housing Element, following the

Comment Theme	Comment Source	Comment Summary	Response
			California Department of Housing and Community Development Housing Element AFFH guidance. Additionally, continued and targeted outreach, related to fair housing, is included in the Housing Plan through Program 14, Fair Housing Outreach and Enforcement. Outreach conducted by the City of Merced over the past year includes local radio and TV programs where representatives of the City have been interviewed at least three times for Community Conversations on KYOS radio station, discussing the Housing Element and affordable housing projects. Additionally, there have been two interviews on ABC 30 TV news station regarding these projects. Most recently, an announcement was made about a new Project Homekey award of $11.1 million for an apartment/container home project affordable to households at 30 percent area median income and below. The City is also currently working with the Merced Family Resource Center, a division of the Merced County Office of Education, Early Education Support Program, and meeting monthly with a community-driven action team to develop and implement a plan for Neighborhood Engagement and Transformation. This team includes South Merced neighborhood leaders from the Hmong, Black, and Hispanic communities, representatives from local non-profits such as Love, Faith & Hope, and officials from the City and County of Merced. The Team's focus is to host a discussion among fair housing service providers to map available resources for families regarding housing and supportive services, and to explore how providers can collaborate to support families experiencing homelessness by identifying reliable information sources and responsible agencies. The City implemented a variety of additional outreach methods to garner addition participation and feedback on the Draft Housing Element, including a radio interview, newspaper publications, social media posts, and a public workshop focused on the Housing Element, held January 23, 2025. Additionally, on February 18, 2025, the City Council held a public meeting to review the current housing programs included in the Draft Housing Element. During this meeting, community members were given the opportunity to comment on housing programs and the City presented

Comment Theme	Comment Source	Comment Summary	Response
			several program recommendations discussed at the January workshop.
Housing Plan: Public Participation	LCJA	Comments expressing concern that the Housing Plan was not informed by community input.	The Housing Element considered public input in the creation of its Housing Plan programs. For further information on the ways in which public input was considered, the comment theme and corresponding program informed is summarized in Chapter G2, Public Participation, section G2.6 Response to Community Input. The programs and actions of the Housing Plan target the specific concerns of special needs groups in the City of Merced by including geographic targeting and objectives within each program, as applicable. Housing programs that address the concerns addressed in public comment letters received during the Public Review Period include, but are not limited to, the following: ▪ Program 6: Zoning Code Amendments, Program 7: Facilitating Affordable Housing Development, and Program 10: Lower-Income and Special Needs Housing are programs created to address the need for more affordable housing that address cost-burden for seniors and others who live on fixed incomes. Additionally, Program 9: Housing Preservation and Rehabilitation aims to secure funding for housing rehabilitation assistance for lower-income households in order to improve housing conditions. ▪ Program 13 includes actions to ensure equal access to services for all residents, with particular focus on public infrastructure and transportation access, including pedestrian and bicycle networks. Additionally, the program has specific objectives to complete five Capital Improvement Projects during the planning period. ▪ Program 1: Regional Collaboration and Program 10: Lower-Income and Special Needs Housing direct the City to work with the Merced County Human Services Agency, the County, and MCAG to participate in regional programs that address the needs of persons experiencing homelessness. ▪ Program 6: Zoning Code Amendments directs the City to update the Zoning Code the amendments to remove constraints to housing development by

Comment Theme	Comment Source	Comment Summary	Response
			streamlining permitting requirements for transitional and supportive housing, and emergency shelters. ▪ Program 14: Fair Housing Outreach and Enforcement directs the City to conduct continued and targeted outreach, related to fair housing. ▪ Program 15: AFFH Actions Summary requires the City to host two public workshops by January 2027 to determine the need for, and subsequently adopt, an Inclusionary Ordinance by end of 2027. ▪ Program 14: Fair Housing Outreach and Enforcement addresses housing issues experience by renter households by directing the City to collaborate with the County Housing Authority, the Merced County Rental Housing Association, and other relevant organizations to provide workshops to educate tenants and landlords on housing rights and responsibilities. The program also aims to support homeownership opportunities and home-buyer education for underrepresented groups in the homebuying market. ▪ Program 12: Water and Sewer Service directs the City to adopt a policy to prioritize water and sewer services to affordable housing projects and update the City's water and sewer master plans by June 2025. ▪ Program 13: Community and Economic Development directs the City to ensure adequate public facilities to support the needs of underserved communities. The City has continued to refine the Housing Plan to better reflect community needs and recommendations. Housing programs have been revised to incorporate feedback garnered from public outreach, including but not limited to: ▪ Program 2: Adequate Sites for RHNA and Monitoring of No Net Loss was revised to direct the City to provide a variety of incentives for housing development on large sites and to identify additional incentives and planning tools midway through the planning period if needed to accommodate the RHNA. ▪ Program 10: Lower-Income and Special Needs Housing was revised to direct the

Comment Theme	Comment Source	Comment Summary	Response
			City to consider and, if appropriate, adopt an Inclusionary Zoning Ordinance.
AFFH: Outreach and Enforcement	LCJA	Comments inquiring on the City's ability to address fair housing complaints, and resources for fair housing enforcement.	Chapter G5, Assessment of Fair Housing, discusses the City's ability to address fair housing complaints. The City partners with Project Sentinel and Project Sentinel refers to other agencies as needed to address complaints. The City currently has no active fair housing lawsuits, settlements, or legal cases. In response to these comments, the Housing Element has been updated to include more recent data from Project Sentinel on fair housing complaints and inquiries and fair housing services provided to the community to clarify the adequacy of addressing fair housing complaints. In addition, through Housing Program 14, the City will continue to partner with Project Sentinel to address fair housing complaints and conduct outreach regarding fair housing rights.
AFFH: Segregation and Integration	LCJA	Comments expressing concern regarding the adequacy of the fair housing analysis for patterns of integration and segregation and discussion of racially/ethnically concentrated areas of poverty (R/ECAPs), in part due to the lack of data sources other than the AFFH Data Viewer.	Chapter G5, Assessment of Fair Housing, utilized data from the AFFH Data Viewer 2.0 in order to analyze patterns of segregation and integration, which relies on data from the United States Census and other verified sources. However, that does not exclude the need for local knowledge and other sources of information in order to adequately assess fair housing issues within the city. Chapter G5, Assessment of Fair Housing incorporates data from other sources as well to provide additional insight on fair housing issues. For example, Section G5.9 Disparities in Access to Opportunity utilizes data from AllTransit, the National Walkability Index, KidsData.org, and CalEnviroScreen to analyze access to transit, educational, and environmental opportunities. The fair housing analysis also relies local knowledge received from stakeholder interviews, public participation, and City staff knowledge. The fair housing analysis also utilizes California Tax Credit Allocation Committee (TCAC) opportunity maps and data to ensure the Site Inventory does not further patterns of segregation and promote integration across resource levels in the city, discussed in section G.5.13, Housing Site Inventory Analysis. The City revised Chapter G5, Assessment of Fair Housing, to incorporate additional analysis based on supplemental data and local knowledge. This includes an assessment of the location and distribution

Comment Theme	Comment Source	Comment Summary	Response
			of care facilities for persons with disabilities, the distribution of childcare centers, and characteristics of R/ECAPs in the city. The City revised Program 13: Community and Economic Development to incorporate additional actions to increase access to opportunity in under-served communities, including conducting a study to identify neighborhood needs, and applying for funding to implement neighborhood improvements.
AFFH and Housing Plan: TCAC Resource Areas	LCJA, Perezchica Family	Comments expressing a desire for programs and policies that increase access to resources in TCAC low-resource areas.	As discussed in Chapter G5, Assessment of Fair Housing, much of the city consists of low resource areas. Therefore, many of the housing opportunity sites allocated to meet the Regional Housing Needs Allocation (RHNA) requirements are identified in areas that are designated low resource. Chapter 2, Fair Housing Analysis, section G.5.13, Housing Site Inventory Analysis, analyzes the Site Inventory in relation to fair housing issues, including the allocation of housing opportunity sites in TCAC resource areas. The Site Inventory does not disproportionally place lower-income housing units in low resource areas. In addition, the City will implement Housing Program 13 to carry out placed-based revitalization strategies to improve access to opportunity in low resource areas.
AFFH: Disparities in Access to Opportunities	LCJA	Comments expressing concern regarding the analysis of disparities in access to opportunity.	The fair housing analysis in Chapter 4, Regional Assessment of Fair Housing, and Chapter G5, Assessment of Fair Housing, were conducted using the California Department of Housing and Community Development AFFH Guidelines. These analyses informed the Housing Plan to create meaningful actions with specific quantitative objectives and timelines in order to affirmatively further fair housing and address disparities in access to opportunities. Through Housing Program 13 Community and Economic Development, the City will implement various infrastructure improvements, including active transportation programs, which will improve access to transit and services for residents throughout the city. In addition, Housing Program 1 directs the City to participate in regional efforts expand access to opportunities for transit.

Comment Theme	Comment Source	Comment Summary	Response
AFFH: Disparities in Access to Opportunities	LCJA, Maria-Elena Young et al.	Comments expressing concern regarding access to opportunity in South Merced.	Chapter G5, Assessment of Fair Housing, analyzes access to opportunities for residents throughout different parts of the City. The southern half of the city generally had lower access to educational, economic, and environmental opportunities and consists of low resource areas and areas of high segregation and poverty. To address these disparities, the Housing Element includes Housing Program 13 Community and Economic Development, which directs the City to implement place-based strategies to improve access to opportunities in South Merced. Additionally, the program has specific objectives to complete three Capital Improvement Projects in South Merced during the planning period, which will improve access to public infrastructure and services for South Merced neighborhoods. The City revised Chapter G5, Assessment of Fair Housing, to provide additional analysis of access to opportunities, including barriers and planned improvements related to active transportation infrastructure and road safety, details on school improvements, discussion of water quality concerns and flood impacts on housing, and access to grocery stores.
AFFH Displacement	LCJA	Comment expressing concern over the adequacy of the analysis of displacement risk.	Chapter G5, Assessment of Fair Housing, evaluates displacement risk in Merced using data from the Urban Displacement Project. Areas of the city with the greatest displacement risk are in the central part of the city, in Districts 2, 3, and 5. The assessment of displacement risk was revised to incorporate contributing factors to displacement for census tracts with elevated risk and discuss disaster-driven displacement caused by flooding in the western part of District 5. The City revised Program 1, Program 4, Program 8, and Program 10 to address housing replacement, provide housing opportunities for persons experiencing/at-risk of homelessness, and affordable housing for extremely low-income, very low-income, and special needs households in an effort to address displacement.

Comment Theme	Comment Source	Comment Summary	Response
AFFH: Site Inventory	Public Comment (Perezchica Family)	Comments expressing concern over the lack of low-income and very low-income housing units in the city.	The City's Housing Element was drafted with the intention of meeting the City's RHNA requirements by planning for residential development through the identification of sites for adequate housing production at each income level. The City considered various aspects, such as site feasibility and location during the selection of the housing opportunity sites, as well as particular considerations for sites to support affordable housing, as discussed in Chapter G6, Housing Resources. Chapter G4, Housing Constraints, discusses the governmental and non-governmental constraints to affordable housing production. Based on existing constraints, there were numerous programs drafted to endure that low-income and very low-income housing opportunities are created during the planning cycle, including Housing Programs 6 and 7, which direct the City to revise the Zoning Code to remove constraints to housing development and provide regulatory incentives for the development of housing for very low- and low-income households.
Housing Constraints: Environmental Constraints, Public Infrastructure and Services	LCJA, SHE, Public Comment (Perezchica family)	Comments expressing concern regarding constraints on housing development, including infrastructural deficiencies, including transportation and broadband access, on- and off-site improvement requirements, and the high volume of Code Enforcement complaints.	Chapter G4, Housing Constraints, and Chapter G6, Housing Resources and Site Inventory Analysis, discuss environmental and infrastructure conditions and constraints in relation to housing development. In addition, Chapter G5, Assessment of Fair Housing, analyzes access to transit and resources throughout the city. The City will implement Housing Programs 1, 12, and 13 to increase access to transit and other services in areas where there is limited access. Actions included in these programs include completing Capital Improvement Projects in South Merced and other areas of the city and participating in regional transit efforts. Chapter G4, Housing Constraints Analysis, includes a discussion of Code Enforcement procedures and was revised to incorporate additional analysis regarding on- and off-site improvement requirements. The cost of on- and off-improvements is highly dependent on project specifics, with greater improvement costs associated with sites that have a larger proportion of street frontage. However, the range in total cost for site improvements is comparable to other jurisdictions within the region and is not considered a constraint to housing development. To further support affordable

Comment Theme	Comment Source	Comment Summary	Response
			housing developers, Housing Program 7 commits the City to providing opportunities for fronting site improvement costs for affordable housing development on a case-by-case basis. The City will pursue grant funding to support the implementation of site improvements as Capital Improvement Projects on behalf of affordable housing developers. The high volume of Code Enforcement requests would not pose a constraint to the development of housing. However, it could delay housing rehabilitation efforts if Code Enforcement requests cannot be investigated in a timely manner due to a high volume of requests.
Housing Constraints: Short-Term Rentals	LCJA	Comment inquiring if short-term rentals are a constraint to the availability of long-term housing.	Chapter G4, Housing Constraints Analysis, analyzes whether short-term rentals are a constraint to housing development in Merced. The City does not currently regulate short-term rentals, however, ADUs for rent are required to be rented for at least 30 consecutive days or more, which limits the use of ADUs as short-term rentals. The analysis concluded that the City's short-term rental policies are not a constraint to housing.
Housing Needs and Housing Plan: Affordable Housing Preservation	LCJA	Comments expressing concern over preservation of lower-income housing and barriers to the development of affordable housing.	Many of the Housing Programs included in Chapter G7, Housing Plan, address the provision of adequate housing for each income level, with the goal of increasing the production of affordable housing throughout the city. This includes, but is not limited to, Program 8 Preservation of At-Risk Housing and Program 9 Housing Preservation and Rehabilitation, which address the preservation of existing affordable housing assets. Additionally, to meet the specific needs of sensitive communities in the city, the Program 10 Lower-Income and Special Needs Housing directs the City to create a student housing plan in coordination with the University of California, Merced to address the need for student housing.
Housing Constraints: Environmental Constraints	LCJA, Public Comment (Perezchica family), Maria-Elena Young et al.	Comments expressing concern regarding environmental constraints that could impact housing development, such as flood, water supply, and air pollution.	Chapter G4, Housing Constraints Analysis, and Chapter G6, Housing Resources and Site Inventory Analysis, analyze potential environmental constraints that could impact housing development. The analysis determined that the City's Municipal Code and policies within the General Plan Safety Element adequately ensure new construction is protected against environmental hazards, such as flood and drought. In addition, the Municipal Code

Comment Theme	Comment Source	Comment Summary	Response
			and Safety Element require all new development adhere to state and local requirements related to energy efficiency, water conservation, and air quality.
Site Inventory: Adequate Sites, Community Opposition	LCJA	Comments expressing concern over the ability to meet the City's RHNA due to specific concerns with sites in the Sites Inventory, based on community opposition to housing production.	Housing Program 2 establishes a Site Inventory monitoring program and ensures that the City will continue to provide adequate sites at all income levels throughout the planning period if for any reason units are lost due to a variety of factors. In order to ensure these sites are likely to be developed, and as required by State law, a site suitability analysis was conducted as part of the Chapter G6, Housing Resources. The analysis includes an explanation detailing the feasibility of housing opportunity sites and a discussion of recent housing development trends in the region, which is further detailed in Chapter 4, Regional Development Trends. The City will also participate in regional and local outreach efforts dedicated to various aspects of housing issues and education.
Site Inventory: Access to transit and services	Public Comment (Perezchica Family)	Comments recommending housing be located near retail and transit.	Chapter G5, Assessment of Fair Housing, analyzes housing opportunity sites in relation to fair housing issues to ensure the Site Inventory does not contribute to disparities in access to opportunities. Additionally, programs in the Housing Plan aim to improve access to transit and other services for residents throughout the city. For example, Housing Program 1: Regional Collaboration directs the City to hold a workshop in collaboration with Merced County Association of Governments to identify where transit improvements should occur.
Site Inventory: Nonvacant Sites	LCJA	Comments regarding feasibility of housing development on large sites and nonvacant sites in the Site Inventory.	As discussed in Chapter G6, Housing Resources, the City carefully considered numerous site and zoning characteristics in selecting housing opportunity sites, including whether existing uses would impact the potential for future development of the site. Non-vacant housing opportunity sites included in the City's Site Inventory include large parcels, ranging from 0.60 to 5.44 acres, with either large surface parking lots, vacant commercial structures, or older structures in disrepair. Sites with existing structures have site coverage, with large vacant areas on each site. Chapter G6, Housing Resources, was revised to include an analysis of the likelihood of housing development on sites larger than 10 acres.

Comment Theme	Comment Source	Comment Summary	Response
			Recent housing development throughout the region show strong trends of market-rate housing developing on large sites, with affordable housing development primarily occurring on smaller sites. The Site Inventory was revised to assume no more than 170 lower-income units on each large site, which is consistent with the average number of lower-income units on large sites in recent housing development within the region. In addition, Program 2 was revised to include additional actions to incentive the development of affordable housing on large sites, including flexibility for transferring density within the site, providing technical assistance, and offering fee deferrals, reductions, or waivers for affordable housing units on large sites. Furthermore, the City analyzed housing development trends throughout the region to ensure the Site Inventory only includes sites that are feasible for housing development. Housing development proposed by the Site Inventory is comparable to the characteristics and conditions of recent development projects, such as achieved density. The Site Inventory does not contain sites that the City considers infeasible for housing development. Existing leases are not considered a constraint for future housing development as the presence of a lease does not preclude development of underutilized space on a site, nor does it preclude development of the leased space as leases may be renegotiated for terms acceptable to both parties, including early termination. Chapter G6 was revised to expand the nonvacant site analysis to include the identification of site criteria that support the likelihood of redevelopment on nonvacant sites, including the presence of large, underutilized parking lots, vacant buildings, older buildings, and low-intensity existing development. The analysis describes the relation of these criteria to each of the nonvacant sites. Chapter G6 also compares predevelopment characteristics of recent housing development projects to characteristics of the nonvacant sites to demonstrate market trends indicate sites with these characteristics are being redeveloped with housing.

Comment Theme	Comment Source	Comment Summary	Response
Site Inventory	Perezchica, LCJA, Maria-Elena Young, et al	Comments suggesting housing opportunity sites for inclusion in the Site Inventory, including sites in the Downtown area.	This comment has been reviewed and noted. At this time, the housing opportunity sites were not revised. The Housing Element is required to identify reasonable vacant or nonvacant sites with potential for future housing development, however, a site not included in the City's Site Inventory can still be developed with housing. Many of the housing opportunity sites are located in Districts 5 and 6, which encompass the northwestern part of Merced, due to the availability of vacant land suitable for housing development in those areas.
Housing Plan: Quantified Objectives, Timelines	LCJA, Public Comment (Perezchica Family)	Comments recommending that Housing Plan programs include quantified objectives and timelines.	Most of the housing programs include quantified objectives and timelines. In addition, the following Housing Plan programs were revised to incorporate more quantified objectives and timelines where applicable. ▪ Program 5: Accessory Dwelling Units contains revised metrics and timelines in order to specifically support affordable ADU production in the city. ▪ Program 10: Lower-Income and Special Needs Housing, revised action includes a timeline and metrics for supporting student housing. The City revised the Housing Plan to provide additional metrics on timelines and quantifiable objectives for a variety of housing programs, including but not limited to: ▪ Program 2, Adequate Sites for RHNA and Monitoring of No Net Loss: Newly added actions include specific deadlines for implementation and new conditional actions that commit the City to developing additional strategies to facilitate the development of housing in the event the City has not made adequate progress towards their RHNA by the 2027. ▪ Program 6, Zoning Code Amendments: Revised actions to include timing for adopting amendments to the Zoning Code. ▪ Program 9, Housing Preservation and Rehabilitation: Revised actions to specify that Code Enforcement tracking of areas with heightened housing rehabilitation needs and applying for grant funding for housing rehabilitation and conservation would occur on an annual basis.

Comment Theme	Comment Source	Comment Summary	Response
			▪ Program 10, Lower-Income and Special Needs Housing: Revised actions to specify frequency of collaboration with the Housing Authority and outreach regarding housing assistance resources.
Housing Plan: Senior Housing	Maria-Elena Young et al.	Comment recommending the Housing Element address housing needs for special housing needs populations, including seniors and persons experiencing homelessness.	The Housing Plan includes Program 6 Zoning Code Amendments, Program 7 Facilitating Affordable Housing Development, and Program 10 Lower-Income and Special Needs Housing plan which address the need for more affordable housing, including housing for seniors and lower-income households (including persons experiencing homelessness and persons at risk of homelessness). To further address housing needs for homeless individuals, the City will implement Program 6 Zoning Code Amendments to revise the Zoning Code to reduce permitting requirements for transitional and supportive housing and emergency shelters.
Housing Plan: AFFH Meaningful Actions	LCJA	Comments expressing concern that the Housing Programs do not provide meaningful impact, nor do they address identified housing issues within the City or incorporate public comments.	The Housing Plan was informed by public input and extensive analysis of housing needs and conditions, as discussed in Chapter G3, Housing Needs Assessment, Chapter G4, Housing Constraints Analysis, and Chapter G5, Assessment of Fair Housing. Where relevant, program language was included in order to address the needs of special housing needs groups, and geographically targeted areas with the greatest need, based on public input and the findings of the analysis within the Housing Element. Specific actions related to fair housing is incorporated into Program 15: AFFH Actions Summary. Based on community feedback received throughout the update process, the City focused on providing resources towards programs that address housing issues that are of priority to the community, including housing for lower-income households and special housing needs populations and expanding access to opportunities. The City has provided community participation opportunities throughout the Housing Element update process, including additional opportunities for public input in early 2025. These efforts resulted in valuable insight on the draft Housing Element and housing programs and were incorporated into revised Draft Housing Element. The City will continue to facilitate community engagement opportunities as the Housing Element is refined. The City will

Comment Theme	Comment Source	Comment Summary	Response
			continue to notify community members and give opportunities for them to provide input.
Housing Plan	LCJA	Comments recommending additional housing programs, including programs to provide rental assistance to lower-income households, place-based strategies, and housing mobility strategies.	In response to comments received during the Public Review period, the City updated several of the housing programs to strengthen objectives related to affordable housing and rental assistance programs, including revisions to Program 5 Accessory Dwelling Units, Program 7: Facilitating Affordable Housing Development, Program 10 Lower Income and Special Needs Housing, and Program 14 Fair Housing Outreach and Capacity. The City held a public meeting to discuss the existing housing programs included in the Draft Housing Element on February 18, 2025, and to discuss potential programs such as a rental registry and Inclusionary Zoning Ordinance. While these additional programs were discussed, they were not included in the Housing Plan at the time due to issues regarding the feasibility of implementation. However, the Housing Plan continues to be reviewed and refined, incorporating information garnered through community feedback, expanded analysis of housing needs and constraints, and expanded fair housing analysis and local knowledge. Housing Program 13 and Program 15 were revised to include additional place-based strategies for improving access to opportunities and address infrastructure deficiencies for disadvantaged communities, particularly in South Merced. Program 1, Program 5, Program 10, and Program 11 were revised to expand the City's commitment to improving opportunities for housing mobility through regional and local collaboration, supporting the development of ADUs, and pursuing funding and establishing development incentives to support affordable housing development for farmworkers and low-income and special needs households.
Housing Plan: Student Housing	LCJA	Comments expressing a need for student housing.	In response to public comments, Housing Program 10: Lower-Income and Special Needs Housing has been updated to address housing needs for students. Housing Program 10 includes a new objective directing the City to coordinate with UC Merced create a student housing plan. In response to this comment, a more concrete action plan was developed in

Comment Theme	Comment Source	Comment Summary	Response
			order to coordinate this program including metrics and timelines.
Review of Past Accomplishments	LCJA	Comments expressing concern regarding the evaluation of the effectiveness of housing programs in the 5th Cycle Housing Element.	Chapter G1, Review of Past Accomplishments, provides a detailed assessment of the effectiveness of housing programs included in the City's 5th Cycle Housing Element, listing City accomplishments and progress on program implementation and whether each program will be continued into the 6th Cycle Housing Element. Many of the City's previous housing programs were determined to be useful and were refined and carried into the current Housing Element.
Housing Plan Community Resources	LCJA	Comments expressing concern that resources for affordable housing should be made more available	In response to public comments, Housing Program 10: Lower-Income and Special Needs Housing has been updated to address access to housing resources. Housing Program 10 includes a new objective directing the City to continue to be a part of the MFRC to disseminate information on affordable housing to community members.
Housing Plan Code Enforcement	LCJA	Comments expressing concern that the Housing Plan more proactively address code enforcement and rehabilitation concerns.	In response to public comments, Housing Program 9: Housing Preservation and Rehabilitation has been updated to add actions that direct the City to geographically target rehabilitation program resources to areas where there is a concentration of substandard or deteriorated housing, comply with AB 838 to require timely inspections, and proactively address complaints. In response to this comment, a more concrete action plan was developed to coordinate this program and goals were increased.
AFFH Access to Water	LCJA	Comments asking to expand fair housing analysis on active transportation, clean water, wastewater, habitable homes, pollution exposure, and access to opportunities and community resources, particularly in relation to R/ECAPs.	In response to public comments, Chapter G5 AFFH was expanded to include a discussion on water and groundwater information, bicycle network access, and exposure to pollution. The data on areas of high segregation and poverty was updated to the most recent data. Housing Program 13 has been updated to add an action that directs the city to develop strategies to improve environmental justice outcomes with a focus on South Merced.
Housing Plan	LCJA	Comments expressing concern that the Housing Plan does not provide concrete benchmarks and timelines.	In response to public comments, actions in Housing Programs 4, 5, 6, 8, 9, 10, 11, and 12 were updated with specific actions, definitive deadlines, concrete benchmarks.

Comment Theme	Comment Source	Comment Summary	Response
Housing Plan Displacement	LCJA	Comments expressing concern that there are not enough actions to preserve at risk housing.	In response to public comments, Housing Program 8: Preservation of At-Risk Housing has been updated with additional actions that commit the City to create a list of potential housing purchases, proactively engage and provide technical assistance to potential purchasers, and apply for funding to help rehabilitate affordable units. Actions were also added to ensure tenants understand their rights to remain in place.
AFFH	LCJA	Comments noting that the analysis lacks a description of the differences in the quality of amenities for R/ECAPs and RCAAs.	The access and quality of amenities is discussed in Racially and Ethnically Concentrated Areas of Poverty, beginning on page G5-20. The quality of grocery stores is discussed, as well as the quality of access to schools. Planned improvements to facilities are also discussed on page G5-22. Added an overall statement of the quality of facilities to page G5-22.
AFFH	LCJA	Comment urging the City to include the year of each data source in the R/ECAP and RCAA analysis and to review multi-year data to identify consistent High Segregation and Poverty patterns.	The date of each data source is cited in the tables and figures that support analysis throughout the AFFH chapter.
AFFH	LCJA	Comment noting that the draft incorrectly describes census tract boundaries by confusing tract 16.01 with 14.01.	Corrected description of Census Tract 16.01. (Page G5-21)
AFFH	LCJA	Comment stating that the City's limited corrections to the analysis show the need to incorporate local data and meaningful community input, and to revise programs accordingly. The commenter also calls for additional public engagement to ensure local knowledge informs updates to AFFH programs.	As described in Chapter G2, the City conducted a robust outreach campaign throughout the Housing Element update process, including stakeholder meetings and focus groups to which Leadership Counsel representatives were invited. Many programs also include outreach components to ensure that future actions are publicly vetted and there have been opportunities for public input to refine the City's actions. In addition, the City's General Plan update is underway and includes engagement efforts as described in Section G2.9, below. Many overlapping issues will be addressed through the development of the City's Environmental Justice Element and updates to the Land Use update. The City's outreach for the Housing Element has met statutory requirements and public input is reflected in the policies and programs in Chapter G7, Housing Plan.

Comment Theme	Comment Source	Comment Summary	Response
AFFH	LCJA	Comment noting that the draft lacks revisions to the Contributing Factors Analysis and must be updated to prioritize fair housing contributing factors and adjust policies and programs accordingly.	No revisions to Contributing Factors are necessary based on public input and revisions to the draft Housing Element.
Programs	LCJA	Comment stating that while Program 6 shows some progress, it only commits to reviewing and evaluating opportunities rather than taking concrete actions. The commenter urges revising the program to include mandatory steps with timelines—such as adopting an inclusionary zoning ordinance—to ensure it achieves the intended AFFH outcomes.	Program 6 includes specific actions and commitments to amend the City's zoning code for compliance with state law and to address constraints identified in the Housing Element. A commitment was added to Planning Document Review action to present in a public forum the results of the review to respond to this comment.
Programs	LCJA	Comment noting that Program 13's timeframes need revision and more specificity. The commenter also points out that some listed Place-Based Strategy projects lack timelines or include work already completed before the current planning period.	The timelines provided are based on the City's Capital Improvement Program, and meet statutory requirements for specificity under the Housing Element guidelines. Where possible, we have included target years or planning-period commitments consistent with Housing Element requirements. As the comment noted, some projects were completed during the planning period and are included for reference.
Pipeline Projects	LCJA	Comment stating that the City has not provided enough information about funding sources for units listed in Table G6-3 to determine whether they qualify for lower-income RHNA credit. It also notes inconsistencies between the table's numbers and those in the revised Site Inventory (Table G6-13).	Consistent with Housing Element requirements, the affordability of pipeline projects is based on the actual project proposals or approvals. Tables G6-3 and G6-13 are not in conflict.
Nonresidential Site Capacity	LCJA	Comment stating that an incomplete analysis of the likelihood of nonresidential development on sites that allow 100 percent nonresidential development.	The City only analyzed sites with commercial or mixed-use zoning and land use. However, to respond to this comment, the City added an action to Program 2 to establish a performance standard to mixed-use inventory sites to require residential development that aligns with the assumptions in the site inventory.

Comment Theme	Comment Source	Comment Summary	Response
Programs	LCJA	Comment stating that although some Housing Plan programs were updated, they still lack specific commitments, timelines, numeric objectives, and meaningful actions needed to affirmatively further fair housing. The commenter urges the City to adopt clearer, enforceable actions informed by lessons from other jurisdictions. Commenter listed the following programs for consideration: ▪ Rental Registry and Rental Inspection Program ▪ Housing Rehabilitation Program ▪ Permanent Rental Assistance ▪ Inclusionary Zoning Policy ▪ Facilitating the development of affordable housing in High Resource areas ▪ Prioritization of Infrastructure Improvements and Installation in Historically Disinvested Older Communities and Neighborhoods ▪ Coordinating with qualified entities to assist with the preservation and conservation of existing at risk affordable housing units ▪ Accessible Housing Program ▪ Zoning Ordinance to ensure that newly annexed areas are properly zoned to meet the RHNA shortfall ▪ Infrastructure improvements in existing communities to foster healthy and holistic communities ▪ Establish a Safe Maximum Indoor Air Temperature Ordinance for Residential Dwellings ▪ Eviction Protection Program Transitional Zoning between Industrial Land Uses and Residential Areas	The City has evaluated the following new suggestions: ▪ **Prioritization of Infrastructure Improvements and Installation in Historically Disinvested Older Communities and Neighborhoods**: Program 13 (Place-Based Strategies) includes numerous projects in HSP areas to improve accessibility and mobility. ▪ **Accessible Housing Program**: The City received a No Place Like Home grant that supports accessibility improvements and housing for persons with disabilities. ▪ **Infrastructure improvements in existing communities to foster healthy and holistic communities**: The City added Capital Improvement Projects in South Merced. ▪ **Eviction Protection Program**: Due to funding and resource limitations, a City-run eviction protection program is not feasible in Merced. Program 14 now includes a commitment to, as funding is available, applying for funding to increase the capacity of nonprofit partners to serve residents. **Transitional Zoning between Industrial Land Uses and Residential Areas**: Further large-scale changes to the City's zoning map will be evaluated through the Comprehensive General Plan Update (in progress) and subsequent zoning update.

Comment Theme	Comment Source	Comment Summary	Response
Public Input	LCJA	Comment stating that public input has not been meaningfully incorporated into the draft.	While not every program suggestion has been added as a commitment, the City has made diligent efforts to incorporate public input into the draft in ways that are feasible to implement and reflect the broad range of input received.
AFFH	LCJA	Comment stating that the AFFH analysis is incomplete.	The February 2026 public review draft added details and program enhancements as requested by the commenter. The March 2026 HCD review draft further addresses this comment by making additional conclusions based on the analysis, and revising contributing factors. Program 9 contains many actions to address the findings of the analysis.
AFFH Actions: Place-Based and Mobility Strategies	LCJA	Comment requests multiple program edits and additional commitments including: ▪ Increased in-lieu fees and inclusionary housing requirements ▪ Additional streamlined housing approval programs ▪ Commitment of funding to preserve at-risk housing ▪ Specific actions added to Repeat Housing Code Violators ordinance ▪ Collaboration with the District Attorney to create an Eviction Protection Program	The City has, as in previous drafts and as required by Housing Element Law, carefully evaluated the feasibility of these program suggestions. Where possible, suggestions were incorporated into the March 2026 HCD submittal draft

G3 Housing Needs Assessment

This chapter provides an individual assessment of housing needs for the City of Merced. This section summarizes demographic, employment, and housing characteristics. The main source of the information is the pre-approved data package for jurisdictions approved by the California Department of Housing and Community Development (HCD). This data is primarily sourced from the United States (U.S.) Census, the U.S. Department of Housing and Urban Development's (HUD's) Comprehensive Housing Affordability Strategy (CHAS), and American Community Survey (ACS) 2017-2021 5-year estimates. Tables and Figures also include comparable data for Merced County and California where it is found most useful.

G3.1 Population Characteristics

Population characteristics, such as growth rate, age, and income levels, affect the type and amount of housing needed in a community. Residents' age and income, employment trends, and other factors influence the type of housing needed and the community's ability to afford housing. The following section analyzes the City of Merced's population characteristics and trends.

G3.2 Population Growth

Table G3-1 analyzes population change from 2000 to 2021. Merced experienced a large percent change in population of 21.5 percent from 2000 to 2010, and 8.9 percent from 2010 to 2021. This was consistent with the county percentages but significantly higher than the statewide population growth.

Table G3-1 Population Change (2000 – 2021)

				Percent Change	Percent Change
Jurisdiction	2000	2010	2021	2000-2010	2010-2021
Merced	63,893	78,958	85,993	23.6%	8.9%
Merced County	210,554	255,793	281,202	21.5%	9.9%
California	33,971,648	37,253,956	39,346,023	9.7%	5.6%

Source: U.S. Census Bureau, Census 2000, 2010; Social Explorer tables for Census 2021.

G3.3 Age Characteristics

Table G3-2 shows population by age group and each group's percentage of the total population. The age groups include preschool (under five years), school-age students (five to seventeen years), college-age students (18 to 24 years), young adults (25 to 44), middle-aged adults (45 to 64), and seniors (65 and over). In Merced, the largest age group is the young adult category, representing 27.5 percent of the total population, similar to the county (27 percent) and state (28.6 percent). The second-largest group in Merced is school-age students at 22.8 percent. The smallest population by age are preschoolers at 7.3 percent, which is similar to the county (7.5 percent) and higher than the state (6 percent). Merced also has a higher proportion of residents 44 years and younger (70.4 percent) compared to the county (67.7 percent) and the state (60.7 percent). This is potentially due to the presence of a community college (Merced College) and a university (University of California Merced) within and adjacent to city boundaries.

Table G3-2 Population by Age Group (2021)

Jurisdiction	Under 5 years (Preschool)	5 to 17 years (School-age Students)	18 to 24 years (College-age Students)	25 to 44 (Young Adults)	45 to 64 (Middle-aged Adults)	65 years and over (Seniors)	Total Population
Merced	6,291	19,636	11,048	23,620	16,962	8,436	85,993
Percent	7.3%	22.8%	12.8%	27.5%	19.7%	9.8%	
Merced County	20,969	61,609	31,111	75,342	59,131	30,988	279,150
Percent	7.5%	22.1%	11.1%	27%	21.2%	11.1%	
California	2,350,335	6,642,097	3,665,851	11,282,671	9,844,520	5,669,879	39,455,353
Percent	6.0%	16.8%	9.3%	28.6%	25.0%	14.0%	

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B01001.

G3.4 Race and Ethnicity

Table G3-3 shows race and ethnicity data for residents in Merced, Merced County, and California. In Merced, a majority of the population identifies as white at 45.5 percent, similar to the countywide (46.2 percent) and lower than the state (52.1 percent). The second largest population group is "Some Other Race" representing 28.7 percent of the total population in Merced. This is lower than Merced County (33.7 percent) and higher than the state (15.3 percent). In terms of ethnicity, 58.1 percent of the population of Merced identified as Hispanic or Latino. This percent is lower than countywide (61.2 percent) and higher than statewide (39.5).

Table G3-3 Population by Race

Jurisdiction	White Alone	Black or African American Alone	American Indian and Alaska Native Alone	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone[1]	Two or More Races[2]	Hispanic or Latino, Any Race	Total
Merced	39,154	3,842	1,429	9,652	29	24,705	7,182	49,943	85,993
Percent	45.5%	4.5%	1.7%	11.2%	0.0%	28.7%	8.4%	58.1%	
Merced County	128,897	8,057	3,267	20,945	797	93,978	23,209	170,730	279,150
Percent	46.2%	2.9%	1.2%	7.5%	0.3%	33.7%	8.3%	61.2%	
California	20,553,732	2,233,258	360,607	5,887,396	148,278	6,036,865	4,235,217	15,593,787	39,455,353
Percent	52.1%	5.7%	0.9%	14.9%	0.4%	15.3%	10.7%	39.5%	

(1) Note: "Some other race alone" includes all other responses not included in the "white alone", "Black or African American alone", "American Indian and Alaska Native alone", "Asian alone" and "Native Hawaiian and Other Pacific Islander alone" race categories.

(2) Note: "Two or more races" includes responses from all individuals who identify themselves as two or more of the aforementioned race groups. If an individual responded with both "two or more races" and "some other race," their response was only included under "two or more races."

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B02001; U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B03001.

G3.5 Economic Characteristics

Employment

Understanding employment and occupation patterns can provide insight into present housing needs. Table G3-4 shows employment by industry. Educational Services, Health Care, and Social Assistance is the most common industry category in Merced, representing 25.5 percent of total employment. This is also the most common industry countywide (22 percent) and statewide (21.4 percent). The second largest industry in Merced is Retail Trade with 11 percent, similar to the state and county.

Table G3-4 Employment by Industry (2021)

Industry	Merced	Percent	Merced County	Percent	California	Percent
Educational Services, and Health Care and Social Assistance	8,429	25.5%	23,797	22%	3,990,094	21.4%
Retail Trade	3,639	11.0%	11,804	10.9%	1,919,513	10.3%
Arts, Entertainment, and Recreation, and Accommodation and Food Services	3,239	9.8%	7,682	7.1%	1,835,141	9.8%
Agriculture, Forestry, Fishing and Hunting, And Mining	2,781	8.4%	12,326	11.4%	394,881	2.1%
Manufacturing	2,690	8.1%	11,778	10.9%	1,676,715	9.0%
Public Administration	2,405	7.3%	5,058	4.7%	864,476	4.6%
Professional, Scientific, and Management, and Administrative, and Waste Management Services	2,067	6.3%	7,146	6.6%	2,612,859	14.0%
Construction	1,979	6.0%	8,623	8%	1,235,586	6.6%
Transportation And Warehousing, And Utilities	1,927	5.8%	7,626	7.1%	1,071,181	5.7%
Other Services, Except Public Administration	1,466	4.4%	4,275	4.0%	927,253	5.0%
Finance and Insurance, and Real Estate, and Rental and Leasing	1,149	3.5%	3,075	2.8%	1,107,961	5.9%
Wholesale Trade	902	2.7%	4,036	3.7%	501,378	2.7%
Information	378	1.1%	968	0.9%	539,683	2.9%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C24050.

According to the California Bureau of Labor Statistics, the unemployment rate in Merced as of October 2024 is 8 percent, which is similar to the long-term average of 8.4 percent over the previous two years. Since 2020, the Bureau of Labor Statistics indicate that unemployment rates have decreased significantly in Merced and California. Merced's unemployment rate is lower than Merced County as a whole (9.1 percent) but higher than the statewide average (5.3 percent).

Table G3-5 shows the major employers in Merced County, the number of employees, and type of industry. The majority of large employers are located in Merced. The largest employer in Merced is the Dignity Health-Mercy Medical Center with 1,000-4,999 employees. Other cities within the region with major employers include Livingston, Los Banos, Atwater and Hilmar. Major employers throughout the county include government agencies, large retail enterprises, and food processing and distribution facilities.

Table G3-5 Major Employers in Merced County

Employer Name	Number of Employees	Location	Industry
Costco Wholesale	100-249	Merced	Wholesale Clubs
County-Merced-Behavioral Hlth	100-249	Merced	Clinics
Dignity Health-Mercy Med Ctr	1,000-4,999	Merced	Hospitals
Foodmaxx	100-249	Merced	Grocers-Retail
Foster Farms	1,000-4,999	Livingston	Poultry Processing Plants (mfrs)
Golden Valley Health Ctr	500-999	Merced	Pharmacies
Golden Valley Health Ctr	100-249	Merced	Clinics
Hilmar Cheese Co Inc	500-999	Hilmar	Cheese Processors (mfrs)
J Marchini & Son Inc	500-999	Le Grand	Farming Service
Liberty Packing Co	250-499	Los Banos	Packing & Crating Service
Live Oak Farms	250-499	Le Grand	Fruits & Vegetables-Growers & Shippers
Livingston Union School District	250-499	Livingston	School Districts
Malibu Boats Inc	250-499	Merced	Boats-Manufacturers
Memorial Hospital Los Banos	100-249	Los Banos	Hospitals
Mental Health Svc For Merced	250-49	Merced	Mental Health Services
Merced County Human Svc	500-999	Merced	Government Offices-County
Quad/Graphics Inc	500-999	Merced	Printers (mfrs)
Scholle	100-249	Merced	Packaging Materials-Manufacturers
Sensient Natural Ingredients	250-499	Livingston	Dehydrating Service (mfrs)
University of CA Merced	500-999	Merced	Schools-Universities & Colleges Academic
Walmart	250-499	Merced	Department Stores
Walmart Supercenter	250-499	Atwater	Department Stores
Weaver Union School District	100-249	Merced	School Districts
Western Marketing & Sales	500-999	Atwater	Farms
Yosemite Wholesale Warehouse	100-249	Merced	Warehouses

Source: California Employment Development Department, Major Employers in Merced County. Accessed 2024
https://labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000047

Table G3-6 shows the employment estimates, average hourly wage and average annual wage for employment industries in the Merced Metropolitan Statistical Area (MSA) as of May 2023. The occupations in the region with the lowest mean wages are food preparation and serving related, healthcare support, farming, fishing, and forestry. Occupations with the highest wages include management, legal, and healthcare practitioners.

As shown in Table G3-4, the largest percentage of employed civilians in Merced are in the educational services, retail trade, and arts, entertainment, and recreation fields. These occupational fields have mean annual wages ranging of approximately $46,000 to $56,00.

Table G3-6 Mean Wage by Employment Industry in Merced

Major Occupational Group	Mean Hourly Wage	Mean Annual Wage
Total, all occupations	$27.45	$57,096
Management	$58.77	$113,073
Business and financial operations	$37.87	$78,770
Computer and mathematical	$43.64	$90,771
Architecture and engineering	$43.00	$89,440
Life, physical, and social science	$36.22	$75,338
Community and social service	$28.81	$59,925
Legal	$54.16	$112,653
Educational instruction and library	$36.71	$76,357
Arts, design, entertainment, sports, and media	$28.59	$59,467
Healthcare practitioners and technical	$51.83	$107,806
Healthcare support	$17.74	$36,900
Protective service	$29.50	$61,360
Food preparation and serving related	$17.87	$37,170
Building and grounds cleaning and maintenance	$20.78	$43,222
Personal care and service	$19.05	$39,624
Sales and related	$21.76	$45,261
Office and administrative support	$23.71	$49,317
Farming, fishing, and forestry	$17.98	$37,398
Construction and extraction	$30.48	$63,398
Installation, maintenance, and repair	$30.43	$63,294
Production	$22.00	$45,760
Transportation and material moving	$22.02	$45,802

Source: U.S. Bureau of Labor Statistics. Occupational Employment and Wages in Merced (May 2023)
https://www.bls.gov/regions/west/news-release/occupationalemploymentandwages_merced.htm

Income Definitions and Income Limits

The state and federal governments classify household income into several categories based upon the relationship to the county area median income (AMI), adjusted for household size. HUD estimates of AMI is used to set income limits for eligibility in federal housing programs. The income categories include:

- Acutely low-income households, which earn up to 15 percent AMI;
- Extremely low-income households, which earn up to 30 percent AMI;
- Very low-income households, which earn between 31 and 50 percent AMI;
- Low-income households, which earn between 51 and 80 percent AMI; and
- Median-income households, which earn 100 percent AMI.

For all income categories, income limits are defined for various household sizes based on a four-person household as a reference point. Income limits for larger or smaller households are calculated by HUD (see Table G3-7). According to HUD, the AMI for a four-person household in Merced County was $80,300 in 2022.

Table G3-7 HUD Income Limits by Person per Household (dollars)

Household Size:	1	2	3	4	5	6	7	8
Acutely Low	$8,450	$9,650	$10,850	$12,050	$13,000	$14,000	$14,950	$15,900
Extremely Low	$16,350	$18,700	$23,030	$27,750	$32,470	$37,190	$41,910	$46,630
Very Low	$27,300	$31,200	$35,100	$38,950	$42,100	$45,200	$48,300	$51,450
Low Income	$43,650	$49,850	$56,100	$62,300	$67,300	$72,300	$77,300	$82,250
Median Income	$56,200	$64,250	$72,250	**$80,300**	$84,730	$93,150	$99,550	$106,000
Moderate Income	$67,450	$77,100	$89,700	$96,350	$104,050	$111,750	$119,450	$127,200

Source: U.S. Department of Housing and Urban Development (HUD), 2022.

HCD uses the income categories shown in Table G3-8 to determine eligibility for state housing programs. HCD's methodology for calculating AMI is slightly different from HUD's methodology, and therefore the AMI and income limits vary.

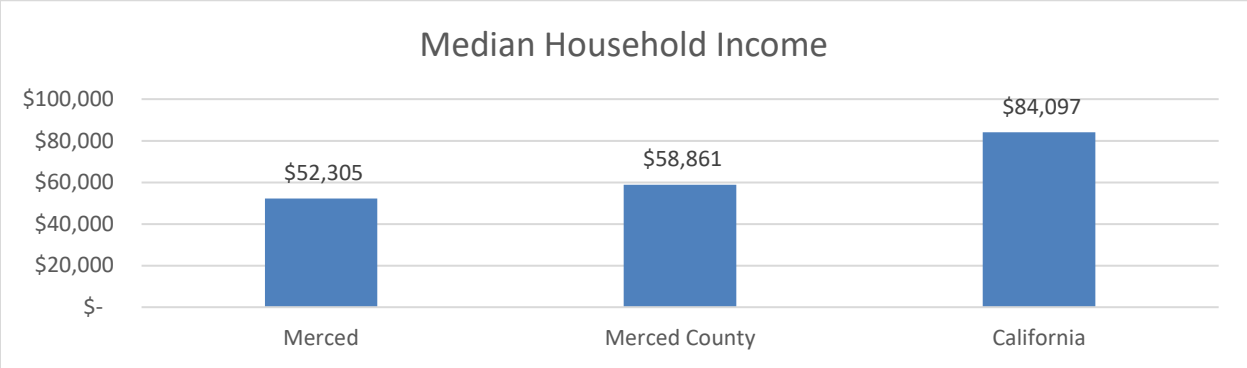
Table G3-8 State of California Income Categories

Income Category	Percent of County Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31%-50% AMI
Low	51%-80% AMI
Moderate	81%-120% AMI
Above Moderate	120% AMI or greater

Source: California, CA Health & Safety Code § 50093.

Figure G3-1 shows median household income in Merced as reported by the 2017-2021 ACS. This median income is for all households, regardless of household size. The median household income in Merced was $52,305 in 2021, which was lower than in Merced County ($58,861) and significantly lower than in California ($84,097).

Figure G3-1 Median Household Income



Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B19013.

Table G3-9 compares the median household income by race in 2021. In Merced, Asian and Native Hawaiian/Other Pacific Islander households had the highest median incomes at $71,868, which is generally consistent with the state and county. This is followed by two or more races with $54,684, similar to the county but significantly lower than the state. American Indian and Alaskan Native households had the lowest median income in Merced, significantly lower than the state and county.

Table G3-9 Median Household Income by Race/Ethnicity (dollars)

Jurisdiction	White, alone	Black or African American, alone	American Indian and Alaskan Native, alone	Asian, alone	Native Hawaiian and Other Pacific Islander, alone	Some Other Race, alone	Two or More Races, alone	Hispanic or Latino, Any Race
Merced	$53,261	$42,868	$19,107	$71,868	$71,868	$49,071	$54,684	$46,092
Merced County	$60,918	$45,573	$50,214	$71,829	$71,829	$55,083	$56,355	$54,635
California	$88,616	$58,958	$66,904	$108,477	$87,066	$63,975	$79,777	$67,327

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B19013.

Overpayment and Housing Cost Burdens

Table G3-10 lists the number of households overpaying for housing by tenure. Generally, renters are more affected by overpayment than owners. As shown, overpaying renter-occupied households represent 29.6 percent of total households in Merced, which is greater than the county and state percentages of 21.4 percent and 22.9 percent, respectively. By contrast, overpaying owner-occupied households account for 9.7 percent of total households, which is lower than in the county (11.8 percent) and state (14.4 percent).

Table G3-10 Cost Burdened Households by Tenure

Jurisdiction	Owner-Occupied Overpaying	Renter-Occupied Overpaying	Total Overpaying
Merced	2,594	7,908	10,502
Percent	9.7%	29.6%	39.4%
Merced County	9,611	17,470	27,081
Percent	11.8%	21.4%	33.2%
California	1,904,162	3,030,934	4,935,096
Percent	14.4%	22.9%	37.3%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 17-21 (5-year Estimates), Table B25091 and B25070.

CHAS data provided by HUD provides information on cost burden based on the HUD Area Median Family Income (HAMFI). This data is included in Table G3-11 below. While the totals do not align exactly with 2021 ACS data presented above, the CHAS data identifies the level at which cost burdened households are overpaying for housing. As shown, 20.1 percent of households are cost burdened households that are paying 30 percent of their income on housing costs. Further, 20.8 percent of households are spending more than 50 percent of their income on housing. Based on CHAS data, Merced has higher rates of moderate and severe cost burden than Merced County, and a higher rate of severe cost burden than California.

Table G3-11 Overpayment by Tenure (dollars)

Jurisdiction	Moderate Cost Burden >30% to <=50%	Severe Cost Burden >50%	Total Households
Merced	5,129	5,310	25,490
Percent	20.1%	20.8%	100.0%
Merced County	14,710	12,285	80,010
Percent	18.4%	15.4%	100.0%
California	2,632,205	2,427,660	13,044,265
Percent	20.2%	18.6%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

G3.6 Household Characteristics

Table G3-12 provides information on household types. Of the 26,673 households in Merced, 10,645 are married-couple households with or without children, and 2,499 are cohabitating couple households with or without children. While in Merced, 39.9 percent of households are married couple households, approximately half of the total households in Merced County and California fall into this category.

Table G3-12 Households by Type

	Married-Couple Household			Cohabitating Couple Household			Total
Jurisdiction	Total	Children	No Children	Total	Children	No Children	Households
Merced	10,645	5,017	5,628	2,499	1,546	953	26,673
Percent	39.9%	18.8%	21.1%	9.4%	5.8%	3.6%	
Merced County	39,912	18,171	21,741	6,862	3,910	2,952	81,618
Percent	48.9%	22.3%	26.6%	8.4%	4.8%	3.6%	
California	6,539,445	2,780,272	3,759,173	938,780	338,874	599,906	13,217,586
Percent	49.5%	21.0%	28.4%	7.1%	2.6%	4.5%	

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B11012.

G3.7 Large Households

Table G3-13 provides information on large households by tenure. As shown, 19.4 percent of households in Merced consist of five or more people, which is greater than the state average but lower than the county average. In Merced, renter-occupied five-person households (7.1 percent of total households), owner-occupied five-person households (4 percent) and renter-occupied six-person households (2.9 percent) make up the largest percentage of large households, while owner-occupied seven-or-more person households make up the smallest percentage of large households. Additionally, both Merced and Merced County have a higher percentage of large households than in California.

Table G3-13 Large Households by Tenure

Jurisdiction	Total Large Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced	5,220	1,057	601	279	1,895	761	627
Percent	19.6%	4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
Merced County	17,710	4,737	1,952	1,649	5,380	2,184	1,808
Percent	21.7%	5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
California	1,830,468	580,759	246,420	200,281	456,013	199,263	147,732
Percent	13.9%	4.4%	1.9%	1.5%	3.5%	1.5%	1.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25009.

G3.8 Overcrowding

Table G3-14 provides information on overcrowding by tenure in Merced. There are 1,927 overcrowded households in the city, of which 21.6 percent (417) are owner-occupied households and 78.4 percent (1,510) are renter occupied.

Table G3-14 Overcrowding Severity by Tenure

Jurisdiction	Owner-Occupied			Renter-Occupied		
	Total	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room	Total	1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room
Merced	11,185	310	107	15,488	1,006	504
Percent	41.9%	1.2%	0.4%	58.1%	3.8%	1.9%
Merced County	42,146	1,766	551	39,472	3,090	1,362
Percent	51.6%	2.2%	0.7%	48.4%	3.8%	1.7%
California	7,335,247	229,637	82,236	5,882,339	453,625	321,169
Percent	55.5%	1.7%	0.6%	44.5%	3.4%	2.4%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 17-21 (5-year Estimates), Table B25014.

G3.9 Special Needs Groups

Within the general population there are several groups of people who have special housing needs. These needs can make it difficult for members of these groups to locate suitable housing. The following subsections identify and discuss these special housing needs groups.

Seniors

Table G3-15 identifies senior households in Merced, Merced County, and California. The percentage row identifies the percent of the specified age range within the owner-occupied or renter-occupied categories for the total population. There are more owner-occupied senior households in Merced (3,484 total), than renter-occupied senior households (1,896 total), which is similar to the county and state. As shown, 18.9 percent of owner-occupied households and 8.71 percent of renter-occupied households are made up of seniors between the ages of 65 and 74.

Table G3-15 Senior Households by Tenure

	Owner-Occupied			Renter-Occupied		
Jurisdiction	65 to 74	75 to 84	85 and over	65 to 74	75 to 84	85 and over
Merced	2,114	1,076	294	1,351	423	122
Percent	18.9%	9.6%	2.6%	8.7%	2.7%	0.8%
Merced County	7,176	4,232	1,559	3,318	1,216	495
Percent	39.9%	23.5%	8.7%	18.4%	6.8%	2.8%
California	1,386,828	679,546	288,915	501,465	229,153	132,237
Percent	43.1%	21.1%	9.0%	15.6%	7.1%	4.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25007.

Table G3-16 shows the housing cost burdens by elderly family type and tenure in Merced based on data extracted through HUD's CHAS (note that the CHAS data defines senior or elderly as age 62 and over, as opposed to the ACS that reports seniors as age 65 and older). Based on data in this table, of all elderly persons in lower-income categories (less than or equal to 80 percent HAMFI), approximately 18.8 percent of all senior-owner households and 61.0 percent of all senior-renter households in Merced had a housing cost burden of 30 percent or greater.

Table G3-16 Overpayment by Tenure Among Senior Households

	Owners		Renters		
	Elderly Family	Elderly Non- Family	Elderly Family	Elderly Non- Family	Total
Household Income <= 30% HAMFI Extremely Low-Income					
TOTAL HOUSEHOLDS <= 30% HAMFI	185	145	120	575	1,025
Number w/ Cost Burden <= 30%	40	45	15	120	220
Number w/ Cost Burden > 30% to <= 50%	50	50	20	145	265
Number w/ Cost Burden > 50%	95	50	85	310	540
Percent with Cost Burden >30% HAMFI	78%	69%	88%	79%	79%
Household Income > 30% to <= 50% HAMFI Very Low-Income					
TOTAL HOUSEHOLDS > 30% to <= 50% HAMFI	85	260	140	395	880
Number w/ Cost Burden <= 30%	55	95	30	45	225
Number w/ Cost Burden > 30% to <= 50%	15	70	85	160	330
Number w/ Cost Burden > 50%	15	95	25	190	325
Percent with Cost Burden >30% HAMFI	35%	63%	79%	89%	74%
Household Income > 50% to <= 80% HAMFI Low-Income					
TOTAL HOUSEHOLDS > 50% to <= 80% HAMFI	430	265	70	265	1,030
Number w/ Cost Burden <= 30%	250	250	30	40	570
Number w/ Cost Burden > 30% to <= 50%	155	15	40	195	405
Number w/ Cost Burden > 50%	25	-	-	30	55
Percent with Cost Burden >30% HAMFI	42%	6%	57%	85%	45%

	Owners		Renters		
	Elderly Family	Elderly Non- Family	Elderly Family	Elderly Non- Family	Total
Household Income > 80% to <= 100% HAMFI					
TOTAL HOUSEHOLDS > 80% to <= 100% HAMFI	130	215	110	55	510
Household Income > 100% HAMFI					
TOTAL HOUSEHOLDS > 100% HAMFI	1,160	505	130	245	2,040
Total Income <80% HAMFI and Cost Burden > 30%	635		1,285		1,920
Percent Income <80% HAMFI and Cost Burden > 30%	18.8%		61.0%		35.0%
GRAND TOTAL HOUSEHOLDS	**1,990**	**1,390**	**570**	**1,535**	**5,485**

Elderly family constitutes 2 persons with either or both age 62 and over.

HAMFI = HUD Area Median Family Income

Source: HUD Consolidated Planning / Comprehensive Housing Affordability Strategy (CHAS) database, 2015-2019 estimates, Table 7, accessed 2023. https://www.huduser.gov/portal/datasets/cp.html

Table G3-17 summarizes cost burden data for units occupied by senior households. As shown, 59.6 percent of senior households in Merced have a housing cost burden of less than or equal to 30 percent, 22.2 percent have a housing cost burden between 30 percent and 50 percent, and 18.1 percent have a cost burden greater than 50 percent. There is a significantly higher percentage of senior households with a housing cost burden of over 30 percent of household income in Merced (40.3 percent) than in Merced County (23.5 percent).

Table G3-17 Cost-Burdened Senior Households

Jurisdiction	Cost Burden <= 30%	Cost Burden >30% to <=50%	Cost Burden >50%	Total Senior Households
Merced	3,270	1,220	995	5,485
Percent	59.6%	22.2%	18.1%	100.0%
Merced County	12,080	3,220	2,880	18,180
Percent	66.4%	17.7%	15.8%	100.0%
California	1,963,195	620,335	736,510	3,320,040
Percent	59.1%	18.7%	22.2%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Resources for Senior-Headed Households

The Merced County Housing Authority manages six senior housing complexes, two of which are located in Merced, including Sierra Meadows Apartments and Merced Golden Manor. Both facilities are deed restricted for lower-income senior households. As shown in Table G3-18, this accounts for a total of 149 senior rental units in Merced. As shown in Table G3-16, there are a total of 2,105 senior rental-occupied households, of which 1,565 are lower income. Based on this data, there is a gap between lower income senior rental-occupied households and available units of more than 1,400 units.

Table G3-18 Inventory of Senior Housing

Housing Development	Address	City	Affordable Units	Total Units
Sierra Meadows Apartments	720 West 15th Street	Merced	99	99
Merced Golden Manor	338 T St	Merced	50	50

Note: All locally assisted or restricted developments may not be included in this list.
Source: California Housing Partnership, 2023.

To address the deficit in housing for senior households, the City will implement Housing Program 6 and 10 to amend the Zoning Code to facilitate the development of affordable housing for special needs households, such as senior households, including reducing parking requirements and encourage the use of density bonuses for housing developments for seniors.

Persons with Disabilities (including Developmental Disabilities)

Table G3-19 identifies the number of residents with one or more disabilities. In Merced, 6.5 percent of residents have one type of disability, while 7.1 percent of residents report two or more disabilities. The rate of the population with one disability in Merced (6.5 percent) is similar to the county (6.5 percent) but higher than the state (5.4 percent). However, the rate of the population with two or more disabilities is higher in Merced (7.1 percent) than in the county and state (6.3 and 5.2 percent, respectively). Among those with a disability, 47.6 percent have one disability, while 52.4 percent have two or more types of disability.

Table G3-19 Population by Number of Disabilities

Jurisdiction	Total	With One Type of Disability	With Two or More types of Disability	No Disability
Merced	85,330	5,542	6,097	73,691
Percent		6.5%	7.1%	86.4%
Merced County	276,304	18,099	17,266	240,939
Percent		6.5%	6.3%	87.2%
California	38,946,377	2,108,406	2,037,095	34,800,876
Percent		5.4%	5.2%	89.4%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C18108.

Table G3-20 summarizes the population with a disability by age. In Merced, residents aged 18 to 64 years make up the largest proportion of disabled individuals at 7.4 percent of the total population. The rate for this group is higher than countywide (6.6 percent) and statewide (5.1 percent). The under 18 years age group accounts for the smallest proportion of the population at 1.5 percent, similar to the county (1.3 percent) but greater than the state (0.8 percent). In Merced, 4.7 percent of the population is 65 years and older with a disability, consistent with percentages in the county and state.

Table G3-20 Disability by Age for the Total Population

Jurisdiction	Total	Under 18 Years	18 to 64 Years	65 Years and Older
Merced	85,330	1,310	6,352	3,977
Percent		1.5%	7.4%	4.7%
Merced County	276,304	3,666	18,311	13,388
Percent		1.3%	6.6%	4.9%
California	38,946,377	315,849	1,964,845	1,864,807
Percent		0.8%	5.1%	4.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C18108.

Table G3-21 identifies residents with a developmental disability by age. In Merced, most residents with a developmental disability are under 18 years old, which is consistent with both the state and county.

Table G3-21 Developmental Disability by Age

Jurisdiction	Under 18 Years	18 Years and Older	Total Population with a Disability
Merced	607	578	1,185
Merced County	1,507	1,287	2,794
California	192,384	185,353	377,737

Source: California Department of Developmental Services, DDS Quarterly Consumer Report, December 2021.

Table G3-22 includes data summarizing the housing location of residents with developmental disabilities. The majority of residents with a developmental disability in Merced live in the home of a parent, family member, or guardian (976). Fewer than 11 residents live in foster/family homes or other residence types.

Table G3-22 Developmental Disability by Residence

Residence Type	City of Merced	Merced County	California
Home of Parent/Family/Guardian	976	2,937	309,381
Independent/Supported Living	109	232	27,881
Community Care Facility	17	80	23,728
Intermediate Care Facility	49	60	6,188
Foster/Family Home	<11	<11	8,288
Other	<11	<11	4,792
Total	>1,111	>3,309	380,258

Source: California Department of Developmental Services, DDS Quarterly Consumer Report, January 2022.

The Supplemental Security Income (SSI) program, administered by the U.S. Social security Administration, shows the number of persons with disabilities who may have housing needs because of their low incomes. As of December 2021, 10,190 SSI recipients in Merced County were receiving benefits because they were blind or disabled[1].

[1] Source: U.S. Social Security administration. SSI Recipients by State and County, 2021.
https://www.ssa.gov/policy/docs/statcomps/ssi_sc/2021/ca.html
Note: Although these figures can give a sense of the proportion of the population with different types of disabilities, a much smaller proportion of the population may actually require specially adapted housing to accommodate disabilities.)

Program 6 of the Housing Plan directs the City to provide reasonable accommodation for individuals with disabilities to access housing opportunities by removing zoning constraints that limit the development of housing for special needs.

Resources for Persons with Disabilities

The State Department of Developmental Services currently provides community-based services to persons with developmental disabilities through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. Regional centers provide "point of entry" services to those that are developmentally disabled. The California Department of Developmental Services operates a field office of the Central Valley Regional Center in Merced, which is a non-profit community agency that contracts with local businesses to provide services to developmentally disabled persons and their families. While there are no public housing resources that are specific to people with disabilities in Merced, there are 149 senior housing units and 1,472 total public housing units available to low and moderate-income families and individuals, including those with a disability. As shown in Table 11.17, there are 11,639 people with a disability in Merced, illustrating a significant gap in housing resources for residents with a disability.

To address the gap in housing resources for residents with a disability, the City will implement Housing Program 6 and Program 10 to amend the Zoning Code to expand resources for and facilitate the development of affordable housing for special needs households, such as households with persons with a disability, including revisions to include reasonable accommodates for persons with disabilities.

Large Households

Table G3-23 provides information on large households by tenure in Merced, Merced County, and California. See Section G3.7, *Large Households* for more information. As shown, there are 1,937 owner-occupied large households and 3,283 renter-occupied large households. The percentage of total large households in Merced (19.6 percent) is lower than the county (21.7 percent) but higher than the state (13.9 percent).

Table G3-23 Large Households by Tenure

Jurisdiction	Total Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced	26,673	1,057	601	279	1,895	761	627
Percent		4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
Merced County	81,618	4,737	1,952	1,649	5,380	2,184	1,808
Percent		5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
California	13,217,586	580,759	246,420	200,281	456,013	199,263	147,732
Percent		4.4%	1.9%	1.5%	3.5%	1.5%	1.1%

Source: U.S. Census Bureau, ACS 16-20 (5-year Estimates), Table B25009.

Resources for Large Households

Units with four or more bedrooms are the primary housing resource for large households. Table G3-24 compares the number of large households to the number of large units. Units with five or more rooms provide housing options for large households and work to lessen overcrowding. As shown, there are 746 units in Merced with five or more bedrooms but 5,220 large households, leaving a potential resource gap of 4,419 units. However, when considering units with four or more bedrooms (5,977 units), the number of large units exceeds the number of large households.

Table G3-24 Large Households and Units

Jurisdiction	Total Households	Large Households (5 or more persons)	Total Units	Large Units (4 bedrooms)	Large Units (5 or more bedrooms)
Merced	26,673	5,220	28,400	5,977	746
Percent		19.6%		22.4%	2.8%
Merced County	81,618	17,710	86,767	17,656	3,002
Percent		21.7%		21.6%	3.7%
California	13,217,586	1,830,468	14,328,539	2,373,268	596,588
Percent		13.8%		18.0%	4.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Tables DP04.

Female-Headed Households

Table G3-25 identifies single female-headed households with their own children under age 18. The table values do not include female-headed households with unrelated dependents. Merced has 2,808 single female-headed households with their own children under 18, representing 10.5 percent of total households. This rate is higher than the county (7.8 percent) and the state (4.7 percent).

Table G3-25 Single Female-Headed Households with Own Children

Jurisdiction	Total Households	Single Female-Headed Households*	Percent
Merced	26,673	2,808	10.5%
Merced County	81,618	6,365	7.8%
California	13,217,586	614,747	4.7%

Notes: Single Female-Headed Households with own children under age 18, does not include unrelated dependents.

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B11012.

Table G3-26 compares female-headed households by tenure. As shown, there is a larger percentage of renter-occupied female-headed households (80.1 percent) than owner-occupied households (19.9 percent). The percentage of renter-occupied households is significantly higher in Merced (80.1 percent) than in the county (68.9 percent) or state (58.3 percent).

Table G3-26 Female-Headed Family Households by Tenure

Jurisdiction	Owner-Occupied	Renter-Occupied	Total
Merced	1,143	4,589	5,732
Percent	19.9%	80.1%	
Merced County	4,569	10,129	14,698
Percent	31.1%	68.9%	
California	713,100	996,675	1,709,775
Percent	41.7%	58.3%	

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B17010.

Resources for Single-Parent and Female-Headed Households

Resources for lower-income female-headed households include existing affordable housing units in the city as well as rental assistance provided through the County's Housing Choice Voucher (HCV) program. Below is a list of local agencies dedicated to assisting parents:

- First 5 Merced County is dedicated to improving the lives of Merced County's young children, including Merced, and their families through a comprehensive system of education, health services, and other crucial programs. The Strong Families programs enable families to raise their children in a safe, stable, and nurturing home. These programs work with families, educators, health, and social services providers to support parents and guardians.
- Ace Overcomers Program, committed to helping teens and adults overcome the effects of adverse childhood experiences (ACEs).
- Merced County Office of Education, providing educational services to children and families including childcare subsidies to offset the costs of care.
- Sierra Vista Child and Family Services, committed to supporting the community by providing mental health services to children and youth from birth to 21.
- Maternal, Child, and Adolescent Health (MCAH) Services, providing information and services to mothers and children.

To address the need for affordable housing for single-parent female-headed households, the City will implement Housing Program 6 and 7 to remove development constraints and facilitate the development of affordable housing for special needs households, such as single-parent female-headed households.

Extremely Low-Income Residents

Table G3-27 identifies extremely low-income households by tenure in Merced. Renter-occupied extremely low-income households (4,205) make up 86 percent of total extremely low-income households. This is higher than in the county (74 percent) and the state (71 percent). Owner-occupied extremely low-income households (685) comprise 14 percent of total extremely low-income households. This is lower than in the county (26 percent) and the state (29 percent). There are 4,890 total extremely low-income households in Merced, which account for 19.2 percent of total households. This is higher than in the county (14.3 percent) and the state (15.3 percent).

Table G3-27 Extremely Low-Income Households by Tenure

	Income <=30% HAMFI			
Jurisdiction	Owner-Occupied	Renter-Occupied	Total ELI Households	Total Households
Merced	685	4,205	4,890	25,490
Percent	2.7%	16.5%	19.2%	100.0%
Merced County	2,940	8,540	11,480	80,010
Percent	3.7%	10.7%	14.3%	100.0%
California	592,010	1,427,405	2,019,415	13,217,586
Percent	4.5%	10.8%	15.3%	100.0%

Source: U.S. Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Table G3-28 summarizes cost burdens among extremely low-income households. As shown, 550 of 685 extremely low-income owner-occupied households (80 percent) in Merced are experiencing a moderate or severe housing cost burden. This is similar to the county (79 percent) and the state (80 percent). In addition, 3,800 out of 4,205 extremely low-income renter-occupied households (90 percent) are experiencing a moderate or severe housing cost burden. This is higher than in both the county (80 percent) and the state (88 percent). In Merced, 62.1 percent of extremely low-income households are renter-occupied households with a severe cost burden. This is higher than in the county (52 percent) and the state (51 percent).

Table G3-28 Extremely Low-Income Households Overpaying by Tenure

	Owner-Occupied			Renter-Occupied			
Jurisdiction	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	Total ELI Households
Merced	135	160	390	405	765	3,035	4,890
Percent	2.8%	3.3%	8.0%	8.3%	15.6%	62.1%	100.0%
Merced County	615	595	1,730	1,075	1,530	5,935	11,480
Percent	5.4%	5.2%	15.1%	9.4%	13.3%	51.7%	100.0%
California	117,890	92,945	381,175	172,130	216,880	1,038,395	2,019,415
Percent	5.8%	4.6%	18.9%	8.5%	10.7%	51.4%	100.0%

Source: US Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Resources for Extremely Low-Income Households

The Housing Authority of the County of Merced currently administers the Housing Choice Voucher Program, a federal rent subsidy program under HUD. The program provides rent subsidy to families in privately owned existing rental units in Merced County. The Housing Authority of the County of Merced currently administers 2,705 Housing Choice Vouchers.[2]

In addition to the HCV program, the Housing Authority also administers Emergency Housing Vouchers (EHV). In order to be eligible for an EHV, an individual must meet one of the four eligibility criteria:

1. Homeless;
2. At risk of homelessness;
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
4. Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.[3]

The City will implement Housing Program 10 to expand awareness of and connect extremely low-income and low-income residents with housing assistance programs, including the Merced County Housing Authority HCV program, and conduct annual outreach with landlords to encourage greater participation in the HCV program.

[2] Housing Authority of Merced County, *Housing Choice Voucher*, http://www.merced-pha.com/housing-choice-voucher/ accessed June 2023.
[3] Housing Authority of Merced County, *Emergency Housing Vouchers*, http://www.merced-pha.com/emergency-housing-vouchers-ehv-frequently-asked-questions-faq/ accessed June 2023.

Table G3-29 includes an inventory of publicly assisted affordable housing in Merced. As shown, there are 1,472 affordable units in the city. These units serve households making less than 80 percent of the area median income. Based on the identified need (4,205 extremely low-income rental households) there is a significant need for additional units affordable to extremely low-income households in the city.

Table G3-29 Inventory of Public Assisted Complexes, Merced

Name	Address	City	Zip	Affordable Units
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99
Merced Golden Manor	338 T St	Merced	95341	50
Merced Gardens	3299 Meadows Ave	Merced	95348	47
Merced Commons I	290 Q St.	Merced	95340	76
Merced Commons II	290 Q St.	Merced	95340	71
Gateway Terrace	410 Lesher Dr.	Merced	95340	65
Childs Avenue Apartments	1296 West First Street	Merced	95340	6
Alamar Apartments	218 South Canal St.	Merced	95340	24
Alamar Apartments II	286 South Canal Street	Merced	95340	79
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202
Sunnyside Apartments	988 D Street	Merced	95340	120
Sunny View Apartments	1108 D Street	Merced	95341	111
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118
Laurel Glen	777 Lougborough Dr	Merced	95348	127
Homekey CC915 Merced	73 South R Street	Merced	95341	21
Twelvethirteen	1213 V Street	Merced	95341	96
Total				**1,472**

Note: All locally assisted or restricted developments may not be included in this list.
Source: California Housing Partnership, 2023.

The City will implement Housing Program 7 to amend the Zoning Code to facilitate the development of affordable housing for special needs households, such as extremely low-income households, by updating the Density Bonus Ordinance to comply with state law, offering regulatory concessions and incentives for housing developments with an affordable component, and allowing negotiations for improvement requirements for affordable housing developments. The City will also implement Housing Program 10 to assist in the development of housing for extremely low-income households by pursuing funding for affordable housing production and assisting private individuals and nonprofit organizations in the pursuit of funding for affordable housing.

Farmworkers

Farmworkers and day laborers are an essential component of California's agriculture industry. Farmers and farmworkers are the cornerstone of the larger food sector, which includes the industries that provide farmers with fertilizer and equipment, farms to produce crops and livestock, and industries that

process, transport, and distribute food to consumers. Farmworker households are often compromised of extended family members or single male workers. Farmworkers make up the majority of the agricultural labor sector and include individuals whose primary income is earned through either seasonal or permanent agricultural labor.

Farmworkers are traditionally defined as those whose primary incomes are earned through permanent or seasonal agricultural labor. Migrant farmworkers as a group consist of individuals who travel not only across county lines but also from one major geographic region of California to another to find work. Travel for work prevents them from returning to their primary residence every evening. Many migrant farmworkers are single males, most of whom are married and migrate alone to support their families who live at home base. However, there are many migrant families who have more than one employed member.

When workloads increase during harvest periods, the labor force is supplemented by seasonal labor, often supplied by a labor contractor. Non-migrant seasonal farmworkers are individuals who work only during a harvest season, and who are able to return to their primary residence every evening. This group, which includes cannery workers, is fairly significant, and includes more than half of all farmworkers in the state. Permanent farmworkers comprise the smallest group of individuals employed in agriculture. Permanent farmworkers are employed year-round, usually by one employer in the agricultural industry. This group generally lives in rural areas in permanent housing provided by the grower. Providing migratory or seasonal farmworkers with affordable shelter has long presented a problem. Traditionally, growers offered some level of shelter to workers, yet the availability of grower-offered housing has dramatically decreased over the last twenty years. While housing for farmworkers is most convenient when located on or adjacent to farms, housing affordable at very low-income levels tends to be more feasible in cities. Housing in cities, with services located nearby, may also be more suitable for seasonal farmworkers whose families live with them. Increasingly, farmworkers are living in cities on a year-round basis, especially in existing single family rental units in older neighborhoods that offer relatively low-cost housing and its central location in relation to farmland.

According to a study conducted by the University of California, Merced, farmworker households frequently experience high poverty rates, severe overcrowding, and poor housing conditions, with a majority renting and living in substandard environments due to their typically lower incomes and face a disproportionate need for more affordable housing. These housing issues, combined with the demanding and poorly compensated nature of farmwork, often lead to negative health outcomes and exacerbate respiratory and infectious diseases.[4]

The U.S. Department of Agriculture provides countywide farmworker population data generated by the Census of Agriculture. The most recent Census of Agriculture data (2022) identified 15,945 farmworkers in Merced County. A significant portion of farmworkers (9,833 farmworkers) were seasonal workers, working less than 150 fewer than 150 days per year. In addition, 2,533 farmworkers were migrant farmworkers.[5] As of October 2024, the California Employment Development Department estimates a total of 17,400 workers employed in the farming industry in Merced County, equal to 18.4 percent of the total number of workers in the county. This is an approximately nine percent increase from the Census of Agriculture's 2022 estimate.

[4] Farmworker Health in California. UC Merced. August 2022. https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.2383.pdf?_gl=1*1rg0e9w*_ga*MTU3Njc2MDMzNS4xNzA4OTk2Nzgx*_ga_TSE2LSBDQZ*MTcwODk5Njc4MC4xLjAuMTcwODk5Njc4MC42MC4wLjA

[5] U.S. Department of Agriculture, Census of Agriculture, https://www.nass.usda.gov/AgCensus/ accessed December 2024.

Table G3-30 provides 2021 ACS data for the total population of residents working in the agriculture, forestry, fishing and hunting, and mining industries (including farmworkers) in Merced and Merced County. Merced had 2,781 farm workers in 2021, representing 22.6 percent of the total farmworker population across the county.

Table G3-30 Farmworker Population

Jurisdiction	Population in Agriculture, Forestry, Fishing and Hunting, and Mining Industries (Including Farmworkers)
Merced	2,781
Percent	22.6%
Total Merced County	12,326

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C24050.

Resources for Farmworkers

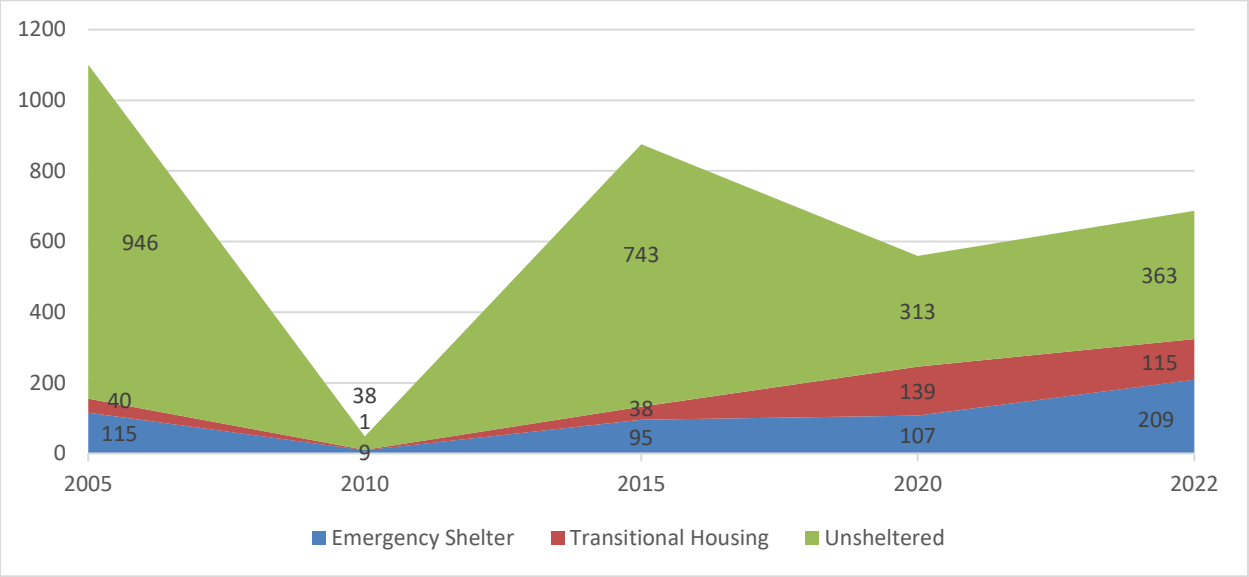
The Housing Authority of Merced County funds four migrant housing centers, one of which is in Merced. It contains 49 units that offer temporary housing from April through November. To be eligible for migrant housing, households must earn a minimum of $5,752.50 annually from farm labor employment. The Merced Migrant Center is located on N. Santa Fe Drive, in Merced. As reported in Table G3-30 above, there were more than 2,781 farmworkers living in Merced in 2021. Despite the existing housing opportunities listed above, there is a significant gap in housing resources for farmworkers in the city.

Through public outreach, organization and community partners identified the need for safe, connected, and affordable housing for groups suffering from housing instability, such as farmworkers. The City recently assisted with securing grant funding for an affordable multi-family housing project with the non-profit organization Visionary Home Builders of California. The City also committed to providing low interest loans for water and sewer services. The City will implement Housing Program 11 to amend the Zoning Code to facilitate the development of farmworker housing, including pursuing additional funding, identifying the number of farmworkers who need housing, and providing fast-track permit processing for farmworker housing development.

Persons Experiencing Homelessness

Figure G3-2 shows households experiencing homelessness by type between 2005 to 2022. As shown, 2005 had the highest reported number of households (1,101) by the Merced County Continuum of Care (CoC), the majority of which were unsheltered. Data for 2020 indicates that 559 households experienced homelessness in the county, including 313 of those counted as unsheltered. These numbers increased from 2020 to 2022, at which point over 680 households experienced homelessness in the county.

Figure G3-2 Homelessness by Type Over Time, Households, Merced County



Source: U.S. HUD, CoC Homeless Populations and Subpopulations Reports (2005, 2010, 2015, 2020, 2022)..

Point in time count data is reported by the CoC for Merced County, including the City of Merced.

Table G3-31 provides the most recent (2023) point-in-time count for individual residents experiencing homelessness. In 2023, there were 784 people experiencing homelessness in Merced County, of which 72.8 percent live in the city of Merced (571 people).

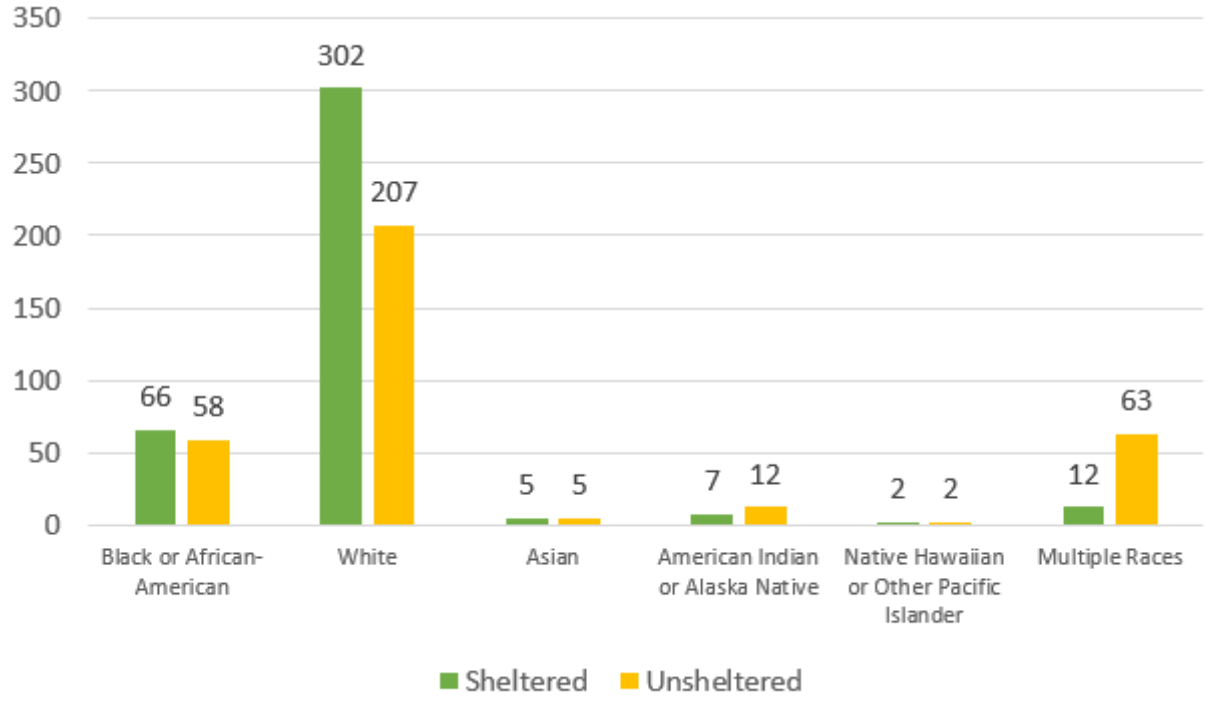
Table G3-31 Homelessness by Type (2023).

Jurisdiction	Sheltered	Unsheltered	Total
Merced	344	227	571
Percent	87.3%	58.2%	72.8%
Merced County	394	390	784

Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

Figure G3-3 identifies homelessness by type and race in Merced County for the year 2023. As shown, 53.2 percent of the homeless population countywide was reported as sheltered. In terms of race, 69 percent reported as white, 17 percent as Black or African American, one percent as Asian, three percent as American Indian or Alaska Native, less than one percent as Native Hawaiian or Other Pacific Islander, and 10 percent as multiple races.

Figure G3-3 Homelessness by Type by Race (2023)



Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

The 2023 Merced County CoC point in time count data also considers ethnicity, as shown in Table G3-32. Among those counted in the county, 332 of 784 individuals (42.3 percent) identified as Hispanic or Latino.

Table G3-32 Homelessness by Ethnicity (2023), Merced County

Ethnicity	Sheltered	Unsheltered	Total
Hispanic or Latino (any race)	186	146	332
Percent	23.7	18.6	42.3
Other	208	244	452
Percent	26.5	31.1	57.7

Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

The 2023 point-in-time count provides specific demographic data for unsheltered residents in Merced and Los Banos. In the City of Merced, 83 of 227 (37 percent) unsheltered residents identified as Hispanic or Latino.

Resources for Persons Experiencing Homelessness

Several programs and facilities exist in the City of Merced to serve the needs of those experiencing homelessness or at risk of becoming homeless, as shown in Table G3-33 below. There are a total of 103 emergency shelter beds, 90 transitional housing beds, and 17 permanent housing units. When considering the 2023 point-in-time count of residents experiencing homelessness (571), there is a gap of 361 housing units/beds.

Within the City of Merced, areas with high concentrations of people experiencing homelessness include East 15th Street under the freeway and West 16th Street near Bear Creek. Because these populations are concentrated in downtown Merced, transit options to the emergency transitional housing options detailed in Table G3-33 are available and accessible via transit or within walking distance, as distance from these areas to these resources range from 0.2 miles to four miles.

Table G3-33 Emergency and Transitional Housing

Provider Name	Facility Name	Target Population	Family Beds	Individual Beds	Overflow and Voucher	Total
Emergency Shelter						
Valley Crisis Center - A Women's Place	Domestic Violence Shelter	SMF+DC, DV	8	4	3	15
Merced Community Action Agency	D Street Shelter	SMF+DC, DV	0	66	0	66
Merced County Rescue Mission	Rescue Mission	SM	0	22	0	22
Transitional Housing						
Community Social Model Advocates	Hobie House	SM	0	25	N/A	25
Merced County Mental Health	Parsons House	SF	0	4	0	4
Merced County Rescue Mission	New Life Transformation Program	SMF+SA	0	61	N/A	61
Permanent Supportive Housing						
Merced County Mental Health	Project Home Start	SMF	0	4	N/A	4
Sierra Saving Grace Homeless Project	Sierra Saving Grace Homeless Project	SMF	2	0	N/A	2
Turning Point Community Programs	Turning Point	SMF+HC	2	9	N/A	11

Source: FindhHelp.org, Temporary Shelter Programs in Merced, CA, accessed June 2023.

The City will implement Housing Program 1 to collaborate with other jurisdictions in the region to address housing and supportive services for unhoused individuals. In addition, Housing Program 6 directs the City to amend the Zoning Code to remove constraints to the development of transitional and supportive housing and allow emergency shelters and low barrier navigation centers in compliance with state law.

G3.10 Housing Stock Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age, condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. The following sections detail the housing stock characteristics of Merced to identify how well the current housing stock meets the needs of current and future residents.

Housing Growth

Table G3-34 summarizes the growth in the housing stock in Merced by providing the total number of units constructed each decade from 1980 and 2020. The largest growth rate occurred between 1980 and 1990 with a 41.7 percent increase during this 10-year period. Between 1990 and 2000 the housing stock grew at a slower pace of 13.5 percent. Between 2000 and 2010, the number of housing units in the city increased by 27.5 percent, however in the ten years from 2010 and 2020, the housing stock increased by just 2.5 percent.

Table G3-34 Total Housing Units Over Time (1980 to 2020)

Jurisdiction	1980	1990	2000	2010	2020
Merced	13,381	18,965	21,532	27,446	28,120
Percent Change		41.7%	13.5%	27.5%	2.5%

Source: U.S. Census Bureau, Census 1980(STF1:T65), 1990(STF1:H1), 2000(SF1:H1); ACS 16-20 (5-year Estimates), Table B25001.

Housing Type and Tenure

Table G3-35 identifies the total housing units by type in Merced, Merced County, and California. In Merced, single detached homes make up most of the housing stock, with 64.4 percent of total units. This is a lower percentage than the county with 73.8 percent but greater than the state with 57.6 percent. The second most common housing type are five to nine-unit complexes, comprising 8.8 percent of the total units in the city. This is higher than the county (4.5 percent) and the state (5.9 percent). The third largest housing type in Merced is three-to-four-unit complexes, compromising 8.5 percent of the total units in the city, which is higher than the county (4.8 percent) and the state (5.4 percent). Merced has a lower proportion of mobile homes (3.0 percent) than the county (6.7 percent), although its proportion of mobile homes is similar to that of the state (3.6 percent). Additionally, Merced has a higher proportion of 50 or more-unit complexes (4.4 percent) than the county (1.9 percent) but less than the state (7.8 percent).

Table G3-35 Total Housing Units by Type

Jurisdiction	Total	1, Detached	1, Attached	2	3 or 4	5 to 9	10 to 19	20 to 49	50 or more	Mobile Home	Boat, RV, Van, etc.
Merced	28,400	18,301	686	853	2,421	2,495	1,039	472	1,259	859	15
Percent		64.4%	2.4%	3.0%	8.5%	8.8%	3.7%	1.7%	4.4%	3.0%	0.1%
Merced County	86,767	64,045	1,908	2,785	4,172	3,876	1,634	801	1,649	5,775	122
Percent		73.8%	2.2%	3.2%	4.8%	4.5%	1.9%	0.9%	1.9%	6.7%	0.1%
California	14,328,539	8,248,814	1,031,608	340,666	777,600	842,158	721,058	713,636	1,121,470	514,764	16,765
Percent		57.6%	7.2%	2.4%	5.4%	5.9%	5.0%	5.0%	7.8%	3.6%	0.1%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C24050.

Table G3-36 indicates housing units by tenure. In Merced, there are more renter-occupied units (58.1 percent) than owner-occupied (41.9 percent). In contrast, the state and county have more owner-occupied housing units than renter-occupied housing units.

Table G3-36 Housing Units by Tenure

Jurisdiction	Total	Owner-Occupied	Renter-Occupied
Merced	26,673	11,185	15,488
Percent		41.9%	58.1%
Merced County	81,618	42,146	39,472
Percent		51.6%	48.4%
California	13,217,586	7,335,247	5,882,339
Percent		55.5%	44.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

Vacancy Rate

Table G3-37 provides data on vacancy status by type for the total vacant units. Of the total vacant units in Merced (1,727), “for rent” units make up the largest percentage of total vacant units. This could potentially be due to the presence of a nearby university, University of California, Merced. These units make up 56.9 percent of total vacant units in the city, greater than both the county (25.2 percent) and state (21.7 percent). By comparison to the county and state, Merced has far fewer vacant units for seasonal/recreational/occasional use. There are no vacant housing units in the city that are set aside for migrant workers.

Table G3-37 Vacancy Status by Type for Total Vacant Units

Jurisdiction	Total Vacant Units	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant
Merced	1,727	983	60	166	136	35	0	347
Percent		56.9%	3.5%	9.6%	7.9%	2.0%	0.0%	20.1%
Merced County	5,149	1,298	112	377	553	556	202	2,051
Percent		25.2%	2.2%	7.3%	10.7%	10.8%	3.9%	39.8%
California	1,110,953	240,840	53,537	73,319	54,970	370,908	2,992	314,387
Percent		21.7%	4.8%	6.6%	5.0%	33.4%	0.3%	28.3%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25004.

Housing Unit Size

Table G3-38 provides housing unit size data for Merced, Merced County, and California. In Merced, three-bedroom units (39.8 percent) are the most common housing type, followed by two-bedroom (23.1 percent) and four-bedroom units (22.4 percent). This is a similar trend to the statewide and countywide housing unit size.

Table G3-38 Housing Unit Size

Jurisdiction	Total	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 or More Bedroom
Merced	26,673	908	2,261	6,168	10,613	5,977	746
Percent		3.4%	8.5%	23.1%	39.8%	22.4%	2.8%
Merced County	81,618	1,883	4,320	16,306	38,451	17,656	3,002
Percent		2.3%	5.3%	20.0%	47.1%	21.6%	3.7%
California	13,217,586	564,387	1,691,491	3,539,857	4,451,995	2,373,268	596,588
Percent		4.3%	12.8%	26.8%	33.7%	18.0%	4.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

Age and Condition of Housing Stock

Table G3-39 provides data on the total occupied housing units by year built. The city experienced the most growth between 2000 to 2009. During this period, 6,271 units were constructed, representing 23.5 percent of the housing stock at the time. Merced County saw similar growth, with 16,856 units being constructed between 2000 to 2009. In contrast, the largest percentage of units in California were constructed in the 1970s, with 17.4 percent. Notably, in Merced, 1,248 units have been constructed since 2010 and account for 4.7 percent of the housing stock. Of the total 26,673 occupied housing units in the city, 12,357 units are more than 40 years old. This accounts for almost half (46.3 percent) of the total occupied housing units today.

Nearly half of the occupied housing units in Merced were constructed prior to 1980. Many of these homes are located in Downtown Merced and lack basic amenities such as plumbing or kitchen facilities and are suitable for rehabilitation. The 2017-2021 ACS 5-Year Estimate reports a total of 3,713 vacant housing units in Merced, with 1,907 deemed suitable for rehabilitation, and 1,806 considered unsuitable. Additionally, approximately 5,406 owner-occupied units and 7,403 renter-occupied units were built prior to 1980 and pose a risk of lead-based paint hazard, while 720 owner-occupied units and 1,535 renter-occupied units built after 1980 are at risk, and are assumed to be in need of rehabilitation[6]. The City estimates that approximately eight percent of the overall housing stock is in need of some sort of rehabilitation, while approximately two percent of the overall housing stock is in need of major rehabilitation.

[6] City of Merced 2025-2029 Five Year Consolidated Plan and Annual Action Plan. https://www.cityofmerced.org/home/showpublisheddocument/22697/638811049562730000

Table G3-39 Total Occupied Housing Units by Year Built

Jurisdiction	Total	2020 or later	2010 to 2019	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1960 to 1969	1950 to 1959	1940 to 1949	1939 or earlier
Merced	26,673	31	1,217	6,271	2,706	4,091	5,040	2,096	2,610	1,368	1,243
Percent		0.1%	4.6%	23.5%	10.1%	15.3%	18.9%	7.9%	9.8%	5.1%	4.7%
Merced County	81,618	44	3,229	16,856	11,846	11,034	14,718	7,585	7,356	5,007	3,943
Percent		0.1%	4.0%	20.7%	14.5%	13.5%	18.0%	9.3%	9.0%	6.1%	4.8%
California	13,217,586	15,877	634,508	1,451,946	1,438,264	1,980,874	2,295,943	1,728,569	1,755,123	753,750	1,162,732
Percent		0.1%	4.8%	11.0%	10.9%	15.0%	17.4%	13.1%	13.3%	5.7%	8.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25036.

Table G3-40 provides information on substandard housing units. In Merced, there are more units lacking kitchen facilities (233) than lacking plumbing facilities (162). This is comparable to the statistics for both the state and county, though Merced County has a notably lower percentage of units lacking kitchen facilities (0.4 percent).

Concentrated areas of substandard housing in the city are in Downtown Merced, particularly between R Street and G Street and 16th to 23rd Street. Older homes are also concentrated south of the freeway and north to Bear Creek. Enforcement staff regularly distribute information about the City's home rehabilitation program to property owners undergoing enforcement.

Table G3-40 Substandard Housing Units

Jurisdiction	Total	Lacking Plumbing Facilities	Lacking Kitchen Facilities
Merced	26,673	162	233
Percent		0.6%	0.9%
Merced County	81,618	298	357
Percent		0.4%	0.4%
California	13,217,586	53,643	149,252
Percent		0.4%	1.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25049.

Housing Costs

Median Home Sale Price

According to Zillow analytics, the typical value for single-family homes in Merced (within the 65th to 95th percentile range) as of October 2024 (latest available data) is $393,132 and for condos it is $277,855.[7]

Table G3-41 provides information on the median housing value in Merced from 1980 to 2020. As shown, prices have been rising since 1980, with the lowest growth being between 1990 and 2000 (14.3 percent). The largest increase in value was between 2000 and 2010, with a growth of 116.6 percent. Between 2010 and 2020, median housing values in the city increased by 11.1 percent. A similar trend was seen across other jurisdictions in the county, where the smallest increase generally occurred between 1990 and 2000, followed by a large increase in values between 2000 and 2010, and a modest increase between 2010 and 2020.

Table G3-41 Median Housing Value Over Time (1980 to 2020)

Jurisdiction	1980	1990	2000	2010	2020
Merced	$57,700	$90,300	$103,200	$223,500	$251,500
Percent Change		56.5%	14.3%	116.6%	11.1%
Atwater	$56,000	$89,400	$99,900	$214,600	$251,100
Percent Change		59.6%	11.7%	114.8%	14.5%
Dos Palos	$44,300	$66,900	$88,500	$179,800	$232,700
Percent Change		51.0%	32.3%	103.2%	22.7%
Gustine	$50,800	$96,000	$111,400	$183,700	$273,500
Percent Change		89.0%	16.0%	64.9%	32.8%

[7] Zillow.com. 2024. Housing Data. https://www.zillow.com/research/data/

Jurisdiction	1980	1990	2000	2010	2020
Livingston	$43,400	$71,900	$92,300	$244,900	$231,100
Percent Change		65.7%	28.4%	165.3%	-6.0%
Los Banos	$49,000	$110,100	$138,200	$248,900	$315,500
Percent Change		124.7%	25.5%	80.1%	21.1%
Unincorporated County	$53,100	$90,100	$110,900	$241,000	$268,800
Percent Change		69.7%	23.1%	117.3%	10.3%

Note: Data are not inflation-adjusted to 2022 dollars.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25077.

Table G3-42 provides information on the median housing value in Merced over the past five years. As shown, housing values in Merced have steadily risen over this time period, with the greatest increase in value occurring between 2017 and 2018 (14.2 percent). The lowest growth occurred between 2019 and 2020 (5.9 percent). Other jurisdictions have experienced a similar trend, where the highest median housing value growth occurred between 2017 and 2018, followed by a modest increase between 2018 and 2019.

Table G3-42 Median Housing Value from 2017 to 2021

Jurisdiction	2017	2018	2019	2020	2021
Merced	$185,700	$212,100	$237,500	$251,500	$268,600
Percent Change	–	14.2%	12.0%	5.9%	6.8%
Atwater	$179,400	$207,800	$229,400	$251,100	$265,200
Percent Change	–	15.8%	10.4%	9.5%	5.6%
Dos Palos	$134,000	$183,500	$194,500	$232,700	$252,800
Percent Change	–	36.9%	6.0%	19.6%	8.6%
Gustine	$157,600	$195,000	$222,700	$273,500	$322,300
Percent Change	–	23.7%	14.2%	22.8%	17.8%
Livingston	$187,500	$222,400	$229,900	$231,100	$242,400
Percent Change	–	18.6%	3.4%	0.5%	4.9%
Los Banos	$226,700	$265,500	$293,400	$315,500	$340,800
Percent Change	–	17.1%	10.5%	7.5%	8.0%
Merced County	$196,200	$229,500	$252,700	$268,800	$288,400
Percent Change	–	17.0%	10.1%	6.4%	7.3%

Note: Data are not inflation-adjusted to 2022 dollars.

Source: ACS 2017-2021 (5-year Estimates), Table B25077.

G3.11 Distribution of Owner-Occupied Units

Table G3-43 compares data on the number of owner-occupied housing units by race in Merced, Merced County, and California. In Merced, most owner-occupied units are occupied by residents that identify as white (59.7 percent). This percentage is greater than Merced County (59.4 percent) and California (41.6 percent).

Considering ethnicity, 46.3 percent of owner-occupied units are occupied by Hispanic or Latino residents of any race. This percentage is greater than Merced County (43.5 percent) and California (24.1 percent). Given that 58.1 percent of the total population of Merced identifies as Hispanic or Latino of any race, this group is underrepresented in the housing market.

Table G3-43 Owner Occupied Units by Race

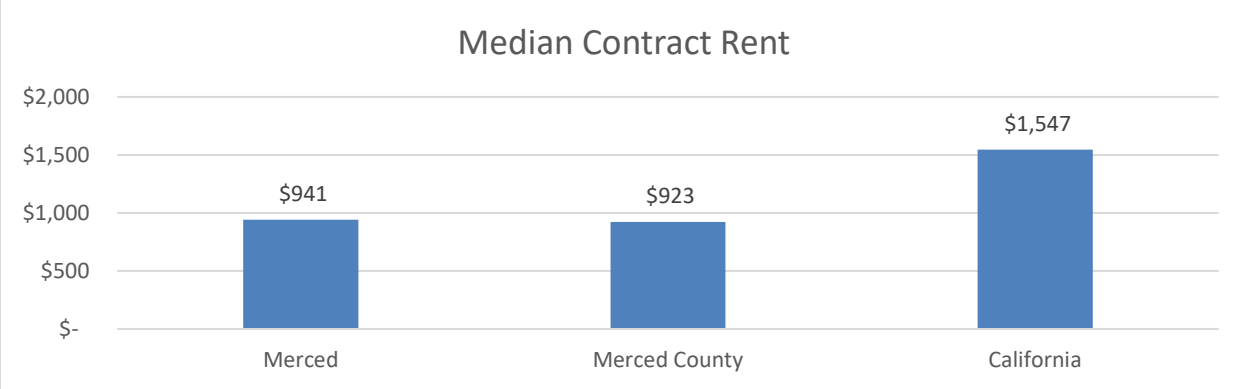
Jurisdiction	White	Black	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino of any Race
Merced	6,677	485	79	1,065	0	2,030	849	5,324
Percent	59.7%	4.3%	0.7%	9.5%	0.0%	18.1%	7.6%	46.3%
Merced County	25,012	1182	436	2,801	43	9,588	3,084	18,848
Percent	59.4%	2.8%	1.0%	6.7%	0.1%	22.8%	7.3%	43.5%
California	4,660,216	287,300	53,643	1,150,895	18,216	633,875	531,102	1,807,053
Percent	62.1%	3.8%	0.7%	15.3%	0.2%	8.4%	7.1%	24.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25031.

G3.12 Housing Rents

According to the 2017-2021 ACS, the median contract rent in Merced was $941 per month (Figure G3-4), which was similar to the median for the county at $923 and lower than the state median of $1,547. The current market rent for all bedrooms and property types in Merced is $1,950, which is lower than the state median of $2,800.[8]

Figure G3-4 Median Contract Rent



Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25058.

Table G3-44 below provides data on median gross rent from 1980 to 2020. Median gross rent has grown from $239 per month in 1980 to $1,032 in 2020. Between 2000 and 2010 rents in the city grew by 52.3 percent. From 2010 to 2020, rents grew at a slower rate of 25.6 percent.

[8] Zillow.com. 2024. Housing Data. https://www.zillow.com/research/data/

Table G3-44 Median Gross Rent Over Time, Merced

	1980	1990	2000	2010	2020
Merced	$239	$438	$509	$775	$1,032
Percent Change		83.3%	16.2%	52.3%	33.2%

Source: Source: U.S. Census Bureau, Census 1980(ORG STF3), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25064

Table G3-45 provides an overview of median rent for rental housing by number of bedrooms based on 2021 ACS data. The median rent data shows the estimated rent in Merced is $1,041 for a two-bedroom and $1,242 for a three-bedroom unit. Rents in Merced are comparable to those countywide but are significantly less than statewide.

Table G3-45 Median Rent by Number of Bedrooms

Jurisdiction	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Merced	$862	$890	$1,041	$1,242	$1,533
Merced County	$708	$795	$989	$1,234	$1,548
California	$1,293	$1,450	$1,737	$1,948	$2,326

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25031.

G3.13 Housing Affordability

Housing affordability levels are calculated using the median household income. Affordable monthly housing costs are calculated by taking 30 percent of the annual income and dividing it by 12 months. The rental utility allowance is a fixed number provided for each household size by the Merced County Housing Authority. Taxes, insurance, and homeowners' association fees are calculated as 20 percent of the monthly affordable rent. Affordable monthly rent is calculated by subtracting affordable monthly housing costs and the rental utility allowance. Affordable home prices assume a 30-year fixed mortgage with a seven percent interest rate and 10 percent down payment. Taxes, insurance, and homeowners' association fees only apply to homeowners.

Table G3-46 shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment) for Merced. A summary of each income category's ability to pay for housing is provided below the table.

Table G3-46 Housing Affordability Matrix – Merced (2021)

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
Extremely Low Income (0-30% AMI)						
1-Person (Studio)	$12,150	$304	$192	$22	$112	$40,583
2-Person (1 BR)	$13,900	$348	$233	$23	$115	$46,428
3-Person (2 BR)	$15,650	$391	$236	$31	$155	$52,274
4-Person (3 BR)	$17,350	$434	$257	$35	$177	$57,952
5-Person (4 BR)	$18,750	$469	$279	$38	$190	$62,628

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
Very Low Income (30-50% AMI)						
1-Person	$20,250	$506	$192	$63	$314	$67,638
2-Person	$23,150	$579	$233	$69	$346	$77,325
3-Person	$26,050	$651	$236	$83	$415	$87,011
4-Person	$28,950	$724	$257	$93	$467	$96,698
5-Person	$31,250	$781	$279	$100	$502	$104,380
Low Income (50-80% AMI)						
1-Person	$32,400	$810	$192	$124	$618	$108,221
2-Person	$37,050	$926	$233	$139	$693	$123,753
3-Person	$41,700	$1,043	$236	$161	$807	$139,285
4-Person	$46,300	$1,158	$257	$180	$901	$154,650
5-Person	$50,000	$1,250	$279	$194	$971	$167,008
Median Income (80-100% AMI)						
1-Person	$40,500	$1,013	$192	$164	$821	$135,277
2-Person	$46,300	$1,158	$233	$185	$925	$154,650
3-Person	$52,100	$1,303	$236	$213	$1,067	$174,023
4-Person	$57,900	$1,448	$257	$238	$1,191	$193,396
5-Person	$62,500	$1,563	$279	$257	$1,284	$208,761
Moderate Income (100-120% AMI)						
1-Person	$48,650	$1,216	$192	$205	$1,024	$189,582
2-Person	$55,600	$1,390	$233	$231	$1,157	$216,666
3-Person	$62,500	$1,563	$236	$265	$1,327	$243,554
4-Person	$69,450	$1,736	$257	$296	$1,479	$270,637
5-Person	$75,050	$1,876	$279	$319	$1,597	$292,460

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B19113.

Extremely Low-income Households

Extremely low-income households earn 30 percent or less of the county median income. Extremely low-income households have an annual income of $12,150 or below for a one-person household and $18,750 or below for a five-person household. Extremely low-income households cannot afford market-rate rental or ownership housing in Merced.

Very- Low-income Households

Very low-income households earn between 31 and 50 percent of the county median income—up to $20,250 for a one-person household and up to $31,250 for a five-person household in 2022. A very low-income household can generally afford to purchase homes offered at prices between $67,638 and $104,380, adjusting for household size. After deductions for utilities, a very low-income household can afford to pay approximately $314 to $502 in monthly rent, depending on household size. Given the cost of housing in Merced, very low-income households could not afford to purchase a home or rent an adequately sized unit.

Low-income Households

Low-income households earn between 51 and 80 percent of the county median income—up to $32,400 for a one-person household and up to $50,000 for a five-person household in 2022. A low-income household can generally afford to purchase homes offered at prices between $108,221 and $167,008, adjusting for household size. After deductions for utilities, a low-income household can afford to pay approximately $618 to $971 in monthly rent, depending on household size. Finding appropriately sized market-rate rental housing can be challenging to households in this income group.

Median-Income Households

Median-income households earn between 80 and 100 percent of the county's median income—up to $40,500 for a one-person household and up to $62,500 for a five-person household in 2022. The affordable home price for a median-income household ranges from $135,277 to $208,761. After deductions for utilities, a one-person median-income household could afford to pay up to $821 in rent per month and a five-person low-income household could afford to pay as much as $1,284. Finding appropriately sized market-rate rental housing can be challenging to households in this income group.

Moderate-Income Households

Moderate-income households earn between 100 and 120 percent of the county's median income—up to $48,650 for a one-person household and up to $75,050 for a five-person household in 2022. The maximum affordable home price for a moderate-income household is $189,582 for a one-person household and $292,460 for a five-person family. Moderate-income households in Merced could afford to purchase the median priced home; however, finding an affordable adequately sized home could present a challenge for households earning incomes at the lower end of this category. The maximum affordable rent payment for moderate-income households is between $1,024 and $1,597 per month. Appropriately sized market-rate rental housing is generally affordable to households in this income group.

Workforce Housing

Federal guidelines define workforce housing as housing that is affordable to households earning incomes within the range of 60 to 120 percent of the median income (in Merced, that range is $34,740 to $69,480 for a household of four). A broader definition of workforce housing is housing that is affordable to people who work in the county. A four-person household with an annual income of $57,900 could afford monthly rent of $1,191 for a three-bedroom housing unit and a home purchase price of $193,396 without being burdened by housing costs. As noted in Table G3-45, the average monthly rental price for a three-bedroom unit is $1,242, slightly higher than what is affordable to this income group.

Cost Burden

Table G3-47 and Table G3-48 identify cost-burdened households by tenure over time in Merced. There has been a decrease in the number of owner-occupied cost-burdened households from 2,993 households in 2010 to 2,131 in 2020. The number of cost-burdened renter-occupied households also declined, as cost burdened households decreased from 2,993 units in 2010 to 2,131 units in 2020.

Table G3-47 Cost Burdened Owner-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Merced	809	1,030	1,762	2,993	2,131
Percent Change		27.3%	71.1%	69.9%	-28.8%

Note: Data are not inflation-adjusted to current 2023 dollars.

Source: U.S. Census Bureau, Census 1980 (ORG STF1), 1990 (STF3), 2000 (SF3); ACS 06-10, 17-21 (5-year Estimates), Table B25077.

Table G3-48 Cost Burdened Renter-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Merced	2,409	3,828	4,058	6,529	6,536
Percent Change		58.9%	6.0%	60.9%	0.1%

Note: Data are not inflation-adjusted to current 2022 dollars.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 17-21 (5-year Estimates), Table B25077.

CHAS data provided by HUD provides information on cost burden by income category based on the HUD Area Median Family Income (HAMFI). This data is included in Table G3-49 below. While the totals do not align exactly with 2020 ACS data presented above, the CHAS data gives insight into which income categories are currently experiencing costs burdens in the city. As shown, extremely low- and very low-income households experience a high rate of cost burden greater than 30 percent, including 9,790 of 11,480 extremely low-income households and 7,215 of 11,045 very low-income households.

Table G3-49 Cost Burden by Income and Tenure

Row Labels	Owner occupied	Renter occupied	Grand Total
Household income is <= to 30% of HAMFI (extremely low income)	**2,940**	**8,540**	**11,480**
Housing cost burden is <= to 30%	615	1,075	1,690
Housing cost burden > 30% but <= to 50%	595	1,530	2,125
Housing cost burden is > 50%	1,730	5,935	7,665
Income is greater than 30% but <= to 50% of HAMFI (very low income)	**3,975**	**7,070**	**11,045**
Housing cost burden is <= to 30%	1,780	2,050	3,830
Housing cost burden is > 30% but <= to 50%	1,010	3,100	4,110
Housing cost burden is > 50%	1,185	1,920	3,105
Income is > 50% but <= to 80% of HAMFI (low income)	**7,150**	**8,580**	**15,730**
Housing cost burden is <= to 30%	4,355	4,950	9,305
Housing cost burden is > 30% but <= to 50%	2,055	3,220	5,275
Housing cost burden is > 50%	740	410	1,150
Income is > 80% <= to 100% of HAMFI (median income)	**4,495**	**3,625**	**8,120**
Housing cost burden is <= to 30%	3,225	3,125	6,350
Housing cost burden is > 30% but <= to 50%	1,080	480	1,560
Housing cost burden is > 50%	190	20	210
Income is greater than 100% of HAMFI (moderate income)	**22,960**	**9,610**	**32,570**
Housing cost burden is <= to 30%	21,495	9,280	30,775
Housing cost burden is > 30% but <= to 50%	1,310	330	1,640

Row Labels	Owner occupied	Renter occupied	Grand Total
Housing cost burden is > 50%	155	–	155
Grand Total	**41,520**	**37,425**	**78,945**

Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) dataset, 2015-19 (5-Year Estimates), Table 6, Table 7.

G3.14 Assisted Housing Units

Assisted housing units are those that are restricted for use by occupants with limited household incomes. These units are assisted under federal, state, and/or local programs, including HUD programs, state and local bond programs, former redevelopment agency (RDA) programs, density bonus, or direct assistance programs.

At-Risk Housing Units

The California Housing Partnership maintains an affordable housing database to monitor changes in affordable housing and to identify units or housing developments that are at risk of converting to market-rate uses. Assisted units in the preservation data base are classified by the following risk categories:

- Low Risk: affordable housing units that are at-risk of converting to market rate in 10 or more years and/or are owned by a large/stable non-profit, mission-driven developer.
- Moderate Risk: affordable housing units that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.
- High Risk: affordable housing units that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

Table G3-50 shows assisted units in Merced by estimated affordability end date. As shown, there are 1,472 assisted units in the city, and 233 units are at risk of conversion to market rate by 2033. This means that 15.8 percent of the affordable units in Merced are at moderate or high risk of conversion.

The City will implement Housing Program 8 to preserve housing units that are deed restricted as affordable housing for lower-income households by monitoring and maintaining a database on all subsidized units in the city and maintaining annual contact with property owners of affordable housing.

Table G3-50 Inventory of Public Assisted Complexes – Merced

Name	Address	City	Zip	Affordable Units	Total Units	Active Program(s)	Estimated Affordability End Year/Date	Risk Level
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21	96	LIHTC; CalHFA	4/1/2024	High
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16	80	CalHFA	9/1/2024	High
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99	99	LIHTC	2027	High
Merced Golden Manor	338 T St	Merced	95341	50	50	HUD	9/30/2030	Moderate
Merced Gardens	3299 Meadows Ave	Merced	95348	47	47	HUD	1/22/2032	Moderate
Merced Commons I	290 Q St.	Merced	95340	76	76	HUD	1/31/2025	Low*
Merced Commons II	290 Q St.	Merced	95340	71	71	HUD	9/30/2031	Low*
Gateway Terrace	410 Lesher Dr.	Merced	95340	65	66	LIHTC; CalHFA	2067	Low
Childs Avenue Apartments	1296 West First Street	Merced	95340	6	27	CalHFA	8/1/2043	Low
Alamar Apartments	218 South Canal St.	Merced	95340	24	24	LIHTC	2050	Low
Alamar Apartments II	286 South Canal Street	Merced	95340	79	80	LIHTC	2050	Low
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202	204	LIHTC	2058	Low
Sunnyside Apartments	988 D Street	Merced	95340	120	121	LIHTC	2059	Low
Sunny View Apartments	1108 D Street	Merced	95341	111	113	LIHTC	2062	Low
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74	75	LIHTC	2066	Low
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49	50	LIHTC	2073	Low
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118	119	LIHTC; HCD	2074	Low
Laurel Glen	777 Lougborough Dr	Merced	95348	127	128	LIHTC	2055	Low
Homekey CC915 Merced	73 South R Street	Merced	95341	21	21	HCD	2077	Low
Twelvethirteen	1213 V Street	Merced	95341	96	96	HCD	2077	Low

Note: All locally assisted or restricted developments may not be included in this list.

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

Source: California Housing Partnership, Publicly Assisted Housing Units, 2023.

Acquisition/Rehabilitation

If these units were 100 percent deed-restricted affordable housing with an expiring regulatory agreement, transferring ownership of an at-risk project to a non-profit housing provider could be one of the least costly ways to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low-income restrictions can be secured, and the project would become potentially eligible for a greater range of governmental subsidies.

Under AB 1521, there are now proscribed steps for owners of deed-restricted properties to take prior to the expiration of those affordability requirements. This law requires that the owner consider an offer to purchase the deed-restricted units. In the case of Willowbrook Apartments, listed in Table G3-50, only a portion of the property has deed-restricted units and therefore it is unclear how a transaction like this could occur. Also, the feasibility of this option depends on funding sources to buy and potentially rehabilitate the property which might be challenging since it would not be a 100 percent deed-restricted property.

Another option to preserve the affordability of an at-risk project is to support a Joint Power Authorities purchase. If this option is exercised, it would require deed restrictions for 100 percent of the residential units on site but would also allow for bond financing that would maintain the project as affordable housing.

Construction of Replacement Units

To understand the significance if these at-risk units are lost from the supply of city affordable housing, Merced has prepared a hypothetical analysis that identifies the cost of construction of new regulated housing to replace these at-risk units if they are converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e., square footage and number of bedrooms), location, land costs, and type of construction, as discussed in the Non-Governmental Constraints section of Chapter G4, *Constraints*. Based on recent projects, the cost of construction in the county is estimated to be between $400,000 and $675,000 per unit, including land costs.[9] The total cost to replace the 136 high-risk affordable units with new construction would be between $54,000,00 and $91,000,000.

Cost Comparison of Preservation and New Construction

With the high cost of development, the cost of preserving these units is much less than the cost of new construction. The area median income in Merced County is $52,305. Based on this, a lower income three-person household making 80 percent of the area median income can afford to pay $12,804 for housing annually without a housing cost burden, which equates to $1,067 per month. The 2023 median market rent for a three-bedroom unit in Merced is $1,917 monthly[10]. Based on the difference between the affordable rent and current market rate, the cost of preserving such a unit is approximately $850 per month, or $10,200 per year. Using this total, the cost of preserving the 136 units identified as at medium or high risk of conversion above would be approximately $1,387,200 per year.

[9] Central Valley Voice, *City of Merced Affordable Housing Project Update*, October 1, 2022, https://centralvalleyvoice.com/2023/02/22/city-of-merced-affordable-housing-project-update/ accessed June 2023.
[10] Zillow, Inc., 2023, https://www.zillow.com/rental-manager/market-trends/merced-ca/?bedrooms=3 accessed August 2023

Rental Subsidies

The Housing Authority of Merced County provides rental assistance to very low and moderate-income families, seniors and the disabled throughout the county. The Housing Authority offers many different programs, including the conventional public housing program, the housing choice voucher program, the farm labor program for families with farm labor income, senior housing programs, and other housing programs. All programs are handicap accessible. Reasonable accommodation may be requested from Housing Authority staff and will be reviewed on a case-by-case basis. A detailed list of rental assistance programs offered throughout the county is provided below.

- **Housing Choice Voucher Program.** The Housing Authority of the County of Merced administers Housing Choice Vouchers through HUD. Merced County currently administers 2,705 Housing Choice Vouchers.
- **Conventional Public Housing Program.** The Conventional Public Housing Program provides rental assistance to low and moderate-income families and individuals. The Housing Authority owns and manages 421 public housing units consisting of a variety of apartments, duplexes, and single-family homes.
- **Project Based Voucher (PBV) Housing.** PBV is one part of the Housing Choice Voucher program and helps pay for rent in privately owned rental housing in select privately-owned buildings or units.
- **Migrant Housing Centers.** The Housing Authority manages four Migrant Centers throughout Merced County. All units are furnished with a stove, refrigerator, beds, kitchen table, and chairs, and all utilities are included in the cost of rent.
- **HUD Veterans Affairs Supportive Housing (VASH).** The VASH program provides voucher rental assistance through HUD funding specifically for qualifying homeless veterans.
- **Emergency Housing Vouchers (EHV).** The EHV Program is a tenant-based voucher program providing housing vouchers to people experiencing homelessness, people at risk of homelessness, people fleeing domestic violence, and people recently experiencing homelessness.

Funding Sources for Assisted Housing

HUD Section 8 Program

Under the HUD Section 8 program, which is administered by the Housing Authority of the County of Merced, participating building owners are entitled to receive HUD Fair Market Rents (FMRs) for units with Section 8 contracts. For Section 8 units, HUD makes up the difference between 30 percent of a household's monthly income and the FMRs.

Low Income Housing Tax Credit (LIHTC)

Created in 1986 by the federal government, the LIHTC program offers tax incentives to encourage the development of affordable housing. The LIHTC is jointly administered by the IRS and State Housing Credit Agencies (HCA) and has funded over eight billion annual tax credit units nationwide. California's HCA is the State Tax Credit Allocation Committee (TCAC).

California Housing Finance Agency (CalHFA)

CalHFA uses approved private lenders and purchases loans that meet CalHFA standards to support very low, low, and moderate income assisted units. CalHFA partners with jurisdictions, developers, and other organizations to provide a variety of resources including loan assistance programs for homebuyers and renters aimed at increasing housing opportunities for low- and moderate-income residents.

Housing Rehabilitation Program

The Housing Rehabilitation Program provides financing to repair income-eligible and owner-occupied homes in need of essential health and/or safety repairs. The Housing Rehabilitation program is funded by HCD grant programs. Common home repairs include roofing, plumbing, electrical, heating, cooling, insulation, foundation, windows, and handicap assessable modifications. Participating property must be owner-occupied and located within city limits.

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G4 Housing Constraints Analysis

Constraints to the development of adequate and affordable housing include market, governmental, infrastructure, and environmental factors. These constraints may result in housing that is not affordable to low- and moderate-income households and may render residential construction economically infeasible for developers. Constraints to housing production significantly impact households with low- and moderate-incomes and special needs.

According to Government Code Section 65583, local governments are required to analyze governmental and non-governmental constraints to the production, maintenance, and improvement of housing for persons of all income levels and those with special needs and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing as part of housing elements update. Where constraints to housing production are related to the City's regulations or land use controls, the City must identify appropriate programs to mitigate these constraints, particularly ones that impact the production of affordable housing or housing for special needs populations.

The following chapter outlines non-governmental, governmental, environmental and infrastructure constraints and was used in the development of specific policies and actions included in the Housing Plan to remove barriers to housing and to incentivize housing production, specifically targeting housing production at all income levels and housing for persons with special needs.

G4.1 Summary of Local Housing Constraints

- The costs associated with developing housing are increasing, and the availability of financing due to recent trends of rising interest rates make it increasingly difficult for people to buy a home or build new housing. There is a lack of federal, state, and local funding, and the funding that is available is increasingly competitive.
- Although Merced's development regulations allow for a variety of densities, most of the city is comprised of land zoned for low and medium density residential. The prevalence of single-family zones that do not permit other types of housing constitutes a constraint to development.
- The City complies with Assembly Bill (AB) 2126 to allow supportive housing "by-right," but does not provide an exemption from parking requirements for supportive housing units.
- Use permit regulations for group homes with seven or more people pose a constraint to housing for individuals with special needs and use permit regulations for emergency shelters in pose a constraint on housing access for unsheltered individuals.
- In most of the City's planning procedures, subjective language is used in the determination findings. This requires the interpretation and discretion of the Site Plan Review Committee. This adds time to the review and creates an unpredictable development review process.

G4.2 Non-Governmental Constraints

The availability of housing is affected by a complex set of interrelated market factors including but limited to cost of land, cost of construction, and availability of financing. These factors contribute to determining a new home's sale price or the rents required to make a project feasible. Non-governmental constraints include factors outside of direct governmental control that directly impact

housing prices. The cost of construction and the availability of financing contribute to the cost of housing and can hinder the production of affordable housing. The following analysis accounts for these non-governmental constraints.

G4.2.1 Land Costs

The cost of land can impede the production of affordable housing. Land costs are influenced by many variables, including land scarcity and developable density (both of which are indirectly controlled through governmental land use regulations), location, site constraints, and the availability of public utilities.

Table G4-1 provides the average price per acre for land listed for sale throughout Merced between January 2022 and June 2023. The average price per acre is significantly higher for smaller lots, most of which are located in non-agricultural zones. The price per acre is less for larger lots, averaging $87,964. Most of these larger properties are located in agricultural zones. The average price per acre for all listed plots is $268,262.

Table G4-1 Listed Land Prices – City of Merced

Lot Size	Average Price per Acre (Listed)
Less than 10 acres	$448,560.13
10 or more acres	$87,964.25
Average $/acre	$268,262.19

Source: Zillow, Inc., 2023.

Table G4-2 provides the average price per acre for land sold between January and December 2022 in Merced. The average price per acre for all plots was $279,920, which is higher than the average list price shown in Table G4-1. The average sales price per acre was significantly higher for smaller lots than for larger lots. The average sales price per acre for both larger and smaller lots was significantly higher than the average price per acre for listed properties.

Table G4-2 Sold Land Prices – City of Merced

Lot Size	Average Price per Acre (Listed)
Less than 10 acres	$512,660.43
10 or more acres	$45,180.52
Average $/acre	$279,920.47

Source: Zillow, Inc., 2023.

Conclusion

The housing market (vacant and developed land) in Merced can vary depending on location, allowable density, availability of improvements, and proposed land use of the site. In general, entitled single-family subdivisions with infrastructure extension plans command higher prices than raw undeveloped land.

While land costs increase over time, these raw costs are not necessarily a constraint to housing. In general, land costs in Merced County are lower compared to coastal counties, and comparable in price to other nearby counties such as Madera and Fresno Counties. As a result, raw land costs are not considered a constraint to the development of housing.

Recommended Action

None required.

G4.2.2 Construction Costs

Construction costs include labor, material, equipment, plans, building permit, supervision, overhead and profit. A major component of the cost of housing is the cost of building materials, including wood and wood-based products, cement, asphalt, roofing materials, and pipe. The availability and demand for such materials affect prices for these goods.

Another major cost component of new housing is labor. The cost of labor in Merced County is comparatively low because the area's cost of living is relatively low compared to other areas in California. However, labor for government subsidized housing work is additionally costly for the Central Valley, as wages are rooted in the required State Labor Standards based on higher northern and southern California prevailing wages.

Based on recent affordable multi-family projects, the cost of construction in the county is estimated to be between $400,000 and $675,000 per unit.[1] The estimate includes direct and indirect (e.g., insurance, permits, utilities, plans) construction costs, including material, labor, and equipment costs, the price of land, development impact fees, and administrative costs.

Table G4-3 shows the estimated typical construction costs in Merced for a single-family home, assumed to be 1,600 square feet, and a 10-unit multi-family development with 800 square foot units. This does not include the price of land, site improvement costs, planning and development impact fees, or financing or marketing costs by the developer. As shown in the table below, the typical cost of an individual single-family development is an estimated $274,502, while the development cost of an apartment unit is an estimated $95,855, or $958,555 for a 10-unit building.

Table G4-3 Estimated Construction Cost

Cost Type	Single-Family[1]	Multi-Family[2]
Home Price[3]	$480,000	$2,400,000
Site Improvement Cost	$8,000	$20,000
Construction Cost	$267,790	$1,198,400
Permit and Impact Fees	$16,989	$57,160
Total Cost	$274,502	$958,555
Cost per Unit	$274,502	$95,855

[1] Assumed to be a 1,600 sq. ft. single-family home.

[2] Assumed to be a 10-unit multi-family complex of 800 sq. ft. units.

[3] Land price based on average price per square foot provided by the city at $300 per square foot

There is little that municipalities can do to mitigate the impacts of high construction costs except by avoiding local amendments to uniform building codes that unnecessarily increase construction costs without significantly adding to health, safety, or construction quality.

[1] Central Valley Voice, City of Merced Affordable Housing Project Update, October 1, 2022, https://centralvalleyvoice.com/2023/02/22/city-of-merced-affordable-housing-project-update/ accessed June 2023.

Conclusion

Although the cost of construction constrains affordable housing development, construction costs are similar across jurisdictions in Merced County, illustrating that the constraints are market driven rather than an impact of local policy.

Recommended Action

None required.

G4.2.3 Availability of Financing

Mortgage interest rates have a large influence over housing affordability. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford. Lower interest rates result in a lower cost and lower monthly payments for the homebuyer.

When interest rates rise, the market typically compensates by decreasing housing prices. Similarly, when interest rates decrease, housing prices begin to rise. There is often a lag in the market, causing housing prices to remain high when interest rates rise until the market catches up. Lower-income households often find it most difficult to purchase a home during this period.

Where financing is available, construction capital seems to be directed at the best transactions – those with large, established, and well-capitalized sponsors. Given recent trends of increasing interest rates, the availability of financing is likely to be more of a constraint on new housing construction during this housing element planning period than it has been in the recent past.

Market-Rate Development Financing

As discussed in *Land Costs and Construction Costs*, above, market-rate development is generally financed by investors, and the cost to build a project must be recovered by revenue from sales or rents, which drives up the ultimate rent or sales prices of new housing as the component costs increase. A market in which housing supply is limited and demand is high can support higher housing prices, but lower-income segments of the community are priced out. Therefore, it is difficult for the private sector, for-profit developers, and market-rate housing to meet the housing needs of all community members.

Affordable Housing Financing

A description of available funding sources for affordable development is provided in Chapter G3, *Housing Needs Assessment.*

Mortgage and Rehabilitation Financing

The availability of financing affects the ability of residents to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The primary purpose of reviewing the lending activity is to determine whether home financing is available to city residents. The data presented in this section includes the disposition of loan applications submitted to financial institutions for home mortgages, home improvement, and refinance loans.

Lending activity data provides information regarding home financing availability for city residents. The most recent data set available for the County of Merced from 2022 shows that 10,760 households applied for a home financing loan which includes loans for home purchase, home improvement, and refinancing. As discussed in Chapter 3, *Regional Housing Constraints Analysis*, of the total applications received for home purchase 47.7 percent of the loans originated while 15.7 percent were denied.

Conventional loans are made by the private sector (banks, mortgage companies, etc.) and are not guaranteed or insured by the U.S. government. Conversely, government-backed loans, such as those issued by the Federal Housing Administration, Department of Veterans Affairs, and the Rural Housing Services/Farm Service Agency, are completely or partially insured by the U.S. government. Within the County, 8,028 of the applications received were for conventional loans and 2,732 were for government backed loans. As discussed in Chapter 3, *Regional Housing Constraints Analysis*, 37.0 percent of the conventional loans originated, and 12.6 percent of the applications were denied. Additionally, 10.7 percent of the government backed loans were originated and 3.1 percent of the applications were denied.

County data shows that of the loans originated, Hispanic/Latino applicants comprised approximately 50 percent of approvals, white, non-Hispanic/Latino comprised approximately 30 percent, Asian American represented 16 percent, Black/African American applications represented three percent, and American Indian/Alaskan Native comprised less than one percent of approved applications. American Indian/Alaskan Native and Black/African American residents were the only racial populations that were representative for mortgage applications relative to proportion of population.

Hispanic/Latino residents were underrepresented for mortgage applications (50 percent of applications, 61 percent of population). White, non-Hispanic residents were overrepresented for mortgage applications approvals relative to proportion of population (30 percent of approvals, 26 percent of population), as were Asian American residents (16 percent of approvals, eight percent of population). Of application denials, Black/African American residents were overrepresented in application denials (four percent of denials, three percent of the population).

Construction Financing Timing

The timing between project approval and requests for building permits affects project viability. Project delays may result from developers' inability to secure financing for construction. In Merced, the average time between project approval and request for building permit is typically one to four months but varies by type of project. Some projects take years to pull building permits and secure financing. Single-family homes usually experience the least delay, with an average approval time of one month. Multi-family housing construction tends to be more complex and usually requires more time between entitlement and building permit issuance (three to four months).

Conclusion

Although discrimination in mortgage lending is prohibited by the federal Fair Housing Act, other factors may contribute to a potential homebuyer's ability to secure safe financing, such as credit history, savings, and education regarding the home-buying process. Federal Financial Institutions Examination Council (FFIEC) HMDA data, by itself, does not provide insight into these other factors. Therefore, it is important that the City supports housing education and opportunities for all residents.

Recommended Action

The City shall continue to implement goals and policies to support homeownership opportunities and home-buying education, particularly for racial and ethnic groups underrepresented in the homebuying market. This includes maintaining existing local programs such as the Homebuyer Assistance Program as well as state and federal program funding. The City will implement Housing Program 14 *Fair Housing Outreach and Enforcement* to support homeownership opportunities and home-buying education for racial and ethnic groups underrepresented in the homebuying market.

G4.2.4 Requests for Lower Development Densities

In Merced, requests for development at densities below anticipated densities mostly occur for smaller townhouse projects on infill lots in established neighborhoods. The development approval of such projects at densities lower than maximum allowed densities is often driven by market preferences for the inclusion of certain project features and are not necessarily due to any singular code requirement. There is a strong preference for these types of developments to include two-car garages and larger unit sizes, which in turn limits site planning. The City has had several projects that have requested a zone change to downzone. However, the City has had more requests to add units and increase density, especially for multi-family affordable projects.

G4.3 Governmental Constraints

Although local governments have little influence on market factors, such as interest rates, local policies and regulations can still impact where, how much, and what type of residential development is built. Land use controls, site improvement requirements, fees and exactions, and permit processing procedures, among other policies and regulations, may constrain the maintenance, development, and improvement of housing.

G4.3.1 Land Use Controls

Land use controls provided in the General Plan and Merced City Zoning Ordinance influence housing production in several ways. The permitted and conditionally permitted uses in each zone guide new development and provide both developers and the public with an understanding of how vacant land will develop in the future. This includes the density of development that will occur within a particular zone, the compatibility of planned uses in each area, and the range and type of buildings and uses that will be located throughout Merced.

G4.3.1.1 General Plan

The Merced Vision 2030 General Plan provides policies and programs to guide development in the City. The City of Merced adopted the Plan in 2012 and has adopted amendments periodically since that time. The City ensures that all goals and policies contained within the Housing Element are consistent with the goals and policies set forth in all other elements of the General Plan. The Merced General Plan contains the following residential land use designations:

- Rural Residential: *1 to 3 units per acre*. To provide single-family homes on large lots in a semi-rural environment, and as a buffer between agricultural land and other environmentally sensitive or resource areas and the City's urbanized areas.
- Low Density Residential: *2 to 6 units per acre*. To provide single-family residential dwellings served by City services throughout the City. Primarily single-family detached housing, but options such as condominiums and zero-lot-line units can be developed.
- Low-Medium Density Residential: *6 to 12 units per acre*. To provide duplexes, triplexes, fourplexes, condominiums, zero-lot-line as well as single-family detached units on appropriately sized lots.
- High-Medium Density Residential: *12 to 24 units per acre*. To provide areas for multi-family development such as apartments, higher density triplex/fourplex units and condominiums.
- High Density Residential: 24 *to 36 units per acre*. To provide for the highest multi-family residential densities typically found only in limited areas of the City.

- Mobile Home Park Residential: *6 to 10 units per acre*. To provide designated areas within the City for the establishment of Mobile Home Park residential environments.
- Village Core Residential. *7 to 30 units per acre (minimum of 10 units per acre)*. To provide for the development of mixed-use, medium-density urban "village" centers in the undeveloped portions of the Merced Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI).

Specific Plans

A specific plan is a planning document that implements the goals and policies of the General Plan. The City has adopted four specific plans to guide development in a specified geographic area: South Merced, Northeast Yosemite, Campus North, and Bellevue Corridor. The South Merced, Northeast Yosemite, Campus North Specific Plans were incorporated into the Merced Vision 2030 General Plan in 2012. The Bellevue Corridor Specific Plan contains more detailed development standards and implementation measures to which future projects located within a specified geographic area must adhere.

Bellevue Corridor Community Plan

The Bellevue Community Plan (BCP), adopted in 2015, encompasses an area of 2.42 square-miles, and establishes policies, illustrative plans, and guiding features to adapt changing market conditions in response to economic growth and the expansion of University of California, Merced (UC Merced). The majority of the Plan Area is located within the unincorporated county. However, the City is in the process of approving several parcels for annexation into Merced.

The BCP provides a broad range of uses and densities that could occur throughout the plan area, and emphasizes the foundational building blocks of street connectivity, functional mobility choices, active and passive recreation open space corridors and bikeways, gateway street designs, and attractive business park settings to create a great sense of place with investment certainty. As shown in Table G4-4, the residential densities range from two to 36 dwelling units per acre. The residential densities allow for a range of housing types and do not constrain development of housing.

Table G4-4 Bellevue Corridor Community Plan Zoning Designations

Character Area	Residential Density	Height	Block Size
TOD Center	12-36 dwelling units/gross acre	3-5 stories	1,600 sq ft
R&D Employment District	24-36 dwelling units/gross acre	1-3 stories	2,000 sq ft
Multi-Family	12-36 dwelling units/gross acre	1-4 stories	1,600 -2,400 sq ft
Single-Family	6-12 dwelling units/gross acre	1-2 stories	1,600 -2,400 sq ft
Rural	2-6 dwelling units/gross acre	1-2 stories	TBD
Flex Neighborhood	6-24 dwelling units/gross acre	1-4 stories	Varies

Source: City of Merced. Belleview Corridor Community Plan. 2015. Available online at: https://www.cityofmerced.org/home/showpublisheddocument/6032/637034156452470000

Conclusion

The General Plan includes seven residential land use designations with a density range from one to 36 dwelling units per acre. The densities ranges are higher than or similar to most other jurisdictions, such as the cities of Atwater (density range from 0 to 35 dwelling units per acre), Los Banos (density range from 0.1 to 30 dwelling units per acre), and the County of Merced (density range from one to 33 dwelling units per acre). As a result, the City's land use designations are not considered a constraint to development.

Recommended Action

None required.

G4.3.1.2 Zoning Ordinance

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance, as well as specific plan development codes. A zoning district is assigned to every parcel in the city and the Zoning Ordinance identifies compatible uses. In general, the City's zoning regulations are designed to balance the goal of providing a mix of residential and commercial land use types while protecting the health and safety of residents and preserving the character of existing neighborhoods. Additionally, development standards such as setbacks, height limits, lot coverage, open space requirements, and parking identified for each zoning district. Some zoning districts may allow similar uses but have different development standards. Development standards may be considered a constraint to the development of housing units if they are too restrictive or reduce the development potential on a specific parcel.

The City's Zoning Ordinance allows residential uses in the following zones:

- Rural Residential (R-R): The R-R zone provides an area for single-family dwellings on large lots in a semi-rural environment. The R-R zone serves as a buffer between the city's urbanized areas and agricultural land and other environmentally sensitive or resource areas.
- Low Density Residential (R-1): The R-1 zone is intended to stabilize, protect, and encourage the establishment and maintenance of a suitable environment for detached single-family dwellings, duplexes, and other land uses typically compatible with or authorized by state law for a low-density residential setting. The R-1 zone is divided into four (4) subzones (R-1-20, R-1-10, R-1-6, and R-1-5) allowing for a range of minimum lot sizes.
- Low Medium Density Residential (R-2): The R-2 zone is intended to stabilize, protect, and encourage the establishment and maintenance of a suitable environment for single-family dwellings, duplex homes, limited multi-family dwellings, and other land uses typically compatible with a low to medium-density residential setting.
- Medium Density Residential (R-3): The R-3 zone provides an area for a full range of residential uses, including single-family dwellings, duplex homes, multi-family dwellings, single room occupancy housing, and other land uses typically compatible with a medium density residential setting. The R-3 zone is divided into two (2) subzones (R-3-1.5 and R-3-2) allowing for a range of permitted residential densities.
- High Density Residential (R-4): The R-4 zone provides an area for the highest density residential uses in Merced. Permitted uses include single-family dwellings, duplex homes, multi-family dwellings, single room occupancy housing, and other land uses typically compatible with a high-density residential setting close to shopping, transportation, and other facilities.
- Mobile Home Residential (R-MH): The R-MH zone provides an area for mobile home parks with regulations and standards intended to maintain a suitable environment for mobile home park residents.
- Downtown Core (D-COR): The purpose of the D-COR zone is to maintain and enhance a vibrant downtown core with a diversity of land uses. The D-COR zone supports downtown as a destination for arts, entertainment, retail, and dining uses, with housing that contributes to the vitality of the area. The design of development helps to create a pedestrian-friendly environment and an active public realm. A mixture of land uses, and higher intensity development supports transportation options, including walking, bicycling, and use of transit.

- Downtown Office (D-O): The purpose of the D-O zone is to accommodate a concentration of office uses that support a vibrant and dynamic downtown. The D-O zone accommodates a variety of land uses, including personal services in addition to office uses. In the D-O zone buildings are designed to support an active and inviting public realm. The D-O zone creates an attractive environment for businesses and employers that enhances the economic vitality of the community. The D-O zone also serves as a buffer between more intensive development in the D-COR zone and surrounding residential neighborhoods.
- Downtown Commercial (D-CM). The purpose of the D-CM zone is to encourage growth and investment in commercial areas adjacent to Merced's downtown core. New development in the D-CM zone will provide amenities for adjacent residential neighborhoods and enhance the appearance of gateways into downtown. Development supports a pedestrian-friendly environment with buildings located near the front sidewalk and parking located to the side or rear. A variety of land uses, including residential, commercial, and office, contribute to an active and inviting environment.
- Regional/Central Commercial (C-C): The C-C zone provides areas for a diversity of commercial and residential land uses in the central business district and regional centers. These uses help to support a vibrant retail destination, provide jobs for residents, and accommodate commercial and service uses to meet the needs of community and regional businesses and residents.
- Office Commercial (C-O): The C-O zone provides a location for a broad range of office uses including professional offices, business offices, medical offices, and regional or "back" offices. Multi-family and Live/Work units are allowed in C-O zones with a conditional use permit (CUP).
- Neighborhood Commercial (C-N): The C-N zone provides areas for shopping centers and other commercial uses that serve the day-to-day needs of residential neighborhoods. Multi-family and Live/Work units are allowed in C-N zones with a CUP.
- Business Park (B-P): The B-P zone provides a location for employment-intensive uses within an attractive campus-like setting. The B-P zone shall primarily allow "back" offices, research and development businesses but also limited commercial retail uses to serve employees in the area. Multi-family and Live/Work units are allowed in B-P zones with a CUP.
- Inner Village Residential (R-IV): The R-IV zone allows for higher density residential development within an urban village. The R-IV zone accommodates a range of housing types, including apartments, townhomes, and other forms of multi-family housing. The R-IV zone supports higher density housing located in close proximity to transit, employment uses, and commercial areas. The R-IV zone also may function as a buffer between village commercial areas and surrounding lower-density residential neighborhoods.
- Outer Village Residential (R-OV): The R-OV zone allows for lower density residential uses within an urban village. Typical housing types within the R-OV zone include single-family homes, duplex homes, and second units. The R-OV zone accommodates single-family neighborhoods located in close proximity to public amenities such as parks and schools as well as neighborhood-serving retail and service uses.
- Village Commercial (C-V). The C-V zone functions as the center of activity within an urban village. The C-V zone accommodates a diversity of land uses, including commercial, residential, and civic uses. Development in the C-V zone supports a pedestrian-friendly environment and encourages the use of transit. Local streets, sidewalks, and bicycle paths provide safe and convenient access to the C-V zone from surrounding residential neighborhoods. The C-V zone meets the day-to-day shopping needs of area residents and provides a central gathering place for the use and enjoyment of surrounding neighborhoods.

In Merced, minimum residential lot sizes are required in some zones. Table G4-5 provides the minimum lot area per dwelling unit standard by zone.

Table G4-5 Lot Area Per Dwelling Unit

Zone	Lot Area
R-R	1 acre (1 units per gross acre)
R-1-20	20,000 square feet (2.2 units per gross acre)
R-1-10	10,000 square feet (4.3 units per gross acre)
R-1-6	6,000 square feet (7.26 units per gross acre)
R-1-5	5,000 square feet (8.7 units per gross acre)
R-2	3,000 square feet (14.5 units per gross acre)
R-3-2	2,000 square feet (21.8 units per gross acre)
R-3-1.5	1,500 square feet (29 units per gross acre)
R-4	1,000 square feet (43.6 units per gross acre)
R-MH	0.01 acres (minimum 10 acre lot size)
D-COR	1,250 square feet (36 units per gross acre)
D-O	1,250 square feet (36 units per gross acre)
D-CM	1,250 square feet (36 units per gross acre)
C-C	7,500 square feet (12-24 units per gross acre)
C-N	7,500 square feet (12-24 units per gross acre)
C-O	7,500 square feet (12-24 units per gross acre)
B-P	20,000 square feet (2 units per gross acre)
R-IV	3,000 square feet (36 units per gross acre)
R-OV	3,000 square feet (36 units per gross acre)
C-V	7,500 square feet (36 units per gross acre)

Source: Merced City Zoning Ordinance, adopted 2022.

The City incorporated Downtown zones (D-COR, D-O, D-CM) and Urban Village zones (R-IV, R-OV, C-V) into the Zoning Ordinance in 2016. However, no land within the City is currently zoned for these zones and references to these zones will be removed as part of a comprehensive Zoning Code update. To encourage and promote infill development, a Multi-Family Residential Infill Study[2] was prepared to identify properties within city limits that are most suitable for infill residential development. In total, 45,946 dwelling units have the potential to be built on the Infill Sites. The Infill Study provides the following recommendations for the City:

- Master plan sets developed for duplex homes should be designed with a size that would fit a 4,500-square foot lot, since 75 percent of the parcels that permit duplex homes are 4,500 square foot or larger.
- Master plan sets developed for triplex homes or apartments should be designed for parcels with the size of 5,192 square feet, since half of the parcels that permit multi-family homes range from 2,630 to 7,538 square feet.

[2] City of Merced. 2023. City of Merced Multi-Family Residential Infill Study.

- Perform a rezone or General Plan Amendment to ensure consistency of the 18 parcels. This would streamline the development process for property owners.
- Perform a rezone of 4 parcels to ensure consistency and permit residential development. This would streamline the development process and allow for up to 291 additional residential units.
- Increase allowed density or adopt incentives in areas with high infill scores to encourage development in areas with existing infrastructure and amenities.

These recommendations will be incorporated into the Zoning Code as part of Program 6. As part of Program 7, the City will also promote infill development on sites with high Infill scores and in areas where public infrastructure is in place to help reduce the cost of development projects that occur from on- and off-site improvements.

Conclusion

The City of Merced's development regulations allow for a range of densities and a variety of housing types. Zones allowing higher density residential uses, including medium- and high-density residential zones and the C-C zone, are primarily located within Downtown Merced, with additional pockets throughout the city. However, most of the city is comprised of land zoned for low density residential uses. The prevalence of single-family districts that do not permit other types of housing constitutes a constraint to development.

Recommended Action

Revise the City's Zoning Code to allow for a range of housing types in low density residential zones, including triplexes and quadplexes. The City will implement Housing Program 6 *Zoning Code Amendments* to review and revise the Zoning Code accordingly.

G4.3.2 Residential Development Standards

Table G4-6 shows the development standards for residential zones. The minimum parcel area for residential zones ranges from 5,000 square feet to 10 acres. Maximum site coverage ranges from 25 percent to 65 percent of the lot area. There are no maximum lot coverage requirements for D-COR, D-O, D-CM, C-C, R-IV, R-OV, and C-V zones.

The minimum front setback requirement is 30 feet for R-R and R-1-20 zones, 20 feet for R-1-10 and R-1-6 zones, 15 feet for R-1-5, R-2, all R-3 zones, and R-4 zones, and 25 feet for R-MH zones. The minimum side setback requirement is 15 feet for R-R and R-1-20 zones, and 10 feet for R-1-10, R-1-6, R-1-5, R-2, R-3, R-4, and R-MH zones.

Maximum height requirements are 35 feet for all zones, except R-4 zones, which has a maximum height requirement of 40 feet. Maximum density ranges from one unit per acre in the R-R zone to 43.5 units per gross acre in R-4 zones.

Table G4-6 Residential Development Standards

		Minimum Setback (in feet)					
Zoning District	Minimum Lot Area	Front (feet)	Side (feet)	Side (feet)	Maximum Height (feet)	Maximum Lot Coverage (percent of lot)	Maximum Density (du/acre)
R-R	1 acre	30	15	25	35	25	1
R-1-20	20,000	30	15	10	35	30	2.1
R-1-10	10,000 sq ft	20	10	7	35	40	4.3
R-1-6	6,000 sq. ft.	20	10	5	35	45	7.2

Zoning District	Minimum Lot Area	Minimum Setback (in feet)			Maximum Height (feet)	Maximum Lot Coverage (percent of lot)	Maximum Density (du/acre)
		Front (feet)	Side (feet)	Side (feet)			
R-1-5	5,000 sq. ft.	15	10	5	35	50	8.7
R-2	6,000 sq. ft.	15	10	5	35	50	14.5
R-3-2	6,000 sq. ft.	15	10	5	35	55	21.7
R-3-1.5	7,500 sq. ft.	15	10	5	35	55	29
R-4	7,500 sq. ft.	15	10	6	40	65	43.5
R-MH	10 acres	25	10	10	35	65	10
D-COR	1,250 sq ft	0	0	0	None	None	36
D-O	1,250 sq ft	0	0	0	60	None	36
D-CM	1,250 sq ft	0	0	0	60	None	36
C-C	7,500 sq ft	0	0	0	60	None	24[4]
C-N	7,500 sq ft	20[2]	03	0	35	None	24[1]
C-O	7,500 sq ft	10	5	5	40	None	24[1]
B-P	20,000 sq ft	25[2]	20[3]	20	-[5]	None	24[1]
R-IV	3,000 sq ft	0	5	10	40	None	36
R-OV	3,000 sq ft	15	5	10	35	None	12
C-V	7,500 sq ft	0	0	0	40	None	36

Accessory structures shall be considered a part of the primary structure and shall comply with all standards applicable to the primary structure, including lot coverage requirements.

[1] Up to 36 units with a CUP

[2] Minimum of 35 feet when across from a residential zone

[3] Minimum of 20 feet when abutting a residential zoning zone

[4] Up to 200 units for multi-family buildings over five stories with a CUP

[5] Maximum height is 40 feet when directly adjacent to residential zones

Source: Merced City Zoning Ordinance, adopted 2022.

Conclusion

Development standards related to parcel area, setbacks, height of primary structures, site coverage, and density are similar to nearby jurisdictions. In most zones, the City's development standards permit greater residential densities compared to other cities in the county. However, heights of 40 feet in R-4 districts often limit buildings to three stories, limiting the number of units that can be built and the ability for housing developers, particularly housing developers, to produce financially viable projects. As a result, height limits in R-4 districts can be considered a constraint to housing.

Recommended Action

Amend the Zoning Ordinance to increase the height limit in R-4 zones to 45 feet, which is typical of other comparable jurisdictions in the Central Valley. The City will implement Housing Program 6, *Zoning Code Amendments,* to revise height standards in R-4 zoning districts.

G4.3.2.1 Parking

According to the Terner Center for Housing Innovation at UC Berkeley, parking can cost $25,000 to $75,000 per space to construct. However, given the age of data and the increased cost of land and

construction costs discussed above, the costs per parking space are likely much higher.[3] Parking provided in underground or structured parking facilities, or if required to be covered or enclosed, can significantly increase the cost of housing and could affect the feasibility of various housing projects in the city. In addition, requirements for parking space locations and maximum distances from dwelling units may also increase the cost of housing and affect the feasibility of housing projects. Requiring less parking not only reduces the project budget but can allow for more space to build additional housing units.

The City of Merced's parking requirements for residential uses are summarized in Table G4-7.

Table G4-7 Residential Parking Requirements

Residential Use	Required Parking Spaces*
Single-family units	1 per unit
Multi-family units	1.75 per unit of 2 bedrooms or less up to 30 units and 1.5 per unit thereafter, plus 0.5 per additional bedroom over 2 in each unit and 1.0 per additional full or partial bathroom over 3 in each unit
Senior residential units	1 per 2 beds
Caretakers Home	1 per unit
Group Homes and Facilities	1 per unit plus 1 per 300 sq. ft. of office and other nonresidential areas
Group Housing	1 per unit
Live/Work Units	1.75 per unit
Mobile Home Parks	1 per unit and 1 per office or employee
Residential Care Facilities, Small	1 per unit
Residential Care Facilities, Large (Includes Convalescent/Nursing Homes)	1 per 4 beds and 1 per 300 sq. ft. of office or 1 per employee, whichever is greater
Accessory Dwelling Units	One or more bedrooms: 1 per unit[1]
Single-Room Occupancy	1 per unit
Transitional/Supportive Housing	1 per 4 beds and 1 per 300 sq. ft. of office and other nonresidential areas

[1] MMC 20.42.030(H): Parking is not required if the ADU is located within ½ mile of a public transit stop, is located in an officially architecturally and historically significant district, is part of a proposed or existing primary residence, on-street parking permits are required but not offered to occupants, a car vehicle share is located within one block, or the ADU is an attached or converted ADU

Source: Merced City Zoning Ordinance, adopted 2022.

Required off-street parking for single-family homes and duplexes does not have to be provided in a covered garage or carport, but each required space must be located so that it may later be covered by a garage or carport structure. For multi-family housing, the Site Plan Review Committee may approve off-site parking if it finds that practical difficulties prevent parking from being located on the same lot it is intended to serve.

The number of parking spaces may be reduced by the Director of Development Services up to 20 percent if the project applicant prepares a transportation demand management plan which demonstrates a reduction in the demand for off-street parking spaces by encouraging the use of transit, ridesharing, biking, walking, or travel outside of peak hours. Additionally, the number of parking spaces may be reduced by up to five percent for multi-family development projects within 400 feet of a City-approved bus stop, or 10 percent for projects located within 400 feet of a transit center.

[3] Terner Center for Housing Innovation at UC Berkeley, 2016. Available at: http://ternercenter2.berkeley.edu/proforma/

Furthermore, under the City's Density Bonus Ordinance, qualifying affordable projects are subject to maximum parking ratios in Table G4-8. This reduces the required parking for multi-family projects that contain a certain percentage of affordable units.

Table G4-8 Maximum Required Parking for Qualifying Projects

Bedrooms	Number of Parking Spaces
0-1	1 per unit
2-3	2 per unit
4 or more	2.5 per unit

Source: Merced City Zoning Ordinance, adopted 2022.

Conclusion

The City of Merced's Zoning Ordinance provides several opportunities for the reduction of parking for projects that contain affordable units and are located near transit. This reduces the development costs for multi-family housing. These incentives encourage, rather than constrain, affordable, transit-oriented development. However, residential parking requirements for smaller units, including mobile homes, senior citizen housing, studios (2 parking spaces required per unit) pose a potential constraint to housing development. Requiring more than one parking space for smaller units can be cost prohibitive for developers and may pose site design challenges. In addition, the required number of parking spaces is higher for multi-family units than single-family units, which is a constraint to housing development of multi-family units.

Recommended Action

Revise the Zoning Ordinance to reduce parking requirements for mobile homes, senior citizen housing, one-bedroom units, and studios to require no more than one space per unit. Revise the Zoning Ordinance to ensure parking requirements for multi-family housing units are not greater than single-family units. The City will implement Housing Program 6 *Zoning Code Amendments* to review and revise parking requirements for residential uses.

G4.3.2.2 Open Space Requirements

The City's requirements for yard and lot coverage requirements govern open space within residential developments. All required exterior setback areas, excluding areas required for access to the property, are required to be landscaped. Under the City's Density Bonus ordinance, the City allows for a reduction in open space by 10 percent.

Additionally, the City requires a buffer for all development in areas adjacent to riparian areas within the City. The Zoning Ordinance restricts development within 25 feet in width measured from the top of bank or 50 feet in width measured from centerline of any intermittent or perennial stream or river landward, whichever is greater. This reduces property owners from erosion and flooding, protects and enhances water resources, minimizes pollution, and preserves riparian vegetation and wildlife habitat and corridors. Trails, including pedestrian and bicycle trails are permitted within this buffer zone.

Conclusion

Open space requirements in Merced are typical of other jurisdictions. Additionally, the City allows a reduction in the amount of open space for qualified affordable housing to incentivize development. As a result, open space requirements are not a constraint to the development of housing.

Recommended Action

None required.

G4.3.2.3 Cumulative Impacts of Land Use Controls

The City's land use and zoning regulations may constrain the potential to achieve maximum densities allowed in each zoning district. Depending on the size of the parcel, development in medium and high density residential zones may not be able to achieve maximum allowed density under current development standards. Table G4-9 summarizes development standards in residential zones allowing multi-family uses.

Table G4-9 Development Standards in Multi-Family Residential Zones

Development Standards	R-2	R-3-2	R-3-1.5	R-4
Minimum Lot Area per Dwelling Unit	3,000	2,000	1,500	1,000
Minimum Lot Size	6,000	6,000	6,000	7,500
Setbacks				
Front	15 ft	15 ft	15 ft	15 ft
Interior Side	5 ft and 10 ft	5 ft and 10 ft	5 ft and 10 ft	6 ft and 10 ft
Rear	10 ft for structures over 25 ft and an additional 1 ft for each additional 5 ft in height			
Maximum Lot Coverage	50%	55%	55%	65%
Maximum Height	35 ft	35 ft	35 ft	40 ft
Minimum Parking Spaces (per unit)	1.75 spaces per 2-bedroom unit			
Minimum Open Space (per unit)	5 ft x 8 ft	5 ft x 8 ft	5 ft x 8 ft	5 ft x 8 ft

Source: Merced City Zoning Ordinance, adopted 2022.

Additional development standards applicable to multi-family housing development that affect the developable area of a lot include:

- Rear yard minimum ten (10) feet for structures over twenty-five (25) feet in height, an additional one (1) foot per each additional five (5) feet in height.
- Within the R-1 and R-2 zoning districts, required off-street parking spaces may not be located within any required exterior setback area, except for required parking spaces for accessory dwelling units on the property. Within the R-3 and R-4 zoning districts, off street parking spaces may be located within required exterior setback areas if the total off-street parking requirement exceeds four (4) spaces.
- Within the R-2-1.5 zoning district, A minimum of twenty-five (25) percent of the front elevations along a street shall have a minimum twenty-five-foot garage setback.

- For Multi-Family Dwelling with Five (5) or More Units (or Three (3) or More Units on Corner Lots) in Non-Planned Development Zoning Districts:
  - Building construction shall not exceed the plane established by 1:1 height and setback ratio from any exterior property line of a lot or parcel, for more than fifty (50) percent of the allowable building area at any established distance from said exterior property line.

To evaluate the cumulative impacts of the City's land use and zoning regulations on housing development, conceptual multi-family development scenarios were analyzed to determine if the maximum allowed density of each multi-family zoning district is physically feasible using the applicable development standards. The analysis, shown in Table G4-10, indicates that height, setbacks, parking, and open space requirements are sufficient to accommodate maximum densities and are comparable to development standards of other cities in the region. As shown in Table G4-10, the net developable lot area for each of the development scenarios is primarily determined by maximum lot coverage, since setback requirements are generally less restrictive to the developable area of a lot. The total area needed to accommodate the maximum allowed density in each development scenario was calculated by adding the square footage of surface parking and housing units on the ground floor. The achieved lot coverage (square footage of parking plus housing on the ground floor) is greater than the allowed lot coverage for the R-3-2, R-3-1.5, and R-4 development scenarios. Although the scenarios assume one- and two-story development, three stories would be permitted in all development scenarios. However, even with the additional stories, the development scenarios would still exceed the allowed lot coverage, which is the limiting factor. Additionally, while the 1:1 height and setback ratio for multi-family dwellings is intended to ensure that buildings do not create excessive bulk or shadows, it can constrain housing on smaller lots, or in higher density areas. Therefore, cumulative development standards are a constraint to housing.

Lot coverage standards combined with parking requirements are the primary constraint to achieving maximum density in higher density residential zones. The City's Zoning Ordinance defines "lot coverage" as the "area of a lot occupied by buildings, structures, and required parking areas unobstructed from the ground upward" excluding fences, walls, hedges, swimming pools or uncovered patios. As shown in Table G4-10, parking consists of a significant portion of lot coverage in the R-3 and R-4 development scenarios, nearly reaching the total allowed lot coverage for the R-4 zoning district. Utilizing housing stacked on top of parking or stacked parking would reduce lot coverage for multi-family housing development within the R-3 and R-4 zoning districts. However, without these methods, achieving maximum density would be challenging, particularly for smaller lots with fewer units where stacked parking and housing may not be suitable.

Table G4-10 Multi-Family Development Test Fit Scenarios

Development Standards	R-2	R-3-2	R-3-1.5	R-4	R-4
Scenario lot size[1]	7,500 sf	8,000 sf	8,000 sf	8,000 sf	15,000 sf
Max units	2 units	4 units	5 units	8 units	15 units
Maximum height	35 ft	35 ft	35 ft	40 ft	35 ft
Net lot size (with required setbacks)[2,3]	4,675 sf	4,875 sf	4,875 sf	4,800 sf	10,500 sf
Net lot size (with lot coverage limits)[3]	3,750 sf	4,400 sf	4,400 sf	5,200 sf	9,750 sf
Total unit square footage (1,000 sf/unit)	2,000 sf	4,000 sf	5,000 sf	8,000 sf	15,000 sf
Parking	4 spaces	7 spaces	9 spaces	14 spaces	26 spaces
Parking square footage (350 sf/space)[4]	1,400 sf	2,450 sf	3,150 sf	4,900 sf	9,100 sf

Development Standards	R-2	R-3-2	R-3-1.5	R-4	R-4
Open space square footage (40 sf/unit)	80 sf	160 sf	200 sf	320	600 sf
Total square footage to accommodate development scenario[5]	3,400 sf	4,450 sf	5,650 sf	8,900 sf	16,600 sf
Lot coverage consisting of parking[6]	19%	31%	39%	61%	61%
Total lot coverage	32%	56%	71%	111%	111%

[1] Lot sizes for each development scenario are based on typical lot sizes for each zoning district.

[2] Setbacks for scenario lots are assumed to consist of interior side setbacks for all development scenarios, 5 ft rear setback for R-1 development scenario, and 10 ft rear setbacks for R-3 and R-4 development scenarios.

[3] Net Lot Size for each scenario are calculated using the required setbacks and lot coverage limits for each zoning district as both standards affect the net developable area for each development scenario. The smaller of the two measurements is the actual Net Lot Size for each development scenario.

[4] 200 sf/parking space and 150 sf of drive aisle/parking space.

[5] Total square footage to accommodate development scenario is calculated as the building square footage for the first story + square footage for parking. R-2 development scenarios assumed to consist of one story and R-3 and R-4 development scenarios assumed to consist of two stories.

[6] Parking for each development scenario is assumed to consist of surface parking only.

Source: Merced City Zoning Ordinance, adopted 2022.

Conclusion

While parking requirements in Merced are typical for similar uses in other jurisdictions, the inclusion of surface parking in lot coverage measurements makes it difficult for smaller sized lots in the R-3 and R-4 zoning districts to achieve the maximum allowed density. Therefore, lot coverage requirements are a constraint to the development of housing. Due to these limitations smaller sized lots in the R-3 and R-4 zoning districts may not be able to develop to their full potential. This restriction can limit the housing supply, leading to increased housing costs if demand exceeds the available units. Considering the R-3 and R-4 districts have some of the highest allowed residential densities of all zones in the city and that many parcels in these zones are smaller lots, this could significantly limit the number of residential units that can be built in the city.

Recommended Action

Amend the Zoning Ordinance to increase the maximum lot coverage in R-3 and R-4 zones or revise the definition for “lot coverage” to exclude surface parking and allow for multifamily buildings to exceed the 1:1 height and setback ratio if they can demonstrate no significant adverse impact on adjacent properties. The City will implement Housing Program 6 *Zoning Code Amendments* to revise lot coverage standards for R-3 and R-4 zoning districts.

G4.3.3 Density Bonus

California law requires local jurisdictions to provide density bonuses (generally ranging from five to 80 percent) and development incentives or concessions for housing developments that include housing units that are affordable to lower- and moderate-income households or senior housing or the donation of land for housing within the local jurisdiction (Government Code Section 65915-65918). Certain housing development projects may be granted unlimited density if they meet certain conditions, including projects where 100 percent of units are affordable units (including density bonus units) with no more than 20 percent of units for moderate-income households and the project is located within on-half mile of a major transit stop as defined by subdivision (b) of Section 21155 of the Public Resources Code. An unlimited density bonus means there is no cap on the total number of residential units per

acre permitted on the site; however, there are other restrictions, such as height limits, that have a practical limiting effect on the number of units that can be built. Development incentives or concessions are reductions or modifications to site development standards or architectural design requirements that result in cost reductions, such as setbacks, parking requirements, and maximum building height.

The City of Merced does not have an inclusionary housing ordinance, but the City adopted a Density Bonus ordinance in 2005 and amended it in 2016 to comply with state law. The Density Bonus Ordinance provides incentives for the production of housing for very low-income, low-income, and senior households and for the production of housing for moderate-income households residing in condominiums and planned development projects. The City grants development bonuses in projects with five or more units and provides a certain amount of affordability as outlined in Table G4-11, for a maximum of 35 percent.

Table G4-11 Density Bonus Summary

Target Group	Minimum % Target Units	Bonus Granted	Additional Bonus for each 1% Increase in Target Units	Percent Target Units Required for Maximum 35% Bonus
Very Low-Income	5%	20%	2.5%	11%
Lower-Income	10%	20%	1.5%	20%
Moderate-Income (Condo or Planned Development Only)	10%	5%	1%	40%
Senior Citizen Housing Development	100%	20%	–	–

Source: Merced City Zoning Ordinance, adopted 2022.

Additionally, the City allows modifications of development standards for developers seeking a density bonus as an incentive. One incentive is permitted for projects that include 10 percent of units for low-income households, five percent for very low-income households, or 10 percent for families of moderate-income. Two incentives are permitted for projects that include 20 percent of units for low-income households, 10 percent for very low-income households, or 20 percent for moderate-income households. Three incentives are permitted for projects that include at least 30 percent for low-income households, 15 percent for very low-income households, or 30 percent for moderate-income households. These incentives include:

- Reduced minimum parcel size or dimension
- Reduced minimum setback (front, rear or side)
- Increased maximum parcel coverage
- Reduced open space requirement
- Increased maximum structure height
- Waiver of a design standard from the City's Engineering Standards

Qualified projects that include a childcare facility as part of the development are permitted an additional density bonus or incentive. Incentives/concessions are also available for developers who donate land to the City to construct affordable units.

Conclusion

The City of Merced's Density Bonus Ordinance does not reflect the most recent changes to State Density Bonus Law. This can be considered a constraint to housing. The City is currently preparing an update to the Density Bonus Ordinance to bring it in compliance with state law.

Recommended Action

Amend the Zoning Ordinance to reflect the most recent amendments to State Density Bonus Law. The City will implement Housing Programs 6 *Zoning Code Amendments* and Program 7 *Facilitating Affordable Housing Development* to revise the Density Bonus Ordinance to comply with state law.

G4.3.4 On-/Off-Site Improvement Standards

The typical improvements required by local jurisdictions for subdivision and development of property include reasonable off-site and on-site improvements for the parcels being created, including those that are necessary for public health and safety and/or a necessary prerequisite for the orderly development of the surrounding area. As stated in United States Department of Housing and Urban Development's study of Subdivision Requirements as a Regulatory Barrier, such requirements can reasonably be considered regulatory barriers to affordable housing if Merced determines that the requirements are greater (and hence, more costly) than those necessary to achieve health and safety requirements in the community. The City provides and operates water, sanitary sewer, and stormwater drainage services.

The City of Merced's Subdivision Ordinance requires on- and off-site improvements that are similar to the requirements of other cities in Merced County. General subdivision requirements include streets, alleys, sidewalks, curbs, gutters, pavements, sanitary sewer lines, sewer pumping stations, water supply systems, gas systems, fire hydrants, fire alarms, culverts, street name signs, streetlights and drainage.

In reference to required on- and off-site improvements, the City's Zoning Ordinance states the following:

- If the minor subdivision committee approves the tentative parcel map it may require the construction of reasonable off-site and on-site improvements for the parcels being created. Requirements for the construction of such off-site or on-site improvements shall be notified by certificate on the parcel map, on the instrument evidencing the waiver of the parcel map, or by separate instrument and shall be recorded on, concurrently with, or prior to the parcel map or instrument of waiver of a parcel map being filed for record. The construction of such improvements shall be required prior to the subsequent issuance of a permit or other grant of approval for the development of such parcel. The minor subdivision committee may require the fulfillment of such improvement requirements prior to recording the final parcel map or within a reasonable time following recording of the parcel map and prior to the issuance of a permit or other grant of approval for the development of a parcel upon a finding by the minor subdivision committee that fulfillment of the improvement requirement is necessary for reasons of:
  - The public health and safety; or
  - The required construction is a necessary prerequisite to the orderly development of the surrounding area.
- If the improvements are required within such a time period, an improvement security shall be posted in one of the forms set forth in Section 18.24.150.

The City's Zoning Code does not set forth the specific site improvements required for a subdivision. However, it does establish requirements for the following improvements: streets and alleys, drainage

facilities, curbs and gutters, sidewalks, sewage disposal facilities, water mains, street lights, railroad crossings, traffic-control devices, and bikeways.

Based on conversations with local housing developers, the City anticipates that the overall costs of on- and off-site improvements amount to between 10 and 45 percent of the total development costs. The cost of on- and off-site improvements varies significantly based on the specifics of each project. The cost of improvements can be a constraint, particularly for projects on sites with a substantial amount of street frontage relative to project land area. On and off-site improvement costs can increase substantially in rural, underdeveloped, or poorly serviced areas. Improvement costs that are greater than 30 percent of total development costs are high compared to other jurisdictions and are a constraint to development of affordable housing. These high costs may be due to extraordinary circumstances, such as topographical or environmental constraints (e.g., grading or flood control measures). As such, the City Merced will implement Programs 7 and 13 to promote infill development where public infrastructure is in place. The City will also implement Program 12 to ensure that the City's water and sewer adequately services areas where development is planned.

Improvement Standards

The City requires curbs, gutters, and sidewalks on all residential streets, including access ramps at corners. The typical right-of-way for local streets is approximately 60 feet, 40 feet of which is for pavement. The Municipal Code provides for a minimum right-of-way width of 40 feet for a subdivision. The Municipal Code also allows for private streets to deviate from the City standards, provided that future maintenance of the streets is assured by the developer. Streetlights and fire hydrants are required at regular intervals within the City to ensure an acceptable level of public health and safety.

The extension of necessary utilities is also a requirement for all development in Merced. The City has adequate capacity to provide water and sewer service to future housing development and only needs to extend service lines to development areas. Within the City, electricity, natural gas, and communications infrastructure are provided by outside agencies. The improvement requirements imposed by those agencies are outside the purview of the City. However, the City does require approval from those agencies prior to the approval of any subdivision map.

Public improvement standards and approximate values for each standard are listed below.

- Local Street – 60-foot right-of-way, including 36 feet of pavement with two travel lanes and two parking lanes. 2 inches A.C. over 6 inches compacted aggregate. Value: range between $4.00 to $6.00/sf.
- Curb and Gutter – 30 inches from asphalt pavement to back of curb, 7 ½ inches concrete over compacted native soil. Value: $15 to $25 per linear foot, dependent upon method of construction.
- Sidewalk – 48 inches from back of curb, 4 inches concrete over compacted native soil. Value: range between $4.00 to $5.00/sf.
- Sewer Lateral – 4-inch PVC (dependent upon depth) with minimum slope of ¼-inch per foot. Value: range between $3,000 to $4,000/ea.
- 1-inch Water Service – 1 inch CTS polyethylene pipe, meter boxes, bronze saddles, straps, and bolts. Value: range between $2,000 to $4,000/ea.-

Conclusion

On- and off-site improvement standards for the City of Merced are typical of similar cities and comparable to surrounding jurisdictions. These improvements are considered necessary to the health

and wellbeing of residents. However, developers have expressed that on- and off-site improvements can be a constraint to housing development, especially for projects with large amounts of street frontage.

Recommended Action

The City will implement Housing Program 7 to allow improvements to be negotiated for affordable housing projects by providing assistance for the construction of on- and off-site improvements.

G4.3.5 Provision of a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites that are zoned to encourage the development of a variety of housing types available to all economic segments of the population. People and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. This includes single-family homes, multi-family housing, accessory dwelling units, mobile homes, agricultural employee housing, homeless shelters, and transitional housing, among others. Table G4-12 summarizes the housing types permitted and conditionally permitted for the City of Merced.

Table G4-12 Residential Use Matrix

Residential Use	R-R	R-1	R-2	R-3	R-4	R-MH	D-COR	D-O	D-CM	C-C	C-N	C-O	B-P	R-IV	R-OV	C-V
Accessory Dwelling Units	P	P	P	P	P	X					X	X	X	P[7]	P	
Duplex Homes	X	P	P	P	P	X					X	X	X	P[7]	P	X
Fraternities and Sororities	X	C	C	C	C	X					X	X	X			
Group/Transitional/Supportive Housing	P[3]	P[3]	P[3]	P[3]	P[3]	P[3]	P[5]	P[5]	SP	P	C	C	C	SP[7]	X	P[5]
Mobile Home Parks	C	X	X	X	X	SP				P[1]	X	X	X			
Multiple-Family Dwellings	X	X	C[4]	P	P	X	P[5]	P[5]	SP	P	C	C	C	P[7]	X	P[57]
Residential Care Facilities, Small	P	P	P	P	P	P	P[5]	P[5]	SP	P[2]	X	X	X	P	P	X
Residential Care Facilities, Large	C	C	C	C	C	X	C	C	C	P[2]	X	X	X	C	C	C[5]
Single-Family Dwellings	P	P	P	P	P	M					X	X	X	C[7]	P	X
Single Room Occupancy	X	X	X	SP	SP	X	P[5]	SP	SP	P[2]	X	X	C	SP[7]	X	
Emergency Shelters										C	X	X	X			SP[57]
Live/Work Units								P[6]	P[6]	P[6]	C	C	X	M[7]	C	P[5]

P = permitted; M = Minor Use Permit Required; SP = Site Plan Review Permit Required; C= Conditional Use Permit Required; Use Not Allowed

Notes:

[1] Residential use on the ground floor is prohibited unless it is located on the back of the property where it is not visible or approved with a conditional use permit.

[2] Allowed only for converted hotels or motels.

[3] Only permitted for rooming and boarding houses as an accessory use. The maximum persons allowed are: R-1, R-R, & R-MH (1 person); R-2 (2 persons); and R-3 and R-4 (no limit).

[4] Permitted only on lots fifteen thousand (15,000) sq. feet or greater with five (5) or more units and at least three thousand (3,000) square feet per unit.

[5] Prohibited as a single use unless approved with a conditional use permit. Permitted as part of a residential mixed-use project.

[6] Residential use on the ground floor is prohibited unless it is located on the back of the property where it is not visible or approved with a conditional use permit.

[7] Must meet minimum density requirements of ten (10) dwelling units/acre

Source: Merced City Zoning Ordinance, adopted 2022.

Manufactured Housing/Mobile Homes

Manufactured, or mobile homes are permitted in all residential zones, but are required to have a permanent foundation. Mobile home parks require a CUP in R-R zones, and a Site Plan Review Permit in R-MH zones. Manufactured homes are subject to the same design standards as single-family homes, as detailed in Section 20.46.020 of the Municipal Code.

Conclusion

Manufactured housing is subject to the same development and design standards as single-family homes. Additionally, manufactured homes must be permitted in the same manner and in the same zones as conventional structures are permitted according to Government Code Section 65852.3. The Zoning Ordinance complies with state law and is not a constraint to the development of mobile homes.

Recommended Action

None required.

G4.3.5.1 Accessory Dwelling Units

In recent years, several bills have added requirements for local governments related to accessory dwelling unit (ADU) regulation. Updates to state law in 2016 and 2017 included changes pertaining to the allowed size of ADUs, permitting ADUs by-right in at least some areas of a jurisdiction, and reduced parking requirements related to ADUs. More recent bills reduce the maximum allowable time to review and approve ADU applications to 60 days and remove lot size and replacement parking space requirements. AB 68 allows an ADU and a junior ADU (JADU) to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered permit fee structure for ADUs based on their size and location, and prohibits fees on units of less than 750 square feet. In addition, AB 671 requires the Housing Element to include plans to incentivize and encourage affordable ADU rentals.

In 2022, two laws were passed that affect ADU law. Both went into effect in 2023. SB 897 increases the existing height limit for attached and detached ADUs that meet certain conditions. AB 2221 clarifies existing ADU law to close procedural and permitting loopholes for approving ADUs, including the requirement for approving or denying applications within 60 days of application submittal and providing a full set of comments and remedies to applicants with denied applications. Additionally, AB 2221 adds front setbacks to the list of local development standards that local governments cannot impose if they would preclude construction of an attached or detached ADU of at least 800 square feet, that is at least 16 feet in height and that has at least four-foot side and rear yard setbacks.

The City permits the construction of Accessory Dwelling Units (ADUs) or Junior ADUs (JADUs) in any residential zone that allows single-family or multi-family residential or mixed use. A permit application for an ADU or JADU may be allowed with ministerial review, approval, and issuance of a building permit, without discretionary review or a public hearing. ADUs and JADUs are subject to the following standards:

- Type: ADUs may be attached, detached, or converted habitable space. JADUs must be contained entirely within a single-family dwelling and be no more than 500 square feet.
- Number: One ADU and one JADU are allowed per lot with a proposed or existing single-family dwelling. For multi-family parcels, the number of converted cannot exceed 25 percent of the total number of dwelling units, and no more than two detached ADUs may be permitted.

- Site requirements: There are no minimum parcel sizes for ADUs, but an ADU may only be established on a site with a primary dwelling (either existing or being built at the same time). The City adheres to the statewide ADU exemption which precludes lot coverage, floor area ratio, open space, or minimum lot size requirements for ADUs.
- Size: The floor area of an attached or converted ADU shall not exceed 50 percent of the living area of the existing primary single-family dwelling on the parcel or 1,200 square feet, whichever is less. Garages and carports are excluded from floor area calculations for both the primary dwelling and accessory unit. The floor area of a detached ADU shall not exceed 1,200 square feet, excluding any space devoted to a carport or garage.
- Development standards:
  - An ADU shall comply with all current development and design standards of the General Plan and Zoning Ordinance that are applicable to the primary dwelling, including, but not limited to, building setbacks, parcel coverage, building height, and architectural design.
  - The accessory dwelling unit (ADU) in compliance with this section shall not be considered to exceed the allowable density for the lot upon which it is located and shall be deemed to be a residential use which is consistent with the existing general plan and zoning designations for the lot. The ADU shall be deemed to be an accessory use or accessory building and shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.
  - No lot line adjustment, subdivision of land, air rights or condominium shall be allowed to enable the sale, transfer, or disposal of the accessory dwelling unit independently of the primary dwelling unit or any portion of the property except in accordance with MMC 20.42.040(C). This stipulation shall be included in a recorded deed restriction on the property.
  - An ADU or JADU shall only be allowed on parcels connected to public water and sewer service.
- Statewide Exemption ADU. No lot coverage, floor area ratio, open space, or minimum lot size requirement shall preclude the construction of an ADU up to 800 square feet, 16 feet in height, and with 4-foot side and rear yard setbacks. The construction of a detached Statewide Exemption ADU may be combined with a JADU within any zone allowing residential or mixed use.
- Design Requirements:
  - Height: Attached or converted ADUs cannot exceed the height of the existing single-family dwelling. A detached ADU on a parcel containing a multi-family dwelling may not exceed sixteen (16) feet.
  - Materials and Roof Form: The ADU or JADU entrance shall have the same exterior finish materials as the existing or proposed single-family dwelling on the parcel and shall be of the same construction typical of other dwelling units in the zone. The ADU or JADU shall have the same roof form as the primary dwelling and shall not have a flat roof.
  - Setbacks: When an existing detached accessory structure is converted to a detached ADU, no additional setbacks shall be required. For all detached ADUs and ADUs built above a detached garage, a four-foot side and rear setback are required.
  - An unobstructed pathway that extends from the entrance to the street is required.
- Parking: A maximum of one (1) additional off-street parking space shall be provided for an ADU or per bedroom, whichever is less. Parking for an ADU may be provided as tandem parking on an existing driveway or in the front or rear setback areas. These spaces shall not be covered if located within the setback areas. Parking is not required for ADU if it is located within one-half mile walking

distance of public transit, if it is located within an official architecturally and historically significant historic district, if it is part of the primary residence or accessory structure, if on-street parking permits are required but not offered to occupants of an ADU, if a car share vehicle is located within one bloc, or if the ADU is attached or converted.

- Occupancy: The City does not impose occupancy requirements until January 1, 2025. After January 1, 2025, the owner of a parcel with an ADU shall be permitted to rent either the primary unit or the ADU, but not both, and may reside in either the primary dwelling unit or the ADU, if the ADU is located within an R-1 zone or equivalent designation in a Planned Development only. This requirement does not apply to any other zoning districts. For JADUs, owners are required to occupy either the JADU or the single-family dwelling unless the owner is a governmental agency, land trust, or housing organization.
- Rental Term: An ADU may be rented for a minimum of 30 continuous days.
- Conveyance: An ADU shall not be sold or otherwise conveyed separately from the principal residence, except when sold by a qualified nonprofit corporation to a qualified buyer in accordance with Government Code Section 65852.26 with affordability restrictions.
- Fees and utilities: ADUs are not a new residential use for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service unless the ADU or JADU is constructed with a new single-family dwelling. A new ADU is required to pay all applicable fees, including impact fees if greater than 750 square feet. ADUs less than 750 square feet are not subject to impact fees.

Conclusion

The City of Merced's ADU Ordinance allows second dwelling units in all zones allowing single-family and multi-family residential uses and is in compliance with ADU requirements contained in recent State ADU legislation. As a result, the City's ADU Ordinance encourages, rather than constrains, the development of ADUs as a form of affordable housing. However, size requirements for ADUs are not consistent with state law which stipulates that ADU size may not be restricted to less than 850 square feet or at least 1,000 square feet for ADUs with more than one bedroom. The City is updating the ADU Ordinance to comply with future state law updates, with an anticipated adoption in October 2023. Additionally, the City has published pre-approved ADU plans on the City's website.

Recommended Action

Revise the Zoning Code to ensure the ADU Ordinance complies with State ADU law. The City will implement Housing Program 5 *Accessory Dwelling Units* to revise the ADU Ordinance to comply with state law.

G4.3.5.2 Multi-Family

The City of Merced defines "multiple-family dwellings" as, "A residential structure that contains three (3) or more dwelling units." Multi-family housing is permitted by-right in R-3, R-4, D-COR, D-O, C-C, R-IV, and C-V zones. Multi-family is permitted in R-2 C-N, C-O, and B-P zones with a CUP and with a Site Plan Review Permit in D-CM, zones. Duplex homes are permitted by-right in R-1, R-2, R-3, and R-4 zones. In the R-IV and C-V zones multi-family housing is permitted by-right as part of a mixed-use development but requires a CUP if proposed as a single use. Multi-family development is not permitted in any other zoning district.

Multi-family zones are clustered primarily near Downtown Merced but are also scattered throughout the city.

Conclusion

The City's zoning regulations provide sufficient opportunities for the development of multi-family dwellings. Additionally, duplex homes are permitted by-right in lower-density zones, allowing additional density. As a result, the City's zoning is not a constraint to the development of multi-family housing.

Recommended Action

None required.

G4.3.5.3 Group Homes, Residential Care Facilities, and Transitional and Supportive Housing

State law requires residential care facilities with six or fewer persons to be allowed by-right in all zones that allow residential uses in zones where single-family residential uses are allowed. The City defines group housing as, "Shared living quarters without separate kitchen or bathroom facilities for each room or unit, offered for rent for permanent or semi-transient residents on a weekly or longer basis." This definition includes rooming and boarding houses, dormitories, transitional and supportive housing, farmworker housing, and other types of organizational housing. Group homes/supportive housing are permitted in most residential zones. In R-R, R-1, R-2, R-3, R-4, and R-MH zones, group homes/supportive housing with six or fewer residents are permitted by-right, but are subject to maximum occupancy requirements [R-1, R-R, & R-MH (1 person); R-2 (2 persons); and R-3 and R-4 (no limit)]. In commercial zones, group homes/supportive housing are permitted by-right in the C-C zone and with a CUP in the C-O, C-N, C-SC, C-T, C-G, and B-P zones. Group homes/supportive housing with seven or more residents require a CUP. A Site Plan Review Permit is required for group homes/supportive housing in D-CM and R-IV zones. It is permitted in D-COR, D-O, and C-V zones as long as it is part of a residential mixed-use project.

The City defines residential care facilities as "state licensed residential facility providing social and personal care for residents. Examples include children's homes, homes for the elderly, orphanages, self-help group homes, and transitional and supportive housing for homeless individuals. Excludes facilities where medical care is a core service provided to residents, such as nursing and convalescent homes, and recovery residences." Small residential care facilities (six or fewer persons) are permitted by-right in the R-R, R-1, R-2, R-3, R-4, R-MH, R-OV, and R-IV zones. In the C-C zone small and large residential care facilities are permitted by-right as converted hotels or motels. In the D-COR, D-O, and C-V zones, small residential care facilities are permitted by-right as part of a residential mixed-use project or with a CUP as a single use. In the D-CM zone, small residential care facilities are permitted with a Site Plan Review Permit. Large residential care facilities (seven or more persons) are allowed with a CUP in the R-R, R-1, R-2, R-3, R-4, D-COR, D-O, D-CM, R-OV, and R-IV zones. Small residential care facilities are also permitted by-right in the A-G zone when associated with an agricultural use, which constitutes the primary use on the property.

In 2018, AB 2162 required cities to change their zoning to provide a "by-right" process and to expedite review for supportive housing projects of 50 units or fewer. This law applies to sites in zones where multi-family and mixed uses are permitted, including in nonresidential zones permitting multi-family use. Additionally, AB 2162 prohibits local governments from imposing any minimum parking requirements for units occupied by supportive housing residents if the development is located within one-half mile of a public transit stop. AB 2162 requires 25 percent of the units (or a minimum of 12 units, whichever is greater) to be approved by-right with no minimum parking. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing.

Conclusion

Currently, the City allows group homes/supportive housing and residential care facilities with six or fewer residents "by-right" in all residential zones, as well as in the R-OV, and R-IV zones and as part of a residential mixed-use project in the D-COR, D-O, and C-V zones. The City does not comply with AB 2126 as group homes/supportive housing and residential care facilities are not permitted "by-right" in all zones allowing multi-family and mixed-uses. Large residential care facilities require a CUP expect in the C-C zone if the facility is a conversion of a hotel or motel use. In addition, the City does not provide an exemption from parking requirements for supportive housing units. This can be considered a constraint to transitional and supportive housing and group homes.

Recommended Action

Revise the Zoning Ordinance to reduce minimum parking requirements for transitional and supportive housing located within one-half mile of a public transit stop. Revise the Zoning Ordinance to permit residential care facilities for seven or more people by-right in the R-4, D-COR, D-CM, and R-IV zones. The City will implement Housing Program 6, *Zoning Code Amendments*, to revise development standards and permitting requirements for residential care facilities and supportive housing to comply with state law.

G4.3.5.4 Emergency Shelters

In 2019, AB 101 was passed requiring that a Low Barrier Navigation Center development be a use by-right in mixed use districts and nonresidential districts permitting multi-family uses. A Low Barrier Navigation Center is a low barrier, temporary, service-enriched shelter that helps homeless individuals and families obtain permanent housing. The City will need to amend its Zoning Code to explicitly allow the development of Low-Barrier Navigation Centers, by right, in mixed-use districts and nonresidential districts permitting multi-family uses.

AB 2339 was passed in 2022 and went into effect January 1, 2023. AB 2339 requires that jurisdictions identify zoning designations where emergency shelters are allowed to include sites that meet at least one of the following:

- Vacant and zoned for residential use;
- Vacant and zoned for nonresidential use and located near amenities and services for homeless individuals;
- Nonvacant and is suitable for use as a shelter in the current planning period.

The Zoning Code defines emergency shelters as "Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person." The City permits emergency shelters by-right in C-G zones. A CUP is required for emergency shelters in C-C, C-T, and B-P zones.

Emergency shelters are subject to the following development standards:

- Beds. The maximum number of beds on a property is 200.
- Parking. Off-street parking is required (one parking space per 10 beds plus one space per 300 square feet of office or other non-residential floor area).
- Lighting. Adequate lighting shall be provided in all parking, pedestrian paths, and entry areas and shall be shielded and reflected away from adjacent uses.

- Management/Security. Adequate management, support staff, and security must be present during the hours of operation, with a minimum of one supervisory staff member, and one employee of the same gender as clients.
- Length of Stay. The maximum length of stay shall be no longer than that established by the California Health and Safety Code for emergency shelters.
- Outdoor Activity. Outdoor activity shall be allowed only during the hours of 8:00 a.m. to 10:00 p.m.
- Pets. If pets are allowed, all pets shall be housed within the emergency shelter or within cages in a protected area.
- Services. Supportive services may include counseling, medical services, showers, and laundry facilities within the facility.

The Merced County Point-In-Time Count estimated that 855 unhoused individuals were residing in the county in 2022, including 555 in the city of Merced. Of that number, 224 are unsheltered and 331 are sheltered. Based on this count, the City must provide at least 111,000 square feet (2.55 acres) of land that can accommodate emergency shelters. As shown in Table G4-13, Merced has the potential capacity for more than 555 individuals in emergency shelters in C-G zones, which is greater than the identified 555 individuals counted in 2022.

C-G zones are concentrated in the center of the city, near Merced's downtown and many neighborhood services. There are several grocery stores in this zone, providing convenient access to food. Health care and medical services are also nearby. Just south of State Route 99, adjacent to the C-G zone, are two medical centers, Mercy Medical Center and Dignity Health Family Care Clinic. Additionally, the Salvation Army is located within this zone, south of State Route 99, and offers a wide range of services for individuals experiencing homelessness, including a food pantry, meal distribution, homeless outreach, school programs, rehabilitation services, and employment assistance. The C-G zone is in proximity to several Merced Transit Authority bus routes, including the M1, M2, M3, M4, M5, and the M6, allowing access to amenities and services.

Table G4-13 Emergency Shelter Capacity Analysis

Zoning	Acreage	Realistic Capacity (beds)	Vacant/Non-Vacant
C-G	18.56	4,042	Vacant
C-G	196.42	42,780	Non-Vacant
Total	**214.98**	**46,822**	

Source: Merced City Zoning Ordinance, adopted 2022.

Conclusion

Emergency shelters are permitted by-right in the C-G zone and with a CUP in the C-C, C-T, and B-P zone. In addition, the City's Zoning Code However, the C-G zone does not allow residential uses. Development standards for emergency shelters are subject, which is not in compliance with state law. For instance, emergency shelters are required to maintain "Adequate management, support staff, and security must be present during the hours of operation, with a minimum of 1 supervisory staff member, and 1 employee of the same gender as clients."

The City's definition of emergency shelter does not include other interim interventions, such as navigation centers, bridge housing, and respite or recuperative care and therefore does not comply with AB 2339. Low barrier navigation centers are not permitted in any zone. This is not consistent with state

law which requires low barrier navigation centers be allowed by-right in areas zoned for mixed use and nonresidential zones permitting multi-family uses.

Recommended Action

Revise the Zoning Ordinance to allow for emergency shelters as a permitted use without a conditional use or other discretionary permit in residential or mixed-use zones, or permit residential uses in the CG zone, in such a way that meets the requirements of AB 2339. Ensure that requirements for emergency shelters are objective. The City will implement Housing Program 6 *Zoning Code Amendments* to ensure emergency shelters are permitted in accordance with AB 2339 and to allow low barrier navigation centers by-right in mixed-use and nonresidential zones allowing multi-family uses.

G4.3.5.5 Transitional and Supportive Housing

In 2018, AB 2162 amended state law to require that supportive housing be allowed by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

The City permits transitional and supportive housing in all residential zoning districts, subject to maximum occupancy requirements [R-1, R-R, & R-MH (1 person); R-2 (2 persons); and R-3 and R-4 (no limit)], and the C-C zone. Transitional and supportive housing is allowed with a Site Plan Review Permit in the D-CM and R-IV district and with a CUP in the C-O, C-N, C-SC, and B-P districts. In the C-T and C-G zones, transitional and supportive housing is allowed by-right as part of a hotel or motel conversion. In the D-COR, D-O, and C-V zones, transitional and supportive housing is allowed by-right as part of a residential mixed-use project but requires a CUP as a stand-alone use.

Transitional and supportive housing is subject to the following development standards:

- Parking: 1 per 4 beds plus 1 per 300 sq. ft. of office and other nonresidential areas.

Conclusion

Transitional and supportive housing standards are not in compliance with AB 2162, as transitional and supportive housing uses are not subject to the same requirements as other residential uses of the same type in the same zone. The City also imposes a maximum number of persons for transitional and supportive housing in residential zones which may be a constraint to development. Parking requirements for transitional and supportive housing do not provide exceptions for development within one half mile of a public transit stop, as required by AB 2162.

Recommended Action

Revise the Zoning Ordinance to remove the maximum number of persons for transitional and supportive housing in the R-1, R-R, R-MH, and R-2 districts, allow supportive housing by-right in all zones where multi-family and mixed-uses are permitted, subject only to the same requirements as other residential uses of the same type in the same zone, and revise parking requirements, in compliance with AB 2162. The City will implement Housing Program 6 *Zoning Code Amendments* to amend the Zoning Code to comply with AB 2162.

Farmworker Housing/Employee Housing Act

The Employee Housing Act (Health & Safety Code Section 17021.6) requires that any employee housing consisting of no more than 36 beds in group quarters, or 12 units or spaces designed for use by a single family or household, shall be deemed an agricultural land use for the purposes of this section. Employee housing for six or fewer employees is to be treated as a single-family residential use. For the purpose of all local ordinances, no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located. The City's Zoning Ordinance defines farmworker housing as "Employee housing consisting of no more than thirty-six (36) beds in group quarters, or twelve (12) units or spaces designated for use by a single-family or household." The Zoning Ordinance considers employee housing as an agricultural use of the property and is subject only to the same requirements as all other agricultural uses in each zoning district. Employees do not have to work on the property where the employee housing is located.

Conclusion

Agriculture employee housing is permitted in all agricultural and residential zones. However, the Zoning Code does not treat employee housing for six or fewer employees as a single-family residential use. In compliance with Health and Safety Code Section 17021.6, agriculture employee housing is not subject to any restrictions, regulations, or fees not imposed on other agricultural uses in the same zone and does not constrain the availability of employee and farmworker housing in the county.

Recommended Action

Revise the Zoning Code to permit employee housing for six or fewer employees as a single-family residential use. The City will implement Housing Program 6 *Zoning Code Amendments* to revise the Zoning Code to treat employee housing for six or fewer employees as a single-family residential use.

G4.3.5.6 Single-Room Occupancy Units

Single room occupancy (SRO) units provide affordable housing for lower-income individuals, seniors, and persons with disabilities. The City permits SROs by-right in D-COR zones if part of a residential mixed-use project and with a CUP as a stand-alone use, in C-C zones in converted hotels or motels, and with a Site Plan Review Permit in R-3, R-4, D-O, D-CM zones. They are also permitted with a CUP in B-P zone. In the R-IV and C-V zones, SROs are permitted with a Site Plan Review Permit as part of a residential mixed-use project or with a CUP as a stand-alone use. SROs are not permitted in C-T and C-G zones, but these zones do permit hotels and motels.

SROs are subject to the following development standards:

- Location: A single-room occupancy (SRO) use, including college dormitories, shall not be located within 300 feet of any other SRO use or emergency shelter, unless such use is located within the same building, on the same lot, or on the same college campus.
- Development Standards:
  - SRO units shall have a minimum size of 150 square feet and a maximum of 1200 square feet.
  - Each unit shall accommodate a maximum of two persons.
  - SRO uses shall provide adequate exterior security lighting.

  - Laundry facilities must be provided in a separate room at the ratio of one washer and one dryer for every twenty units or fractional number thereof, with at least one washer and dryer per floor.
  - An SRO unit is not required to, but may contain, partial or full bathroom facilities.
    - A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink and bathtub, shower, or bathtub/shower combination.
    - If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with the currently adopted Building Code for congregate residences with at least one full bathroom per 10 units or one per floor, whichever is greater.
  - A partial or full kitchen facility may be provided in each unit but is not required.
    - A full kitchen includes a sink, a refrigerator and stove, range top, or oven. A partial kitchen is missing at least one of these appliances.
    - If a full kitchen is not provided, common kitchen facilities shall be provided with at least one full kitchen per floor. If meals are provided, one large cafeteria or dining facility may substitute for the individual kitchens.
  - Each SRO unit shall have a separate closet.
  - Each SRO unit shall comply with all requirements of the currently adopted Building Code, and all units and common areas shall meet applicable accessibility and reasonable accommodation requirements.

- Management Standards:
  - An SRO facility with 10 or more units shall provide on-site management.
  - An SRO facility with less than 10 units may provide a management office off-site.
- Tenancy: Tenancy of SRO units shall not be for less than 30 days.
- Existing Structure: An existing structure may be converted to an SRO facility, consistent with the provisions of this section. Any such conversion must bring the entire structure up to current building code standards, including accessibility and adaptability standards, unless otherwise exempted by the City Building Official.

Conclusion

The City's Zoning Ordinance allows SROs by-right in two residential zones and with a Site Plan Review Permit in two Downtown zones. As a result, the Zoning Ordinance is not considered a constraint to the development of single room occupancy units. However, SROs are not permitted in all zones that allow hotels and motels.

Recommended Action

Revise the Zoning Ordinance to allow the development of SROs in zones allowing hotel or motel uses (C-T and C-G zones).

G4.3.6 Housing for Persons with Disabilities

California Government Code Section 65583 requires local jurisdictions to analyze potential and actual government constraints on the maintenance, improvement, and development of housing for people with disabilities. This is to ensure that persons with either physical or mental disabilities are provided

reasonable accommodation for access to and the enjoyment of all facilities, including housing. Government Code Section 65583(c)(3) also requires housing elements to provide a program to "…address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for persons with disabilities."

This section analyzes if the zoning policies and permitting procedures in Merced impose any constraints on persons with disabilities accessing appropriate and adequate housing in the City. A request for reasonable accommodation may be made by any person with a disability, their representative, or a developer or provider of housing for individuals with a disability. A reasonable accommodation may be approved only for the benefit of one (1) or more individuals with a disability.

Requesting Reasonable Accommodation

- As described in Chapter 20.84 of the Zoning Ordinance, in order to make housing available to an individual with a disability, any eligible person may request reasonable accommodation in a zoning regulation, policy, or practice. Requests for reasonable accommodation shall be in writing and provide the following information:
- Documentation that the applicant is:
  - An individual with a disability; or,
  - Applying on behalf of one (1) or more individuals with a disability; or,
  - A developer or provider of housing for one (1) or more individuals with a disability.
- The specific exception or modification to the Zoning Code provision, policy, or practices requested by the applicant;
- Documentation that the specific exception or modification requested by the applicant is necessary to provide one (1) or more individuals with a disability an equal opportunity to use and enjoy the dwelling; and,
- Any other information that the director of development services reasonably concludes is necessary to determine whether the findings required by Section 20.86.040 (Decision), hereof, can be made, so long as any request for information regarding the disability of the individuals benefited complies with fair housing law protections and the privacy rights of the individuals affected.

Required Findings

The written decision to grant, grant modifications, or deny a request for reasonable accommodation shall be consistent with fair housing laws and based on the following findings:

- The requested accommodation is requested by or on the behalf of one (1) or more individuals with a disability protected under the fair housing laws.
- The requested accommodation is necessary to provide one (1) or more individuals with a disability an equal opportunity to use and enjoy a dwelling.
- The requested accommodation will not impose an undue financial or administrative burden on the city as "undue financial or administrative burden" is defined in fair housing laws and interpretive case law.
- The requested accommodation will not result in a fundamental alteration in the nature of the city's zoning program, as "fundamental alteration" is defined in fair housing laws and interpretive case law.

- The requested accommodation will not, under the specific facts of the case, result in a direct threat to the health or safety of other individuals or substantial physical damage to the property of others.

According to the Zoning Ordinance, in considering whether the requested accommodation is necessary to provide one (1) or more individuals with a disability an equal opportunity to use and enjoy a dwelling, the City may consider the following:

- Whether the requested accommodation will affirmatively enhance the quality of life of one (1) or more individuals with a disability.
- Whether the individual or individuals with a disability will be denied an equal opportunity to enjoy the housing type of their choice absent the accommodation.
- In the case of a residential care facility, whether the requested accommodation is necessary to make facilities of a similar nature or operation economically viable in light of the particularities of the relevant market and market participants.
- In the case of a residential care facility, whether the existing supply of facilities of a similar nature and operation in the community is sufficient to provide individuals with a disability an equal opportunity to live in a residential setting.

The City may also consider the following factors in determining whether the requested accommodation would require a fundamental alteration in the nature of Merced's zoning regulations:

- Whether the requested accommodation would fundamentally alter the character of the neighborhood.
- Whether the accommodation would result in a substantial increase in traffic or insufficient parking.
- Whether granting the requested accommodation would substantially undermine any express purpose of either the city's general plan or an applicable specific plan.
- In the case of a residential care facility, whether the requested accommodation would create an institutionalized environment due to the number of and distance between facilities that are similar in nature or operation.

Written Decision on the Request for Reasonable Accommodation

The Director of Development Services shall approve, conditionally approve, or deny all applications for a reasonable accommodation. However, applications tied to a discretionary permit from a different review authority may elect to have the applicable review authority hear the request for a reasonable accommodation and act on that request at the same time as the other discretionary permit or approval is heard. Written determination on the request for reasonable accommodation shall be issued by the Director of Development Services or alternative review authority. Approval of reasonable accommodation shall go into effect after the 14 day appeal period. Decisions on requests for reasonable accommodation may be appealed to the Planning Commission or City Council in writing within 14 days of determination.

No fees are required for reasonable accommodation requests.

Conclusion

The City provides procedures for reasonable accommodation include discretionary requirements, specifically within the outlined factors for determining whether requests would require a fundamental alteration in the nature of Merced's zoning regulations. These considerations include subjectivity and no

objective measures for these factors are provided in the Zoning Ordinance. In addition, the Zoning Ordinance does not specify timing for determinations for requests for reasonable accommodation.

Recommended Action

Amend the required findings requests for reasonable accommodation to remove subjective judgments from the review process and add timelines for issuing written determinations on received requests.

G4.3.6.1 Definition of Family

Local jurisdictions may restrict access to housing for households that do not meet the jurisdiction's definition for "family." A restrictive definition of "family" that limits the number of individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.

Merced does not restrict occupancy of unrelated individuals and does not define family or enforce a definition in its Zoning Ordinance.

Conclusion

The City's definition of "family" is not restrictive.

Recommended Action

None required.

G4.3.6.2 Reasonable Accommodation Procedures

The federal Fair Housing Act and the California Fair Employment and Housing Act require that cities and counties provide reasonable accommodation where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. Cities and counties must also consider requests for accommodations related to housing for people with disabilities and provide the accommodation when it is determined to be "reasonable" based on fair housing laws and the case law interpreting the statutes.

Reasonable accommodation is one of the tools intended to further housing opportunities for people with disabilities. These accommodations require that local jurisdictions make modifications or exceptions in their zoning laws and other land-use regulations when accommodations are necessary to afford individuals with disabilities an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to waive a setback requirement so that a paved path of travel can be provided to residents with mobility impairments.

Reasonable accommodation enables developers and providers of housing for people with disabilities a means of requesting from the local government flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements because it is necessary to achieve equal access to housing.

In an effort to assist residents in providing housing for persons with disabilities, the City adopted a "Reasonable Accommodation" Ordinance in 2009. This Ordinance allows certain deviations from zoning and land use restrictions in order to provide accommodations for persons with disabilities. Additionally, the City adopted and implements the 2022 California Building Code, including Title 24 regulations of the code concerning accessibility for persons with disabilities. The City has not adopted any universal design elements in its Building Code beyond Title 24 requirements.

A request for reasonable accommodation may be made by any person with a disability, their representative, or a developer or provider of housing for individuals with a disability. A reasonable accommodation may be approved only for the benefit of one (1) or more individuals with a disability. All applications for reasonable accommodation shall be heard by a hearing officer as defined in the City's Zoning Ordinance. However, if the project for which the request for a reasonable accommodation is made requires another discretionary permit or approval that is subject to Planning Commission action, the applicant may elect to have the Planning Commission hear the request for a reasonable accommodation and act as the hearing officer at the same time as the other discretionary permit or approval is heard. If the applicant does not request a simultaneous hearing, then the request for a reasonable accommodation shall not be heard until after a final decision has been made by the City regarding the other discretionary permit or approval.

Conclusion

Merced enforces state requirements related to reasonable accommodation.

Recommended Action

None required.

G4.3.7 Planning and Development Fees

The development review process is intended to regulate all projects. Through this process, residential yard size and other open space uses are determined, which in turn control population density for conformance with the General Plan. Regulation is necessary to conserve and stabilize property values, provide adequate open space, diminish street congestion; facilitate adequate community utilities such as transportation, water, sewage, schools, parks, and other public facility requirements; and to safeguard public health, safety, and general welfare.

Table G4-14 describes residential development planning fees for both single- and multi-family development. The City charges various fees and assessments to cover the cost of processing permits and providing certain services and utilities. Development impact fees in Livingston are reasonable in comparison to other jurisdictions in the state and region.

Table G4-14 Residential Development Planning Fees

Fee Title	Amount
Annexation Process	
Single R-1 Lot (1 acre or less)	$1,509
All other annexations	$3,018 (+$224/acre)
Design Review (new developments)	$1,811
Determinations/Interpretations	
By Planning Commission	$755
By Staff	$75
Environmental Review	+ $50 filing fee for all
Categorical Exemption	$151
Negative Declaration	$1,509 (+ $2, 916.75 State Fish and Game Fee)
Mitigated Negative Declaration/Expanded Initial Study	$7,546 (+ $2,916.75 State Fish and Game Fee)
Environmental Impact Report	Based on cost (+ $4,051.25 State Fish and Game Fee)

Fee Title	Amount
Final Subdivision Map Review	$6,115
Lot Splits/Parcel Maps	$1,207
Lot Line Adjustment/Lot Mergers	$604
Building Permit--Planning Site Plan Review (residential)	$75
Site Plan Review	
Minor	$906
Major	$1,509
Tentative Subdivision Maps	
1-50 Lots	$4,528
50+ Lots	$7,546
Variance	
Single R-1 Lot	$1,283
All others	$1,509
Multiple on one application	$2,264
Zone Change	$4,528 (+ $149/acre)
Zoning Text Amendments	
Standards (Setbacks, signs, etc.)	$1,509
Land Use (Adding a land use to a zone, adjusting requirements for a specific land use, etc.)	$2,264
Conditional Use Permit	
Minor	$755
Regular	$3,773
Major	$3,773

Source: City of Merced Planning and Development Fee Schedule, Effective January 1, 2023. https://www.cityofmerced.org/home/showpublisheddocument/18020/638072193062230000, accessed July, 2023.

Development in the City is typically required to pay a range of development fees, including, water service fee, sewer service fee, and transportation impact fee. In Merced, development impact fees average about $71,248.26 for a single-family home and about $42,392.08 per multiple-family unit. The costs of service and infrastructure are nearly twice as much for single-family units than multi-family units. Additionally, the City offers a sliding scale for multi-family affordable housing developments, and a 50 percent discount for infill development.

Table G4-15 Residential Development Fees

Impact Fee	Single-Family Unit*	Multi-family Unit
Building Permit	$2,354.00	$2,354.00
Site Plan Review	-	$1,509.00
Design Review	-	$1,811.00
State Building Permit	$1.00	$1.00
Planning Review	$75.00	$75.00
Sewer Facility	$6,185.00	$6,185.00
Sewer Line/ Pump N Beat Crk	$1,267.00	$1,267.00

Impact Fee	Single-Family Unit*	Multi-family Unit
Water Facility Based on 1”	$10,074.00	$10,074.00
Residential State Tax (averaged)	$26.00	$26.00
Landscape/Watering	$10.00	$10.00
Street Tree	$10.00	$10.00
Water Meter	$360.00	$360.00
Refuse	$281.51	$281.51
Recycle	$148.61	$148.61
Park	$662.00	$662.00
Organics	$123.96	$123.96
PFIF 2021	$12,647.00	$9,231.00
Tax on Construction	$1,456.00	
Estimated Totals	$71,248.26	$42,392.08

* Based on 1,600 Square Feet

Source: City of Merced Single-Family Building Permit Only Estimate, Effective 2023.

In 1998, the City of Merced implemented an impact fee program to pay for needed public facilities and infrastructure related to new development. All new construction is subject to these impact fees. The fees were last updated in January 2024. These impact fees are used to fund needed capital facilities and infrastructure generated by new development over the next 20 years. Capital projects included in the fee calculations are arterial streets, traffic signals, bridges, railroad crossings, fire stations, police facilities, community parks, bikeways, smart technology, and other public facilities. Table G4-16 shows the impact fees per project category compared other jurisdictions in Merced County. Impact fees for both single-family are the highest in the area and multi-family buildings are lower than most nearby jurisdictions in Merced County.

Table G4-16 Residential Development Fee Comparison

	Total Cost Per Unit	
Jurisdiction	Single-Family	Multi-family
Atwater	$22,000	$14,000
Dos Palos	$12,435	$12,435
Gustine	$27,723	$22,285
Livingston	$20,804	$5,561
Los Banos	$32,961	$26,197
Merced (City)	$36,388	$8,977
Merced (County)	$30,996	$26,423

The City of Merced offers available discounts for certain projects:

- ADUs: No impact fees shall be imposed on ADUs of less than 750 square feet. For an ADU larger than 750 sq. ft., any impact fee shall be charged proportionately in relation to the square footage.
- Infill Development: Within the central area of the City and the Opportunity Zones, impact fees shall be reduced by 50 percent.

- Affordable Housing: Fees for affordable housing projects shall be determined on a case-by-case basis depending on the level of affordability, number of affordable units, etc. The determination shall be made by the Director of Development Services but can be appealed to the City Council.
- Single-Family Homes Smaller than the Average Home Size in Merced: The average single-family home size in Merced is 1,920 square feet. For homes that are at least 20 percent below that average size, a reduced fee shall be charged proportional to the percent below the average single-family home size.

According to AB 602, a jurisdiction is required to establish a reasonable relationship between the fee charged and the burden posed by the development. The fees are based on new development's "fair share" of the construction costs of new public facilities needed to maintain the existing level of service.

Conclusion

Given that planning and development fees are much lower in Merced than in other small cities in the region, planning and development fees are not a constraint to development.

Recommended Action

None required.

G4.3.8 Permit Types

The City of Merced provides the full range of services relating to the development of property within its city boundaries and Sphere of Influence. Subdivision maps, parcel maps, CUPs, and building plans are all processed by the City.

Site Plan Review Permit

A Site Plan Review Permit is a discretionary action that enables the City to determine a project's compliance with the Zoning Ordinance and ensure that it will not create negative impacts to adjacent properties or the general public. A Site Plan Review Permit is required for all uses and structures allowed under in the Zoning Code Part 2 (Zoning Design Standards) and all uses and structures within the Light Industrial (I-L) and Heavy Industrial (I-H) zoning districts, except for single-family detached dwellings and structures accessory to single-family detached dwellings.

Site Plan Review Permits are reviewed by the Site Plan Review Committee, which consists of three members holding the positions of the Chief Building Official, Director of Development Services, and the City Engineer or their respective designees. The Site Plan Review Committee may approve an application for a Site Plan Review Permit only if all of the following findings can be made:

- The proposed project is consistent with the General Plan, and any adopted area, specific, community, or neighborhood plan.
- The proposed project complies with all applicable provisions of the Zoning Ordinance and Municipal Code.
- The design and layout of the proposed project will not interfere with the use and enjoyment of existing and future neighboring properties and structures.
- The proposed architectural design makes use of appropriate materials, texture and color, and will remain aesthetically appealing and appropriately maintained.

- Any proposed landscaping design, including color, location, size, texture, type, and coverage of plant materials, as well as provisions for irrigation, maintenance, and protection landscaping elements, will complement structures and provide an attractive environment.
- The proposed design will not be materially detrimental to the public health, safety, or welfare, or be injurious to the property or improvements in the vicinity of the proposed project.

Site Plan Review requires the Site Plan Review Committee to determine what constitutes as interference with use and enjoyment of neighboring properties, what is appropriate architectural design that is aesthetically pleasing, and what constitutes as materially detrimental to the public health safety or welfare. These findings are subjective and require the interpretation and discretion of the Site Plan Review Committee. This adds time to the review and creates an unpredictable development review process.

Conditional Use Permits/Minor Use Permit

A conditional use permit (CUP) or minor use permit (MUP) is required for uses that are generally appropriate within a zoning district but potentially unsuitable in a particular location or in large numbers. A CUP or MUP is a discretionary action that enables the City to ensure that a proposed use is consistent with all general plan goals and policies and will not create negative impacts to adjacent properties or the general public. A CUP is reviewed by the Planning Commission, and an MUP is reviewed by the Director of Development Services. The Director of Development Services may refer MUP applications to the Planning Commission for review and final decision. A CUP is subject to a public hearing. the Planning Commission may approve an application for a CUP or MUP only if the following findings can be made:

- The proposed use is consistent with the purpose and standards of the zoning district, the general plan, and any adopted area or neighborhood plan, specific plan, or community plan.
- The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and future land uses in the vicinity of the subject property.
- The proposed use will not be detrimental to the public health, safety, and welfare of the city.
- The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

Design Review Permit

A design review permit is required for most types of development in portions of downtown Merced and areas directly west of the downtown area. A design review permit is a discretionary action that enables the Planning Commission and staff to ensure high quality development that enhances the visual qualities of Merced and creates and supports the City's economic development objectives. The Planning Commission takes all actions on design review permit applications, except for certain minor modifications such as change in exterior paint color, signage, or façade improvements, or minor new structures. These items are reviewed by Development Services Department staff. Public hearings are only required for those Design Review Permits which go to the Planning Commission for approval, not staff-level reviews.

All new structures and modifications to existing structures review a design review permit, except for the following:

- Single-family detached dwellings;
- Structures accessory to single-family detached dwellings; and,

- Structures located in the I-L and I-H zoning districts, which are subject to Site Plan Review Permits instead.

When reviewing design review permit applications, the Planning Commission or City staff may consider the following design review principles:

- Review of architectural character shall not be so restrictive that individual initiative is stifled in the design of any particular building or site. Rather, review exercised shall be the amount necessary to achieve the overall purpose and objective of the design review process.
- Good architectural character is based upon the suitability of a building and site for its purposes; upon the appropriate use of sound materials, good relationship with other structures, and the character of the city; and upon the principles of harmony, preparation and design in the elements of the building and site.
- Review of sign graphics shall be based upon suitability of the sign colors, placement, design to overall building design, and adjacent sign themes. The Planning Commission or City staff shall consider the extent, design and location of all temporary signs as well as permanent signs in the review of sign graphics.

The reviewing authority may approve an application for a design review permit application only if all of the following findings can be made:

- The proposed project is consistent with the General Plan, and any adopted area, community, specific, or neighborhood plan.
- The proposed project complies with all applicable provisions of the Zoning Ordinance and Municipal Code.
- The design and layout of the proposed project will not interfere with the use and enjoyment of existing and future neighboring properties and structures.
- The proposed building design makes use of appropriate materials, texture and color, and will remain aesthetically appealing and appropriately maintained.
- The proposed design will not be materially detrimental to the public health, safety, or welfare, or be injurious to the property or improvements in the vicinity of the proposed project.

Design review requires the reviewing authority to determine what constitutes as interference with use and enjoyment of neighboring properties, what is appropriate and aesthetically pleasing architectural design, and what constitutes as materially detrimental to the public health safety or welfare. These findings are subjective and require the interpretation and discretion of the reviewing authority. This adds time to the review and creates an unpredictable development review process.

Minor Modification

A Minor Modification allows for small deviations from development standards to accommodate projects which meet the needs of property owners, are consistent with the purpose of the Zoning Ordinance and general plan, and do not negatively impact neighboring properties or the community at large. Minor Modifications are reviewed by the Director of Development Services. No public notice and hearing shall be required for a Minor Modification application.

To approve a minor modification application, the Director of Development Services shall make all of the following findings:

- The modification will be compatible with adjacent structures and uses and is consistent with the character of the neighborhood or zone where it is located.
- The modification will not adversely impact neighboring properties or the community at large.
- The modification is necessary due to unique characteristics of the subject property, structure, or use.
- Unique characteristics necessitating the modification generally do not apply to other properties in the vicinity or in the same zoning district as the subject property.
- There are no feasible design alternatives that meet the project objectives while eliminating the need for the requested modification.
- The modification will be consistent with the purpose of the zoning district, the general plan, and any adopted area, community, or neighborhood plan.
- The modification will not establish an undesirable precedent.

The Director of Development Services is required to determine what constitutes an adverse effect on neighboring properties or the community at large. This finding is subjective and requires the interpretation and discretion of the Director of Development Services. This adds time to the review and creates an unpredictable development review process.

Variance

A Variance is a discretionary permit that allows for deviation from physical development standards contained in the Zoning Ordinance. A Variance may be granted only when the strict application of development standards creates a unique hardship due to an extraordinary situation or circumstance associated with the property. The Planning Commission, acting as the Board of Zoning Adjustment, takes action on all variance applications. At least four members of the Planning Commission are required to vote to approve a variance. A public hearing is required, and the Planning Commission may approve an application for a variance only if all of the following findings can be made:

- There are unique circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, that do not generally apply to other properties in the vicinity or in the same zoning district as the subject property. Unique circumstances required for approval of a variance shall not include conditions created by any act of the property owner or occupant; personal, family, or financial conditions; loss of prospective profits; or neighboring violations.
- The strict application of the Zoning Ordinance requirements would deprive the subject property of privileges enjoyed by other property in the vicinity or in the same zoning district as the subject property.
- The variance is necessary to preserve a substantial property right possessed by other property in the vicinity or in the same zoning district as the subject property.
- The variance will not be materially detrimental to the public health, safety, or welfare, or be injurious to the property or improvements in the vicinity or in the same zoning district as the subject property.
- The variance does not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity or in the same zoning district as the subject property.
- The variance complies with applicable standards in the Zoning Ordinance, other City ordinances, the general plan and any other applicable community, neighborhood, specific, or area plan adopted by the City. The findings are subjective, but variances are rare, and do not pose a constraint to the development of housing.

Zoning Ordinance and General Plan Amendments

A request for an amendment to the General Plan Land Use Map or text or an amendment to the Zoning Ordinance Map or text may be initiated by the City Council, the Planning Commission (with the concurrence of the City Council); or the Director of Development Services (with the concurrence of the City Council). Map amendments to the General Plan or Zoning Ordinance may be initiated by one or more owners of the property for which the amendment is sought. Text amendments to the General Plan or Zoning Ordinance may be initiated by any resident, property owner, or business owner in the city. The Planning Commission conducts a public hearing and makes a recommendation to the City Council. The City Council then conducts a public hearing and makes a determination on the amendment.

Conclusion

As noted above, there are several development review processes that require subjective determinations from the reviewing authority. This is a constraint to the development of housing.

Recommended Action

Amend the required findings for Site Plan Permits, CUPs, Design Review Permits, MUPs, and minor modifications, to remove subjective judgments from the review process, in accordance with SB 330.

The City will implement Program 6 *Zoning Code Amendments* to remove subjective judgement from the CUP, site plan, and minor modification reviews and provide objectives with regard to what constitutes an impairment to the integrity and character of the zoning district, thereby streamlining the review of multi-family projects.

G4.3.9 Permit Procedures and Processing Times

While permit processing and development review are necessary to ensure that development proceeds in an orderly manner, permit processing fees, the costs of studies, and implementation of conditions, as well as time consumed, can impact the cost of housing development.

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time which elapses from application submittal to project approval may vary considerably. Processing times for development review vary, based on the size of the project and the extent of environmental review required, and can range from 38 days to more than a year if an EIR is required.

When residential projects are initiated in the City, specific approvals are required that involve permits and inspections. The most common housing applications and permit processing times are indicated in Table G4-17. Depending on the level of environmental review required, the processing time for a project may be lengthened.

Table G4-17 Timelines for Permit Procedures

Type of Approval or Permit	Typical Processing Time	Approval Body
Annexations	18-24 months	City Council
Conditional Use Permit	6-12 weeks	Planning Commission
Subdivision Parcel Map	3-5 weeks	Minor Subdivision Committee
General Plan Amendments	12 weeks	City Council
Zone Change	12 weeks	City Council
Subdivision Tract Map (Tentative)	8-12 weeks	Planning Commission
Planned Development Establishment	12 weeks	City Council

Source: Merced City Zoning Ordinance, adopted 2022.

Table G4-18 shows the typical processing procedures by project type for Merced. As shown, single-family units have the shortest estimated processing times (one week) while planned unit development has the longest (3-4 months).

Table G4-18 Typical Processing Procedures by Project Type

	One Single-Family Unit (Weeks)	Subdivision (Weeks)	Multi-family Units (Weeks)	Planned Unit Development (Weeks)
		Design Review (2-4)	Design Review (2-4)	Design Review (2-4)
	Site Plan (3-4)	Site Plan (3-4)	Site Plan (3-4)	Site Plan (3-4)
		Tentative Map (6-9)	Conditional Use Permit (6-9)	Conditional Use Permit (6-9)
		Environmental Assessment (12)	Environmental Assessment (0-12)	Environmental Assessment (12)
		Final Map (10)		
Total	**3-4 Weeks**	**33-39 Weeks**	**11-29 Weeks**	**23-29 Weeks**

Source: City of Merced, 2023.

Building Permits

Building permit review timelines for all projects are as follows depending on complexity and scope of work:

- First review: 1 to 20 working days
- Second review: 1 to 15 working days
- Third review: 1 to 15 working days
- Fourth review: 1 to 10 working days
- Fifth review: 1 to 10 working days

State Streamlining

Under the 5th cycle housing element reporting period (2015-2023), the City of Merced has made insufficient progress toward its lower-income RHNA and is subject to SB 35 streamlining provisions for projects that include at least 50 percent affordability. SB 35 requires that eligible projects be reviewed for compliance and consistency with the City's objective standards and are not subject to discretionary processes, such as CEQA environmental review and public hearings. Eligible projects with 150 units or fewer must be approved within 90 days and projects with more than 150 units must be approved within

180 days. In addition, AB 1397 requires that 5th cycle opportunity sites re-used in the 6th cycle and identified to accommodate lower-income units (very low-income and low-income) be subject to by-right approval if projects include 20 percent affordable units for lower-income households on-site. The City has not adopted procedures for processing SB 35 applications nor have they created a checklist for SB 35 applications.

Permit Streamlining Act

The City of Merced must comply with California's Permit Streamlining Act (PSA) and its integration with the California Environmental Quality Act (CEQA) by adhering to specific procedural and timing requirements to ensure efficient and legally compliant permitting processes. These procedures are as follows:

- **Initial Application Completeness Review.** The City has 30 days to determine whether a development application is complete. If incomplete, the City provides a written list of deficiencies to the applicant. Once resubmitted, the 30-day review period restarts.
- **CEQA Compliance and Determinations.** CEQA is often interlinked with PSA as environmental review is a prerequisite for approving many discretionary permits. The City determines whether the project is exempt from CEQA or requires further environmental review (e.g., a Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report). CEQA determinations are made within PSA timelines where possible.
- **CEQA Timing.** For a Categorical Exemption or Initial Study, if a project is exempt, processing can proceed immediately under PSA deadlines. If a project requires an Initial Study, the timelines for preparing CEQA documents apply. A Negative/Mitigated Negative Declaration must be completed within six months of accepting the application as complete. An Environmental Impact Report (EIR) must be completed within one year of accepting the application as complete.
- **Decision Timelines Under PSA.** For projects that require a public hearing, once a CEQA determination is finalized, the City must approve or deny the project within 60 days. For ministerial or CEQA-exempt projects, the City must act within 180 days of deeming the application complete.
- **Streamlining Determinations.** The City incorporates state-mandated streamlining measures, such as:
  - SB 35 (Streamlined Housing Projects): Eligible housing projects can bypass discretionary reviews if they meet specific criteria.
  - CEQA Streamlining Tools: Utilize provisions like tiering, program EIRs, or exemptions for infill and transit-oriented developments to accelerate review.
  - Permit Streamlining Act Default Approval: If the City fails to act within PSA timelines, the project is deemed approved unless subject to CEQA review.

Conclusion

Permit procedures and processing times are not considered a constraint to development, however the City should adopt a process for SB 35 applications and the PSA.

Recommended Action

The City will implement Housing Program 6 to amend the Zoning Code to establish written procedures for SB 35 projects and the PSA.

G4.3.10 Transparency in the Development Review Process

To increase transparency in the development process, the City's website publishes resources that help developers and homeowners navigate the residential development and home improvement processes. Specifically, the Planning Division webpage (https://www.cityofmerced.org/departments/development-services/planning-division/application-forms-and-fees) provides an overview of the development review process through links to applications and fees. The Municipal Code, forms and handouts, Checklists, zoning maps, and other documents are available online. The City also provides contact information for the Planning Division. This helps increase transparency in the development review process. The City's Planning Division website complies with the new transparency requirements in California Government Code Section 65940.1(a)(1).

Conclusion

The City's website provides all the necessary information and resources required by the State and is therefore in compliance with State law.

Recommended Action

None Required.

G4.3.11 Short-Term Housing Rentals

The City of Merced does not regulate short-term rental housing in the city, however, ADUs and JADUs are required to have a rental term of at least 30 consecutive days or more.

Conclusion

Short-term rentals (STRs) are defined as rental of part or all of a residential dwelling unit to paying occupants for less than 30 days. STRs are typically advertised and booked through online platforms such as Airbnb and VRBO. Each unit used as an STR is not available for long-term housing on the rental market, decreasing the supply of available housing. A reduced supply of long-term housing causes an increase in rents.

Conclusion

Short-term rentals are not considered a constraint.

Recommended Action

None Required.

G4.3.12 Code Enforcement

The City of Merced currently enforces the 2022 California Building Code (CBC). Code Enforcement is responsible for the enforcement of the CBC within Merced to address residential and commercial structures that are dangerous, substandard, blighted, or vacant. Building owners are legally required to maintain their buildings and property to the standards set forth in the City Housing, Dangerous Building and Property Maintenance Codes. City and State Codes also mandate that tenants or other persons who are in control of a property, building, residence, apartment, or parcel of land are legally required to maintain their living, common areas, yards, and lots in a safe and clean condition. Building Code enforcement is conducted through scheduled inspections of new construction, remodeling, and

rehabilitation projects. Inspections are also conducted in response to public complaints or an inspector's observation that construction is occurring without proper permits.

The City of Merced has adopted several local amendments to the Building Code, in Title 17 of the Municipal Code, to establish standards related to rodent proofing, outdoor signs, patio covers, and grading, excavation, and earthwork construction. Amendments to the Residential Building Code include regulations for manufactured housing, the repair, renovation, alteration, and reconstruction of existing buildings, tiny houses of 400 square feet or less, and safety features for new and remodeled swimming pools and spas. Locally adopted amendments are intended to provide additional guidance for specific uses and structures to ensure the safety and wellbeing of the public and would not impose restrictive or excessive regulations on housing development.

The City of Merced follows a detailed process when receiving and responding to housing complaints. The process typically begins upon receipt of complaint from another agency, tenant, neighbor, or other community member. A summary of the processes by complaint type are detailed below:

- **Courtesy Notice for Minor Violations.** When a property is found to be in violation of local codes in a non-hazardous manner, such as poor exterior maintenance, vehicle-related infractions, or improper trashcan placement, a Courtesy Notice is issued. This notice serves as a formal request for the property owner to correct the issue within a specified timeframe.
- **Red Tag for Dangerous Conditions.** Properties presenting dangerous conditions, including infestations, mold, structural instability, fire hazards, or lack of essential utilities (water or power), are assessed for health and safety risks. If deemed unsafe for occupancy, the property is Red Tagged. The property owner is notified via Certified Mail, and additional outreach is attempted through email or direct contact. In cases where tenant relocation may be necessary, Code Enforcement coordinates with relevant agencies. The Building Department may also be involved, particularly when structural concerns or unpermitted work are identified. They may issue a Stop Work Order and assist in evaluating issues such as compromised balconies or buckled walls.
- **Uninhabitable Conditions.** Some violations, while not immediately dangerous, render a property uninhabitable. These may overlap with the conditions listed above but do not always meet the threshold for immediate health and safety risks. In such cases, a Red Tag is still issued, and the property owner is formally notified. If the owner fails to comply by allowing occupancy, neglecting repairs, or performing unauthorized corrections, citations may be issued to enforce compliance.

A detailed description of the City's standard processes available in the City of Merced 2019 Code Enforcement Procedure Manual.

Conclusion

Local amendments to the CBC and enforcement of the CBC ensures safer housing conditions and does not pose a constraint to the development of housing in Merced.

Recommended Action

None required.

G4.4 Environmental Constraints

A community's environmental setting affects the feasibility and cost of developing housing. Environmental issues range from the availability of water to the suitability of land for development due to potential exposure to seismic, flooding, wildfire, and other hazards. If not properly recognized and accommodated in residential design, these environmental features could potentially endanger lives and property. This section summarizes environmental constraints to housing development in the city.

G4.4.1 Flood

Merced County has a number of surface water resources including rivers, creeks, reservoirs, and canals. These resources include three rivers (Merced, San Joaquin, and Chowchilla), seven major creeks (Quinto, Romero, Bear, Los Banos, Owens, Mariposa, and Deadman), five reservoirs (San Luis, O'Neil Forebay, Los Banos Creek, and Burns), and four major canals (Delta-Mendota, San Luis, the California Aqueduct, and Eastside).

Flood is a natural occurrence in the Central San Joaquin Valley. The Valley is a natural drainage basin for thousands of acres of foothill and mountain land of the Sierras. Approximately 750,000 acres in the San Joaquin Subbasin are prone to flooding. In Merced County, the flood plains of the San Joaquin and Merced Rivers and their tributaries encompass nearly one half of the Valley floor. Merced County has an area of roughly 380,010 acres of land that is subject to 100-year frequency floods.

The overall significance of the flood hazard is high. Flood zone mapping by the Federal Emergency Management Authority (FEMA) indicates that approximately 25 square miles of land in Merced is subject to 100-year or more frequent floods. [4] According to the Merced County Multi-Jurisdictional Hazard Mitigation Plan (MCMJHMP), 48 percent of Merced's buildings are in the floodplain, and the city accounts for 59% of the total estimated losses in the 100-year floodplain in the county.[5]

The State of California has adopted legislation that requires jurisdictions to prepare maps, goals, policies, implementation measures and regulations based on a 200-year flood event. According to the City's Safety Element, the City requires the construction of storm water percolation/detention basins with new development per the City's Storm Water Master Plan. Additionally, the City's Building Code includes methods for reducing flood losses, including requiring development permit applications in flood hazard areas to demonstrate that all new construction is flood-resistant and elevated.

G4.4.2 Seismic Zones

The nearest faults of major significance to Dos Palos are the San Andreas to the west, approximately 15 miles from the county line; the Hayward and Calaveras faults to the northwest; the White Wolf, Garlock, and Sierra Nevada faults to the south; and the Bear Mountain Fault Zone about five miles east of and parallel to the eastern border of Merced County. These faults have been and will continue to be the principal source of seismic activity affecting the County of Merced, including the City of Dos Palos. The only fault known inside the County is the "Ortigalita", also known as the "Telsa-Ortigalita Fault", located in the western quarter of the County, dissecting the Coast Range in a northwesterly direction. Historically, this fault has not been. There have been no records of major seismic activity originating in the county, with most epicenters in the county being below a magnitude 4.0. There are no Alquist Priolo

[4] FEMA. National Flood Hazard Layer (NFHL) Viewer. https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d4879338b5529aa9cd, accessed July, 2023.
[5] Merced County. Merced County Multi-Jurisdictional Hazard Mitigation Plan.2021. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf, accessed July 2023.

Earthquake Fault Zones in Merced, nor is the City in an Earthquake Zones of Required Investigation.[6] According to the MCMJHMP, Merced is subject to occasional earthquakes of critical severity.[7]

G4.4.3 Wildland/Urban Fire Hazards

Fire hazard potential is largely dependent on the extent and type of vegetation, known as surface fuels, that exists within a region. Fire hazards are typically highest in heavily wooded, undeveloped areas as trees are a greater source of fuel than low-lying brush or grassland. Suburban, urban areas, or rocky barren areas have minimal surface fuels and therefore typically have the lowest fire hazard.

The California Department of Forestry and Fire Protection (CAL FIRE) ranks fire hazard of wildland areas of the state using four main criteria: fuels, weather, assets at risk, and level of service. CAL FIRE has mapped moderate and High Fire Hazard Severity Zones (FHSZ) in Merced County. [8] While there are no fire severity zones within the city boundaries, a moderate FHSZ is located approximately two miles northeast of the City's boundary. According to the MCMJHMP, there is a high likelihood of future wildfires within the city, but the severity will be negligible and geographic extent is limited.[9]

Conclusion

Environmental constraints in Merced are not considered a constraint to development.

Recommended Action

None required.

[6] California Department of Conservation. Earthquake Zones of Required Investigation. https://maps.conservation.ca.gov/cgs/EQZApp/app/, accessed July, 2023.
[7] Merced County. Merced County Multi-Jurisdictional Hazard Mitigation Plan.2021. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf, accessed July 2023.
[8] CAL FIRE. Fire Hazard Severity Zones in State Responsibility Area 2023. https://calfire-forestry.maps.arcgis.com/apps/webappviewer/index.html?id=988d431a42b242b29d89597ab693d008, accessed July 2023.
[9] Merced County. Merced County Multi-Jurisdictional Hazard Mitigation Plan.2021. https://web2.co.merced.ca.us/pdfs/oes/MercedCounty-MJHMP-2021-2016.pdf, accessed July 2023.

G5 Affirmatively Furthering Fair Housing (AFFH)

G5.1 Introduction

This section of the housing element analyzes issues relating to fair housing for the City of Merced. This analysis is based on the directives from State Assembly Bill (AB) 686. Background information on AB 686, countywide fair housing services, data sources, and analysis of the regional Affirmatively Furthering Fair Housing (AFFH) issues are included in Chapter 5, *Regional Assessment of Fair Housing*.

G5.2 Methodology

This local AFFH analysis evaluates fair housing issues on the following topics:

- Fair Housing Enforcement and Outreach Capacity
- Integration and Segregation Patterns and Trends
- Racially and Ethnically Concentrated Areas of Poverty
- Disparities in Access to Opportunity
- Disproportionate Housing Needs
- Other Relevant Factors, including median income, limited English proficiency, and housing stock type
- Analysis of Housing Site Inventory using AFFH indicators
- Local Area Knowledge, which includes a discussion of historic land use and segregation patterns and input from sources of local knowledge, including advocates for people with special needs, housing development and advocacy organizations, housing and social services providers, and low-income residents

This analysis identifies patterns and trends at the local scale. Where appropriate, the analysis refers to the regional AFFH analysis provided in Chapter 5, *Regional Assessment of Fair Housing*, which analyzes patterns and trends of the county and Northern San Joaquin Valley (SJV) Subregion comprised of San Joaquin, Stanislaus, and Merced Counties.

For the purposes of this analysis, the city is divided into six neighborhoods: District 1, District 2, District 3, District 4, District 5, and District 6 (Figure G5-1). These neighborhoods reflect the City Council Districts adopted on March 7, 2022 and are discussed further in Chapter G6, *Housing Resources*. These districts were determined through an extensive deliberation process that included substantial community involvement and public comment. Therefore, these districts reflect neighborhood boundaries supported by many of the city's residents. In addition, these districts mostly follow the boundaries of census tracts within the city, which makes geographical analysis of census data more straightforward. Most of the geographic analysis of fair housing issues in Merced is based on the California Housing and Community Development (HCD) AFFH Data Viewer described in Chapter 5, *Regional Assessment of Fair Housing*. The AFFH Data Viewer relies on information provided by the Census and other data sources at the census tract and block group level.

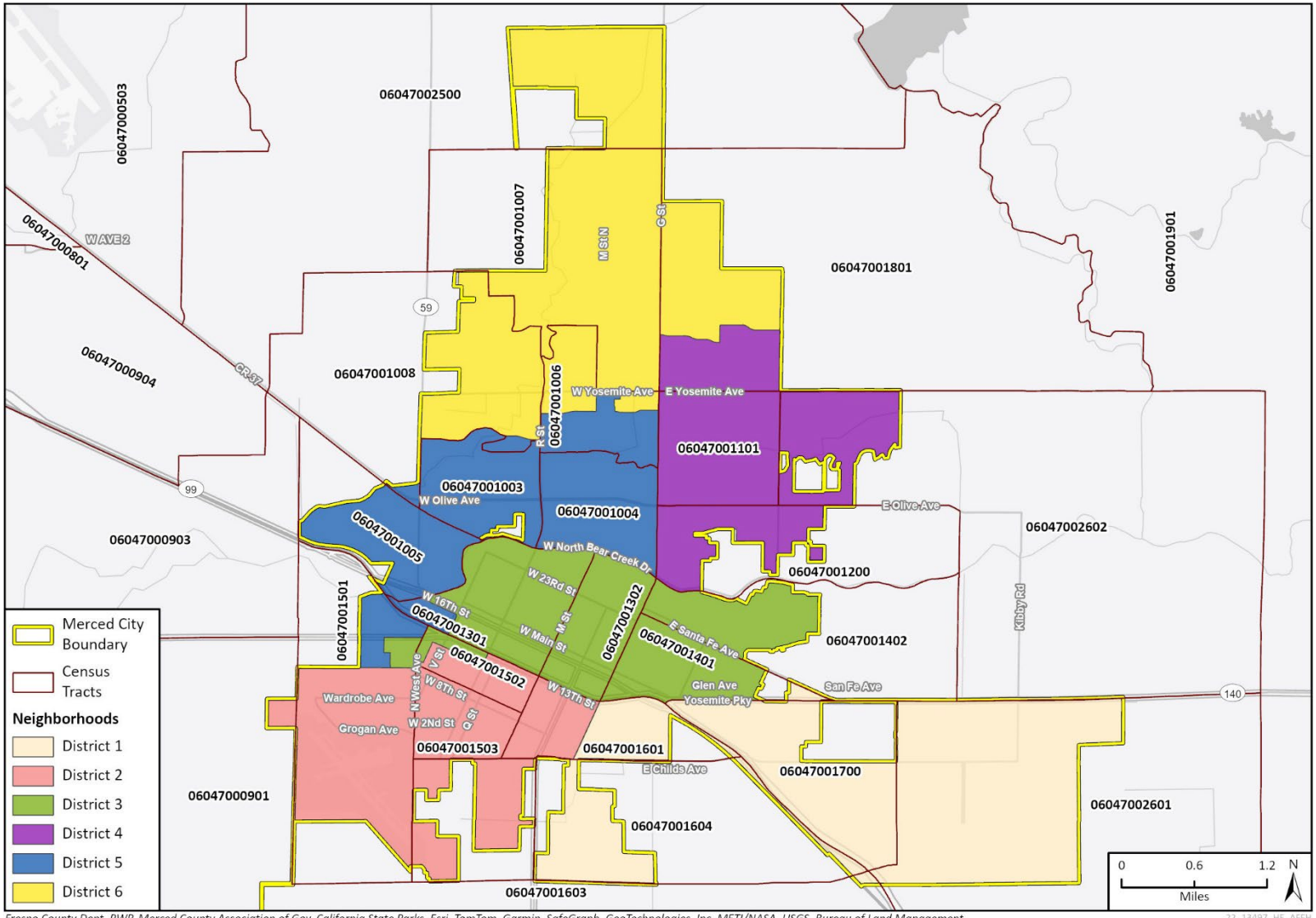
A total of 19 census tracts cover the city, with some tracts spanning areas outside of the city boundary. This can skew the data presented in the analysis; therefore, we have noted where this may apply. The census tracts that make up each neighborhood include:

- **District 1:** Overlaps with six census tracts (Census Tract 14.01, Census Tract 16.01, Census Tract 16.04, Census Tract 17.00, and Census Tract 26.01). District 1 includes a variety of zoning districts, including Low, Medium, and High Density Residential, Planned Development, multiple commercial districts, and Light and Heavy Industrial. This district also contains land used for agricultural uses.
- **District 2:** Overlaps with five census tracts (Census Tract 13.02, Census Tract 15.01, Census Tract 15.02, Census Tract 15.03, and Census Tract 16.03). District 2 includes a variety of zoning districts, including Low, Medium, and High Density Residential, Restricted Agricultural, Light Industrial, and several commercial districts.
- **District 3:** Overlaps with six census tracts (Census Tract 13.01, Census Tract 13.02, Census Tract 14.01, Census Tract 14.02, Census Tract 15.01, and Census Tract 15.02). District 2 includes areas zoned Low, Medium, and High Density Residential, Neighborhood Commercial, Office Commercial, Commercial Shopping Center, and Thoroughfare Commercial. Downtown Merced, which supports a variety of commercial (including retail, office, and entertainment uses) and mixed-use development is located in District 3.
- **District 4:** Overlaps with four census tracts (Census Tract 1.01, Census Tract 12.00, Census Tract 18.01, and Census Tract 26.02). District 4 primarily consists of areas zoned Low Density Residential with small areas zoned Medium Density Residential, Neighborhood Commercial, and Planned Development.
- **District 5:** Overlaps with seven census tracts (Census Tract 10.03, Census Tract 10.04, Census Tract 10.06, Census Tract 10.05, Census Tract 10.08, Census Tract 13.01, and Census Tract 15.01). Several of these census tracts overlap areas of the unincorporated part of Merced County. District 5 includes areas zoned Low Density Residential, Planned Development, Light Industrial, and small amounts of High Density Residential.
- **District 6:** Overlaps with five census tracts (Census Tract 10.06, Census Tract 10.07, Census Tract 10.08, Census Tract 18.01, and Census Tract 25.00). Four of the five census tracts overlap large areas of the unincorporated part of Merced County. District 6 includes Merced College and primarily consists of land zoned Planned Development (mostly consisting of single-family residential neighborhoods) and Low Density Residential, with small areas zoned Office Commercial District, Medium Density Residential, and Restricted Agricultural.

The University of California, Merced (UC Merced) is located northeast of the city. UC Merced has a student population of almost 10,000 students, including undergraduate and graduate students. According to UC Merced, approximately 4,200 students live on campus and the remaining student population lives off campus.[1]

[1] University of California, Merced. 2023. Bobcats Returning to New Features and Opportunities at UC Merced https://news.ucmerced.edu/news/2023/bobcats-returning-new-features-and-opportunities-uc-merced

Figure G5-1 Merced Neighborhoods



Source: AFFH Data Viewer, 2023.

G5.3 Data Sources

To conduct this analysis, the city utilized data from a variety of sources discussed in Chapter 5, *Regional Assessment of Fair Housing*. In addition, documents like the Consolidated Plan and Analysis of Impediments (AI) were used to identify local issues that impede fair housing choice. These documents are outlined below. The analysis also includes a discussion of historic land use and segregation patterns and input from sources of local knowledge, including advocates for people with special needs, housing development and advocacy organizations, housing and social services providers, and low-income residents.

City staff were also consulted on all subsections of this AFFH analysis, contributing local knowledge and other relevant factors that may not have been identified in traditional data sources.

City of Merced Consolidated Plan

The United States (U.S.) Department of Housing and Urban Development (HUD) Consolidated Plan is used by the federal government, states, and local jurisdictions to assess affordable housing and community development needs and is a required document for jurisdictions to be eligible for federal HUD grant programs. The City of Merced is required to submit a federally mandated Consolidated Plan every five years, and an Annual Action Plan, in order to receive its annual Community Development Block Grant (CDBG) entitlement grant.[2] The Consolidated Plan guides Merced in allocating federal CDBG and HOME funding to support projects and programs to benefit low- and moderate-income residents and increase housing and economic opportunities. The Annual Action Plan summarizes programs and projects that will be funded by the annual grants to achieve the goals and objections of the Consolidated Plan. Merced's Consolidated Plan goals include improving public infrastructure and facilities, improving housing opportunities for low-income households through new affordable housing, providing owner-occupied housing rehabilitation, providing assistance for supportive housing, providing vital services to low- and moderate-income households, providing homeless prevention and support services, and enhancing fair housing knowledge.

City of Merced Analysis of Impediments (AI)

As part of the CDBG program certification process and prior to HUD's reinstatement of the AFFH standards in 2020, participating jurisdictions prepared an analysis of impediments to fair housing choice every five years. The City of Merced 2020-2024 AI is intended to identify discrimination and increase fair housing choices for residents across the city. The AI addresses fair housing issues on both a regional/countywide level and in the city of Merced. The AI provides an assessment of the local laws, ordinances, statutes, and administrative policies, as well as local conditions that affect the location, availability, and accessibility of housing. It also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing and provides solutions and measures to mitigate or remove identified impediments.[3]

[2] Merced, City of. 2020. City of Merced 2020-2024 Five Year Consolidated Plan and 2020 Annual Action Plan. https://www.cityofmerced.org/home/showpublisheddocument/15059/637654911015170000
[3] Merced, City of. 2020. Analysis of Impediments to Fair Housing Choice. https://www.cityofmerced.org/home/showpublisheddocument/17495/637999882852500000

G5.4 Summary of AFFH Analysis Findings

Merced's racial and ethnic composition is predominantly Hispanic/Latino. The city has a high percentage of non-white and low-income residents. The city has high rates of poverty, low median household incomes, and a high percentage of LMI residents. Large portions of the city consist of areas considered low resource and high poverty and segregation. The prevalence of low resource areas in these neighborhoods is a result of lack of access to transit, lack of economic opportunities such as access to jobs, restrictive zoning and land use patterns, high pollution burden, and high social vulnerability of residents. A large percentage of residents in Merced, particularly renters, are experiencing cost burden (spending more than 30 percent of household income on housing costs) and overcrowding.

G5.5 Fair Housing Resources

Enforcement and Outreach Capacity

The City of Merced contracts with Project Sentinel, a nonprofit organization, that provides fair housing information and resources to residents and housing providers. Project Sentinel investigates complaints involving housing discrimination and predatory lending practices to ensure compliance with federal and state housing laws. Through their intake and referral program, the organization refers individuals to other agencies and provides fair housing resources in order to ensure adequate services to residents. Organizations providing fair housing services throughout the County are discussed in Chapter 5, *Regional Assessment of Fair Housing*. There are no active or recent fair housing lawsuits, settlements, or legal cases in the city of Merced.

G5.6 Compliance with Fair Housing Laws

The City of Merced complies with the following state and federal fair housing laws:

- Fair Housing Act; Title VI of the Civil Rights Act of 1964 – the City complies by ensuring its actions related to housing are not discriminatory through City protocols, decision-making procedures, and adhering to non-discrimination requirements of federal funding programs.
- Rehabilitation Act of 1973 – see Fair Housing Act; also, the City complies through its accessibility protocols, administered and enforced by the City's ADA/504 Coordinator.
- American Disabilities Act – the City complies with ADA through building permit review and issuance and as described in Chapter G4, *Housing Constraints Analysis*, under the heading Housing for Persons with Disabilities).
- California Fair Employment and Housing Act (FEHA) and FEHA Regulations – the City complies through established City protocols for hiring and decision making, mandatory trainings for City staff, and legal counsel and advisement.
- Government Code Section 65008 – the City ensures that the City's actions are not discriminatory through training programs conducted by the City's Human Resources Department. Programs are included in this Housing Element to facilitate housing for all households, including protected classes (e.g., programs regarding residential care facilities, reasonable accommodation, and emergency shelters), Program 7 *Facilitating Affordable Housing Development*.
- Government Code Section 8899.50 – Chapter G5, *Assessment of Fair Housing*, of this Housing Element documents compliance with Affirmatively Furthering Fair Housing requirements.
- Government Code Section 11135 et. seq. – the City complies with anti-discrimination requirements through the City's Human Resources programs and the City's procurement protocols.

- Density Bonus Law (Government Code Section 65915) – the City must update its density bonus provisions in compliance with the Density Bonus Law as described in Chapter G4, *Housing Constraints Analysis*, and Program 6 *Zoning Code Amendments*.
- Housing Accountability Act (Government Code Section 65589.5) – the City has documented compliance with the HAA as described in Chapter G4, *Housing Constraints Analysis*.
- No-Net-Loss Law (Government Code Section 65863) – the City has documented compliance with sufficient capacity for RHNA and will ensure compliance with Program 2 *Adequate Sites for RHNA and Monitoring of No Net Loss*.
- Least Cost Zoning Law (Government Code Section 65913.1) – the City includes programs in this Housing Element to ensure that sufficient land is zoned with appropriate standards to accommodate its RHNA, Program 2 *Adequate Sites for RHNA and Monitoring of No Net Loss*.
- Excessive subdivision standards (Government Code Section 65913.2) – the City's subdivision standards are typical or not excessive in compliance with the Government Code, as described in Chapter G4, *Housing Constraints Analysis.*
- Limits on growth control (Government Code Section 65302.8) – while the City considers its Sphere of Influence as the ultimate urban growth boundary, this area extends beyond the current city limits. In addition, the City can expand the Sphere of Influence, thereby increasing the areas planned for development. The City increased the Sphere of Influence during the previous General Plan update in 2012 to encompass a total of 33,463 acres. Therefore, there are no limits on growth control that would discourage housing development in the city.

The City of Merced is also taking meaningful actions to ensure compliance with SB 329 and SB 222, expanding the source of income protection to include "federal, state, or local public assistance and federal, state, or local housing subsidies." Prior to these bills, source of income protection excluded public housing subsidies, such as the Housing Choice Vouchers, in the definition of income. Both bills went into effect on January 1, 2020. As stated in the AFFH Meaningful Actions Matrix in the Housing Element's Program section, the City will work to develop informational materials to expand outreach and education on SB 329 and SB 229 to promote the use and expand the locational choices for Housing Choice Vouchers.

G5.7 Ability to Address Complaints

Project Sentinel partners with the City of Merced in order to assist with fair housing inquiries, outreach, and investigations. In 2023, Project Sentinel served 66 people through their intake and referral services and provided information to 147 residents at various outreach events. These inquiries cover a range of topics addressing issues of eviction, fair housing, habitability, disability, and other housing problems. Of the 66 inquiries received, 4 cases were opened regarding eviction practices and disability related complaints. The cases are pending further investigation. Along with providing guidance, Project Sentinel also refers individuals to other appropriate agencies and outside resources that may assist the resident in solving their issue if their partnership services were not adequate.

The California Civil Rights Department (CRD), formerly the Department of Fair Employment and Housing (DFEH), maintains a record of housing discrimination complaints filed in local jurisdictions. HUD's Office of Fair Housing and Equal Opportunity (FHEO) also collects fair housing complaint data. Fair housing complaints may be filed with either the CRD or FHEO, however, the FHEO may refer complaints to the state or local agency for investigation. According to the AI, between 2015 and 2019, 13 fair housing complaints were filed in the city. Overall, disability/accessibility-related discrimination comprised the largest proportion of cases (50 percent), followed by retaliation (20 percent). Of the 13 complaints, five

(39 percent) were closed with conciliation or a successful settlement. The remainder were either dismissed for lack of jurisdiction or had a no cause determination.

G5.8 Segregation and Integration Patterns and Trends.

Race and Ethnicity

According to the U.S. Census Bureau, District 2 in the southern area of Merced is the most diverse part of the city with more than 80 percent of residents in the eastern part of the neighborhood identifying as non-white (Figure G5-2). Comparatively, the relatively more urban and densely populated northeastern and central areas of the city are less diverse and contain a higher percentage of white residents, in particular District 4 has the highest percentage of white residents, with between 20 to 60 percent of residents identifying as white. The percentage of non-white residents in Merced is similar to the racial/ethnic makeup across the larger cities within the Northern San Joaquin Valley (SJV) region.

From 2011 to 2021, the city's white population as a share of the total population decreased, however the racial/ethnic diversity of the city remained fairly consistent. During this time period, the percentage of the city's population that identify as white decreased six percent. The percent of the city's population that identify as Hispanic/Latino increased by eight percent (Table G5-1). The percent of the city's population that identify as Asian American/Pacific Islander, Black/African American, and Native American/Native Alaskan decreased during this time. Hispanic/Latino residents remained the largest racial/ethnic group in the city, equaling over half (58 percent) of the total population in 2021.

Table G5-1 Population by Racial Group (City of Merced)

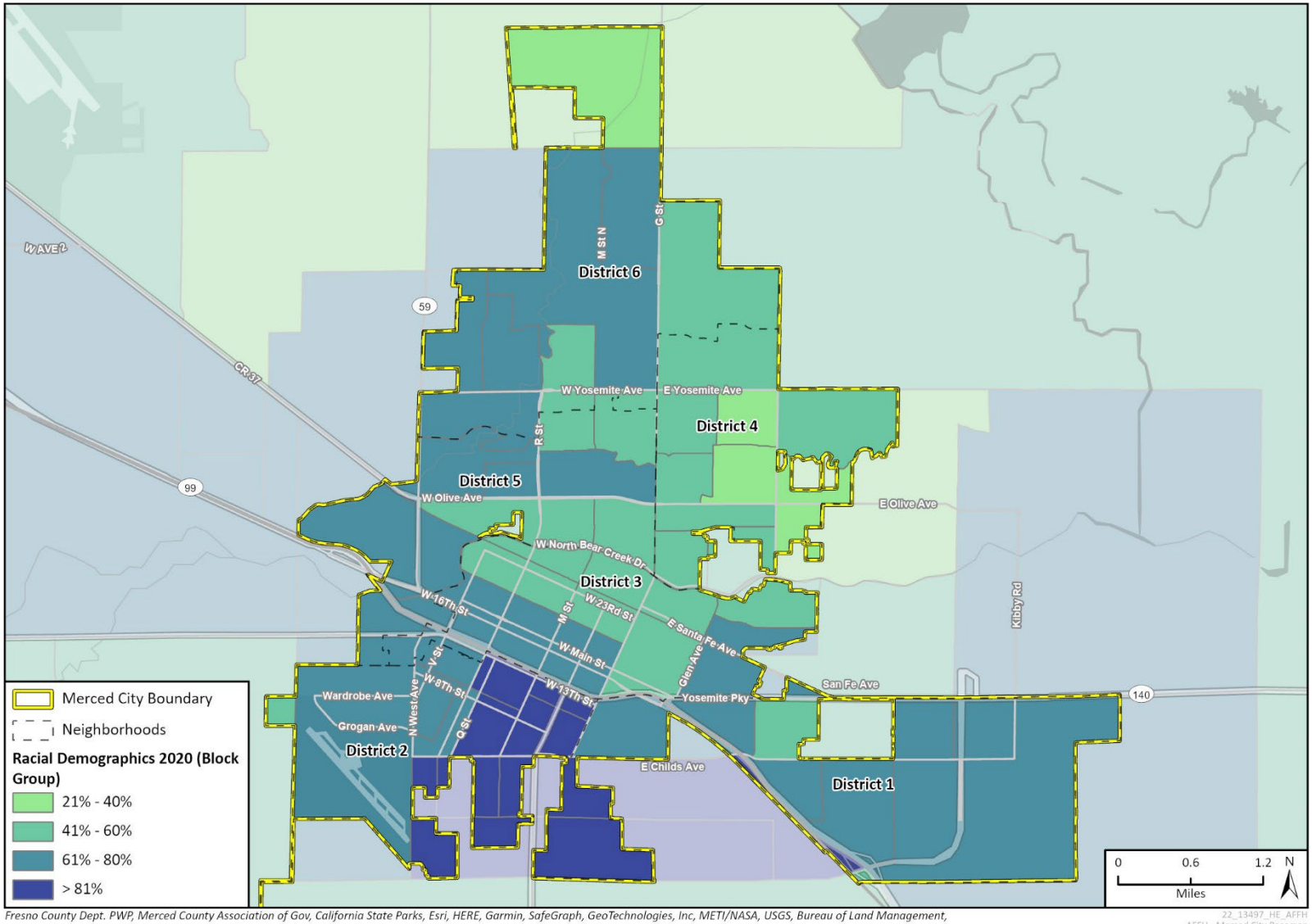
	Percent of Population	
Race	**2011**	**2021**
Hispanic/Latino (of any race)	49.6%	58.1%
Not Hispanic/Latino		
White	29.5%	23.8%
Asian American/Pacific Islander	11.5%	10.8%
Other or Multiple Races	2.2%	3.0%
Black/African American	6.5%	3.9%
Native American/Native Alaskan	0.8%	0.4%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2007-2011, 2017-2021), Table DP05.

The AFFH Data Viewer identifies the degree to which areas have a predominant racial/ethnic majority. The predominant racial/ethnic group in each census tract is that with the largest population. Most of the city is predominantly Hispanic/Latino. However, District 4 and District 6 in the northern and northeastern areas of the city has a predominantly white population (Figure G5-3).

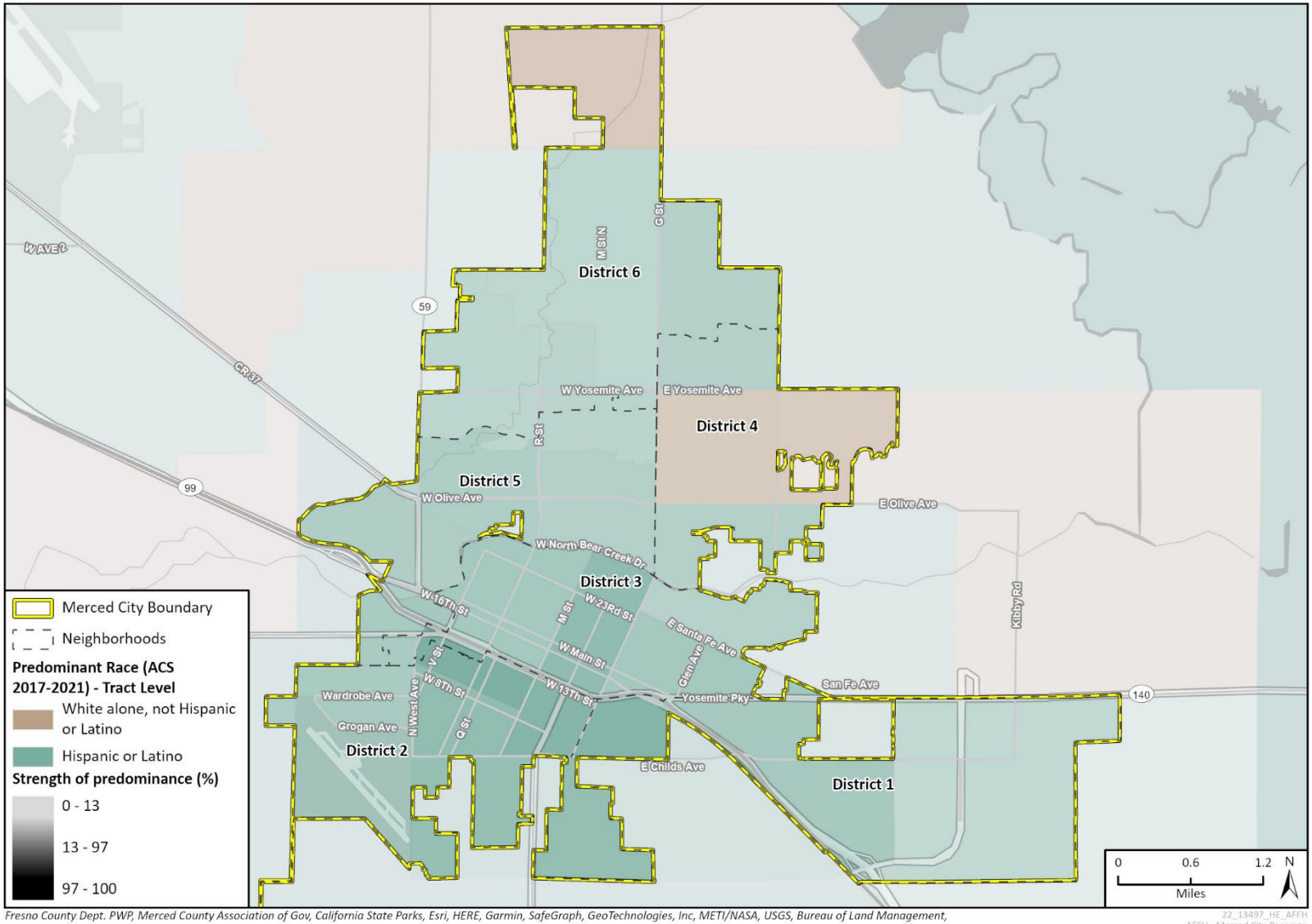
According to the Othering and Belonging Institute (OBI) racial segregation/integration data, most neighborhoods in Merced are considered to have low-to-medium segregation (Figure G5-4). However, there are portions of the city that have observed trends of high segregation, as well as portions that are racially integrated. A portion of the District 2 closest to Highway 99 is the only portion of the city with high segregation for people of color. District 3 and District 1 are racially integrated. The northern portion of District 1 is characterized as having high white segregation; however, this portion of the neighborhood is within a census tract that stretches beyond the city boundary. Since the data in this tract is likely to reflect the population outside of Merced, it may not accurately represent the breakdown of neighborhood segregation in that area. This assumption has been anecdotally verified by the City.

Figure G5-2 Percent of Total Non-White Population (City of Merced)



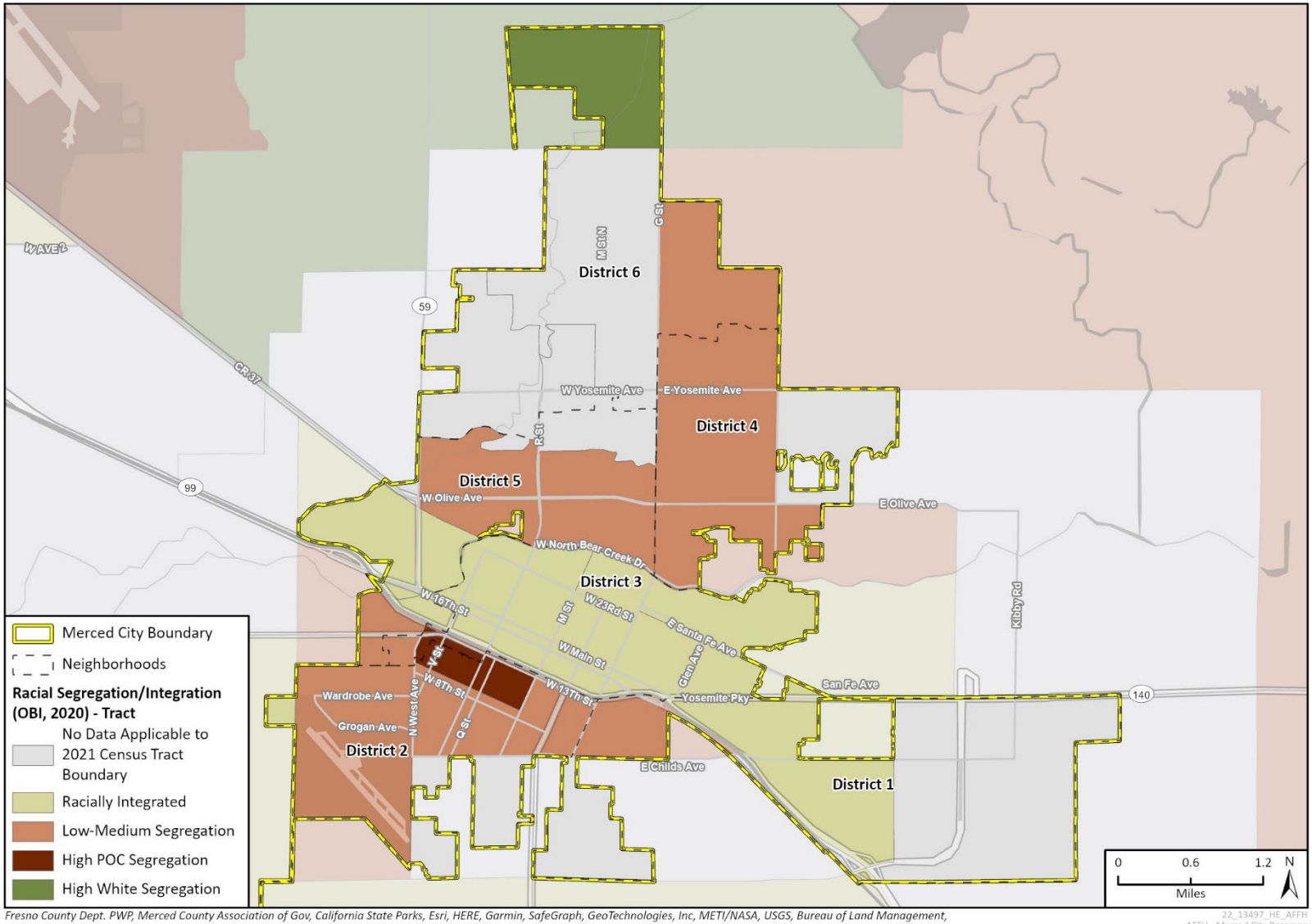
Source: AFFH Data Viewer, 2023.

Figure G5-3 Predominant Populations (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-4 Racial Segregation and Integration (City of Merced)

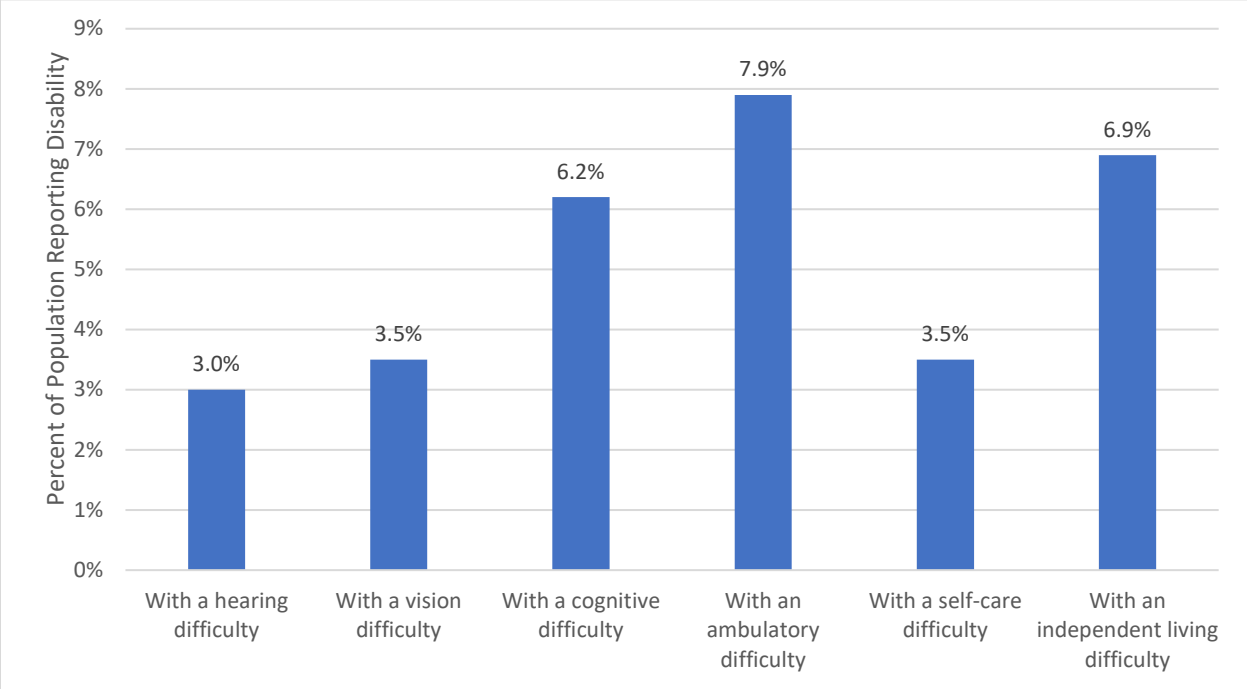


Source: AFFH Data Viewer, 2023.

Persons with Disabilities

As referenced in Chapter G3, *Housing Needs Assessment*, nearly 14 percent of the total population in the city is living with one or more disabilities. The most common disability in the city is ambulatory difficulty, followed by an independent living difficulty (Figure G5-5). In the city of Merced, the least common disability is hearing difficulty, contrary to it being the most common disability in the Northern SJV region. Disabilities are most prevalent among senior residents. Approximately 48 percent of residents aged 65 and over are living with a disability.

Figure G5-5 Disability by Type (City of Merced)



Notes: These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2017-2021), Table S1810.

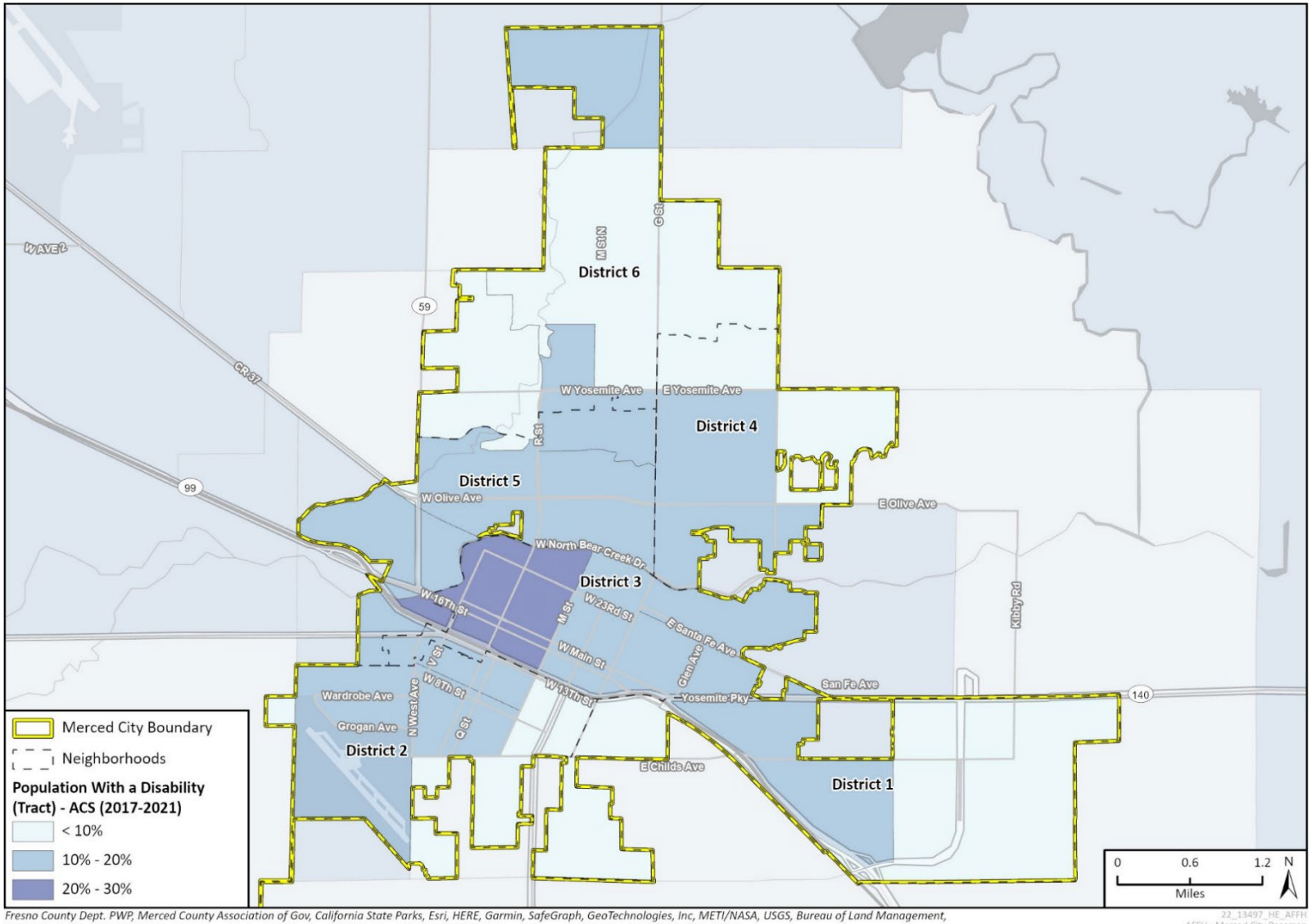
In most areas of the city, 10 to 20 percent of residents live with a disability, comparable to the region where the average is 13 percent. In the eastern portion of District 3, there is a higher concentration (20-30 percent) of residents living with a disability. The northern portions of District 4 and District 6 have lower concentrations of persons living with a disability (less than 10 percent) (Figure G5-6).

Approximately seven percent of the total employed population in the city have one or more disabilities, reflecting a decrease from 2016. Around nine percent of the unemployed population have one or more disabilities, down from 14 percent in 2016. Table G5-2 shows employment status by disability status estimates for the City.

Despite the higher percentage of residents with a disability compared to the regional average, reasonable accommodation requests have not been received in recent years.

There are 19 residential elderly care facilities and 17 adult residential facilities in the City, as well as two of each in the neighboring unincorporated areas (Figure G5-7). Facilities are distributed throughout the city and are accessible to residents in census tracts where the population of persons with disabilities exceeds 10 percent.

Figure G5-6 Percent of Population with a Disability (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-7 Percent of Population with a Disability and Residential Care Facilities (City of Merced)

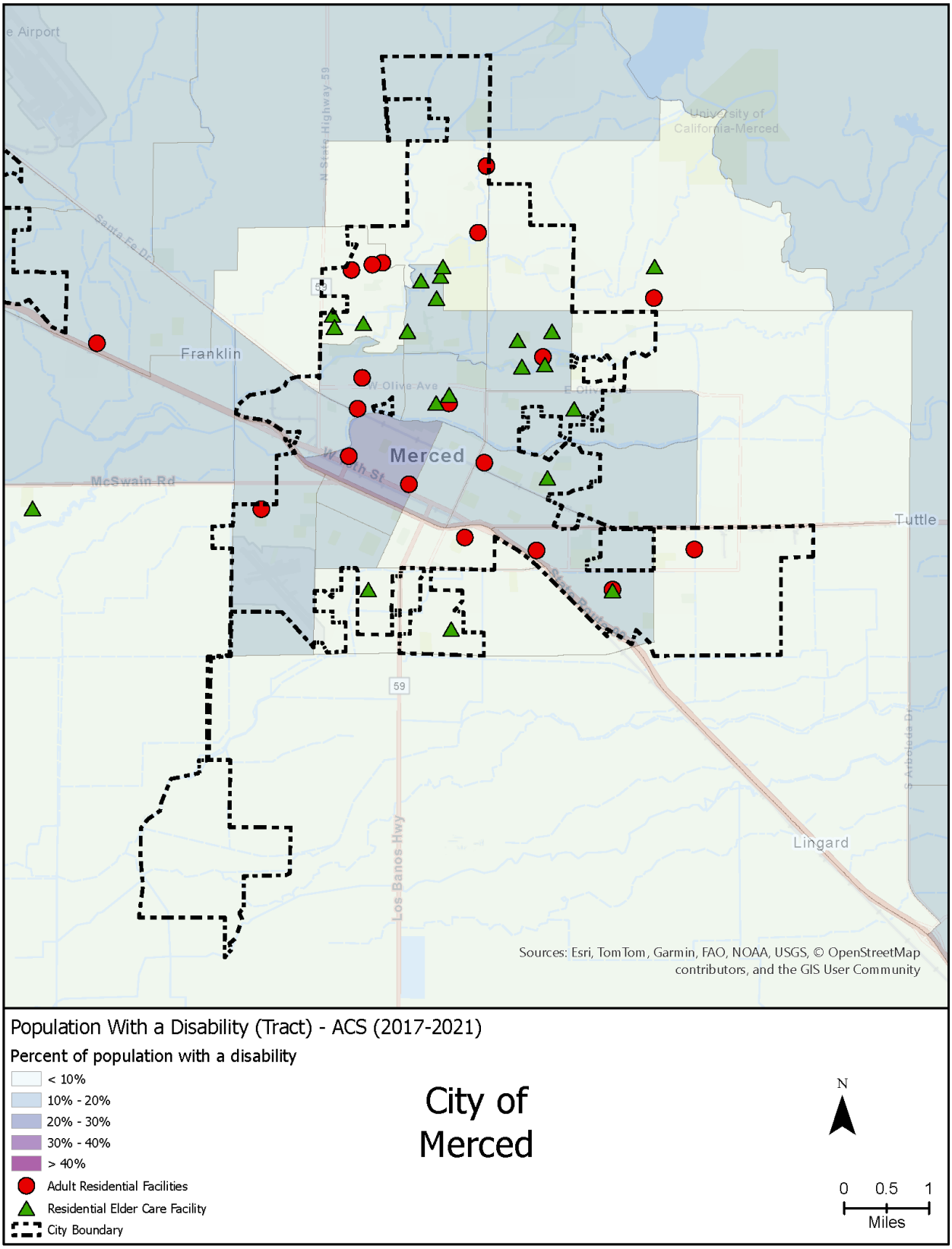


Table G5-2 Employment Status by Disability Status (City of Merced)

Disability Status	Employed 2012-2016 (Percent of Total Employed)	Unemployed 2012 -2016 (Percent of Total Unemployed)	Employed 2017-2021 (Percent of Total Employed)	Unemployed 2017-2021 (Percent of Total Unemployed)
No Disability	25,141 89.8%	4,963 85.6%	29,284 92.9%	3,927 91.5%
With a Disability	2,857 10.2%	836 14.4%	2,248 7.1%	367 8.5%
Total	**27,998**	**5,799**	**31,532**	**4,294**

Source: U.S. Bureau of the Census, American Community Survey (ACS), Table C18120 Employment Status by Disability Status, 2012-2016, 2017-2021 Estimates.

Familial Status

Familial status refers to the presence of children under the age of 18 and the martial status of the head of the household. Families with children may face housing discrimination by landlords who fear that children will cause property damage. Examples of differential treatment include limiting the number of children in an apartment complex or confining households with children to a specific location. These actions are potentially discriminatory. Single-parent households are protected by fair housing law.

The household composition of owner-occupied married couple households with children present is similar compared to Merced County and the Northern SJV region. However, there is a higher percentage of single parent, female and male headed households in Merced than Merced County and the Northern SJV region. The city of Merced has a total of 26,673 households in 2021. Households with children present comprised approximately 37 percent (9,877 households) of the total households in the city. Married-couple families with children comprised the largest share of households with children (51 percent). Over half of all single-parent households are female single-parent households (70 percent). Single-parent, female-headed households are more likely to rent than own, comprising approximately 30 percent of renter-occupied households but only 10 percent of owner-occupied households (Table G5-3).

Table G5-3 Tenure by Household Type and Presence of Children (City of Merced)

Household Type	Owner-Occupied	Percent of Total Owner-Occupied	Renter-Occupied	Percent of Total Renter-Occupied
Married Couple Family, with Children Present	2,477	22.1%	2,540	16.3%
Single-Parent, Male Householder, No Spouse Present	1,112	9.9%	1,395	9.0%
Single Parent, Female Householder, No Spouse Present	1,143	10.2%	4,589	29.6%
Total Households with Children Present	3,319	29.7%	6,558	42.3%
Total Households	**11,185**		**15,488**	

Source: U.S. Bureau of the Census, American Community Survey (ACS), Table B25115 Tenure by Household Type and Presence and Age of own Children, 2017-2021 Estimates.

The percentage of children residing in female-headed, single-parent households is highest in the central parts of the city, including portions of District 1, District 2, District 3, and District 5. In portions of these neighborhoods 40 to 60 percent of children reside in female-headed, single-parent households. In contrast, the southeastern, southwestern, and northern areas of the city have less than 20 percent of children residing in this female-headed, single-parent households (Figure G5-8). Across Merced County and the Northern SJV region, most areas have observed trends of less than 20 percent of children residing in female-headed, single-parent households.

Approximately 20 percent of households in Merced are married couples with at least one child under 18 years[4]. As Figure G5-9 displays, the smallest percentages of children in married-couple households are observed to reside in the city's center in most of District 3 and District 5 and portions of District 1 and District 2. Areas of the city with the highest percentage of children living in married-couple households are adjacent to the city's boundary. In District 2, District 4, and District 6, 60 to 80 percent of children reside in married-couple households, while in while in portions of District 1, District 4, and District 6 80 to 100 percent of children reside in married couple households.

Childcare centers are located throughout the city with the exception of the western portion of District 5 and the northern portion of District 6 (Figure G5-10). Approximately 40 to 60 percent of households in District 5 are female-headed households with children and therefore access to child care important.

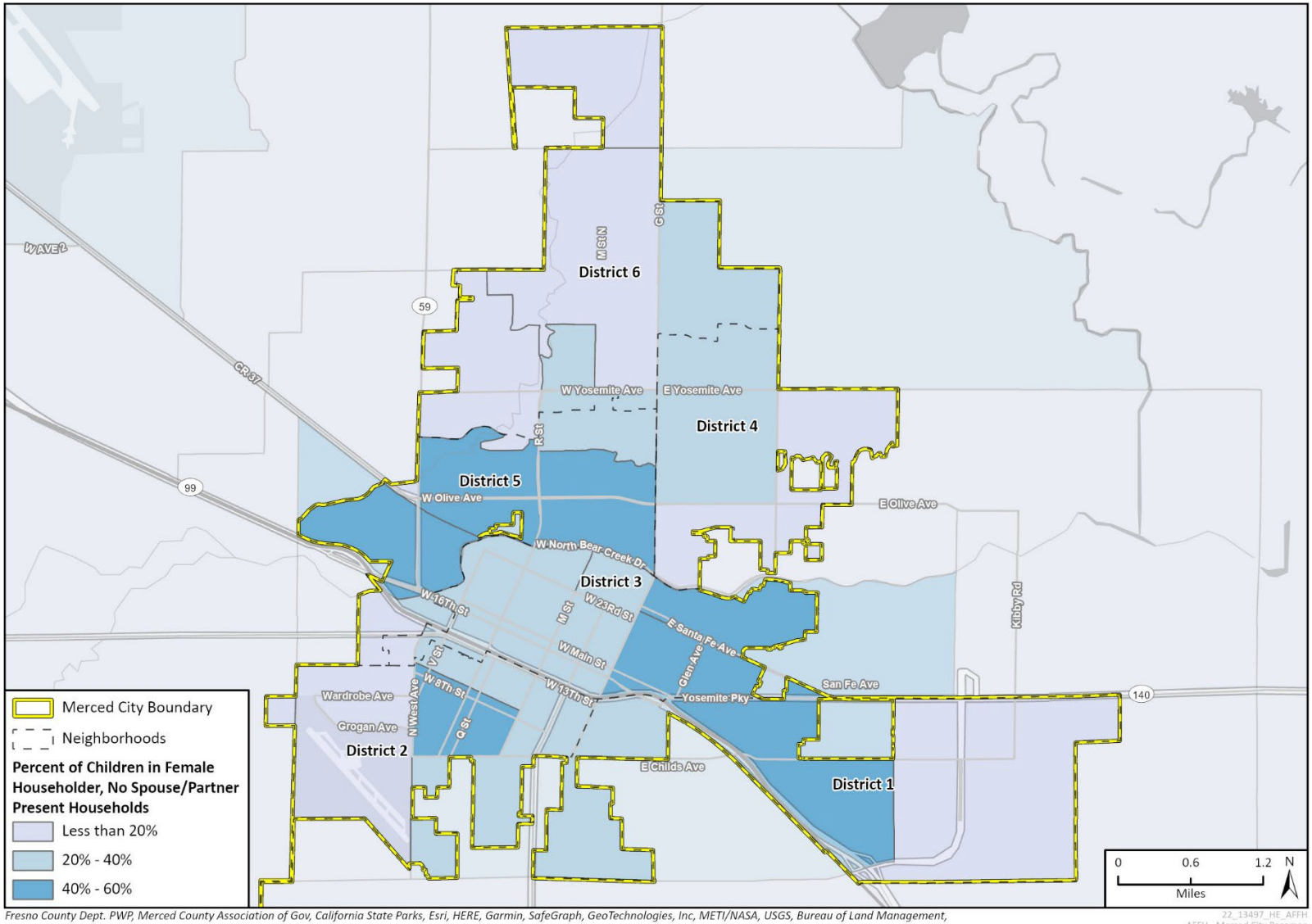
Household Income

Household income is directly connected to the ability to afford housing. Higher-income households are more likely to own rather than rent housing. As household income decreases, households tend to pay a disproportionate amount of their income for housing and the number of persons occupying unsound and overcrowded housing increases. To achieve fair housing objectives, people in low-income households must have choice in housing opportunities—that is, when they are able to locate units that are affordable and well maintained in all parts of a jurisdiction and region.

This section identifies household income disparities using data based on median household income and low- or moderate-income (LMI) geographies. HUD defines an LMI area as a census tract or block group where over 51 percent of the population is LMI. The definition of LMI is based on HUD income definitions of up to 80 percent of the area median income (AMI). Data for this analysis are from the HUD Low- and Moderate-Income Summary Data based on the 2011-2015 American Community Survey (ACS) (most recent available data).[5]

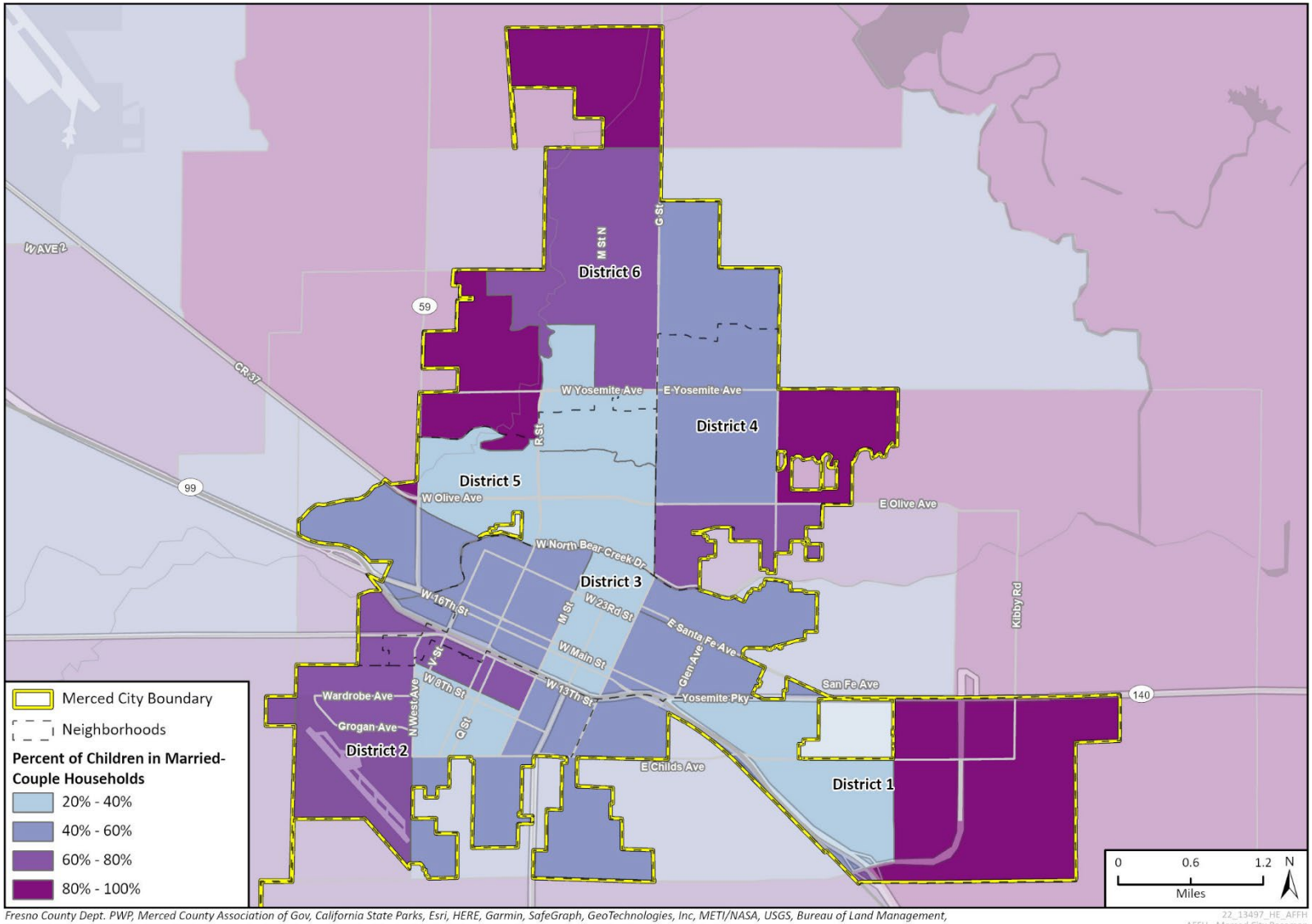
[4] U.S. Bureau of the Census, American Community Survey (ACS), Table DP1
[5] HUD Exchange 2021: https://www.hudexchange.info/programs/acs-low-mod-summary-data/

Figure G5-8 Female-Headed Households with Children Present, No Spouse/Partner Present (City of Merced)



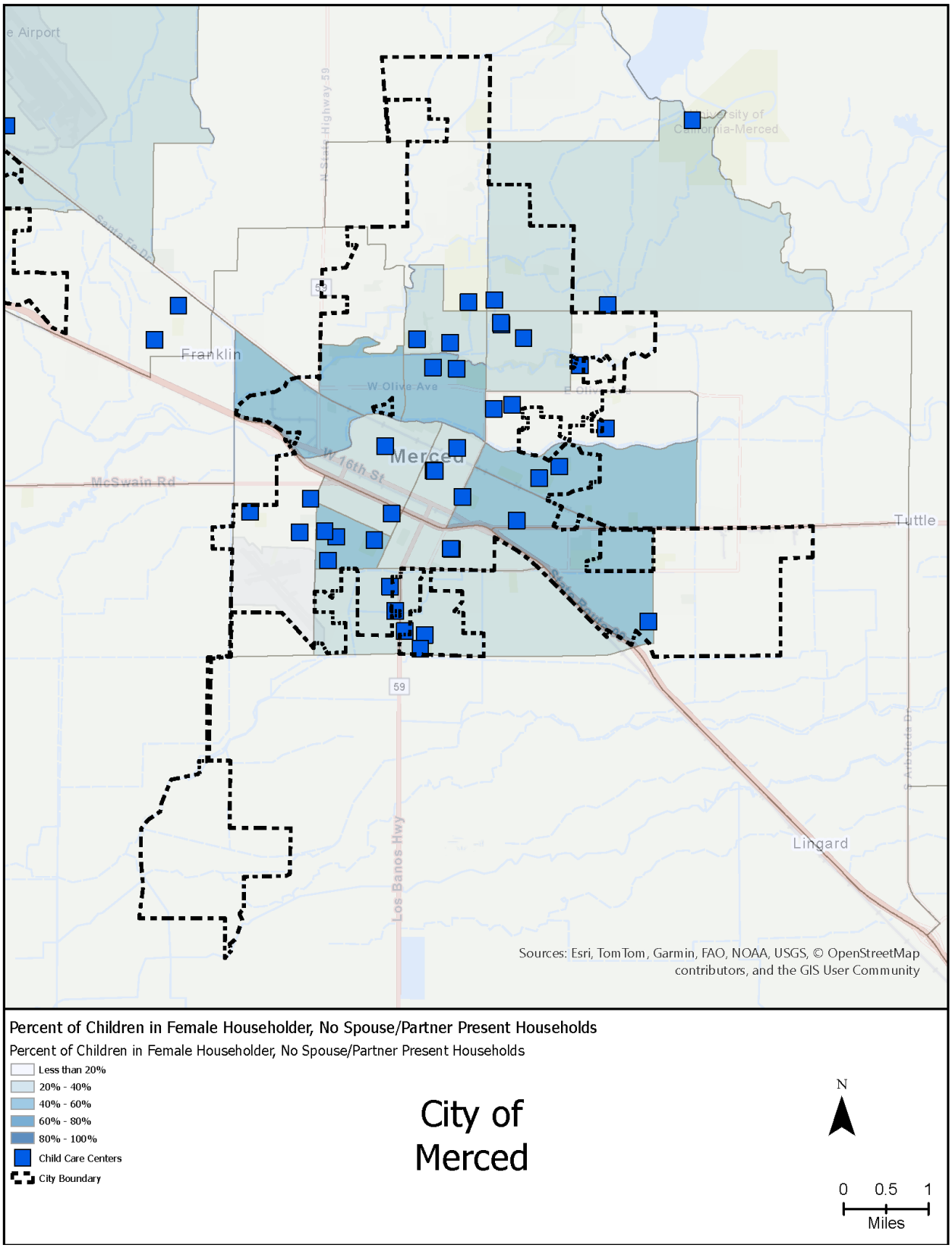
Source: AFFH Data Viewer, 2023.

Figure G5-9 Married Couple Households with Children Present (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-10 Female-Headed Households with Children and Child Care Centers (City of Merced)



As of 2021 (most recent available data), the city of Merced has a median household income of $52,305. Median household income is highest in the northeastern areas of the city, particularly those in proximity to the University of California, Merced (Figure G5-11). In most other areas of the city, median household income is lower than the state median income of $87,100. This is similar to the Northern SJV region, where most of the region's household's AMI is below the state median income. Urban areas of the city, including portions of District 2 and District 3, have some of the lowest median household incomes in the city, less than $30,000 per year.[6]

Low- and moderate-income (LMI) populations are prevalent throughout the city, especially in southern and western parts of the city in District 2 and District 3 and portions of District 1 and District 5 (Figure G5-12). One census tract within District 2 contains the highest percentage of LMI populations in the city. Spatially, LMI populations in the southern part of the city overlap with census tracts with high segregation of people of color (Figure G5-4) and predominant Hispanic or Latino populations (Figure G5-3).

Racially and Ethnically Concentrated Areas of Poverty

To identify racially and ethnically concentrated areas of poverty (known as R/ECAPs), the California Tax Credit Allocation Committee (TCAC) includes a poverty concentration and racial segregation filter that aligns with HUD's R/ECAP methodology but is intended to reflect the level of racial and ethnic diversity more effectively. TCAC categorizes census tracts that have both a poverty rate of over 30 percent and that are designated as being racially segregated (overrepresentation of people of color relative to the region) as areas of High Segregation and Poverty (HSP). Census tracts with 1.25 times the county's percentage of Black/African American, Hispanic/Latino, Asian/Pacific Islander, or all people of color are designated as racially segregated areas.

In the City of Merced, there are four areas of HSP, located in District 1, District 2, and District 5 (Figure G5-13). The following describes these areas:

- Census Tract 17.00: This census tract is located in District 1 and is bound by Yosemite Parkway (Highway 140), Highway 99, and Coffee Street. Approximately half of residents in this census tract are low-income households (52 percent) and 40 percent of the population live below the poverty level, which is one of the highest poverty levels in the city. This census tract also has the highest percentage of female-headed households with children (55 percent) in Merced as well as the highest percentage of renters receiving Housing Choice Vouchers (28 percent). About 200 units of subsidized housing are located in this census tract. Almost a quarter of housing units in this census tract were built prior to 1960 (24 percent), which could require costly maintenance and upkeep. There is a mix of older and newer housing in this census tract, with older construction near Yosemite Parkway, and newer construction towards the eastern part of District 1. The areas with older housing stock also have older public infrastructure. According to Caltrans data from 2022, no high quality transit stops are located in this area and the physical barriers of Highways 99 and 140 separate this area from much of the rest of the city.

  This census tract has limited access to full-service grocery stores, with most food options available through convenience stores. There are two full-service grocery stores, Merced Valley Food and Rancho San Miguel Markets, located in the eastern part of the Census Tract that offer a variety of fresh food options. There are few parks, no medical centers, or community facilities in this census tract. Joe Herb Park is the only public park within the Census Tract. Although the facilities in this

[6] U.S. Census Bureau. 2021 ACS 5-Year Estimates, S1901: Income in the Past 12 Months. https://data.census.gov/table?q=median+household+income&g=160XX00US0646898&tid=ACSST5Y2021.S1901

park are in good condition, the park occasionally experiences issues with homeless encampments and trash.

Pioneer Elementary School, located within this census tract, is largely surrounded by agricultural land and lacks direct connections to nearby residential areas. The adjacent roadway has minimal crosswalks, resulting in the absence of safe routes to school for local residents. According to California School Dashboard, the schools in this census tract, Golden Valley High School and Pioneer Elementary School, are primarily comprised of socioeconomically disadvantaged students.[7] Academic performance in English Language Arts and Math are below standards.

- Census Tract 16.01: This census tract is located in both Districts 1 and 2 and is bound by M Street to the west, Childs Avenue to the south, and Highway 99 to the north. Approximately 90 percent of residents in this tract are non-white, and there are high rates of linguistic isolation. The majority of these residents are of Hispanic and Hmong descent, as well as families that immigrated from Laos. The median household income is around $26,000, 71 percent of the households are low- or moderate-income, and 36 percent of residents live below the poverty line. A significant portion of the census tract is zoned for multifamily uses, with more than half (56 percent) of housing units consist of two or more units and 90 percent of households in this census tract are renters. The majority of this neighborhood was built in the 1970s. Cost burden impacts 42 percent of renter households and about ten percent of overall households are overcrowded. This census tract has one of the highest concentrations of subsidized housing with 349 subsidized units.

  Walkability in this area is considered below average and the absence of high-quality transit stops may present challenges for residents to access office and retail commercial areas in other portions of the city, particularly to the north. Residents of Tract 1601 are also considered at risk of displacement (please refer to Disproportionate Housing Needs below). This census tract has high rates of lead pollution and groundwater threats.

  There are few medical (i.e., Merced Faculty Associates, Dignity health Dignity Health General Medicine Clinic, Quest Diagnostics) and community services, and fresh food options in this census tract. McNamara Park, a regional park with several community amenities, is located in this area. McNamara Park is well used due to its skate parks and sport fields and is generally clean and family friendly. While Stowell Elementary School, located in this census tract, is surrounded by residential uses, there are few crosswalks that provide safe routes to school for residents. This census tract is also home to the Merced County Fairgrounds, which hosts the annual county fair, festivals, concerts, and the Saturday flea market. According to California School Dashboard, Stowell Elementary is primarily comprised of socioeconomically disadvantaged students and academic performance in English Language Arts and Math are below standards. Dignity Health, a nonprofit health care provider, operates the medical clinics in this neighborhood. Community reports, however, suggest there are gaps in the quality of care. Road and sidewalk conditions in this area are mixed; while many streets are generally in fair shape, they are affected by noticeable pavement cracking.
- Census Tract 15.02: Located in the central part of Merced, this portion of District 2 is bound by M Street, 9th Street, West Avenue, and Highway 99. This area is an older part of the city with many smaller single-family homes and other residential uses that were built in the 1960s and 1970s. A significant percentage of housing units were built prior to 1960 (33 percent) which can require costly repairs and maintenance. The census tract is a high segregated area of persons of color, with over 90 percent of residents identifying as non-white. Thirty percent of households are female-headed with children. Approximately 68 percent of households are low- and moderate-income and about a quarter live below the poverty level. Housing in this area predominantly consists of multifamily units

[7] Students who are eligible for free or reduced priced meals; or have parents/guardians who did not receive a high school diploma.

with 71 percent of households consisting of renters. The median household income is $31,771 and cost burden impacts more than half of renters (55 percent). Similar to the census tracts above, there are no high quality transit stops in this area but areas are concentrated in central Merced north of Highway 99 and 140 and the northern portion of the city. Like Tract 1601, this area is at risk of displacement. This census tract has high rates of lead pollution and groundwater threats. No food options, schools, medical services, or parks are available in this census tract. Road and sidewalk conditions in this area are mixed; while many streets are generally in fair shape, they are affected by noticeable pavement cracking. Alleyways in this census tract are generally in poorer condition as streets as they do not receive the same level of service.

- Census Tract 10.03: This census tract is located in District 5 and is bound by Buena Vista Drive, R Street, North Bear Creek Drive, and State Highway 59. The median household income is $27,466 and approximately 39 percent of residents live below the poverty level. This census tract also higher percentage of non-white residents (65 percent). Approximately 43 percent of renter households pay more than 30 percent of their household income on rent. The majority of units were built between 1970 and 1979. According to Caltrans data from 2022, no high-quality transit stops are located in this area. There are no schools, parks, or medical centers in this census tract. Crime rates are high in this area compared to other parts of the city. Prior to 1995, most residential properties were occupied by military personnel. Following the closure of Castle Air Force Base in 1995, the neighborhood saw an influx of lower-income families. Road and sidewalk conditions in this area are in good condition, with the exception of R Street, which regularly requires patchwork. This census tract has a large variety of high-quality grocery store and retails options.

When comparing quality of life between Merced's HSP areas (Census Tracts 1700, 1601, 1502, and 1003) and the rest of the city, several differences emerge. Figure G5-14, Figure G5-15, and Figure G5-16 show that HSP areas have more local bike routes and better proximity to schools, parks, and commercial areas than northern districts like 4 and 6. However, regional bike routes are primarily located north of Highway 99. These differences reflect historic development and capital investment patterns in Merced, where newer growth areas (north of Highway 99) have received more recent and comprehensive investments in regional infrastructure, while older central and southern neighborhoods developed earlier with more limited long-term reinvestment. Transit access is stronger in Tracts 1502 and 1601, which have more bus routes and stops than Tract 1700 and other districts. Electric vehicle charging stations are also clustered in southern Merced. Sidewalk gaps are widespread across the city, especially in Districts 1, 3, and 4. In the HSP area, parts of Tracts 1601 and 1700 (including Childs Avenue) also lack sidewalks. Actions in Program 9 of the Housing Plan address this disparity.

Environmental health, as shown in Figure G5-22, is poorest in the HSP area, which has some of the lowest CalEnviroScreen scores in the city. All HSP areas in Merced have high levels of ozone and PM2.5, likely due to proximity to major transportation corridors, such as Highway 99, Highway 59, Highway 140, and Olive Avenue. The location of these corridors, combined with historic zoning and housing siting decisions, has contributed to long-term exposure to environmental burdens in these neighborhoods. There are very high rates of asthma and cardiovascular disease than in the rest of the city. Educational attainment for residents in these census tracts is also low. Table G5-4 provides a list of services and amenities located within a half mile of HSP areas.

Table G5-4 Amenities and Services Near HSP Areas

Location	Services and Amenities
Within a half mile of the HSP area bounded by Yosemite Parkway and E. Childs Avenue	Joe Herb Park
	McNamara Park
	Dignity Care Clinic
	Golden Valley Health Clinic
	Lee's Community Market
	Rancho San Miguel
	Smart and Final
	Tesla EV Charging stations
	Various restaurants and eateries
	IMAX theater
	Merced Theater
	City Hall
	Merced Fair Grounds
Within a half mile of the HSP area bounded by R Street and W. North Bear Creek Drive	Fahrens Park
	Applegate Park and zoo
	Black Rascal Creek Bike Path
	Medical Offices
	AAA
	Walmart
	Food Maxx
	Target
	Various restaurants and eateries

Conditions of facilities and amenities in HSP areas vary, but many are in excellent condition (including sports complexes near South Merced and McNamara Park). The condition of private amenities, such as grocery stores, are discussed above. For publicly maintained facilities, several actions are underway to improve existing or developing new infrastructure and community amenities in the HSP area. These are described in more detail later in this chapter:

- CDBG funds are being used for sidewalk upgrades in South Merced.
- The City's Engineering Department is utilizing Congestion Mitigation and Air Quality (CMAQ) Improvement grant funds to implement sidewalk and infrastructure improvements in underserved areas. This includes new curb ramps, curb and gutter, sidewalks and restoration of fencing and landscaping in residential neighborhoods located in Districts 1 (in HSP areas).
- MCAG adopted a Merced Multijurisdictional Local Roadway Safety Plan (LRSP) in September 2024. This LRSP builds on existing and ongoing efforts by MCAG and the six cities in Merced County to identify and work to solve risk factors for roadway safety. For the City of Merced, the LRSP identified 21 priority projects for road safety. These are shown in Table G5 4 below. Of the 21 projects listed, four are in the HSP area.
- Measure K (Weaver Union School District) and Measure O (Merced City School District) were both approved by voters in the November 2024 election. These bonds will be used to upgrade school facilities. Both Districts have Facilities Master Plans in place for prioritizing improvements.

- A special Zoning Ordinance amendment for commercial land use near Canal St. and Childs Ave. has been adopted with the goal of getting a new grocery store. There has been some developer interest for this location.

Poverty and Segregation

Poverty rates are high in the more urbanized areas of the city but are most prevalent District 1 and District 2 (Figure G5-17). In these areas, more than 40 percent of households earn an income below the poverty line. In the surrounding neighborhoods of District 3 and District 5, between 30 to 40 percent of households earn an income below the poverty line. The eastern portion of District 2 has the lowest poverty rates, with less than 10 percent of households in this area earning an income below the poverty line. Older areas of town are located south of the freeway with smaller homes and lower incomes. However, the Merced Municipal Airport constitutes much of this census tract and does not accurately represent the poverty status of individuals living in that neighborhood. Please see the discussion above about R/ECAPs for further information.

Concentrated Areas of Affluence

The AFFH Data Viewer identifies Racially Concentrated Areas of Affluence (RCAAs), defined as white, affluent communities, as census tracts that have a white population that is 1.25 times higher than the Council of Governments region and a household median income 1.5 times higher than the AMI.

RCAAs are located in the easternmost portions of the city in District 1 (Census Tract 26.01) and District 4 (Census Tract 26.02 - south of Yosemite Ave. and Census Tract 18.01 – north of Yosemite Ave) (Source: AFFH Data Viewer, 2023.

Figure G5-18). However, it should be noted that the RCAAs in Merced include census tracts that cover areas within and outside of city boundaries and may more accurately represent the data outside of city boundaries. For example, a portion of the University neighborhood contains a small neighborhood of larger, estate-style homes near smaller housing occupied by students attending the University of California, Merced. The entire area is depicted as an RCAA.

The following describes characteristics of the RCAAs. Information is also shown in Table G5-5.

- **Demographics:** Tract 26.02 has the highest percentage of White residents (45.9 percent) in the RCAAs, although all three areas have a higher percentage than the citywide average (23.8 percent).
- **Housing:** Tracts 26.01 and 26.02 have a significantly higher percentage of owner households (73.3 percent and 73.8 percent respectively) than the citywide average (41.9 percent). In Tract 1801, 55.9 percent of the households are owner-occupied. Cost burden impacts approximately half (51.1 percent) of renter households citywide. The RCAAs also face cost burden. Observed trends in Tract 26.02 are similar to the citywide average (52 percent), while residents in Tracts 26.01 and 18.01 observe lower cost burden than the citywide average (47.8 percent and 32.7 percent respectively). Most of the housing in these census tracts was built in the early 2000s. The newer homes sit on larger lots and are generally well maintained. The vast majority of housing in these areas is comprised of single-family homes. There are very few other housing types. In Tract 26.02, east of McKee, large homes with five to six bedrooms are prevalent. These are often occupied by student renters.
- **Income:** As shown in Table G5-5, median incomes in RCAAs are significantly higher than the citywide average ($52,305). In Tract 26.02 the median income is 91 percent higher ($99,832) than the citywide average, while Tracts 266.01 and 18.01 are 84 percent ($96,222) and 58 percent higher

($82,500), respectively. The poverty rates in RCAAs reflect the higher incomes in these areas. All are lower than the observed citywide 26.6 percent poverty rate.

- **Land Use and Community Amenities:** Given development trends in Merced, RCAAs have newer and lower density housing. Figure G5-29 shows the zoning designations throughout the city. In the northeastern area (Tract 18.01), the primary land use is low density residential. There are several schools and neighborhood parks scattered throughout this tract. Dignity Health Hospital - Mercy Medical Center is located in this census tract, as well as the University of California Merced. Adjacent to this census tract to the west is Merced College.

  In the eastern area of the city (Tract 26.02) is primarily low density residential with areas neighborhood commercial, planned development. There are several neighborhood parks in this tract. The Bear Creek Bikeway runs through this tract, paralleling Bear Creek and connects to other bikeways and parks in the vicinity. There is one grocery store and one school in this neighborhood.

  Tract 26.01 is mostly designated for industrial uses and agricultural land. This tract does not contain any grocery stores, medical centers, community resources, or neighborhood commercial uses. It contains one school and one neighborhood park.

  As shown in Figure G5-14, community amenities in RCAA areas are less prevalent than other areas of the city. Schools and parks are located throughout the city, while many civic uses are located closer to downtown. Bike paths are also located throughout Merced, although the RCAAs do not have any Class III Bike Routes. Similar to much of the city, certain neighborhoods in the RCAAs lack sidewalks. While the schools in these areas are surrounded by residential uses, there are few crosswalks that provide safe routes to school for residents.

  There are few public transportation options in these neighborhoods. The Merced County Transit bus route M5 runs through Tract 26.01, and the M3, M4, and the University of California Merced bus run along Yosemite Avenue between Tract 18.01 and 26.02.

Table G5-5 Demographics of RCAAs

Area	% With Two or More Units	Median Income	Poverty Rate	% Renter Households	White
Tract 26.01 (District 1)	5.0%	$96,222	10.5%	26.7%	25.5%
Tract 26.02 (District 4 – south of Yosemite Ave)	0.0%	$99,832	12.5%	26.2%	45.9%
Tract 18.01 (District 4 – north of Yosemite Ave)	0.0%	$82,500	19.6%	44.1%	28.2%
Merced (City)	30.1%	$52,305	26.6%%	58.1%	23.8%

Source: HCD AFFH Data Viewer 2.0 and 2017-2021 ACS.

Environmental health, as shown in Figure G5-22, is more positive in the City's RCAAs than in other areas of city, particularly Census Tract 18.01. The CalEnviroScreen score for these neighborhoods shows that the population characteristics, such as asthma rates, linguistic isolation, housing burden, and poverty are much more positive in these areas compared to the rest of the city. Census Tract 26.01 has high rates of ozone and PM2.5, likely due to proximity to major transportation corridors, such as Highway 99 and Highway 140.

Comparison between Merced's Racially and Ethnically Concentrated Areas and Concentrated Areas of Affluence

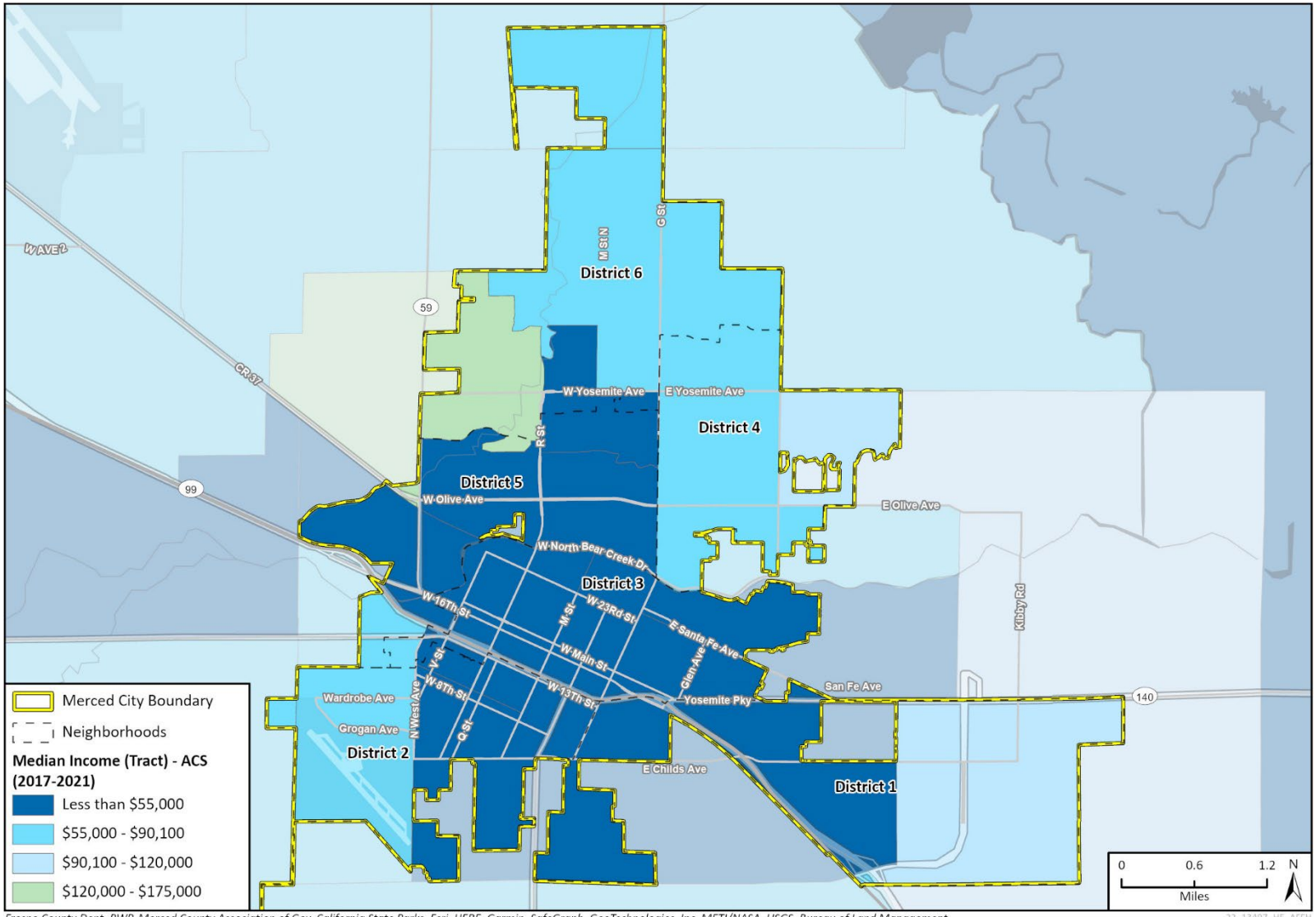
Merced's R/ECAP/HSP areas and RCAA areas differ across housing, amenities, education, and infrastructure. HSP areas as described above in District 1, District 2, and District 5 are generally characterized by older, lower-quality housing stock with high renter concentrations, significant cost burden, overcrowding, and large amounts of subsidized housing. RCAAs consist primarily of newer, well-maintained, low-density, owner-occupied single-family homes on larger lots with higher household incomes and lower poverty rates.

Access to parks, community facilities, and health services varies between neighborhoods. Several tracts lack parks, medical centers, grocery stores, and community amenities altogether in both HSPs and RCAAs. However, RCAAs generally have better access to neighborhood parks, schools, hospitals, and recreational assets such as bikeways. Safe routes to school are a challenge citywide. Schools in both HSPs and RCAAs often lack sidewalks, crosswalks, and direct pedestrian connections. However, schools are more often embedded within residential neighborhoods in RCAAs neighborhoods.

There is limited high-quality transit access citywide, but transit access in HSP is higher than in RCAAs. HSPs are in closer proximity to highways contributing to environmental health burdens, while RCAAs have newer infrastructure and more suburban streetscapes.

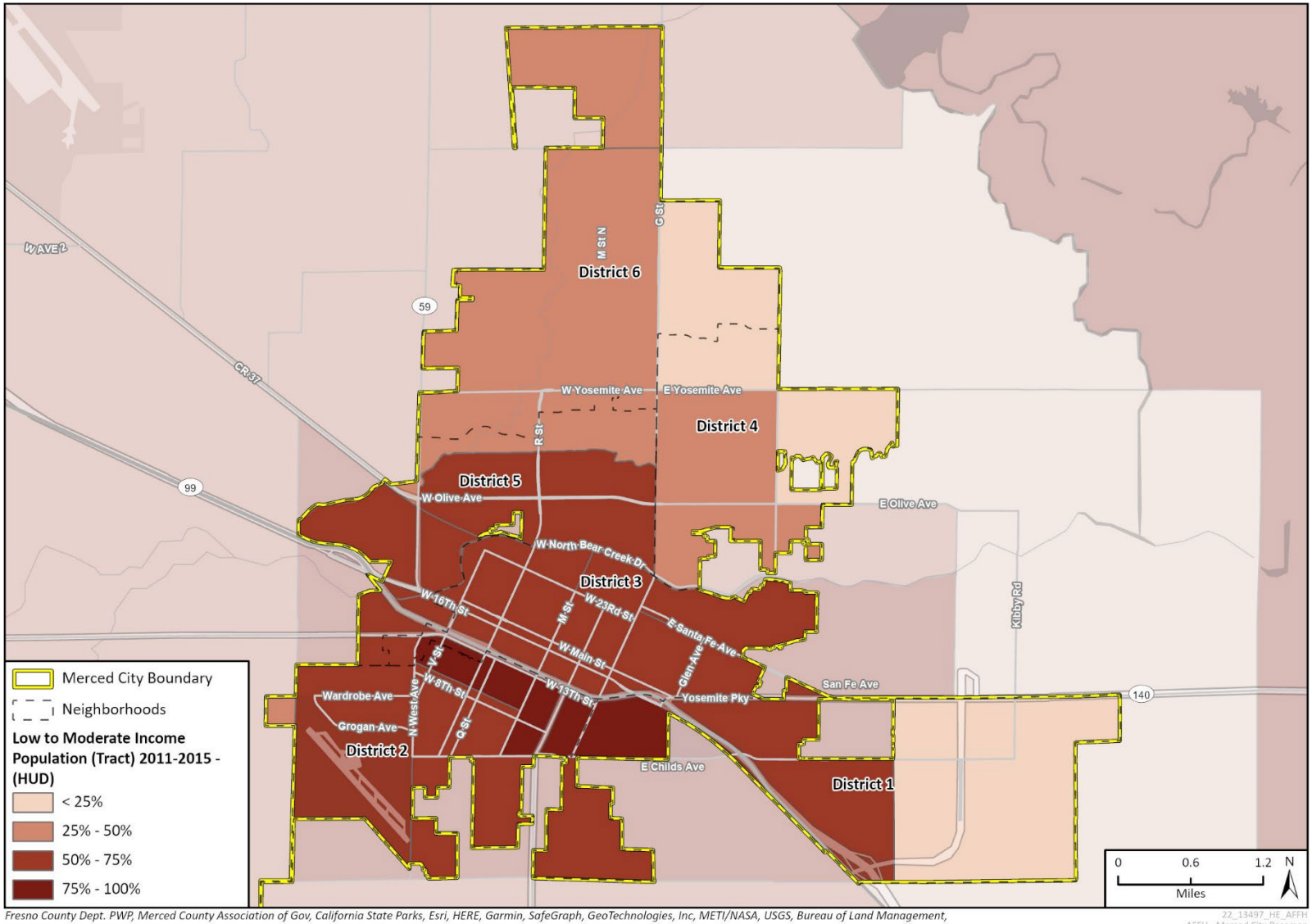
Academic performance and educational attainment are lower in HSP areas, reflecting higher poverty, linguistic isolation, and fewer supportive resources, whereas RCAAs show more favorable educational outcomes consistent with higher incomes and access to well-resourced schools. Overall, HSP areas face challenges related to housing stability, environmental health, and access to community amenities, while RCAAs experience relative advantages in living conditions and outcomes, even as both areas share some citywide issues such as sidewalk gaps and limited transit coverage.

Figure G5-11 Median Household Income (City of Merced)



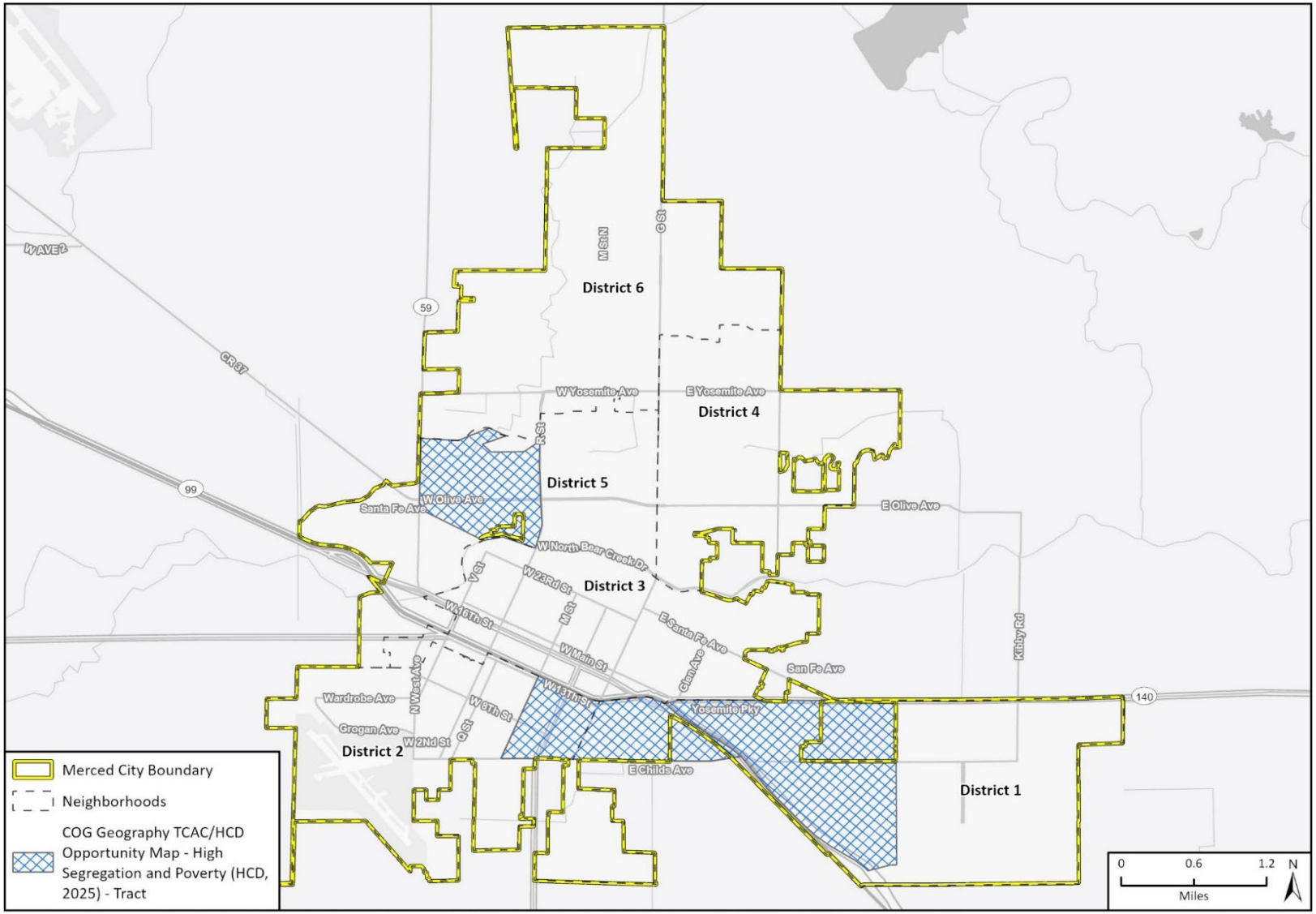
Source: AFFH Data Viewer, 2023.

Figure G5-12 Low- and Moderate-Income Population (City of Merced)



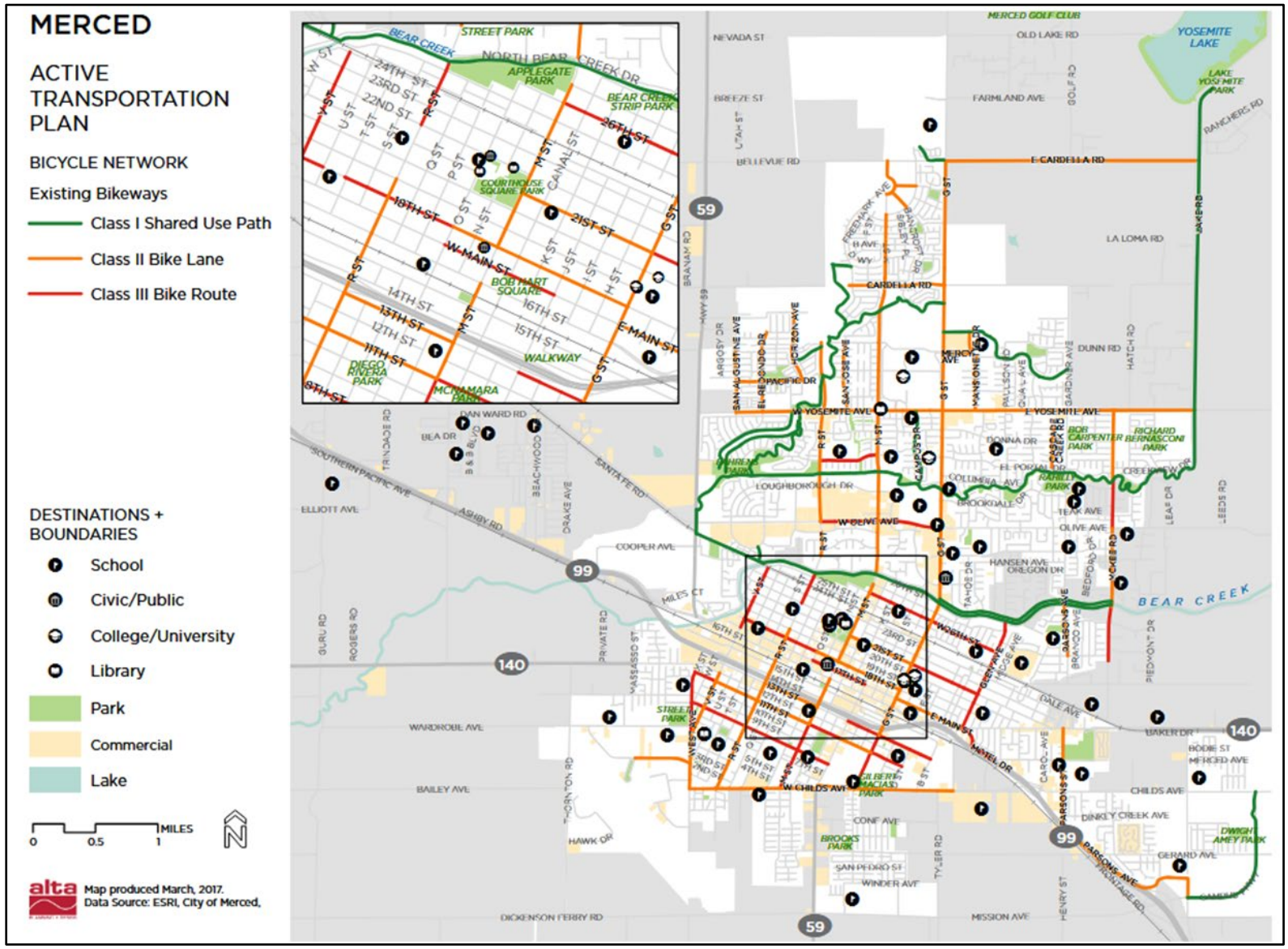
Source: AFFH Data Viewer, 2023.

Figure G5-13 Areas of High Segregation and Poverty (City of Merced)



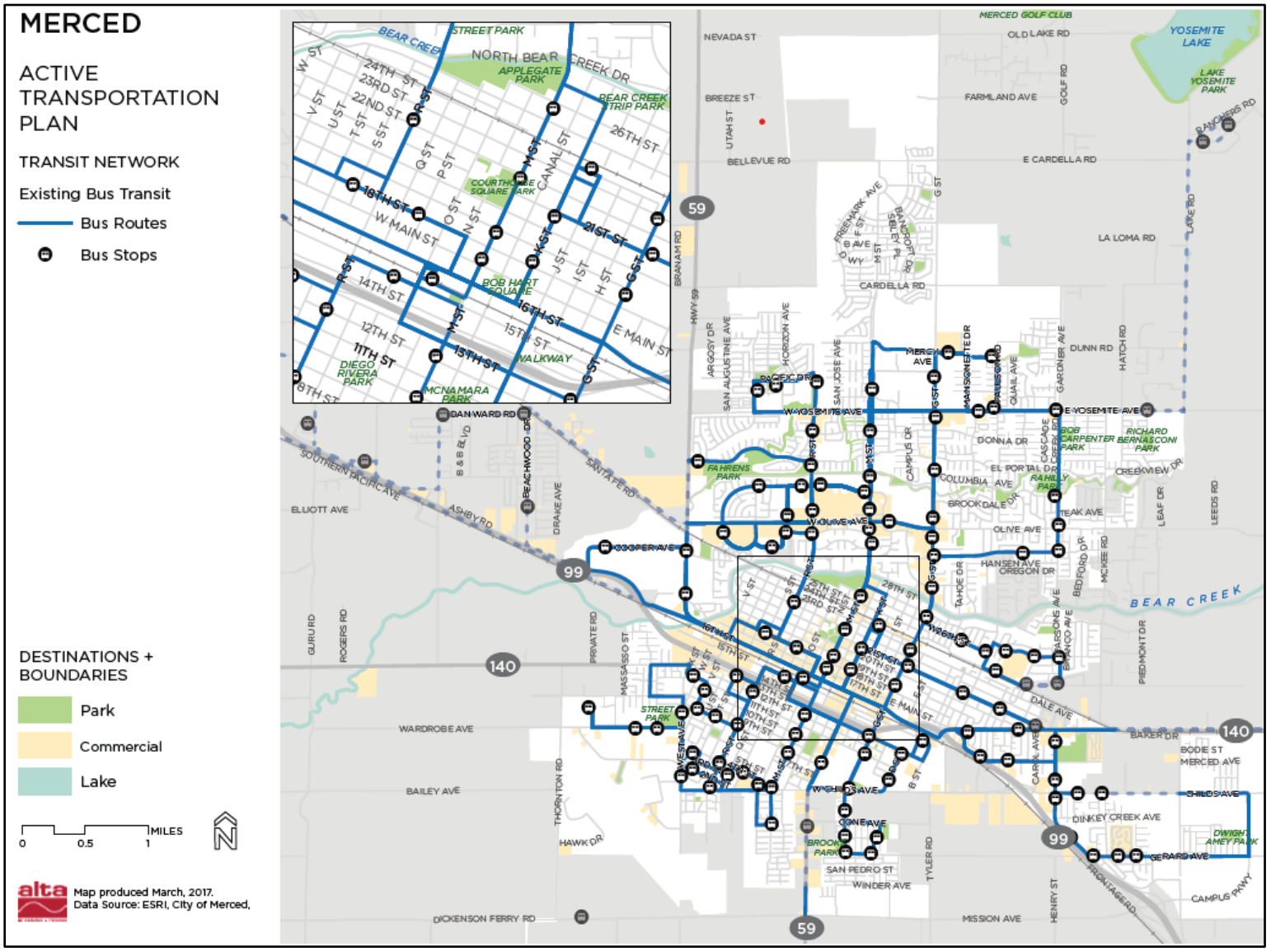
Source: AFFH Data Viewer, 2023.

Figure G5-14 City of Merced Bicycle Network and Community Amenities (2019)



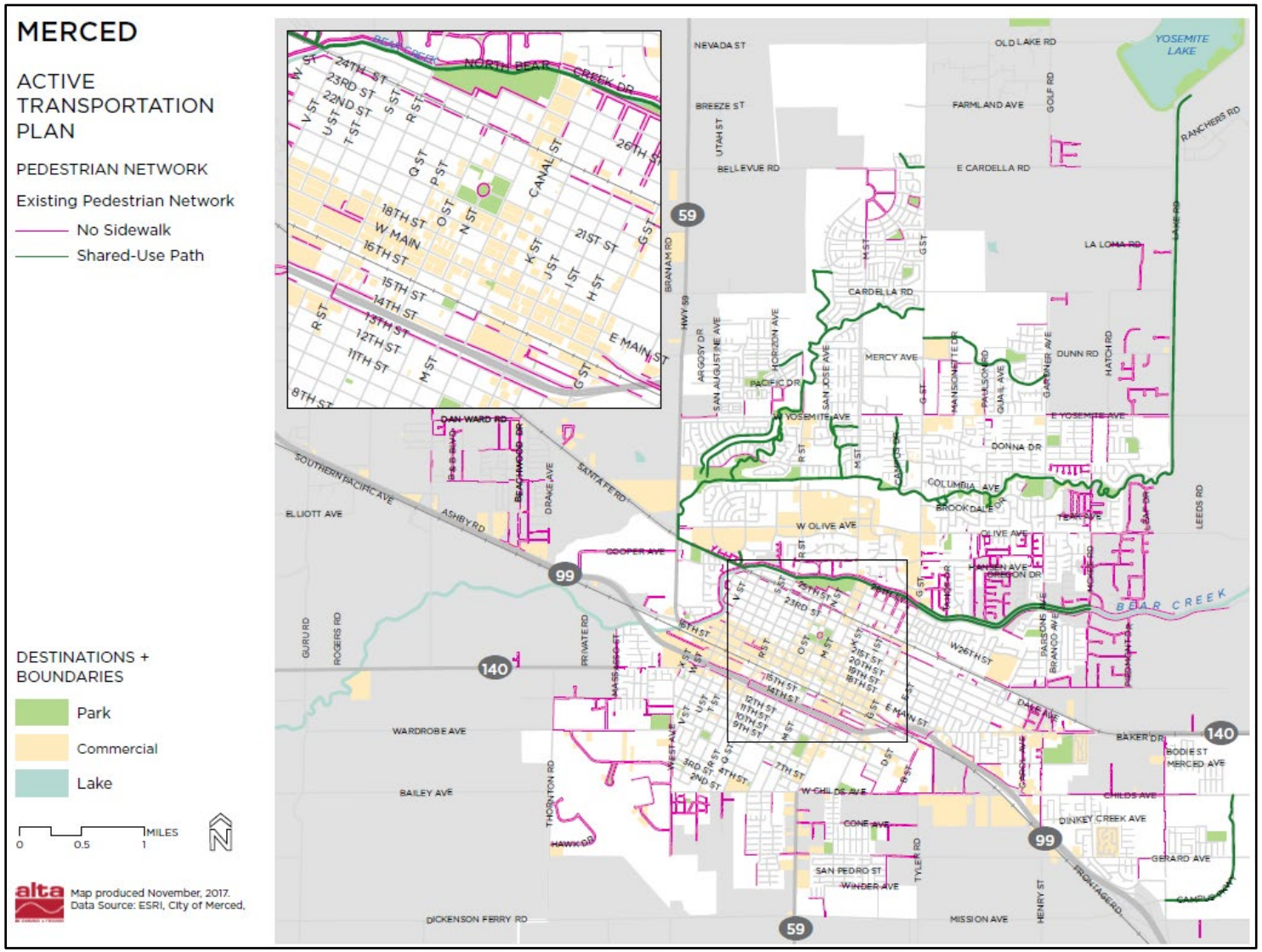
Source: City of Merced Active Transportation and Safe-Routes-to-School Plan, July 2019.

Figure G5-15 City of Merced Transit Network (2019)



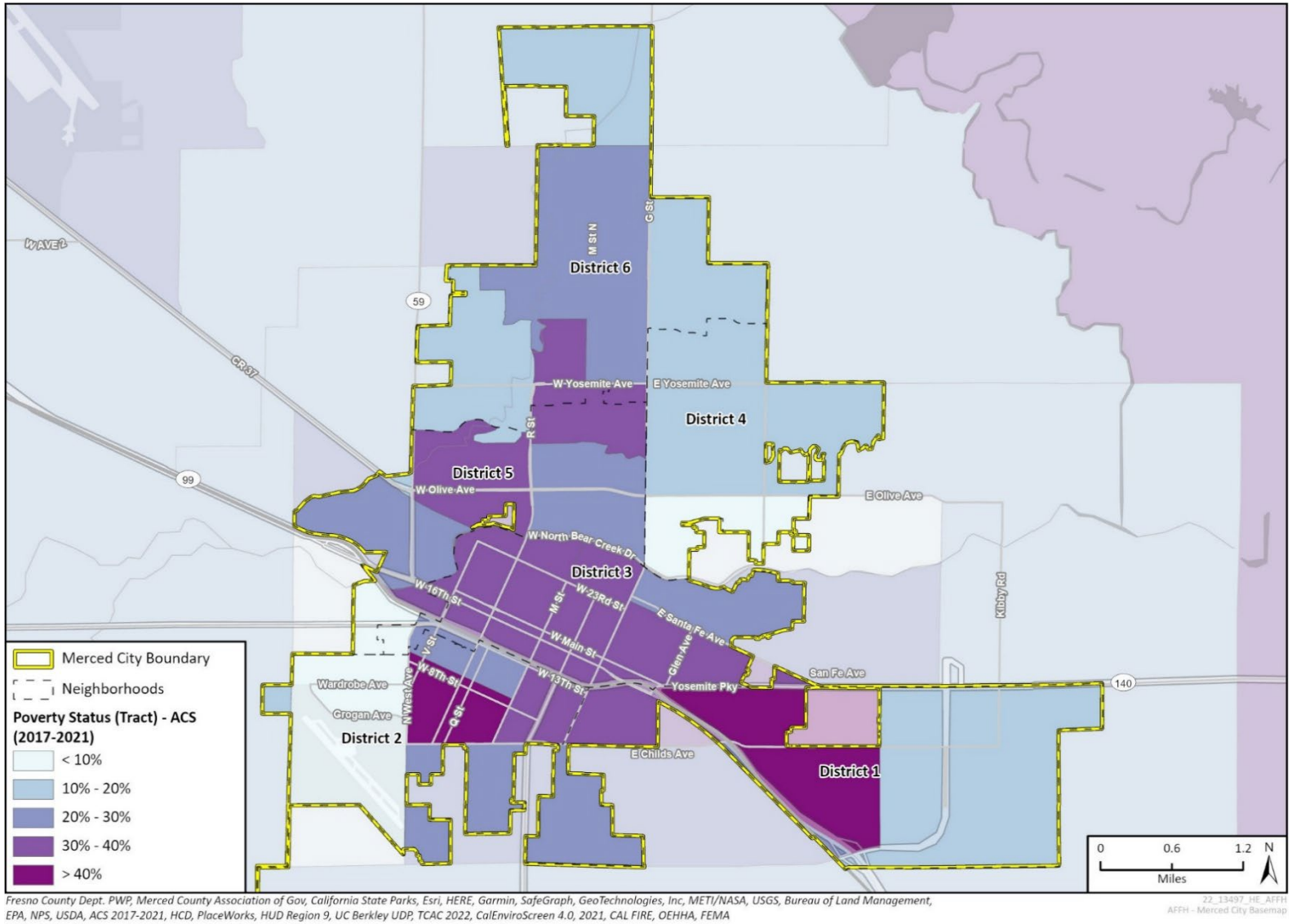
Source: City of Merced Active Transportation and Safe-Routes-to-School Plan, July 2019.

Figure G5-16 City of Merced Pedestrian Network (2019)



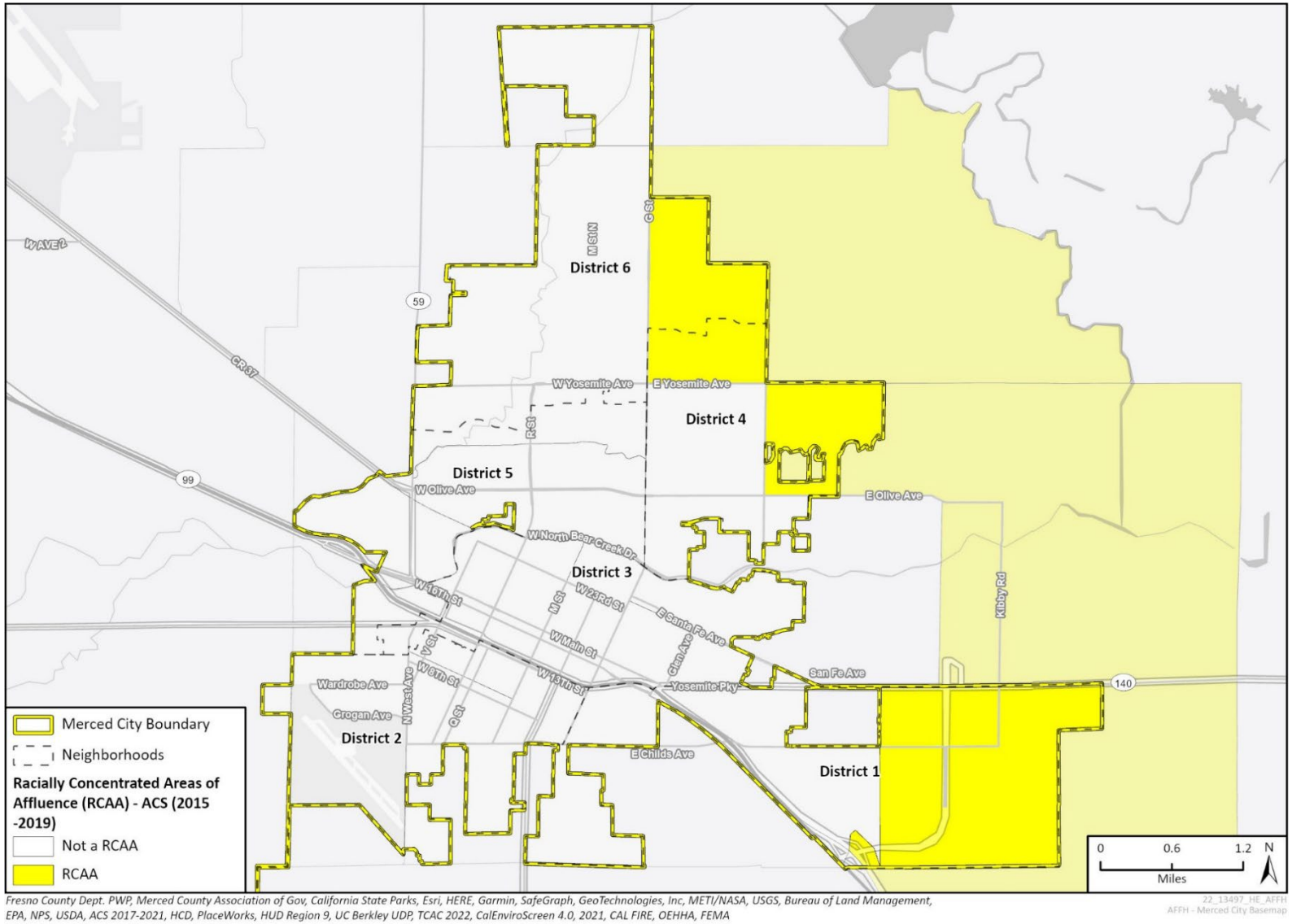
Source: City of Merced Active Transportation and Safe-Routes-to-School Plan, July 2019.

Figure G5-17 Poverty Status (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-18 Racially Concentrated Areas of Affluence (City of Merced)



Source: AFFH Data Viewer, 2023.

G5.9 Disparities in Access to Opportunities

Transit Access and Walkability

Transit service is limited in Merced. "The Bus," Merced County's Regional Transit System, was formed from the consolidation of four former local public transit service providers in July 1996. Today The Bus is the single public transportation service provider for all of Merced County. The Bus operates 15 fixed routes throughout the region. The Bus offers veterans, seniors and Americans with Disabilities Act (ADA)-eligible passengers to ride for free on all services provided by The Bus throughout Merced County. In the city of Merced, The Bus provides eight fixed route bus lines, Paratransit services, and Dial-A-Ride services. Transit options in the far northern and southern parts of the city are limited.

The Bus offers the following services in the Merced city limits:

- **Merced West (M1):** This route runs from 6:00 am to 8:00 pm on weekdays and 8:00 am to 6:00 pm on weekends. The 11 stops along this route are within District 2, District 3, District 5, and District 6.
- **R Street Shuttle (M2):** This route runs from 6:00 am to 8:00 pm on weekdays and 8:30 am to 6:00 pm on weekends. The five stops along this route are within District 3, District 5, and District 6.
- **M Street Shuttle (M3):** This route runs from 6:00 am to 8:00 pm on weekdays and 8:00 am to 6:00 pm on weekends. The eight stops along this route are within District 2, District 3, District 4, District5, and District 6.
- **G Street Shuttle (M4):** This route runs from 6:00 am to 8:20 pm on weekdays and 8:00 am to 6:00 pm on weekends. The six stops along this route are within District 6.
- **Merced South-East (M5):** This route runs from 6:00 am to 8:00 pm on weekdays and 8:00 am to 6:00 pm on weekends. The six stops along this route are within District 1 and District 3.
- **Olive Loops (M6):** This route runs from 7:00 am to 8:00 pm on weekdays and 8:00 am to 6:00 pm on weekends. The five stops along this route are within District 3 and District 4.
- **UC Merced (UC):** This route runs from 6:00 am to 8:00 pm on weekdays and does not service on the weekends. The seven stops along this route are within District 3, District 4, and District 6.
- **South G Street (M7):** This route runs from 6:00 am to 8:00 pm on weekdays and 8:00 am to 6:00 pm on weekends. The five stops along this route are within District 1 and District 2.
- Paratransit is a curb-to-curb shred transit service for persons with a disability and seniors. Paratransit service is available in every city and community in Merced County and operates between 6:00 a.m. to 8:00 p.m., Monday through Friday and 8:00 a.m. to 6:00 p.m. on Saturday and Sunday.

Residents in Merced have higher access to transit and higher transit ridership compared to smaller cities in the region such as Dos Palos, Atwater, and Los Banos. AllTransit is an online database that examines factors related to transit access and produces a performance score that reveals the social and economic impact of transit, such as connectivity and access to jobs. The City of Merced received an average AllTransit performance score of 4.7 which equates to a low combination of trips per week and number of jobs accessible by transit.[8] This is similar to the majority of the region where only a little over one percent of commuters use transit. While the City of Merced received a low performance score, this score is significantly higher than other cities in the county, such as Atwater (3.2), Dos Palos (1.2), Livingston (2.0), and Los Banos (1.0). Downtown Merced has the highest access to bus service compared to other areas of the city.

[8] AllTransit.Org, 2021. https://alltransit.cnt.org/

Walk Score is a private company that offers a walkability index on its website, that measures the pedestrian friendliness of a given location by analyzing walking routes to nearby amenities and examining population density and road metrics, including block length and intersection density, using data from various sources including Google, Factual, and the U.S. Census.[9] According to Walk Score, the city received a walk score of 42 out of 100, which is considered "car dependent." The most walkable areas in Merced are in District 3 (walk score as high as of 91) which is considered a "walker's paradise" and District 1 (walk score of 82) which is considered "very walkable."

Separate from Walk Score, the Environmental Protection Agency (EPA) publishes a National Walkability Index, that ranks block groups based on factors such as street intersection density, proximity to transit stops, and diversity of land uses, which are chosen for their ease of measurement and understanding, and each block group is ranked and assigned a score based on these variables.[10] According to the National Walkability Index, central areas of the city of Merced are considered most walkable, especially the neighborhoods along State Route (SR) 99, including District 2, District 3, and the western portion of District 1 (Figure G5-19). Other areas of the city are considered above average walkable.

As the biggest city in the county, Merced has the most expansive bicycle and pedestrian facilities. The City has a mix of Class I, II, and III bicycle facilities throughout the city along with a trail network connecting to recreational areas outside of the city, as shown in Figure G5-14. A core network of class I paths is located along many of the creek corridors that travel through Merced and along connectors to UC Merced's campus. In addition to the trail network, Class II bicycle lanes are located on many arterial streets and within new developments throughout Merced. Existing Class III bicycle routes are located throughout the city and are found on sections of both collectors and arterials, despite only being appropriate for lower speed streets, such as in residential areas, to serve specific destinations such as schools or to close gaps in the broader bicycle network.

Several physical barriers pose challenges to walkability/bike friendly options in Merced. In addition to Highway 99, the city has several creeks which require bridges to cross. Two railway tracks in the city Union Pacific Railroad (UPPR) and the Santa Fe line, also serve as barriers as not every street has a railroad crossing.

While there are several challenges to transportation options in Merced, several projects are currently underway or planned at the state, regional, County, and City levels.

1. The City is actively working with the California High Speed Rail Authority to bring a multimodal transit station to the city by 2030. Planning meetings are currently underway. The high-speed rail station in Merced is planned to be located adjacent to State Route (SR) 99 and the UPPR line on SR 59 – also known as Martin Luther King Jr. Way – and the SR 99 interchange. The California High-Speed Rail Authority is studying an alternative station location between O and R Streets in downtown Merced along 16th Street. With this new alternative location, the Merced Station is envisioned to be an integrated intermodal station serving high-speed rail, San Joaquin Amtrak through the Merced Intermodal Track Connection infrastructure project, and Altamont Corridor Express.[11]
2. South Merced has more neighborhoods without sidewalks compared to other areas of the city, since they were built prior to City sidewalk infrastructure requirements or were originally part of the County. CDBG funds are being used for sidewalk upgrades in South Merced.

[9] Walk Score, 2021. https://www.walkscore.com/methodology.shtml
[10] EPA, 2021. https://www.epa.gov/smartgrowth/national-walkability-index-user-guide-and-methodology
[11] California High Speed Rail Authority website: https://hsr.ca.gov

3. The City's Engineering Department is utilizing Congestion Mitigation and Air Quality (CMAQ) Improvement grant funds to implement sidewalk and infrastructure improvements in underserved areas. This includes new curb ramps, curb and gutter, sidewalks and restoration of fencing and landscaping in residential neighborhoods located in Districts 1 (in areas of high segregation and poverty), 2, and 4. A multi-use path project is also underway in District 4. The City also has a Safe Streets Streetlight Retrofit program to fix lighting issues throughout the city.
4. The City adopted its Active Transportation and Safe-Routes-to-School Plan in June 2019. This plan addresses mobility issues focused on creating connectivity, safer streets and transit options. In addition, the MCAG Regional Active Transportation Plan, developed in 2024, evaluates bicycle and pedestrian networks in cities throughout the county, including Merced, and provides recommendations for expanding, improving safety, and strengthening regional connectivity of local active transportation networks. The plan also includes measures to ensure that bicycle and pedestrian facilities are equitably distributed across the city. The plan recommends prioritizing active transportation investments in underserved communities.
5. The City is also working on designating the Fahrens Park basin as a natural trail for bikes. This area is located in northcentral portion of Merced (Districts 5 and 6)
6. MCAG adopted a Merced Multijurisdictional Local Roadway Safety Plan (LRSP) in September 2024. This LRSP builds on existing and ongoing efforts by MCAG and the six cities in Merced County to identify and work to solve risk factors for roadway safety.[12] The LRSP examined collision data for each city by type and location while also looking at equity issues related to climate and economic justice and an equitable transportation communities explorer. In the City of Merced, The LRSP's Action Plan highlights strategies that can be utilized to improve roadway safety (including potential funding sources). For the City of Merced, the LRSP identified 21 priority projects for road safety. These are shown in Table G5-6 below. As described, these locations are intended to be addressed within the next five to 15 years, subject to further study, the availability of funding, and coordination with Caltrans.

Residents in the city also have access to public electric vehicle charging stations. These are located South Merced. This infrastructure supports sustainable transportation, but concentration in one part of the city may prevent residents in other areas from adopting electric vehicles.

[12] MCAG, Merced Multijurisdictional Local Roadway Safety Plan, adopted September 19, 2024.

Table G5-6 MCAG Local Roadway Safety Plan Priority Locations and Project Concepts

Location	Injury Collisions	KSI Collisions	Matching Profiles and Associated Risk Factors	On Caltrans Facility?
G St/16st St	22	2	D G St has high speeds (posted speed limit of 35MPH) G This intersection has permissive left operations	No
G St/Main St	32	2	D G St has high speeds (posted speed limit of 35MPH) G This intersection has permissive left operations	No
G St/18st St	22	1	D G St has high speeds (posted speed limit of 35MPH) G This intersection has permissive left operations	No
G St/21st St	46	5	D G St has high speeds (posted speed limit of 35MPH) G This intersection has permissive left operations	No
G St/23rd St	31	1	C This intersection is side-street stop-controlled, with visibility further impaired by being adjacent to a grade change from the railroad undercrossing D G St has high speeds (posted speed limit of 35MPH)	No
G St/S. Bear Creek Dr	29	1	C This intersection is side-street stop-controlled D G St has high speeds (posted speed limit of 35MPH) F G St intersects S. Bear Creek Dr at an oblique angle	No
G St/ Alexander Ave	26	1	C This intersection is side-street stop-controlled D G St has high speeds (posted speed limit of 40MPH) E Multiple driveways in close proximity of intersection	No
G St/ Yosemite Ave	24	2	D Both roadways have high speeds (posted speed limits of 45 MPH for both roadways)	No
M St/ Olive Ave	39	1	D M St and Olive Ave both have high speeds (posted speed limits of 40 and 45 MPH respectively) E Multiple driveways in close proximity of intersection	No
M St/Collins Dr/Lough-borough Dr	27	3	D M St has high speeds (posted speed limit of 40MPH) G This intersection has permissive left operations	No
M St/Buena Vista Dr	32	1	C This intersection is side-street stop-controlled, with a large, wooded median further obstructing visibility D M St has high speeds (posted speed limit of 40MPH)	No
MLK Way/12th	22	6	C This intersection is side-street stop-controlled D MLK Way is a state highway that carries high volumes of traffic, including truck traffic	Yes
MLK Way/13th	30	0	C This intersection features freeway off ramps that are side-street stop-controlled, and join the intersection at an oblique angle without first joining the frontage roads F	Yes

Location	Injury Collisions	KSI Collisions	Matching Profiles and Associated Risk Factors	On Caltrans Facility?
SR 59/ Olive Ave	37	3	D Both roadways have high speeds (posted speed limits of 45 MPH for both roadways)	Yes
G St/Olive Ave	33	7	D G St and Olive Ave both have high speeds (posted speed limits of 40 and 45 MPH respectively) E Multiple driveways in close proximity of intersection	No
R St/Olive Ave	29	2	D R St and Olive Ave both have high speeds (posted speed limits of 40 and 45 MPH respectively) E Multiple driveways in close proximity of intersection	No
R St/18th St	38	3	D R St has high speeds (posted speed limit of 35MPH) E Multiple driveways in close proximity of intersection G This intersection has permissive left operations	No
R St/16th St	30	0	D Both roadways have high speeds (posxted speed limits of 35 MPH for both roadways) E Multiple driveways in close proximity of intersection	No
R St/14th St	54	3	D R St has high speeds (posted speed limit of 35MPH). The intersection also involves a freeway off-ramp that can channel in high-speed traffic F The intersection consists of five legs, including a freeway off-ramp entering at an oblique angle	Yes
V St/SR 140	41	2	E This intersection, which involves arterials, frontage roads, and multiple freeway ramps, has non-standard geometry G This intersection has permissive left operations	Yes
Cooper Ave/ Willowbrook Dr/SR 59	31	1	D SR 59 has high speeds (posted speed limit of 40MPH)	Yes

Source: MCAG Merced Multijurisdictional Local Roadway Safety Plan, adopted September 19, 2024.
Notes: KSI Collision = Killed or Seriously Injured from a collision;

Access to Quality Education

Educational outcomes are based on the educational opportunity index, which measures the percentage of fourth-grade students testing proficient in reading and math within three miles of a census block group. Scores range from 0-1, with 1 being the most positive educational outcome, and 0 being the least positive educational outcome. Educational outcomes vary across the city. The northern areas of the city, in District 4 and District 6, and District 1 have more positive education outcomes compared to the rest of the city (Figure G5-20). Areas in the central and southern portion of the city, including Districts 2, 3, and 5, have the least positive education outcomes.

According to a data compilation program of the Lucile Packard Foundation for Children's Health, high school graduation rates in Merced are highest among Filipino students (100 percent), Asian-American students (96 percent), and white students (92 percent). Comparatively, Black/African American students

(83 percent) and American Indian/Alaska Native students (81 percent) have lower graduation rates.[13] There are three school districts in Merced, the Merced City School District, the Merced Union High School District, and Weaver Union School District as well as a few smaller private schools, most of which have religious affiliation. The Merced Union High School District consists of nine high schools throughout the county, six of which are in the city of Merced (Merced High School, Golden Valley High School, El Capitan High School, Independence High School, Sequoia High School, and Yosemite High School), and one adult school in the city of Merced. According to Ed-Data, the Merced Union High School District has an overall graduation rate of 94 percent. Approximately 11.1 percent of students who are classified as English learners are eligible for free or reduced-priced meals.[14] The Merced City School District consists of one preschool program, 14 elementary schools, and four middle schools in the city of Merced. According to Ed-Data, approximately 18 percent of students are classified as English learners and 80 percent are eligible for free or reduced-priced meals in the Merced City School District.[15] The Weaver Union School District consists of one preschool, two elementary schools, and one middle school in the southern portion of the city of Merced. Farmdale Elementary School, located in District 1, is the most recently built school in the School District. According to Ed-Data, approximately 26 percent of students are classified as English learners and 67 percent are eligible for free or reduced-priced meals in the Weaver Union School District.[16]

Both school districts consider requests to attend a school in a different district. The Merced City School District has a School of Choice form available for students to request attending a different school within the MCSD boundaries. There is some student movement within the Merced City School District.

Measure K (Weaver Union School District) and Measure O (Merced City School District) were both approved by voters in the November 2024 election. These bonds will be used to upgrade school facilities. Both Districts have Facilities Master Plans in place for prioritizing improvements.

Economic Outcomes

TCAC economic opportunities are measured by census tract. They consider poverty, adult education, employment, job proximity, and median home values. A higher economic index score reflects more positive economic outcomes. Economic outcomes vary across Merced. Areas with more positive economic outcome scores are located along the edges of the northeastern, southeastern, and southwestern areas of the city, in District 4 and District 6, the eastern portion of District 1, and the western portion of District 2, (Figure G5-21). In comparison, areas within central parts of the city have less positive economic outcome scores.

According to ACS estimates, Merced has an employment participation rate of 60 percent of persons 16 years and over, which is approximately the same as the labor force participation rate for the city in 2015 and higher than the employment rate across Merced County (49 percent).[17] Estimates from the U.S. Census Bureau show that the average salary in the city in 2021 is $58,861.[18] Occupations with the highest average salaries are computer and mathematical occupations, architecture and engineering occupations, and business and financial occupations, with an average salary of over $90,000.

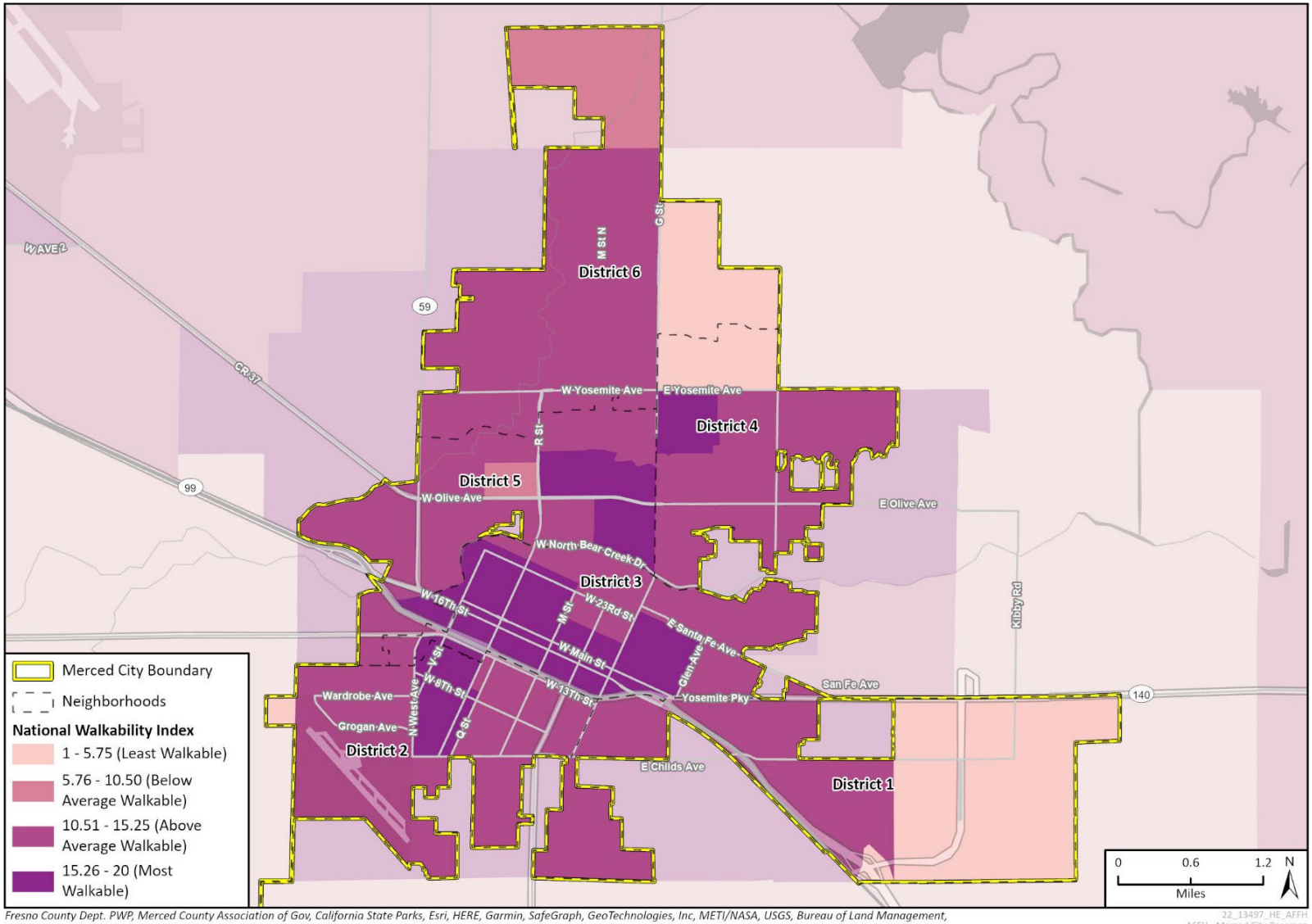
[13] KidsData. 2021. High School Graduates, by Race/Ethnicity. https://www.kidsdata.org/topic/755/graduates-race/table#fmt=1154&loc=354,355,366,368,265,349,361,4,273,59,370,326,333,322,341,338,350,342,329,325,359,351,363,340,335,2&tf=141&ch=7,11,70,85,10,72,9,73&sortColumnId=0&sortType=asc
[14] Ed-Data. Atwater Elementary. 2021-2022. https://www.ed-data.org/district/Merced/Atwater-Elementary
[15] Ed-Data. 2023. Merced City Elementary School District. https://www.ed-data.org/district/Merced/Merced-City-Elementary
[16] Ed-Data. 2023. Weaver Union School District. https://www.ed-data.org/district/Merced/Weaver-Union
[17] U.S. Census Bureau. 2021 ACS 5-Year Estimates, S2301: Employment Status. https://data.census.gov/table?q=labor+force&t=Employment+and+Labor+Force+Status&g=160XX00US0646898&tid=ACSST5Y2021.S2301
[18] U.S. Census Bureau. 2023. QuickFacts, Merced County. https://www.census.gov/quickfacts/fact/table/mercedcountycalifornia/INC110221

Occupations with the lowest salaries include material moving occupations, healthcare support occupations, and sales and related occupations, with average salaries under $25,000.[19]

Major employers in the city include the University of California, Merced, Mercy Medical Center, Merced College, and McClane Pacific. The UC Merced campus has a new Aerospace Engineering program and is working on establishing a medical school. Commercial zones are concentrated in District 3. With the High Speed Rail project and station planned in the city, an economic strategy for downtown will provide jobs and other opportunities for residents. Industrial zones are also concentrated on the edges of the city in District 1, District 2, and District 5 due to the proximity to the freeway, the airport and the railroad. A significant number of jobs are located in these industrial areas in south and southeast Merced.

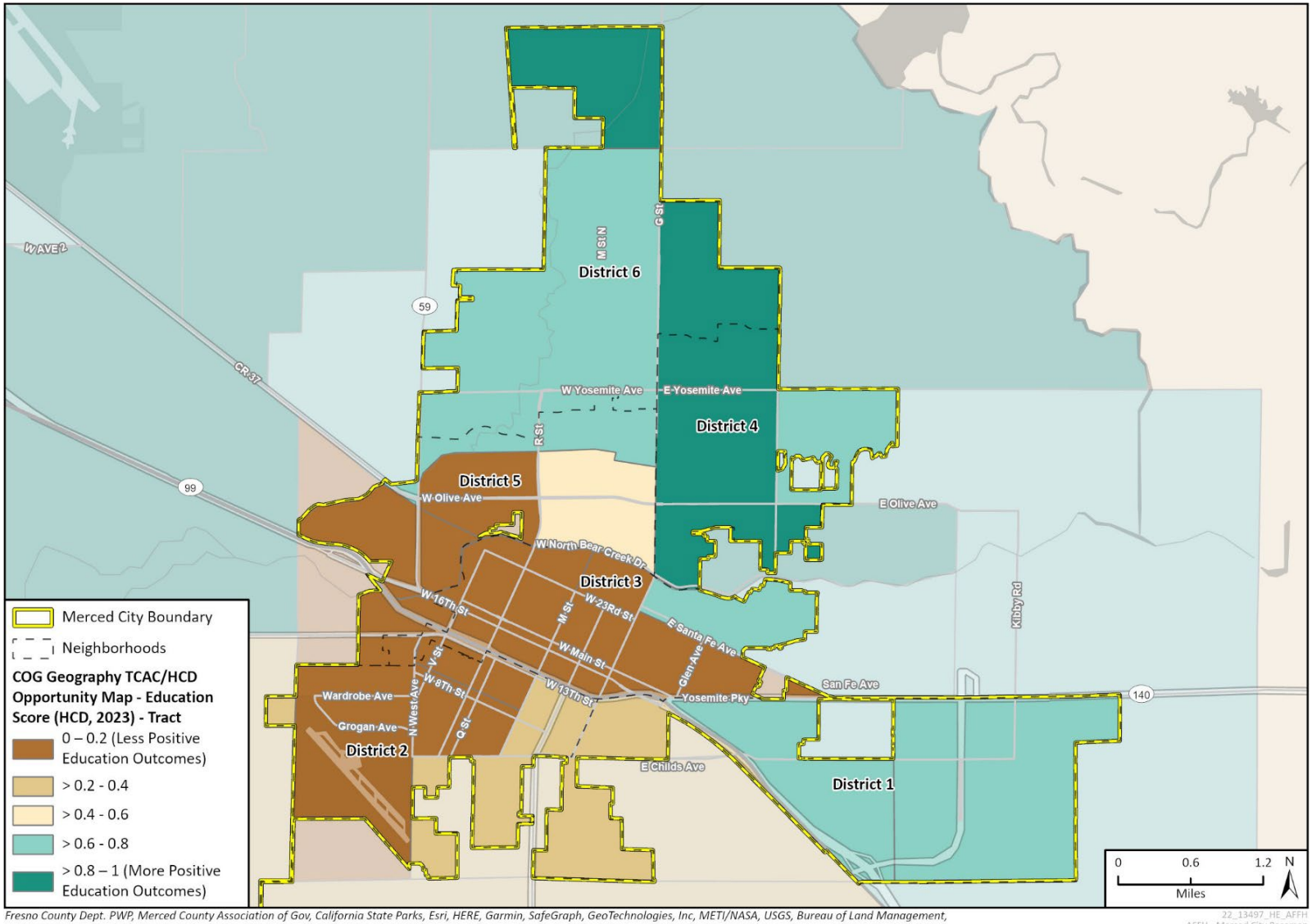
[19] U.S. Census Bureau. 2021 ACS 5-Year Estimates, S2411: Occupation by Sex and Median Earnings in the Past 12 Months. https://data.census.gov/table?t=Income+and+Earnings&g=160XX00US0646898&tid=ACSST1Y2021.S2411

Figure G5-19 Walkability Index (City of Merced)



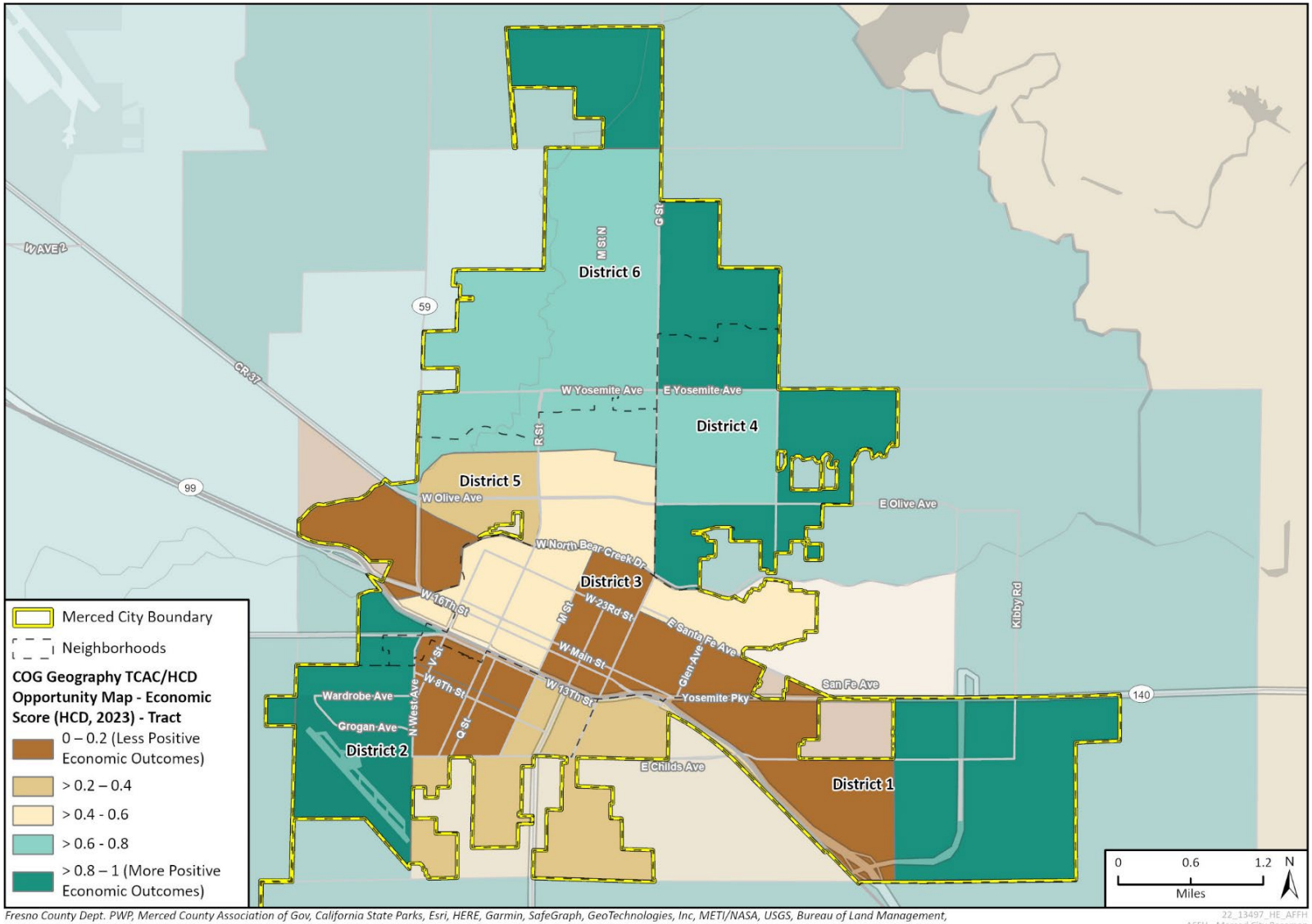
Source: National Walkability Index, 2023.

Figure G5-20 TCAC Opportunity Areas – Education Outcomes (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-21 TCAC Opportunity Areas - Economic (City of Merced)



Source: AFFH Data Viewer, 2023.

Healthy and Safe Housing Environment

The CalEnviroScreen map for Merced identifies the degree to which communities are considered burdened by pollution. CalEnviroScreen identifies higher pollution burden in the central areas of the city in District 3, the western portion of District 1, the northeastern portion of District 2, and most of District 6, and lower pollution burden in northeastern area of the city in District 4 and near the Merced College in District 6 (Figure G5-22). Pollution burden caused by ozone and particulate matter less than 2.5 micrometers in diameter is high throughout the entire city. In District 3, higher pollution burden is caused by diesel particulate matter, lead risk from housing, traffic impacts, and groundwater threats compared to other parts of the city. The TCAC environmental opportunity map also identifies pollution burden, using CalEnviroScreen scores. However, unlike CalEnviroScreen, the TCAC map compares census tracts to other census tracts within the same council of governments to show differences in pollution burden within the region. Similar to the CalEnviroScreen map, the TCAC opportunity map indicates environmental outcomes in the central portion of the city are generally less positive (District 3) and the environmental outcomes in the northern portion of the city (District 4 and District 6) are the most positive (Figure G5-23).

Areas with worse environmental outcomes overlap with areas with a predominant Hispanic or Latino population and areas of high segregation and poverty. The western portion of District 1, the northeastern portion of District 2, which are designated as an area of high segregation of poverty also higher concentration of commercial uses, major transportation corridors, and agricultural operations. There are also nearby industrial zones and distribution centers. The area is impacted by elevated levels of fine particulate matter, diesel emissions, ozone, and pesticide exposure. These conditions underscore ongoing environmental justice concerns in South Merced.

Existing facilities in the city have also been a source caused environmental degradation. A perchloroethylene (PCE) contaminated dry-cleaners was located in Downtown. The site has been cleaned up but well monitoring activities continue.

The entire city's water supply is supplied by groundwater. Water is typically drawn from each site and circulated together before being distributed throughout the city. The City of Merced provides domestic water that Is sourced from the Merced Groundwater Basin. The water being extracted is creating a sewer overdraft in the basin. The California Department of Water Resources (DWR) considers the Merced Groundwater Basin a high priority, due to the overdraft from both urban and agricultural uses, and lack of recharge into the water table. According to DWR, the Merced Groundwater Basin is being depleted at a rate of 54,000 acre-feet per year (afy) for urban uses and 492,000 afy for agricultural uses. Groundwater quality in the Merced Subbasin remains generally suitable for most beneficial uses, including municipal, agricultural, and industrial purposes. The 2024 Groundwater Sustainability Plan (GPS) did not identify any widespread degradation of groundwater quality was reported, but localized issues were found such as nitrate levels exceeded drinking water standards in certain wells, and naturally occurring arsenic and uranium were detected. The GSP outlines ongoing monitoring efforts and management actions to address water quality concerns.

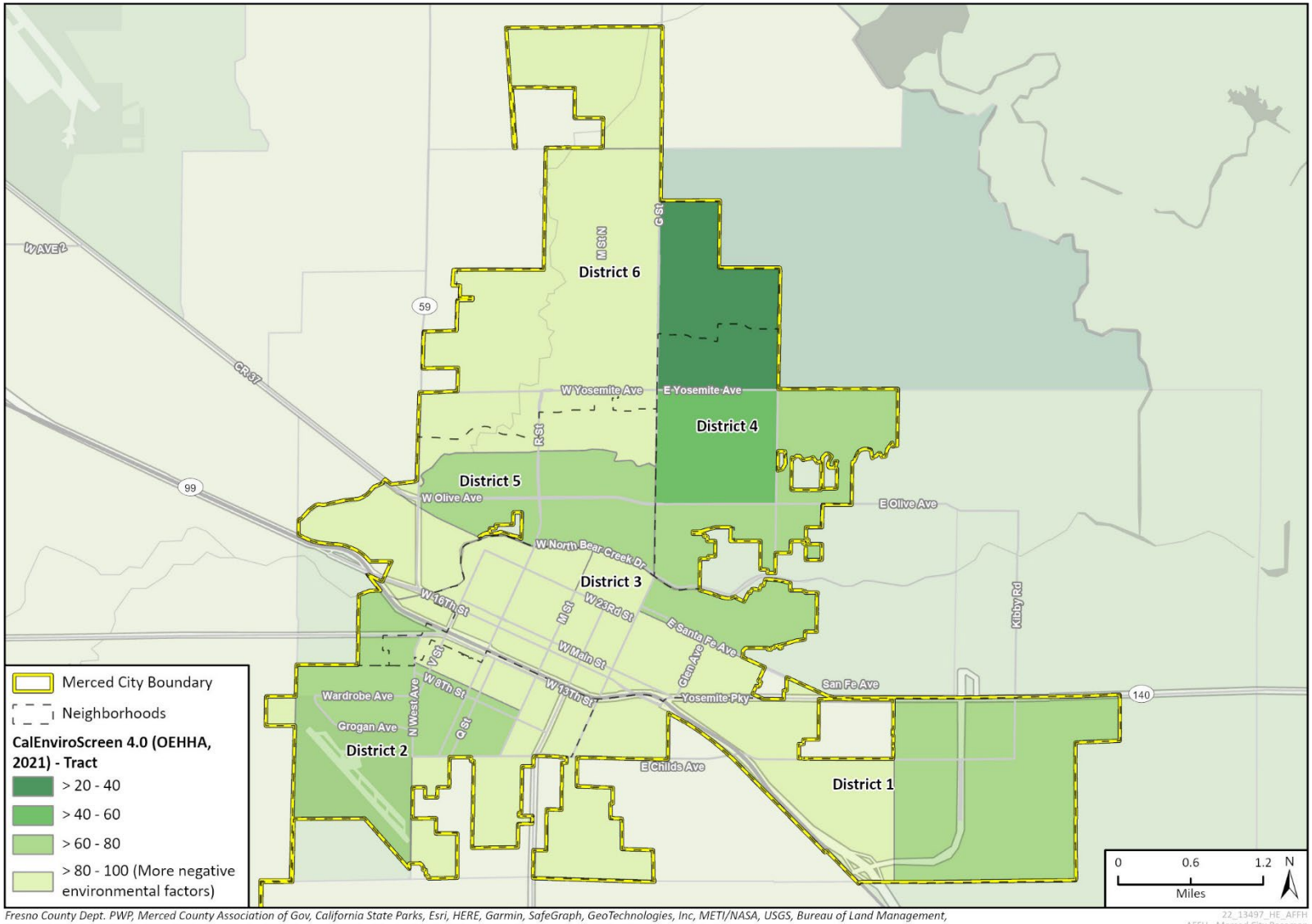
Senate Bill (SB) 535 tasks the California Environmental Protection Agency with identifying disadvantaged communities. Disadvantaged communities are low-income areas that are disproportionately affected by environmental pollution and other hazards. Under SB 535, a minimum of 25 percent of funds from the Greenhouse Gas Reduction Fund, funded by revenue from the state's cap-and-trade emissions program, goes to projects that benefit disadvantaged communities. Most of the City of Merced, including District 1, District 2, District 3, District 6, most of District 5 and a small part of District 4, are considered disadvantaged communities under SB 535 (Figure G5-24). On the west side of District 5, where Bear

Creek crosses over SR 59 and 16th Street, flood damage in 2023 resulted in some damage to apartments just south of the railroad tracks. Some residents were unable to move back into the units as the property owners sold them. In response, the City adopted an ordinance to protect tenants impacted by flooding. As mentioned earlier, the City's Engineering Department is using Congestion Mitigation and Air Quality (CMAQ) Improvement grants to help with sidewalk and infrastructure improvements in underserved areas. This includes new curb ramps, curb and gutter, sidewalks and restoration of fencing and landscaping in residential neighborhoods located in Districts 1 (in areas of high segregation and poverty), 2, and 4. A multi-use path project is also underway in District 4. The City has a Safe Streets Streetlight Retrofit program to fix lighting issues throughout the city. CDBG funds are also being used to upgrade accessible playgrounds in older areas of the city.

Another measure of healthy communities is the availability of grocery stores for local residents. The most popular food option in Merced is Costco, located in South Merced. While there are food options south of the freeway, no complete grocery stores are available. A special Zoning Ordinance amendment for a commercial land use near Canal and Childs has been adopted with the goal of getting a new grocery store. There has been some developer interest for this location.

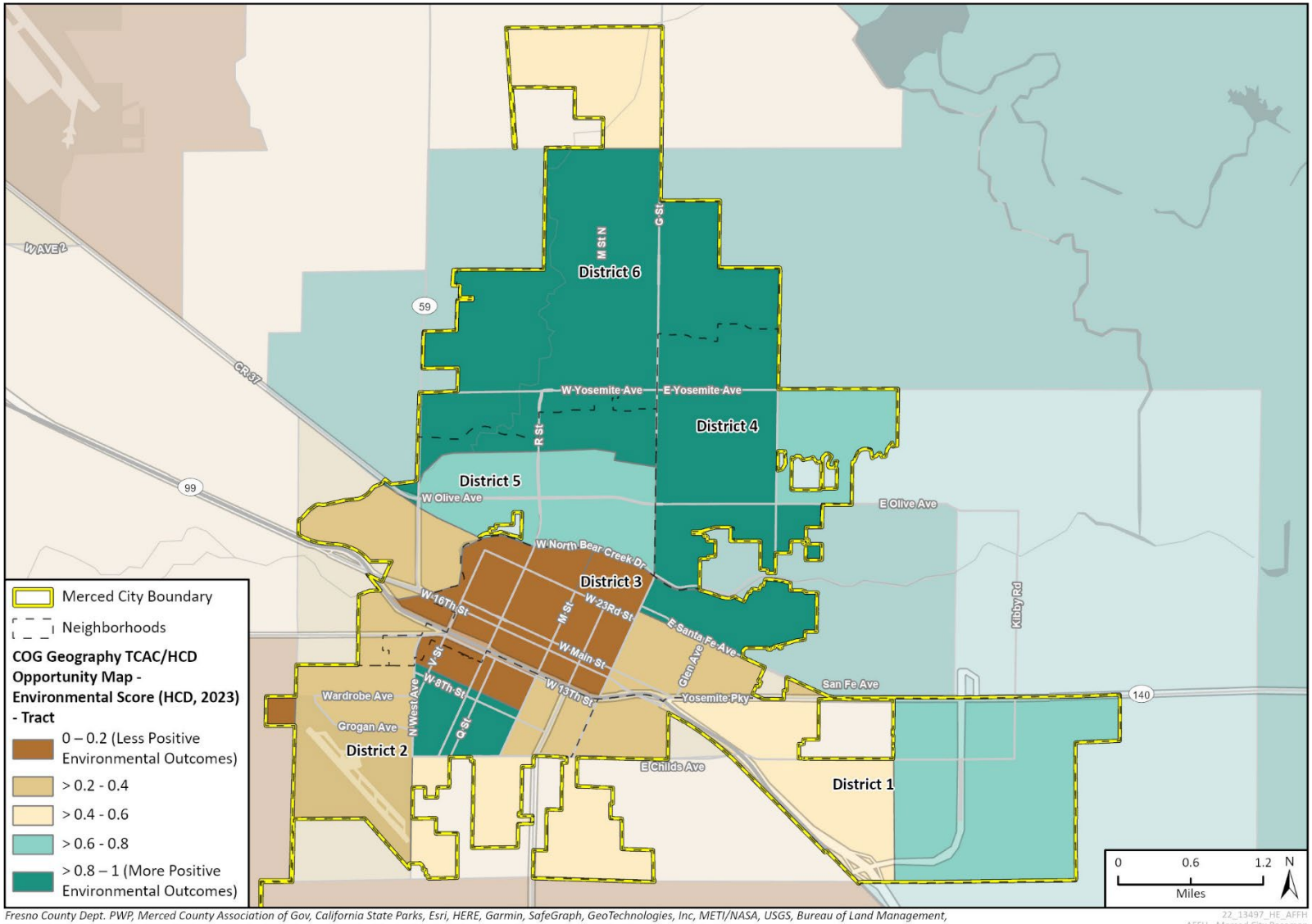
Park access is highest in downtown or southern Merced, and includes parks such as Applegate Park, McNamara Park, and the Nannini Youth Sports Complex. Northern Merced lacks large, accessible parks; however most residents are satisfied with the nearby neighborhood parks and are comfortable travelling to South Merced to access larger park options.

Figure G5-22 CalEnviroScreen 4.0 Percentile Scores (City of Merced)



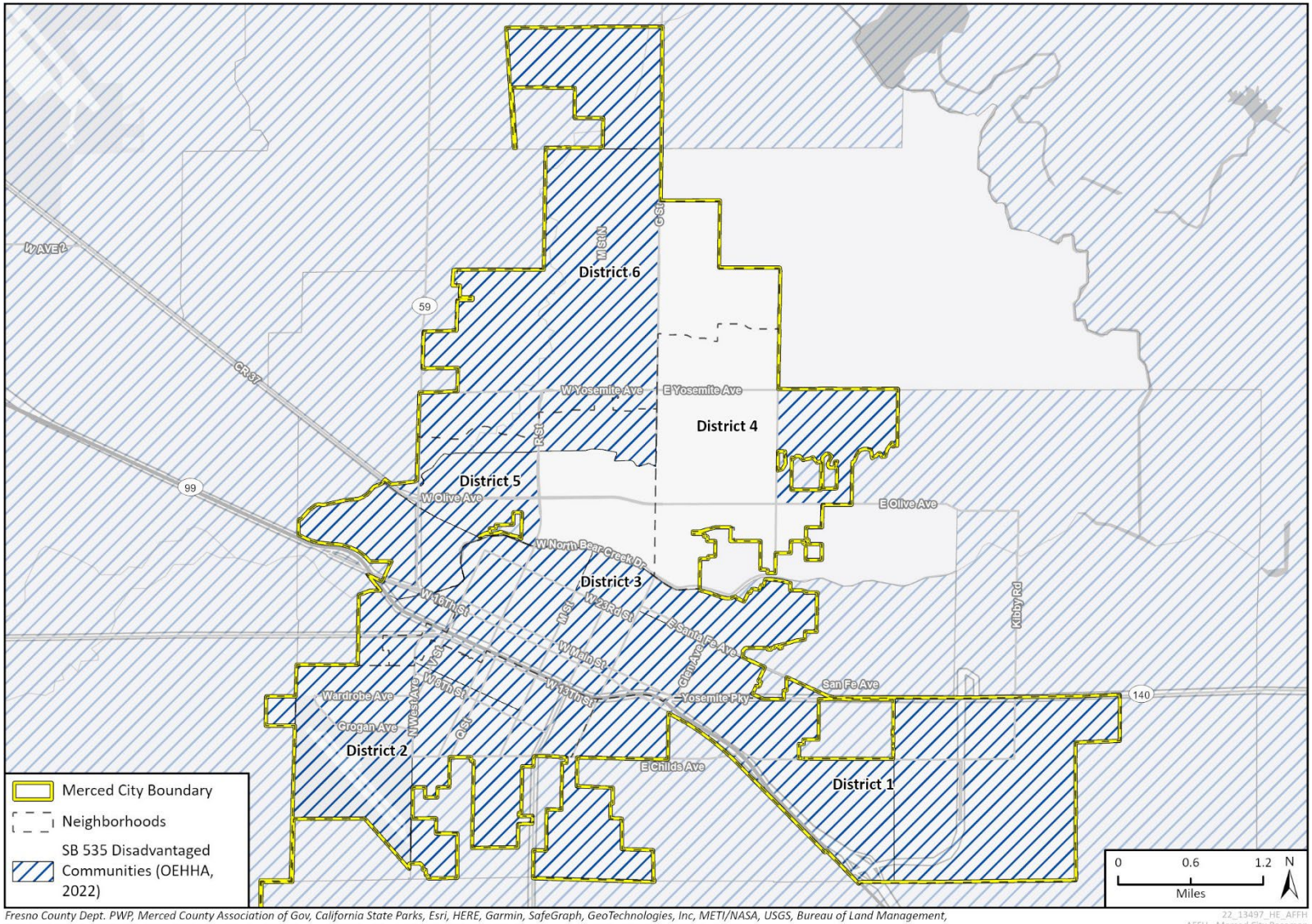
Source: AFFH Data Viewer, 2023.

Figure G5-23 TCAC Opportunity Areas - Environmental (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-24 SB 535 Disadvantaged Communities (City of Merced)



Source: AFFH Data Viewer, 2023.

G5.10 Disproportionate Housing Needs

Disproportionate housing needs refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need, or the total population experiencing that category of housing need in the applicable geographic area. To analyze the extent of disproportionate housing needs, this section reviews HUD Comprehensive Housing Affordability Strategy (CHAS) data on housing cost burden, overcrowding, and substandard housing conditions (collectively known as "housing problems"), homelessness, and displacement risk.

Housing Problems

According to federal law, "housing problems" refers to any of four housing issues: cost burden and severe cost burden, overcrowding, and substandard housing conditions.

Approximately 46 percent of total households in the city are experiencing housing problems.[20] About 28 percent of total households are experiencing severe housing problems. This is higher than the region, where 41 percent of total households are experiencing housing problems and 23 percent of households are experiencing severe housing problems.

Substandard Housing Conditions

HUD considers housing units to be "standard units" if they comply with local building codes, whereas housing units are considered "substandard" if they lack complete plumbing or kitchen facilities. According to 2017-2021 ACS estimates, less than one percent of units within the city of Merced do not have complete plumbing facilities and less than one percent of units do not have complete kitchen facilities.

Approximately 63 percent of Merced's housing stock was constructed prior to 1990 and is more than 30 years old. These units are potentially in need of repair and modernization improvements.

Currently, code enforcement activities are complaint driven, resulting in Code Enforcement officers going to specific sites. Often times, complaints are minor issues, such as a neighbor dispute about fences. Those residents who are fearful of losing their housing are less likely to submit a complaint.

The City's Police Chief has agreed to conduct a windshield survey in the near future. This will result in a comprehensive understanding of substandard housing issues in Merced.

Housing Cost Burden

The rate of cost burden (spending more than 30 percent of household income on housing costs) among Merced residents is slightly lower than the Merced County and Northern SJV averages. Cost burden among homeowners is lowest in District 2, District 4, and portions of District 6; less than 20 percent of homeowner households are cost burdened in these neighborhoods. In most other parts of the city, between 20 and 40 percent of homeowners are cost burdened. However, higher percentages of cost burden by homeowners are prevalent in the central portions of the city, with 40-60 percent of homeowners experiencing cost burden in areas District 3 and District 5. The highest percentages of cost burden by homeowners can been found in District 3, District 5, and portions of District 6 near the University. Data shows that 60 to 80 percent of homeowners in these neighborhoods are cost burdened (Figure G5-25).

[20] Office of Policy Development and Research. 2022. Consolidated Planning/CHAS Data. https://www.huduser.gov/PORTAL/datasets/cp.html

The highest rates of cost burden for renters in Merced are observed in District 3 and portions of District 2 and District 4, where 60 to 80 percent of renters are cost burdened. Between 20 and 40 percent of renter households are cost burdened in the northern parts of the city in District 1, District 2, District 3, District 5, and portions of District 4 and District 6 (Figure G5-26). In District 3, south of Bear Creek, smaller sized homes have been purchased by investors and turned into rentals. As a result, people have been displaced due to increased rent (in some cases an increase of about $1,000 a month).

Approximately 41 percent of total households in Merced are cost burdened and 21 percent of households are severely cost burdened (Table G5-7). Across each income level there is a higher percentage of cost-burdened renter-occupied households. Extremely low-, very low-, and low-income households experience cost burden at disproportionately high rates compared to moderate- and above moderate-income households for both renter and owner households. Approximately 80 percent of all extremely low-income households experience cost burden, while only nine percent of moderate and above moderate-income households experience cost burden. The percentage of households experiencing cost burden generally increases as income decreases.

Table G5-7 Cost Burden by Income Category (2015-2019)

Household by Tenure, Income, and Housing Problem	Renters		Owners		Total Households	
	Total	Percent	Total	Percent	Total	Percent
Extremely low-income (0-30% AMI)	**4,685**		**790**		**5,475**	
With any housing problem	3,695	78.9%	560	70.9%	4,525	82.6%
With cost burden >30%	3,800	81.1%	540	68.4%	4,350	79.5%
With cost burden >50%	3,035	64.8%	380	48.1%	3,420	62.5%
Very low-income (31-50% AMI)	**3,050**		**835**		**3,885**	
With any housing problem	2,530	83.0%	555	66.5%	3,085	79.4%
With cost burden >30%	2,335	76.6%	530	63.5%	2,865	73.7%
With cost burden >50%	1,045	34.5%	300	35.9%	1,345	34.6%
Low-income (51-80% AMI)	**2,635**		**1,850**		**4,485**	
With any housing problem	1,680	63.8%	820	44.3%	2,500	55.7%
With cost burden >30%	1,480	56.2%	755	40.1%	2,230	49.7%
With cost burden >50%	195	7.4%	210	11.4%	405	9.0%
Moderate & Above Income (>80% AMI)	**4,590**		**7,055**		**11,645**	
With any housing problem	625	13.6%	890	12.6%	1,515	13.0%
With cost burden >30%	305	6.6%	695	9.9%	1,000	8.6%
With cost burden >50%	20	0.4%	105	1.5%	125	1.1%
Total Households	**14,960**		**10,530**		**25,490**	
With any housing problem	8,880	58.8%	2,825	26.8%	11,625	45.6%
With cost burden >30%	7,920	52.9%	2,520	23.9%	10,445	41.0%
With cost burden >50%	4,295	28.7%	995	9.4%	5,290	20.8%

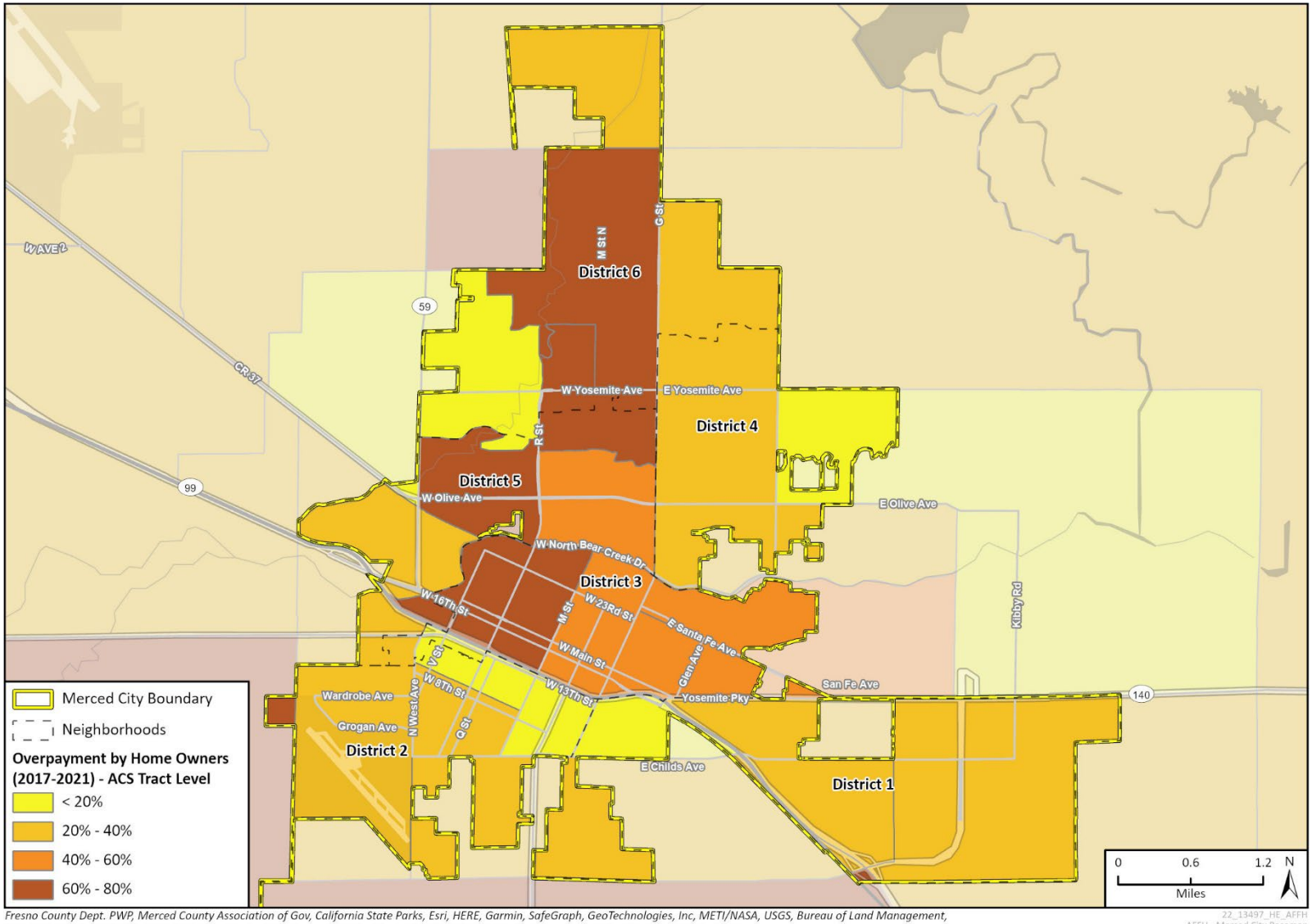
Note: Housing Problems: There are four housing problems in the CHAS data: 1) housing unit lacks complete kitchen facilities; 2) housing unit lacks complete plumbing facilities; 3) household is overcrowded; and 4) household is cost burdened. A household is said to have a housing problem if they have any 1 or more of these 4 problems.

Cost burden: Monthly housing costs (including utilities) exceeding 30% of monthly income.

Severe cost burden: Monthly housing costs (including utilities) exceeding 50% of monthly income.

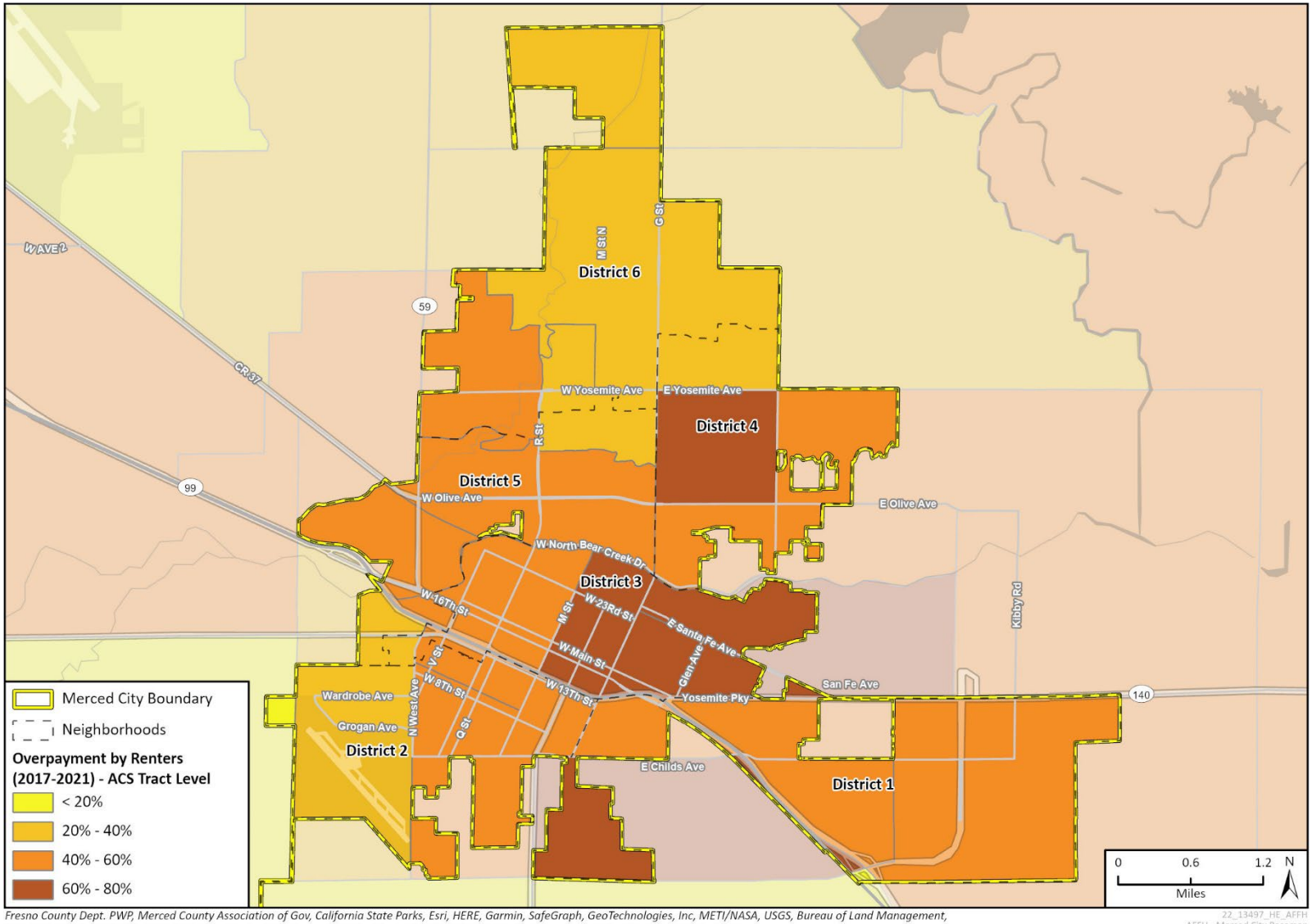
Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2015-2019 release

Figure G5-25 Overpayment by Home Owners (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-26 Overpayment by Renters (City of Merced)



Source: AFFH Data Viewer, 2023.

Overcrowding

As discussed in Chapter G3, *Housing Needs Assessment*, Merced has 5,220 large households (households with five or more people), comprising approximately 11 percent of total households, as shown in Table G5-8. A higher percentage of renter households (21 percent) are considered large households compared to owner households (7 percent).

Approximately five percent of households in Merced are overcrowded (more than 1.0 persons residing per room) and two percent are severely overcrowded (more than 1.5 persons residing per room). Overcrowded housing is concentrated in the southern half of the city, in District 2, where over 20 percent of households are experiencing overcrowding (Figure G5-27). In the northern and eastern parts of the city, households experienced overcrowding at a rate lower than the state average of 8 percent.[21] Part of this increased overcrowding rate in Districts 4 and 6 in northeast parts of Merced, is due to investors purchasing newer homes and renting out each room to UC Merced students. This has resulted in parking and other issues for the neighborhoods.

Table G5-8 Large Households (City of Merced)

	Number of Household	Percent of Households
Total Occupied Housing Units	**26,673**	**100%**
Total Large Households (5 or More Persons)	**5,220**	**20%**
5-Person Household	2,952	11%
6-Person Household	1,362	5%
7-or-More Person Household	906	3%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2017-2021), Table B25009.

Unhoused Persons

According to the Merced City and County Continuum of Care Point-In-Time (PIT) Count, 855 unhoused individuals were recorded in Merced County, representing a two percent increase from 2021.[22] In the city alone, 555 unhoused individuals were recorded in 2022, an increase from 482 persons recorded in 2021. Factors contributing to the increase in unhoused individuals may include social structural issues such as increases in rent, loss of job, and rising health care costs. Of the 555 unhoused individuals during the 2022 count, 47 were chronically unhoused, which is defined as people who have been unhoused for at least a year (or repeatedly) while struggling with a disabling condition such as serious mental illness, substance use disorder, or physical disability. Sixty-four individuals had a chronic health condition, 77 had mental health problems, 84 had physical disabilities, and 133 had substance use problems.

Compared to the overall population of the city, white, Native American/Alaskan Native, Black/African American, and multi-race residents are overrepresented for the unhoused population (Table G5-9). Asian American/Pacific Islander residents are underrepresented in the unhoused population per their respective share of the population.

[21] U.S. Census Bureau. 2021 ACS 5-Year Estimates, S2501: Occupancy Characteristics. https://data.census.gov/table?t=Household+Size+and+Type&g=160XX00US0646898&tid=ACSST5Y2021.S2501

[22] Merced County Continuum of Care. 2022. Homeless Count and Survey Report. https://static1.squarespace.com/static/6149207801c5c134f32b280c/t/625605199113fa3f4be48dbe/1649875108255/Merced+County+CoC+2022+Homeless+Count+and+Survey+Report+

Table G5-9 Race/Ethnicity of Unhoused Population and Overall Population (City of Merced)

	Unhoused Population	Total Population
White	69.6%	23.8%
Native American/Alaskan Native	2.2%	0.4%
Black/African American	9.4%	3.9%
Asian American/Pacific Islander	1.8%	10.8%
Multiple Races or Other	17.0%	3.0%

Source: Merced City and County Continuum of Care (CoC). 2022. 2022 Homeless County Report.

Resources for homeless individuals are concentrated in the central parts of the city, in Districts 2, 3, and 5. There are several emergency shelters and transitional and supportive housing facilities in Merced that provide shelter and housing to those experiencing homelessness. There are a total of 103 emergency shelter beds, 90 transitional housing beds, and 17 permanent housing units.

Unhoused persons in Merced are typically found near creek beds, freeway onramp/offramps and near available services. This includes:

- Bear Creek creekbeds and undercrossing
- Onramps at G Street and the 99 Freeway (District 3)
- Offramps at R and D Streets and SR 99 (District 3)
- Near the County Public Health and Mental/Behavioral Health Department
- Near the Navigation Center (District 1)

Because these populations are concentrated in downtown Merced, transit options to the emergency transitional housing options detailed in Table G3-33 of the Housing Needs Chapter are available and accessible via transit or within walking distance.

The City recently adopted a new shopping cart ordinance allowing the police to reclaim shopping carts. However, people have now created new types of wagons to move their items.

A regional collaborative effort to address homelessness is being made by the County, its six cities and the CoC. This includes efforts related to emergency shelters, the Merced County Rescue Mission (low barrier navigation center), and transitional and supportive housing options. The County CoC website includes a directory of services for persons experiencing homelessness or at-risk of becoming homeless. Several of these services are located in the city of Merced and include housing assistance, food pantries, job training, benefits assistance, mental health and health services, rent and utility assistance, legal services, transportation, and substance abuse counseling. The City also participates in the County Human Services Agency's Homeless Summit where local leaders come together to discuss, inspire, and share information on addressing housing opportunities and services for persons experiencing homelessness.

The New Direction Outreach and Engagement Center (New Direction) located on M Street in the city of Merced is a program that connects individuals to housing services and other community service providers. The program includes employment services, linkages to mental health and payee services, transportation assistance, collaborate with community providers to help obtain permanent supportive housing and rapid re-housing, and access to emergency shelters, housing services and respite care. Based on the most recently available annual report (July 2020-June 2021), New Direction served 1,766

unduplicated individuals per year. Approximately 74 percent of these individuals were residents of the city of Merced. The majority of referrals to New Direction came from outreach (392 persons), Housing Services Agency (108 persons), the Rescue Mission (89 persons), Code Enforcement (57 persons), and the D Street Shelter (53 persons). A total of 13 agencies provided services to the clients at New Direction which included housing, employment, benefits, food and clothing, transportation, mental health services, and other services.

Recent projects to assist unhoused persons in Merced include:

- Homekey project located at 1213 V Street (District 1)
- Homekey project for veterans located at 73 South R Street (District 2)
- Homekey project with 58 units next to the emergency shelter at 125 E 13th Street (District 1)
- Units set aside for unhoused persons at the recently completed 119-unit complex finalized in 2022 near the Navigation Center (District 1)

Based on the 2022 PIT Count, there is a large gap in the number of individuals experiencing homelessness and the number of available beds in the city. The City will implement Housing Program 1 *Regional Collaboration* to support regional efforts to address homelessness needs throughout the regional and Housing Program 6 *Zoning Code Amendments* to amend the Zoning Code to remove constraints to the development of emergency shelters and supportive and transitional housing.

While those experiencing homelessness may be located near services, it is unclear if people are aware of what is available. The City will work with the New Direction Outreach and Engagement Center to identify gaps in needs and services, targeting the outreach in the locations described above.

Displacement

The Urban Displacement Project (UDP) designates communities as at risk of displacement if the share of very low-income residents is greater than 20 percent and have any of the two following characteristics:

- The share of renters is above 40 percent
- The share of people of color is above 50 percent
- The share of very low-income households that are severely rent burdened is above the county median
- The percent change in rent is above the county median for rent increases

According to the UDP, risk of displacement is highest in the central parts of the city, including District 2, District 3, and District 5 (Figure G5-28). In the northern, southwestern, and southeastern portions of the city, including the neighborhoods of District 1, District 4, District 6, and the western and southern parts of District 2 the displacement risk is lower.

Home values and rents have increased significantly in the city of Merced over the past decade. According to ACS estimates, between 2016 and 2021, home value increased from $170,500 to $286,600 (68 percent increase) and median rent increased from $855 to $1,127 (32 percent increase). In addition, about 41 percent of all households are cost burdened, meaning many households are paying too much for housing. While the UDP rates the city as having a low risk of displacement, these trends indicate cost burdened and low-income households may be at risk of displacement if the cost of housing continues to rise. Table G5-10 shows census tracts where low-income residents are at risk of displacement, along with several contributing factors. Below is a summary of each tract with residents at risk of displacement:

- Census Tract 16.01: This census tract is located in Districts 1 and 2 and is bound by Yosemite Parkway, G Street, and East Santa Fe Avenue. Approximately 90 percent of households are renters and the median income is $26,325. While the percent of households experiencing cost burden (42 percent) is lower than other census tracts at risk of displacement, it has the highest percentage of low-income households (72 percent) and has a higher rate of overcrowding than the state average (10 percent). Another reason for potential displacement is the number of subsidized units (349) and HCV recipients (81). The area is considered a hot market by the UDP and redevelopment is occurring within the area. However, it is important to note that one recent redevelopment project included affordable housing units.
- Census Tract 15.02: Located in the central part of Merced, this portion of District 2 is bounded by M Street, 9th Street, West Avenue, and SR 99. Approximately 68 percent of households are low-income and 71 percent are renters. The median household income is $31,771, and cost burden impacts more than half of renters (55 percent). A significant percentage of houses were built prior to 1960 (33 percent) which can require costly repairs and maintenance. According to ACS estimates, the rent gap between this census tract and surrounding areas is approximately $123 for monthly rent costs. If rents were to increase, this could lead to displacement of lower-income households, particularly those already facing cost burden.
- Census Tract 15.03: Also part of District 2, this census tract is located between 9th Street, M Street, West Avenue, and Childs Avenue. The median income is $27,125 and approximately 72 percent of renters are lower-income households. Almost 60 percent of renter households are cost burdened and 11 percent of households are overcrowded. Average rent is about $147 lower than surrounding areas. With 340 subsidized units and 128 HCV recipients, conversion to market rate rents and increased housing costs could result in potential displacement of low-income households.
- Census Tract 13.01: This census tract is in District 3 is bound by Highway 99, Bear Creek and M Street. Almost 70 percent of households are renters and with a median household income of $30,714, cost burden impacts renters (45%) and homeowners (70%). Overcrowding is also higher than the state average (10%). Approximately 65 percent of housing units in this census tract were built prior to 1960 which makes repairs and maintenance a significant issue and can lead to potential displacement.
- Census Tract 13.02: Located in District 3, this census tract is bordered by Highway 99, Bear Creek, M Street, and G Street. This census tract has the lowest median household income in the area ($23,283). Approximately 63 percent of renters and 40 percent of homeowners are cost burdened. The vast majority of households are renters (87 percent). The rent gap between this census tract and nearby neighborhoods is approximately $165 and almost three quarters of housing units were built prior to 1960. Therefore, further rent increases or expensive housing maintenance and repairs could result in displacement of low-income households.
- Census Tract 14.01: this census tract is bound by SR 99, SR140, G Street, and the Santa Fe railroad and in District 3. This census tract has a higher median household income compared to census tracts to the west; however, 62 percent of renters and 42 percent of homeowners in this census tract are cost burdened. Similar to the other census tracts in District 3 at risk of displacement, the age of the housing stock is an important factor (77 percent of units were built prior to 1960). While no recent project have been built here, the UDP rated this census tract as a hot market which could lead to pressure for higher rents and home prices.

- Census Tract 10.03: This census tract is in District 5 and is bound by Buena Vista Drive, R Street, Bear Creek, Santa Fe Railroad, and the city boundary. Approximately 80 percent of households are renters and 45 percent of households are cost burdened. Approximately 62 percent of homeowners are cost burdened. While the UDP did not identify a rent gap compared to surrounding areas, this census tract is a hot market which could result in displacement pressures for the 142 HCV recipients and the low-income households (62 percent of all households in the tract). A recent development project did occur in this area.
- Census Tract 10.04: Located in District 5, this census tract is bound by G Street, Black Rascal Creek, R Street, and Bear Creek Drive. Approximately 85 percent of households are renters, and about half of renters and homeowners are cost burdened. The median household income is approximately $36,000. This census tract has the highest number of HCV recipients with 207 recipients. Market pressure on landlords could put these recipients and low-income households at-risk of displacement.
- Census Tract 10.05: This census tract is in District 5, on the western side of the city and is bordered by the city boundary to the west and south, Bear Creek, and the Santa Fe Railroad. Approximately 58 percent of households are renters and 61 percent are low-income. The median household income is $36,892, and about 58 percent of renters and 29 percent of homeowners are cost burdened. This census tract has a rent gap of around $100 compared to surrounding areas and was identified as a hot market by the UDP. Economic pressure could cause rents and home prices to rise and put pressure on the 90 existing subsidized housing units to convert to market rate.

As mentioned earlier, some displacement occurred in the western portion of District 5 due to flooding and subsequent selling of apartment units. In response, the City adopted a resolution protecting residents from displacement due to flooding.

In District 3, south of Bear Creek, smaller sized homes were purchased by investors and turned into rentals. As a result, people have been displaced due to increased rents (in some cases, about $1,000 a month).

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Table G5-10 Risk of Displacement Factors

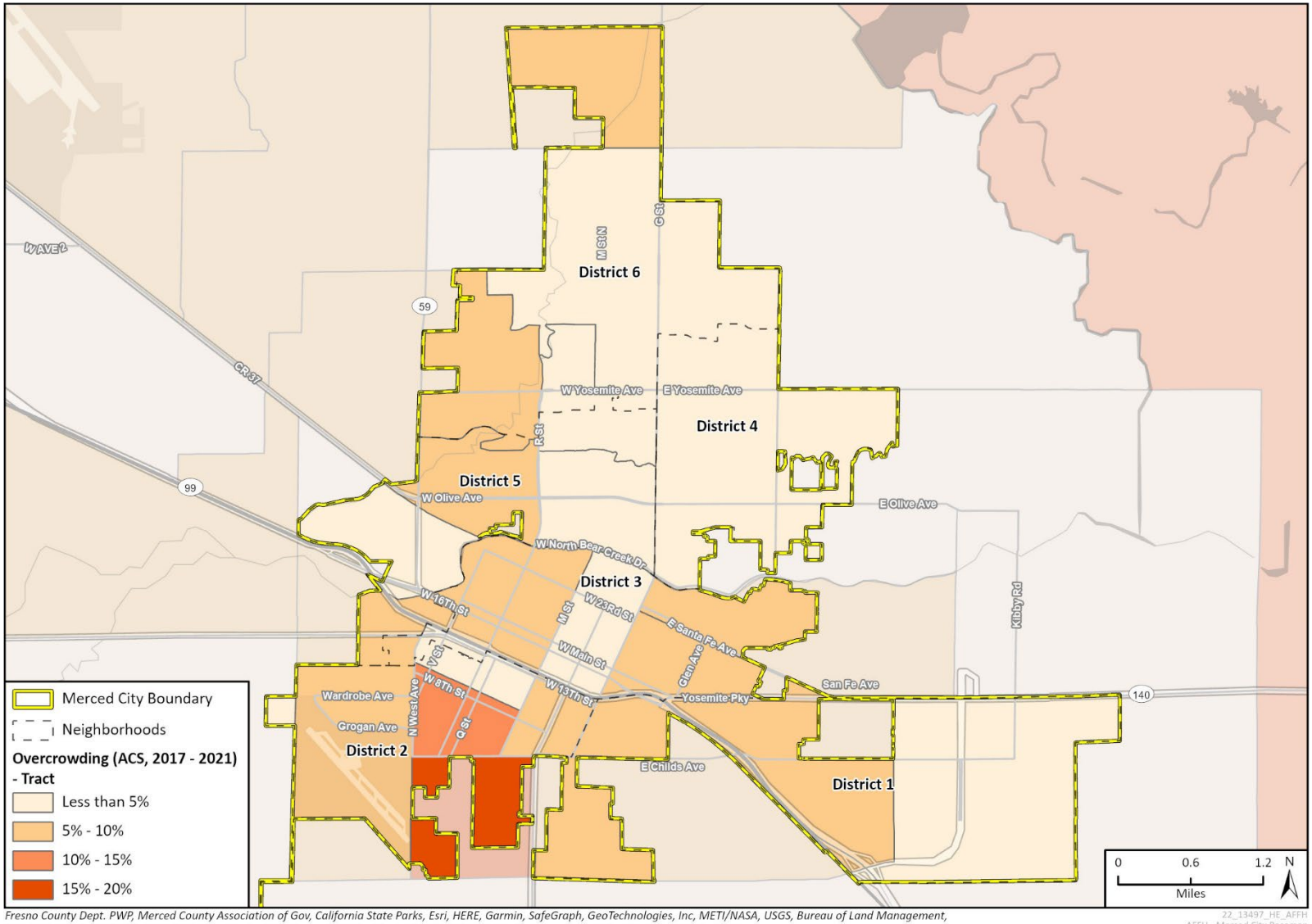
Census Tract (District #)	Median Income	% Low Income HH	% Renter HH	% Non-White	% Cost Burdened Renters	% Cost Burdened Owners	% Overcrowding	Rent Gap/Hot Market	% Units Built Before 1960	HCVs	Subsidized Units	Recent/Pipeline Projects	Hot Market
District 2													
06047001601*	$26,325	71.6%	90.1%	89.7%	42.30%	0.00%	9.70%	$84.61	18.53	81	349	Yes (recent afford hsg and pipeline)	Yes
06047001502	$31,771	67.5%	71.4%	92.6%	55.20%	16.10%	4.83%	$122.93	32.60%	29	0	Yes (recent afford hsg)	No
06047001503	$27,125	71.5%	74.4%	93.1%	59.60%	30.20%	11.46%	$146.61	27.04%	128	340	No	No
District 3													
06047001301	$30,714	62.8%	69.3%	64.1%	45.00%	69.80%	9.78%	$80.82	64.5%	142	99	No	No
06047001302	$23,283	71.2%	87.3%	73.4%	62.50%	40.20%	1.14%	$165.46	73.6%	136	49	Yes	No
06047001401	$42,193	50.6%	66.9%	67.8%	61.50%	42.20%	6.22%	$24.04	76.5%	101	0	No	Yes
District 5													
06047001003	$35,396	62.4%	79.5%	77.2%	45.00%	62.10%	6.07%	No	12.46%	142	0	Yes	Yes
06047001004	$36,122	57.0%	85.3%	72.5%	49.90%	51.80%	<1.0%	$43.21	10.3%	207	128	Yes	No
06047001005	$36,892	61.4%	58.4%	80.9%	57.90%	29.10%	1.76%	$102.48	1%	91	90	No	Yes

Note: *Census Tract 06047001601 includes the western portion of District 1

Source: HCD AFFH Data Viewer 2.0 and 2017-2021 ACS, HUD 2021 and CHPC 2023.

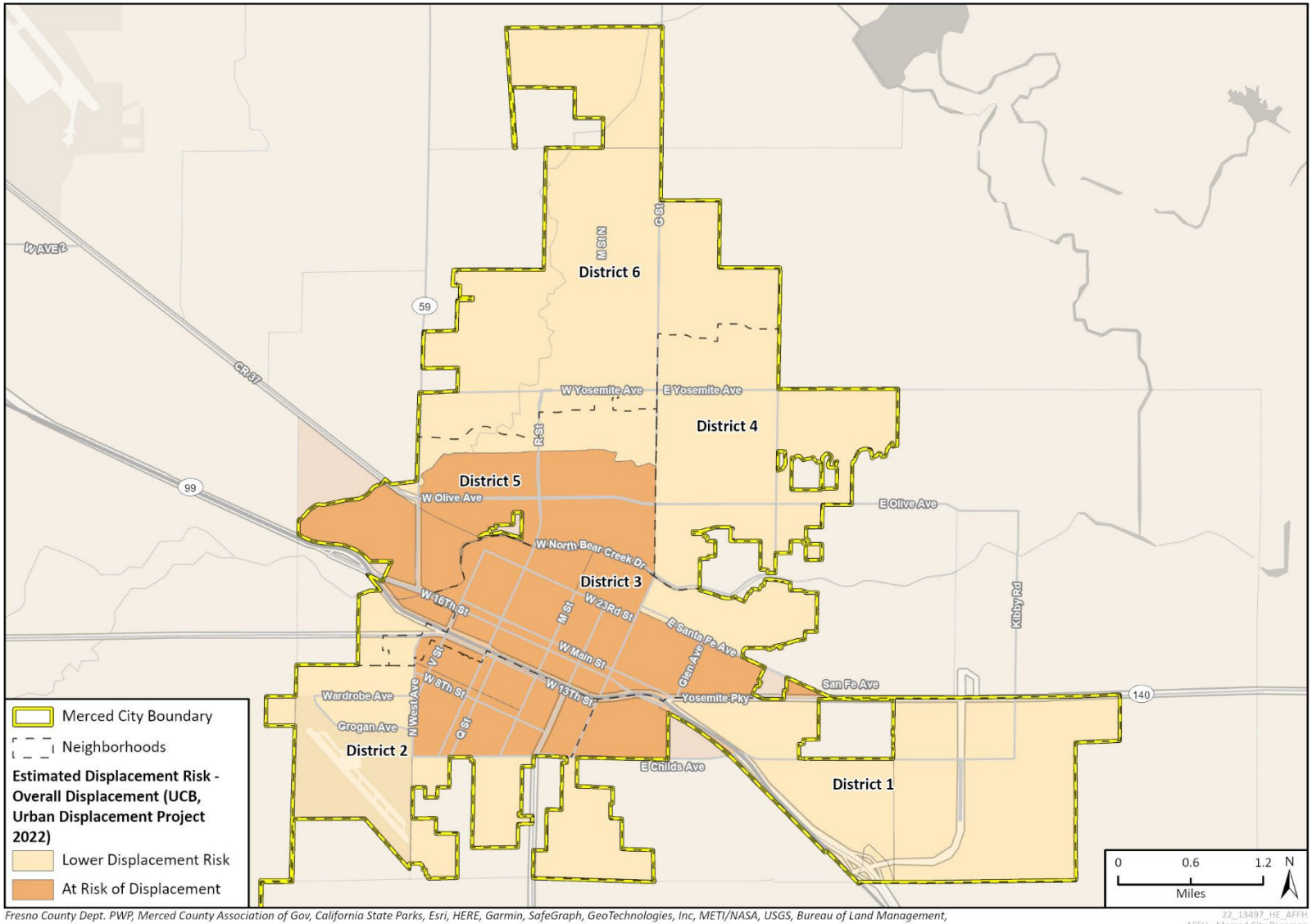
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Figure G5-27 Overcrowded Households (City of Merced)



Source: AFFH Data Viewer, 2023.

Figure G5-28 Displacement Risk (City of Merced)



Source: AFFH Data Viewer, 2023.

G5.11 Local Area Knowledge

Historic Patterns of Segregation

The city of Merced's patterns of segregation reflect the same patterns discussed previously in Chapter 5, *Regional Assessment of Fair Housing*. Its first inhabitants were the Yokut-speaking tribes, then in the 1800s the Spanish managed much of the land. The Spanish settlers began to dramatically change the face of the area after the Treaty of Guadalupe-Hidalgo in February of 1848. Soon after the treaty, the discovery of gold in 1849 brought people flooding into California looking for quick riches. As more people were residing in California, the diversity in the state was also changing.

One of the first documented cases of segregation in Merced was between 1883 and 1908, when anti-Chinese legislation and anti-Chinese sentiment began to rise. The actions taken by Merced decision makers closely mirrored those taken in other California cities like San Francisco. In March of 1880, the San Francisco Board of Health performed a raid on Chinatown and subsequently declared the area a public health nuisance. Merced's most prominent newspaper in the 19th century, the *San Joaquin Valley Argus,* acknowledged and reported success on the enforcement of policies such as the Cubic Air Ordinance in San Francisco that disproportionately targeted Chinese citizens. During this time, the Chinese population that resided on Merced Main Street continued to increase. Authors for the *Argus* began to urge the City of Merced to remove and restrict the local Chinese population from public spaces.

Merced's Board of Trustees passed a series of ordinances, including provisions for a health district. Ordinance no. 10, enacted in 1889, was established to "define and punish" any public health nuisance found within Merced's city limits. Merced County Ordinances also included anti-Chinese provisions, including Section 20 of Ordinance no. 82, enacted in 1908, which called for all cases of "Asiatic Cholera," widely thought at the time to be the result of Chinese trade and immigration, to be reported to the county Board of Health. These ordinances also included Ordinance No. 96, enacted in 1908, that lays out the responsibility of the Health Officer. Section 5 of Ordinance No. 96 stated that the Health Officer may enter any premises, and should there be evidence of overcrowding (any more than one person per 500 cubic feet) shall be removed.

During the 1960s, the construction of SR 99 created a physical divider bisecting the north and south portions of the city.

In more recent years, the closure of Castle Air Force Base (AFB) has had a significant impact on the economy and housing stock in Merced. Operating from 1941 to 1995, the closure of the base led to a considerable decline in the city's population, causing a ripple effect on the local economy. Many individuals who relied on jobs provided by the base were left unemployed and had to seek opportunities elsewhere. As an additional consequence of the closure, there was an increase in vacant homes and apartment buildings in the area, north of Olive Avenue and west of the Merced Mall, leading to a decrease in property values. Homeowners faced challenges in selling their properties due to the unfavorable market conditions, which further exacerbated the issue. In some cases, financial difficulties resulted in vacant properties falling into disrepair or facing foreclosure. This resulted in the rapid changes of the character of these neighborhoods, leading to the decline in the overall appearance and atmosphere in these communities. In many of the cities surrounding Castle AFB, rental units where military and civilian personnel previously lived deteriorated, eventually being referred to as "Section 8"

areas.[23] The decrease in value of the housing stock led to segregated pockets of lower-income individuals, which is still seen in city centers where more dense housing is located, and poverty levels are higher.

The establishment of UC Merced in 2005 had a contrasting effect on the housing stock. As the university attracted a growing number of students, faculty, and staff, there was an increased demand for housing near the campus. This demand put pressure on the existing housing market, resulting in rising rental and housing prices in the areas close to the university, adding value to the housing stock. To accommodate the influx of students and staff, developers and investors recognized the potential for building new housing units. As a result, there has been an increase in residential development, including apartment complexes, to cater to the needs of the university population, such as the off-campus Merced Station Apartments built in 2021. Additionally, the university's efforts to promote education in the Central Valley might have influenced some individuals from the region to pursue higher education at UC Merced. As a result, the demographics of the student body became more reflective of the local population. The presence of the university also encouraged graduates to stay in the area after completing their studies, further impacting the demographics by retaining a more educated and skilled workforce in the city.

The city of Merced experienced a downturn in the housing market between 2011 and 2015. During this time the number of people purchasing homes decreased and many homes were foreclosed throughout the city. Between 2011 and 2014, the City tracked vacant homes in the city. According to the City's Public Works Department, approximately 603 single-family homes were vacant each month in 2011 and the number of vacant homes decreased over the following years. In 2012 450 single-family homes were vacant each month, in 2013 325 single-family homes were vacant each month, and in 2014 256 single-family homes were vacant each month.

Stakeholder and Community Input

The city held community workshops on August 22, 2023 and August 26, 2023. During the workshops, participants expressed the need for more affordable housing in the city and the need for accessible affordable housing in particular. During workshops held in each jurisdiction as part of the Merced County Multi-Jurisdictional Housing Element planning effort, participants identified the most significant housing barriers, including rent affordability and rent increases, lack of housing with supportive services, and difficulty buying a home.

The city held a series of stakeholder meetings on August 8, 9, and 23, 2023. Each meeting was centered around one of the following stakeholder groups: service providers, developers, and residents. Respondents at the service providers meeting noted that the cost of housing within the county is high and job insecurity further exacerbates those conditions. Respondents noted that residents in the city of Merced are being displaced due to expiring covenants, rent increases, additional fines, and reapplication fees. Respondents also stated several other barriers to housing including language equity, digital access equity, and racial inequities present amongst various groups when renting and buying homes. When asked about potential solutions to these barriers, respondents stated that tenant rights with aims to preserve and improve existing housing without offsetting costs onto renters and buyers is necessary. In addition, respondents agreed that housing should be located near transit to connect residents with job opportunities and other necessary resources and services. Respondents also noted right to counsel, investments in the general fund, rent relief programs, widespread affordable housing, community agreements, development requirements, and additional transitional housing as opportunities for safe

[23] Merced County Community Action Board Strategic Plan 2013-2018. https://www.mercedcaa.com/v2/wp-content/uploads/2018/11/7.1_Strategic_Plan_Jan_2013.pdf

and affordable housing. At the second meeting hosting developers, respondents noted that some of the largest challenges faced by the County is affordability. Several respondents noted that the largest determinant for renters and buyers is affordability. In addition, respondents stated that Merced County needs to be competitive when compared to its surrounding jurisdictions such as Stanislaus and San Joaquin. The addition of a thriving downtown or services such as a central airport would help to promote the area and attract new residents to the area. Interest rates have also challenged the housing market. Several respondents noted the incongruencies between different developers and their idea of what affordable housing looks like with such high interest rates. When asked what types of housing would most benefit the community one respondent noted that housing for those with middle incomes is missing. Several respondents noted that several affordable housing development barriers include supply expenses, restrictive zoning, and a lack of public transit to build affordable housing around. In the third of the stakeholder meetings community members largely echoed the concerns of the other two stakeholder meeting groups stating that the cost of living and housing affordability are a primary concern. Respondents noted that inclusionary zoning seemed to be present in northern Merced, but southern Merced was lacking in investments. Housing needs identified by respondents included deed restrictions, rent control and rent stabilization measures, additional transitional housing, rental rights programs, equitable housing practices, on-site amenities in housing developments, home rehabilitation, and an accessible rental registry.

An online community survey was available on the MCAG Housing Element website in both English and Spanish from May to December 2023. The survey asked participants about housing issues and the types and location of housing development they would like to see in their city. Respondents in Merced identified desirable aspects when looking for housing includes affordability and the quality and size of housing. Affordability was selected as the most urgent housing challenge and rental assistance, Housing Choice Vouchers, and homebuyer loan counseling services were selected as the most beneficial programs to assist residents with housing needs. The most needed housing type selected was housing with three or more bedrooms, followed by housing with one or two bedrooms. According to respondents, areas that should be developed with housing include areas near public transit stops, employment, and shopping centers and downtown locations. In addition, approximately one third of respondents would be interested in developing an accessory dwelling unit on their property.

The City is currently working with the Merced Family Resource Center, a division of the Merced County Office of Education, Early Education Support Program, with a community-driven action team to develop and implement a plan for Neighborhood Engagement and Transformation. This team includes South Merced neighborhood leaders from the Hmong, Black, and Hispanic communities, representatives from local non-profits like Love, Faith & Hope, and officials from the City and County of Merced. Their focus is to host a discussion to map available resources for families regarding housing and supportive services, and to explore how providers can collaborate to support families experiencing homelessness by identifying reliable information sources and responsible agencies.

The City's Housing Division recently released a community survey as part of the 5-year HUD Consolidated Plan effort to gather input on prioritizing funding for neighborhood improvements, affordable housing and other programs to benefit low- and moderate-income households in Merced.

Other Relevant Factors

Other factors to fair housing issues in Merced that have not been previously discussed in this analysis include limited English proficiency, housing stock types, and community opposition to affordable housing development. These contributing factors limit the accumulation of wealth and access to housing resources in historically marginalized communities.

Limited English Proficiency

Language barriers can lead to linguistic and cultural isolation. According to 2017-2021 ACS estimates, 48 percent of Merced residents speak a language other than English at home, and the majority of those residents speak Spanish. This is slightly more than the percentages of Northern SJV region residents (46 percent) and California (44 percent) residents that speak a language other than English at home.

The City has translation at most of their community events. There are two strong non-English speaking populations (Hmong and Spanish languages) that the City supports with translation services at most events and official meetings such as City Council, Planning Commission, and Town Hall meetings.

Housing Stock Type

More than half the housing stock in Merced (66 percent) is made up of detached single-family homes, which may not be affordable to lower-income households.

The city of Merced has 5,220 large households (households with five or more people), or approximately 20 percent of total households. Only 24 percent of all housing units contain four or more bedrooms which can accommodate large families without overcrowding.[24]

Community Opposition

Merced has experienced some negative public comments and opinions regarding zoning changes to allow higher density housing and public negative opinions coming from those living close to recent permanent supportive housing complexes.

Land Use Practices[25]

As described in the General Plan summaries below, development in Merced started in the downtown area and expanded in a north-south pattern. During the 1960s, the construction of the 99 Freeway created a physical divider bisecting the northern and southern portions of the city. Older communities in central and south Merced consist of smaller homes and lots. While there are many apartments in south Merced, development in the 1970s and 1980s focused in north Merced, including apartments. The closing of Castle Air Force base changed nearby residential areas from middle class military housing to lower-income housing. The economy has also changed over the years. In the last 20 years more diversified industry has entered the area, including printing, fiberglass boat building, warehousing and distribution, and packaging industries.

As the city developed, new standards for curbs, gutters, sidewalks, etc. applied to newer development in northern areas compared to the central and southern neighborhoods. There are also discrepancies for areas that were developed as part of the unincorporated County. The City has observed that areas that have been annexed from Merced County often have issues regarding older infrastructure that is in need of updates. In particular, roads are difficult to maintain due to heavy traffic patterns and old roadways.

[24] U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25041
[25] Merced Vision 2030 General Plan, Adopted January 3, 2012. Prepared by the City of Merced Development Services Department and Quad-Knopf, Inc.

Some older annexation areas do not have sidewalks and some areas do not have enough streetlights. The City is updating standards and implementing these improvements in deficient areas, including upgrading and adding new parks and playground equipment.

The City of Merced began formally planning for future growth and development in 1959 with the adoption of the first General Plan. Comprehensive General Plan updates have taken place in 1968, 1981, 1997 and 2012. Amendments to the General Plan have occurred several times since 2012.

At the time of the creation of the *1959 General Plan*, Merced was a small city with a population of 20,000. During the 20-year life of that general plan, it was expected that Merced would double its population. The land use map showed mostly single-family residential growth with some scattered multifamily in the area bounded by Black Rascal Creek to the north, McKee Road to the east, Gerard Avenue to the south, and Highway 59 to the west. Major commercial areas were located downtown and along G Street with neighborhood commercial centers spread throughout the planning area. The map also showed industrial development along the west side of North SR 59, in the area surrounding the Merced Airport, on both sides of South SR 59, along 16th Street, on the south side of the then proposed SR 99 from north of Childs Avenue south to Mission, and south of Yosemite Park Way near Kibby Road. The major issues facing the framers of the 1959 General Plan included preserving the city's neighborhoods, converting Main Street between K and M Streets into a pedestrian shopping mall, locating a new civic center across M Street from the County Courthouse (now the site of the County Administration building), and the rehabilitation of blighted areas, mostly on the south side of the city.

The major focus of the *1968 General Plan* was to establish a clearly defined urban growth area in order to preserve prime agricultural land. Changes to the land use map from 1959 to 1968 included the reduction of the amount of land designated for industrial uses and the concentration of these uses in three main areas—at Yosemite Park Way and Kibby, around the Merced Airport, and on the west side of SR 59 from 16th Street to Santa Fe Drive. Land use changes also included the designation of two major regional commercial centers--one in the downtown area near M Street and 18th Street and one in North Merced near Olive Street and M Street (the current site of the Merced Mall), a regional park and golf course in the Fahrens Park area, a new high school site immediately north of the existing Merced High School North Campus, the development of a civic center near 18th Street and M Street, and designating a system of greenways and strip parks along the three major creeks--Fahrens, Black Rascal, and Bear.

The *1981 General Plan* focused most of the city's new growth to the north and south in order to preserve the prime agricultural lands to the city's west and east. The City's Specific Urban Development Plan (SUDP), or growth boundary, was established and City and County cooperation on growth issues was emphasized. Preservation of agricultural areas, existing neighborhoods, and creekside open space remained a high priority. Most of the land use plan still called for single-family residential, but higher densities were established in key areas of downtown and in the Merced Mall area where they would be close to services. Commercial areas in north Merced were significantly expanded, especially for professional office uses. The Circulation Element called for a clear hierarchy of streets, controlled access on major streets, and an expanded off-street bicycle path system incorporated into creekside open spaces.

The Merced Vision 2015 General Plan (adopted in 1997) envisioned a growing community that preserves much of its small town character and social setting, a city that has an improved economy, adequate public services and cultural facilities, and a good overall quality of life for its residents. Several goals in the plan included expansion of the SUDP area to accommodate expected growth, preservation of prime agricultural land, continuation of the predominately north-south growth pattern, expansion of the Sphere of Influence to include rural residential centers east of the city and the UC campus site, planning for industrial/business park uses and associated infrastructure, a flexible circulation system, mixed-use

development near urban villages, higher densities along transit corridors, a diversity of housing types, housing affordability, and sustainable development.

The Merced Vision 2030 General Plan, adopted in 2012, built on many of the previous long range planning concepts. The primary issues include how and where to direct new growth based on physical land constraints surrounding Merced and by the regulatory constraints that protect these same physical attributes.

The City's current Zoning Map is shown in Figure G5-29. Single detached homes make up most of the housing stock, comprising 64 percent of total units. This is a lower percentage compared to the county (74 percent) but greater than the state (58) percent. Due to the prevalence of low density residential zones, this Housing Element includes Program 6 to revise the City's Zoning Code to allow for a range of housing types in low density residential zones, including triplexes and quadplexes.

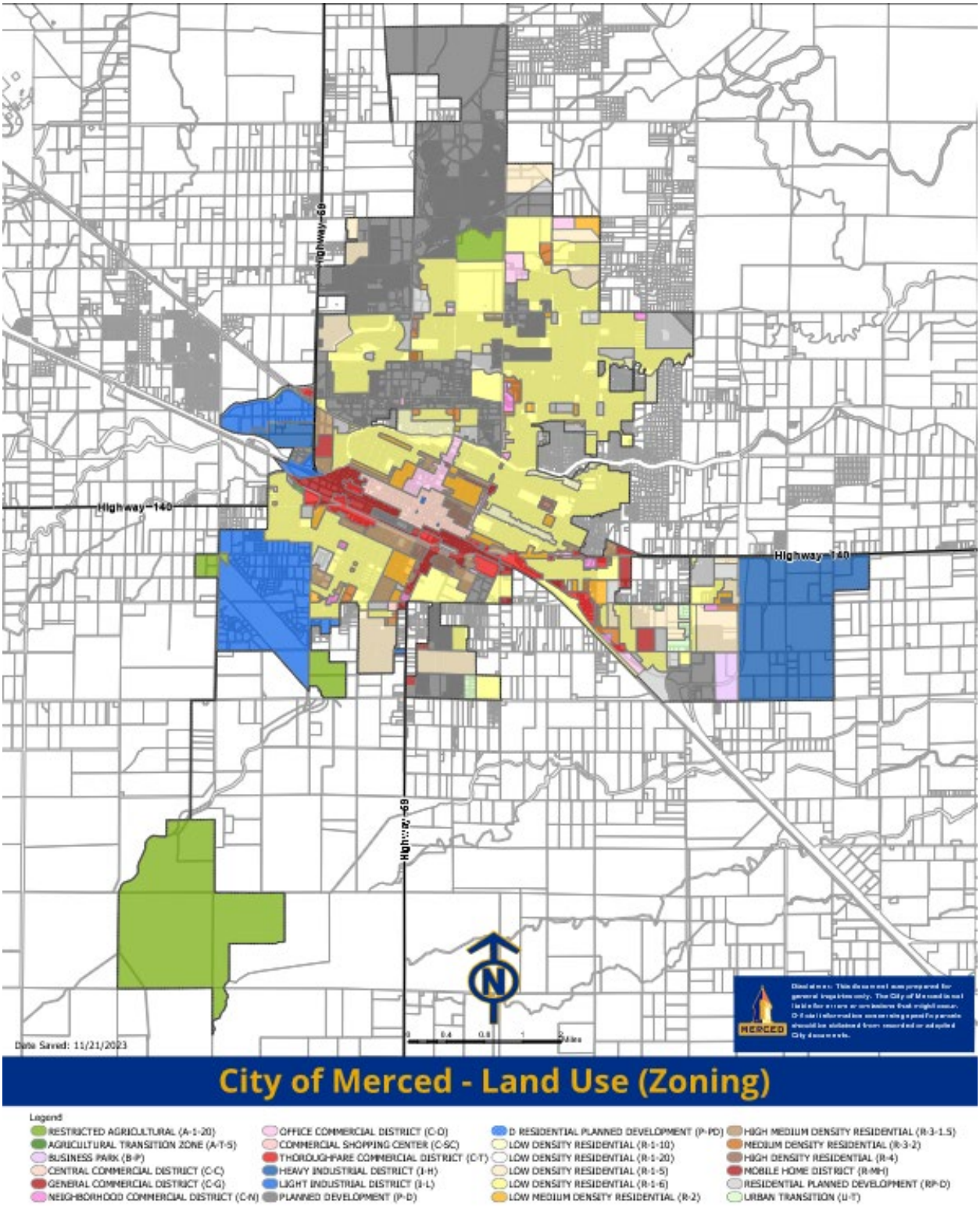
G5.12 Subsidized Housing

Subsidized housing is located in District 1, District 2, District 3, and District 5, but is primarily concentrated in District 2 and District 5. The City of Merced does not own public housing located within city limits. However, the City works closely with the Housing Authority of the County of Merced (HACM) to provide public housing within the city and throughout the county. According to the City of Merced 2022 HUD Annual Action Plan, the waiting list for households in need of housing is 2,379 families, and 1,195 (50 percent) of those families include children.[26]

According to the City's 2020-2021 Consolidated Plan, as of July 2021, 2,856 housing choice vouchers (HCVs) are in use in Merced.[27] Approximately 37 percent of vouchers are used by households with a person with a disability. The average annual income for households using housing choice vouchers is $16,021. The use of HCVs is most prevalent in parts of District 1, District 2, District 3, and District 5 where 15 to 30 percent of households rely on HCVs, as shown in Figure G5-30.

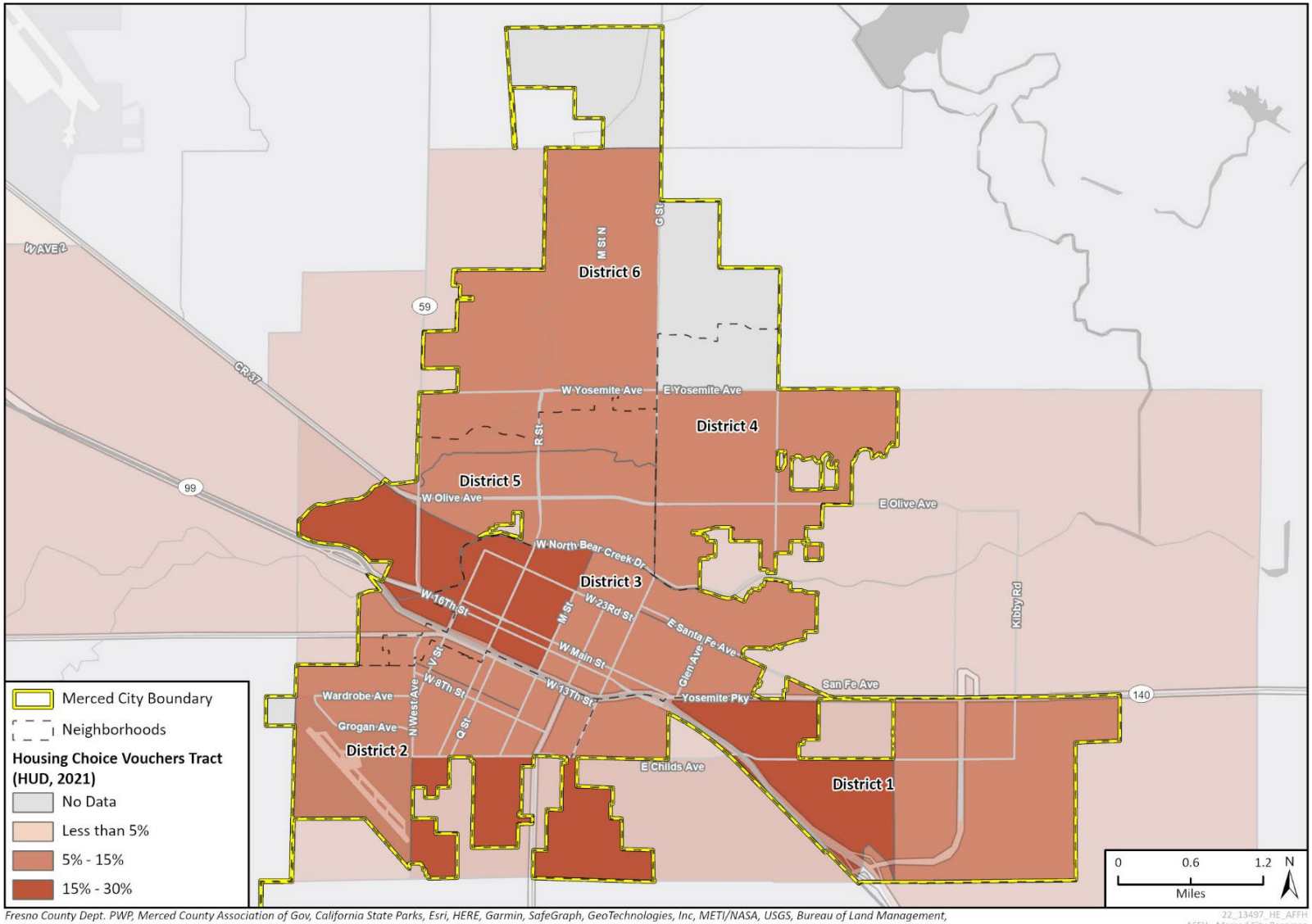
[26] City of Merced 2022 HUD Annual Action Plan. https://www.cityofmerced.org/home/showpublisheddocument/18316/638119081773530000
[27] 2020-2021 Consolidated Plan. https://www.cityofmerced.org/home/showpublisheddocument/15059/637654911015170000

Figure G5-29 City of Merced Zoning Map



Source: City of Merced, 2025

Figure G5-30 Housing Choice Vouchers (City of Merced)



Source: AFFH Data Viewer, 2023

G5.13 Housing Site Inventory Analysis

This portion of the AFFH analyzes the relation between the housing opportunity sites and AFFH-related issues. Government Code Section 65583(c)(10) requires the housing opportunity sites to be analyzed with respect to AFFH to ensure that sites designated for lower-income households are dispersed equitably throughout the city rather than concentrated in areas of high segregation and poverty or low resource areas that have historically been underserved, and conversely, that sites designated for above moderate-income households are not concentrated in areas of high resources. By comparing the Site Inventory to the fair housing indicators in this assessment, this section analyzes whether the sites included in the Housing Element Site Inventory improve or exacerbate fair housing conditions, patterns of segregation, and access to opportunity.

Housing Sites by TCAC Opportunity Area

For purposes of evaluating fair housing, resource levels designated by TCAC/HCD denote access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and the quality of environmental factors in the area such as proximity to hazards and air quality. TCAC has a composite opportunity score for each census tract. Merced contains areas of all resource levels.

The City's Site Inventory can accommodate 6,543 housing units on 86 sites. Together with the City's 19,615 planned and approved units, the City can accommodate 26,158 housing units during the planning period. Figure G5-31 shows the housing opportunity sites by TCAC designated resource area. The housing opportunity sites are designated by income category – whether the sites could accommodate housing appropriate for low-, moderate-, or above moderate-income households. The "appropriateness" of sites for various affordability levels is dictated by State housing element law and HCD guidance and includes allowable density, size of site, realistic capacity, existing use(s), and other factors. More information about the sites and income designations is available in Chapter G6, *Housing Resources and Site Inventory Analysis*.

Most of the housing opportunity sites, accommodating 93 percent of all units, are located in high/highest resource areas. These sites are primarily located in District 4 and District 6, in part due to the availability of large vacant and underutilized parcels in these neighborhoods.

Total Units by Resource Area

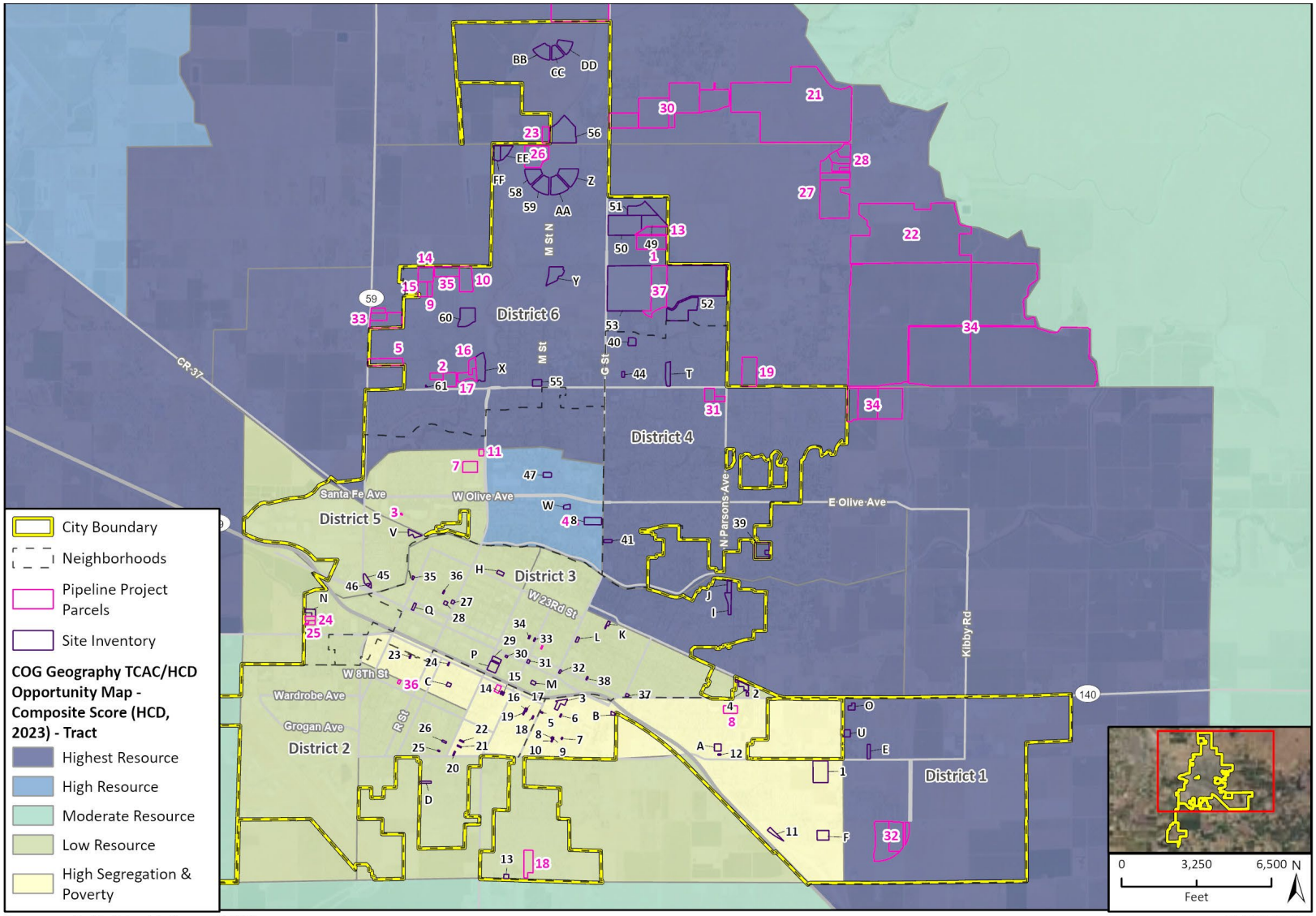
There are 651 units planned in areas of high segregation and poverty and low resource: 65 percent of those units (422 units) will be lower-income units, 21 percent (135 units) will be moderate-income units, and 14 percent (94 units) will be above moderate-income units. In contrast, 24,368 units are planned in areas designated high/highest resource: 14 percent of those units (3,459 units) will be lower-income units, seven percent (1,708 units) will be moderate-income units, and 79 percent (19,160 units) will be above moderate-income units. Table G5-11 shows the number of proposed housing units by income level in each resource area.

Table G5-11 Proposed Housing Units by Resource Area

Income Level	Lower-Income	Moderate-Income	Above-Moderate Income	Total Units
Areas of High Segregation and Poverty	422 units (9% of lower-income units)	135 units (6% of moderate-income units)	94 units (<1% of above moderate-income units)	651 units (2% of total units)
Low Resource Areas	645 units (14% of lower-income units)	177 units (8% of moderate-income units)	317 units (2% of above moderate-income units)	1,139 units (4% of total units)
Moderate Resource Areas	0 units (0% of lower-income units)	0 units (0% of moderate-income units)	0 units (0% of above moderate-income units)	0 units (0% of total units)
High/Highest Resource Areas	3,459 units (76% of lower-income units)	1,708 units (82% of moderate-income units)	19,160 units (98% of above moderate-income units)	24,368 units (93% of total units)

The housing opportunity sites will add a higher percentage of lower-income units in high/highest resource areas (76 percent of total lower-income units) than in areas of high segregation and poverty (nine percent of total lower-income units). A total of 651 housing units (two percent of total housing units housing opportunity sites) are proposed in areas of high segregation and poverty. A total of 1,139 housing units (four percent of total housing units) are proposed in areas of low resource. The remaining housing units (93 percent) are proposed in highest resource areas. The strategy of identifying opportunity sites across the city will increase the mix of housing at all incomes levels.

Figure G5-31 Housing Opportunity Sites by TCAC Resource Area



Source: AFFH Data Viewer, 2023

Sites by Income Population

Census tracts with more than 50 percent low- and moderate-income (LMI) households are located in all neighborhoods except Districts 4 and 6. Figure G5-32 shows the housing opportunity sites by percentage of LMI populations. Approximately eight percent of the total housing units included in the opportunity sites are located in census tracts with more than 50 percent LMI households due to the availability of underutilized sites in these areas and the potential for mixed-use, transit-oriented development in many neighborhoods such as those in District 3. Of the opportunity sites in these areas, approximately 19 percent of proposed units are appropriate for above moderate-income households, 17 percent appropriate for moderate-income households, and 63 percent for low-income households. These areas of Merced will benefit from the mix of households of differing income levels and will not see exacerbated levels of segregation by income between neighborhoods.

Sites by Overcrowded Households

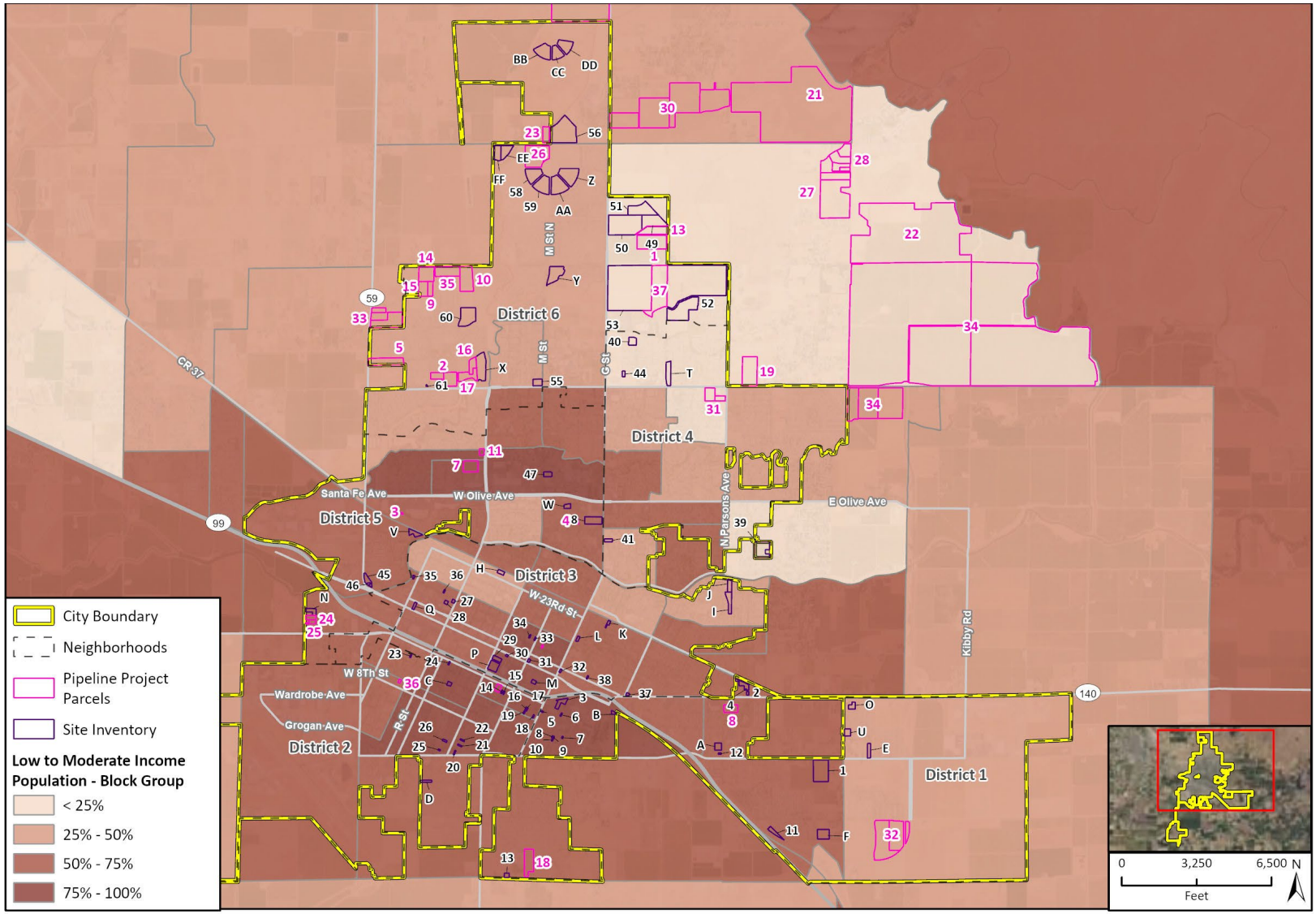
Overcrowding is moderate to low throughout Merced, with most of the city having rates of zero to 10 percent of overcrowding, as shown in Figure G5-33. District 2 has a higher percentage of overcrowding than other neighborhoods in Merced. The Site Inventory assumes that sites located in District 2 will accommodate 172 housing units. Of these units 92 could accommodate lower-income households, 72 could accommodate moderate-income households, and eight could accommodate above moderate-income households. This equates to less than one percent of the total housing units included in the Site Inventory. The Site Inventory will not exacerbate overcrowding conditions but will add new housing opportunities in areas that need them.

Sites by Overpayment by Renters

The percentage of overpayment by renters ranges throughout the city. Overpayment among renters is highest in District 3 and District 4, as much as 60 to 80 percent, as shown in Figure G5-34. Housing opportunity sites in these districts will provide housing opportunities for a mix of income levels in these neighborhoods, including 550 units affordable to lower-income households, 176 units affordable to moderate-income households and 79 units affordable to above moderate-income households. Most of these housing units will likely be rental units, based on trends in planning entitlements and developer interest, which will alleviate overpayment among renters in District 3 and District 4.

According to the UDP, new market-rate construction in gentrifying areas neither worsens nor eases rates of people moving out of the area. It increases rates of people moving to an area across all socio-economic groups, particularly high-socio-economic residents. The UDP recommends subsidized housing construction and housing preservation to help existing residents stay in their neighborhood. The mix of lower and moderate-income housing units in District 3 and District 4 will provide affordable housing options for existing lower-income residents as well as encourage higher-income households to move into the area. The Site Inventory will not exacerbate overpayment by renters but will add new housing opportunities in areas that need them.

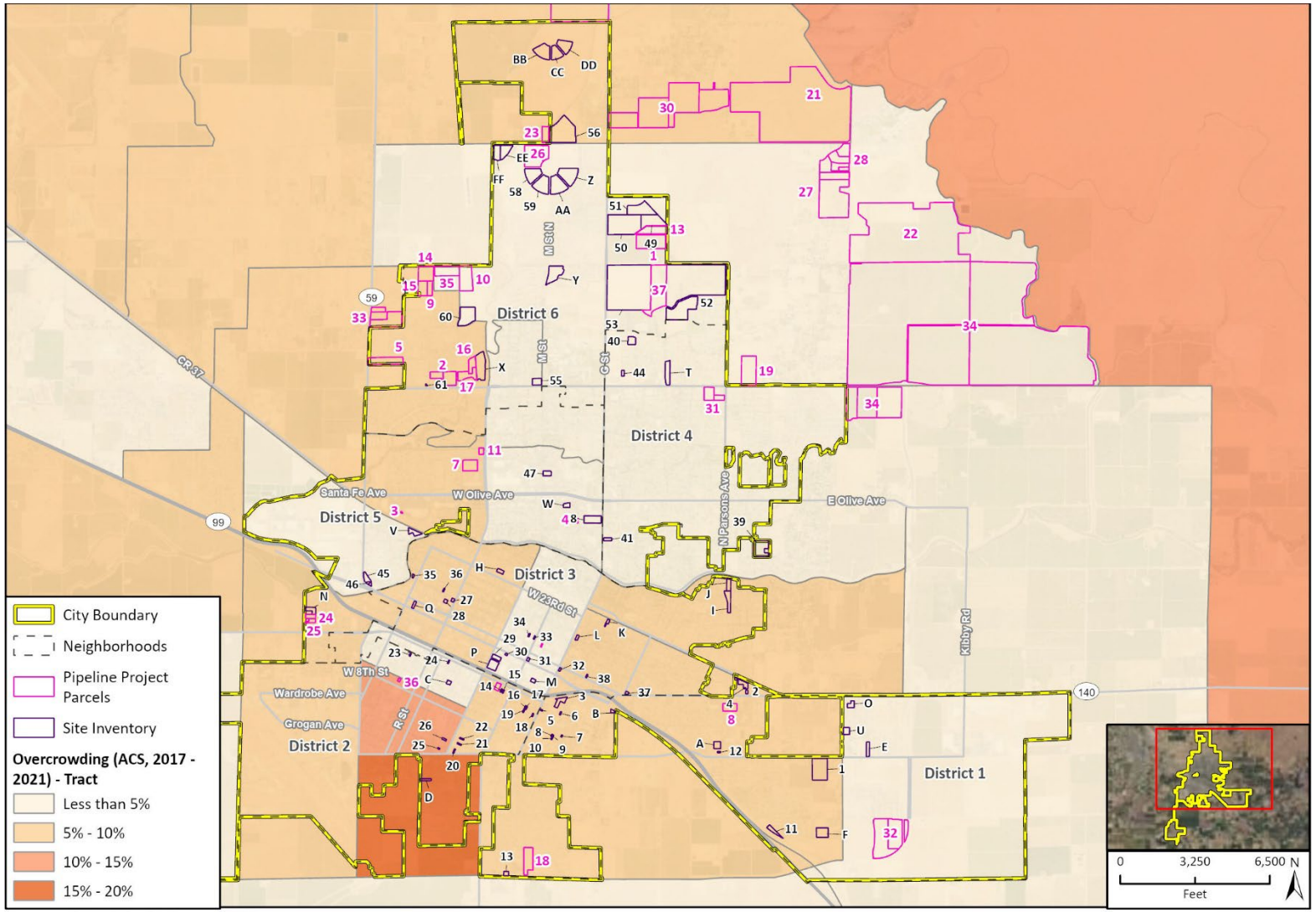
Figure G5-32 Housing Opportunity Sites by Income Population



Imagery provided by Esri and its licensors © 2025
ACS 2017-2021, HCD, PlaceWorks, HUD Region 9, American Community Survey, UC Berkley Urban Displacement Project, TCAC 2022, CalEnviroScreen 4.0, 2021, CAL FIRE, OEHHA, FEMA.

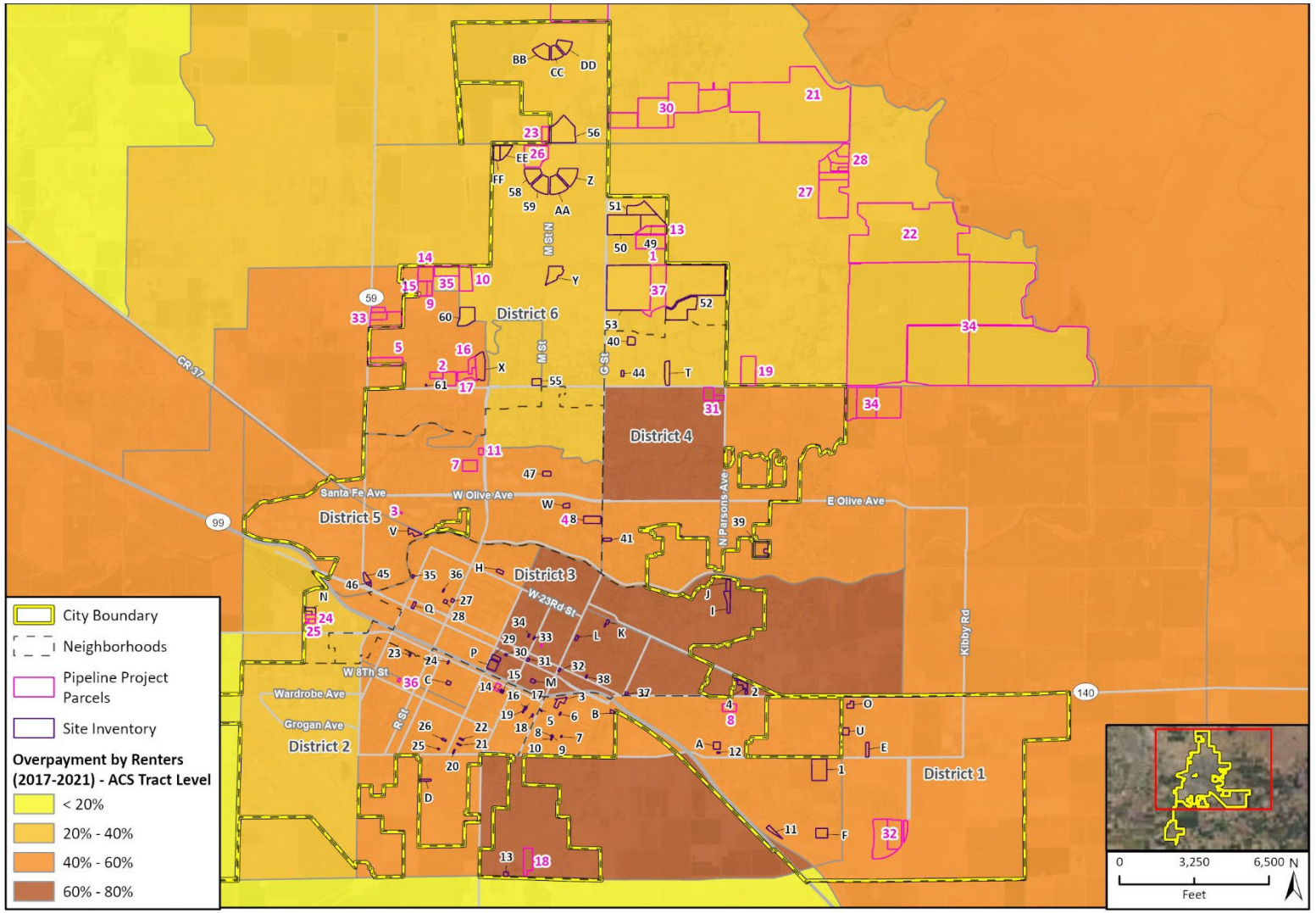
Source: AFFH Data Viewer, 2023

Figure G5-33 Housing Opportunity Sites by Overcrowding



Source: AFFH Data Viewer, 2023

Figure G5-34 Housing Opportunity Sites by Overpayment by Renters



Imagery provided by Esri and its licensors © 2025
ACS 2017-2021, HCD, PlaceWorks, HUD Region 9, American Community Survey, UC Berkley Urban Displacement Project, TCAC 2022, CalEnviroScreen 4.0, 2021, CAL FIRE, OEHHA, FEMA.

Source: AFFH Data Viewer, 2023

Sites by Areas of Integration and Segregation

Most of the city of Merced is racially integrated, yet a few neighborhoods have a higher percentage of non-white residents (between 81 and 100 percent) than other portions of the city. In District 2, housing opportunity sites can accommodate a mix of income levels in areas that already have a diverse mix of ethnic and racial groups. Opportunity sites in this area can accommodate 92 units appropriate for lower-income households and 72 units appropriate for moderate-income households, and eight units appropriate for above moderate-income households (Figure G5-35). In addition, District 3 and District 4, which have the lowest percentages of non-white residents in the city, accommodate 550 units affordable to lower-income households. This will help integrate lower-income households of all racial/ethnic backgrounds in areas where diversity is lower. The Site Inventory will not contribute to segregation based on race/ethnicity or income level.

As discussed in Chapter G3, *Housing Needs Assessment*, approximately 14 percent of the population has one or more disabilities. For persons with disabilities who live independently or with other family members, independent living can be supported with special housing features, financial support, and in-home supportive services. The location of housing is also an important factor for people with mobility restrictions who rely on public transportation for travel. District 3 has the highest percentage of residents with a disability (20 to 30 percent). Housing opportunity sites in District 3 would add a total of 402 units appropriate for lower-income households and 136 units appropriate for moderate-income households in areas with greater walkability and in proximity to transit stops. This will allow more residents to live near transit and create housing opportunities for residents who are unable to drive.

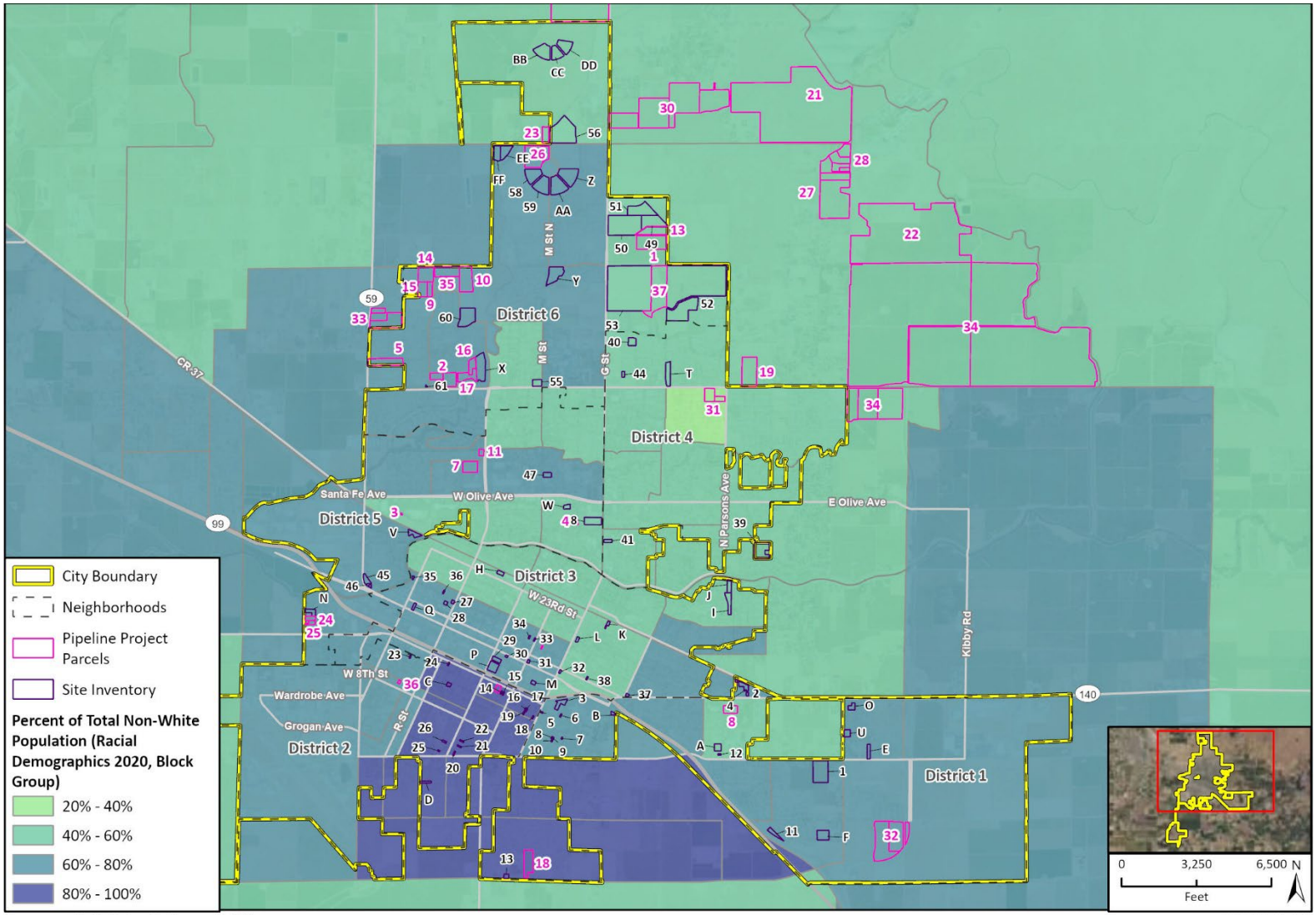
Sites by Communities Vulnerable to Displacement

Most of the city is considered to be vulnerable to displacement by the UDP, including most of District 3 and portions of District 1, District 2, District 4, and District 5. Figure G5-36 shows the housing opportunity sites in relation to the location of areas at risk of displacement. The Site Inventory includes capacity for 920 units appropriate for lower-income households, or approximately 20 percent of the total number of the proposed lower-income units, in these areas. These lower-income units will provide affordable housing options for existing very low and low-income residents at risk of displacement.

Sites by CalEnviroScreen Score

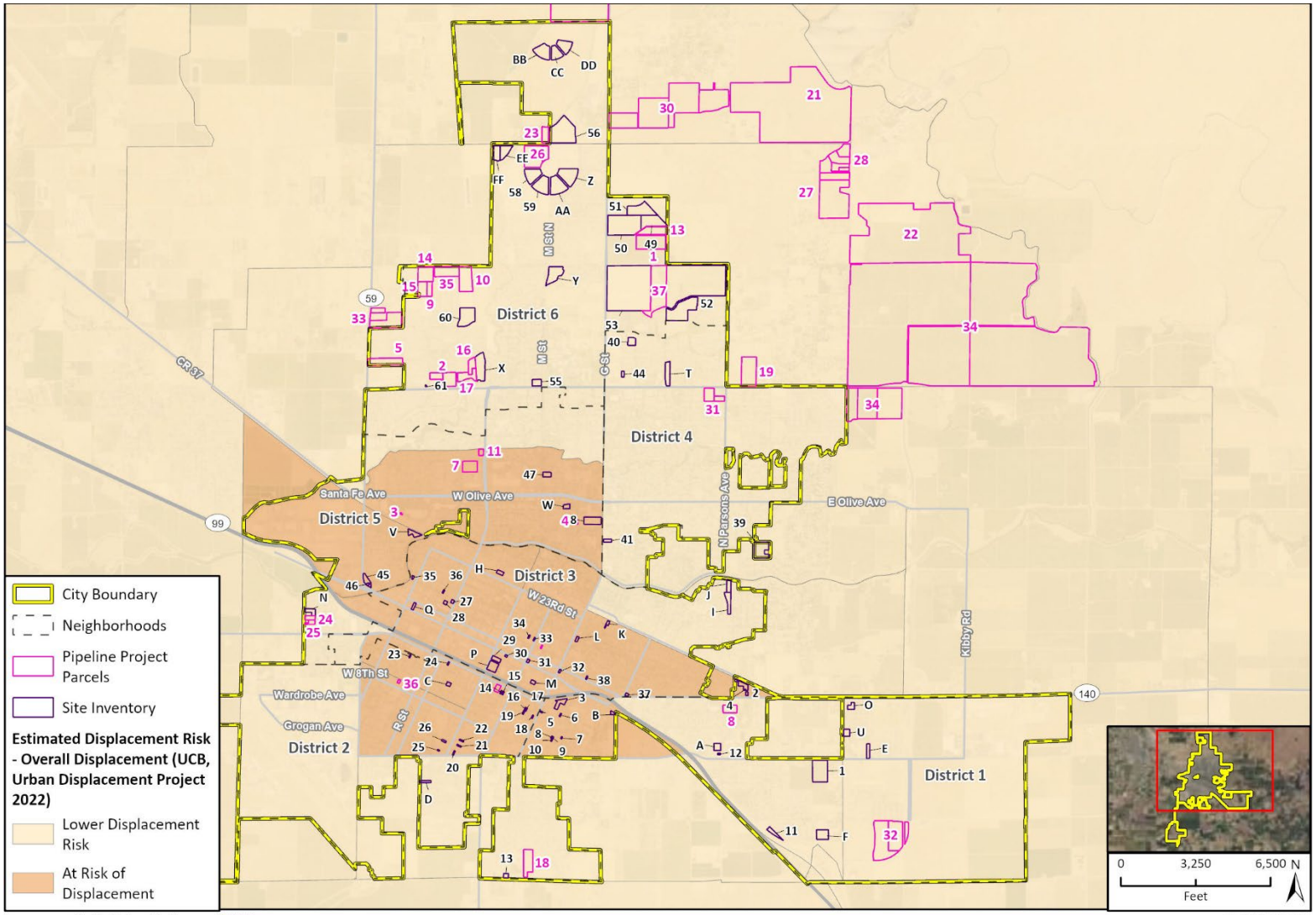
Most of Merced has high CalEnviroScreen scores, above the 71st percentile. District 4 has the lowest CalEnviroScreen scores (as low as the 37th percentile) while District 3, District 6, and portions of District 1, District 2, and District 5 have the highest CalEnviroScreen score (as high as the 95th percentile). The rest of the city has CalEnviroScreen scores of the 71st percentile and above. Housing opportunity sites located in census tracts with a CalEnviroScreen score greater than the 80th percentile can accommodate for 14,203 housing units (approximately 54 percent of total proposed housing units) are, including 3,292 lower-income housing units, 1,662 moderate-income housing units, and 9,249 above moderate-income housing units (Figure G5-37). The remaining 11,955 housing units proposed by the Site Inventory would be located in areas with a CalEnviroScreen percentile less than 80. The Site Inventory would not concentrate lower-income units in areas of higher pollution burden.

Figure G5-35 Housing Opportunity Sites by Total Non-White Population



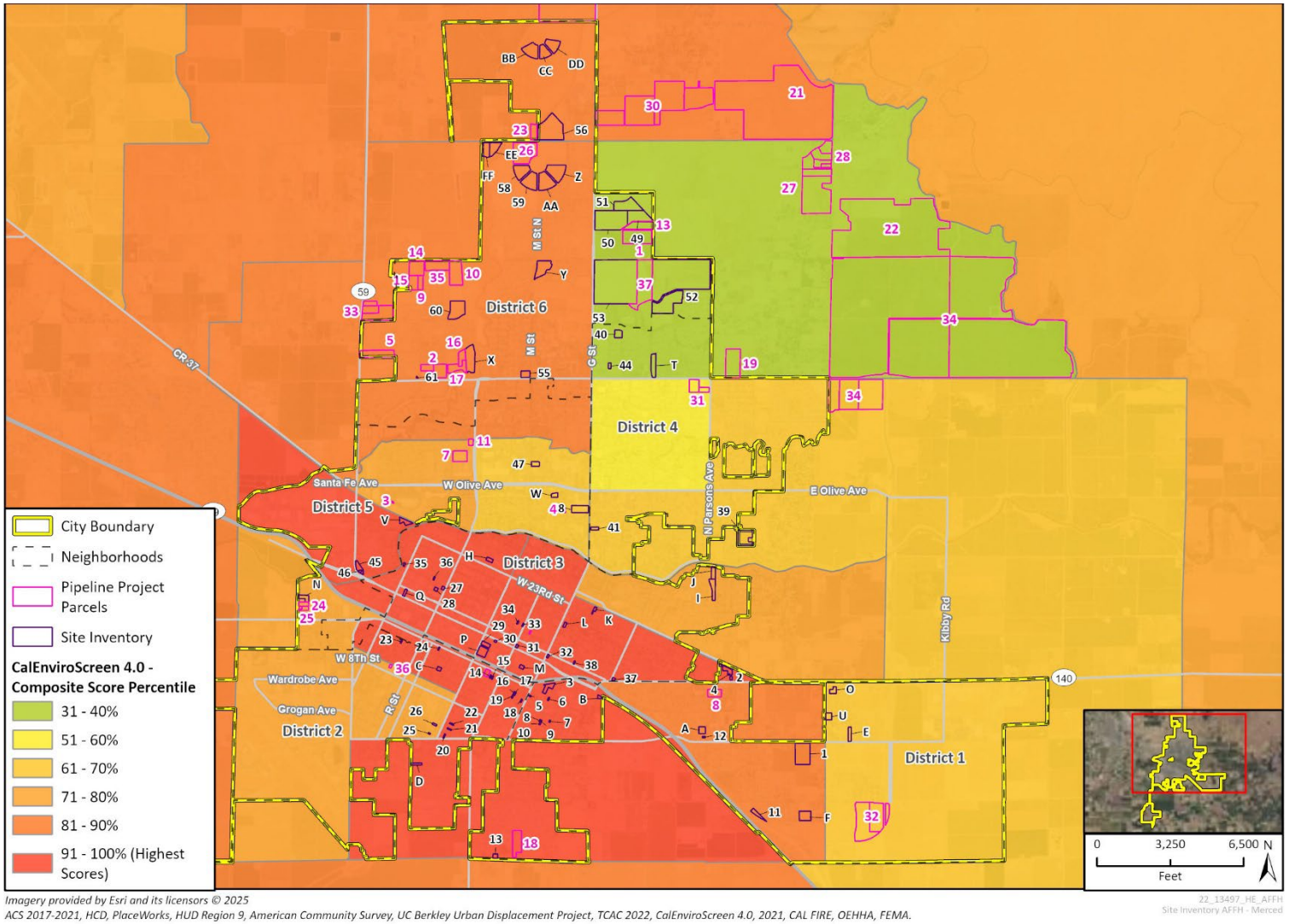
Source: AFFH Data Viewer, 2023

Figure G5-36 Housing Opportunity Sites by Displacement Risk



Source: AFFH Data Viewer, 2023

Figure G5-37 Housing Opportunity Sites by CalEnviroScreen Percentile Score



Source: AFFH Data Viewer, 2023

Sites Analysis Summary Data

Table G5-12 summarizes the Site Inventory by development priority area, sites, number of units by income level, and census tract characteristics. While most of the city consists of low resource areas and areas of high segregation and poverty, a majority of parcels in the Site Inventory are in high resource areas. In addition, housing opportunity sites throughout the city do not concentrate new housing in areas with a higher percentage of LMI residents, overcrowding, overpayment by renters, non-white residents, or areas with a higher risk of displacement.

Table G5-12 Site Inventory by Census Tract Characteristics

		Site Inventory Capacity (Units)			AFFH Indicators							
Census Tract Number	Number of Existing Households	Lower Income	Moderate-Income	Above Moderate-Income	Percent Non-White	Percent LMI Households	Median Household Income	TCAC Opportunity Area	Percent Overpayment by Renters	Percent Overcrowded Households	Displacement Sensitivity	CalEnviroScreen Percentile
District 1												
06047001401	1,464	48	15	0	59.10%	65.60%	$42,839	Low Resource	61.50%	6.20%	At Risk of Displacement	92.4
06047001601	1,279	57	28	0	76.70%	93.90%	$36,843	High Segregation & Poverty	42.30%	9.70%	At Risk of Displacement	96.9
06047001604	945	19	5	108	80.20%	54.20%	$50,368	Low Resource	60.10%	8.60%	Lower Displacement Risk	92
06047001700	2,122	298	51	94	59.40%	67.00%	$42,287	High Segregation & Poverty	48.00%	5.80%	Lower Displacement Risk	82.1
06047002601	603	158	41	587	76.10%	39.00%	$96,222	Highest Resource	47.80%	0.50%	Lower Displacement Risk	68
District 2					**0.00%**				**0.00%**	**0.00%**		
06047001502	745	17	11	0	79.20%	78.10%	$38,045	High Segregation & Poverty	55.20%	4.80%	At Risk of Displacement	93.9
06047001503	1,300	0	9	8	81.10%	87.10%	$27,654	Low Resource	59.60%	11.50%	At Risk of Displacement	79.5
06047001601	1,279	50	45	0	76.70%	93.90%	$36,843	High Segregation & Poverty	42.30%	9.70%	At Risk of Displacement	96.9
06047001603	786	25	7	0	84.10%	68.60%	$49,743	Low Resource	54.70%	16.20%	Lower Displacement Risk	92
District 3					**0.00%**				**0.00%**	**0.00%**		
06047001301	1,145	47	25	0	61.10%	64.60%	$33,359	Low Resource	45.00%	9.80%	At Risk of Displacement	98.2
06047001302	1,141	175	53	0	63.20%	84.70%	$33,136	Low Resource	62.50%	1.10%	At Risk of Displacement	98.2
06047001401	1,464	25	18	0	59.10%	65.60%	$42,839	Low Resource	61.50%	6.20%	At Risk of Displacement	92.4
06047001402	1,692	155	40	0	48.00%	35.00%	$49,688	Highest Resource	64.90%	6.00%	Lower Displacement Risk	76.9
District 4					**0.00%**				**0.00%**	**0.00%**		
06047001101	2,136	0	0	28	39.60%	10.90%	$74,515	Highest Resource	67.80%	1.70%	Lower Displacement Risk	55.8
06047001200	1,793	4	2	51	47.80%	41.10%	$67,382	Highest Resource	46.70%	0.40%	Lower Displacement Risk	65.7
06047001801	1,194	144	38	0	49.20%	14.20%	$82,500	Highest Resource	32.70%	0.00%	Lower Displacement Risk	37.1
District 5					**0.00%**				**0.00%**	**0.00%**		
06047001003	1,599	154	0	187	68.30%	75.00%	$44,289	Low Resource	45.00%	6.00%	At Risk of Displacement	75.6
06047001004	1,645	249	48	1	64.80%	89.00%	$46,962	High Resource	49.90%	0.70%	At Risk of Displacement	68.3
06047001005	907	98	31	0	66.00%	66.70%	$40,916	Low Resource	57.90%	1.80%	At Risk of Displacement	94.9
06047001501	688	54	14	14	71.30%	58.40%	$57,656	Low Resource	35.50%	5.20%	Lower Displacement Risk	77.2
District 6					**0.00%**				**0.00%**	**0.00%**		
06047001006	1,718	13	4	0	53.00%	30.00%	$54,200	Highest Resource	31.70%	4.20%	Lower Displacement Risk	80.4
06047001007	917	922	682	711	65.00%	33.00%	$85,398	Highest Resource	28.90%	0.00%	Lower Displacement Risk	80.4
06047001008	1,650	170	111	737	71.10%	33.00%	$123,639	Highest Resource	49.40%	8.10%	Lower Displacement Risk	80.4
06047001801	1,194	0	0	1,971	49.20%	14.20%	$82,500	Highest Resource	32.70%	0.00%	Lower Displacement Risk	37.1
06047002500	733	658	481	119	41.70%	33.60%	$72,109	Highest Resource	33.40%	5.00%	Lower Displacement Risk	80.8
Outside City District												
06047001008	1650	5	5	196	71.10%	33.00%	$123,639	Highest Resource	49.40%	8.10%	Lower Displacement Risk	80.4
06047001801	1,194	316	207	7,475	49.20%	14.20%	$82,500	Highest Resource	32.70%	0.00%	Lower Displacement Risk	37.1
06047002500	733	665	90	7,284	41.70%	33.60%	$72,109	Highest Resource	33.40%	5.00%	Lower Displacement Risk	80.8
Total		**4,526**	**2,061**	**19,571**								

Source: California Tax Credit Allocation Committee (TCAC)/California Housing and Community Development (HCD), Opportunity Maps (2023); U.S. Census Bureau, American Community Survey 5-Year Data (2017-2021)

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G5.14 Contributing Factors and Meaningful Actions

AB 686 requires an identification and prioritization of contributing factors to fair housing issues based on all the previously required analysis (outreach, fair housing assessment, Site Inventory). This section lists contributing factors that create, perpetuate, or increase the severity of one or more fair housing issues that were identified in the AI, community outreach, and the analysis in this document. Contributing factors were prioritized based on their impact on fair housing issues as well as the City's ability to address the contributing factors. Chapter G7, *Housing Plan*, includes a summary of the identified fair housing issues, contributing factors to these issues, and meaningful actions the City will undertake to affirmatively further fair housing for special needs, racial/ethnic minority, and low-income residents.

Enforcement and Outreach

The City's website includes a webpage for Fair Housing Resources and Services which includes links to Project Sentinel, the City's contracted fair housing provider, as well as information on fair housing rights and responsibilities for residents and landlords. The website offers translation services using Google Translate and most informational pamphlets are provided in multiple languages, some of which are offered in up to six different languages.

Contributing factors to enforcement and outreach in Merced include:

- Limited distribution of fair housing workshops and materials (Priority Level – High): According to the AI, the general public often does not understand fair housing rights or the fair housing complaint processes and fair housing opportunities are not readily` available on the City's website.
- Limited distribution of housing services and programs available to residents (High): While the City's website includes a webpage for Housing Programs, this webpage is not regularly updated and does not include information on all housing programs available to city residents.
- Language barriers (Medium): Forty-eight percent of residents in the city speak a language other than English at home. However, not all informational pamphlets on the City's Fair Housing Resources and Services webpage are offered in languages other than English.
- Substandard Housing Conditions: A significant share of the city's housing stock is more than 30 years old and potentially in need of repair or modernization, and complaint-driven code enforcement may underidentify substandard conditions, particularly among residents who are hesitant to report issues for fear of housing instability.
- Rationale: Resources to educate and inform are key to ensuring fair housing protections are accessible and effective for protected classes. In addition, proactive interventions to fair housing issues prevent displacement.

Segregation and Integration Patterns and Trends

Merced is a racially/ethnically diverse city with a high percentage of low- and moderate-income residents and low median household incomes. In particular, District 2 has the highest percentage of non-white residents in the city. District 2, District 3, District 5, and the eastern part of District 1 has a disproportionately high percentage of low- and moderate-income residents, low median income residents, high POC segregation, and residents living below the poverty line. Multifamily residential zones are concentrated in District 3 and portions of District 1, District 2, and District 5 that are adjacent to District 3. According to the UDP, Hispanic/Latino residents are segregated in South Merced.

Contributing factors to segregation and integration patterns and trends in Merced include:

- Displacement of residents due to economic pressures (High): Home values and rents have increased significantly in Merced over the past decade. Between 2016 and 2021, home values increased 68 percent and median rent increased 32 percent. In addition, about 41 percent of all households are cost burdened, meaning many households are paying too much for housing. Investors have purchased many homes in Merced and turned them into rentals with significantly increased rents. These trends indicate cost burdened and low-income households may be at risk of displacement if the cost of housing continues to rise.
- Rationale: Due to increased housing prices and rents, additional affordable housing opportunities are needed to (1) avoid displacement of lower-income households and (2) provide mobility options for lower-income households to move into higher resource areas in north and east Merced.

Racially and Ethnically Concentrated Areas of Poverty

In the city of Merced, areas of high segregation and poverty are concentrated in Districts 1 and 2. In the more urban areas of Districts 1, 2, and 3, up to ninety-three percent of residents are Hispanic/Latino and have a median income of $38,045. This area is also at risk of displacement and considered an area of high POC segregation.

Contributing factors to racially and ethnically concentrated areas of poverty in Merced include:

- Land use and zoning patterns (High): The majority of land zoned for housing within Merced is single-family residential or planned development. Zones allowing higher density residential development are concentrated in the central and southern parts of the city. The central part of the city has higher residential density and commercial zoning, is predominantly Hispanic/Latino, and has the lowest median household incomes in the city.
- Location and type of affordable housing (Medium): Affordable housing units are concentrated in areas of high segregation and poverty
- Displacement of residents due to economic pressures (High): High rates of cost burden and rising housing costs are placing low-income residents at risk of displacement. Rationale: Current single-family development in the city does not allow for higher density housing. As a result, affordable housing options are limited to certain portions of the city. Changes to the City's land use regulations can open up opportunities for affordable housing throughout Merced.

Disproportionate Housing Needs

Cost burden among renters and homeowners is high throughout most of the city. Cost burden among renters is highest in portions of District 2, District 3, and District 4 and cost burden among homeowners is highest in portions of District 3, District 5, and District 6. Overcrowding is high within the city, with 37 percent of households experiencing overcrowding. Overcrowded housing is concentrated in the southern half of the city, particularly in District 2. District 3 has an older housing stock than other areas of the city, where approximately 99 percent of housing units are over 30 years old and 79 percent are over 50 years old. However, areas with older housing have the lowest household median incomes and high percentage of low- and moderate-income residents, indicating that homeowners may not be able to afford to pay for repair and maintenance on their homes.

Contributing factors to disproportionate housing needs in Merced include:

- Lack of public housing (Medium): While the City offers Housing Choice Vouchers to residents, the city does not have any of its own public housing. Public housing in the County of Merced is

extremely limited, and the waitlist for public housing is currently over 2,000 households long. In 2022, the Housing Authority of the County of Merced selected 1,200 applicants from the existing waiting list for housing. However, due to the lack of available housing units, many of these families have experienced difficulty finding and securing housing.

- Prevalence of cost burden (High): Home values and rent has increased significantly in Merced over the past decade, which causes increased cost burden among homeowners and renters. According to 2017-2021 ACS estimates, approximately 41 percent of all households in Merced are cost burdened and 21 percent of all households are severely cost burdened.
- Lack of affordable housing in a range of sizes (High): More than half of the housing stock (66 percent) is made up of detached single-family homes, which may not be affordable to lower-income households. Sixteen percent of all housing units contain four or more bedrooms which can accommodate large families without overcrowding.
- Cost of housing maintenance and repairs (Medium): Merced's older housing stock may indicate that a significant number of housing units are in need of repair.
- Need for additional resources for homeless individuals (High): Based on the latest PIT Count, there is a large gap in the number of individuals experiencing homelessness and the number of available beds in the city.
- Rationale: Increased rents and home prices, along with a limited supply of affordable housing options, results in a high percentage of cost burden. It can also cause overcrowding (seen with students renting out individual rooms in houses). Providing additional housing opportunities at affordable prices can help alleviate these housing needs for Merced residents.

Disparities in Access to Opportunities

Northern parts of Merced are considered high and highest resource, however, District 2, District 3, and most of District 1 and District 5 are considered low resource or areas of high segregation and poverty. These areas also have a high pollution burden and have the lowest education and economic opportunity scores in the city.

Contributing factors to disparities in access to opportunities in Merced include:

- Land use and zoning patterns (High): Types of zoning that accommodate land uses with employment opportunities, such as industrial and commercial, are concentrated in District 1 and District 3. Most other areas of the city primarily consist of residential zones.
- High pollution burden (Medium): According to CalEnviroScreen, most of Merced is ranked in the 68th percentile or above for pollution burden and most of District 3, District 5, and District 6 scored between the 80th to 100th percentile.
- Rationale: Land use and policy changes permitting a variety of housing types will assist in closing disparities between the different districts in Merced and increase housing mobility. Pollution can negatively affect people in many ways, including health impacts.

G5.15 Meaningful Actions to Address Fair Housing Issues

The findings of this analysis were used to develop meaningful actions, metrics and milestones that promote inclusive communities, increase housing opportunities, and address racial/ethnic and economic disparities in the city. The contributing factors were prioritized to better formulate policies and programs and carry out meaningful actions to further fair housing. Meaningful actions to address fair housing issues are included in the housing programs located in Chapter G7, *Housing Plan*.

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G6 Merced Housing Resources

This section documents the methodology and results of the Site Inventory analysis conducted to demonstrate the City of Merced's ability to meet its share of the 6th cycle Regional Housing Needs Allocation (RHNA). This section also discusses infrastructure, services, and financial and administrative resources that are available for the development, rehabilitation, and preservation of housing in the city of Merced. Background information on regional development trends and analysis are included in Chapter 4, *Regional Development Trends.*

The Site Inventory was developed through the analysis of development trends, the identification of available land, and community input. Community engagement events, including two community workshops held on August 22, 2023, and August 26, 2023, influenced the selection of opportunity sites.

G6.1 Regional Housing Needs Allocation (RHNA)

This Housing Element covers the planning period of January 2024 through January 2032 (also referred to as the 6th cycle). The Merced County Association of Governments (MCAG), as the Metropolitan Planning Agency for the Merced County region, is responsible for preparing the RHNA for the region based on recent growth trends, income distribution, and capacity for future growth. This methodology must align with state objectives, including but not limited to:

- Promoting infill, equity, and environmental protection
- Ensuring jobs-housing balance
- Affirmatively furthering fair housing

Merced must identify adequate land with appropriate zoning and development standards to accommodate its assigned share of the region's housing need. Merced's share of the RHNA is 10,517 units, which is distributed among five income categories, as shown in Table G6-1.

Table G6-1 Merced 2024-2032 RHNA

Income Category (Percent of Merced County Area Median Income [AMI])	Number of Units	Percent of Total Units
Extremely Low (< 30% of AMI)*	1,488	14.1%
Very Low (30 to 50% of AMI)	1,055	10.0%
Low (51 to 80% of AMI)	1,742	16.6%
Moderate (81% to 120% of AMI)	1,838	17.5%
Above Moderate (> 120% of AMI)	4,394	41.8%
Total	**10,517**	**100%**

*The RHNA does not project the need for extremely low-income units, but pursuant to state law (AB 2634), the City must project its extremely low-income housing needs based on Census income distribution or assume 50 percent of the very low-income units required by the RHNA as extremely low-income units. The City's very low-income requirement is 2,543 units. The number of extremely low-income units that the City must plan for shown here was projected using Census data. According to the Comprehensive Housing Affordability Strategy (CHAS), data developed by HUD, 36.7 percent of households in the city earned less than 50 percent of the AMI. Among these households, 58.5 percent earned incomes below 30 percent (extremely low). Therefore, the City's RHNA allocation of 2,543 very low-income units was distributed as 1,488 extremely low (58.5 percent of the 2,543 very low-income units required by the RHNA) and 1,055 very low-income units. However, for purposes of identifying adequate sites for the RHNA allocation, state law does not mandate the separate accounting for the extremely low-income category.

Source: MCAG, 2022. Final Regional Housing Needs Plan.

G6.2 Meeting the RHNA

Each jurisdiction must identify adequate land with appropriate zoning and development standards to fulfill its share of the RHNA. Jurisdictions can use planned and/or approved projects, estimated accessory dwelling unit (ADU) production, and vacant and/or underutilized sites to accommodate the RHNA. In some cases, rezoning must occur to ready sites for future residential development.

Once the City has demonstrated in the Housing Element that it has the development capacity to accommodate the RHNA, it has two implementation-related obligations during the planning period:

1. Maintain a "no net loss" policy of its residential development capacity over the housing element planning period, meaning that sites listed in the adopted Housing Element land inventory may not be down-zoned to a lower-density residential zone or rezoned to a nonresidential zone, unless the City up-zones or rezones alternative sites prior to the density reduction or rezone on the inventoried site.
2. Continue to allocate available funding resources to and facilitate the development of affordable housing.

G6.2.1 RHNA Credits

The City may use units in approved and/or permitted residential developments which will be completed within the planning period, and anticipated ADU production, as credit towards fulfillment of its RHNA.

Planned and Approved Projects

Residential developments approved and permitted, but not yet built (also called "pipeline projects") can be credited towards the City's RHNA provided it can be demonstrated that the units can be built by the end of the 6th cycle planning period. Similarly, units that are under construction but have not yet received a building permit as of June 30, 2023, can also be credited towards the RHNA. Affordability (the income category in which the units are counted) is based on the actual or projected sale prices, rent levels, or other mechanisms establishing affordability of the units within the project. Pipeline projects that can count toward the City's 6th cycle RHNA are listed in Table G6-3 and the locations of these projects are shown on Figure G6-1. For the purpose of analysis in this Housing Element, the city is divided into six districts.

These pipeline projects are scattered throughout the city, but mostly concentrated in District 6, and consist of single-family and multi-family projects. Ten pipeline projects (19, 20, 22, 22, 27, 28, 29, 30, 31, and 34) are sites that are currently in the process of being annexed into the city. Based on the status of these projects, all units are expected to receive Certificates of Occupancy during the 2024-2032 planning period. All projects with extremely low-, very low-, and low-income households were able to attain affordability through either deed restrictions or through other financing likely administered through HCD. Typically, it takes three to six months for projects to initiate construction following building permit issuance. Known barriers to construction include supply shortages, electrical provider issues, and cold weather that could delay construction on damp clay soil until it dries. Entitlements typically do not expire and are not considered a barrier to development. There are no other known barriers that would impede the completion of these projects.

The Virginia Smith Trust (VST) project was annexed into the City of Merced in September 2024. The annexation included the adoption of a specific plan, a planned development establishment, and a general plan amendment. VST submitted a Vested Tentative Subdivision application in 2025 to

implement the specific plan and planned development. Based on details provided by the City's Project Engineer in February 2025, the City anticipates that all Phase 1 units (2,541 units) and Phase 2 units (2,316 units) will be constructed during the planning period. Of the total units, 500 units are anticipated to be affordable to lower-income households through a workforce housing program, self-help housing program, or multifamily new construction of deed-restricted units. The anticipated number of units and affordability for each phase of this project are show on Table G6-2.

Table G6-2 Anticipated Phase 1 Buildout of the Virginia Smith Trust

Land Use Type	Phase 1A	Phase 1B	Phase 1C	Phase 1D	Phase 1E	Phase 1 Total	Phase 2 Total	Total
R-1	109	226	0	141	186	662	615	1,277
R-2	36	0	64	24	131	255	225	480
R-3	0	0	364	0	0	364	140	504
R-4	696	0	456	0	0	1152	336	1,488
Mixed Use	0	0	108	0	0	108	0	108
Total Units by Zone	**841**	**226**	**992**	**165**	**317**	**2,541**	**1,316**	**3,857**
Affordable Units								
Workforce Housing	25	0	25	0	25	75	75	150
Self Help Housing	0	13	0	0	12	25	0	25
Multifamily New Construction	100	0	125	0	0	225	100	325
Total Affordable Units	**125**	**13**	**150**	**0**	**37**	**325**	**175**	**500**

Table G6-3 Pipeline Projects

Map ID	Project Name	Assessor's Parcel Number (APN)[1]	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units	Status
1	Bandoni Property Apartments	060-030-045	0	0	0	0	180	180	Approved August 2015. Undergoing negotiations with adjacent landowners. Estimated building permit issuance 2027. Estimated completion date 2028.
2	Yosemite Village Apartments	206-070-011, -002	0	0	0	0	220	220	Approved June 2020. Currently constructing retail on adjacent property. Estimated building permit issuance 2027. Estimated completed date 2029.
3	Devonwood Apartments	058-470-001	31	16	107	0	2	156	Approved August 2021. Certificate of Occupancy 8/2025.
4	Up Holdings—Park Ave	007-350-018	65	0	0	0	1	66	Approved January 2022. Applied for Homekey + 2025, award announcement pending. Estimated building permit issuance 2026. Estimated completion date 2027.
5	Emeral Village Apartments	206-050-017	0	0	0	0	132	132	Approved March 2019. Permits issued 2025. Estimated completion date 2025.
6	Gateway Terrace II	031-323-002	50	0	0	0	0	50	Awaiting Permit Issuance. Applicant currently seeking financing. Estimated building permit issuance 2029. Estimated completion date 2030.
7	Isaac Sargiz	058-030-028	0	0	0	0	161	161	Approved June 2022. Estimated building permit issuance 2028. Estimated completion date 2030.
8	Bella Vista – Visionary Homes	061-390-027	0	0	106	0	2	108	Approved May 2022. Pending financial close 8/2025. City has committed financial assistance to this affordable project. Starting construction September 2025. Estimated completion date 2026.
9	Royal Woods Apartments	206-010-012	0	0	0	0	72	72	Approved June 2022. Estimated building permit issuance 2027. Estimated completion date 2028.
10	Maracor Development, Inc.	206-030-019	0	0	0	0	396	396	Approved June 2022. Estimated building permit issuance 2027. Estimated completion date 2028.
11	CR Consulting Group	058-030-023	0	0	0	0	24	24	Approved December 2022. Estimated building permit issuance 2027. Estimated completion date 2028.

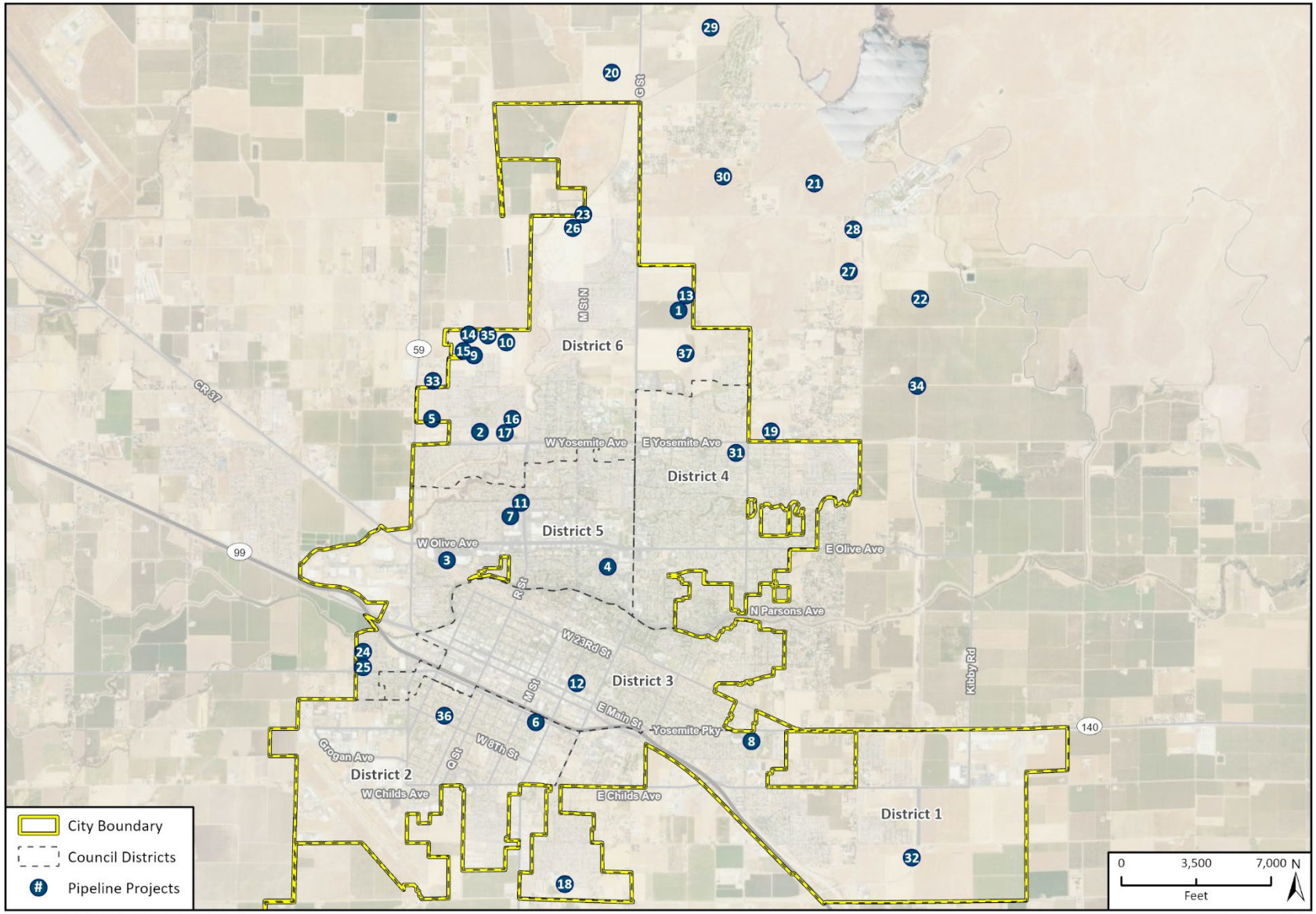
Map ID	Project Name	Assessor's Parcel Number (APN)[1]	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units	Status
12	Linc Housing	031-074-012	0	54	0	0	0	54	Financing, applied for TCAC and granted REAP grant funding, in escrow with City. Estimated building permit issuance 2026. Estimated completion date 2026.
13	4500 G ST	060-030-039	0	0	0	0	216	216	Approved August 2015. Estimated building permit issuance 2027. Estimated completion date 2028.
14	507 Cardella Rd	206-010-010	0	0	0	0	72	72	Approved April 2022. Estimated building permit issuance 2027. Estimated completion date 2028.
15	1449 Pettinotti Rd	206-010-011	0	0	0	0	113	113	Approved June 2022. Estimated building permit issuance 2027. Estimated completion date 2028.
16	3720 Horizons Ave	206-070-009	0	0	0	0	64	64	Approved January 2016. Under construction. Estimate completion date 2026.
17	3664 Compass Pointe Ave	206-070-010	0	0	0	0	64	64	Approved January 2016. Under construction. Estimate completion date 2026.
18	Winder Ave	259-130-045	0	0	0	0	108	108	Approved May 2022. Under construction. Estimated completion date 2026.
19	Yosemite/Gardener Annexation	060-890-001, -002, -004, -005, -006, -007, -008, -010, -011, -012, -013, -014	21	22	22	0	455	520	Estimated annexation Fall 2026. Estimated building permit issuance 2027. Estimated completion date 2028.
20	Rogina Annexation	170-100-002	16	17	17	0	350	400	Pending annexation, estimated completion 2027. Estimated building permit issuance 2029. Estimated completion date 2031.
21	M Street Annexation	170-080-007	8	8	9	0	175	200	Pending annexation, estimated December 1, 2026. Estimated building permit issuance 2028. Estimated completion date 2031.
22	University Vista Annexation	170-180-006	14	15	15	0	306	350	Pending annexation completion 2026. Estimated building permit issuance 2027. Estimated completion date 2029.

Map ID	Project Name	Assessor's Parcel Number (APN)[1]	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units	Status
23	Virginia Smith Trust (VST) Specific Plan/Annexation	060-020-048, 060-010-004	166	167	167	0	3,357	3,857	Annexation completed September 2024. Tentative map applications submitted. Estimated building permit issuance 2027. Estimated completion date 2031.
24	Massasso St	059-330-026	0	0	0	0	7	7	Tentative maps approved Summer 2024. Estimated building permit issuance 2026. Estimated completion date 2027.
25	Massasso St	059-581-040	0	0	0	0	7	7	Tentative maps approved Summer 2024. Estimated building permit issuance 2026. Estimated completion date 2027.
26	BRW Village 21	224-300-010, 011	0	0	0	60	155	215	SM #1330 was approved by PC on May 8, 2024. Under construction. Estimated completion date 2026.
27	Branford Point	060-020-044	0	0	46	46	558	650	Annexation pending, estimated completion 2026. Estimated building permit issuance 2028. Estimated completion date 2030.
28	UC Villages	060-590-016, -017, -019, -025, -026, 060-020-016	0	0	16	16	623	655	Annexation pending, estimated completion 2026. Estimated building permit issuance 2028. Estimated completion date 2030.
29	Yosemite Lakes	170-100-022	0	0	68	68	2,572	2,708	Annexation estimated completion 2028. Estimated building permit issuance 2029. Estimated completion date 2031.
30	Old Dominion	170-140-015, -021, -028, -029, -033	0	0	22	22	830	874	Annexation estimated completion 2028. Estimated building permit issuance 2029. Estimated completion date 2031.
31	Yoesmite/Parsons	006-050-068, -072	0	0	0	0	28	28	Planned Development subdivision pending 2025. Estimated building permit issuance 2026. Estimated completion date 2027.
32	Merced Gateway	061-710-009, -023, 061-680-001	0	0	0	0	587	587	Planned Development subdivision pending 2025. Estimated building permit issuance 2026. Estimated completion date 2028.

Map ID	Project Name	Assessor's Parcel Number (APN)[1]	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units	Status
33	Lacava Road	206-030-001, -002, 206-020-027	0	0	5	5	196	206	Annexation estimated completion 2026. Estimated building permit issuance 2027. Estimated completion date 2029.
34	The Hunt Property	060-050-032, 060-060-005, 238-010-013, -014, -015	0	0	145	145	5,533	5,823	Annexation estimated completion 2027. Estimated building permit issuance 2029. Estimated completion date 2032.
35	Cardella & El Redondo	206-030-017	0	0	0	0	160	160	Pre-CUP approved in 2025. Estimated building permit issuance 2026. Estimated completion date 2028.
36	1250 W. 9th St.	032-121-005	0	0	0	0	8	8	Approved in 2024. Estimated building permit issuance 2026. Estimated completion date 2027.
37	800 E. Cardella Rd	231-010-021	0	0	0	0	104	104	Approved in 2025. Estimated building permit issuance 2026. Estimated completion date 2028.
Total			**371**	**299**	**745**	**362**	**17,838**	**19,615**	

[1] An assessor's parcel number is a series of digits used to identify property. Each parcel is assigned an APN that corresponds to a location on a page in a book of maps maintained by the County Assessor's Office.

Figure G6-1 Pipeline Projects



Accessory Dwelling Units

Based on an analysis of ADU production in Merced over the last five years (2018 through 2022), ADU production that will occur during the 6th housing cycle has been estimated and assumed against the City's RHNA obligation.

The City issued an average of two ADU building permits per year during the last five years. Extrapolated over the 2024-2032 Housing Element planning period, the City can assume the production of 16 ADUs. ADUs permitted in previous years have been reported in the very low and low-income categories without deed restrictions. While it is likely that some ADUs may be affordable to lower- or moderate-income households, due to the relatively small sample size of permitted ADUs, all anticipated ADUs were conservatively assigned to the above moderate-income category. Table G6-4 shows the recent history of ADU permit issuance.

Table G6-4 Accessory Dwelling Unit Production, City of Merced

Reporting Year	ADU Building Permits Issued
2018	0
2019	0
2020	1
2021	2
2022	7
Total	10
Annual Average	**2**

G6.3 Summary of RHNA Credits

The City can satisfy all of its above moderate-income RHNA and approximately 29 percent of its very low-, low, and moderate-income RHNA requirement with planned and approved units and projected ADU development. To achieve the remaining RHNA, the City must demonstrate the availability of sites with appropriate zoning and development standards that allow and encourage the development of 4,346 units. This unit count is broken down by household income level. As shown on Table G6-5, Merced has a remaining RHNA of 1,873 units affordable to very low-income households, 997 units affordable to low-income households, and 1,476 units affordable to moderate-income households.

Table G6-5 Remaining Share of RHNA

Affordability Category (Percent of AMI)	RHNA Allocation	Units Pending or Approved or under Construction	Estimated ADUs	Remaining RHNA
Very-Low	2,543	670	0	1,873
Low	1,742	745	0	997
Moderate	1,838	362	0	1,476
Above Moderate	4,394	17,838	16	0
Total	**10,517**	**19,615**	**16**	**4,346**

G6.4 Methodology

G6.4.1 Suitable Sites for Affordable Housing

State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the regional growth. State law has established "default" density standards for the purpose of estimating potential units by income range. In a suburban jurisdiction, a density standard of 20 or more units per acre (primarily for higher density multi-family developments) would facilitate the development of housing in the low- and very low-income category.

In addition to default density standards, the California Legislature established size requirements for parcels intended to support the development of lower-income units. Government Code Section 65583.2 establishes that sites between 0.5 and 10 acres in size which are zoned for residential development at greater than 20 units per acre are suitable for lower-income projects. Very small parcels, even when zoned for high densities, may not facilitate the scale of development required to access competitive funding resources. Conversely, typically lower-resource affordable housing developers may be unable to finance the scale of project necessitated by very large parcels. No standalone parcels smaller than 0.5 acres are assumed to accommodate lower-income units.

G6.5 Nonvacant Sites

Nonvacant sites included in the Site Inventory have comparable predevelopment characteristics to developed residential projects in the region. As discussed in Chapter 4, *Regional Development Trends*, residential development in Merced County has occurred primarily on vacant sites and sites used for agriculture.

The Housing Element must analyze the extent to which existing uses may impede additional residential development. The Site Inventory accommodates approximately 95 percent of its lower- and moderate-income RHNA and 100 percent of its above moderate-income RHNA on vacant sites. As a result of insufficient available vacant land, the City identified the remaining lower- and moderate-income RHNA on nonvacant sites.

G6.5.1 Adequacy of Nonvacant Sites

Of the 86 sites included in the Site Inventory, 83 are vacant and three are nonvacant. In considering sites, the City has identified sites currently occupied by a motel, parking lot, and commercial uses that could facilitate the development of a variety of housing types throughout the city. All identified nonvacant sites were selected for their redevelopment potential and higher probability of turnover. All nonvacant sites are shown on Table G6-6.

Table G6-6 Nonvacant Sites in the Site Inventory

Site Address	Description	Size (Acres)	Capacity (Units)	Aerial Image
3033 G St	This 5.44-acre parcel is currently developed with an office building and is in a zone where residential is also allowed. With its current zoning designation, the site could accommodate 146 dwelling units. The office buildings were previously occupied by the Merced Sun Star but are currently vacant. In addition, the site is underutilized with building lot coverage of approximately 20 percent. Development trends with similar predevelopment characteristics: ▪ Retreat Apartments (total units: 119, parcel size: 5.07 acres)	5.44	146	
564 W 15th St	This 3.77-acre parcel is currently used as a parking lot in Midtown. Through rezoning this site to high density residential, the site could accommodate 124 dwelling units. The parking lot is currently underutilized and is surrounded by multiple other parking lots in Midtown. In addition, nearby commercial uses have their own private parking lots that serve their customers. Development trends with similar predevelopment characteristics: ▪ Sandstone Way Planned Development (parcel size: 3.95, unit total; 122) ▪ Nebela Drive Planned Development (parcel size: 4.48, unit total: 127)	3.77	124	
1407 W 16th St	This 0.73-acre parcel is currently a marginally used motel. The existing buildings are older and in disrepair. In addition, the site is underutilized with existing uses covering approximately 30 percent of the site. Through rezoning this site to high density residential, the site could accommodate 24 dwelling units. Development trends with similar predevelopment characteristics: ▪ Twelve Thirteen V Street Housing Project (previous use: motel)	0.73	24	

G6.5.1.1 Redevelopment of Existing Uses

The City conducted the following analysis to determine the redevelopment potential of the three nonvacant sites detailed above. Nonvacant sites meeting criteria 1 or 2 are included in the Site Inventory. For sites not meeting criteria 1 or 2, they must meet both criteria 4 and 5 to be included in the Site Inventory. It should be noted that not all factors are applicable to all sites. Nonvacant Sites Criteria

1. Surface Parking

Large surface parking lots have potential for redevelopment as these properties have limited existing structures to impede redevelopment in the near term. One site, APN 031-231-005 (Map ID P), is currently used for surface parking in Midtown Merced. There is sufficient parking in the area and this lot is not necessary to accommodate parking in the area.

2. Vacant Buildings

Vacant buildings have potential for redevelopment as these properties are often underutilized with no existing leases. Substantial improvements may be needed to turn around the profitability of the existing uses. One site, APN 007-350-009 (Map ID 48), currently includes a vacant building with no imminent tenant.

3. Age and Condition of Structure

The age of a structure is useful in demonstrating that a site has a higher likelihood of redevelopment. New construction on the site indicates that a property owner is unlikely to invest in additional improvements or redevelop the site in the upcoming housing cycle. The existing motel APN 031-094-005 (Map ID Q) was built in 1941 and is over 80 years old. The structure on this site is also in poor condition.

4. Building Intensity

Parcels with existing single-story buildings and low lot coverage offer significant potential for redevelopment to maximize the utilization of the sites. The Site Inventory identifies one nonvacant site (APN 031-094-005, Map ID Q) in the R-4 zone, which allows structures up to 60 feet in height and a lot coverage of 70 percent of the site. The existing use on this site includes only one story (around 14 feet) and covers only about 20 percent of the site. Therefore, the existing building intensity is much lower than what is allowed in the zone.

Table G6-7 shows the analysis of nonvacant site based on these criteria. Existing uses on these sites would not impede residential redevelopment. All nonvacant sites are located in centralized areas of the city (e.g. Midtown) and are prime opportunities for infill development. Given the characteristics of these nonvacant sites, the City does not anticipate existing uses to impede residential development.

Table G6-7 Nonvacant Site Analysis

Map ID	Site Address	APN	Existing Use	Meets Criteria (1 or 2, or 3 & 4	Criterion 1: Surface Parking	Criterion 2: Vacant Building	Criterion 3: Age and Condition	Criterion 4: Building Intensity
48	3033 G ST	007-350-009	Vacant office building	Yes	No	Yes	Yes	N/A
P	564 W 15th St	031-231-005	Parking Lot	Yes	Yes	N/A	N/A	N/A
Q	1407 W 16th St	031-094-005	Single-story motel	Yes	No	No	Yes	Yes

G6.6 Development Trends

As discussed in detail in Chapter 4, *Regional Development Trends*, the development characteristics in the region indicate that most of the recently developed residential projects, or projects that are planned to be developed, are on vacant land. Out of the 17 projects identified, 13 are single-family developments, and four are multi-family developments. Approximately 12 percent of these projects include affordable units.

The densities of these projects range from 1.64 to 51.34 dwelling units per acre due to the various zoning requirements in each jurisdiction. The average density of projects with affordable units is approximately 37 dwelling units per acre, and these projects typically achieved a density of 135 percent of the maximum density allowed by the zoning district.

Projects located in low, medium, and high-density residential zones typically achieved a density of 67, 60, and 84 percent, respectively, of the maximum density allowed by the zoning district. Overall, the average achieved density is 8.8 dwelling units per acre, which is low. This can be attributed to the predominance of single-family residential developments in the region.

Of the projects discussed in Chapter 4, *Regional Development Trends*, four projects used to determine regional development trends are in Merced: Retreat Apartments, Twelve Thirteen V Street Housing Project, Lantana, and Stoneridge South. Three out of the four projects are multi-family developments, and both Retreat and Twelve Thirteen V Street with affordable units. These projects have an average density of approximately 21 units per acre with an average achieved density of 87 percent of the maximum density allowed by the zoning district, as shown in Table G6-8.

Table G6-8 Merced Development Trends

Project Name	Total Units	Acreage	Density	Zoning District	Zoning District Density (du/ac)	Number of Units Allowed	Percent Density Achieved
Retreat Apartments	119	5.07	23.47	Multi-family (medium density)	24	121.68	98%
Twelve Thirteen V Street Housing Project	96	1.87	51.34	Multi-family (high density)	30	56.10	171%
Lantana	99	20.6	4.81	Single-Family (low density)	8	164.80	60%
Stoneridge South	160	29.75	5.38	Multi-family (high density)	30	892.50	18%
Merced Average			**21.25**				**87%**
Regional Average			**8.80**				**70%**

G6.6.1 Realistic Development Capacity

To create a realistic development assumption, the City assumes that the development capacity on each site will be less than the full development capacity allowed by the parcel's zoning or land use designation. Sites do not always develop to their full capacity potential due to factors such as site-specific conditions and development standards such as open space or parking requirements. To determine a realistic development achievement on the sites in the inventory, the City reviewed the development achievement of pipeline and recently developed projects in the region. On average, the pipeline projects in Merced, as shown in Table G6-3, achieved an average density of 87 percent of the maximum density allowed on the site based on the site's zoning and development standards. As discussed in 4, *Regional Development Trends*, the average achieved density for projects collectively in the region is 70 percent. Based on the local and regional trends, the City conservatively assumes the realistic capacity of each site would be 75 percent of the maximum allowable density in each zone.

The Site Inventory includes parcels in 12 zoning districts with varying allowable densities and development standards. The City's Zoning Code classifies each site into the following zones:

- Low Density Residential (R-1-5): This zoning district allows for detached single-family dwellings, duplexes, and other land uses typically compatible with or authorized by state law for a low-density residential setting. It allows for one unit per 5,000 square feet of lot area, equal to a maximum residential density of 8.71 dwelling units per acre.
- Low Density Residential (R-1-6): This zoning district allows for detached single-family dwellings, duplexes, and other land uses typically compatible with or authorized by state law for a low-density residential setting. It allows for one unit per 6,000 square feet of lot area, equal to a maximum residential density of 7.26 dwelling units per acre.
- Low-Medium Density Residential (R-2): This zoning district allows for single-family dwellings, duplex homes, limited multi-family dwellings with one unit per 2,000 square feet of lot area, equal to a maximum residential density of 14.52 dwelling units per acre.
- High-Medium Density Residential (R-3-1.5): This zoning district allows for single-family dwellings, duplex homes, multi-family dwellings, single room occupancy housing with one unit per 1,500 square feet of lot area, equal to a maximum residential density of 29.04 dwelling units per acre.

- High Density Residential (R-4): This zoning district allows for single-family dwellings, duplex homes, multi-family dwellings, single room occupancy housing with one unit per 1,000 square feet of lot area, equal to a maximum residential density of 43.56 dwelling units per acre.
- Central Commercial (C-C): This zoning district allows for a diversity of commercial and residential land use with a maximum density of 36 units per acre.
- Office Commercial (C-O): This zoning district allows for a diversity of commercial and residential land use with a maximum density of 36 units per acre. Residential development in this district requires a conditional use permit.
- Planned Development (P-D): This zoning district allows for a variety of uses and densities. The use and density per parcel are determined by the underlying General Plan Land Use designation.

The distribution of income levels among sites was determined by zone, district, and parcel size. It is typical for units in single-family zones to be affordable only to above moderate-income households. Within multi-family zones that have a higher density, units are more likely to be affordable to lower- and moderate-income households. Table G6-9 details the realistic capacity of available sites by current zoning district. This list does not include sites identified for rezone.

Table G6-9 Realistic Capacity of Sites by Zoning District

Current Zoning District	Total Acreage	Maximum Density	Realistic Density	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
R-1-5	168.26	8.71	6.53	0	0	1,097	1,097
R-1-6	95.05	7.26	5.45	0	0	517	517
R-4	1.02	43.56	32.67	0	30	0	30
R-3-1.5	10.85	29.04	21.78	133	95	0	228
C-C	3.22	36	6.25	10	31	0	41
C-O	8.23	36	6.25	40	13	0	53
R-2	1.12	12	9	0	8	0	8
P-D	60.70	varies	varies	574	574	119	1,267
Total	**348.46**			**757**	**751**	**1,733**	**3,241**

G6.6.2 Likelihood of 100 percent Nonresidential Uses on Sites

The City identifies 94 units on 11 sites in the C-O and C-C zones, which allow for 100 percent nonresidential uses. In accordance with State law, the Housing Element must consider the likelihood of nonresidential development on sites that allow for nonresidential uses. In the City of Merced, approximately 75 percent of projects permitted in the C-C zone, and 95 percent of projects permitted in the C-O zone, have developed exclusively with nonresidential uses in the last five years. In the City of Visalia, which is comparable to the City Merced in size and population, residential uses occurred on approximately 18 percent of projects in mixed-use zones between 2019 and 2022. As a result, regional trends indicate that residential uses occur in nonresidential zones on less than one quarter of projects and are not the predominant use in mixed-use zones. To account for the likelihood of nonresidential uses developing on sites, the realistic allowable density was reduced significantly to 6.75 units per acre, which is approximately 17 percent of the maximum allowable density (36 dwelling units per acre).

The Site Inventory accounts for the likelihood of nonresidential uses being developed in zones that allow both residential and nonresidential uses by providing an adequate buffer of units in all income

categories. If all of the sites in the C-C and C-O zones were developed with 100 percent nonresidential uses, the Site Inventory would still maintain a four percent buffer of lower-income units and a ten percent buffer of moderate-income units.

Table G6-10 shows regional residential projects constructed within the last five years (i.e. 2019 through 2024) that have occurred in zones that allow for 100 percent nonresidential uses. As shown on the table, residential projects have generally averaged densities similar to what is assumed on in the Site Inventory. Residential projects in the region also generally achieved nearly 100 percent of their maximum allowable capacity for each zone. Projects that are similar in size, density, and affordability to the C-O and C-C sites include Andrade Co, Corvina Duplexes, and Reedley. The majority of the other projects achieve higher densities on parcels of similar sizes. Given these trends, the City believes that the assumptions on C-O and C-C zoned sites account for the lower frequency of residential projects developing regionally in mixed-use zones.

Table G6-10 Residential Projects in Zones that allow 100 percent Nonresidential Uses

Jurisdiction	Project Name	Acres	Total Units	Dwelling Units Per Acre	Precent of Max Capacity	Income Category
Merced County						
Merced City	Childs Court Apartments	4.01	119	29.68	No Max Density	Very Low, Low
Merced City	3136 E Gerard Ave	9.44	200	21.19	No Max Density	Above Moderate
Merced City	Andrade Co.	1.33	24	18.05	No Max Density	Above Moderate
Merced County	SPR20-006	0.18	8	44.44	135%	Low
Livingston	Tierrasanta Villas	3.98	80	20.10	No Max Density	Very Low, Low
Tulare County						
Visalia	Corvina Duplexes	0.5	8	16.00	46%	Low
Visalia	Lofts at Fort Visalia	1.46	80	54.79	No Max Density	Very Low, Low
Visalia	Duplex at Murray & Encina	0.19	2	10.53	No Max Density	Low
Visalia	Rancho Colegio Affordable Housing	3.47	80	23.05	66%	Very Low, Low
Visalia	Camino Del Rio	3.12	94	30.13	86%	Very Low
Visalia	Senior Housing at N Highland	2.06	70	33.98	97%	Very Low
Visalia	Caldwell/Lovers Apartments	11.41	342	29.97	86%	Very Low, Low
Visalia	Demaree/Houston Apartments	7.62	243	31.89	91%	Very Low, Low
Visalia	Lovers Tulare Apartments	2.78	32	11.51	No Max Density	Low
Visalia	Cameron Creek Garden Units	4.81	30	6.24	18%	Moderate

Jurisdiction	Project Name	Acres	Total Units	Dwelling Units Per Acre	Precent of Max Capacity	Income Category
Visalia	S Stonebrook St & W Cameron Ave	11.77	276	23.45	156%	Moderate
Fresno County						
Reedley	Paseo 55	1.76	55	31.25	108%	Moderate
Reedley	Reedley I Mixed Use	4.25	80	18.82	127%	Low
Reedley	Kashian Mixed Use: Workforce Housing	2.11	70	33.18	115%	Extremely Low
Kingsburg	Stone Plaza Mixed Use Project	0.28	10	35.71	145%	Above Moderate
Average		**3.82**	**95.15**	**26.20**		

Although residential development is not the prevailing trend in mixed-use zones, the City anticipates that the selected sites have high potential of residential development. All sites included in the C-O and C-C zones are vacant and do not have existing uses that would impede development. Additionally, Sites are generally located along the City's main arterials (e.g., M Street and G Steet) and are located in a pedestrian-friendly environment with a close proximity to goods, services, and transportation.

Under Program 7, the City commits to expand affordable housing options across all income categories through contacting non-profit and private developers to facilitate housing production and pursue funding opportunities. Under Program 2, the City will establish a performance standard for mixed-use inventory sites to ensure sites develop at the densities anticipated in the Housing Element Site Inventory. The City will continue to evaluate all future mixed-use development to determine how often development has a residential component and make adjustments, as necessary, to maintain adequate sites throughout the planning period.

G6.7 Large Sites for Lower-Income Units

The Site Inventory identifies four large sites (larger than 10 acres) that are expected to offer affordable housing opportunities for lower-income households. Three of these sites (Map ID X, Z, and AA) are between 10 and 11 acres, and one site is approximately 23 acres (Map ID 56). As discussed in Chapter 4, *Regional Housing Resources,* Merced County shows strong trends of residential development on large sites. However, these trends support market-rate development, while affordable units have typically occurred on smaller parcels. As a result, the City assumed no more than 170 lower-income units on each site, which is consistent with the average number of lower-income units on large sites in the San Joaquin Valley (see Table G6-12). The four large parcels with lower-income units are shown on Table G6-11. These sites would likely need to be subdivided into appropriate sizes (e.g., 1-10 acres) to accommodate development similar to typical state and federally funded developments (e.g., 50 to 150 units). These sites assume a mix of incomes to support a variety of housing types.

Table G6-11 Large Sites with Lower-Income Units

Map ID	Address	APN	Proposed Zone	Acres	Existing Use	Lower-Income	Moderate-Income	Above Moderate-Income	Total Units
56	Bellevue Rd & Barclay Way	170-060-033	P-D (CO)	23.29	Vacant	170	458	0	628
X	Pacific Dr and R St	206-040-020	R-4	10.31	Vacant	170	109	0	279
Z	BRE V 22 E (Lot W)	224-020-006	R-4	10.64	Vacant	170	156	0	326
AA	BRE V 22 E (Lot X)	224-020-008	R-4	10.13	Vacant	170	156	0	326

A summary of recent developments on large sites in the San Joaquin Valley is listed on Table G6-12. Large sites with deed-restricted units are prevalent in Merced County, specifically in the city of Merced. Large sites in Merced County average 347 units, which is similar to what is assumed on four large sites included in the Site Inventory. The total capacity on the large sites between 10 and 11 acres is reasonably similar to typically developed affordable housing and is consistent with some larger affordable developments (e.g. greater than 150 units) in the San Joaquin Valley. For example, the Ben Maddox-K property (292 lower-income units on 10.8 acres) and the Lovers-Caldwell property (342 lower-income units on 11.4 acres) are similar size to these sites yet yield significantly more units than what is assumed on each site. Additionally, Site 56 has similar size and lower-income unit totals to the Vineyards and the Parc Grove Commons. Given the wide range of development trends on large sites in the region, the City anticipates that the assumed capacities on these large sites are realistic.

Table G6-12 Summary of Recent Developments on Large Sites in San Joaquin Valley

Project	Acres	Deed-Restricted Units	Market Rate Units	Total Units
Merced County				
Linc Housing	36.00	54	0	54
Merced Crossing Annexation (Pending)	28.60	65	455	520
Rogina Annexation	147.40	50	350	400
M Street Annexation	37.00	25	175	200
University Vista Annexation	290.60	44	306	350
Virginia Smith Trust (VST) Specific Plan (Merced County Project)	654.00	325	2,215	2,540
Average	**198.93**	**93.83**	**583.5**	**677**
Tulare County				
the Ben Maddox-K	10.80	292	3	295
Lovers-Caldwell	11.40	342	4	346
Average	**11.10**	**317**	**3**	**320**
Fresno County				
Fancher Creek Town Center	91.00	420	240	660
The Vineyards	38.90	158	0	158
West Creek Village	120.0	120	135	255
Parc Grove Commons	24.00	213	2	215
Avalon Commons	17.80	104	1	105
Average	**58.34**	**203**	**75**	**278**
Regional Average	**115.96**	**170**	**298**	**469**

To facilitate and incentivize affordability units on these large sites, the City will implement Program 2 through the following actions:

- Provide technical assistance, incentives, and strategies as appropriate to facilitate development of affordable housing, including parceling at appropriate sizes or other site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property.
- Promote the potential subdivision of large sites into multiple parcels for future development through technical assistance, incentives, and strategies during the development phases and when applications are submitted to the City for the identified parcels.
- Annually meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types, and prices.
- Promote the development of large sites at the densities and affordability levels identified within the housing element.
- Allow the development in phases within 8 years of the Housing Element planning period.
- Offer expedited processing and fee deferrals, reductions, or waivers for affordable units in development on large sites identified in the Sites Inventory.

G6.7.1 Subdivision Processing for Large Sites

To facilitate residential development on these sites, large parcels may be subdivided by utilizing the City's Tentative Subdivision Map entitlement process. The Site Plan Review Committee is comprised of three City Staff members: the Director of Development Services, the City Engineer, and the Chief Building Official. Applications involving the subdivision of land shall include a tentative parcel map or tentative subdivision map as required by Title 18 (Subdivisions) of the Merced Municipal Code. The proposed parcels shall have, at least, minimum parcel area and minimum parcel dimensions.

Program 2 will promote and incentivize the subdivision of large sites to create parcels at appropriate sizes to support affordable housing projects. Incentives would potentially include, expedited approval of lot splits or creation of new parcels, waiving of the public hearing requirement related to parcel maps, waiving of the public hearing requirement related to approval of large multifamily uses (provided the project is affordable by deed-restriction), additional density bonus, lot coverage, or allowable height, and fee waivers, reductions, or deferral. By the end of 2027, if development of housing affordable to lower income households (as assumed in the inventory) is not feasible on these large sites or sites are not parceled at appropriate sizes (e.g., 1-10 acres), within six months (by July 2028) the City will identify additional incentives and planning tools or alternative strategies if necessary to ensure adequate capacity at appropriate sizes for the RHNA.

G6.8 Site Inventory

The Site Inventory lists all sites or parcels that are intended to accommodate residential development in fulfillment of Merced's RHNA. The inventory is broken up into six distinct geographic areas of the city:

- District 1
- District 2
- District 3
- District 4
- District 5
- District 6

The sites included in the inventory are listed in Table G6-13. The table of sites includes the following items in the column heading order from left to right:

- Map Identification number (a unique reference number assigned by the City to reference the parcel on each map)
- Address or nearest cross street
- APN (Government Code Section 65583.2(b)1))
- Size in acres (Government Code Section 65583.2(b)(2))
- General Plan land use designation (Government Code Section 65583.2(b)(2))
- Zoning designation (Government Code Section 65583.2(b)(2))
- Description of existing uses (Government Code Section 65583.2(b)(3))
- Minimum allowable density by zone
- Maximum allowable density by zone
- Inventoried income level (units appropriate for lower-, moderate-, above moderate-income households) (Government Code Section 65583.2(c))
- Total number of units realistically assumed on the site
- Opportunity category as designated by the California Tax Credit Allocation Committee (TCAC)[1]

The current zoning of the selected sites is shown geographically in Figure G6-2 and the proposed zoning of the selected sites are shown in Figure G6-3. There are no known barriers outside of financing that would preclude development of these parcels in the planning period.

These sites are also assessed by TCAC Opportunity area which range from areas of High Segregation and Poverty to the Highest Resource areas. The more positive economic, educational, and health outcomes for lower-income families, particularly long-term outcomes for children, the higher the score. The scores in each district are listed below and a breakdown of each opportunity category is discussed in Chapter G5, *Assessment of Fair Housing*.

District 1

District 1 is in the southeast portion of Merced and is bounded by East CA-140 to the north, Martin Luther King Jr. Way to the west, and city boundaries to south and east. This district primarily consists of commercial, low density, and medium density residential zones. District 1 does not have any fire hazards and is in an area of moderate flood hazard. District 1 can accommodate 13 sites with an assumed capacity of 124 lower-income units, 49 moderate-income units, and 92 above moderate-income units. All sites identified in this area are currently vacant. All sites are in an area of the city that has a TCAC designation of Low Resource and High Segregation and Poverty. Through rezoning six sites from low-density and general commercial to high-density residential and central commercial, District 1 can accommodate an additional 350 lower-income units and 91 moderate-income units. Overall, this totals to 474 lower-income units, 140 moderate-income units, and 92 above moderate-income units in this district.

[1] Resource levels designated by TCAC/HCD denote access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and the quality of environmental factors in the area such as proximity to hazards and air quality. TCAC has a composite opportunity score for each census tract. Source: https://www.treasurer.ca.gov/ctcac/opportunity/2023/methodology.pdf

District 2

District 2 is bounded by Highway 99 to the north, Martin Luther King Jr. Way to the east, and city boundaries to the south and west. This district primarily consists of commercial, industrial, low density, medium density, and high-density residential zones, including the Merced Municipal Airport. District 2 doesn't have any fire hazards and is in an area of moderate flood hazard. District 2 can accommodate 13 sites with an assumed capacity of 60 moderate-income units. All sites identified in this area are currently vacant. All sites are in an area of the city that has a TCAC designation of Low Resource and High Segregation and Poverty. Through rezoning two sites from low-density to high-density residential and general commercial to central commercial, District 2 can accommodate an additional 42 lower-income units and 12 moderate-income units. Overall, this totals 42 lower-income units and 72 moderate-income units in this district.

District 3

District 3 is bounded by E. North Bear Creek Drive to the north, Highway 99 to the south, city boundaries to the east, and V Street to the west. This district primarily consists of industrial and commercial zones, with some residential areas. District 3 does not have any fire hazards and is in an area of moderate flood hazard[2]. District 3 can accommodate 12 sites with an assumed capacity of 10 lower-income units and 47 moderate-income units. All but one site identified in this area is currently vacant, with the other one currently occupied by office uses. All sites are in an area of the city that has a TCAC designation of Low Resource, High Resource, and High Segregation and Poverty. Through rezoning eight sites from low-density to high-density residential and general commercial to central commercial, District 3 can accommodate an additional 338 lower-income units and 89 moderate-income units. Overall, this totals to 348 lower-income units and 136 moderate-income units in this district.

District 4

District 4 is bounded by Mercy Avenue to the north, E. North Bear Creek Drive to the south, city boundaries to the east, and G Street to the west. This district primarily consists of low density residential. District 4 does not have any fire hazards and is in an area of minimal flood hazard. District 4 can accommodate four sites with an assumed capacity of 25 lower-income units, nine moderate-income units, and 51 above moderate-income units. All sites identified in this area are currently vacant. All sites are in an area of the city that has a TCAC designation of Highest Resource. Through rezoning one site from low-density to high-density residential, District 4 can accommodate an additional 123 lower-income units and 31 moderate-income units. Overall, this totals 148 lower-income units, 40 moderate-income units, and 51 above moderate-income units in this district.

District 5

District 5 is bounded by Buena Vista Drive to the north, E. North Bear Creek Drive to the south, city boundaries to the west, and G Street to the east. This district primarily consists of low density residential. District 5 does not have any fire hazards and is in an area of minimal flood hazard. District 5 can accommodate four sites with an assumed capacity of 191 lower-income units and 56 moderate-income units. All sites identified in this area are currently vacant. All sites are in an area of the city that has a TCAC designation of Low or High Resource. Through rezoning three sites from low-density to high-

[2] The City has the Flood Hazard designation of "AH". Zone AH are areas with a 1 percent annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. The City has the Flood Hazard designation of "AO". Zone AO are river or stream flood hazard areas, and areas with a 1 percent or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet.

density residential, District 5 can accommodate an additional 145 lower-income units and 37 moderate-income units. Overall, this totals 336 lower-income units and 93 moderate-income units in this district.

District 6

District 6 is bounded by city boundaries to the north, east, and west, and Buena Vista Drive to the south. This area primarily consists of planned developments and low density residential zones. District 6 does not have any fire hazards and in an area of minimal flood hazard[3]. This district can accommodate 11 sites with an assumed capacity of 407 lower-income units, 530 moderate-income units, and 1,590 above moderate-income units. All sites identified in this area are currently vacant. All sites are in an area of the city that has a TCAC designation of Highest Resource. Through rezoning nine sites from planned developments to high medium-density residential, high-density residential, and inner village residential, District 6 can accommodate an additional 1,356 lower-income units and 688 moderate-income units. Overall, this totals to 1,763 lower-income units, 1,218 moderate-income units, and 1,590 above moderate-income units in this district.

[3] The City has the Flood Hazard designation of "X". Zone X is the area determined to be outside the 500-year flood and protected by levee from 100- year flood.

Figure G6-2 Merced Site Inventory (Current Zoning)

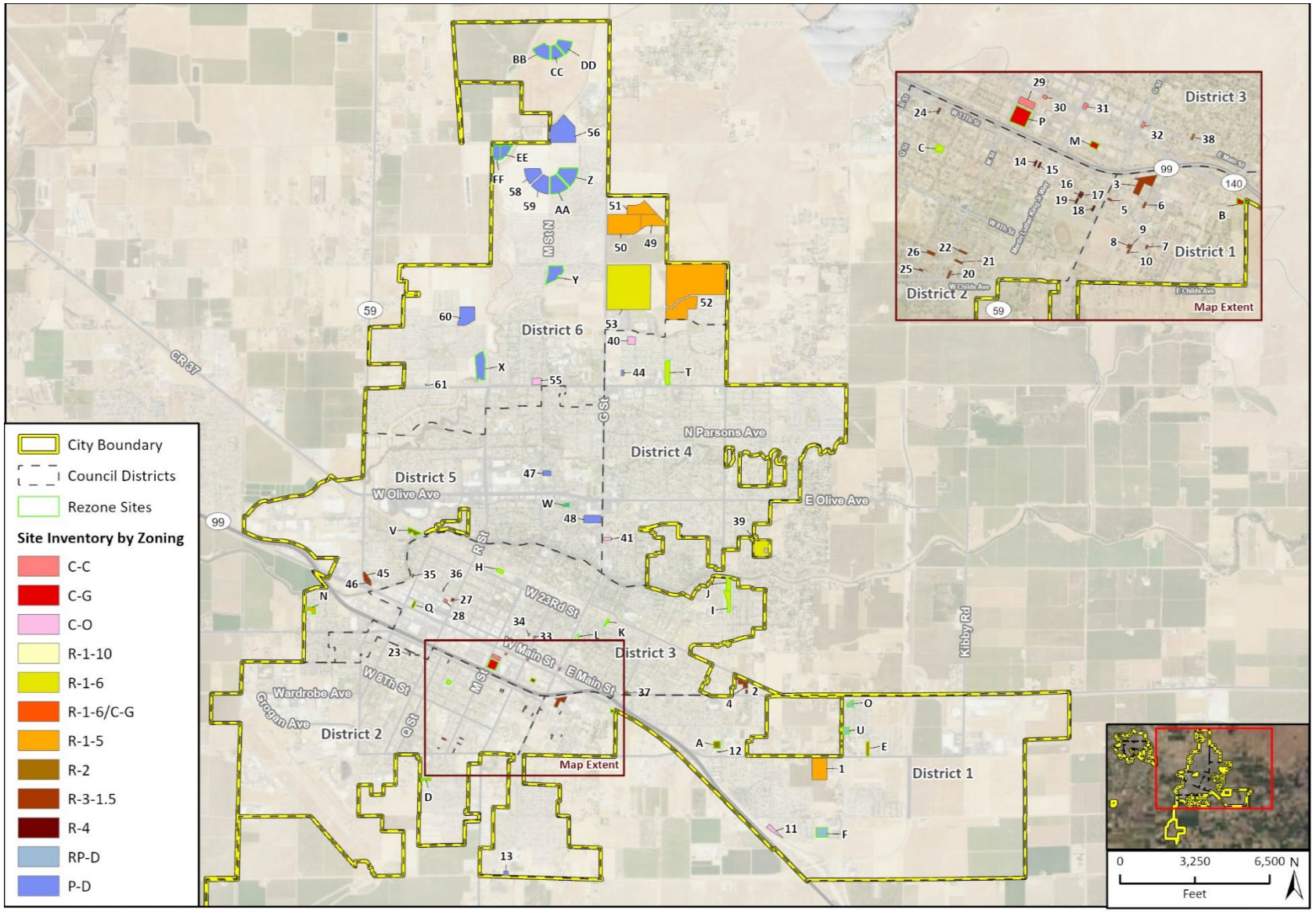


Figure G6-3 Merced Site Inventory (Proposed Zoning)

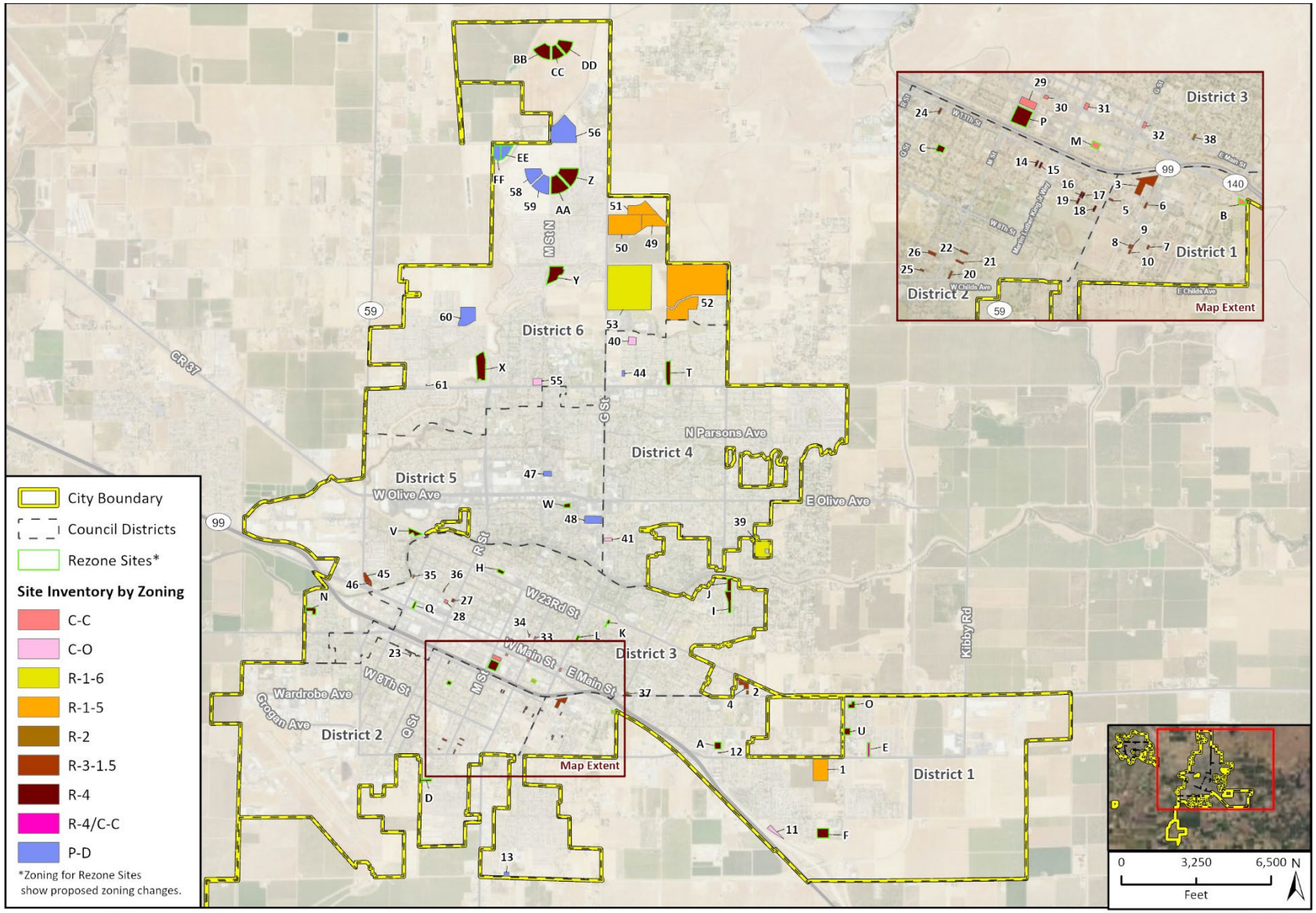


Table G6-13 Merced Site Inventory – Opportunity Sites

Map ID	Site Address or Street	APN	Acres	Land Use	Zoning	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
District 1													
1	2832 E CHILDS AVE	061-261-010	14.18	FSCH	R-1-5	Vacant	0	8.712	0	0	92	92	High Segregation & Poverty
2	Kelly Ave	034-240-029	2.84	HMD	R-3-1.5	Vacant	0	29.04	48	13	0	61	Low Resource
3	E 13th St	035-020-030	2.69	HMD	R-3-1.5	Vacant	0	29.04	46	12	0	58	High Segregation & Poverty
4	1988 KELLY AVE	034-240-034	0.10	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	Low Resource
5	G St	035-031-012	0.12	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	High Segregation & Poverty
6	170 E 13TH ST	035-033-004	0.17	HMD	R-3-1.5	Vacant	0	29.04	0	3	0	3	High Segregation & Poverty
7	E 10TH ST	035-042-012	0.11	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	High Segregation & Poverty
8	224 E 10TH ST	035-043-004	0.11	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	High Segregation & Poverty
9	E 10TH ST	035-043-005	0.11	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	High Segregation & Poverty
10	245 9TH ST	035-043-017	0.11	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	High Segregation & Poverty
11	555 S PARSONS AVE	061-285-001	2.08	CO	C-O	Vacant	0	36	11	3	0	14	High Segregation & Poverty
12	33 PARSONS ST	035-140-018	0.15	LMD	R-2	Vacant	0	12	0	1	0	1	High Segregation & Poverty
13	173 E MISSION AVE	259-130-021	0.92	CO	P-D (CO)	Vacant	12	36	19	5	0	24	Low Resource
Total			**23.71**						**124**	**49**	**92**	**265**	

Map ID	Site Address or Street	APN	Acres	Land Use	Zoning	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
District 2													
14	363 W 12TH ST	031-331-014	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
15	345 W 12TH ST	031-331-012	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
16	112 W 12TH ST	031-342-007	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
17	106 W 12TH ST	031-342-008	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
18	21 W 11TH ST	031-344-009	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
19	111 W 11TH ST	031-342-010	0.17	HD	R-4	Vacant	0	43.56	0	5	0	5	High Segregation & Poverty
20	CHILDS AVE	032-222-007	0.23	HMD	R-3-1.5	Vacant	0	29.04	0	5	0	5	High Segregation & Poverty
21	501 CANAL ST	032-222-001	0.23	HMD	R-3-1.5	Vacant	0	29.04	0	5	0	5	High Segregation & Poverty
22	Canal St	032-212-038	0.23	HMD	R-3-1.5	Vacant	0	29.04	0	5	0	5	High Segregation & Poverty
23	1251 W 12TH PL	031-283-004	0.17	HMD	R-3-1.5	Vacant	0	29.04	0	3	0	3	High Segregation & Poverty
24	912 W 13TH ST	031-301-022	0.17	HMD	R-3-1.5	Vacant	0	29.04	0	3	0	3	High Segregation & Poverty
25	292 N ST	032-221-017	0.11	HMD	R-3-1.5	Vacant	0	29.04	0	2	0	2	Low Resource
26	N St	032-221-035	0.34	HMD	R-3-1.5	Vacant	0	29.04	0	7	0	7	Low Resource
Total			**2.52**						**0**	**60**	**0**	**60**	

Map ID	Site Address or Street	APN	Acres	Land Use	Zoning	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
District 3													
27	W 19th St	031-032-004	0.42	HMD	R-3-1.5	Vacant	0	29.04	0	9	0	9	Low Resource
28	1115 W 18TH ST	031-032-009	0.52	RC	C-C	Vacant	0	36	2	1	0	3	Low Resource
29	W 15th St	031-360-068	1.56	RC	C-C	Vacant	0	36	8	2	0	10	Low Resource
30	W 16th St	031-360-006	0.21	RC	C-C	Vacant	0	36	0	5	0	5	Low Resource
31	1616 MARTIN LUTHER KING JR WAY	031-154-012	0.34	RC	C-C	Vacant	0	36	0	9	0	9	Low Resource
32	4 E MAIN ST	034-201-001	0.25	RC	C-C	Vacant	0	36	0	6	0	6	Low Resource
33	1835 MARTIN LUTHER KING JR WAY	031-072-008	0.17	RC	C-C	Vacant	0	36	0	4	0	4	Low Resource
34	344 W 19TH ST	031-072-003	0.17	RC	C-C	Vacant	0	36	0	4	0	4	Low Resource
35	W 19th St	031-011-014	0.25	LMD	R-2	Vacant	0	12	0	2	0	2	Low Resource
36	W 19th St	031-023-013	0.17	LMD	R-2	Vacant	0	12	0	1	0	1	Low Resource
37	Glen Ave	034-162-020	0.37	LMD	R-2	Vacant	0	12	0	3	0	3	Low Resource
38	E Main St	034-193-008	0.17	LMD	R-2	Vacant	0	12	0	1	0	1	Low Resource
Total			**4.61**						**10**	**47**	**0**	**57**	
District 4													
39	McKee Rd and Arden Ln	108-010-010	9.43	LD	R-1-6	Vacant	0	7.26	0	0	51	51	Highest Resource
40	462 MERCY AVE	231-200-005	2.52	CO	C-O	Vacant	0	36	12	4	0	16	Highest Resource
41	2958 N G ST	007-131-001	1.01	CO	C-O	Vacant	0	36	4	2	0	6	Highest Resource
44	Yosemite Avenue &	231-040-023	0.70	HMD	P-D (HMD)	Vacant	0	24	9	3	0	12	Highest Resource

Map ID	Site Address or Street	APN	Acres	Land Use	Zoning	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
	Mansionette Drive												
Total			**13.66**						**25**	**9**	**51**	**85**	
District 5													
45	2434 N HWY 59	058-150-002	2.27	HMD	R-3-1.5	Vacant	0	29.04	39	10	0	49	Low Resource
46	Bear Creek Dr	058-150-003	0.30	HMD	R-3-1.5	Vacant	0	29.04	0	6	0	6	Low Resource
47	3180 M ST	236-230-011	1.71	CO	P-D (CO)	Vacant	0	36	36	10	0	46	High Resource
48	3033 G ST	007-350-009	5.44	CO	P-D (CO)	Office	0	36	116	30	0	146	High Resource
Total			**9.72**						**191**	**56**	**0**	**247**	
District 6													
49	G St and Merrill Pl	060-030-038	11.37	VR	R-1-5	Vacant	0	8.712	0	0	74	74	Highest Resource
50	G St and Merrill Pl	060-030-055	26.25	LD	R-1-5	Vacant	0	8.712	0	0	171	171	Highest Resource
51	G St and Foothill Dr	060-880-006	11.54	LD	R-1-5	Vacant	0	8.712	0	0	75	75	Highest Resource
52	Gardener Ave and Destiny Dr	231-010-009	104.93	LD	R-1-5	Vacant	0	8.712	0	0	685	685	Highest Resource
53	3878 N G ST	231-010-001	85.62	LD	R-1-6	Vacant	0	7.26	0	0	466	466	Highest Resource
55	3603 M ST	230-220-055	2.62	CO	C-O	Vacant	0	36	13	4	0	17	Highest Resource
56	Bellevue Rd & Barclay Way	170-060-033	23.29	CO	P-D (CO)	Vacant	0	36	150	359	119	628	Highest Resource
58	Freemark Ave	224-300-012	7.78	HMD	P-D (HMD)	Vacant	0	24	111	28	0	139	Highest Resource
59	M St	224-300-013	9.29	HMD	P-D (HMD)	Vacant	0	24	133	34	0	167	Highest Resource

Map ID	Site Address or Street	APN	Acres	Land Use	Zoning	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
60	Horizons Ave and Lehigh Dr	206-030-013	11.48	LMD	P-D (LMD)	Vacant	0	12	0	103	0	103	Highest Resource
61	1310 BELMONT DR	206-176-026	0.10	VR	P-D (VR)	Vacant	0	30	0	2	0	2	Highest Resource
Total			**294.26**						**407**	**530**	**1,590**	**2,527**	
Merced Total			**348.46**						**757**	**751**	**1,733**	**3,241**	

G6.8.1 Rezone Sites

The City is obligated to rezone suitable land to facilitate additional residential development and accommodate the RHNA shortfall. The Site Inventory includes 29 sites that were rezoned in April 2025 to facilitate additional residential development. These sites were rezoned from low density residential, general commercial, and planned development to high-density residential and central commercial. These sites encompass approximately 98 acres and can accommodate a total of 2,354 lower-income units and 948 moderate-income units. Rezone sites are seen throughout the city with the most units in District 6, as seen in Figure G6-2. Table G6-14 summarizes the acreage and unit assumptions for sites proposed for rezoning per district. The rezoned sites shall include the following components pursuant to Government Code Section 65583.2(i):

- Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.
- Permit the development of at least 16 units per site.
- Establish a minimum density of 20 units per acre and a maximum density of at least 20 units per acre for all rezone sites to accommodate lower-income RHNA.
- Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

Table G6-14 Proposed Rezone Sites to Accommodate RHNA Shortfall

Map ID	Site Address or Street	APN	Acres	Current Land Use	Proposed Land Use	Existing Zoning District	Proposed Zoning District	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
District 1															
A	125 N Parsons Ave	035-140-016	2.07	LMD	HD	R-2	R-4	Vacant	20	43.56	53	14	0	67	High Segregation & Poverty
B	Crist Ave	035-160-016	0.52	CG	RC	C-G	C-C	Vacant	20	36	11	3	0	14	High Segregation & Poverty
E	1075 Martin Luther King Jr Way	032-072-011	2.77	LD/CG	HD/RC	R-2-6/C-G	R-4/C-C	Vacant	20	43.56	68	17	0	85	High Segregation & Poverty
F	2850 E Gerard Ave	061-710-016	4.93	LD	HD	RP-D	R-4	Vacant	20	43.56	128	33	0	161	High Segregation & Poverty
O	Baker Dr	061-310-006	1.62	LD	HD	RP-D	R-4	Vacant	20	43.56	41	11	0	52	Highest Resource
U	1600 N Coffee Rd	061-600-001	1.91	LD	HD	RP-D	R-4	Vacant	20	43.56	49	13	0	62	Highest Resource
Total			**13.82**								**350**	**91**	**0**	**441**	
District 2															
C	832 W 11th St	032-054-003	0.68	LD	HD	R-1-6	R-4	Vacant	20	43.56	17	5	0	22	High Segregation & Poverty
D	259 S N St	059-270-008	0.99	LD	HD	R-1-5	R-4	Vacant	20	43.56	25	7	0	32	Low Resource
Total			**1.67**								**42**	**12**	**0**	**54**	
District 3															
H	O St	030-163-008	1.03	LD	HD	R-1-6	R-4	Vacant	20	43.56	26	7	0	33	High Segregation & Poverty
I	N Parsons Ave	033-060-024	3.79	LMD	HD	R-1-6	R-4	Vacant	20	43.56	98	25	0	123	High Resource
J	N Parsons Ave	033-210-062	2.23	LMD	HD	R-1-6	R-4	Vacant	20	43.56	57	15	0	72	High Resource
K	205 E 23rd St	034-021-002	0.50*	LD	HD	R-1-6	R-4	Vacant	20	43.56	12	4	0	16	Low Resource
L	8 E 21st St	034-072-030	0.55	LD	HD	R-1-10	R-4	Vacant	20	43.56	13	4	0	17	Low Resource
M	160 W 15th St	031-251-030	0.69	CG	RC	C-G	C-C	Vacant	20	36	14	4	0	18	High Segregation & Poverty
P	564 W 15th St	031-231-005	3.77	CG	HD	C-G	R-4	Parking Lot	20	43.56	99	25	0	124	High Segregation & Poverty
Q	1407 W 16th St	031-094-005	0.73	CG	HD	C-G	R-4	Motel	20	43.56	19	5	0	24	High Segregation & Poverty
Total			**13.29**								**338**	**89**	**0**	**427**	
District 4															
T	Paulson Rd	231-040-010	4.73	LD	HD	R-1-6	R-4	Vacant	20	43.56	123	31	0	154	Highest Resource
Total			**4.73**								**123**	**31**	**0**	**154**	
District 5															
N	1536 Massasso St	059-330-021	2.11	LD	HD	R-1-5	R-4	Vacant	20	43.56	54	14	0	68	Low Resource
V	NW Bear Creek Dr	058-110-044	2.28	LMD	HD	R-2	R-4	Vacant	20	43.56	59	15	0	74	Low Resource
W	Rambler & College Green	007-250-029	1.23	CO	HD	P-D (CO)	R-4	Vacant	20	43.56	32	8	0	40	High Resource
Total			**5.62**								**145**	**37**	**0**	**182**	
District 6															
X	Pacific Dr and R St	206-040-020	10.00**	LD	HMD	P-D	R-4	Vacant	20	36	170	109	0	279	Highest Resource
Y	Cardella & M	230-010-016	8.33	CN	HD	P-D	R-4	Vacant	20	43.56	170	102	0	272	Highest Resource
Z	BRE V 22 E (Lot W)	224-020-006	10.00****	HMD	HD	P-D (HMD)	P-D (HD)	Vacant	20	36	170	156	0	326	Highest Resource
AA	BRE V 22 E (Lot X)	224-020-008	10.00*****	HMD	HD	P-D (HMD)	P-D (HD)	Vacant	20	36	170	156	0	326	Highest Resource
BB	BRN 36 A	170-060-050	8.11	HMD	HD	P-D	R-4	Vacant	20	43.56	170	94	0	264	Highest Resource
CC	BRN 36 B	170-060-051	5.16	HMD	HD	P-D	R-4	Vacant	20	43.56	168	0	0	168	Highest Resource
DD	BRN 36 C	170-060-052	6.09	HMD	HD	P-D	R-4	Vacant	20	43.56	170	28	0	198	Highest Resource
EE	BRW 19 A	224-300-007	5.55	OS-P	HMD	P-D	PD (HMD)	Vacant	20	24	88	23	0	111	Highest Resource

Map ID	Site Address or Street	APN	Acres	Current Land Use	Proposed Land Use	Existing Zoning District	Proposed Zoning District	Current Use	Minimum Density	Maximum Density	Lower-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity	TCAC Opportunity Category
FF	BRW 19 B	224-300-008	5.00	OS-P	HMD	P-D	PD (HMD)	Vacant	20	24	80	20	0	100	Highest Resource
Total			**68.24**								1,356	688	0	2,044	
Merced Total			**96.82**								**2,354**	**948**	**0**	**3,302**	

* This parcel is 0.63 acres; however, the Site Inventory assumes only 0.50 acres are developable.

** This parcel is 10.31 acres; however, the Site Inventory assumes only 10.00 acres are developable.

**** This parcel is 10.64 acres; however, the Site Inventory assumes only 10.00 acres are developable.

***** This parcel is 10.13 acres; however, the Site Inventory assumes only 10.00 acres are developable.

G6.8.2 Sites used in Previous Planning Periods

In accordance with Government Code Section 65583, vacant parcels from both the 4th and 5th RHNA cycles, and nonvacant parcels from the 5th RHNA cycle, may be reused in this Housing Element to accommodate lower-income housing, provided they are rezoned to allow projects that have at least 20 percent of the units set aside as affordable for lower-income households, to be allowed by-right (i.e., can be approved administratively without requiring Planning Commission or City Council approval). Sites proposed for rezone as part of this Housing Element Update are considered new sites and are not subject to this requirement. The Site Inventory does not include any sites that meet these criteria.

G6.8.3 Adequacy of Residential Site Inventory in Meeting RHNA

The Site Inventory identifies 3,111 lower-income units, 1,699 moderate-income units, and 1,733 above moderate-income units on 86 sites.

Of the identified sites 83 are vacant while the remaining three are located on land currently used for parking, lodging, or commercial space. All 29 identified rezone sites are to allow for high medium density residential, high density residential, village residential, or central commercial.

With rezoning, the Site Inventory includes a surplus of 241 lower-income units, giving the City an six percent buffer for this income category above the RHNA requirement, and a surplus of 223 moderate-income for a 12 percent buffer. The summary of the residential Site Inventory is presented by district in Table G6-15.

Table G6-15 Adequacy of Residential Site Inventory

	Lower-Income	Moderate-Income	Above Moderate-Income	Total
City's Share of RHNA	**4,285**	**1,838**	**4,394**	**10,517**
Planned and Approved Units	1,415	362	17,838	19,615
ADUs Anticipated	0	0	16	16
Remaining RHNA	**2,870**	**1,476**	**0**	**4,346**
Opportunity Sites (District 1)	124	49	92	265
Opportunity Sites (District 2)	0	60	0	60
Opportunity Sites (District 3)	10	47	0	57
Opportunity Sites (District 4)	25	9	51	85
Opportunity Sites (District 5)	191	56	0	247
Opportunity Sites (District 6)	407	530	1,590	2,527
Rezone Sites	2,354	948	0	3,302
Total Units on Sites	**3,111**	**1,699**	**1,733**	**6,543**
Total Unit Surplus	**241**	**223**	**19,587**	**20,051**
Percent Buffer over RHNA	**6%**	**12%**	**446%**	**191**

G6.9 Availability of Infrastructure and Services

The City's Public Works Department provides a wide variety of services, including Fleet Services for City-owned vehicles, Facilities Maintenance for City-owned buildings, Refuse/Recycling/Green Waste garbage services, Parks and Trees maintenance, Streets, Water, Wastewater, Sewer/Storm Drains, and Water Quality Control. As such, the City will ensure adequate capacity of all infrastructure and utilities to accommodate the housing growth discussed in this Housing Element. All sites included in the inventory have existing and available capacity that can support residential development. Within one week of adoption, the City will provide a copy of the adopted 2024-2032 Housing Element to the City's Public Works Department Division, pursuant to Government Code Section 65589.7.

G6.9.1 Wastewater System

The City of Merced operates a wastewater treatment facility (WWTF) with an operational capacity of 12 million gallons per day (MGD). Merced's average daily sewer load is 7.0 MGD, and its peak daily load is 19.5 MGD. The WWTF's current capacity meets the City's average daily flows but is not adequate for peak flows. The City intends to upgrade the existing system to accommodate up to 35 MGD.

Merced's sanitary sewer collection system consists of approximately 400 miles of gravity pipeline ranging from six to 48 inches in diameter. The City's sewage collections system is adequate for its current needs but will need upgrades to accommodate future growth. A report conducted by MKN & Associates for the Merced County Association of Governments recommends interim Capital Improvement Projects (CIPs) that will increase the system's capacity to accommodate up to 34,628 additional housing units, which exceeds the City's RHNA of 10,517 units.[4]

G6.9.2 Potable Water System

The city's water system includes 20 groundwater wells with a total well capacity of 54,400 gallons per minute (gpm). According to the City's 2020 Urban Water Management Plan, the City pumped 20,076 acre-feet (AF) of potable water in 2020. Potable water demands are projected to increase to 31,825 AF by 2040 due to increases in the City and UC Merced population. In the future, if the surface water treatment plant (SWTP) is constructed, the City will use the contractual amount of surface water available and supplement the remaining demand with groundwater. The City's water supply is projected to sufficiently meet expected demands through 2040 through the installation of additional groundwater wells and construction of a 10 MGD SWTP. The SWTP is projected to use surface water supplied by Merced Irrigation District (MID) and begin operation by 2030. With existing and planned water system infrastructure, the City anticipates adequate capacity to accommodate the City's RHNA of 10,517 units.[4]

G6.9.3 Storm Water and Drainage

The Wastewater Collection Department also operates and maintains the City's storm drainage collection system. The storm drainage system consists of an underground storm drain system, detention ponds, underground storage pipes, pump stations, and open channels. The City anticipates the storm drainage collection system has adequate capacity to accommodate the RHNA.

[4] Merced County Infrastructure Capacity Assessment, June 2023

G6.9.4 Dry Utilities

Dry utilities are defined as electricity, natural gas, cable, and telephone services. In Merced, each dry utility has one provider: Pacific Gas & Electric (PG&E) provides natural gas, MID provides electricity services, and Xfinity provides telecom services. The City does not anticipate any connection issues with these utilities and future residential development sites during the planning period.

G6.10 Environmental Considerations

A city's environmental setting and characteristics can greatly affect the feasibility and cost of developing housing. As noted in Chapter G4, *Housing Constraints Analysis,* environmental factors in Merced include potential impacts from wildfire, drought, and flood. There are no known barriers related to shape, access, contamination, property conditions, easements, conservation easements, overlays and airport or military compatibility that could impact housing development on identified sites in the planning period.

Wildfire

Merced is not located in a Very High Fire Hazard Severity Zone, as designed by California Department of Forestry and Fire Protection. Future wildfire occurrences are highly likely, but the severity is estimated to be negligible. The City of Merced requires all new development and subdivisions to comply with the most recent California Fire and Building Code requirements for health and safety. As a result, wildfire is not considered a constraint to development. The potential impacts of a wildfire would not preclude development of housing in Merced.

Drought

As for the impacts of a drought, there will be minimal impact on the physical structures of buildings and facilities across Merced, however there may be less reliability on infrastructure. The potential impacts of a drought would not preclude development of housing in Merced.

Flood

The City of Merced is at risk for flooding and flood related losses. The City's Building Code includes provisions to reduce the risk of flooding. While these provisions add an additional requirement in the development process and additional costs to a project, these provisions are necessary for the health and safety of residents. The potential impacts of flooding would not preclude development of housing in Merced.

G6.11 Opportunities for Energy Conservation

Affordable energy is crucial for affordable housing, as energy costs can account for more than 25 percent of overall housing expenses. With California's energy conservation standards, many new homes have improved energy efficiency. The City of Merced Housing Rehabilitation Loan Program has made significant improvements for energy efficiency in older homes (built pre-1975). In addition, through the State and PG&E's Forgiveness Loan Program, homeowners can obtain funds to make energy conservation upgrades to their homes. In addition, the City adopted a adopted a "Climate Action Plan" in 2012 that spells out strategies and policies to encourage energy conservation throughout the City. The City has also participated in the Home Energy Renovation Opportunity (HERO) program, offering low-interest loans through the State to property owners to make energy efficient upgrades to their home. The City will implement Housing Program 12 to continue to provide rehabilitation assistance for energy conservation and weatherization improvements to homeowners.

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G7 Housing Plan

This eight-year Housing Plan (2024-2032) sets forth a strategy, including goals, policies, and programs, to address housing issues identified in the City of Merced.

G7.1 Goals and Policies

Goal 1: Regional Collaboration	**Work collaboratively with jurisdictions in the county to efficiently address housing issues and find regional solutions.**

Policy 1.1 Proactively coordinate with cities, Merced County, and other agencies and organizations to create effective policies and programs and respond to opportunities for achieving common housing goals.

Policy 1.2 Participate in, as appropriate, pursuit of state and federal housing funds to address regional housing issues.

Goal 2: Housing Development	**Provide an adequate supply and range of housing types to meet the diverse needs of residents.**

Policy 2.1 Provide adequate sites for new housing development to accommodate the regional housing needs allocation (RHNA) throughout the planning period.

Policy 2.2 Facilitate a range of housing development that will meet the needs of all income levels including extremely low, very-low, low-, moderate- and above moderate households.

Policy 2.3 Encourage a range of housing types and sizes in large-scale development and annexations.

Policy 2.4 Promote infill development on vacant and underutilized sites within developed areas.

Policy 2.5 Encourage higher density and mixed-use residential development along major transportation and transit corridors and/or near existing or planned community facilities and services.

Policy 2.6 Enact programs that facilitate well-designed, energy efficient development and flexible standards to encourage high quality projects.

Goal 3: Affordable Housing Options	**Facilitate the development of affordable housing and protect the existing supply of affordable housing to extremely low, very low-, low- and moderate-income households.**

Policy 3.1 Provide a range of incentives and tools to encourage affordable housing for all lower-income levels, including extremely low-income.

Policy 3.2 Support the Merced County Housing Authority (MCHA) by promoting Housing Choice Voucher (HCV) opportunities.

Policy 3.3 Ensure permit processing procedures to ensure streamlining is available for affordable housing development projects (SB 35).

Policy 3.4 Support the development of Accessory Dwelling Units (ADUs) as an affordable housing option.

Policy 3.5 Promote home ownership for lower- and moderate-income households by pursuing grant funding for downpayment assistance and other homeownership loan programs.

Policy 3.6 Monitor existing affordable housing developments and pursue preservation strategies to maintain their affordability.

Goal 4: Housing and Neighborhood Preservation	**Maintain and improve the city's existing housing stock.**

Policy 4.1 Preserve existing residential neighborhoods by promoting balanced design and architecture.

Policy 4.2 Support code enforcement efforts to work with property owners with repairs and rehabilitation of housing to preserve existing housing stock.

Policy 4.3 Utilize Capital Improvement Programs for repairs and improvements of public infrastructure and facilities in existing neighborhoods.

Goal 5: Housing for Persons with Special Needs	**Support and provide housing and services for people with special needs in the community. People with special needs include, but are not limited to, seniors, families with children, people with disabilities, single-parent families, farmworkers, and people who are experiencing homelessness or at risk of becoming homeless.**

Policy 5.1 Assist in local and regional efforts that address the housing needs of special needs residents.

Policy 5.2 Provide reasonable accommodation for individuals with disabilities to access housing opportunities.

Policy 5.3 Support the development of affordable housing units for farmworkers and farmworker families by encouraging the use of federal, state, and local resources.

Policy 5.4 Coordinate with regional agencies and local non-profit/private developers on housing options and services for people who are experiencing homelessness or at risk of becoming homeless.

Policy 5.5 Proactively apply for and utilize available resources to provide and maintain housing for special needs groups.

Goal 6: Resource Conservation and Sustainable Development	**Utilize energy conservation and sustainable measures for new and rehabilitated housing.**

Policy 6.1 Support and, as appropriate, incentivize the use of green building techniques for new housing and rehabilitation.

Policy 6.2 Promote energy conservation and efficiency in residential developments.

Goal 7: Affirmatively Furthering Fair Housing	**Promote housing opportunities and access for residents regardless of age, race, religion, sex, marital status, ancestry, national origin, color, disability, or economic level in compliance with local, state, and federal fair housing laws.**

Policy 7.1 Promote meaningful and informed participation of residents, community groups, and governmental agencies in all local housing and community development activities.

Policy 7.2 Comply with federal, state, and local fair housing anti-discrimination laws ensuring equal access to housing regardless of circumstances as protected by fair housing laws.

Policy 7.3 Provide fair housing services to city residents and ensure that residents are aware of their fair housing rights.

Policy 7.4 Provide residents with housing mobility options by facilitating the development of a variety of housing types and expanding access to housing services.

Policy 7.5 Protect tenants from discriminatory housing practices and displacement.

Policy 7.6 Promote the integration of affordable and special needs housing in existing and planned neighborhoods.

G7.2 Implementing Programs

Program 1: Regional Collaboration

Collaborate with other jurisdictions in the region on housing efforts, including funding opportunities, best practices, and other efforts to address housing, transit, economic development, and homeless issues in Merced County.

Regional collaboration efforts can include, but are not limited to:

- Affordable housing development opportunities
- Regional housing programs and outreach efforts
- Economic development opportunities
- Consider creation of a regional Housing Trust Fund
- Coordination on funding applications and administration
- Identification of transit opportunities and access near new and established residential areas
- Development of environmental mitigation that can improve the quality of life for residents
- Efforts for the development of emergency shelters, low barrier navigation centers, transitional and supportive housing as well as support services for persons experiencing homelessness or at risk of becoming homeless in the county, including participation in services offered by the County

Specific Actions, Objectives, and Timelines	▪ Starting in 2026, at least annually participate in regional meetings related to housing and homeless issues to pursue funding and coordination opportunities. Annually pursue funding opportunities for regional housing issues in coordination with nonprofits and local community-based organizations. ▪ Starting in 2026, at least annually partner with the Merced County Human Services Agency, Behavioral Health Recovery Services and/or the Merced County Community Action Agency to proactively address shelter, housing and support services for people experiencing homelessness. ▪ Continue to be an active participant with the Merced County Association of Governments (MCAG) and coordinate on regional planning and policy efforts to advance shared goals throughout Merced County. ▪ Annually work with the Merced Continuum of Care to complete and implement the 10-Year Plan to End Homelessness during the planning period. ▪ Starting in 2026, annually collaborate and coordinate regionally to ensure the effective implementation of the Housing Element. This collaboration will include regular meetings (at least annually), and will consider resource sharing, and joint efforts to address regional housing needs and achieve the goals outlined in the Housing Element. This collaboration will include regular meetings (at least annually), and will include resource sharing, joint efforts with internal and external partners to address regional housing needs and achieve the goals outlined in the Housing Element, including affirmatively furthering fair housing and farmworker needs. ▪ Starting in 2026, participate in a regional collaboration with developers and affordable housing advocates to support the development of housing. ▪ By 2027, establish a working group that meets annually to identify regional housing challenges, including but not limited, to affirmatively furthering fair housing efforts and farmworker housing, funding opportunities, and consider input from the working group to coordinate efforts to develop affordable housing and implement the housing element, including making adjustments as appropriate to better achieve the goals and objectives of the housing element.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund; federal, state, and local grant funds
Relevant Policies	1.1, 1.2
AFFH Themes	▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection
AFFH Geographic Targeting	Citywide
AFFH Outcomes	Assist with the completion of the 10-Year Plan to End Homelessness and identify regional strategies to address homelessness during the planning period

Program 2: Adequate Sites for RHNA and Monitoring of No Net Loss

For the 6th Cycle Housing Element, Merced has been assigned a RHNA of 10,517 units, including:

- Very Low-Income: 2,543 units
- Low-Income: 1,742 units
- Moderate-Income: 1,838 units
- Above Moderate-Income: 4,394 units

The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. As of August 2025, the City has identified capacity for 19,615 units through projects under construction, approved, or permitted, that will be available during the RHNA projection period. Ten pipeline projects (19, 20, 22, 22, 27, 28, 29, 30, 31, and 34) are sites that have been or are currently in the process of being annexed into the city. Based on the status of these projects, all units are expected to receive Certificates of Occupancy during the 2024-2032 planning period. Zoning across the annexed parcels will accommodate single-family and multi-family projects that have capacity for 6,563 units (341 lower-income, 157 moderate-income units, and 6,065 above moderate-income units). Tables G6-2 and G6-3 in the Housing Resources Chapter describe the annexation status and estimated building permit issuance dates and completion dates of the ten projects.

The Virginia Smith Trust (VST) project (Site #23) was annexed into the City of Merced in September 2024. The annexation included the adoption of a Specific Plan, a Planned Development Permit, and a General Plan Amendment. A Vested Tentative Subdivision application was submitted in 2025 to implement the Specific Plan and Planned Development Permit. Based on details provided by the City's Project Engineer in February 2025, the City anticipates that all Phase 1 units (2,541 units) and Phase 2 units (2,316 units) will be constructed during the planning period. Of the total units, 500 units are anticipated to be affordable to lower-income households through a workforce housing program, self-help housing program, or multifamily new construction of deed-restricted units.

The City also projects 16 ADUs affordable to above moderate-income households will be developed during the planning period. Accounting for these units, the City has a remaining RHNA of 4,346 units (1,873 very low-income, 997 low-income, and 1,476 moderate-income) for which the City must identify adequate sites for potential development.

The City has identified vacant and nonvacant sites with potential for development/redevelopment, or adaptive reuse of existing uses over the next eight years. The City is divided into six geographic districts for the purpose of the Site Inventory. A total of 57 opportunity sites have been identified throughout the six districts that do not require rezoning and have a capacity of 3,241 units (757 lower-income, 751 moderate-income and 1,733 above moderate-income). An additional 29 sites have been identified for rezoning to meet the RHNA, with a potential capacity totaling 3,302 units (2,354 lower-income and 948 moderate-income). None of the 86 sites described above were used during previous Housing Element cycles. However, the sites identified for rezoning will be subject to by-right approval requirements of AB 1397 as the zoning was not in place as of the beginning of the statutory deadline of the Housing Element (January 31, 2024).

This program describes the actions the City will take to ensure that adequate sites are designated consistent with Government Code Section 65583c)(1)(A) and 65583.2. The rezoned sites shall include the following components pursuant to Government Code Section 65583.2(I):

- Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.
- Permit the development of at least 16 units per site.
- Establish a minimum density of 20 units per acre and a maximum density of at least 24 units per acre for all rezone sites to accommodate lower income RHNA.
- Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

During the planning period, the City will be reviewing the list of opportunity sites and will add or remove specific sites while maintaining RHNA goals. By making amendments to the Zoning Code, the City may add additional sites to the list, such as making residential principally permitted in all commercial (and equivalent PD zones), as well as aggressively pursuing annexations with large amounts of housing. Evaluation of the feasibility of these additional sites will be consistent with the criteria used in developing the original site inventory as outlined in the Housing Resources section of this Housing Element.

To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City's RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate-income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

Specific Actions, Objectives, and Timelines	▪ Facilitate the development of 10,517 units over 8 years (2,543 very low income, 1,742 low income, 1,838 moderate income, and 4,394 above moderate-income units). ▪ By July 31, 2025, rezone properties as outlined above and detailed in the Housing Resources section of this Housing Element to fully accommodate the remaining RHNA of 4,346 units (2,870 lower income and 1,476 moderate income units). As part of the rezoning, establish appropriate development standards (including parking, height, setback, lot coverage, etc.) to ensure maximum allowable densities at the respective zones can be achieved. ▪ By December 2027, if the annexations listed in the Site Inventory are not occurring per the schedule listed in Table G6-3, the City will identify alternative sites to satisfy the RHNA within six months. ▪ Facilitate the development of 16 ADUs during the planning period. ▪ Maintain an inventory of available vacant and prospective sites that can accommodate new housing and update annually. Make this inventory available to the public and interested developers on the City website. ▪ Annually meet with property owners and interested developers to pursue housing development in the city.

- By July 31, 2026, develop a formal procedure to monitor no net loss in capacity pursuant to SB 166.
- Commit to developing pre-approved plans for duplexes and triples, similar to the pre-approved ADU program, by the end of 2026, to allow applicants to save on design and permit costs.
- In December 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHNA sites, the City will identify alternative sites or strategies (including potential rezoning) within six months.
- By January 2027, amend the Zoning Ordinance to establish a performance standard for mixed-use inventory sites to require residential uses that align with assumptions in the Housing Element Site Inventory that allow mixed-use development.
- In December 2027, and annually thereafter, the City will evaluate the affordability of new housing development within the city. If lower-income housing development is occurring at a slower than expected pace and RHNA levels are not being met, the City will commit to identifying additional strategies to promote lower-income housing development within six months, such as revising funding strategies and conducting outreach to nonprofit developers.
- To facilitate and incentivize affordable units on large sites, the City will:
  - Provide technical assistance, incentives, and strategies as appropriate to facilitate development of affordable housing, including parceling at appropriate sizes or other site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property.
  - Promote the potential subdivision of large sites into multiple parcels for future development through technical assistance, incentives, and strategies during the development phase and when applications are submitted to the City for the identified parcels.
  - Annually meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types, and prices.
  - Promote the development of large sites at the densities and affordability levels identified within the Housing Element.
  - Allow development in phases within 8 years of the Housing Element planning period.
  - Offer expedited processing and fee deferrals, reductions, or waivers for affordable units in developments on large sites identified in the Sites Inventory.
- Subdivision of Large Sites: The City shall consider the following options to promote and incentivize the subdivision of large sites to create parcels at appropriate sizes to support affordable housing projects:
  - Expedited approval of lot splits or creation of new parcels;
  - Waiving of the public hearing requirement related to parcel maps;
  - Waiving of the public hearing requirement related to approval of large multifamily uses (provided the project is affordable by deed-restriction);
  - Additional density bonus, lot coverage, or height allowances;
  - Fee waivers, reductions, or deferral.
- By the end of 2027, if development of housing affordable to lower-income households (as assumed in the Site Inventory) is not feasible on

	these large sites or sites are not parceled at appropriate sizes (e.g., 1-10 acres), within six months (by July 2028) the City will identify additional incentives and planning tools or alternative strategies if necessary to ensure adequate capacity at appropriate sizes for the RHNA.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 2.2, 2.4, 3.1
AFFH Themes	▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide
AFFH Outcomes	3,459 units in high-/highest-resource areas (District 1, District 4)

Program 3: By-Right Approval

Pursuant to Government Code Section 65583.2, reusing the following types of sites in the City's site inventory for lower-income RHNA are subject to by-right approval exempt from CEQA and subject only to design review based on objective standards when a project includes 20 percent of the units affordable to lower-income households and no subdivision is proposed:

Reuse Sites (No Rezoning Required):

- Vacant sites that were identified in the City's 4th and 5th Cycle Housing Elements as sites for lower income RHNA; and
- Nonvacant sites that were identified in the City's 5th Cycle Housing Element as sites for lower income RHNA.

The by-right approval requirement of reuse sites is effective January 31, 2024. Currently, the site inventory does not contain any reuse sites.

Rezoning of sites past the statutory deadline of the Housing Element to meet the lower income RHNA are subject to the by-right approval requirement. The by-right approval requirement of rezone sites is triggered by the rezoning.

By-right shall mean the local government's review shall not require:

- A conditional-use permit
- A planned unit development permit
- Other discretionary, local-government review or approval that would constitute a "project" as defined in Section 21100 of the Public Resources Code.

This provision does not preclude local planning agencies from imposing design review standards. However, the review and approval process must remain ministerial, and the design review must not constitute a "project" as defined in Section 21100 of the Public Resources Code.

No parcels in the City's 6th Cycle Site Inventory are subject to by-right approval pursuant to state law.

Specific Actions, Objectives, and Timelines	Concurrent with the Development Code update to provide adequate sites for the RHNA (see Program 2), update the Development Code to address the by-right approval requirements.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 2.2, 3.1
AFFH Themes	▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide
AFFH Outcomes	N/A

Program 4: Replacement Housing

Development on non-vacant sites with existing residential units is subject to replacement requirements, pursuant to AB 1397. Specifically, AB 1397 requires sites occupied with a residential use within the last five years to replace these units affordable to the same or lower income level, as a condition of any development on a non-vacant site consistent with those requirements set forth in state Density Bonus Law.

Specific Actions, Objectives, and Timelines	Concurrent with the Development Code update, amend the Zoning Code to address the replacement housing requirements.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 3.6
AFFH Themes	▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	Replace all units as required pursuant to AB 1397.

Program 5: Accessory Dwelling Units

ADUs provide an important affordable housing option in the city. The City's ADU Ordinance was updated in September 2023. In addition, the City has launched a Pre-Approved ADU program that includes pre-approved plans, a "how-to" guide, and a design workbook. The City also has permitted the development of tiny homes and tiny homes on wheels as ADUs.

Consistent with Government Code Sections 66310 – 66344 (ADU and JADU Statutes) and Health & Safety Code Section 50504.5 City will continue to encourage the production of ADUs and work to provide affordable units for lower-income households.

Specific Actions, Objectives, and Timelines	▪ Facilitate the development of 32 ADUs over 8 years, with the goal of at least four affordable to lower-income residents and 16 located in high-resource areas. ▪ By July 31, 2026, facilitate the production of ADUs through efforts including, but not limited to: ▫ Updating ADU webpage to include available resources for ADU production, such as grants for pre-development costs available to lower-income homeowners through California Finance Agency (CalHFA).

	▫ Conduct three educational workshops, campaigns, or outreach events to promote ADU development. ▪ Include information about the benefits of smaller ADUs (no impact fees for units under 750 square feet), locating ADUs in infill areas (opportunity zones) with reduced fees, and the variety of ADU construction that is available, such as junior ADUs and tiny homes on wheels. Participate in regional collaboration efforts regarding pre-approved ADU plans. ▪ Explore an ADU amnesty program. If feasible, establish an ADU amnesty plan by December 2026. ▪ Continue to provide information about ADUs and their benefits via the City's website, monthly newsletter and brochures at the front counter. ▪ Provide technical assistance when requested. ▪ As needed, update the City's ADU Ordinance to fully comply with State law. ▪ Develop and include a Fair Housing Factsheet, especially on Source of Income protection (i.e., use of public subsidies such as Housing Choice Vouchers for housing payments) in the ADU application packet. ▪ Beginning in 2025, and annually thereafter, pursue available funding sources to enhance ADU affordability with the goal of creating 4 affordable ADUs and promoting assistance to target lower density neighborhoods. ▪ By January 2028, conduct a mid-term review of the City's ADU construction trends to determine the City's progress in meeting projected ADU units. If the construction activity falls behind projection, develop additional incentives, resources, and/or tools to encourage ADU development. ▪ By December 2027, if ADU production is not occurring at anticipated levels, adopt the following Zoning Code amendments to enhance ADU production during the planning period: ▫ Increase the by-right ADU size to further incentivize ADU creation ▫ Allow for an increase in the permitted height up to the height of the primary residence for ADUs built above a garage in single-family zones ▫ Allow for reduced setback requirements where privacy is not compromised.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 2.3, 3.1, 3.4
AFFH Themes	▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide with emphasis on high resource, single-family neighborhoods (Districts 4 and 6)
AFFH Outcomes	Support the development of at least 32 ADUs in Merced during the planning period, with 4 of these units affordable to lower-income residents and at least 16 located in high-resource areas (District 1 and District 4).

Program 6: Zoning Code Amendments

In order to facilitate a variety of housing types, especially housing for lower-income households and those with special needs, the City will remove constraints to housing development by amending the Zoning Code.

Specific Actions, Objectives, and Timelines	Complete the following Zoning Code Amendments by July 2026, unless otherwise indicated: ▪ **Adequate Sites:** At the time of Housing Element Adoption revise the City's Zoning Map to upzone Low Density Residential zones throughout the city to allow for additional density to accommodate a range of housing types. ▪ **SB 35:** Establish procedure for implementing SB 35. ▪ **Permit Streamlining Act:** Establish written procedures in accordance with the Permit Streamlining Act. ▪ **SB 330:** Amend the required findings for Site Plan Permits, CUPs, Design Review Permits, MUPs, and minor modifications, to remove subjective judgments from the review process, in accordance with SB 330. ▪ **Development Standards:** Review and revise the City's development standards (including parking and height), particularly in relation to higher density affordable housing: ▫ Revise the Zoning Ordinance to reduce parking requirements for mobile homes, senior citizen housing, one-bedroom units, and studios to require no more than one space per unit. ▫ For the R-3 and R-4 zones, either (1) increase the allowable maximum lot coverage or (2) revise the definition of "lot coverage" to exclude surface parking. This will allow smaller lots to achieve maximum allowed densities. ▫ Increase the height limit in the R-4 zone, allowing multifamily buildings to exceed the 1:1 height and setback ratio up to 45 feet. Proposed projects will need to demonstrate that no significant impacts will occur on adjacent properties. ▪ **Reasonable Accommodation Procedures:** Revise the Zoning Ordinance to remove subjective language in the required findings, including (a) the requested accommodation will not result in a fundamental alteration in the nature of the City's zoning program and (b) whether the requested accommodation would fundamentally alter the character of the neighborhood. Also establish timelines for issuing written determinations on received accommodation requests. ▪ **Transitional and Supportive Housing:** Revise the Zoning Ordinance to permit Permanent Supportive Housing without discretionary action in zones that permit multifamily housing and comply with Government Code section 65651, including but not limited to, processing and parking requirements for projects located within half-mile from transit. In addition, revise the zoning ordinance, as appropriate, to permit transitional/supportive housing as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. ▪ **Single-Room Occupancy (SRO) Housing:** Revise the Zoning Ordinance to allow the development of SROs in zones allowing hotel or motel uses (C-T and C-G zones). ▪ **Emergency Shelters:** At the time of Housing Element adoption**,** revise the Zoning Ordinance to amend: ▫ The definition of emergency shelters per AB 2339 to include interim housing options such as navigation centers, bridge housing, and respite and recuperative care. ▫ Allowing for emergency shelters as a permitted use without a conditional use or other discretionary permit in the CG zone,

	▫ Parking standards for emergency shelters to be based solely on staffing levels pursuant to AB 139, ▫ Requirements for emergency shelters, ensuring that they are objective. ▪ **Low Barrier Navigation Centers**: Amend the Zoning Code to explicitly allow the development of Low-Barrier Navigation Centers, by-right, in residential use and mixed-use districts and nonresidential districts permitting multi-family uses. ▪ **Residential Care Facilities:** Revise the Zoning Ordinance to permit residential care facilities for seven or more people (regardless of licensing) in all zones allowing residential use similar to other residential uses of the same type in the same zone. ▪ **Farmworker Housing**: Review and revise the Zoning Code to ensure compliance with the Employee Housing Act (H&S Code Section 17021.6 and 17021.8), which requires that any farmworker housing consisting of no more than 36 beds in a group quarter or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use for the purposes of this section. For all local ordinances, farmworker housing shall not be deemed a use that implies that the farmworker housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this farmworker housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in farmworker housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the farmworker housing is located. ▪ **Employee Housing**: Review and revise the Zoning Code to ensure compliance with the Employee Housing Act (Health and Safety Code Section 17021.6), which requires that housing provided by an employer for up to six employees is considered a residential use, subject to the same standards as single-family residences. ▪ **Accessory Dwelling Units**: Review and amend the Zoning Ordinance if needed to comply with state law. ▪ **Density Bonuses:** Review and amend the Zoning Ordinance to comply with state law. ▪ **Infill Development:** Incorporate the recommendations detailed in the Multi-Family Residential Infill Study. ▪ **Planning Document Review:** Review the General Plan, applicable Specific Plans, and Zoning Code, and Zoning Map to evaluate opportunities for removing barriers to housing production, adding housing capacity, and accommodating a greater mix of dwelling types and sizes households (e.g., duplexes, triplexes, fourplexes, townhouses, courtyard buildings), prioritizing opportunities and sites in high-resource areas (Districts 4 and 6). Present results of findings in a public forum by June 2026 and implement any changes by January 2027.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 3.1, 3.4, 5.2, 5.3, 7.4
AFFH Themes	▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection

Geographic Targeting	Citywide
AFFH Outcomes	Facilitate the development of 50 units for special needs populations during the planning period. Facilitate the development of 2,000 units of a variety of multifamily housing types, e.g., duplexes, triplexes, fourplexes, townhouses, courtyard buildings in high-resource areas (Districts 4 and 6).

Program 7: Facilitating Affordable Housing Development

The City is committed to expanding affordable housing options for households of all income levels using development tools such as density bonus provisions, waiving development fees and streamlining the application process. The City will contact local non-profit and private developers to facilitate the production of this housing as well as pursue funding opportunities available at the local, regional, state and federal levels and allocate monies to the City's Affordable Housing Program.

On a case-by-case basis, the City will provide opportunities for public, private and non-profit groups to develop affordable housing by constructing off-site improvements and physical infrastructure as Capital Improvement Projects. Assistance provided by the City may include traffic, street and sewer upgrades as well as other pedestrian and mobility improvements.

Specific Actions, Objectives, and Timelines	▪ Beginning in January 2026, annually identify and pursue funding at the local, regional, state, and federal levels such as state CDBG, CalHome, PLHA, and Project Homekey funds. ▪ By December 2026, work with other jurisdictions in Merced County to create a regional list of affordable housing developers. Annually conduct outreach to these developers with information on potential sites, available regulatory concessions and incentives, and potential funding opportunities. ▪ Connect grant opportunities with eligible projects and pursue partnerships as affordable opportunities arise. ▪ By July 2026, amend the Zoning Code to allow for waivers on improvements for qualified affordable housing projects, pursuant to state Density Bonus Law. ▪ Encourage the use of the City's Lot Split Process (Parcel Map) to subdivide large parcels into smaller parcels that would be more likely to be developed for affordable housing, including for special needs housing (see Program 11). ▪ Facilitate the development of affordable housing through the provision of the following regulatory concessions and incentives: ▫ Density increases under the City's Density Bonus Ordinance. ▫ Potential fee waivers/reductions/deferrals. ▫ Reduced parking requirements. ▪ Continue to review permit fees annually to ensure fees do not inhibit the development of affordable housing. ▪ Ensure infrastructure is in place to accommodate new housing. ▪ Adopt an ordinance that establishes specific procedures to grant priority service within a year of the certification of the Housing Element to housing with units affordable to lower-income households whenever capacity is limited. ▪ Utilize the Citywide 2023 RFP list of affordable housing developers for notification for the City's streamlining review processes, the available properties for multifamily development (see Program 2) and potential

	funding opportunities for affordable housing development opportunities. Hold three workshops during the planning period. ▪ By the end of 2027, pursue the following housing mobility options to expand affordable housing options in Merced: ▫ Establish a Home-Sharing Program: home-sharing can be an additional source of income for homeowners while also providing options for those looking for affordable housing. ▫ Residential Development Standards for Religious Facilities (SB 4): This could provide opportunities for housing in a variety of locations throughout the City, providing mobility options for residents. To promote these opportunities, the City will create an outreach and technical advisory program that would consist of: – Conducting a workshop in 2027 and 2029 to explain SB 4, AB 1851 and how it can apply to religious facility properties in Merced; – Invite religious facility owners and local nonprofit developers to participate; – Provide informational materials on the development process; – City staff will provide technical assistance to religious facility property owners to assist with the project entitlements; and – Review the General Plan and applicable zoning regulations, and revise as necessary, to facilitate affordable housing on religious facility sites. ▪ Promote infill development on sites with high Infill scores (see Multi-Family Residential Infill Study) and in areas where public infrastructure is in place to help reduce the cost of development projects that occur from on- and off-site improvements. ▪ Provide letters of support to funding applications by developers if the proposed projects are consistent with the goals and objectives of this Housing Element, as requested. ▪ Establish a requirement that, in conjunction with development and/or funding applications, affordable housing project sponsors submit an Affirmative Fair Housing Marketing Plan to ensure that residents of lower-resource neighborhoods outside the immediate project neighborhood are targeted with multilingual outreach, culturally relevant media, and partnerships with local community organizations, in full compliance with HUD regulations (24 CFR § 92.351) to ensure equitable access to housing opportunities for groups least likely to apply.
Primary Responsible Departments	Department of Development Services
Funding Sources	Local, state and federal resources, General Fund, CDBG
Relevant Policies	2.1, 2.2, 2.3, 3.1, 4.1, 4.3, 7.4
AFFH Themes	▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide
AFFH Outcomes	Increase the percentage of the city's housing stock that is multi-family from 30 percent to 33 percent by December 2030, using 2017-2021 ACS data as a baseline. Facilitate the construction of new rental housing in areas with high rates of overpayment (441 units in District 1, 54 units in District 2, 427 units in District 3, 154 units in District 4, and 182 units in District 5). Through the development of new housing, strive to reduce rates of overpayment by 10 percent in District 3 and District 4.

Program 8: Preservation of At-Risk Housing

There are 1,472 assisted units in the city, and 233 units are at risk of conversion to market-rate units by 2033. The City will work to preserve these units and will proactively monitor all other units to encourage continued affordability beyond existing covenants and work proactively with owners of affordable units to assist in rehabilitation needs.

Specific Actions, Objectives, and Timelines	▪ Prioritize the preservation of at-risk units with a goal of preserving 1,472 affordable units, including 233 at-risk units. ▪ Monitor affordable units during the planning period. ▪ By July 2026, create a list of established and potential housing purchasers, including nonprofits, developers, and tenants of potentially converting affordable properties. Proactively engage and provide technical assistance to potential purchasers of at-risk units. ▪ Starting in 2026 and annually, apply for funding and support funding application for acquisition and/or rehabilitation of affordable units throughout the planning period. Contact potential purchasers of at-risk units to discuss affordability preservation at least one year prior to the expiration of at-risk units. ▪ Continue support preservation purchasers using the City's Affordable Housing Fund (AHF) and reimbursement agreements to ensure the preservation purchaser can repay any use of AHF funds to preserve the affordable housing and avoid the displacement of lower-income tenants. ▪ Maintain annual contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance. ▪ Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. Update annually. ▪ Ensure tenants are properly noticed by the property owners should a Notice of Intent to opt out of low-income use is filed. Notices must be filed three years, one year, and six months in advance of conversion. Additionally, the City shall provide tenants with information about available resources and their tenant rights during the Notice of Intent period. Ensure that tenants understand their rights to remain in the units and that they receive information and referrals regarding available relocation assistance and resources. ▪ By the beginning of 2026, or in the event of potential conversion, conduct outreach and coordination with qualified affordable developers and community partners that can acquire and manage at-risk developments. As funding permits, assist in funding acquisition or support funding applications by nonprofit providers.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.6, 5.5
AFFH Themes	Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	Preserve all affordable housing units.

Program 9: Housing Preservation and Rehabilitation

Approximately 46 percent of the housing stock in Merced is more than 40 years old (built before 1980). The City's Code Enforcement Officers and the Inspection Services Department works with citizens in a cooperative manner to achieve compliance with the Municipal Code. Additionally, the City continues to investigate potential funding sources for rehabilitation programs to determine the most applicable for the City. The City Housing Program Supervisor, Management Analyst, and Development Services Director review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income-eligible households through the City's Housing Rehabilitation Grant Program.

The City Housing Department continues to provide information on energy efficiency and to refer homeowners to the Community Action Agency for assistance with energy conservation and weatherization. The City will utilize information dissemination programs such as the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures.

Specific Actions, Objectives, and Timelines	▪ Annually, utilize the Code Enforcement Division to track areas where rehabilitation needs are heightened (e.g., Downtown Merced). ▪ By July 2026, amend the Code Enforcement procedure to comply with AB 838 by requiring timely inspections in response to tenant complaints. Ensure inspection reports are provided to both tenants and property owners, and schedule follow-up inspections to verify that any identified violations have been corrected. Review procedures and municipal code to ensure compliance with other relevant state laws, including Health & Safety Code sections 17920.3 and 17920.10, 17970.5, and 17970.7. ▪ By July 2026, adopt Inspection Procedure Policy for Multi-Unit Residential Buildings Pursuant to California Health and Safety Code Section 17970.7. ▪ Beginning in 2026, and annually thereafter, review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income eligible households. ▪ Conduct a housing conditions survey by December 2026. ▪ Utilize the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures, they can take to prolong the life and quality of their home and reduce their long-term utility and maintenance costs. ▪ By July 2026, amend the Municipal Code to include a Repeat Housing Code Violators Program that establishes standards and procedures to penalize rental property owners who demonstrate a pattern of neglect, unresolved violations, or unsafe conditions for tenants to preserve rental housing supply. ▪ Prioritize the improvement of existing parks and other community spaces by adequately maintaining and improving existing facilities and amenities (lighting, playground equipment, pools, community centers etc.) and provide new amenities where feasible, specifically in R/ECAP areas (e.g., Joe Herb Park). In 2026, and annually thereafter, explore and secure grant funding opportunities to conduct improvements and ADA updates.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.6, 4.1, 4.2, 4.3, 5.5

AFFH Themes	▪ Outreach and Education ▪ Place-Based Strategy for Neighborhood Improvements
Geographic Targeting	Citywide with emphasis on tracts with larger proportions of aging housing units (District 3)
AFFH Outcomes	Partnership with Self-Help Enterprises: 20 owner-occupied rehabs, 10 manufactured home rehabs and 10 ADU/JADU rehabs. Partnership with Habitat for Humanity: 12 rehab projects. Assist five units annually through the Weatherization Program.

Program 10: Lower-Income and Special Needs Housing

To assist in the development of housing to meet the needs of extremely low, very low- and low-income households, the Housing Authority of Merced County (HACM) offers the following programs:

- **Housing Choice Vouchers (HCVs):** Offers affordable, decent, and safe housing in open market rentals selected by voucher holders. Voucher holders receive a fixed subsidy, which the Housing Authority pays directly to the landlord, and tenants are responsible for payment of the remainder of the rent.
- **Public Housing:** Provides rental assistance to low- and moderate-income families and individuals. The HACM owns and manages all 421 rental units offered under this program, which are located in communities throughout Merced County.
- **Project-Based Voucher Program (PBVs):** The Housing Authority released a Request for Proposal (RFP) for the PBV Program in November 2023, seeking proposals from owners/developers who will commit up to 150 units of their rental housing to receive assistance through project-based vouchers.

The City will continue to work with the Housing Authority to obtain HCVs and provide information to the community about other available programs.

Specific Actions, Objectives, and Timelines	▪ Assist 3,110 Merced households through HCVs annually. ▪ Beginning in 2026, annually meet with the Housing Authority to ensure that housing assistance is meeting the needs of the community and discuss ways to address gaps. ▪ Develop an inventory of affordable housing, with contact information and the number of affordable units, and publish the inventory on the City's website by January 2026. ▪ Connect low-income residents with housing assistance resources, including the HCV program. ▫ Add information on the HCV Program and other housing assistance programs to the City's website by January 2026. ▫ Promote the availability of assistance programs through all City's social media pages at least twice per year. ▫ Attend at least two community events during the planning period to spread awareness and distribute fact sheets on available financial assistance programs. ▪ In collaboration with the Housing Authority, provide education to property owners and managers to expand awareness of the HCV program to increase acceptance of tenant-based HCVs and to facilitate mobility and provide choices for lower-income households throughout the city. Identify and address challenges that property owners/managers have with existing or prospective HCV holders. ▫ Starting in 2026, annually conduct one outreach event for landlords on the HCV program, for a total of seven events

during the planning period (i.e., workshops, community events, mailings, etc.).
    - Include education regarding laws prohibiting source-of-income discrimination (Fair Employment and Housing Act).
- Amend the Zoning Code by July 2026 to allow a 50 percent density bonus in medium- and high-density zones dedicated exclusively for Senior Housing, if at least 50 percent of the units are affordable to very low-income households.
- Complete the following steps toward a University of California (UC), Merced Student Housing Plan:
    - Develop a scope for the UC Merced Student Housing Plan by the end of 2025 and share with UC Merced;
    - Utilize SB 4 (residential density up to 20 units per acre) on institutionally zoned land without rezoning);
    - Include the commercial land owned by UC Merced that allows multifamily housing; and
    - Ensure that any annexations around UC Merced are subject to 5 percent affordable housing plan requirements
    - If UC Merced moves forward with the plan, begin implementation by the end of 2027.
- Consistent with state law that mandates the provision of housing for ELI households, the City will prioritize processing and funding allocation for projects that include units for ELI households, especially farmworker housing.
- Consistent with state law that mandates the provision of housing for special needs households, the City will prioritize processing and funding allocation for projects that include units for special needs households.
- Beginning in 2025 and annually thereafter, pursue funding available at the state and federal levels for affordable housing development. Specifically, pursue funding programs that target the needs of extremely low- and very low-income households.
- Provide letters of support to funding applications by developers if the proposed projects are consistent with the goals and objectives of this Housing Element, as requested.
- For extremely low-income housing projects, provide information referral, consultation regarding applications and assisting private individuals and nonprofit organizations in applying for state and federal funds.
- Identify and procure funding for extremely low-, very low-, and low-income rental programs. The City continues to work with the Merced County Housing Authority, the Community Action Agency, the Salvation Army, and other Continuum of Care partners to provide funding for income-eligible households.
- The City will continue to work with Merced County and the Merced County Association of Governments to implement the Continuum of Care to address the homeless issues in Merced.
- Take the following actions for persons experiencing homelessness:
    - Starting in 2026, and at least annually, partner with the Merced County Human Services Agency and/or the Merced County Community Action Agency to proactively address shelter, housing and support services for people experiencing homelessness.
    - Work with the New Direction Outreach and Engagement Center to help identify gaps in services and needs. Focus outreach in the following areas: East 15th Street under the freeway and West 16th Street near Bear Creek, Bear Creek creekbeds, Highway 99 onramps

	and offramps at G Street, R Street and D Streets, near the County Public Health and Mental/Behavioral Health Department and the Navigation Center. ▫ When funding is available the City shall apply for grants on behalf of local nonprofit organizations and partner with faith-based programs to assist in providing housing opportunities for the homeless. Prioritize smaller projects that can provide services. ▫ Over the 8-year planning period, subsequent to each Point-in-Time Count, conduct workshops for the Planning Commission and City Council to share the data. Invite staff from the County's Human Services Agency and the County Community Action Agency to attend. ▫ Starting in 2026, and every two years thereafter, partner with local nonprofits and/or agencies that conduct general financial literacy training and educational workshops on homeownership opportunities to expand these resources to black communities and very low-income households. ▫ Annually assess the City's capacity to accommodate individuals experiencing homelessness by comparing the most recent homeless point-in-time count to the number of shelter beds available citywide on a year-round and seasonal basis, the number of beds that go unused on an average monthly basis, and the percentage of those in emergency shelters that move to permanent housing. If capacity is not sufficient, amend the Zoning Ordinance as necessary to continue to meet the city's need. ▫ Utilize federal and state funds, as available, to support homeless service providers that operate emergency shelters and transitional, and supportive housing programs for the homeless to expand the number of beds available to meet the need citywide. ▪ Beginning in 2026 and annually thereafter, if a viable developer/ development is identified, pursue available funding at the state and federal levels that target the needs of the disabled for affordable housing development. ▪ Continue to be part of the Merced Family Resource Center to disseminate information on affordable housing to community members.
Primary Responsible Departments	Department of Development Services
Funding Sources	HUD, Self-Help Enterprise funding sources
Relevant Policies	3.2, 5.1, 5.4, 5.5, 7.4
AFFH Themes	▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of High Resources ▪ Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	Promote, with the goal of expanding, the use of HCVs in the city by 10 percent by December 2030, using 2023 data as baseline. Conduct one HCV outreach event annually for a total of 7 events during the planning period. Complete at least one housing project annually for persons with special needs.

Program 11: Farmworker Housing

Merced had 2,781 farmworkers in 2021, representing 22.6 percent of the total farmworker population across the county. The Housing Authority manages four Migrant Centers throughout the County. The Migrant Housing Centers provide temporary housing to migrant farmworkers available to them during the peak growing and harvest season, which is typically April through November. Migrant Centers managed by the Housing Authority are located in Atwater, Merced, Los Banos, and Planada.

Specific Actions, Objectives, and Timelines	▪ Apply for or support applications for funding for farmworker housing with the goal of developing 2 farmworker housing projects during the planning period. ▪ Annually review available funding programs to identify additional funding sources for farmworker housing including the Federal USDA program and the California Joe Serna, Jr. Farmworker Housing Grant Program. Coordinate with nonprofit developers and other interested parties for funding opportunities. ▪ Conduct a survey of farm owners and central labor providers to determine the number of farmworkers who may need housing. The resulting report should address permanent workers, seasonal resident works, and migrant workers. Check in with farm owners on an annual basis. ▪ By July 2026, provide fast-track permit processing: offer a reduction in the number of parking spaces required based on the number of vehicles used for transportation. ▪ By July 2026, amend the Zoning Code to allow for modified site development standards for farmworker housing (e.g., street widths, paving, curbs/gutters, placement of public works improvements, or landscaping). ▪ Create and distribute informational materials to raise awareness about farmworker housing programs and opportunities by the end of 2026 and annually thereafter. This should include the City's low interest loans for water and sewer services for farmworker housing. ▪ Provide technical assistance to developers working on farmworker housing projects. ▪ Annually coordinate with the County Housing Authority on options to expand the Migrant Housing program, including the possibility of opening another location in the City. Pursue intergenerational housing for multiple generations of farmworkers (retirees, working adults, and children) to create opportunities for mutual self-reliance, such as provision of childcare and elder care. ▪ Annually work with partners to seek funds for the upkeep of current farmworker housing in the City.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 3.3, 3.5, 5.1, 5.3
AFFH Themes	▪ Housing Mobility
Geographic Targeting	Citywide
AFFH Outcomes	Assist with the development of 2 farmworker housing projects during the planning period.

Program 12: Water and Sewer Service

The City of Merced operates a wastewater treatment facility with an operational capacity of 12 million gallons per day (MGD). The treatment facility's current capacity meets the City's average daily flows but is not adequate for peak flows. The City intends to upgrade the existing system to accommodate up to 35 MGD.

Merced's sanitary sewer collection system consists of approximately 400 miles of gravity pipeline ranging from six to 48 inches in diameter. The City's sewage collections system is adequate for its current needs but will need upgrades to accommodate future growth. A report conducted by MKN & Associates for the Merced County Association of Governments recommends interim Capital Improvement Projects (CIPs) that will increase the system's capacity to accommodate up to 34,628 additional housing units, which exceeds the City's RHNA of 10,517 units.

The city's water system includes 20 groundwater wells with a total well capacity of 54,400 gallons per minute (gpm). According to the City's 2020 Urban Water Management Plan, the City pumped 20,076 acre-feet (AF) of potable water in 2020. Potable water demands are projected to increase to 31,825 AF by 2040 due to increases in the City and UC Merced population. In the future, if the surface water treatment plant is constructed, the City will use the contractual amount of surface water available and supplement the remaining demand with groundwater. The City's water supply is projected to sufficiently meet expected demands through 2040 through the installation of additional groundwater wells and construction of a 10 MGD treatment plant. The treatment plant is projected to use surface water supplied by Merced Irrigation District and begin operation by 2030. With existing and planned water system infrastructure, the City anticipates adequate capacity to accommodate the City's RHNA of 10,517 units.

Pursuant to SB 1087, as the City's water/sewer service provider, the City must adopt a policy to prioritize the allocation of water/sewer services to affordable housing projects in the event capacity is limited.

Specific Actions, Objectives, and Timelines	▪ By the end of 2026, complete update to water and sewer master plans. As part of the master plan updates, adopt a policy to prioritize the provision of water and sewer services for affordable housing development applications when capacity is limited and warrants allocation. ▪ Carry out the following actions in the City's Annual CIPs to help meet the wastewater, sewer and water capacity needs for the RHNA: ▫ Upgrades to the wastewater treatment facility to accommodate 35 MGD. ▫ Incorporate the interim projects recommended in the MKN & Associates report to increase the sewer system's capacity. ▫ Installation of groundwater wells and the construction of the 10 MGD Surface Water Treatment Plant for adequate capacity of the City's RHNA units. ▪ Annually partner with the Public Works Department develop standards for water conservation methods (e.g., low flow fixtures, instant hot water heaters, cisterns/rain gardens) to augment water for new development projects. Annually, conduct outreach and education on water conservation measures through a social media campaign. ▪ Annually, conduct outreach and education on water conservation measures through a social media campaign. ▪ Pursue/provide rehabilitation assistance that includes energy conservation and weatherization improvements as eligible activities.

	▪ By July 31, 2026, adopt a policy to prioritize the allocation of water and sewer services to affordable housing projects (SB 1087).
Primary Responsible Departments	Development Services Department; Public Works Department
Funding Sources	General Fund
Relevant Policies	3.1, 4.4
AFFH Themes	N/A
Geographic Targeting	Citywide
AFFH Outcomes	Complete 10 rehabilitation assistance projects for energy conservation and weatherization improvements.

Program 13: Community and Economic Development

Well-maintained infrastructure creates a safe and accessible urban environment, fostering a sense of community and belonging. Moreover, investing in such improvements attracts businesses and investments, contributing to economic growth and ensuring equal access to essential services. The City will implement the following actions to expand community and economic development citywide.

Upon adoption, the City of Merced will follow the requirement to prioritize water and sewer service allocation for new affordable housing development (Government Code Section 65589.7).

Specific Actions, Objectives, and Timelines	▪ Annually, coordinate with the Public Works Department to review the City's Capital Improvement Projects (CIP) to ensure public facilities and infrastructure are supportive of the needs of underserved communities. ▪ Annually coordinate with Public Works to utilize the CMAQ grants the department has received to help fund infrastructure and sidewalk improvements. ▪ Work with MCAG on a Multi-Jurisdictional Active Transportation Plan and Local Road Safety Plan. If development occurs within the MJATP's 21 priority project areas in the city, coordinate with MCAG on implementation. ▪ As housing developments occur, incorporate connected street and pedestrian/bicycle networks, with many connections between new and older neighborhoods and the Downtown area. Utilize standards from the City's Bicycle Transportation and Active Transportation Plan in all new developments, with the goal of initiating two connected street/network during the planning period. ▪ SB 244 Disadvantaged Unincorporated Communities Analysis: ▫ By the end of 2026, update the General Plan to incorporate an SB 244 compliant Disadvantaged Unincorporated Communities (DUCs) analysis to identify the needs of DUCs. ▫ By 2026, establish funding policies to prioritize capital improvement projects in DUCs to address identified needs (e.g., sewer and water infrastructure, sidewalks, fire hydrants). Apply for funding annually and aim to complete six projects during the planning period. ▪ At least every other year, apply for funding beyond the CIP for community development and revitalization projects such as infrastructure, neighborhood revitalization, parks, safe routes to school, community facilities, and pollution burden mitigation. Establish a goal of allocating 20 percent of the CIP budget for projects in R/ECAP areas, including districts 1, 2, 3, and 5. ▪ **Environmental Justice / SB 1000 Compliance:** By January 2027, develop a comprehensive Environmental Justice Report to identify and address disparities in access to key community resources and environmental

conditions. The report will include strategies to improve food access, open space access, pollution exposure, public facilities access, physical activity opportunities, clean water and resilient infrastructure, and safe and sanitary housing. Target strategies in low resource and disadvantaged communities (e.g., South Merced). Annually implement the strategies and commitment in the report.

- **Displacement Protections:** By March 2027, seek direction from City Council to conduct a feasibility study to explore and identify displacement strategies which may include but is not limited to the development of local regulations that establish a "first right of return" for tenants displaced by redevelopment, rehabilitation, of properties with existing occupied residential units and other displacement pressures. This study will assess legal, financial, administrative, and equity considerations involved in conserving the existing housing stock for lower-income households and guaranteeing displaced tenants the opportunity to return to newly constructed or rehabilitated replacement housing units. The study will be presented to the City Council in a public forum by July 2027. The City will establish an overall displacement strategy which may include first-right-of-return program by July 2028.
- In partnership with Merced County, create a community stabilization handbook where residents can find resources for lower-income families to prevent displacement. Resources include homelessness assistance, housing rehabilitation programs, legal services, rental assistance, utility assistance, homeownership programs, fair housing resources, and affordable housing. Identify governmental and private/nonprofit service providers and include their contact information. Make the handbook available on the City's website by July 2027.
- **Place-Based Strategies:** As part of the City's 2024-2029 Capital Improvement Program, the City shall allocate budget to complete the following improvements in areas of High Segregation and Poverty during the planning period:
  - Childs Multiuse path, from Parsons Ave. to Coffee St. - completed 2025
  - B St. Improvements (roadway improvements, ADA ramps, bus pullouts, sidewalks) – completed 2023
  - Stowell Sidewalks (sidewalk repair, new ADA ramps, E 11th St., D St., E St.) – completed 2025
  - G St. Improvement, from Childs to 13th St. (road rehab, striping, bike lanes) – completed 2024
  - R, S, T & Stewart Sidewalks (new sidewalks between Childs Ave. and Stuart Dr.) – completed 2024
  - Motel Drive multiuse path (from Merced Ave. to Carol Ave.) – completed 2024
  - CDBG Mini Park Improvements (ADA pathway from city sidewalk to play structures) – completed 2024
  - McNamara Park lights – completed 2024
  - Stephen Leonard Park Community Center fire rebuild – completed 2025
  - Childs Ave./Canal St. Infrastructure improvements (sidewalk, storm drain, realign intersection) – anticipated completion 2027
  - 12th/13th St. Infrastructure (water/sewer main replacement between MLK Way & K St.) – anticipated start date Spring 2026
  - Loughborough Traffic Calming Study – started 2022
  - Zoo remodel – anticipated completion Spring 2026

Primary Responsible Departments	Department of Development Services
Funding Sources	General Funds
Relevant Policies	3.1, 4.4
AFFH Themes	Place-based Strategies for Neighborhood Improvement
Geographic Targeting	Citywide with emphasis on South Merced and other high poverty/high segregation areas of the City.
AFFH Outcomes	▪ Complete 5 CIP projects during the planning period, including 3 in South Merced. ▪ Develop plan to address needs of disadvantaged unincorporated communities by the end of 2026.

Program 14: Fair Housing Outreach and Enforcement

The City of Merced has a webpage for Fair Housing that includes information and resources for tenants, immigrants, families with children, veterans, licensed daycares, persons with service animals and retaliation concerns. Many of these resources are provided in multiple languages including Spanish, Vietnamese, Chinese, Korean, and Russian. Through federal funding provided by HUD, the City contracts with Project Sentinel, Inc. to assist the City with fair housing education, discrimination investigation and dispute resolution and advocacy. Contact information for Project Sentinel is included on the City's fair housing webpage.

Specific Actions, Objectives, and Timelines	▪ Continue to provide information on the Housing Department website regarding available programs, current plans, and other information for tenants, landlords, and property owners. ▪ Continue to work with the County Housing Authority, the Merced County Rental Housing Association, and other relevant organizations. Provide sponsorship of Fair Housing and Tenant/Landlord relationships and rights workshops to educate tenants and landlords on their rights and responsibilities. ▪ Continue to contract with Project Sentinel for fair housing enforcement. ▪ In coordination with Project Sentinel, or equivalent organization, conduct housing workshops/outreach events to educate the public about fair housing rights. ▪ As funding opportunities arise, apply for grant funding to help local nonprofit partners expand their capacity to provide housing-related legal assistance and representation to residents. ▪ Ensure that all fair housing services (workshops, enforcement, counseling, training) are conducted in Spanish and English. ▪ Support homeownership opportunities and home-buying education, particularly for racial and ethnic groups underrepresented in the homebuying market. ▪ Coordinate community group coordination to disseminate information about fair housing resources, including tenant/landlord relationships. This can include, but not limited to, the following: ▫ Senior Center, Boys and Girls Clubs ▫ Peach Jar subscription - school flyer advertising ▫ Radio conversations (Community Conversations show)
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.1, 4.4

AFFH Themes	Enforcement and Outreach
Geographic Targeting	Citywide with emphasis on low resources areas and areas of high poverty and segregation in southern Merced (Districts 1, 2, 3, 5)
AFFH Outcomes	Assist at least 30 residents and landlords with fair housing services annually, throughout planning period. Conduct one outreach event annually to disseminate fair housing information (workshop, community event, etc.)

AFFH Actions Summary

Government Code Section 8899.50 requires "meaningful actions" well beyond combating discrimination to overcome patterns of segregation and foster inclusive communities. Actions to affirmatively further fair housing include:

- Enhancing housing mobility strategies
- Encouraging development of new affordable housing in high resource areas
- Increasing fair housing enforcement and fair housing outreach capacity
- Improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing
- Protecting existing residents from displacement

Actions to affirmatively furthering fair housing are summarized below.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Fair Housing Enforcement and Outreach				
Program 14: Fair Housing Outreach and Enforcement	▪ Continue to provide information on the Housing Department website regarding available programs, current plans, and other information for tenants, landlords, and property owners. ▪ Continue to work with the County Housing Authority, the Merced County Rental Housing Association, and other relevant organizations. Provide sponsorship of Fair Housing and Tenant/Landlord relationships and rights workshops to educate tenants and landlords on their rights and responsibilities. ▪ Continue to contract with Project Sentinel for fair housing enforcement. ▪ In coordination with Project Sentinel, or equivalent organization, conduct housing workshops/outreach events to educate the public about fair housing rights. As funding opportunities arise, apply for grant funding to help local nonprofit partners expand their capacity to provide housing-related legal assistance to residents. ▪ Ensure that all fair housing services (workshops, enforcement, counseling, training) are conducted in Spanish and English. ▪ Support homeownership opportunities and home-buying education, particularly for racial and ethnic groups underrepresented in the homebuying market. ▪ Coordinate community group coordination to disseminate information about fair housing resources, including tenant/landlord relationships. This can include, but not limited to, the following: ▫ Senior Center, Boys and Girls Clubs ▫ Peach Jar subscription- school flyer advertising ▫ Radio conversations (Community Conversations show)	Annually	Citywide with emphasis on low resources areas and areas of high poverty and segregation in southern Merced (Districts 1, 2, 3, 5)	Assist at least 30 residents and landlords with fair housing services annually, throughout planning period. Conduct one outreach event annually to disseminate fair housing information (workshop, community event, etc.)
Housing Mobility				
Program 1: Regional Collaboration	Continue to be an active participant with the Merced County Association of Governments (MCAG) and coordinate on regional planning and policy efforts to advance shared goals throughout Merced County. ▪ Starting in 2026, annually collaborate and coordinate regionally to ensure the effective implementation of the Housing Element. This collaboration will include regular meetings (at least annually), and	Annually, 2026, 2027	N/A	Establish a working group that meets annually to identify regional housing challenges, funding opportunities, and coordinate efforts to develop affordable housing.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	will consider resource sharing, and joint efforts to address regional housing needs and achieve the goals outlined in the Housing Element. This collaboration will include regular meetings (at least annually), and will include resource sharing, joint efforts with internal and external partners to address regional housing needs and achieve the goals outlined in the Housing Element, including affirmatively furthering fair housing and farmworker needs. ▪ Starting in 2026, participate in a regional collaboration with developers, and affordable housing advocates to support the development of housing. ▪ By 2027, establish a working group that meets annually to identify regional housing challenges, including but not limited to affirmatively furthering fair housing efforts and farmworker housing, funding opportunities, and consider input from the working group to coordinate efforts to develop affordable housing and implement the housing element, including making adjustments as appropriate to better achieve the goals and objectives of the housing element.			
Program 5: Accessory Dwelling Units	▪ Amend the Zoning Ordinance in compliance with state law. ▪ Facilitate the production of ADUs through promotional efforts and incentives outlined in Program 5. ▪ Establish an ADU amnesty plan by December 2026 ▪ If ADU production is not occurring at anticipated levels, amend the Zoning Code to enhance ADU production during the planning period: ▫ Increase the by-right ADU size to further incentivize ADU creation ▫ Allow for an increase in the permitted height up to the height of the primary residence for ADUs built above a garage in single-family zones ▫ Allow for reduced setback requirements where privacy is not compromised.	December 2026	Citywide with emphasis on high resource, single-family neighborhoods (Districts 4 and 6)	Support the development of at least 32 ADUs in Merced during the planning period, with the goal of at least four affordable to lower-income residents and 16 located in high-resource areas (District 1 and District 4.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Program 11: Farmworker Housing	▫ Apply for or support applications for funding for farmworker housing with the goal of developing 2 farmworker housing projects during the planning period. ▫ Annually review available funding programs to identify additional funding sources for farmworker housing. including the Federal USDA program and the California Joe Serna, Jr. Farmworker Housing Grant Program. Coordinate with nonprofit developers and other interested parties for funding opportunities. ▫ Conduct a survey of farm owners and central labor providers to determine the number of farmworkers who may need housing. The resulting report should address permanent workers, seasonal resident works, and migrant workers. Check in with farm owners on an annual basis. ▫ By July 2026, provide fast-track permit processing: offer a reduction in the number of parking spaces required based on the number of vehicles used for transportation ▫ By July 2026, amend the Zoning Code to allow for to allow for modified site development standards, e.g. - street widths, paving, curbs/gutters, placement of Public Works improvements, or landscaping for farmworker housing. ▪ Create and distribute informational materials to raise awareness about farmworker housing programs and opportunities by the end of 2026 and annually thereafter. This should include the City's low interest loans for water and sewer services for farmworker housing. ▫ Provide technical assistance to developers working on farmworker housing projects. ▪ Annually coordinate with the County Housing Authority on options to expand the Migrant Housing program, including the possibility of opening another location in the City. Pursue intergenerational housing for multiple generations of farmworkers (retirees, working adults, and children) to create opportunities for mutual self-reliance, such as provision of childcare and elder care. ▫ Annually work with partners to seek funds for the upkeep of current farmworker housing in the City.	Annually, July 2026	Citywide	Assist with the development of 2 farmworker housing projects during the planning period.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Program 10: Lower Income and Special Needs Housing	▪ Develop an inventory of affordable housing, with contact information and the number of affordable units, and publish the inventory on the City's website. ▫ Connect low-income residents with housing assistance resources, including the HCV program by: ▫ Adding information to the City's website by July 2025 ▫ Promoting the availability of assistance programs through social media twice per year ▫ Attending at least two community events during the planning period to distribute fact sheets ▫ In collaboration with the Housing Authority, provide education to property owners and managers to expand awareness of the HCV program to increase acceptance of tenant-based HCVs and to facilitate mobility and provide choices for lower-income households throughout the city. Identify and address challenges that property owners/managers have with existing or prospective HCV holders. ▫ Starting in 2026, annually conduct one outreach event for landlords on the HCV program, for a total of seven events during the planning period (i.e., workshops, community events, mailings, etc.). ▫ Include education regarding laws prohibiting source-of-income discrimination (Fair Employment and Housing Act). ▪ Amend the Zoning Code by July 2026 to allow a 50 percent density bonus in medium- and high-density zones dedicated exclusively for Senior Housing, if at least 50 percent of the units are affordable to very low-income households. ▪ Develop a scope for the UC Merced Student Housing Plan by the end of 2026 and share with UC Merced; ▫ Utilize SB 4 (residential density up to 20 units per acre) on institutionally zoned land without rezoning). ▫ Include the commercial land owned by UC Merced that allows multifamily housing. ▫ Ensure that any annexations around UC Merced are subject to 5 percent affordable housing plan requirements	July 2025, 2026	Citywide	Expand the use of HCVs in the city by 10 percent by December 2030, using 2023 data as baseline. Conduct one HCV outreach event annually for a total of 7 events during the planning period. Complete at least one housing project annually for persons with special needs.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▫ If UC Merced moves forward with the plan, begin implementation by the end of 2026.			
	▪ Partner with local nonprofits and/or agencies that conduct general financial literacy training and educational workshops on homeownership opportunities to expand these resources to black communities and very low-income households.	Starting in 2025, every two years during the planning area	LMI Areas (Districts 1, 2, 3, 4, 5)	Hold 2 workshops during the planning period.
	▪ Seek public input from the community, Building Industry Association (BIA), and the Board of Realtors on options for an Inclusionary Zoning Ordinance Requirement. ▪ Provide letters of support to funding applications by developers if the proposed projects are consistent with the goals and objectives of this Housing Element, as requested. ▪ For extremely-low income housing projects, provide information referral, consultation regarding applications and assisting private individuals and nonprofit organizations in applying for state and federal funds. ▪ Identify and procure funding for extremely-low, very-low, and low-income rental programs. The City continues to work with the Merced County Housing Authority, the Community Action Agency, the Salvation Army, and other Continuum of Care partners to provide funding for income-eligible households	End of 2027	Citywide	Hold 2 workshops for the public and other interested parties by January 2027. If determined appropriate, adopt Inclusionary Ordinance by end of 2027.
	▪ Take the following actions for persons with disabilities: ▫ Beginning in 2026 and annually thereafter, if a viable developer/development is identified, pursue available funding at the state and federal levels that target the needs of the disabled for affordable housing development.			
New Housing Opportunities in Higher Opportunity Areas				
Program 2: Adequate Sites for RHNA	▪ Maintain an inventory of available vacant and prospective sites that can accommodate new housing and update annually. Make this inventory available to the public and interested developers on the City website. ▪ Annually meet with property owners and interested developers to pursue housing development in the city. ▪ By July 31, 2026, develop a formal procedure to monitor no net loss in capacity pursuant to SB 166.	2024-2032 July 31, 2026 December 2026, End of 2027	Citywide	Facilitate the development of 3,132 units including 1,370 units affordable to lower income households.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▪ Commit to developing pre-approved plans for duplexes and triples, similar to the pre-approved ADU program, to allow applicants to save on design and permit costs. ▪ By the end of 2027, if the annexations listed in the Sites Inventory are not occurring per the schedule listed in Table G6-3 , the City will identify alternative sites to satisfy the RHNA within six months.			
	▪ In December 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months. ▪ By January 2027, amend the Zoning Ordinance to establish a performance standard for mixed-use inventory sites to require residential uses that align with assumptions in the Housing Element Site Inventory that allow mixed-use development. ▪ To facilitate and incentivize affordable units on large sites, the City will: ▫ Provide technical assistance, incentives, and strategies as appropriate to facilitate development of affordable housing, including parceling at appropriate sizes or other site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property. ▫ Promote the potential subdivision of large sites into multiple parcels for future development through technical assistance, incentives, and strategies during the development phases and when applications are submitted to the City for the identified parcels. ▫ Annually meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types, and prices. ▫ Promote the development of large sites at the densities and affordability levels identified within the Housing Element. ▫ Allow development in phases within 8 years of the Housing Element planning period.	2027	Citywide	Facilitate the development of housing units on large sites identified to meet the RHNA.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▫ Offer expedited processing and fee deferrals, reductions, or waivers for affordable units in development on large sites identified in the Site Inventory. ▪ Subdivision of Large Sites: The City shall consider the following options to promote and incentivize the subdivision of large sites to create parcels at appropriate sizes to support affordable housing projects: ▫ Expedited approval of lot splits or creation of new parcels; ▫ Waiving of the public hearing requirement related to parcel maps; ▫ Waiving of the public hearing requirement related to approval of large multifamily uses (provided the project is affordable by deed-restriction), ▫ Additional density bonus, lot coverage, or allowable height; . ▫ and fee waivers, reductions, or deferral. ▪ By the end of 2027, if development of housing affordable to lower income households (as assumed in the inventory) is not feasible on these large sites or sites are not parceled at appropriate sizes (e.g., 1-10 acres), within six months (by July 2028) the City will identify additional incentives and planning tools or alternative strategies if necessary to ensure adequate capacity at appropriate sizes for the RHNA.			
Program 6: Zoning Code Amendments	▪ Complete Zoning Ordinance Amendments outlined in Program 6 to facilitate the development and remove constraints to the development of housing for special needs populations. ▪ Review the General Plan, applicable Specific Plans, and Zoning Code, and Zoning Map to evaluate opportunities for removing barriers to housing production, adding housing capacity, and accommodating a greater mix of dwelling types and sizes households (e.g., duplexes, triplexes, fourplexes, townhouses, courtyard buildings), prioritizing opportunities and sites in high-resource areas (Districts 4 and 6). Present results of findings in a public forum by June 2026 and implement any changes by January 2027.	June 2026, January 2027	Citywide	Facilitate the development of 50 units for special needs populations during the planning period. Facilitate the development of 2,000 units of a variety of multifamily housing types, e.g., duplexes, triplexes, fourplexes, townhouses, courtyard buildings in high-resource areas (Districts 4 and 6).

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Program 7: Facilitating Affordable Housing Development	▪ Beginning in January 2026, annually identify and pursue funding at the local, regional, state, and federal levels such as state CDBG, CalHome, PLHA, and Project Homekey funds. ▪ By December 2026, work with other jurisdictions in Merced County to create a regional list of affordable housing developers. Annually conduct outreach to these developers with information on potential sites, available regulatory concessions and incentives, and potential funding opportunities. ▪ Amend the Zoning Code by July 2026 to allow for waivers on improvements for qualified affordable housing projects, pursuant to state Density Bonus Law. ▪ Facilitate the development of affordable housing by allowing improvements to be negotiated. ▪ Encourage the use of the City's Lot Split Process (Parcel Map) to subdivide large parcels into smaller parcels that would be more likely to be developed for affordable housing, including for special needs housing (see Program 11). ▪ Facilitate the development of affordable housing through the provision of the following regulatory concessions and incentives: ▫ Density increases under the City's Density Bonus Ordinance. ▫ Potential fee waivers/reductions/deferrals. ▫ Reduced parking requirements. ▪ Continue to review permit fees annually to ensure fees do not inhibit the development of affordable housing. ▪ Ensure infrastructure is in place to accommodate new housing. ▪ Adopt an ordinance that establishes specific procedures to grant priority service within a year of the certification of the Housing Element to housing with units affordable to lower-income households whenever capacity is limited. ▪ Utilize the Citywide 2023 RFP list of affordable housing developers for notification for the City's streamlining review processes, the available properties for multi-family development (see Program 2) and potential funding opportunities for affordable housing development opportunities. ▪ By the end of 2027, pursue the housing mobility options below in order to expand affordable housing options in Merced:	Annually Beginning in 2025 and every two years thereafter End of 2027	Citywide Affirmative marketing targeted to low-resource areas (e.g., southern Merced, Districts 1, 2, 3, 5)	Increase the percent of the city's housing stock that is multifamily from 30 percent to 33 percent by December 2030, using 2017-2021 ACS data as a baseline. 3 workshops during the planning period.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▫ Establish a Home-Sharing Program: home-sharing can be an additional source of income for homeowners while also providing options for those looking for affordable housing. ▫ Residential Development Standards for Religious Facilities (SB 4): This could provide opportunities for housing in a variety of locations throughout the City, providing mobility options for residents. To promote these opportunities, the City will create an outreach and technical advisory program that would consist of: – Conducting a workshop in 2027 and 2029 to explain SB 4, AB 1851 and how it can apply to religious facility properties in Merced; – Invite religious facility owners and local nonprofit developers to participate; – Provide informational materials on the development process; – City staff will provide technical assistance to religious facility property owners to assist with the project entitlements; and – Review the General Plan and applicable zoning regulations, and revise as necessary, to facilitate affordable housing on religious facility sites. ▪ Promote infill development in areas where public infrastructure is in place to help reduce the cost of development projects that occur from on- and off-site improvements. ▪ Provide letters of support to funding applications by developers if the proposed projects are consistent with the goals and objectives of this Housing Element, as requested. ▪ Establish a requirement that, with development and/or funding applications, affordable housing project sponsors submit an Affirmative Fair Housing Marketing Plan to ensure that residents of lower-resource neighborhoods outside the immediate project neighborhood are targeted with multilingual outreach, culturally relevant media, and partnerships with local community organizations, in full compliance with HUD regulations (24 CFR § 92.351) to ensure equitable access to housing opportunities for groups least likely to apply.			

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Place-Based Strategies for Neighborhood Revitalization				
Program 9: Housing Preservation and Rehabilitation	▪ By July 2026, amend the Code Enforcement procedure to comply with AB 838 by requiring timely inspections in response to tenant complaints. Ensure inspection reports are provided to both tenants and property owners, and schedule follow-up inspections to verify that any identified violations have been corrected. Review procedures and municipal code to ensure compliance with other relevant state laws, including Health & Safety Code sections 17920.3 and 17920.10, 17970.5, and 17970.7. ▪ By July 2026, adopt Inspection Procedure Policy for Multi-Unit Residential Buildings Pursuant to California Health and Safety Code Section 17970.7. ▪ Beginning in 2026, and annually thereafter, review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income eligible households. ▪ Conduct a housing conditions survey by December 2026. ▪ Utilize the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures, they can take to prolong the life and quality of their home and reduce their long-term utility and maintenance costs. ▪ By July 2026, amend the Municipal Code to include a Repeat Housing Code Violators Program that establishes standards and procedures to penalize rental property owners who demonstrate a pattern of neglect, unresolved violations, or unsafe conditions for tenants to preserve rental housing supply. ▪ Prioritize the improvement of existing parks and other community spaces by adequately maintaining and improving existing facilities and amenities (lighting, playground equipment, pools, community centers etc.) and provide new amenities where feasible, specifically in R/ECAP areas (e.g., Joe Herb Park). In 2026, and annually thereafter, explore and secure grant funding opportunities to conduct improvements and ADA updates.	Starting 2026 Annually December 2026	Citywide with emphasis on tracts with larger proportions of aging housing units (District 3)	Partnership with Self-Help Enterprises: 20 owner-occupied rehabs, 10 manufactured home rehabs and 10 ADU/JADU rehabs. Partnership with Habitat for Humanity: 12 rehab projects. Assist five units annually through the Weatherization Program.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
Program 12: Water and Sewer Service	▪ By the end of 2026, complete update to water and sewer master plans. As part of the master plan updates, adopt a policy to prioritize the provision of water and sewer services for affordable housing development applications when capacity is limited and warrants allocation. ▪ Carry out the following actions in the City's Annual CIPs to help meet the wastewater, sewer and water capacity needs for the RHNA: ▫ Upgrades to the wastewater treatment facility to accommodate 35 MGD. ▫ Incorporate the interim projects recommended in the MKN & Associates report to increase the sewer system's capacity. ▫ Installation of groundwater wells and the construction of the 10 MGD Surface Water Treatment Plant for adequate capacity of the City's RHNA units. ▫ Annually partner with the Public Works Department develop standards for water conservation methods (e.g., low flow fixtures, instant hot water heaters, cisterns/rain gardens) to augment water for new development projects. ▪ Annually, conduct outreach and education on water conservation measure through a social media campaign. ▪ Pursue/provide rehabilitation assistance that includes energy conservation and weatherization improvements as eligible activities. ▪ By July 31, 2026, adopt a policy to prioritize the allocation of water and sewer services to affordable housing projects (SB 1087).	Annually, 2026	Citywide	Complete 12 CIP projects during the planning period, specifically in areas identified as DUC and/or High Segregation and Poverty
Program 13: Community and Economic Development	▪ Annually, coordinate with the Public Works Department to review the City's Capital Improvement Projects (CIP) to ensure public facilities and infrastructure are supportive of the needs of underserved communities. ▪ Annually coordinate with Public Works to utilize the CMAQ grants the department has received to help fund infrastructure and sidewalk improvements. ▪ Work with MCAG on a Multi-Jurisdictional Active Transportation Plan and Local Road Safety Plan. If development occurs within the	Annually	Citywide	Complete 12 CIP projects during the planning period, specifically in areas identified as DUC and/or High Segregation and Poverty

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	MJATP's 21 priority project areas in the city, coordinate with MCAG on implementation. ▪ As housing developments occur, incorporate connected street and pedestrian/bicycle networks, with many connections between new and older neighborhoods and the Downtown area. Utilize standards from the City's Bicycle Transportation and Active Transportation Plan in all new developments, with the goal of initiating two connected street/network during the planning period ▪ SB 244 Disadvantaged Unincorporated Communities Analysis: ▫ By the end of 2026, update the General Plan to incorporate a SB 244 Disadvantaged Unincorporated Communities (DUCs) analysis to identify the needs of DUCs. ▫ By 2026, establish funding policies to prioritize capital improvement projects in DUCs to address identified needs (e.g., sewer and water infrastructure, sidewalks, fire hydrants). Apply for funding annually and aim to complete six projects during the planning period. ▪ At least every other year, apply for funding beyond the CIP for community development and revitalization projects such as infrastructure, neighborhood revitalization, parks, safe routes to school, community facilities, and pollution burden mitigation. Wstablish a goal of allocating 20 percent of the CIP budget for projects in R/ECAP areas, including districts 1, 2, 3, and 5 ▪ **Environmental Justice / SB 1000 Compliance:** By January 2027, develop a comprehensive Environmental Justice Report to identify and address disparities in access to key community resources and environmental conditions. The report will include strategies to improve food access, open space access, pollution exposure, public facilities access, physical activity opportunities, clean water and resilient infrastructure, and safe and sanitary housing. Target strategies to low resource and disadvantaged communities (e.g., South Merced). Annually implement the strategies and commitment in the report. ▪ **Place-Based Strategies:** As part of the City's 2024-2029 Capital Improvement Program, the City shall allocate budget to complete			

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	the following improvements in areas of High Segretation and Poverty during the planning period: ▫ Childs Multiuse path, from Parsons Ave. to Coffee St. - completed 2025 ▫ B St. Improvements (roadway improvements, ADA ramps, bus pullouts, sidewalks) – completed 2023 ▫ Stowell Sidewalks (sidewalk repair, new ADA ramps, E 11th St., D St., E St.) – completed 2025 ▫ G St. Improvement, from Childs to 13th St. (road rehab, striping, bike lanes) – completed 2024 ▫ R,S,T & Stewart Sidewalks (new sidewalks between Childs Ave. and Stuart Dr.) – completed 2024 ▫ Motel Drive multiuse path (from Merced Ave. to Carol Ave.) – completed 2024 ▫ CDBG Mini Park Improvements (ADA pathway from city sidewalk to play structures) – completed 2024 ▫ McNamara Park lights – completed 2024 ▫ Stephen Leonard Park Community Center fire rebuild – completed 2025 ▫ Childs Ave./Canal St. Infrastructure improvements (sidewalk, storm drain, realign intersection) – anticipated completion 2027 ▫ 12th/13th St. Infrastructure (water/sewer main replacement between MLK Way & K St.) – anticipated start date Spring 2026 ▫ Loughborough Traffic Calming Study – started 2022 ▫ Zoo remodel – anticipated completion Spring 2026			
Tenant Protection and Anti-Displacement				
Program 1: Regional Collaboration	▪ Participate in regional meetings related to housing and homeless issues to pursue funding and coordination opportunities. Annually pursue funding opportunities for regional housing issues in coordination with nonprofits and local community-based organizations ▪ Partner with the Merced County Human Services Agency, Behavioral Health Recovery Services and/or the Merced County Community Action Agency to proactively address shelter, housing and support services for people experiencing homelessness.	Annually	Citywide	Assist with the completion of the 10-Year Plan to End Homelessness and identify regional strategies to address homelessness during the planning period.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▪ Work with the Merced Continuum of Care to update and implement the 10-Year Plan to End Homelessness during the planning period.			
Program 4: Replacement Housing	▪ Amend the Zoning Ordinance to address the replacement housing requirements.	With Development Code Update	N/A	Replace all units as required pursuant to AB 1397.
Program 8: Preservation of At-Risk Housing	▪ Monitor affordable units during the planning period. ▪ Create a list of established and potential housing purchasers, including nonprofits, developers, and tenants of potentially converting affordable properties. Proactively engage and provide technical assistance to potential purchasers of at-risk units. ▪ Starting in 2026 and annually, apply for funding and support funding application for acquisition and/or rehabilitation of affordable units. Contact potential purchasers of at-risk units to discuss affordability preservation at least one year prior to the expiration of at-risk units. ▪ Continue support preservation purchasers using the City's Affordable Housing Fund (AHF) and reimbursement agreements to ensure the preservation purchaser can repay any use of AHF funds to preserve the affordable housing and avoid the displacement of lower-income tenants. ▪ Maintain contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance. ▪ Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants ▪ Ensure tenants are properly noticed by the property owners should a Notice of Intent to opt out of low-income use is filed. Notices must be filed three years, one year, and six months in advance of conversion. Additionally, the City shall provide tenants with information about available resources and their tenant rights during the Notice of Intent period. Ensure that tenants understand their rights to remain in the units and that they receive information and referrals regarding available relocation assistance and resources.	Annually	Citywide	Preserve all 1,472 existing affordable housing units in Merced, including 233 at-risk units.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	▪ By the beginning of 2026, or in the event of potential conversion, conduct outreach and coordination with qualified affordable developers and community partners that can acquire and manage at-risk developments. As funding permits, assist in funding acquisition or support funding applications by nonprofit providers.			
Program 10: Lower-Income and Special Needs Housing	▪ Take the following actions for persons experiencing homelessness: ▫ Starting in 2026, at least annually partner with the Merced County Human Services Agency and/or the Merced County Community Action Agency to proactively address shelter, housing and support services for people experiencing homelessness. ▫ Work with the New Direction Outreach and Engagement Center to help identify gaps in services and needs. Focus outreach in the following areas: East 15th Street under the freeway and West 16th Street near Bear Creek, Bear Creek creekbeds, Highway 99 onramps and offramps at G Street, R Street and D Streets, near the County Public Health and Mental/Behavioral Health Department and the Navigation Center. ▫ When funding is available the City shall apply for grants on behalf of local nonprofit organizations and partner with faith-based programs to assist in providing housing opportunities for the homeless. Prioritize smaller projects that can provide services. ▫ Beginning in 2026, annually meet with the Housing Authority to ensure that housing assistance is meeting the needs of the community and discuss ways to address gaps. ▫ Beginning in 2026 and annually thereafter, subsequent to each Point-in-Time Count, conduct workshops for the Planning Commission and City Council to share the data. Invite staff from the County's Human Services Agency and the County Community Action Agency to attend. ▫ Starting in 2026, and every two years thereafter, partner with local nonprofits and/or agencies that conduct general financial literacy training and educational workshops on homeownership opportunities to expand these resources to black communities and very low-income households. ▫ Annually assess the City's capacity to accommodate individuals experiencing homelessness by comparing the most recent	Starting in 2026	East 15th Street under the freeway and West 16th Street near Bear Creek, Bear Creek creekbeds, Highway 99 onramps and offramps at G Street, R Street and D Streets, near the County Public Health and Mental/Behavioral Health Department and the Navigation Center.	Promote, with the goal of expanding, the use of HCVs in the city by 10 percent by December 2030, using 2023 data as baseline. Conduct one HCV outreach event annually for a total of 7 events during the planning period. Complete at least one housing project annually for persons with special needs.

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	homeless point-in-time count to the number of shelter beds available citywide on a year-round and seasonal basis, the number of beds that go unused on an average monthly basis, and the percentage of those in emergency shelters that move to permanent housing. If capacity is not sufficient, amend the Zoning Ordinance as necessary to continue to meet the city's need. ▫ Utilize federal and state funds, as available, to support homeless service providers that operate emergency shelters and transitional, and supportive housing programs for the homeless to expand the number of beds available to meet the need citywide. ▪ By January 2027, hold a workshop to seek public input from the community, Building Industry Association (BIA), and the Board of Realtors on options for an Inclusionary Zoning Ordinance Requirement. If determined appropriate, consider adoption of a revised RHNA Unit Production Plan or a form of an Inclusionary Ordinance by the end of 2027. ▪ Continue to be part of the Merced Family Resource Center to disseminate information on affordable housing to community members. ▪ **Displacement Protections:** By March 2027, seek direction from City Council to conduct a feasibility study to explore and identify displacement strategies which may include but is not limited to the development of local regulations that establish a "first right of return" for tenants displaced by redevelopment, rehabilitation, of properties with existing occupied residential units and other displacement pressures. This study will assess legal, financial, administrative, and equity considerations involved in conserving the existing housing stock for lower-income households and guaranteeing displaced tenants the opportunity to return to newly constructed or rehabilitated replacement housing units. The study will be presented to the City Council in a public forum by July 2027. The City will establish an overall displacement strategy which may include first-right-of-return program by July 2028. ▪ Create a community stabilization handbook where residents can find resources for lower-income families to prevent displacement. Resources include homelessness assistance, housing rehabilitation			

Affirmatively Furthering Fair Housing Action Matrix				
Program	**Specific Commitment**	**Timeline**	**Geographic Targeting**	**Eight-Year Metrics**
	programs, legal services, rental assistance, utility assistance, homeownership programs, fair housing resources, and affordable housing. Identify governmental and private/nonprofit service providers and include their contact information. Make the handbook available on the City's website by July 2027.			
Program 13: Community and Economic Development	▪ Conduct studies to identify the needs of disadvantaged communities. ▪ Apply for funding that focus on addressing distressed communities. ▪ At least every other year, apply for funding beyond the CIP for community development and revitalization projects such as infrastructure, neighborhood revitalization, parks, safe routes to school, community facilities, and pollution burden mitigation. Establish funding policies to prioritize projects in disadvantaged communities.	End of 2026 Annually if applicable	Districts 1, 2, 3, 5, 6	Develop a plan to address needs of disadvantaged communities by the end of 2026.

G7.3 AFFH Actions Summary

Government Code §8899.50 requires "meaningful actions" well beyond combating discrimination to overcome patterns of segregation and foster inclusive communities. Actions to affirmatively further fair housing include:

- Enhancing housing mobility strategies
- Encouraging development of new affordable housing in high resource areas
- Increasing fair housing enforcement and fair housing outreach capacity
- Improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing
- Protecting existing residents from displacement

Actions to affirmatively further fair housing are summarized below.

G7.4 Quantified Objectives

Merced has established quantified objectives for housing production and rehabilitation for the Housing Element. These objectives are based upon expected availability of resources to address the City's housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans. Table G7-1 below summarizes the City's quantified objectives for implementing its various programs and actions outlined above.

Table G7-1 Quantified Objectives 2024-2032

Target Income and Affordability Level	New Construction	Rehabilitation	Conservation[1]
Extremely Low	1,488	5	1,078
Very Low	1,055	10	1,068
Low	1,742	16	1,081
Moderate	1,838	–	50
Above Moderate	4,394	–	106
Total	**10,517**	**31**	**3,383**

[1] Conservation units include units at-risk of converting to market-rate (233 units), HCVs (3,110 units), and weatherization (40 units).

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STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

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City of Merced
678 West 18th Street
Merced, CA 95340

Dear Scott McBride:

RE: City of Merced's 6th Cycle (2024-2032) Revised Draft Housing Element

Thank you for submitting the City of Merced's (City) revised draft housing element update that was received for review on January 16, 2026, along with revisions received on March 13, 2026 and minor modifications on March 16, 2026. The revisions were made available to the public for seven days prior to review. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Leadership Counsel for Justice and pursuant to Government Code section 65585, subdivision (c).

The revised draft element, including revisions and minor modifications, meets the statutory requirements that were described in HCD's December 8, 2025 review. However, the housing element cannot be found in substantial compliance until the City has completed the necessary rezones (see below) to accommodate the Regional Housing Needs Allocation (RHNA). The housing element will substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) when all necessary rezoning and the element are adopted, submitted to, and approved by HCD, in accordance with Government Code section 65585.

A jurisdiction that did not adopt a compliant housing element within 120 days from the statutory deadline (January 31, 2024) must rezone sites within one year of the statutory deadline and meet requirements pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivisions (c), (h) and (i), as applicable. As this year has passed, the housing element cannot be found in substantial compliance until rezoning has been completed to meet all statutory requirements. HCD understands the City has completed changes to the zoning and land use maps as part of Programs 2 (Adequate Sites for RHNA and Monitoring for No Net Loss) and 3 (By-Right Approval) but the rezoning will be supplemented with additional modifications to meet all statutory requirements. HCD encourages the City to submit draft documents to assist the adoption process and ensure compliance with statutory requirements.

As a reminder, the City's 6th cycle housing element was due January 31, 2024. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to expeditiously complete the rezone, adopt the housing element, and submit to HCD to regain housing element compliance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. The City should continue sharing information consistently through a variety of outreach methods and ensure that public input is meaningfully considered and incorporated where appropriate. Commenters on this review, particularly Leadership Counsel for Justice and Accountability, provided meaningful suggestions. HCD encourages the City to continue working with this organization and other members of the public, including commenters on this housing element review throughout the remainder of the planning period.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities programs, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Land Use and Climate Innovation at: https://www.lci.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the hard work and dedication of the housing element update team throughout the multi-jurisdictional housing element process. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law and welcome the opportunity to provide technical assistance during the adoption and rezone process, including reviewing draft rezoning documents. If you have any questions or need additional technical assistance, please contact Andrea Grant, of our staff, at andrea.grant@hcd.ca.gov.

Sincerely,

Paul McDougall
Senior Program Manager



Merced Housing Element Update and Rezone

General Plan EIR Addendum
State Clearinghouse Number 2008071069

prepared by

City of Merced
Development Services
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Merced, California 95340
Contact: Leah Brown, Management Analyst

prepared with the assistance of

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January 2025

RINCON CONSULTANTS, INC. SINCE 1994

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Abbreviations and Acronyms

AB	Assembly Bill
ADU	Accessory Dwelling Unit
AMI	Area Median Income
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
DOF	California Department of Finance
EIR	Environmental Impact Report
HCD	California Department of Housing and Community Development
LOS	Level of Service
MCAG	Merced County Association of Governments
NAHC	Native America Heritage Commission
RHNA	Regional Housing Needs Assessment
SB	Senate Bill
SR	State Route
VMT	Vehicle Miles Traveled

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1 Introduction and Project Summary

1.1 Project Title

City of Merced 2024-2032 Housing Element Update and Rezone

1.2 Lead Agency Name and Address

City of Merced
Development Services
678 West 18th Street
Merced, California 95340

1.3 Contact Person and Phone Number

Leah Brown, Management Analyst
209-385-6928

1.4 Project Location

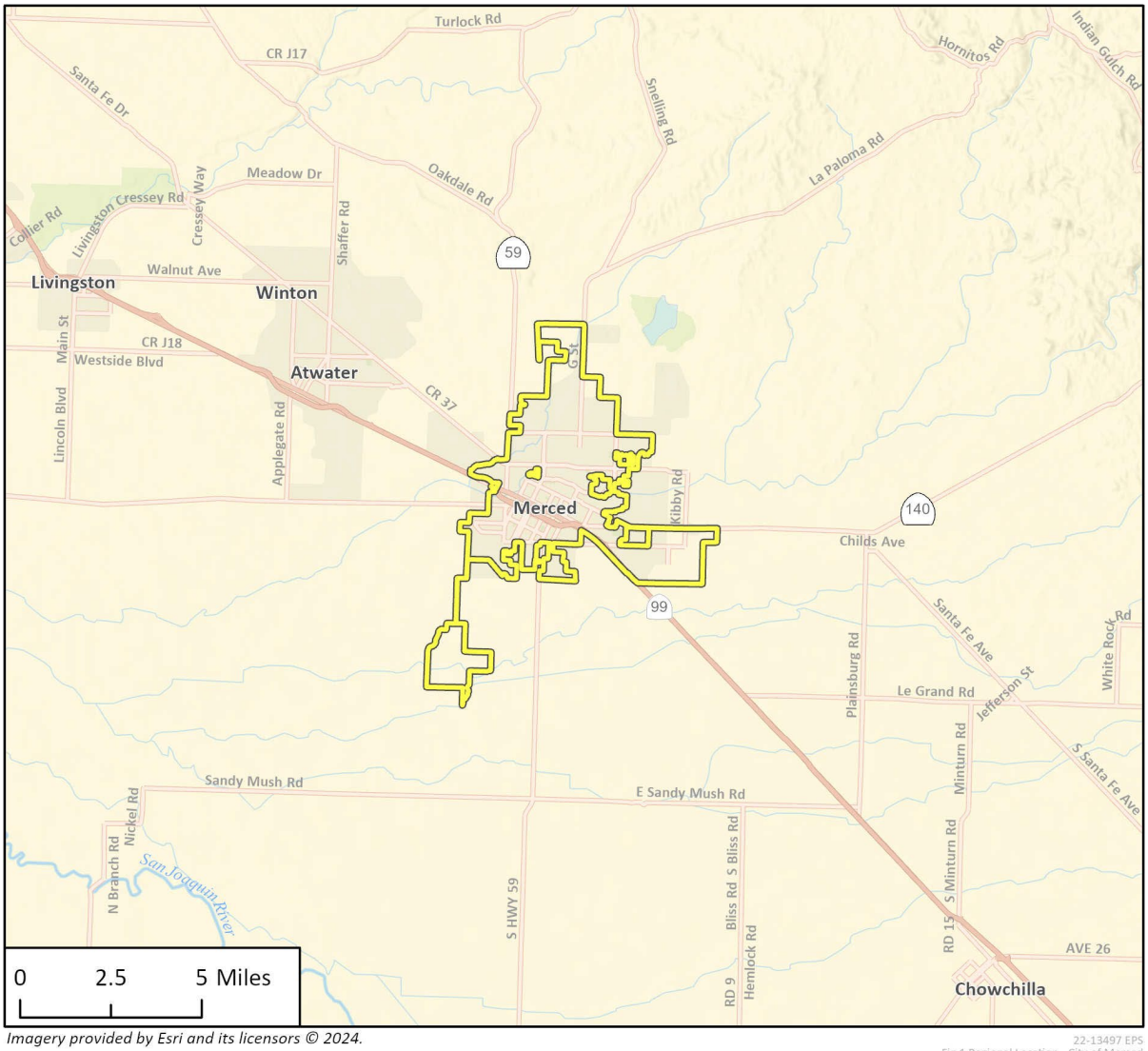
The City of Merced is located along State Route 99 (SR 99) in eastern Merced County. Figure 1 shows a regional map of the City's relationship to nearby cities, communities, and the regional transportation system, and Figure 2 shows the city's limits. SR 99, a major north-south interstate transportation artery, traverses the City along with the Southern Pacific Railroad. The Housing Element Update and Rezone applies to all lands within the City's limits.

1.5 Project Description

The project consists of a comprehensive update to the City of Merced Housing Element (herein referred to as "Housing Element Update and Rezone" or "project") of the 2012 General Plan ("General Plan"). The General Plan underwent environmental review in the form of an Environmental Impact Report (EIR), which was certified in January 2012 by the City Council (State Clearinghouse No. 2008071069). The EIR for the Merced General Plan is a comprehensive document and includes discussion of alternatives and growth inducing impacts associated with urban development in the city at the time it was developed.

State law requires that housing elements be updated every eight years (California Government Code Sections 65580 to 65589.8). The Housing Element Update identifies residential sites adequate to accommodate a variety of housing types for all income levels and needs of special population groups, defined under State law (California Government Code Section 65583). It analyzes governmental constraints to housing maintenance, improvement, and development; addresses conservation and improvement of the condition of existing affordable housing stock; and outlines policies that promote housing opportunities for all persons. The City of Merced Housing Element is

Figure 1 Regional Location



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Fig 1 Regional Location - City of Merced

Project Location

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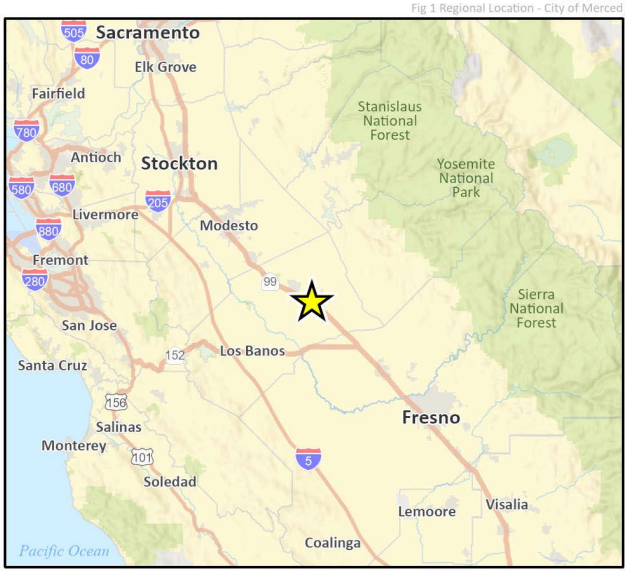
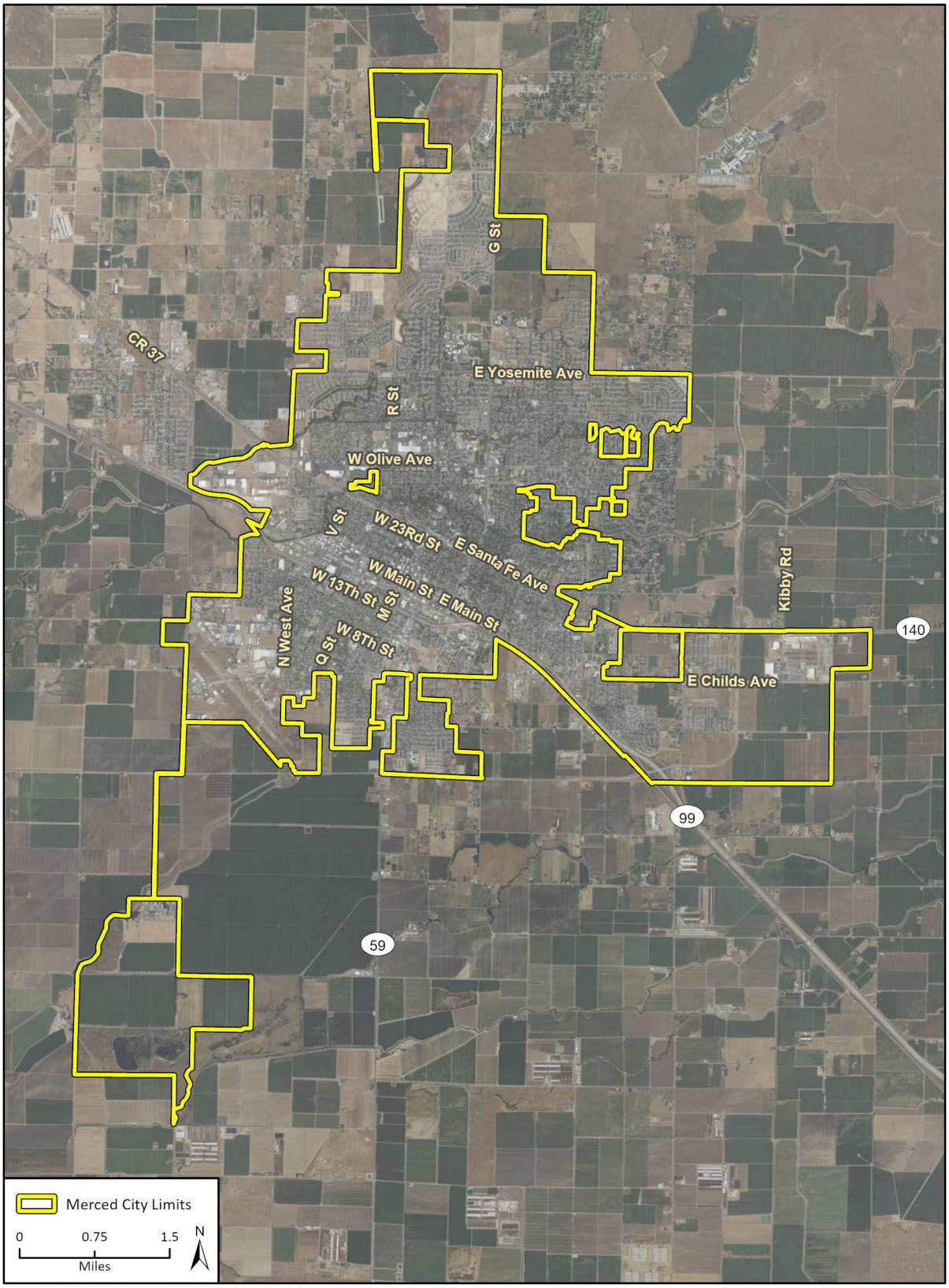


Figure 2 City Limits



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Fig 2 City Limits - Merced

being updated as part of the State's 6th Cycle Regional Housing Needs Assessment (RHNA) allocation. For the City of Merced, the planning period runs from January 2024 through January 2032.

The project would bring the City's Housing Element into compliance with State legislation passed since the publication of the previous (5th Cycle) Housing Element (adopted in 2016). The Housing Element Update includes a housing sites inventory (Section 3 of the Housing Element) that demonstrates how the City plans to meet its 6th Cycle RHNA allocation. However, no formal physical development is proposed at the time of adoption of the Housing Element.

The Housing Element Update would not, in and of itself, result in environmental impacts, as it does not propose to develop any projects. Rather, it establishes objectives and policies designed to guide future development as the City works to achieve State-mandated housing goals. The City's implementation of these policies and programs includes the rezoning of sites in the inventory of potential sites for meeting the City's RHNA obligation. No formal physical development is proposed at this time, and future changes would require project-specific review as potential impacts are location-specific.

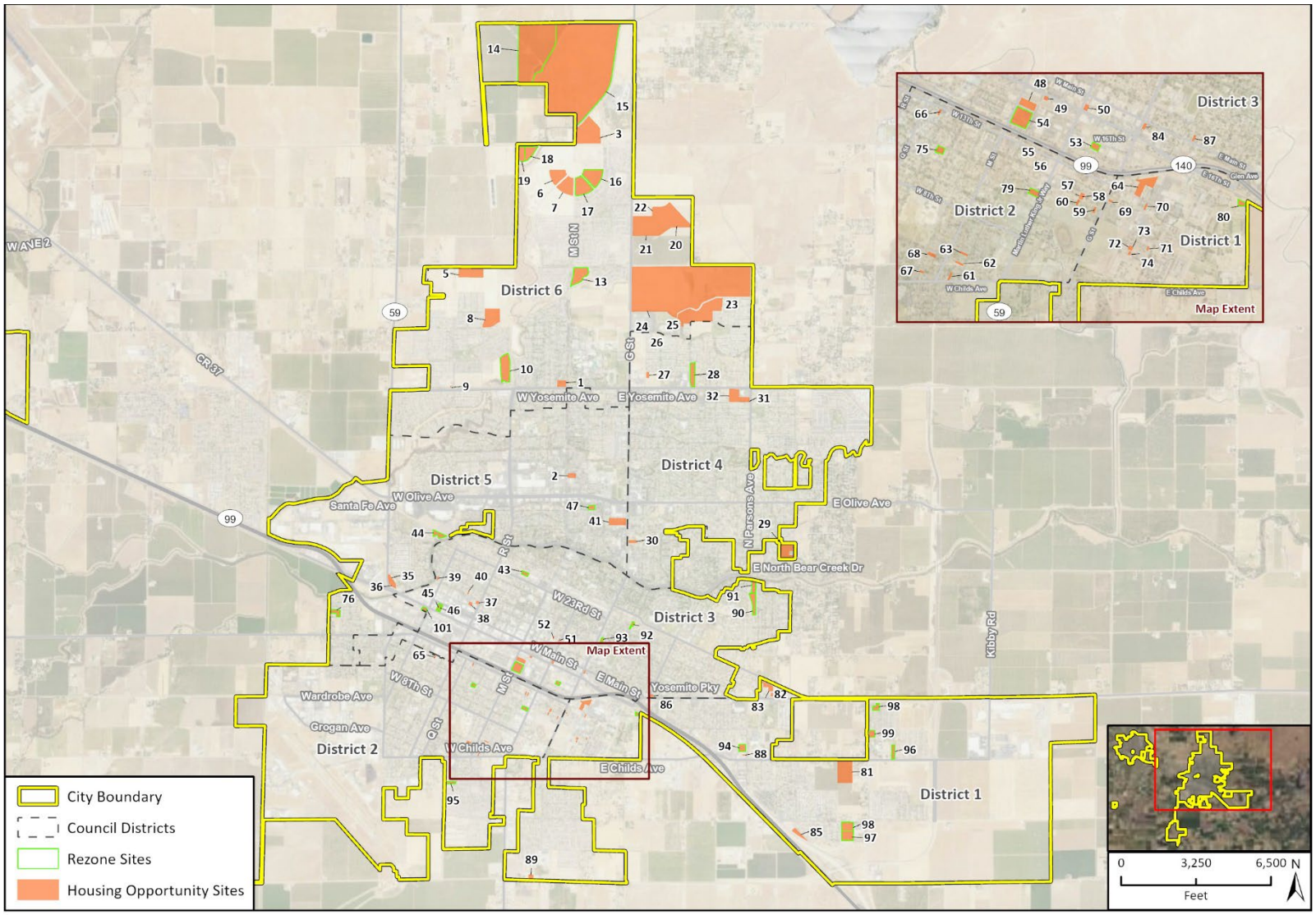
When a specific development proposal is considered for approval, that project would be subject to adopted development guidelines and standards and it must comply with the General Plan policies and actions listed in the certified 2012 General Plan EIR in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15168(c)(3). If a subsequent activity (in this case a specific development proposal) would have effects not identified in the EIR (including both the General Plan EIR and all subsequent Addendums), the lead agency must prepare additional CEQA documentation prior to project approval.

The Housing Element Update's Site Inventory includes 30 sites[1] that would be rezoned to facilitate additional residential development as shown in Figure 3. The sites would be rezoned from low density residential, general commercial, and planned development to high-density residential, central commercial, and planned development for higher density. These sites encompass 91.4 acres and can accommodate a total of 1,898 low-income units and 1,017 moderate-income units. This rezone would accommodate population growth, facilitate multi-family housing development, and ensure alignment with the State RHNA accommodation, which is being contemplated in the upcoming 6th Cycle Housing Element (anticipated to be completed in 2025). The growth associated with the redesignations on the 30 sites was not contemplated as part of the 2012 General Plan and thus would be a net increase in the number of housing units at those parcels compared to the analysis in the 2012 General Plan EIR.

This Addendum, therefore, analyzes the changes and potential impacts related to the adoption of the Housing Element Update and Rezone. This Addendum is intended to demonstrate the consistency of the project with the General Plan to comply with CEQA. This Addendum compares the buildout of the proposed project with the full-buildout scenario presented in the 2012 General Plan EIR. This Addendum assesses whether the project would result in impacts not addressed or previously analyzed in the General Plan EIR.

1 City's Site Inventory lists three additional sites as rezone sites (APNs: 170-060-018-000, 224-300-007-000, 224-300-008-000). As of January 2025, rezoning of the three sites have already been completed, therefore it is not analyzed as part of this Addendum.

Figure 3 Housing Opportunity Sites and Rezone Sites



1.6 Discretionary Action

Implementation of the Housing Element would require the following discretionary actions by the City of Merced Planning Commission/City Council:

- Approval of a General Plan Amendment to incorporate the 2024-2032 Housing Element Update
- Rezone of 30 sites as identified in the Housing Element Update
- Consideration of this Addendum

The California Department of Housing and Community Development (HCD) reviews and certifies that the proposed Housing Element complies with State law. Aside from HCD, no other approvals by outside public agencies are required.

1.7 Prior Environmental Document(s)

City of Merced, General Plan Environmental Impact Report (2012 General Plan EIR). State Clearinghouse Number 2008071069, certified January 2012.

1.8 Location of Prior Environmental Document(s)

City of Merced, 2012 General Plan EIR:

https://www.cityofmerced.org/departments/development-services/planning-division/merced-vision-2030-general-plan-adoption/-folder-1177

2 Project Context

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the State's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the legislature mandated that all cities and counties prepare a housing element as part of their comprehensive general plans. Government Code Sections 65580 to 65589.8 set forth the specific components to be contained in a community's housing element.

2.1 Purpose of the Housing Element

The Housing Element is designed to provide the city with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both State and local governments, Government Code Section 65580 states that "the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian family is a priority of the highest order."

Pursuant to the State law, the Housing Element has two main purposes:

1. To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
2. To provide a strategy that establishes housing goals, policies, and programs.

The Housing Element is one of the ten General Plan elements the State mandates in Government Code Section 65302. The Housing Element serves as an integrated part of the General Plan but is updated more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

1. Conserving and improving existing affordable housing;
2. Maximizing housing opportunities throughout the community;
3. Assisting in the provision of affordable housing;
4. Removing governmental and other constraints to housing investment; and
5. Promoting fair and equal housing opportunities.

The residential nature of the city of Merced is largely characterized by a mix of single-family residences, multi-family units, and residential neighborhoods. The Housing Element is an official response to the need to provide housing for all economic segments of the population, establishing goals, policies, and programs that will guide City decision-making and set forth an action plan to implement these housing programs through the established planning period.

The Housing Element must identify residential sites adequate to accommodate a variety of housing types for all income levels and to meet the needs of special population groups as defined under State law (California Government Code Section 65583). The Housing Element analyzes market and governmental constraints to housing maintenance, improvement, and development; addresses conservation and improvement of the condition of existing affordable housing stock; and outlines policies that promote housing opportunities for all persons.

2.2 Regional Housing Needs Allocation (RHNA)

The RHNA reflects the California Department of Housing and Community Development's determination of the projected housing needs in a region by household income level as a percent of the Area Median Income (AMI). The Merced County Association of Governments (MCAG) was tasked with allocating this regional housing need among the jurisdictions in the MCAG region, which includes the City of Merced. Table 1 shows the breakdown of the RHNA for Merced during the 2024-2032 planning period.

Table 1 2024-2032 Regional Housing Need Allocation

Income Group	City of Merced Unit Needs	Percentage of Merced Units	Regional Unit Needs (Merced County)	Percent of Regional Units
Extremely Low (<30% of AMI) and Very low (30 to 50% AMI)	2,543	24.1%	5,516	24.1%
Low (51 to 80% AMI)	1,742	16.6%	3,780	16.6%
Moderate (81 to 120% AMI)	1,838	17.5%	3,930	17.5%
Above Moderate (>120% AMI)	4,394	41.8%	9,394	41.8%
Total	**10,517**	**100%**	**22,620**	**100%**

AMI = Area Median Income (established annually by the Department of Housing and Urban Development)
Source: MCAG 2022

The City had 31,997 housing units as of June 2024 (California Department of Finance [DOF] 2024). As of 2024, 67.5 percent were single-family units, which included 20,523 single-family detached units and 1,070 single-family attached units; 30.3 percent were multi-family dwelling units; and the remaining 2.2 percent were mobile homes (DOF 2024).

2.3 Changes in State Law

The following items represent substantive changes to State housing law since the City's last Housing Element was adopted and certified in 2016. The Housing Element Update has incorporated and addressed all pertinent housing law changes.

- Affordable Housing Streamlined Approval Process: Senate Bill (SB) 35 (2017)
- Additional Housing Element Sites Analysis Requirements: Assembly Bill (AB) 1397 (2017)
- Affirmatively Furthering Fair Housing: AB 686 (2017)
- No-Net-Loss Zoning: SB 166 (2017)
- By Right Transitional and Permanent Supportive Housing: AB 2162 (2018) and AB 101 (2019)
- Accessory Dwelling Units: AB 68 (2019), and AB 671 (2019)
- Housing Crisis Act of 2019: SB 330 (2019)

2.4 City of Merced General Plan

State law mandates that each city and county in California adopt "a comprehensive, long-term general plan," the purpose of which is to plan for important community issues such as new growth, housing needs, and environmental protection. Furthermore, the General Plan is used to project future demand for services such as sewer, water, roadways, parks, and emergency services.

The Merced General Plan, adopted in January 2012, is a long-term document with text and diagrams that express the goals, objectives, and policies necessary to guide the community toward achieving its vision over an 18-year period (2012 to 2030). The General Plan reflects the priorities and values of the community.

City decision-makers (e.g., City Council and Planning Commission), rely on the General Plan as the basis for making decisions on matters such as land use, and the provision of public facilities (e.g., roads, parks, fire stations). It is also a policy document that guides decisions related to protecting, enhancing, and providing open space, habitat conservation, arts and recreation programming, and community character.

State law requires that every General Plan, at a minimum, address certain subject categories (called "elements"), which include land use, circulation, housing, conservation of natural resources, environmental justice, open space, noise, and safety. A General Plan may also address other subjects that are of importance to the community" future, such as sustainability, community design, and public art. The 2012 General Plan includes the following elements (City of Merced 2012a):

- Urban Expansion
- Land Use
- Transportation and Circulation
- Public Services and Facilities
- Urban Design
- Open Space, Conservation, and Recreation
- Sustainable Development
- Housing
- Noise
- Safety

2.5 Merced General Plan Update EIR

The 2012 General Plan EIR addressed the potential environmental effects of the planned buildout of the City of Merced through 2030 and concluded that General Plan implementation would result in levels of environmental impacts as detailed in Table 2.

Table 2 Summary of Areas of Potential Impact under the 2012 General Plan EIR

Issue Area	Level of Significance After Mitigation	Mitigation Measures
Aesthetics and Visual Resources	Less than Significant	3.1-4 (related to lighting)
Agricultural Resources	Significant and Unavoidable	3.2-1 (related to Important Farmland)
Air Quality	Significant and Unavoidable	3.3-1a (related to construction emissions), 3.3-1b (related to construction emissions), 3.3-2 (related to criteria pollutants)
Biological Resources	Less than Significant	3.4-1a (Vernal Pools and Vernal Pool Associates), 3.4-1b (Special -Status Plants), 3.4-1c (Valley Elderberry Longhorn Beetle), 3.4-1d (Burrowing Owls), 3.4-1e (Special-Status Birds), 3.4-1f (Special-Status Amphibians), 3.4-1g (Special-Status Reptiles), 3.4-1h (Special-Status Fish), 3.4-1i (Special-Status Mammals), 3.4-2 (Streambed Alteration Agreement), 3.4-3a (Conduct a delineation of Waters of the U.S. and Wetlands [WOUS/Wetlands] and Obtain Permits), 3.4-3b (related to replacement or rehabilitation of jurisdictional water)
Cultural Resources	Less than Significant	None required
Geology and Soils	Less than Significant	None required
Hazards and Hazardous Materials	Less than Significant	None required
Hydrology and Water Quality	Significant and Unavoidable	None available
Land Use and Planning	Less than Significant	None required
Mineral Resources	No Impact	None required
Noise	Significant and Unavoidable	3.11-4 (related to vibration)
Population and Housing	Less than Significant	None required
Recreation	Less than Significant	None required
Public Services	Less than Significant	None required
Transportation	Significant and Unavoidable	3.15-1a (related to traffic congestion), 3.15-1b (related to traffic analyses)
Utilities/Services	Less than Significant	None
Greenhouse Gas Emissions	Significant and Unavoidable	None available
Cumulative Impacts	Significant, Cumulative Considerable, and Unavoidable	See above mitigation measures.

Source: City of Merced 2012a

2012 General Plan Buildout Assumptions

The 2012 General Plan has a planning horizon year of 2030, but it does not specify or anticipate exactly when buildout would occur, as long-range demographic and economic trends are difficult to predict. The designation of a site in the 2012 General Plan for a certain use does not necessarily mean that the site will be developed or redeveloped with that use during the planning period, as most development depends on property owner initiative.

As described in Chapter 2.4.3, *Assumptions and Considerations*, of the 2012 General Plan EIR, during the 18-year time frame, the General Plan is intended to accommodate a projected growth within the City of 155,000 residents by 2030 (City of Merced 2010).

2.6 Housing Element Update and Rezone

The 2024-2032 Housing Element Update has the following major components:

- A **Review of Past Accomplishments** to review the housing programs adopted in the 2012-2024 Housing Element (5th cycle) and evaluate the effectiveness of these programs in delivering housing services and assistance. (Chapter G1)
- Documentation of **Public Participation** efforts Merced made to engage the public and gather input to inform development of this Housing Element Update and Rezone. (Chapter G2)
- An individual **Assessment of Housing Needs** for the City of Merced, summarizing demographic, employment, and housing characteristics. (Chapter G3)
- A **Housing Constraints Analysis** analyzing constraints to the development of adequate and affordable housing including market, governmental, infrastructure, and environmental factors. (Chapter G4)
- An analysis of issues related to **Affirmatively Furthering Fair Housing (AFFH)** for the City of Merced. (Chapter G5)
- **Merced Housing Resources**, including documentation of methodology and results of the Site Inventory Analysis conducted to demonstrate the City of Merced's ability to meet its share of the 6th cycle RHNA. (Chapter G6)
- A **Housing Plan**, which is comprised of the Goals, Policies, and Programs that the City intends to implement over the next 8-year planning cycle. (Chapter G7)

Goals, Policies, and Programs

The primary objective of the Housing Element is to encourage the production of new housing units to meet the RHNA and housing for special needs populations. This is done by adopting a series of goals and policies that facilitate the development of all housing types, explore innovative housing solutions, address the needs of the City's residents, and affirmatively further fair housing. The 2024-2032 Housing Element Update goals, policies, and programs are summarized below and referenced throughout this Addendum as appropriate.

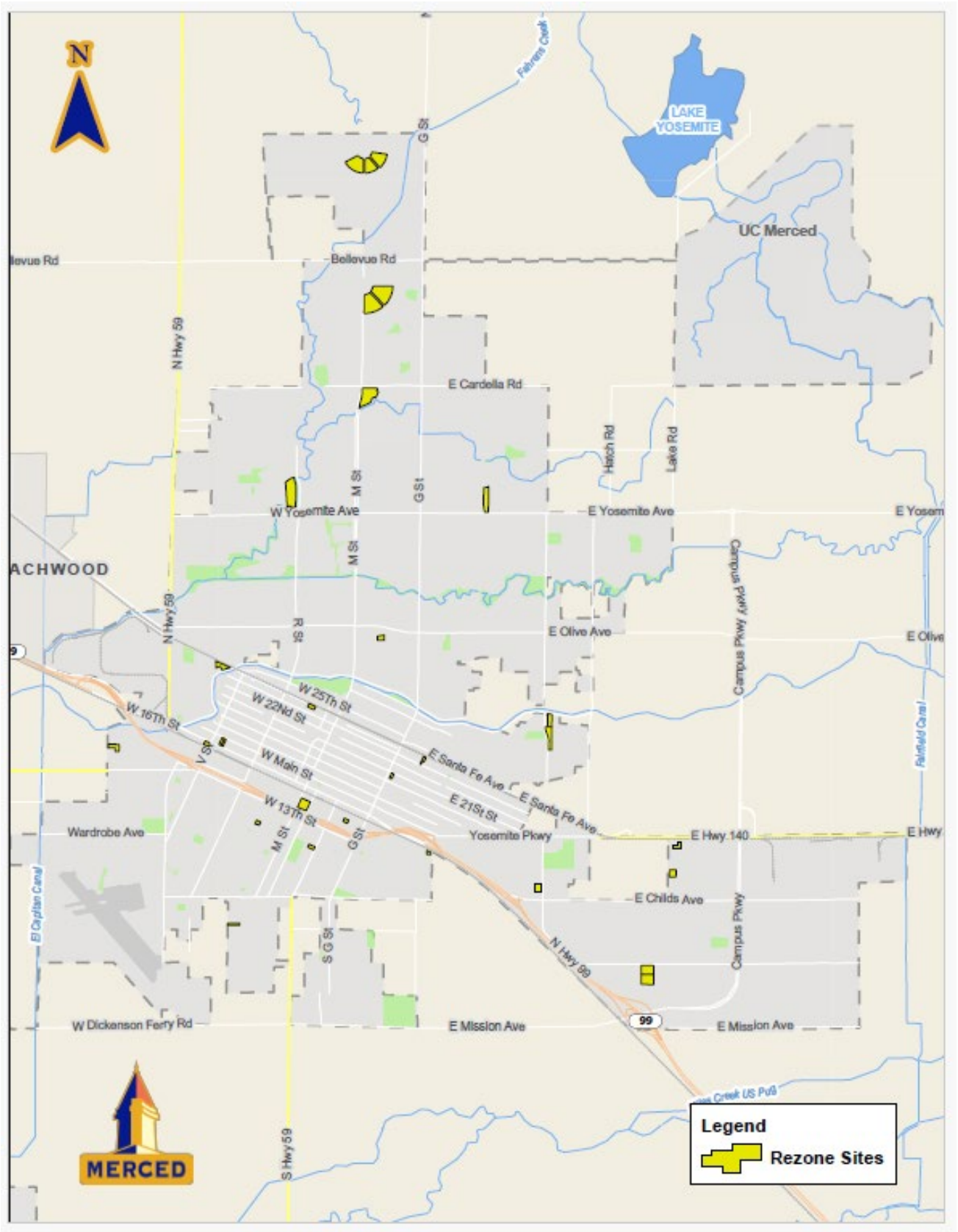
- **Regional Collaboration.** The 2024-2032 Housing Element Update includes policies and programs to foster collaboration with jurisdictions within Merced County to address housing issues.

- **Housing Development.** State law requires that the goals and policies of the housing element encourage and facilitate the production of a range in types of housing affordable to households of varied income levels. The 2024-2032 Housing Element Update includes policies and programs to provide an adequate supply and range of housing types to meet the diverse needs of residents.
- **Affordable Housing.** The 2024-2032 Housing Element Update includes policies and programs to facilitate the development of affordable housing and protect the existing supply of affordable housing to extremely low-, very low-, low- and moderate-income households.
- **Housing and Neighborhood Preservation.** The 2024-2032 Housing Element Update includes policies and programs to preserve and improve the City's existing housing stock.
- **Housing for Persons with Special Needs.** The 2024-2032 Housing Element Update includes policies and programs to support and provide housing and services for people with special needs in the community, including seniors, families with children, people with disabilities, single-parent families, farmworkers, and people who are experiencing homelessness or at risk of becoming homeless.
- **Resource Conservation and Sustainable Development.** The 2024-2032 Housing Element Update includes policies and programs to ensure development of energy efficient and sustainable new housing.
- **Affirmatively Furthering Fair Housing.** The 2024-2032 Housing Element Update includes policies and programs to promote housing opportunities and access for residents regardless of age, race, religion, sex, marital status, ancestry, national origin, color, disability, or economic level in compliance with local, State, and federal fair housing laws.

To accommodate this shortfall of capacity, the City is obligated to rezone land suitable to facilitate the development of the required housing units. The Site Inventory identifies 30 sites to be rezoned to facilitate additional residential development. The sites will be rezoned from low density residential, general commercial, and planned development to high-density residential and central commercial. These sites encompass 111.95 acres and can accommodate a total of 2,216 low-income units and 1,135 moderate-income units. Rezone sites are seen throughout the city with the most units in District 6, as shown in Figure 4. The rezone sites shall include the following components pursuant to Government Code Section 65583.2(i):

- Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.
- Permit the development of at least 16 units per site.
- Establish a minimum density of 20 units per acre and a maximum density of at least 20 units per acre for all rezone sites to accommodate lower-income RHNA.
- Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

Figure 4 Merced Site Inventory (Proposed Zoning)



2.7 Buildout of Proposed Project and Comparison to the 2012 General Plan EIR

The proposed project is expected to result in a net increase of 3,351 units (see Table 3) compared to what is currently allowed under the 2012 General Plan land use designations. The Housing Element Update must address the City's obligation to meet its fair share of regional housing needs, as well as specific State-mandated requirements outlined in the RHNA. The RHNA sets the baseline for the minimum number of housing units that the City must plan for in its Housing Element. This involves providing sufficient sites through the General Plan and zoning. Therefore, the projected growth aligns with expectations outlined in the RHNA, and can be considered anticipated growth, as evidenced by the MCAG-assigned RHNA for the City of Merced. Consequently, the Housing Element Update and Rezone is not directly responsible for increasing the population but rather aims to prepare for the growth that is already anticipated within the region.

Table 3 shows the City's RHNA and housing unit yield per site category.

Table 3 Housing Unit Yield per Site Category

	Lower-Income	Moderate-Income	Above Moderate-Income	Total
City's Share of RHNA	**4,285**	**1,838**	**4,394**	**10,517**
Planned and Approved Units	938	60	5,624	6,622
ADUs Anticipated	0	0	16	16
Remaining RHNA	**3,347**	**1,778**	**0**	**3,879**
R-1-5	0	0	1,097	1,097
R-1-6	0	0	725	725
R-4	0	30	0	30
R-3-1.5	133	95	0	228
C-C	44	40	0	84
C-O	179	47	0	226
R-2	0	8	0	8
RP-D	155	40	0	195
P-D (CO)	471	285	0	756
P-D (HMD)	253	65	0	318
P-D (LMD)	0	90	0	90
P-D (VR)	0	2	0	2
Rezone Sites	2,216	1,135	0	3,351
Total Units on Opportunity and Rezone Sites	**3,451**	**1,837**	**1,822**	**7,110**
Total Unit Surplus	**104**	**59**	**3,068**	**3,231**
Percent Buffer over RHNA	2%	3%	70%	31%
Total Buildout (Planned and Approved Units plus ADUs Anticipated plus Total Units on Opportunity and Rezone Sites)	**4,389**	**1,897**	**7,462**	**13,748**

As shown in Table 3, the Site Inventory identifies 3,451 lower-income units, 1,837 moderate-income units, and 1,822 above moderate-income units on opportunity and rezone sites.

All 61 opportunity sites are vacant. All 30 rezone sites would be rezoned to allow for higher density residential, central commercial, or planned development at a higher density.

With rezoning, the Site Inventory, along with planned and approved units and anticipated ADUs, includes a surplus of 104 lower-income units, providing a 2 percent buffer above the RHNA requirement for this income category. Additionally, there is a surplus of 59 moderate-income units, providing a 3 percent buffer; and a surplus of 3,068 above moderate-income units, providing a 70 percent buffer. The total buildout for the Housing Element Update and Rezone would be 13,748 units, including planned and approved units, anticipated ADUs, all opportunity sites, and all rezone sites. Of these, approximately 10,397 units (planned and approved units, ADUs, and opportunity sites) would be consistent with the 2012 General Plan and existing zoning, and therefore within the scope of the 2012 General Plan EIR. Growth not anticipated in the General Plan would occur on the rezone sites (approximately 3,351 units); therefore, this Addendum analyzes the net new increase in units compared to the 2012 General Plan EIR, as discussed under Section 2.5.

The Housing Element Update and Rezone would be consistent with State requirements for the RHNA to plan adequately to meet existing and projected housing needs for all economic segments of the community. The Housing Element Update and Rezone would also be submitted to HCD for review and approval to ensure that it adequately addresses the housing needs and demands of the City.

As mentioned in the, 2012 General Plan EIR and as shown in Table 4, Merced had a population of 80,985 in 2010 (City of Merced 2012b). As of 2024, Merced has a population of 91,837 (DOF 2024). Therefore, the actual population growth since the 2012 Housing Element is 10,852 residents. The additional net residential units allowed by the proposed project would increase the population by up to 21,401 residents, based on a residential unit increase of 7,110 multiplied by 3.01 persons per household (DOF 2024). Therefore, the proposed project could increase the City's population to 113,238 residents. As shown in Table 4, the proposed project would not exceed the projected growth anticipated in the 2012 General Plan (116,800 total residents). In addition, as shown in Table 4, although the proposed project (opportunity sites plus rezoning sites) would include 7,110 net new units and 21,401 residents above what was analyzed under the 2012 General Plan EIR, this increase would still be within the remaining projected buildout under the 2012 General Plan EIR of 24,963 new residents. Growth within the City has occurred at a slower rate than was anticipated in the 2012 General Plan EIR. As such, the Housing Element Update and Rezone would not exceed the buildout projections considered in the 2012 General Plan EIR. Because the project would not exceed 2012 General Plan buildout projections, and because the 2012 General Plan EIR analyzed impacts associated with full General Plan buildout, the project would not be expected to result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. A full analysis of the potential for new or substantially more severe environmental effects is provided in Section 6 of this addendum.

Table 4 Total Development Evaluated in the 2012 General Plan EIR Compared to the Housing Element Update and Rezone

	2010 Actual Population and Housing (a)[1]	2024 Actual Population and Housing (b)[2]	Actual Growth from 2010 to 2024 (c=b-a)	Buildout Assumed under 2012 General Plan EIR (d)[3]	Buildout Remaining under 2012 General Plan EIR (e=d-b)	Buildout under Proposed Housing Element Update and Rezone (f)
Housing Units	28,106	31,997	+3,891	-[4]	-[4]	7,110
Population	80,985	91,837	+10,852	116,800	24,963	21,401[5]

[1] Source: City of Merced 2012b.

[2] Source: DOF 2024.

[3] Source: City of Merced 2012a.

[4] The General Plan EIR does not provide a projection for housing units at buildout.

[5] Based on Merced persons per household of 3.01 (DOF 2024).

3 Overview of CEQA Guidelines Sections 15162 and 15164

CEQA Guidelines Sections 15162 and 15164 set forth the criteria for determining the appropriate additional environmental documentation, if any, to be completed when a project has a previously certified EIR.

CEQA Guidelines Section 15164 states that a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. *CEQA Guidelines* Section 15162(a) states that no Subsequent or Supplemental EIR shall be prepared for a project with a certified EIR unless the lead agency determines, based on substantial evidence in the light of the whole record, one or more of the following:

1. Substantial changes are proposed in the project that will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
   A. The project will have one or more significant effects not discussed in the previous EIR.
   B. Significant effects previously examined will be substantially more severe than shown in the previous EIR.
   C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative.
   D. Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The analysis pursuant to Section 15162 demonstrates whether the lead agency can approve the activity as being within the scope of the existing certified EIR, that an addendum to the existing EIR would be appropriate, and no new environmental document, such as a new EIR, would be required. The addendum need not be circulated for public review but can be included in or attached to the final EIR, and the decision-making body shall consider the addendum with the final EIR prior to deciding on the project.

According to *CEQA Guidelines* Section 15164, an addendum to a previously certified EIR is the appropriate environmental document in instances when "only minor technical changes or additions are necessary" and when the new information does not involve new significant environmental

effects or a substantial increase in the severity of a significant effect beyond those identified in the previous EIR. *CEQA Guidelines* Section 15164 states that:

a. The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
b. An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR have occurred.
c. An addendum need not be circulated for public review but can be included in or attached to the final EIR.
d. The decision-making body shall consider the addendum with the final EIR prior to making a decision on the project.
e. A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's findings on the project, or elsewhere in the record.

The City has prepared this Addendum, pursuant to *CEQA Guidelines* Sections 15162 and 15164, to evaluate whether the project's environmental impacts are covered by and within the scope of the 2012 General Plan EIR (January 2012, State Clearinghouse No. 2008071069). This Addendum details any changes in the project, changes in circumstances under which the project is undertaken, and/or "new information of substantial importance" that may trigger the need for a Subsequent or Supplemental EIR pursuant to *CEQA Guidelines* sections 15162(a).

The analysis herein substantiates and supports the City's determination that development facilitated by the project is within the scope of the 2012 General Plan EIR, does not require subsequent review under *CEQA Guidelines* Section 15162 and, in conjunction with the EIR, this Addendum adequately analyzes potential environmental impacts.

4 Environmental Effects and Determination

4.1 Environmental Areas Determined to Have New or Substantially More Severe Significant Effects Compared to Those Identified in the Previous EIR

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances, or new information of substantial importance, as indicated by the checklist and discussion on the following pages.

■ None

□ Aesthetics	□ Agriculture and Forestry Resources	□ Air Quality
□ Biological Resources	□ Cultural Resources	□ Energy
□ Geology and Soils	□ Greenhouse Gas Emissions	□ Hazards and Hazardous Materials
□ Hydrology and Water Quality	□ Land Use and Planning	□ Mineral Resources
□ Noise	□ Population and Housing	□ Public Services
□ Recreation	□ Transportation	□ Tribal Cultural Resources
□ Utilities and Service Systems	□ Wildfire	□ Mandatory Findings of Significance

4.2 Determination

Based on this analysis:

☐ Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in *CEQA Guidelines* Section 15162(a)(3). Therefore, a SUBSEQUENT or SUPPLEMENTAL EIR is required.

■ No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects.

Also, there is no "new information of substantial importance" as that term is used in *CEQA Guidelines* Section 15162(a)(3). Therefore, the previously certified EIR is adequate and this evaluation serves as an ADDENDUM to the City of Merced, General Plan Environmental Impact Report (General Plan EIR). State Clearinghouse Number 2008071069 certified January 2012.

Signature	Date
Printed Name	Title

5 Addendum Evaluation Methodology

5.1 General Plan Consistency

The Housing Element is a component of the 2012 General Plan and is periodically updated pursuant to state law. Therefore, the Housing Element Update and Rezone is consistent with the vision of the General Plan and is supported by goals and policies of the other General Plan Elements. The General Plan Elements and policies that correspond with the goals and policies of the Housing Element are summarized below:

- The **Urban Expansion Element (Chapter 2)** includes goals, objectives, policies, and standards for ensuring orderly urban growth while preserving resource lands, protecting open space, and encouraging energy conservation.
- The **Land Use Element (Chapter 3)** includes goals, objectives, policies, and standards for residential, commercial, industrial, public, and institutional development within Merced.
- The **Transportation and Circulation Element (Chapter 4)** includes goals, objectives, policies, and standards for establishing a safe and efficient transportation system that provides adequate access throughout the city.
- The **Public Services and Facilities Element (Chapter 5)** includes goals, objectives, policies, and standards for improving public facilities and providing high quality government facilities and services to the public.
- The **Urban Design Element (Chapter 6)** includes goals, objectives, policies, and standards for building a sustainable city that is designed, constructed, and operated to efficiently use land and other natural resources, minimize waste, and manage and conserve resources for the use of present and future generations.
- The **Open Space, Conservation, and Recreation Element (Chapter 7)** includes goals, objectives, policies, and standards for preserving agricultural land, protecting natural resources, and providing recreational opportunities for the community.
- The **Sustainable Development Element (Chapter 8)** includes goals, objectives, policies, and standards for facilitating sustainable growth within the City.
- The **Housing Element (Chapter 9)** includes goals, objectives, policies, and standards for facilitating housing within the city and ensuring the city satisfies its RHNA numbers.
- The **Noise Element (Chapter 10)** includes goals, objectives, policies, and standards for protecting residents from exposure to excessive noise. It also includes tables showing acceptable exterior noise exposure levels and maximum noise levels not to be exceeded for transportation sources and stationary sources.
- The **Safety Element (Chapter 11)** includes goals, objectives, policies, and standards for protecting residents against natural and manmade hazards and ensuring fire and police services are sufficient and effective.

Adoption of the Housing Element Update and Rezone would require the City to amend Chapter 9 of the General Plan, which contains the current 2016 Housing Element.

Accommodation of the RHNA

Merced's RHNA for the current planning period is 10,517 units, consisting of 2,543 very low income housing units, 1,742 low-income housing units, 1,838 moderate-income housing units, and 4,394 above moderate-income housing units. The City must demonstrate the availability of sites with appropriate zoning and development standards that can facilitate and encourage the development of such units. The Housing Element Update and Rezone includes a housing plan that accommodates the RHNA plus a buffer of additional housing units as recommended by the HCD. The City has identified enough units through RHNA Credits (including planned and approved projects and Accessory Dwelling Units [ADU]) to meet some of the 6th Cycle RHNA requirements.

5.2 Preliminary Environmental Constraints

State housing law requires the city to review both governmental and non-governmental constraints to the maintenance and production of housing for all income levels. Since local governmental actions can restrict the development and increase the cost of housing, State law requires the Housing Element to "address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Government Code Section 65583[c][3]). Several factors can constrain residential development. These include market constraints, such as development costs and interest rates, and governmental constraints, which include land use controls, fees, processing times, and development standards, among others. In addition, environmental and infrastructure constraints can also impede residential development. For purposes of the Addendum, only the potential environmental constraints, as they relate to CEQA, were evaluated.

Environmental constraints to residential development typically relate to the presence of sensitive habitat, flooding, topography, and other natural and physical characteristics that can limit the amount of development in an area or increase the cost of development. The Housing Element Update and Rezone, in and of itself, does not propose specific development projects, but rather puts forth goals, policies, and programs that support housing efforts in Merced. Future housing development projects would be subject to developmental review to determine potential impacts specific to that project site.

6 Addendum Evaluation

6.1 Introduction

As discussed in Section 2.7, above, the total buildout for the Housing Element Update and Rezone would be 13,748 units. Of these, approximately 10,397 units (planned and approved projects, anticipated ADUs, and opportunity sites) would be consistent with the 2012 General Plan and existing zoning, and therefore would be within the scope of the 2012 General Plan EIR. Growth not anticipated in the General Plan would occur on the rezone sites (approximately 3,351units); therefore, this Addendum analyzes the net increase compared to the 2012 General Plan EIR. Even with the net increase of buildout on the rezone sites included in the proposed project, the number of units proposed under the Housing Element Update and Rezone would still be within the total remaining buildout of the 2012 General Plan EIR as shown in Section 2.7, Table 4, since growth within the City has occurred at a slower rate than was anticipated by the 2012 General Plan. Therefore, growth anticipated and evaluated under the 2012 General Plan is applicable to the proposed project. General Plan EIR findings and analysis of the proposed project's impacts are included for each *CEQA Guidelines* Appendix G section below.

6.2 Aesthetics

General Plan EIR Findings

Aesthetics is discussed in Chapter 3.1 of the General Plan EIR. The General Plan EIR determined that impacts related to scenic vistas and visual character would be less than significant and found no impact to scenic resources. Impacts related to the generation of light and glare were determined to be less than significant with the implementation of Mitigation Measure 3.1-4, which requires outdoor lighting to be directed downward and away from adjacent properties.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. This would result in a net increase of 3,351units above what was previously analyzed in the General Plan EIR.

Rezoning of 30 parcels would result in the construction of denser and taller development which could potentially result in impacts to aesthetics. However, future development facilitated by the proposed project would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations, including standards that govern visual quality and community design, including Mitigation Measure 3.1-4, as included in the General Plan EIR, which would reduce light and glare impacts.

Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. On the rezone sites, there will be increased density and different types of developments. However, The Housing Element Update, in and of itself, does not propose specific projects but puts forth goals and policies that regulate various aspects of new housing development in Merced. Future developments

resulting from the Housing Element Update would be consistent with the buildout anticipated by the General Plan. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to scenic vistas, scenic resources, or visual character, and would not create new sources of substantial light or glare which could adversely affects views.

Conclusion

The project would not result in aesthetic impacts beyond those addressed or analyzed in the General Plan EIR, nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the project and no additional environmental assessment of aesthetics is required.

6.3 Agriculture and Forestry Services

General Plan EIR Findings

Agricultural and forest resources are discussed in Chapter 3.2 of the General Plan EIR. The General Plan EIR determined that impacts related to Important Farmland would be significant and unavoidable despite the implementation of Mitigation Measure 3.2-1, which encourages continued agricultural production until urban conversion occurs, requires collaboration with land trusts to preserve agricultural land, and prioritizes infill and contiguous development. The General Plan EIR also found significant and unavoidable impacts to existing zoning for agricultural use and Williamson Act contracts with no identified mitigation. The General Plan EIR also found no impacts to existing zoning for forest land, timberland, or timberland production; loss or conversion of forest land; and other conversions of farmland or forest land to non-agricultural uses.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. As discussed in Section 2.7, *Buildout of Proposed Project and Comparison to the 2012 General Plan EIR*, buildout of the proposed project is within the buildout projections analyzed in the General Plan EIR.

While the General Plan EIR identified potentially significant agricultural and forestry impacts, the proposed project would not rezone any lands currently designated as farmland, forest land, or timberland within the city. Additionally, the project would be consistent with goals and policies included in the General Plan intended to reduce impacts to agricultural lands such as Policies OS-2.1 and OS-2.2 included in the Open Space, Conservation, and Recreation Element, which call for the City to protect agricultural resources outside of the Specific Urban Development Plan/Sphere of Influence. The Housing Element Update and Rezone would increase residential densities on 30 parcels within the city thereby reducing the need for conversion of agricultural land to accommodate additional housing units.

Future development facilitated by the proposed project would undergo project-specific developmental review, including design review; would be subject to adopted development regulations, including Mitigation Measure 3.2-1, as included in the General Plan EIR; and would be required to comply with existing general plan policies and land use designations. Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a

substantial increase in the severity of previously identified significant effects. The Housing Element Update, in and of itself, does not propose specific projects but puts forth goals and policies that regulate various aspects of new housing development in Merced. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to the conversion of Important Farmland, forest land, or timber land to non-agricultural uses.

Conclusion

The proposed project would not result in agricultural and forestry impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of agriculture and forestry is required.

6.4 Air Quality

General Plan EIR Findings

Air quality is discussed in Chapter 3.3 of the General Plan EIR. The General Plan EIR determined that future development under the General Plan would result in construction emissions that exceed the threshold of significance for the generation of fugitive dust. However, implementation of Mitigation Measures 3.3-1a and 3.3-1b, which require dust control measures, erosion prevention, speed limits, and wind breaks for construction disturbing over 22 acres on any one day; and require adoption of an ordinance that minimizes idling times and operational hours, using alternative fuels, employing properly maintained equipment to reduce emissions, and other emission-reducing construction equipment practices, respectively, were found to reduce construction exhaust emissions to a less than significant level. The General Plan EIR found significant and unavoidable impacts on criteria air pollutants in a non-attainment area, despite Mitigation Measure 3.3-2, which requires the implementation of Best Available Control Technology measures for discretionary permits. The General Plan EIR found impacts to exposing sensitive receptors to pollutant concentration and odor to be less than significant.

Addendum Analysis

Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Furthermore, as stated in Section 2.7, *Buildout of Proposed Project and Comparison to the 2012 General Plan EIR*, the number of units proposed under the Housing Element Update and Rezone would still be within the total remaining buildout of the 2012 General Plan EIR. In addition, future development facilitated by the proposed project would undergo project-specific developmental review and would be required to comply with existing policies and regulations, including Mitigations Measures 3.3-1a, 3.3-1b, and 3.3-2. Because the proposed project is a policy document consistent with the General Plan and in and of itself does not propose specific projects but puts forth goals and policies that regulate various aspects of new housing development, it would have no impact to air quality.

Conclusion

The project would not result in air quality impacts beyond those addressed or analyzed in the General Plan EIR, nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the project and no additional environmental assessment of air quality is required.

6.5 Biological Resources

General Plan EIR Findings

Biological resources are discussed in Chapter 3.4 and Chapter 2.9 of the General Plan EIR. The General Plan EIR determined that future development facilitated by the General Plan would result in less than significant impacts to special-status species and their habitats with the implementation of Mitigation Measures 3.4-1a through 3.4-1i, which require surveys and avoidance measures for vernal pools, plants, elderberry bushes, Valley elderberry longhorn beetle, burrowing owls, birds, amphibians, reptiles, fish, and mammals. The General Plan EIR also found less than significant impacts to riparian habitats and sensitive natural communities with the implementation of Mitigation Measure 3.4-2, which requires avoidance or no-net-loss to riparian habitat and other sensitive natural communities. Implementation of Mitigation Measures 3.4-3a and 3.4-3b, which require the delineation, agency permitting, and the no-net-loss replacement or rehabilitation of any jurisdictional waters, were found to reduce impacts to wetlands to a less than significant level in the General Plan EIR. The General Plan EIR determined impacts to wildlife corridors would be less than significant with Mitigation Measure 3.4-1e. The General Plan EIR found no impact to local policies or ordinances protecting biological resources, and habitat conservation plans or natural community preservation plans.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. The proposed rezoning would not conflict with any local policies or ordinances protecting biological resources as the rezone sites are currently zoned for urban development. Furthermore, by increasing density on infill sites within the city, the proposed project would reduce potential impacts to biological resources by limiting urbanization of natural and undeveloped areas. Future development proposed as a result of the Housing Element Update and Rezone would be subject to project-specific environmental review and would be required to adhere to policies in the General Plan. Furthermore, future development would be required to comply with adopted federal, state, and local regulations protecting biological resources, including Mitigation Measures 3.4-1a through 3.4-1i, 3.4-2, 3.4-3a, and 3.4-3b.

Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in biological resource impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant

than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the project and no additional environmental assessment of biological resources is required.

6.6 Cultural Resources

General Plan EIR Findings

Cultural resources are discussed in Chapter 3.5 of the General Plan EIR. The General Plan EIR determined that future development facilitated by the General Plan would not have a significant impact on historical or archaeological resources, or human remains.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. The proposed rezoning would not increase potential impacts to cultural resources as the rezone sites are currently zoned for urban development, and could be developed under existing zoning. The increase in density on these sites would not result in an increase in the potential development footprint, thereby expanding potential cultural resource impacts into new areas. Future development facilitated by the Housing Element Update and Rezone would undergo project-specific developmental review and be required to adhere to all state and federal regulations to reduce impacts to cultural resources. Furthermore, because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in cultural resource impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of cultural resources is required.

6.7 Energy

General Plan EIR Findings

The General Plan EIR does not include a separate section regarding energy since it was not required under the *CEQA Guidelines* Appendix G checklist at the time the report was prepared; however, energy is discussed in Section 5.2, *Significant Irreversible Environmental Changes*, of the General Plan EIR. The General Plan EIR found that General Plan policies prioritize energy conservation. A discussion of energy impacts is provided herein to supplement the General Plan EIR.

Addendum Analysis

The Housing Element Update and Rezone proposes rezoning 32 parcels within the city to higher-density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. Future development facilitated by the Housing Element Update and Rezone would involve the consumption of non-renewable energy resources such as electricity, natural gas, propane, gasoline, and diesel. However, future projects would be required to adhere to

applicable regulations and General Plan policies and actions related to energy resources and energy consumption with new residential construction, including California Code of Regulations (CCR) Title 20, Division 2, Chapter 4, Energy Conservation; CCR Title 24, Part 6, *California Energy Code*; and CCR Title 24, Part 11, *California Green Building Standards Code*, Tier 1. These regulations include requirements for the use of more energy-efficient design and technologies as well as the incorporation of more renewable energy resources into building design than were in place during the General Plan EIR analysis.

Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The Housing Element Update, in and of itself, does not propose specific projects but puts forth goals and policies that regulate various aspects of new housing development in Merced. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to energy resources. With compliance with existing regulations, impacts related to wasteful, inefficient, or unnecessary consumption of energy resources would be less than significant.

Conclusion

The proposed project would not result in energy impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of energy is required.

6.8 Geology and Soils

General Plan EIR Findings

Geology and soils are discussed in Chapter 3.6 and paleontological resources are discussed in Chapter 3.5 of the General Plan EIR. The General Plan EIR determined that impacts from seismic hazards, erosion, unstable geologic units, landslide, lateral spreading, subsidence, liquefaction, collapse, expansive soils, and soils unsuitable for septic tanks or alternative wastewater systems were less than significant. The General Plan EIR found less than significant impacts to paleontological resources.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. The proposed rezoning would not increase potential impacts related to geology and soils as the rezone sites are currently zoned for urban development and could be developed under existing zoning. The increase in density on these sites would not result in an increase in the potential development footprint, thereby expanding potential geology and soils impacts into new areas. Individual projects under the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations such as the California Building Code and International Building Code's regulations and standards regarding seismic safety of buildings and structures. Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in geology and soils impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of geology and soils is required.

6.9 Greenhouse Gas Emissions

General Plan EIR Findings

Greenhouse gas emissions are discussed in Chapter 3.17 of the General Plan EIR. The General Plan EIR determined that impacts related to incremental contribution to climate change would be significant and unavoidable, despite the implementation of General Plan policies that would reduce emissions. The General Plan EIR found that impacts related to plans, policies, or regulations intended to reduce greenhouse gas emissions would be less than significant.

Addendum Analysis

The Housing Element Update and Rezone is a policy document consistent with the General Plan. Because it is a policy document, the Housing Element Update and Rezone would not, in and of itself, result in impacts to greenhouse gas emissions or adopted plans for the purpose of reducing greenhouse gases. Future development consistent with the Housing Element Update and Rezone would be required to adhere to applicable climate and greenhouse gas emissions policies and regulations including consistency with targets established by SB 32, AB 32, SB 97, and SB 375. Furthermore, the proposed project would increase density within the city to accommodate planned growth which would reduce vehicle miles travelled (VMT) and therefore reduce greenhouse gas emissions by promoting the creation of housing in areas near transit and other necessary services. With compliance with existing regulations, impacts related to greenhouse gas emissions would be less than significant. Future development facilitated by the project would undergo project-specific developmental review and would be required to adhere to State and City building standards and policies designed to reduce greenhouse gas emissions with new residential construction, such as CCR Title 20, Division 2, *State Energy Resources Conservation and Development Commission*; and CCR Title 24, Part 11, *California Green Building Standards Code*, Tier 1.

Conclusion

The project would not result in greenhouse gas emission impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of greenhouse gas emissions is required.

6.10 Hazards and Hazardous Materials

General Plan EIR Findings

Hazards and hazardous materials are discussed in Chapter 3.7 of the General Plan EIR. The General Plan EIR determined that impacts related to routine transport, use, or disposal of hazardous materials; upset and accident conditions resulting in the release of hazardous materials; emission of

hazardous materials near schools; Government code 65962.5 hazardous material sites; airports; emergency response or evacuation plans; and wildland fires would be less than significant.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. The proposed rezoning would not increase potential impacts related to hazard and hazardous materials as the rezone sites are currently zoned for urban development and could be developed under existing zoning. The increase in density on these sites would not result in an increase in the potential development footprint on sites with identified hazardous materials concerns. Individual projects under the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted federal, state, and local regulations. Furthermore, because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in hazards and hazardous materials impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of hazards and hazardous materials is required.

6.11 Hydrology and Water Quality

General Plan EIR Findings

Hydrology and water quality is discussed in Chapter 3.8 of the General Plan EIR. The General Plan EIR determined that impacts related to water quality, groundwater supplies and recharge, drainage patterns, erosion or siltation, surface runoff, and flood hazards would be less than significant.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. The proposed rezoning would not increase potential impacts related to hydrology and water quality as the rezone sites are currently zoned for urban development and could be developed under existing zoning. The increase in density on these sites would not result in an increase in the potential development footprint, thereby expanding potential hydrology and water quality impacts into new areas. Individual projects under the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted regulations including Section 15.50.120 of the Merced Municipal Code which sets requirements for construction and development in order to minimize water pollution from stormwater. Future developments that result from the implementation of the proposed project would be subject to existing General Plan policies as well, such as Policies P-4.1 and 4.2, which encourage adequate wastewater collection, treatment, and disposal in the City. The Housing Element Update and Rezone would also be subject to requirements of applicable permits such as

the NPDES and MS4 permits. The proposed project would not result in new hydrology and water quality impacts from new development as evaluated in the certified EIR.

Conclusion

The project would not result in hydrology and water quality impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of hydrology and water quality is required.

6.12 Land Use and Planning

General Plan EIR Findings

Land use and planning is discussed in Chapter 3.9 of the General Plan EIR. The General Plan EIR concluded that implementation of the General Plan would have less than significant impacts with regards to the division of an established community or related to conflicts with applicable land use plans.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. Future development facilitated by the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted development standards and policies including those in the Land Use Element of the General Plan. The rezone sites would not result in inconsistencies with current land use plans or divide communities because the rezone sites are located in infill development areas, and would be rezoned from low density residential, general commercial, and planned development to high-density residential and central commercial.

Adherence to the goals and policies included in the Land Use Element of the General Plan would ensure that the future development would not conflict with a land use plan or policy. Additionally, because the project would facilitate the development of housing primarily on infill sites within the city, development facilitated by the proposed project would not divide an established community.

Conclusion

The project would not result in land use and planning impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of land use and planning is required.

6.13 Mineral Resources

General Plan EIR Findings

Mineral resources are discussed in Chapter 3.10 of the General Plan EIR. The General Plan EIR determined that there would be no impact to mineral resources.

Addendum Analysis

As discussed in the General Plan EIR, there are no known significant mineral resources or mining operations in the city. Because the project would result in infill development and rezone of sites within the city, the project would have no impact on mineral resources, similar to the General Plan EIR.

Conclusion

The project would not result in mineral resource impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of mineral resources is required.

6.14 Noise

General Plan EIR Findings

Noise is discussed in Chapter 3.11 of the General Plan EIR. The General Plan EIR determined that implementation of the General Plan would result in a significant and unavoidable impacts from operational traffic noise with no mitigation feasible of reducing this impact available. The General Plan EIR determined that impacts from construction noise would be less than significant. The General Plan EIR found that construction vibration impacts could be reduced to a less than significant level through the implementation of Mitigation Measure 3.11-4, which requires additional analysis of vibration when construction would use pile drivers or large vibratory compactors. Additionally, the General Plan EIR determined that the General Plan would result in less than significant impacts from stationary noise sources.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. Future development facilitated by the project would undergo project-specific developmental review, including design review, and would be subject to adopted development standards and policies including those in the Noise Element of the general plan and Mitigation Measure 3.11-4. The rezone sites would allow for higher density development on certain sites but would not result in overall greater total development than was envisioned by the General Plan. Because the project would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in noise impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of noise is required.

6.15 Population and Housing

General Plan EIR Findings

Population and housing are discussed in Chapter 3.12 of the General Plan EIR. The General Plan EIR determined that impacts from unplanned population growth and displacement of people or existing housing would be less than significant.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. As discussed in Section 2.7 of this document, the proposed project would promote the development of housing to meet the city's RHNA requirement and ensure that the Housing Element is in compliance with state law to accommodate anticipated population growth within the city. Future development facilitated by the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations. Furthermore, because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in population and housing impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of population and housing is required.

6.16 Public Services

General Plan EIR Findings

Public Services is discussed in Chapter 3.14 of the General Plan EIR. The General Plan EIR determined that development facilitated by the General Plan would have a less than significant impact on police protection services, fire protection services, school services, libraries, and government and health services.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. As discussed in Section 2.7 of this document, the proposed increase in growth can be considered as anticipated growth as evident by accommodating the City's State RHNA goal. The Housing Element Update and Rezone would not result in an increase in buildout above the buildout assumed in the General Plan EIR. The proposed project would update the zoning map as a result of the proposed rezoning of the rezone sites. Additionally, the fundamental regulations and requirements of the General Plan and Zoning Code, such as meeting design standards, would still apply to all projects in the City, including the proposed project. Goals and

policies in the Safety Element of the General Plan would enhance public services such as police and fire protection and ensure effective emergency access. These goals, policies, and measures would continue to be required with implementation of the proposed project.

Future development facilitated by the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations, including General Plan policies and community public facilities fees established in the City's Municipal Code. Furthermore, Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in public services impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of public services is required.

6.17 Recreation

General Plan EIR Findings

Recreation is discussed in Chapter 3.13 of the General Plan EIR. The General Plan EIR determined that impacts related to increased use of parks and recreational facilities would be less than significant.

Addendum Analysis

The Housing Element Update and Rezone would rezone 30 parcels within the city to higher density residential or central commercial to accommodate anticipated population growth associated with the City's RHNA allocation. As discussed in Section 2.7, the Housing Element Update and Rezone would not result in an increase in buildout above the buildout assumed in the General Plan EIR, thereby resulting in no increase in recreation impacts as compared to the General Plan. Additionally, goals and policies in the Land Use Element of the General Plan, such as Policy OS-3.1, which requires the City to provide high quality park and open space facilities to serve the needs of a growing population, would continue to apply to future development.

Future development facilitated by the Housing Element Update and Rezone would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations, including General Plan policies and community park and recreation fees established in the City's Municipal Code. Furthermore, because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in recreation impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than

those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of recreation is required.

6.18 Transportation

General Plan EIR Findings

Transportation is discussed in Chapter 3.15 of the General Plan EIR. The General Plan EIR analyzed Level of Service (LOS) as the methodology to assess significance and found that traffic impacts would be significant and unavoidable, despite implementation of Mitigation Measures 3.15-1a and 3.15-1b, which require roadway improvements and traffic studies to be conducted. The General Plan EIR found that impacts associated with air traffic patterns, roadway hazards and incompatible uses, and emergency access were less than significant; and no impact would occur related to conflicts with policies supporting alternative transportation.

Since certification of the EIR and pursuant to SB 743, transportation impacts are evaluated using VMT instead of LOS.

Addendum Analysis

No specific developments are being approved as part of the project; therefore, the project would not directly or indirectly result in transportation impacts. The rezone sites would allow for higher density development on certain sites but would not result in overall greater total development than was envisioned by the General Plan. Furthermore, the proposed project would increase density within the city to accommodate planned growth which would reduce VMT by promoting the creation of housing in areas near transit and other necessary services within the city. Future development facilitated by the project would undergo project-specific developmental review and would be subject to adopted policies and programs identified in the General Plan EIR, including Mitigation Measures 3.15-1a and 3.15-1b.

Because the Housing Element and Rezone would not facilitate development beyond what was considered in the General Plan EIR, the project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Conclusion

The project would not result in transportation impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of transportation is required.

6.19 Tribal Cultural Resources

General Plan EIR Findings

Tribal Cultural Resources was added to the 2016 *CEQA Guidelines* as a separate environmental issue area. Thus, the General Plan EIR (certified January 2012) does not include a chapter or section dedicated to analysis of impacts to tribal cultural resources. However, it does analyze general impacts to historical and cultural resources (including archeological resources that may originate from Native American tribes) in Chapter 3.5. As the Notice of Preparation for the General Plan EIR

was published before July 1, 2015, tribal consultation pursuant to Assembly Bill (AB) 52 was not required.

Addendum Analysis

In accordance with the requirements of SB 18, the City requested a tribal contact list from the California Native America Heritage Commission (NAHC) on July 24, 2024. NAHC responded to the City's request on July 29, 2024, providing a list of twelve contacts from Native American tribal organizations that should be invited to consult with the City. The contact list included the following tribal organizations: the Amah Mutsun Tribal Band, the North Fork Rancheria of Mono Indian, Northern Valley Yokut/Ohlone Tribe, Picayune Rancheria of the Chukchansi Indians, Southern Sierra Miwuk Nation, Tule River Indian Tribe, and the Wuksachi Indian Tribe/Eshorn Valley Band.

On August 30, 2024, the City sent letters inviting the tribes listed about to consult with the City under the provisions SB 18. The invitations advised the tribes that if consultation was desired, then they must formally accept the invitation in writing within 90 days of receipt of the City's letter pursuant to SB 18. The City received zero responses and no requests for consultation.

The proposed project, in and of itself, would not propose or authorize specific development. Because the project is a policy document, the proposed project would not, in and of itself, result in impacts to tribal cultural resources such as causing a substantial adverse change in the significance of a tribal cultural resource. The proposed rezoning would not increase potential impacts to tribal cultural resources as the rezone sites are currently zoned for urban development and could be developed under existing zoning. The increase in density on these sites would not result in an increase in the potential development footprint, thereby expanding potential tribal cultural resource impacts into new areas. Future development facilitated by the project would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations and possibly subject to AB 52 compliance. Therefore, impacts would be less than significant.

Conclusion

The project would not result in tribal cultural resource impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of tribal cultural resources is required.

6.20 Utilities and Service Systems

General Plan EIR Findings

Utilities and service systems are addressed in Chapter 3.16 of the General Plan EIR. The General Plan EIR determined that impacts related to wastewater treatment requirements, expansion of water or wastewater infrastructure, stormwater drainage facilities, water supply entitlements, solid waste services, and compliance with regulations related to solid waste would be less than significant. Impacts to electricity and gas were addressed in the General Plan EIR's Cumulative Impacts Analysis in Section 5.7. Impacts related to electricity and gas were determined to be cumulatively significant and unavoidable. Telecommunications resources are mentioned briefly in the General Plan EIR in

Impact 3.14-4. However, the impact level on this service is unclear, thus it is discussed further below.

Addendum Analysis

As described above, the proposed project would result in a net increase of 3,351units compared to the General Plan EIR, however, this net increase of units and population would not exceed the buildout projections considered as part of the 2012 General Plan EIR. Because the proposed project would not exceed the buildout identified in the General Plan EIR, it would not result in an increase in demand for water supply, wastewater, or solid waste services. Future development facilitated by the project would undergo project-specific developmental review, including design review, and would be subject to adopted development regulations. The proposed project would not result in new utilities impacts not discussed in the General Plan EIR or an increase in the severity of utilities impacts.

The proposed project, in and of itself, would not propose or authorize specific development. Because the project is a regulatory update, the proposed project would not, in and of itself, result in impacts to electricity and telecommunications utilities. Future development facilitated by the project would undergo project-specific developmental review, including design review, and would be required to comply with General Plan goals and policies related to utilities and service systems. Therefore, impacts would be less than significant.

Conclusion

The project would not result in utilities and service systems impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of utilities and service systems is required.

6.21 Wildfire

General Plan EIR Findings

Wildland fires are discussed in Section 3.7 of the General Plan EIR. Impacts regarding potential to expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands were determined to be less than significant.

Addendum Analysis

The City of Merced is in an area where the wildland fire risk is considered minimal. There are no State Responsibility Areas or Very High Fire Hazard Severity Zones within the city of Merced (California Department of Forestry and Fire Protection 2024). The nearest Very High Fire Hazard Severity Zone is approximately 3 miles northeast of the city. Additionally, the Safety Element contains policies to support and facilitate fire protection while the Open Space Element contains policies addressing weed abatement. These policies from the General Plan would minimize loss of life and property from wildland fires. Because it is a policy document, the Housing Element Update and Rezone would not, in and of itself, result in impacts to wildfire. Future development facilitated by the project would undergo project-specific review and would be subject to adopted development

standards including Chapter 17.32 of the Merced Municipal Code which includes fire prevention measures, General Plan Policies S-4.1 and S-4.2 which would reduce impacts associated with wildfire hazards, and the California Fire Code. With implementation of these standards, impacts would be less than significant.

Conclusion

The project would not result in wildfire impacts beyond those addressed or analyzed in the General Plan EIR nor present new information that shows impacts would be more significant than those described in the General Plan EIR. Therefore, the General Plan EIR applies to the proposed project and no additional environmental assessment of wildfire is required.

7 Cumulative Impacts

In addition to the specific impacts of individual projects, CEQA requires consideration of potential cumulative impacts of the proposed project. CEQA defines "cumulative impacts" as two or more individual impacts that, when considered together, are substantial or will compound other environmental impacts. Cumulative impacts are the combined changes in the environment that result from the incremental impact of development of the proposed project and other past, present, and probable future projects producing related or cumulative impacts. For example, noise impacts of two nearby projects may be less than significant when analyzed separately but could have a significant impact when analyzed together. The cumulative impact analysis provides a reasonable forecast of future environmental conditions and can more accurately gauge the effects of a series of projects.

CEQA Guidelines Section 15130 requires cumulative impact analysis in EIRs to consider either a list of planned and pending projects that may contribute to cumulative effects or a summary of projections contained in an adopted planning document such as a general plan.

7.1 General Plan EIR Findings

Section 5.5 of the General Plan EIR discusses cumulative impacts. The cumulative setting for the analysis in the General Plan EIR is explained in Section 5.6, *Cumulative Setting*. As stated in that section, cumulative impacts of the General Plan were considered based on regional boundaries, projected regional or area-wide conditions, or based on development anticipated within the vicinity of the city. The cumulative analysis considered development allowed by existing general plan documents for adjacent jurisdictions.

The General Plan EIR determined that cumulative impacts related to aesthetics, biological resources, cultural resources, geology and soils, hazards and hazardous materials, land use and planning, mineral resources, noise, population and housing, recreation, and utilities and service systems would be considered less than significant or there would be no cumulative impact. Impacts related to agriculture and forestry resources, hydrology and water quality, and transportation were determined to be cumulatively considerable. Impacts related to air quality, public services, and greenhouse gas emissions were determined to be significant and unavoidable cumulative impacts.

7.2 Addendum Analysis

Since certification of the 2012 General Plan EIR, there has been no new development proposed within the City that was not considered as part of the 2012 General Plan EIR. There are no new substantial cumulative projects in the City or adjacent jurisdictions that were not previously considered in the 2012 General Plan EIR cumulative impact analysis. The cumulative conditions in the 2012 General Plan EIR have not substantially changed; therefore, the cumulative setting in the 2012 General Plan EIR remains the same for the purposes of this analysis.

The proposed project would not result in new impacts compared to the previous 2012 General Plan EIR as analyzed in this Addendum. While the project would result in the potential future development of a greater number of housing units in the City than analyzed in the 2012 General Plan EIR, the physical development area of the City would not be modified. Therefore, no new or

additional cumulatively considerable contributions to a significant cumulative impact would occur as a result of the project.

7.3 Conclusion

The proposed project would not result in new or more severe cumulatively considerable impacts than were identified in the 2012 General Plan EIR. No new or substantially more severe significant effects would occur to cumulative impacts, and no new mitigation measures are required. No substantial changes have occurred that require major revisions to the 2012 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to cumulative impacts than were identified in the 2012 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR have been met.

8 Conclusion

The City of Merced, acting as the lead agency, determined that an addendum is the appropriate environmental document under CEQA because the proposed project would not require revisions to the certified General Plan EIR due to the involvement of new significant environmental effects or substantial increases in the severity of significant effects previously identified in the General Plan EIR.

There are no changed circumstances or new information that meets the standard for requiring further environmental review under *CEQA Guidelines* Section 15162. Thus, these circumstances and information would not result in new or more severe impacts beyond what were addressed in the General Plan EIR and would not meet any other standards under *CEQA Guidelines* Section 15162(a)(3). No additional analysis is required based on the discussions throughout this addendum. The proposed Housing Element Update and Rezone would not involve development in areas not assumed for development in the General Plan EIR, nor would it result in population growth and density beyond what was analyzed in the General Plan EIR. The project would not result in significant or substantially more severe impacts that were not discussed in the General Plan EIR. Also, there are no previously identified significant effects which, as a result of substantial new information that was not known at the time of the previous environmental review, would be substantially more severe than discussed in the General Plan EIR. Accordingly, no additional CEQA review is required.

CEQA Guidelines Section 15164 states that "[t]he lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in *CEQA Guidelines* Section 15162 calling for preparation of a subsequent EIR have occurred." An addendum is therefore appropriate because, as explained above, none of the conditions calling for preparation of a subsequent EIR have occurred.

9 References

9.1 Bibliography

California Department of Finance (DOF). 2023. E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2010-2020. November 2023. https://dof.ca.gov/forecasting/demographics/estimates/estimates-e8-2010-2020/ (accessed September 2024).

_____. 2024. E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2024. May 2024. https://dof.ca.gov/Forecasting/Demographics/Estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2024/ (accessed September 2024).

California Department of Forestry and Fire Protection. 2024. Fire Hazard Severity Zones in State Responsibility Area. https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones.

Merced, City of. 2010. Draft Environmental Impact Report for the City of Merced Vision 2030 General Plan. SCH No. 2008071069. Certified August 2010. https://www.cityofmerced.org/home/showpublisheddocument/8600/637064929901770000.

_____. 2012a. Merced Vision 2030 General Plan. Adopted January 2012. https://www.cityofmerced.org/departments/development-services/planning-division/merced-vision-2030-general-plan (accessed September 2024).

_____. 2012b. Merced Vision 2030 General Plan Draft General Plan EIR. https://www.cityofmerced.org/departments/development-services/planning-division/merced-vision-2030-general-plan-adoption/-folder-1177 (accessed October 2024).

Merced County Association of Governments (MCAG). 2022. Final Regional Housing Needs Allocation Plan: Merced County Region. Adopted November 17, 2022. https://www.mcagov.org/DocumentCenter/View/3863/MCAG-RHNA-Plan_FINAL-_11172022?bidId= (accessed September 2024).

9.2 List of Preparers

Rincon Consultants, Inc. prepared this EIR Addendum under contract to the City of Merced. Persons involved in data gathering analysis, project management, and quality control are listed below.

Rincon Consultants, Inc.

Matthew Maddox, AICP, Principal
Megan Jones, AICP, Principal
Aileen Mahoney, Senior Environmental Planner
Michael Huang, Environmental Planner
Nichole Yee, Environmental Planner

NOTICE OF EXEMPTION

To: ___ Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

_X_ County Clerk
County of Merced
2222 M Street
Merced, CA 95340

From: (Public Agency)
City of Merced
678 West 18th St.
Merced, CA 95340

Project Title: General Plan Amendment #24-06 Env. Rev. #26-0068

Project Applicant: City of Merced

Project Location (Specific): City of Merced **APN:** multiple

Project Location - City: Merced **Project Location - County:** Merced

Description of Nature, Purpose, and Beneficiaries of Project: The project includes the certification and adoption of the Merced County Multijurisdictional Housing Element and Appendix G - City of Merced's 6th Cycle Housing Element for 2024-2032. The Housing Element is one of the seven required elements of the General Plan. Adoption of the Housing Element will not include the approval of any specific projects. This also includes a zoning ordinance amendment to meet the State requirements for the Regional Housing Needs Allocation. Projects proposed because of the Element's adoption will be evaluated for specific impacts before their approval and development. This project benefits the City of Merced and its residents.

Name of Public Agency Approving Project: City of Merced

Name of Person or Agency Carrying Out Project: Leah Brown

Exempt Status: (check one)
___ Ministerial (Sec. 21080(b)(1); 15268);
___ Declared Emergency (Sec. 21080(b)(3); 15269(a));
___ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
___ Categorical Exemption. State Type and Section Number:
_X_ Statutory Exemptions. State Code Number: _____15162_____.
___ General Rule (Sec. 15061 (b)(3))

Reasons why Project is Exempt: As defined under the above referenced Section, the proposed project had a General Plan EIR Addendum prepared and adopted in April 2025, the current action is exempt per Section 15162, no subsequent EIR shall be prepared for that project since no substantial changes are proposed for the project since the adopted addendum.

Lead Agency: City of Merced
Contact Person: Leah Brown **Area Code/Telephone:**(209) 385-6858

Signature: _____ **Date: 06/05/2026** **Title: Senior Planner**

_X_ Signed by Lead Agency Date Received for Filing at OPR:_____
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code
Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AMENDING ORDINANCE NO. 2577, AND ADOPTING ENVIRONMENTAL REVIEW #26-0068 (STATUTORY EXEMPTION)

WHEREAS, on April 21, 2025, the City Council adopted Ordinance 2577 rezoning 27 parcels to meet the RHNA needs; and

WHEREAS, pursuant to California Government Code Section 65580 et seq., the City ofMerced ("City") is required to update its September 2016 Housing Element for the Sixth Cycle planning period of January 31, 2024 through January 31, 2032 and implement the Sixth Cycle Housing Element ofthe General Plan; and

WHEREAS, on March 17, 2026, California Department of Housing & Community Development ("HCD") notified the City that the revised draft Housing Element meets the statutory requirements with necessary rezones to accommodate the Regional Housing Needs Allocation (RHNA) and include certain statutory language in the City's Ordinance 2577; and

WHEREAS, to satisfy HCD and comply with state law, Ordinance 2577 must be amended as depicted in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, after a duly noticed public hearing on June 17, 2026, the Planning Commission adopted Resolution #4181 recommending to the City Council of the City of Merced to adopt Zoning Ordinance Amendment #26-0001 and Environmental Review #26-0068 (Statutory Exemption); and

WHEREAS, the City Council conducted a duly noticed public hearing on July 20, 2026, to consider introducing this Ordinance No. 26-_____ thereby approving and adopting Zoning Ordinance Amendment #26-0001 and to consider its associated Environmental Review # 26-0068 (Statutory Exemption).

THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT TO CODE. The Rezone Site List of Ordinance 2557 is amended as depicted in Exhibit A, attached hereto and incorporated herein by this reference. In introducing this Ordinance, the City Council acknowledges its intent to concurrently adopt General Plan Amendment #24-06 to become effective upon the effective date of this Ordinance.

SECTION 2. ENVIRONMENTAL REVIEW. The City Council finds that Environmental Review #26-0068 has been conducted for the project in accordance with the requirements of the California Environmental Quality Act (CEQA).

SECTION 3. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 4. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 5. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the _____ day of _____, 2026, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2026, by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 7-13-2026
City Attorney Date

NOTICE OF POTENTIAL INTRODUCTION OF ORDINANCE

CITY OF MERCED

NOTICE IS HEREBY GIVEN that on _____ __, 2026, the City Council of the City of Merced is scheduled to consider the introduction of an Ordinance entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AMENDING ORDINANCE NO. 2577 AND ADOPTING ENVIRONMENTAL REVIEW # 26-0068 (STATUTORY EXEMPTION)

at its regular meeting to be held at 6:00 pm in the City Council Chambers at 678 West 18th Street, Merced, California. The public is invited to provide any oral or written comments regarding this proposed Ordinance.

If adopted, this Ordinance would amend Ordinance No. 2577 by adding additional language to ensure adequate housing sites consistent with Government Code Sections 65583(c)(1)(A) and 65583.2 as required by the State of California.

A copy of the full text of the proposed Ordinance is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

_____
ASSISTANT CITY CLERK

PUBLISH:

PUBLIC NOTICE OF ADOPTION OF ORDINANCE

CITY OF MERCED

ORDINANCE NO.

NOTICE IS HEREBY GIVEN that on _____ __, 2025, the City Council of the City of Merced adopted Ordinance No. _____, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AMENDING ORDINANCE NO. 2577 AND ADOPTING ENVIRONMENTAL REVIEW # 26-0068 (STATUTORY EXEMPTION)

Ordinance No. _____ would amend Ordinance No. 2577 by adding additional language to ensure adequate housing sites consistent with Government Code Sections 65583(c)(1)(A) and 65583.2 as required by the State of California..

Ordinance No._____ was adopted by the following roll call vote of the City Council:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

A copy of the full text of Ordinance No. _____ is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

_____

ASSISTANT CITY CLERK

PUBLISH:

Rezone Sites List

A. Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.

B. Permit the development of at least 16 units per site.

C. Establish a minimum density of 20 units per acre and a maximum density of at least 24 units per acre for all rezone sites to accommodate lower income RHNA.

D. Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

E. ~~A.~~A General Plan Amendment #24-17-A from Low-Medium Density (LMD) Residential to High Density Residential (HD) and Zone Change #436-A from Low Medium Density Residential (R-2) to High Density Residential (R-4) for approximately 2.07 acres of land more particularly described as Assessor's Parcel Number (APN) 035-140-016 (Site A on Exhibit B).

F. ~~B.~~A General Plan Amendment #24-17-B from General Commercial (CG) to Regional/Community Commercial (RC) and Zone Change #436-B from General Commercial (C-G) to Regional/Central Commercial (C-C) for approximately 0.52 acres of land more particularly described as Assessor's Parcel Number (APN) 035-160-016 (Site B on Exhibit B).

G. ~~C.~~A General Plan Amendment #24-17-C from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-C from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 0.68 acres of land more particularly described as Assessor's Parcel Number (APN) 032-054-003 (Site C on Exhibit B).

H. ~~D.~~A General Plan Amendment #24-17-D from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-D from Low Density Residential (R-1-5) to High Density Residential (R-4) for approximately 0.99 acres of

land more particularly described as Assessor's Parcel Number (APN) 059-270-008 (Site D on Exhibit B).

I. ~~E.~~A General Plan Amendment #24-17-E from General Commercial (CG) to RC Regional/Community Commercial (RC) and Zone Change #436-E from General Commercial (C-G) to Regional/Central Commercial (C-C) for approximately 0.86 acres of land more particularly described as Assessor's Parcel Number (APN) 032-072-011 (Site E on Exhibit B).

J. ~~F.~~A General Plan Amendment #24-17-F from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-F from Residential Planned Development (RP-D) #40 to High Density Residential (R-4) for approximately 4.93 acres of land more particularly described as Assessor's Parcel Number (APN) 061-710-016 (Site F on Exhibit B).

K. ~~G.~~A General Plan Amendment #24-17-G from Open Space-Park Recreation (OS-PK) to High Density Residential (HD) and Zone Change #436-G from Residential Planned Development (RP-D) #40 to High Density Residential (R-4) for approximately 4.41 acres of land more particularly described as Assessor's Parcel Number (APN) 061-710-015 (Site G on Exhibit B).

L. ~~H.~~A General Plan Amendment #24-17-H from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-H from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 1.03 acres of land more particularly described as Assessor's Parcel Number (APN) 030-163-008 (Site H on Exhibit B).

M. ~~I.~~A General Plan Amendment #24-17-I from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-I from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 3.79 acres of land more particularly described as Assessor's Parcel Number (APN) 033-060-024 (Site I on Exhibit B).

N. ~~J.~~A General Plan Amendment #24-17-J from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-J from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 2.23 acres of land more particularly described as Assessor's Parcel Number (APN) 033-210-062 (Site J on Exhibit B).

O. ~~K.~~A General Plan Amendment #24-17-K from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-K from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 0.63 acres of

land more particularly described as Assessor's Parcel Number (APN) 034-021-002 (Site K on Exhibit B).

P. ~~L.~~A General Plan Amendment #24-17-L -from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-L from Low Density Residential (R-1-10) to High Density Residential (R-4) for approximately 0.55 acres of land more particularly described as Assessor's Parcel Number (APN) 034-072-030 (Site L on Exhibit B).

Q. ~~M.~~A General Plan Amendment #24-17-M from General Commercial (CG) to Regional/Community Commercial (RC) and Zone Change #436-M from General Commercial (C-G) to Regional/Central Commercial (C-C) for approximately 0.69 acres of land more particularly described as Assessor's Parcel Number (APN) 031-251-030 (Site M on Exhibit B).

R. ~~N.~~A General Plan Amendment #24-17-N from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-N from Low Density Residential (R-1-5) to High Density Residential (R-4) for approximately 2.11 acres of land more particularly described as Assessor's Parcel Number (APN) 059-330-021 (Site N on Exhibit B).

S. ~~O.~~A General Plan Amendment #24-17-O from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-O from Residential Planned Development (RP-D) #54 to High Density Residential (R-4) for approximately 1.62 acres of land more particularly described as Assessor's Parcel Number (APN) 061-310-006 (Site O on Exhibit B).

T. ~~P.~~A General Plan Amendment #24-17-P from General Commercial (CG) to High Density Residential (HD) and Zone Change #436-P from General Commercial (C-G) to High Density Residential (R-4) for approximately 3.77 acres of land more particularly described as Assessor's Parcel Number (APN) 031-231-005 (Site P on Exhibit B).

U. ~~Q.~~A General Plan Amendment #24-17-Q from General Commercial (CG) to High Density Residential (HD) and Zone Change #436-Q from General Commercial (C-G) to High Density Residential (R-4) for approximately 0.73 acres of land more particularly described as Assessor's Parcel Number (APN) 031-094-005 (Site Q on Exhibit B).

V. ~~R.~~A General Plan Amendment #24-17-R General Commercial (CG) to High Density Residential (HD) and Zone Change #436-R from General Commercial (C-G) to High Density Residential (R-4) for approximately 0.82 acres of land more

particularly described as Assessor's Parcel Number (APN) 031-171-001 (Site R on Exhibit B).

W. ~~S.~~A General Plan Amendment #24-17-S General Commercial (CG) to High Density Residential (HD) and Zone Change #436-S from Thoroughfare Commercial (C-T) to High Density Residential (R-4) for approximately 0.60 acres of land more particularly described as Assessor's Parcel Number (APN) 031-094-006 (Site S on Exhibit B).

X. ~~T.~~A General Plan Amendment #24-17-T from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-T from Low Density Residential (R-1-6) to High Density Residential (R-4) for approximately 4.73 acres of land more particularly described as Assessor's Parcel Number (APN) 231-040-010 (Site T on Exhibit B).

Y. ~~U.~~A General Plan Amendment #24-17-U from Low Density (LD) Residential to High Density Residential (HD) and Zone Change #436-U from Residential Planned Development (RP-D) #54 to High Density Residential (R-4) for approximately 1.91 acres of land more particularly described as Assessor's Parcel Number (APN) 061-600-001 (Site U on Exhibit B).

Z. ~~V.~~A General Plan Amendment #24-17-V from Low Medium Density (LMD) Residential to High Density Residential (HD) and Zone Change #436-V from Low Medium Density Residential (R-2) to High Density Residential (R-4) for approximately 2.28 acres of land more particularly described as Assessor's Parcel Number (APN) 058-110-044 (Site V on Exhibit B).

AA. ~~W.~~A General Plan Amendment #24-17-W and Site Utilization Plan Revision #19 to Planned Development (P-D) #4. The General Plan Amendment would change the General Plan designation from Commercial Office (CO) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from Commercial Office to High Density Residential for approximately 1.23 acres of land more particularly described as Assessor's Parcel Number (APN) 007-250-029 (Site W on Exhibit B).

BB. ~~X.~~A General Plan Amendment #24-17-X and Site Utilization Plan Revision #8 to Planned Development (P-D) #46. The General Plan Amendment would change the General Plan designation from Commercial Office (CO) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from Commercial Office to High Density Residential for approximately 10.00 acres of land more particularly described as Assessor's Parcel Number (APN) 206-040-020 (Site X on Exhibit B).

CC. ~~Y.~~A General Plan Amendment #24-17-Y and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from Neighborhood Commercial (CN) to Regional/Community Commercial (RC). The Site Utilization Plan Revision would change the Site Utilization Plan designation from Neighborhood Commercial to Central Commercial (C-C) for approximately 8.69 acres of land more particularly described as Assessor's Parcel Number (APN) 230-010-016 (Site Y on Exhibit B).

DD. ~~Z.~~A General Plan Amendment #24-17-Z and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from High Medium Density Residential (HMD) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from High Medium Density Residential to High Density Residential for approximately 10.00 acres of land more particularly described as Assessor's Parcel Number (APN) 224-020-006 (Site Z on Exhibit B).

EE. ~~AA.~~A General Plan Amendment #24-17-AA and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from High Medium Density Residential (HMD) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from High Medium Density Residential to High Density Residential for approximately 10.00 acres of land more particularly described as Assessor's Parcel Number (APN) 224-020-008 (Site AA on Exhibit B).

FF. ~~BB.~~A General Plan Amendment #24-17-BB and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from High Medium Density Residential (HMD) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from High Medium Density Residential to High Density Residential for approximately 8.11 acres of land more particularly described as Assessor's Parcel Number (APN) 170-060-050 (Site BB on Exhibit B).

GG. ~~CC.~~A General Plan Amendment #24-17-CC and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from High Medium Density Residential (HMD) to High Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from High Medium Density Residential to High Density Residential for approximately 5.16 acres of land more particularly described as Assessor's Parcel Number (APN) 170-060-051 (Site CC on Exhibit B).

HH. ~~DD.~~A General Plan Amendment #24-17-DD and Site Utilization Plan Revision #14 to Planned Development (P-D) #42. The General Plan Amendment would change the General Plan designation from High Medium Density Residential (HMD) to High

Density Residential (HD). The Site Utilization Plan Revision would change the Site Utilization Plan designation from High Medium Density Residential to High Density Residential for approximately 6.09 acres of land more particularly described as Assessor's Parcel Number (APN) 170-060-052 (Site DD on Exhibit B).

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-641 Meeting Date: 8/3/2026

Report Prepared by: Scott McBride, City Manager, Craig Cornwell, City Attorney, Venus Rodriguez Finance Officer

SUBJECT: Adoption of a Resolution Calling a November 3, 2026, General Municipal Election for the Purpose of Placing a Measure on the Ballot Known as the City of Merced Vital Services Protection Measure Establishing a 1¢ Sales Tax, Until Ended by Voters, and Requesting the County Board of Supervisors to Consolidate the City's Election with the Statewide General Election Being Held on the Same Date

REPORT IN BRIEF

Considers adopting a Resolution Calling a November 3, 2026, General Municipal Election for the purpose of placing a measure on the ballot known as the City of Merced Vital Services Protection measure establishing a 1¢ sales tax, until ended by voters, and requesting the County Board of Supervisors to consolidate the City's election with the Statewide General Election being held on the same date.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2026-52,** a Resolution of the City Council of the City of Merced, California, Approving an Ordinance and Ordering that a Measure be Submitted to the Voters of the City at the General Municipal Election to be held on November 3, 2026, to Consider a Local 1¢ (1%) General Transactions and Use Tax to be Administered by the California Department of Tax and Fee Administration; and,

B. Approving the form and ballot question; and,

C. Directing the City Manager/City Clerk and the City Attorney's Office to prepare and execute documents appropriate to carry out the tasks necessary for the General Municipal Election and to take actions related thereto.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny.

AUTHORITY
Charter of the City of Merced, Sections 400 and 1000; and,
California Elections Code Section 10403.

CITY COUNCIL PRIORITIES
Consideration of a Proposed Ballot Measure on the November 2026 General Election is consistent with the following adopted 2026/27 Goals and Priorities - Fiscal Sustainability, Public Safety and Quality of Life, Infrastructure and Transportation, Economic Development, Parks and Community Services, Governance and Engagement.

DISCUSSION
Legal Analysis

There are two types of sales taxes: general and special taxes. The proceeds of a general tax are available for all governmental purposes, while the proceeds of a special tax are restricted for specified purposes. The City's proposed 1% (1¢ - one cent per dollar) sales tax measure is a general tax measure. The approval of a general tax measure requires a two-thirds vote of the City Council to place this sales tax measure on the ballot, and a majority vote of the voters voting on the ballot measure at the November 3, 2026, election.

The statewide sales tax rate is 7.25%. State law imposes a 2% cap on the combined sales tax rate for a county and a city within that county, so the total sales tax rate in the City (including State, County, and City sales taxes) may not exceed 9.25%. Currently, the total sales tax rate in the City is 8.25%, which includes the 7.25% statewide sales tax, a 0.50% County sales tax (Measure V), and a 0.50% City special sales tax (Measure C). There is up to 1% - 1¢ remaining for the City or County to use within the 9.25% cap for sales tax rates. This 1% - 1¢ may be used by the City, the County, or shared between the City and County. However, if the City's proposed 1% - 1¢ sales tax measure is placed on the ballot and approved by the voters, then the City will reach the 9.25% sales tax rate cap.

Purpose and Need

The City of Merced (City) has reached a critical point were maintaining current service levels and addressing anticipated future demands will require a sustainable, locally controlled funding source. This conclusion is based upon financial budgetary analysis and feedback from a two-year phased engagement of Merced citizens, including a statistically valid survey of Merced citizens likely to patriciate in a November 2026 election. Therefore, staff is recommending the City Council place a proposed general 1% -1¢ local sales tax on the ballot for Merced voters to consider. This recommendation is based on extensive analysis, community engagement, and long-term financial planning.

Fiscal Recovery Plan and Implementation Actions

As part of the City Council's Goals and Priorities for 2024-25 several actions were identified to help

relieve pressure on the City's General Fund. This fund is the primary source for public safety - Police and Fire. It also provides funding to support Parks and Recreation.

General Fund Reserve Policy Update - Use of Reserves
Each of the last two fiscal years the city had to initiate one time use of reserve funds to ensure the General Fund revenues and expenditures were in balance. In the 2024/25 year $500,000 was used and for 2025/26 the number increased to $1.3 million. These numbers would have been higher without council policy direction to lower the General Fund Reserve or annual set aside from 35% to 30%.

Establishment of Council Ad Hoc Subcommittee

The City Council established an Ad Hoc Subcommittee for the purpose of engaging in community outreach to determine community priorities and a statistically valid survey to test the possibility of an additional measure to help generate revenue to support the General Fund. An initial survey conducted in November - December 2025 demonstrated potential support of a general measure at a 1% 1¢ rate. On the same survey, two separate special measures for public safety and parks were also tested. These tests did not demonstrate significant voter interest. Both were less than 50% well below a 66% rate necessary for their adoption.

City Wide CFD Update

An assessment of the city-wide community facilities district was completed, and the council held a study session to provide feedback and direction. Updates are underway so that new development projects will fall into an updated district that charges assessments based on current costs for services.

Development Services Fee Update

The Council provided direction to initiate an update of the fees charged for development services to ensure a fair share of costs were paid directly by those using the services. The goal was to ensure General Fund dollars were not necessary to supplement these areas. The new fees have taken effect July 1, 2026.

Parks and Community Services Fee Update

Parks and Community Services receives a direct General Fund contribution each year to provide services to residents. In 2026 fees for service were updated which will help offset - reduce General Fund contributions.

Property Disposition

The sale or disposition of real property is not an ongoing opportunity, but two properties have been targeted. Those include the Transpo Center and Bell Station - Downtown Post Office. These transactions will provide one-time funding and also limit ongoing maintenance costs.

Merced Airport

For several years the operations of the Merced Airport has required a General Fund Subsidy. The selection of a new essential air service provider which is expanding flights sizes will potentially help reduce or eliminate the subsidy required to maintain airport operations.

Business License Update

The city is currently reviewing the business license sections of the municipal code and modernizing language. Additionally, an audit is being performed to ensure local businesses are paying appropriate fees to the city.

Transient Occupancy Tax Review

The city council was asked to consider forming a tourism business improvement district (TBID). Through public discussion the council reviewed current rates but chose to limit increases on hotels - motels. Instead, operators chose to impose their own increase to use for marketing and related actives to attract visitors to the city.

Maintenance District Updates

In 2025 a review of maintenance district rates was initiated for those that were not covering costs or at risk of not covering costs. Through a Proposition 218 process 7 of 11 districts chose to increase assessments to ensure adequate funding is there for services. This helped alleviate future needs to supplement with General Fund revenues.

Departmental Controls

City departments have reduced expenditures for training, overtime, and materials. These reductions provide some relief but over 72% of the General Fund is for personnel related costs. Annual increases in health coverage, retirement, and long-term liabilities far exceed savings from departmental reductions.

Many of these recently employed fiscal recovery actions and management tools are, however, one-time solutions, such as lowering the general fund reserve policy. These actions are not sustainable long-term. The long-range financial forecast provided in both February 2025 and 2026 projects structural general fund deficits in future years. Attached are five-year General Fund Forecasts for 2026 - 2030 and 2027 - 2031. These projections assume costs at a current rate and do not include additional service enhancements, costs for additional positions, cost-of-living adjustments, or future growth - capital needs.

The city may continue to use General Fund reserves to balance the operating budget annually, but this is only viable for approximately 4 more fiscal years. These projections take into consideration the discontinuation of annual set asides that are calculated off year end surplus.

On Going Support for Public Safety Needs

Over nearly two decades, the City has grown by more than 20,500 people - from approximately 80,500 to over 98,000 residents. During this time the city has adopted policies requiring the use of Community Facilities Districts (CFD's) so that new development contributes directly towards both public safety and other general services. These assessments collect $8.7 million annually of which $1.4 million is allocated to Fire and $2.8 million is for Police. This funding allows for the retention of 15.73 full time Police and Fire positions. During this same time calls for services have increased but staffing levels for the public safety has had a net decrease. Sworn officers in the police department went from 111 full time positions in 2008 to the current 98. Firefighter positions increased from 64 to the current 88. However, 24 of those positions are grant funded through an expiring SAFER award.

During this time period the City also sought out new funding sources. Examples include Measure Y a tax on commercial cannabis activities. This funding source contributes approximately $1.2 annually and funding is used towards capital needs for police, fire, and parks - recreation. It does not include full-time personnel costs. Additionally, the city residents overwhelmingly supported Measure C, a current half cent special sales tax for public safety. This measure generates approximately $9 million annually and has helped to maintain current services and provide resources for some capital needs.

Loss of Federal Fire Services Funding

In March 2027, the City will face the loss of funding for 24 firefighter positions and incur an estimated annual funding gap of $3.6 million to maintain those positions. Funding is currently provided from the expiring federal SAFER grant. Retaining these positions is critical to maintaining citywide advanced life support services, preserving current emergency response times, and providing the staffing necessary to place Fire Station 56 into service. Fire department staffing levels directly affect the City's ability to provide timely fire suppression, emergency medical response, and disaster response services. They also influence the City's ISO Public Protection Classification, which can directly affect property insurance rates throughout the community. The expiration of SAFER funding is therefore not only a significant financial challenge, but also a critical public safety issue for which the City must prepare by securing replacement revenue, reducing services, or identifying other sustainable funding solutions.

The SAFER-funded positions have allowed the Merced Fire Department to modernize its deployment model, expand operational capacity, and improve emergency service delivery throughout the community. This staffing has supported the Department's transition from basic life support (BLS) to advanced life support (ALS) engine companies at every fire station. It has also helped MFD remain more closely aligned with its response-time standard of 4 to 6 minutes, 90 percent of the time, by improving unit availability and reducing delays caused by resource constraints. The loss of SAFER staffing would reduce ALS coverage from all five existing fire stations to only two stations, significantly limiting the Department's ability to provide timely ALS care throughout the city. SAFER funding also provides the personnel assigned to Squad 53, an economical two-person ALS response unit that addresses peak call demand, improves resource availability, and reduces response delays caused by limited emergency response capacity in North Merced. In addition, these positions have enabled MFD to provide automatic-aid coverage to approximately 10 square miles of northeast Merced. SAFER staffing has strengthened the Department's effective firefighting force, allowing personnel to perform critical emergency tasks more efficiently and safely. The additional staffing has

also created a more sustainable staffing model that supports firefighter health, wellness, morale, training, and professional development. Most importantly, SAFER staffing has provided the capacity to train and prepare future Engineers and Captains needed to staff Station 56 when it is anticipated to open in fall 2028; without these positions, the Department would not have an adequate number of trained and qualified personnel to support the new station while maintaining existing service levels.

Police Services

The City's police officers are also experiencing increased demand for services. While the City's population has grown, the sworn police staffing has remained essentially unchanged. The officer-to-population ratio has declined from 1 officer for every 726 residents in 2009 to 1 officer for every 875 residents today. To achieve the 2009 staffing ratio, the city would require approximately 22 additional sworn officers today. The additional cost to add these positions would be approximately $3.7 million annually. This does not include equipment or vehicles which are necessary to support these positions.

The Merced Police Department has been conducting continuous data collection to track statistics related to calls for service, crime reduction, and citizen satisfaction. In 2025 MPD saw overall reductions in Use of Force incidents by 10% a reduction in Traffic collisions by 25%, a reduction in Robbery by 25% reductions in all Burglaries by 31% and a reduction in Auto theft of 38%, all the while seeing an increase in calls to the 911 center of 10.5% (Police and Fire) and an overall increase in police service calls of 7.7%.

To keep up with the pace of our growth in Merced the police department has prioritized efficiency as the model to continue to move our agency forward. The department has made investments in technology to help reduce crime and improve traffic safety. Some of those improvements include Red Light Camera technology at 16 and R St. Building in house blue light safety cameras to be deployed in strategic areas throughout the city as well as utilizing next gen 911 systems to allow for better connections to our community during emergencies.

Efficiency and technological advancements have been helpful but are also limited. The department has seen large increases in the work volume including a 121% increase in traffic ticket issuance. To address community needs and priorities assignment of officers to special community projects such as the DART team, Downtown Partnerships Officer, Code Enforcement, School Resources Officers, and Gang Enforcement have been made. Each of these units assists with keeping a strong connection with our community and playing a vital role to keep crime rates low.

A large focus for our team moving forward to help preserve quality of life and health and safety issues is the continued investments in our Code Enforcement Team and the Gang Unit. These units continue to see large increases in demands. In 2025 the Code Enforcement Team received 1,948 complaints resulting in investigations. Halfway through the 2026 year we have already received nearly 1,500 complaints and are on pace for 3,000 investigations by years end. This is an almost 54% increase in calls for service. Additionally, this increased pace does not consider implementation of the new Repeat Housing Code Violators program that is now active. There will continue to be a significant need to maintain resources to support these areas which are community priorities.

Other needs

Beyond public safety, there are other needs which help maintain the City's quality of life. The City faces a growing demand for responding to homelessness issues including encampment cleanup, park maintenance, addressing aging facilities, neighborhood improvements, recreation opportunities, better roads and lighting, sidewalks, creek maintenance and repairs as well as other infrastructure investments. Each of these demands competes for the same limited General Fund dollars.

Long Term Capital Investments

The city currently addresses long term capital needs in most non enterprise funds through a "pay as you go" or "pay as we can afford approach." For example, the city eliminated a computer replacement program in 2008. Now equipment is replaced only as it fails or can no longer be supported. This same approach is used for vehicle replacements in the Police Department and Fire apparatus needs. Unfortunately, this deferral is common for large capital expenditures and for capital investments in facilities.

Police Department

The City's Police Department main headquarters were constructed in 1959 and expanded in 1981. The age and condition represent significant costs to maintain and address failing systems such as the boilers and HVAC units. This facility also does not meet accessibility requirements. Replacing this existing facility has been estimated in the $50 to $60 million range. These costs do not address other satellite facilities - sub stations, training facilities, and costs for maintain or expanding the radio, and dispatch including Computer Assisted Dispatch System (CAD). Some costs for these needs may be attributable to new development which pays developer impact fees to mitigate their fair share. Unfortunately, the significant bulk of these costs are an existing deficiency. The City previously polled the community to determine if a parcel tax to support bond issuance was feasible, but the polling data demonstrated a lack of support to proceed. The City has tried unsuccessfully to leverage grants or "earmarks" to address the station needs.

Fire Department

The City's existing fire stations range in age from 20 to nearly 70 years and present significant facility and operational challenges. Stations 52 and 53 are approximately 50 years old and have never undergone comprehensive renovations, while Station 54 was constructed in 1959 and is nearly 70 years old. Station 51 is approximately 30 years old, and Station 55, the City's newest fire station, is approximately 20 years old. In addition to their age and deteriorating infrastructure, only two of the City's five fire stations are currently configured to appropriately accommodate female firefighters.

The City is currently in the planning process to add a new fire station and emergency operations center (EOC) - Station 56. Completion of this project is anticipated in late 2028. To construct this facility there is a mix of funding including developer impact fees, state grants, and potentially a HUD 108 loan. In total the costs are expected to be $14 million. To move this project forward will nearly deplete all the collected developer impact fees.

The City has acknowledged the need to move Station 54 to align better with new growth patterns and

to eliminate overlapping service areas, specifically with Station 51 located on 16th St. Station 54 is also one of the oldest in operation and has significant costs to maintain and upgrade the longer it remains in operation. To collect adequate funding from new development to advance this project will likely take 15 to 20 years without a significant funding injection from other currently unknown sources. By that time the need for the next Station 57 will become a significant reality.

The department currently has three fire engines and one ladder truck due for replacement, with three of those apparatus having been in service for more than 25 years. In addition to replacing the existing fleet, a fourth engine will be needed to place Station 56 into service. Replacing the three engines and one ladder truck, while also purchasing the additional engine for Station 56, would require an estimated 42 to 48 months for delivery and cost approximately $8.5 million at current prices. By the time the replacement apparatus would be delivered, some of the existing units will exceed 30 years in service. Unfortunately, the City does not currently have the financial capacity to initiate these replacements or acquire the additional engine needed for Station 56.

Roads & Potholes

Road conditions continue to be one of the highest community priorities. The city receives approximately $8 million per year for roadway and related improvements. Funding comes from Measure V, Local Transportation Fund (LTF), Regional Surface Transportation Program (RSTP), Measure C, and State gas tax. These funds help cover street light costs, staffing that perform maintenance including traffic signals, signage, crack sealing, storm drainage, and striping - painting. Other one-time larger capital improvements are completed as funding becomes available. Unfortunately costs for major improvements continue to increase dramatically.

The City is currently updating the pavement condition index report to help guide investment priorities. The most recent assessment indicated an annual need that is more than double the current revenue received for ongoing maintenance. These estimates do not include costs for significant renovation projects which are now necessary to many of the city's failing roadways. Major work this past year on Yosemite Ave. were in excess of $7 million. Planning for Highway 59 bridge replacement now exceeds $14 million. Maintaining our circulation system is critical for public safety response, business, and the overall quality of life for our city.

Parks and Recreation Facilities

The City has approximately 30 acres of dedicated park space that is undeveloped. This represents an existing deficiency of approximately $30 million, the costs are $1 million an acre to improve these spaces. New development has been paying impact fees which will help address future parks but not existing deficiencies. Another example is replacement of turf playing fields at McNamara Park. Costs exceed $1.2 million and presently there are no city funds programmed or available to address this existing need. These costs do not include adding additional community or youth facilities or expanding sports complexes. Nor do these address future Merced Zoo needs. The city currently uses grant funds and community investments to help improve and add new amenities to these spaces. These sources are highly competitive and not a sustainable long-term approach.

Public Works - Corporation Yard

The renovation and expansion of the Corporation Yard is another upcoming capital need. Although Enterprise Funds (Water, Refuse, and Wastewater) may contribute funding towards this project other non-enterprise funds also have a cost share. Those include areas such as parks, facilities, Police and Fire, and other departments. There are currently no long-term funding mechanisms in place to pay for non-Enterprise Fund departments to pay a pro rata share of these costs. The yard and more specifically a fleet maintenance area is essential to address ongoing service needs for both Police vehicles and Fire apparatus.

Creek Maintenance

The City does not have a dedicated funding source for creek maintenance or repairs. The City is actively planning and designing construction projects to address damage to Bear Creek that occurred during the 2023 floods. Funding for this work is all state and federal grants. The Bear Creek project estimate is $13 million leaving approximately a $5 million funding gap. These funds are necessary to address immediate safety improvements. This does not address annual maintenance needs.

Current sales tax rate - proposed rate

A full 1% measure, or 1¢ per dollar, would yield approximately $18 million annually. The resolution presented proposes 1% or 1¢ sales tax rate. The council may amend the proposed resolution to set a lower rate such as .5% or .75%. Those changes could potentially result in annual revenues of either $9 million or $13.5 million. Polling sought feedback on two different rates, .5% (1/2¢) and 1% (1¢), there was no discernable difference in responses.

It should be noted that the City of Merced currently has one of the lowest sales tax rates among other cities in Merced County. At 8.25%, Merced's sales tax rate is lower than Atwater, Livingston, and Los Banos - each are 8.75%. Both Dos Palos and Gustine have the same rate as Merced.

As proposed, the term of the measure is until ended by voters, based in part on ongoing City service needs and the preferences shown by Merced residents in the statistically valid survey. The Council does have discretion to modify this sunset by adding a different sunset date prior to placement.

The measure as written would be subject to oversight by the City's Tax Transparency Commission and require independent annual audits. Funds would be legally prohibited from being taken by the State or Federal Governments.

At the discretion of the City Council, a general measure can cover annual operating and capital needs. Funding could also be allocated for the repayment of debt or bonds. This flexibility allows current and future issues to be addressed including some of the highlighted Roads, Police, Fire, Parks, Creek, and other facility needs.

Community Feedback

Staff's engagement, including an ongoing community survey, and the feedback received from

statistically valid surveys of Merced voters has provided valuable feedback confirming which services our residents value most. Top resident priorities gathered from survey feedback include:

- Quickly responding quickly to neighborhood fires
- Retaining firefighters
- Preventing gang activity in the City
- Protecting and maintaining 911 police response times,
- Maintaining Merced's local quality of life
- Fixing roads and potholes
- Retaining qualified police officers
- Maintaining the City's ability to respond to a natural disaster or medical disaster.
- Providing Police and Fire Stations to match the community's need
- Maintain neighborhood policing
- Keeping city parks safe and clean
- Protecting Merced's vital services

The survey also found that approximately three out of every four voters believe the City has a need for additional funding to maintain the level of services residents expect.

In addition to community outreach and education, two statistically valid surveys, one in November-December 2025, and another in July 2026, were conducted to test the viability of a potential measure. The 2025 survey polling addressed three potential measure types including a general and two special measures. The two special measures tested included one for public safety and the other for parks and recreation. The two special measures polled below 50% far below the 66% or 2/3 supermajority. The general question was more favorable with support as high as near 60% for a simple majority (50%+1) requirement measure.

Placing this proposal on the ballot allows our citizens to directly decide if there will be adequate fiscal resources available to address the vital priority services upon which they depend. Without additional local funding sources, the ability to address basic needs for police, fire, road maintenance, parks - recreation and other services will likely continue to outpace the financial resources. The City has maintained essential services despite increasing financial pressures with a variety of one-time solutions and deferred maintenance - investment. Without additional revenues, fiscal realities will ultimately result in a reduction of services for our citizens. Allowing the voters to consider a 1% - 1¢ local tax measure is a viable way to address these many priorities and challenges.

Next Steps

The following potential next steps are intended to demonstrate actions the City may undertake in support of continuing education on the City's fiscal issues and filing requirements for a potential measure to be placed on the November 3, 2026, ballot. Attached is a Measure Calendar schedule prepared by the Merced County Registrar of Voters.

- Filing of local ordinance for measure placement on the November 3, 2026, General Election with Merced County Registrar of Voters

- On going community outreach on service and policy priorities with the community
- On going community education on the City's fiscal issues

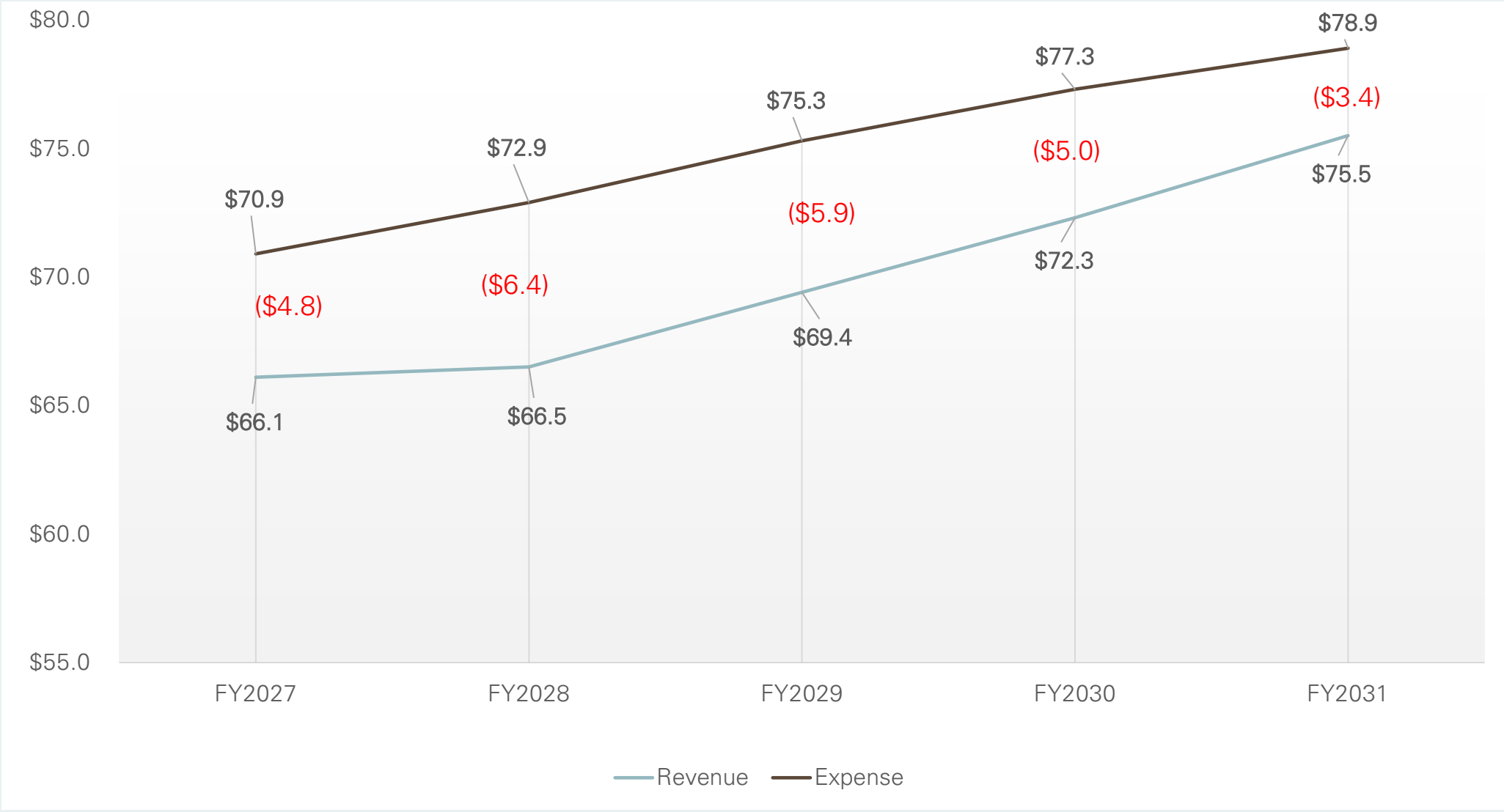
IMPACT ON CITY RESOURCES

The City will include a currently unknown cost for placement of the measure on the November 2026 ballot. The city has budgeted $100,000 for current costs necessary for three Council District elections which will be part of this primary election.

ATTACHMENTS

1. Five Year General Fund Forecast 2027- 2031
2. Merced County Registrar of Voters Calendar for General Election - November 3, 2026
3. Resolution 2026-52 with Exhibit A - Ordinance
4. Presentation

General Fund-5 Year Forecast 2026



Measure Calendar in Brief

General Election November 3, 2026

Registrar of Voters Recommended Timeline			Election Code Deadlines		
Filed by July 6, 2026 – July 24, 2026			**Filed by July 25, 2026 – August 7, 2026**		
07/06 – 07/24 E-120 – E-102	Recommended time frame for local ordinances, resolutions, tax rate statement for bond measure or orders for calling an election to be filed with the Registrar of Voters office.	EC § 10401, 10402, 10403	07/25 – 08/07 E-101 – E-88	Deadline for local ordinances, resolutions, tax rate statement for bond measure or orders for calling an election to be filed with the Registrar of Voters office.	EC § 10401, 10402, 10403
07/31 E-95	Impartial analysis due from County Counsel for county or school measures; from respective city attorney if a city measure qualifies. Not to exceed 500 words in length.	EC § 9160, 9280, 9500	08/14 E-81	Impartial analysis due from County Counsel for county or school measures; from respective city attorney if a city measure qualifies. Not to exceed 500 words in length.	EC § 9160, 9280, 9500
08/10 E-85	Deadline to submit Arguments IN FAVOR OF or AGAINST a local measure. Not to exceed 300 words in length.	EC § 9162, 9163, 9282, 9315	**08/17** E-78	Deadline to submit Arguments IN FAVOR OF or AGAINST a local measure. Not to exceed 300 words in length.	EC § 9162, 9163, 9282, 9315
08/11 – 08/20 E-84 – E-75	10-calendar day public review period for Arguments IN FAVOR OF or AGAINST any measure. During this 10-calendar day review period, any person may seek Writ of Mandate or injunction requiring any or all the material in the Argument IN FAVOR OF or AGAINST to be amended or deleted. All Writs of Mandate must be filed by the end of the 10-calendar day public examination period.	EC § 9163, 9190, 9295, 9509	08/18 – 08/27 E-77 – E-68	10-calendar day public review period for Arguments IN FAVOR OF or AGAINST any measure. During this 10-calendar day review period, any person may seek Writ of Mandate or injunction requiring any or all the material in the Argument IN FAVOR OF or AGAINST to be amended or deleted. All Writs of Mandate must be filed by the end of the 10-calendar day public examination period.	EC § 9163, 9190, 9295, 9509
08/17 E-78	Deadline to submit Rebuttals to Arguments IN FAVOR OF or AGAINST a measure argument. Not to exceed 250 words in length.	EC § 9167, 9317, 9504	**08/21** E-74	Deadline to submit Rebuttals to Arguments IN FAVOR OF or AGAINST a measure argument. Not to exceed 250 words in length.	EC § 9167, 9317, 9504
08/18 – 08/27 E-77 – E-68	10-calendar day public review period for Rebuttals to Arguments IN FAVOR OF or AGAINST any measure. During this 10-calendar day review period, any person may seek Writ of Mandate or injunction requiring any or all the material in the Rebuttals to Arguments IN FAVOR OF or AGAINST to be amended or deleted. All Writs of Mandate must be filed no later than the end of the 10-calendar day public examination period.	EC § 9167, 9190, 9295, 9509	08/22 – 08/31 E-73 – E-64	10-calendar day public review period for Rebuttals to Arguments IN FAVOR OF or AGAINST any measure. During this 10-calendar day review period, any person may seek Writ of Mandate or injunction requiring any or all the material in the Rebuttals to Arguments IN FAVOR OF or AGAINST to be amended or deleted. All Writs of Mandate must be filed no later than the end of the 10-calendar day public examination period.	EC § 9167, 9190, 9295, 9509

Documents will be printed as submitted. Spelling, punctuation, and grammatical errors will not be corrected by the Elections Official.

Code sections cited are for reference only and are not all-inclusive.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING AN ORDINANCE AND ORDERING THAT A MEASURE BE SUBMITTED TO THE VOTERS OF THE CITY AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026 TO CONSIDER A LOCAL 1¢ (1%) GENERAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

WHEREAS, the City strives to maintain general municipal services for Merced residents, businesses, and visitors at the levels they expect and deserve; and

WHEREAS, the City Council has been informed by staff that the City needs to increase revenues to fund vital City programs and services; and

WHEREAS, the City of Merced's Fire Staffing is set to be reduced on March 2027 by 27% due to lack of funding; and

WHEREAS, according to the 2022 Pavement Condition Index (PCI) Study, the overall condition of the City of Merced's roads is rated as "Poor" requiring a significant capital investment; and

WHEREAS, the City of Merced's Police staffing remains below 2009 levels and has not kept pace with the City's population growth; and

WHEREAS, designated park sites remain undeveloped, and safety concerns at existing parks, including gang activity and homeless encampments, require an influx of capital and personnel resources; and

WHEREAS, this measure has strict accountability requirements, including oversight by an independent citizens' transparency commission, public disclosure of all spending, and independent annual audits to ensure funds are spent as promised; and

WHEREAS, additional sources of local revenue will help the City maintain local control over its revenue and promote fiscal sustainability; and

WHEREAS, if approved by the voters, the revenue from this measure will be subject to transparency and accountability provisions to ensure that all funds will remain in Merced for the local general services on which local residents and businesses rely, and that none of the new funding can be taken by the Federal or State governments; and

WHEREAS, the City proposes to submit to the voters of the City an Ordinance providing for the levy of a local transactions and use tax.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The facts set forth in the recitals of this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.

SECTION 2. Section 7285.9 of the California Revenue and Taxation Code authorizes any city to levy, increase, or extend a transactions and use tax for general purposes at a rate of 0.125 percent, or a multiple thereof, subject to approval by a two-thirds vote of all of the members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue.

SECTION 3. By Resolution No. 2026-32, adopted on June 15, 2026, the City Council has previously called and given notice of the General Municipal Election to be held in the City on November 3, 2026, and to be consolidated with the Statewide General Election conducted on the same date. Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that at the said election, a Vital Services Protection Ordinance be submitted to the voters for consideration. The full text of the City of Merced Vital Services Protection Ordinance is attached to this Resolution as Exhibit A and incorporated herein by reference. The measure to be submitted to the voters shall appear and be printed on the ballot as follows:

City of Merced Vital Services Protection Measure	
Shall the measure to maintain local quality of life/ general city services, such as 911 police/ emergency medical/ natural disaster response; responding quickly to neighborhood fires/ retaining firefighters; gang prevention; addressing homelessness; fixing roads/potholes; and keeping parks safe/clean, by establishing a 1¢ sales tax, providing approximately $18,000,000 annually until ended by voters, with public disclosure, independent audits, citizen oversight, and all funds for Merced, be adopted?	YES
	NO

SECTION 4. The City Council, by at least 2/3 vote, hereby approves the proposed City of Merced Vital Services Protection Ordinance, attached to this Resolution as Exhibit A, to be submitted to the voters and the full text to be published in the November 3, 2026 General Municipal Election Voters Information Guide is SECTION 1 of Exhibit "A". The proposed measure is a general tax, as defined in Article XIIIC of the California Constitution, at a rate of 1% on transactions and uses in the City as defined in the Ordinance, to be collected by the California Department of Tax and Fee Administration until repealed by the voters. The Ordinance shall not take effect unless and until approved by a vote of at least a majority of voters voting on the question at the election.

SECTION 5. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

SECTION 6. The City Council directs that arguments for and against the measure may be filed in accordance with applicable law, and that Councilmember[s] [name(s)] are authorized to file an argument in favor of the measure.

SECTION 7. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Merced as of the date of such election shall be entitled to vote.

SECTION 8. Notice of the time and place of holding the General Municipal Election is hereby given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in

the time, form and manner as required by law, and to publish a synopsis of the measure as required by law.

SECTION 9. The City Clerk is hereby directed to submit complete certified copies of this Resolution to the Merced County Registrar of Voters Office and to the Merced County Board of Supervisors by August 7th, 2026.

SECTION 10. The Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2026, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Craig Conwell 7-29-2026
City Attorney Date

EXHIBIT A

ORDINANCE NO._____

AN ORDINANCE ADOPTED BY THE VOTERS OF THE CITY OF MERCED IMPOSING A 1% TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE VOTERS OF THE CITY OF MERCED DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 3.39 is hereby added to Title 3 of the Merced Municipal Code to read as follows:

"**Chapter 3.39 - TRANSACTIONS AND USE TAX**

3.39.010. SHORT TITLE. This ordinance shall be known as the City of Merced Vital Services Protection Ordinance. The City of Merced hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.39.020. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance. For purposes of Revenue and Taxation Code section 7265, this ordinance shall be considered adopted on the date of the election in which it is approved by the qualified voters of the City.

3.39.030. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transaction and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.39.040. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.39.050. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.39.060. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.39.070. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.39.080. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3.39.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars ($500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.39.100. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.39.110. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local

Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.39.120. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part

of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.39.130. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected."

Section 2. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 3. AMENDMENTS. Pursuant to Elections Code Section 9217, this ordinance may be amended by the City Council without a vote of the people, except that, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Ordinance.

Section 4. EFFECTIVE DATE AND EXPIRATION. This ordinance relates to the levying and collecting of the City's transactions and use taxes and shall take effect immediately upon approval by the voters and shall remain in effect until repealed by the voters of the City of Merced.

APPROVED for placement on the ballot by at least a 2/3 vote of the Merced City Council at a meeting held on August 3, 2026, pursuant to Government Code Section 53724 and Revenue and Taxation Code Section 7285.9, and

PASSED AND ADOPTED by the voters of the City of Merced, State of California, at the General Municipal Election held on November 3, 2026.

AYES:	Council Members:
NOES:	Council Members:
ABSENT:	Council Members:
ABTAIN:	Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

_____
City Attorney Date



November 2026 Vital Services Protection Measure

Considering placement of a Local Funding Measure on the Ballot

Tonight's Decision:

Merced City Council is considering whether to:

- Place a proposed measure on the November 3, 2026 ballot.
- Allow Merced residents to decide the issue through a public vote.
- Approve the ballot language and election resolution.

A general tax requires voter approval before it can take effect.

Community Engagement



How we engaged the community:

- Two statistically valid surveys of Merced residents (Nov/Dec 2025 & July 2026)
- Community meetings
- Roundtable discussions with community stakeholders
- Local media interviews and public information
- Three citywide mailers inviting residents to participate in the survey
- Dedicated project webpage with updates and resources

Community engagement and polling identified the following as residents' highest priorities:

- Responding quickly to neighborhood fires and retaining firefighters
- Protecting 911 police response times and retaining qualified police officers
- Preventing gang activity and maintaining neighborhood policing
- Fixing roads and potholes
- Maintaining Merced's local quality of life
- Keeping city parks safe and clean
- Maintaining the City's ability to respond to natural disasters and medical emergencies
- Providing police and fire stations to meet the community's needs
- Protecting Merced's vital services
- Ensuring accountability through public disclosure and independent audits



Community Needs & Services Challenges

Police

Staffing remains below 2009 levels and has not kept pace with population growth.

Fire

Fire staffing is set to be reduced March 2027 by 27% due to lack of funding.

Roads Rated "Poor“

The 2022 Pavement Condition Index identified significant investment needs.

Quality of Life

Undeveloped park sites and safety concerns require additional capital and personnel resources.

As Merced continues to grow, demand for these services continues to increase while long -term funding challenges remain.

MERCED STREETS:
POOR CONDITION, URGENT NEEDS

POTHOLES AND POOR ROADS

increase wear and tear, delays, and costs.



PAVEMENT CONDITION INDEX (PCI)

COUNTYWIDE AVERAGE

57

(AT RISK)



CITY OF MERCED

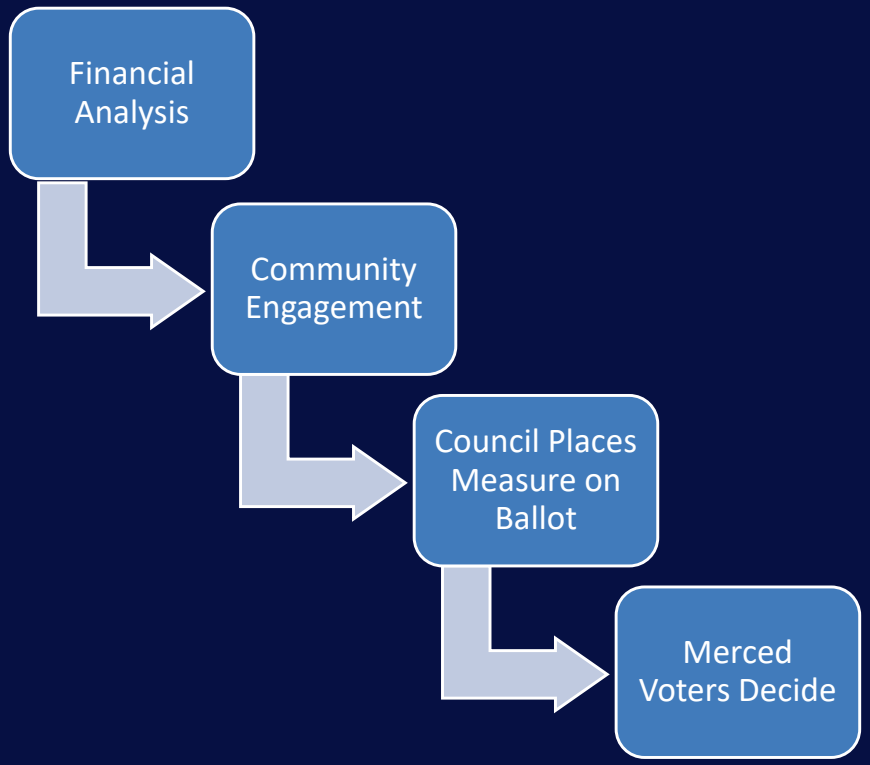
POOR

(< 50)




Proposed Vital Services Measure
1¢ Local Sales Tax
Approx $18 Million
Annually
• Local Control
• Independent Audits
• Citizen Oversight
• Public Disclosure
• Voter Approval Required

Council Consideration



Recommendation: Adopt the resolution calling the November 3, 2026 Municipal Election

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-647 Meeting Date: 8/3/2026

Report Prepared by: Craig J. Cornwell, City Attorney

SUBJECT: Adopt Resolution 2026-48 Approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced

REPORT IN BRIEF
Considers adopting a Resolution approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced. The First Amendment extends the term of the Agreement for three (3) additional years, with all remaining terms and conditions remaining unchanged.

RECOMMENDATION
City Council - Adopt a motion adopting **Resolution 2026-48**, a Resolution of the City Council of the City of Merced, California, Approving the First Amendment to the Property Tax Sharing Agreement with the County of Merced, Dated August 16, 2016.

ALTERNATIVES
1. Approve as recommended by staff; or
2. Approve, subject to modifications by the City Council; or
3. Deny.

AUTHORITY
Charter of the City of Merced, Section 200. State of California Revenue and Taxation Code.

CITY COUNCIL PRIORITIES
Economic Development.

DISCUSSION
The California Revenue and Taxation Code requires cities and counties to enter into a property tax sharing agreement before the Local Agency Formation Commission (LAFCO) may consider an application for annexation. Without a valid agreement in place, the City would be unable to process future annexations through LAFCO.

The City of Merced and the County of Merced are currently parties to a ten (10) year Property Tax Sharing Agreement that was approved on August 16, 2016. The agreement expires on August 16, 2026.

The City and County have maintained property tax sharing agreements since 1980. The original agreements remained in effect until 1995, followed by a new agreement executed in 1997 that

expired on December 31, 2014. The current agreement, approved in 2016, established the following property tax sharing provisions for annexed territory:

- The City receives 100% of the property taxes that would otherwise be allocated for County Fire Services.
- The City receives 100% of the property taxes that would otherwise be allocated to the County General Fund, less the City's Educational Revenue Augmentation Fund (ERAF) share.
- The City reimburses the County 63% of the post-ERAF property tax revenues attributable to the County General Fund for County services provided to City residents.
- The resulting net distribution allocates approximately 53% of the property tax revenue to the City and 47% to the County.

As stated above, the current Property Tax Sharing Agreement expires on August 16, 2026. Action by the City Council is necessary to ensure the agreement remains in effect and to avoid any interruption in the City's ability to process future annexation applications through LAFCO.

Recommendation

Staff recommends approval of the First Amendment to the Property Tax Sharing Agreement. The First Amendment extends the term of the Agreement through August 16, 2029. All remaining terms and conditions of the Agreement remain unchanged. This approach provides continuity for future annexation activities while allowing the City and County an opportunity to reevaluate the property tax sharing formula before committing to a longer-term agreement.

IMPACT ON CITY RESOURCES

Extending the Property Tax Sharing Agreement will allow the City to continue processing annexation applications through the Local Agency Formation Commission (LAFCO). Future annexations support economic development, expand the City's tax base, and generate additional property tax and other municipal revenues.

ATTACHMENTS

1. Resolution and Property Tax Sharing Amendment
2. Current Property Tax Sharing Agreement

RESOLUTION NO. 2026-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE PROPERTY TAX SHARING AGREEMENT WITH THE COUNTY OF MERCED, DATED AUGUST 16, 2016

WHEREAS, annexation results in the reallocation of certain local revenues between the City of Merced ("City") and the County of Merced ("County"), including property taxes and other revenues authorized by law; and

WHEREAS, California Revenue and Taxation Code section 99 authorizes counties and local agencies to enter into agreements establishing the allocation of property tax revenues for future jurisdictional changes, including annexations; and

WHEREAS, the City and County entered into a ten (10) year Property Tax Sharing Agreement approved on August 16, 2016, which expires on August 16, 2026; and

WHEREAS, the City and County desire to approve the First Amendment to the Property Tax Sharing Agreement to extend the Agreement through August 16, 2029, while allowing either party to terminate the Agreement at the end of any fiscal year upon at least six (6) months' prior notice, thereby providing an opportunity to reevaluate the property tax sharing formula before committing to a longer-term agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the City Council finds that approving the First Amendment to the Property Tax Sharing Agreement serves the public interest by preserving a long-standing arrangement between the City and County, providing continuity in the allocation of property tax revenues and supporting the orderly consideration of future annexations.

SECTION 2. That the City of Merced is authorized to execute the First Amendment to the Property Tax Sharing Agreement, attached hereto as Exhibit A, and to take all actions necessary to carry out this Resolution.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of August 2026, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 7-24-2026
City Attorney Date

FIRST AMENDMENT TO
PROPERTY TAX SHARING AGREEMENT
BETWEEN THE CITY OF MERCED AND COUNTY OF MERCED

THIS First Amendment is entered into this _____ day of August, 2026 by and between the County of Merced, a political subdivision of the State of California, (hereinafter referred to as "County"), and the City of Merced, a Municipal Corporation incorporated under the laws of the State of California (hereinafter referred to as "City").

This Amendment is hereby annexed to and made a part of that certain Property Tax Sharing Agreement Between the City of Merced and County of Merced, dated August 16th, 2016. In each instance in which the provisions of this Amendment shall contradict or be inconsistent with the provisions of the printed portion of the original Agreement and any previous amendments, the provision of this Amendment shall prevail and govern, and the contradicted or inconsistent provisions shall be deemed amended accordingly. Both parties agree that there is new and adequate consideration for this Amendment.

This Amendment shall be deemed to have been duly approved when executed by both parties to the original Agreement. Once duly approved, this Amendment shall become effective as of the date signed by the Chairman of the Merced County Board of Supervisors.

MODIFICATIONS:

1. Section 8, entitled "Term of this Agreement", is amended as follows:

   This Agreement shall continue for a period of three (3) additional years, to August 16th, 2029, provided that either party may terminate this Agreement at the end of any fiscal year, by providing at least six months' notice to the other party prior the end of any fiscal year (June 30).

Except as herein modified, all terms and conditions in said Agreement as heretofore approved remain unchanged and in full force and effect.

Signature page to follow

County of Merced

By _____
Daron McDaniel
Chair of the Board

_____
Dated

APPROVED AS TO LEGAL FORM
MERCED COUNTY COUNSEL

By _____
Forrest Hansen
County Counsel

_____
Dated

City of Merced

By _____
Matthew Serato
Mayor

_____
Dated

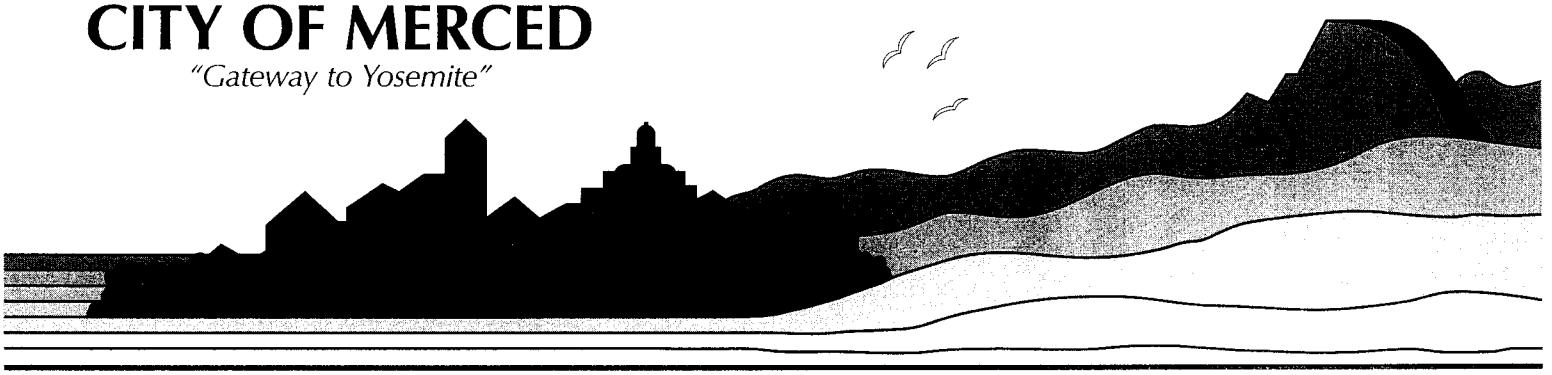
APPROVED AS TO LEGAL FORM
MERCED CITY ATTORNEY

By Craig Cornwell
Craig Cornwell
City Attorney

7-24-2026
Dated

CITY OF MERCED

"Gateway to Yosemite"



August 22, 2016

Kirkland Greene, Records Clerk II
City Clerk's Division
City of Merced
678 W. 18th Street, 1st Floor
Merced, CA 95340

County Executive Office
County of Merced
2222 "M" Street, 3rd Floor
Merced, CA 95340

ATTN: Ms. Stephanie Dietz, Management Analyst III

RE: Property Tax Sharing Agreement Between the City of Merced and County of Merced

Ms. Dietz:

Please find attached two originals of the Property Tax Sharing Agreement between the City of Merced and the County of Merced, which was approved by the City Council on August 15, 2016. As we discussed previously, one of these two originals was inadvertently overlooked by Mayor Thurston when signing these documents. Therefore, after the County has fully-executed both originals, ***please return the original without the Mayor's signature to the City Clerk's Office at the address above.*** Or, if you prefer, please call our office at (209) 388-8650 when the contract is available, and we will be glad to pick up the City's original at your office whenever it is convenient for you.

The original with the Mayor's signature is for your office to retain for the County's files. If you have any questions or concerns, please do not hesitate to contact our office. Again, we wish to thank you in advance for your kind and prompt assistance with this matter.

Respectfully,

E. Kirkland Greene

Kirkland Greene,
Records Clerk II

PROPERTY TAX SHARING AGREEMENT
BETWEEN THE CITY OF MERCED AND COUNTY OF MERCED

This Agreement, is made and entered into this 16th day of August, 2016 by and between the County of Merced, a political subdivision of the State of California, (hereinafter referred to as "County"), and the City of Merced, a Municipal Corporation incorporated under the laws of the State of California, (hereinafter referred to as "City"), and pursuant to Revenue and Taxation Code of the State of California.

WHEREAS: California Revenue and Taxation Code Section 99 authorizes cities and counties to enter into master property tax sharing agreements to provide adjustments to the allocation of property taxes upon annexation; and,

WHEREAS: City and County recognize annexation will not decrease County's responsibilities for providing municipal and countywide services in the areas of county administration, adult and juvenile detention and correction, health and human services, libraries and office of emergency services; and

WHEREAS: City and County recognize that it is important that any property tax sharing arrangements between City and County should be determined in advance to facilitate sound planning for development and the provision of services as a result of that development; and,

WHEREAS: City and County have worked together to develop a fair and equitable approach to property tax sharing, maximizing locally available revenues; and,

WHEREAS: City and County seek to align the interests of both jurisdictions in a way that promotes and financially encourages future development; and,

WHEREAS: As provided for in this agreement, City and County intend to ensure the timeliest, efficient and cost-effective delivery of services provided to the public.

WHEREAS: It is the purpose of this Agreement to serve as a Property Tax Sharing Agreement pursuant to Section 99 of the California Revenue and Taxation Code for property tax revenue attributable to the territory annexed to the City subsequent to the date of this Agreement; and

MERCED COUNTY CONTRACT NO. 2016185

WHEREAS: Property tax revenue attributable to the territory annexed prior to the date of this Agreement shall remain apportioned as previously set forth; and

Now therefore, in consideration of the mutual covenants and promises herein contained, the City and County hereby agree as follows:

1. Recitals

The foregoing recitals are true and correct and are incorporated herein as part of this Agreement.

2. Definitions

(a) ANNEXATION - shall mean the inclusion, attachment, or addition of territory to the City pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, following the effective date of this Agreement.

(b) ANNEXATION AREA or ANNEXATION AREAS - shall mean properties annexed from the County into the City following the effective date of this Agreement.

(c) AD VALOREM PROPERTY TAX – shall mean the tax imposed on real and tangible personal property based upon the value of the property.

(d) BASE PROPERTY TAX YEAR – shall mean the assessed valuation applicable to the property and improvements within the area being annexed at the time the Tax Rate Area is established by the State Board of Equalization.

(e) COUNTY SERVICES PAYMENT – shall mean a payment made to the County by the City to help offset the City's share of cost for countywide services provided.

(f) EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF) – shall mean a requirement of the County Auditor-Controller to shift a certain percentage of annual allocations of local property tax revenues from counties, cities and special districts to a specified fund which is utilized by the State of California to reduce its financial obligation to public schools and

help meet its minimum state funding requirements pursuant to Proposition 98.

(g) ERAF FACTOR – shall mean the percentage required by California Revenue and Taxation Code sections 97, et seq., to be multiplied by an affected agency's AB 8 gross level in order to determine the amount of funds to be transferred to the specified ERAF FUND.

(h) INCREMENTAL PROPERTY TAX REVENUE – shall mean the total increase or decrease in the assessed valuation over the base property tax year within the annexed area.

3. Reporting

From and after the first fiscal year following the effective date of each annexation, County Auditor-Controller will report, as part of the regular AB8 report process, to City Manager Office and County Executive Office the calculation and the actual amount of the Ad Valorem Property Tax revenue from the Annexation Area available for allocation and distribution pursuant to this Agreement.

4. Sharing of Property Tax

From and after the first fiscal year following the effective date of each annexation:

(a) City shall receive 100% of Ad Valorem Property Tax Revenue from each Annexation Area that would otherwise be allocated and distributed for County Fire Services.

(b) City shall receive 100% of the Ad Valorem Property Tax Revenue from each Annexation Area that would otherwise be allocated and distributed to the County General Fund, less City ERAF.

5. Payment for County Services

(a) From and after the first fiscal year following the effective date of each Annexation, the City shall reimburse the County through a County Services Payment in an amount that equates to 63% of the post-ERAF Ad Valorem

Property Tax Revenue collected from each Annexation Area, as specified in Section 4(b).

(b) The City agrees to allow the County Auditor-Controller to withhold the County Services Payment amount as specified in Section 5(a) from the property tax revenue due to the City at the time an apportionment is allocated and distributed.

6. Agricultural Mitigation

The City agrees to participate in future discussions to establish an agricultural mitigation program for productive agricultural land converted to urban development.

7. City and County General Plan Cooperation

(a) The City has adopted an updated general plan (2030 General Plan). The 2030 General Plan identifies an Urban Growth Boundary, a Sphere of Influence Boundary, and a Planning Area Boundary.

(b) The City and County understand that legislative bodies may not bind future legislative bodies, and that one legislative body may not delegate its legislative or police power to another legislative body.

(c) To ensure communication and coordination, in addition to avoiding conflict with the City in the implementation of the 2030 General Plan, the County agrees to refer the following applications which are accepted by the County within the City's 2030 General Plan Planning Area Boundary to the City for its review and comments:

- Major and Minor Subdivisions
- Conditional Use Permits
- Zone Changes
- General Plan Amendments
- Administrative Permits
- Annexations

The County will consider all comments provided by the City prior to taking action on the application.

(d) The City's 2030 General Plan designates land outside of the Urban Growth Boundary, but within the Sphere of Influence Boundary, as Agriculture/Rural. To assist and support the County in implementing County General Plan policies concerning the preservation of agricultural resources, the City agrees to refer all applications resulting in the expansion of City limit boundaries into the unincorporated area of the County to the County for its review and comments. The City will consider all County comments prior to forwarding the applications to LAFCO.

8. Term of This Agreement

This Agreement shall commence as of the date of execution by City and County, which date is stated at the beginning of this Agreement and continue for a period of ten years, provided that either party may terminate this Agreement at any time as long as six months prior written notice before the end of any fiscal year (June 30) is given to the other party to this Agreement.

9. Modification

(a) It is mutually understood and agreed that should any changes in state statutory law, court decisions, changes in ERAF methodology or calculations which purports to negate allocations made under this agreement or state administrative decision or direction result in redistribution of tax revenues previously distributed, any increases or decreases from the original property tax allocation amounts or penalties will be adjusted using the 63% to the County and 37% to the City formula as outlined in Section 5(a).

(b) It is mutually understood and agreed that should any changes in ERAF occur due to any state statutory law, court or State of California voter decisions, or changes in ERAF methodology or calculation, or state administrative decision or direction that results in the redistribution of future property tax revenue which negate the basic purposes of this Agreement, the property tax allocation from the Annexation Areas, outlined in Section 4 and 5 collectively, shall be thereafter adjusted to the following method:

i. The City shall receive 100% of Ad Valorem Property Tax Revenue from each Annexation Area that would otherwise be allocated and distributed for County Fire Services.

ii. The City and County shall share the Ad Valorem Property Tax Revenue from each Annexation Area that would otherwise be allocated and distributed pre-ERAF to the County General Fund, with the County receiving 76% and the City 24%.

iii. In the event the method in (b) i and (b) ii is used because of changes in ERAF, but such changes in ERAF negate the basic purpose of the formula in (b) i. and (b) ii. this Agreement shall be considered terminated and a new agreement will be negotiated between the City and the County within 120 days of the effective change in ERAF.

(c) Any joint legal costs incurred as a result of resolving a dispute with a third party regarding the revenue distribution outlined in Sections 4 and 5 or in resolving any joint issues related to the modification of property tax revenue distributions will be shared 50% to the County and 50% to the City. In the event that a dispute arises between the County and City, each party will bear its own cost.

10. Notice

All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement will be in writing and will be personally delivered or delivered by first class mail to the respective parties at the following addresses:

County	**City**
County of Merced County Executive Officer 2222 M Street Merced, CA 95340	City of Merced City Manager 678 W 18th Street Merced, CA 95340

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the County of Merced, State of California, on the dates set forth above.

County of Merced

By _____

Title Chairman

Date AUG 16 2016

City of Merced

By _____

Title MAYOR

Date 8/15/16

APPROVED AS TO LEGALITY AND FORM:

County of Merced

By _____

Title James N. Fincher

Date August 22, 2016

City of Merced

By _____

Title Special Counsel to City

Date 8-10-16

300206
FUNDS/ACCOUNTS VERIFIED
_____ 8-22-16
FINANCE OFFICE DATE

No funds to encumber - nic
8/22/16

County of Merced

By_____

Title_____

Date _____

City of Merced

By

Title Mayor

Date 8/15/16

APPROVED AS TO LEGALITY AND FORM:

County of Merced

By_____

Title_____

Date_____

City of Merced

By

Title Special Counsel to City

Date 8-10-16

300200
FUNDS/ACCOUNTS VERIFIED

FINANCE OFFICER 8-22-16
DATE

No funds to encumber. MC
8/22/16
VR

CITY of MERCED, CALIFORNIA
INCORPORATED APRIL 1, A.D. 1889

ATTEST:
CITY CLERK

BY_____
Assistant/Deputy City Clerk

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 16-381 Meeting Date: 8/15/2016

Report Prepared by: *Brad Grant - Finance Officer*

SUBJECT: Revenue Sharing Agreement

REPORT IN BRIEF
Considers approving the Property Tax (revenue) Sharing Agreement with County of Merced.

RECOMMENDATION
City Council - Adopt a motion approving Property Tax Sharing Agreement between the City of Merced and County of Merced.

ALTERNATIVES
1. Approve, as recommended by staff; or
2. Approve, subject to modifications as conditioned by City Council; or,
3. Refer to staff for reconsideration of specific items; or
4. Deny

AUTHORITY
Charter of the City of Merced, Section 200. State of California Revenue and Taxation Code.

CITY COUNCIL PRIORITIES
Economic Development

DISCUSSION
History of Revenue Sharing
The State of California Revenue and Taxation Code requires an agreement for the sharing of property taxes between cities and counties prior to the Local Agency Formation Commission (LAFCO) reviewing an application for annexation.

Prior to the passage of Proposition 13 such an agreement was not required because city tax rates were added to the existing county tax rate as part of an approved annexation.

Prior to Proposition 13, the property tax rate throughout California averaged less than 3% of market value. Additionally, there were no limits on increases for the tax rate or on assessed value changes. Some properties were reassessed 50% to 100% in just one year and their owners' property tax bills increased accordingly.

On June 6, 1978, nearly two-thirds of California's voters passed Proposition 13, reducing property tax rates on homes, businesses and farms by about 57%.

Under Proposition 13 property tax values were rolled back and frozen at the 1976 assessed value level. Increases on assessed values on any given property were limited to no more than 2% per year, as long as the property was not sold and the tax was limited to 1% of assessed value. Once sold, the property was taxed at 1% of the sale price, and the 2% yearly cap became applicable to future years. This allowed property owners to finally be able to estimate the amount of future property taxes and determine the maximum amount taxes could increase.

Subsequent to the passage of Proposition 13 and upon annexation of properties into cities, the reduced tax rate of 1% had to be shared. This sharing requirement produced the need for an agreement between cities and counties.

History of Revenue Sharing Between the City and County
In 1980 the City of Merced and County of Merced adopted tax sharing agreements detailing the split of the 1% of property taxes. The 1980 agreements were in place until the County withdrew them by letter, dated May 11, 1995. At that time the City was in the process of submitting an application for the proposed Bellevue Ranch.

In 1997 the City of Merced and County of Merced entered into a new tax sharing agreement which expired December 31, 2014.

Negotiations
Because of the housing explosion in the early 2000's and prior to the expiration of the agreement the City worked with the County to come up with a more equitable revenue sharing arrangement. As part of this process the City engaged the services of an outside consultant to prepare a fiscal analysis that could be used to support a fair and equitable revenue split. This analysis was presented to the County but was not acceptable to them, so no new agreement was reached.

Because no annexation can be completed until a revenue sharing agreement is in place, the City Council has made this a priority and negotiations have continued with the County since the agreement ended.

New Agreement
City and County staff have come to agreement on language and deal points. The main points are as follows:

City shall receive 100% of property taxes from annexed areas that would otherwise be allocated and distributed for County Fire Services.

City shall receive 100% of property taxes from annexed areas that would otherwise be allocated and distributed to the County General Fund, less the City Education Revenue Augmentation Fund (ERAF) share.

City shall reimburse the County 63% of the post-ERAF property taxes for County services provided to

City residents from the property taxes that would otherwise be distributed to the County General Fund.

The net combined distribution results in the City receiving 53% and the County 47%.

If this methodology must be changed because of changes in statutory law, court decisions or changes in ERAF methodology there is a provision for adjusting any resulting increases or decreases by the agreed upon formula and for sharing in legal fees if disputes arise and legal costs are incurred.

The Agreement provides that future discussions will be held with the County in order to establish an agricultural mitigation program for productive agricultural land converted to urban development.

The Agreement provides for City and County General Plan cooperation.

The Agreement is for a period of ten years but may be terminated with six months prior written notice before the end of any fiscal year.

IMPACT ON CITY RESOURCES

With a tax sharing agreement in place annexations can be submitted to the Local Agency Formation Commission (LAFCO) and upon approval development can occur which will result in additional revenue to the City.

ATTACHMENTS

1. Property Tax Sharing Agreement

APPROVED BY: Stephanie Dietz 8/15/23
City Manager

APPROVED BY: 08/10/23
Finance Officer

FINANCE ENTRY	
Contract No:	377
Vendor Number:	693
Funds Available:	Funds to be encumberd as needed
	AC 8/8/23 FL 8/11/23

ATTEST:
CITY CLERK

8-16-23
BY
Assistant/Deputy City Clerk

CITY of MERCED, CALIFORNIA
INCORPORATED APRIL 1, A.D. 1889

Memo

August 8, 2023

To: City Clerk

From: Melanie Karle, Accountant II
Finance Department

The contract for Merced County for the Property Tax Sharing Agreement is being entered into the Tyler contract module. This will allow us to transition the contract from Central Square into Tyler. The original contract number is 300206, beginning on August 15, 2016 and has no end date. The amount of the contract varies due to the constant growth in Merced. The contract will need to be set up using the "limitless" method with the requirement of a purchase order. Going forward, Finance will enter a requisition against the contract and will be able to track the contract utilizing Tyler's contract module.

Respectfully,

Melanie

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-591 Meeting Date: 8/3/2026

Report Prepared by: Lance Eber, Crime Analyst, Police

SUBJECT: Approve the Police Department to Apply for the United States Department of Justice (USDOJ) Community Oriented Policing Services (COPS) Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program Grant to Expand Existing Health and Wellness Programs not to Exceed $250,000 and Approve to Accept the Grant Award When Offered

REPORT IN BRIEF

Considers Staff's request to apply for the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program grant and accept the grant funding when awarded

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2026-47**, a Resolution of the City Council of the City of Merced, California approving the grant application and accepting the grant award from the US Department of Justice, Community Oriented Policing Services; and,

When Awarded,

B. Authorizing the acceptance of the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program grant not to exceed $250,000; and,

C. Authorizing the Finance Officer to make necessary budget adjustments; and,

D. Authorizing the use of pooled cash to cover the appropriation until grant funds are reimbursed; and,

E. Authorizing the City Manager to execute the USDOJ COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program Grant Award Agreement and any related documents.

ALTERNATIVES

1. Approve, as recommended by Staff; or,
2. Deny; or,
3. Refer back to Staff for recommendation of specific items (specific items to be addressed in the motion).
4. Take no action

AUTHORITY
Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES
Public Safety Priority - Traffic Solutions & Safety and as provided in the FY 2026/27 Adopted Budget

DISCUSSION
The USDOJ announced that the COPS Fiscal Year 2026 Law Enforcement Mental Health and Wellness Act Program grant application period is open. The application due date is August 5, 2026. The maximum award amount is $250,000. This is a 100% reimbursement grant. No match is needed. The police department will expend funds up front and reimbursement requests are submitted by the police department to the USDOJ on a quarterly basis throughout the grant period. The grant period will be October 1, 2026 - September 30, 2028, and grant funds will be available during this same period.

The mental health and wellness of law enforcement officers and their families is a priority of the USDOJ. Through this grant program, the USDOJ supports this priority by providing funding directly to state, local, tribal, and territorial law enforcement agencies to implement new or enhance existing programs that offer training and services to support officers' emotional and mental health, including counseling programs, peer mentoring, suicide prevention, stress reduction, and/or police officer family services.

The Police Department will apply under Category 2: Enhanced Implementation Projects. The purpose of this grant application category is to provide funding to law enforcement agencies who have current wellness programs in place and are seeking to enhance or expand upon those existing wellness programs. Applications in this category must focus on the enhancement or expansion of existing peer support, training, family resources, suicide prevention, stress reduction, clinical support, and/or other promising practices for wellness programs. Programs may serve sworn law enforcement, civilian staff, and families of agency members.

The Police Department will apply for grant funds to do the following:
- Get advanced training for current and new peer support team members
- Get training for basic peer support training for sworn and civilian employees to expand the peer support unit
- Expand employee and family access to confidential wellness resources, including counseling, suicide prevention, stress management, sleep health, financial wellness, and family support
- Formalize procedures for critical incident defusing, debriefing, and referrals to professional services

IMPACT ON CITY RESOURCES
The Police Department will use pooled cash for expenses on this grant and be 100% reimbursed on a quarterly basis.

This item will require five affirmative votes for approval.

ATTACHMENTS

1. Resolution 2026-47

ATTACHMENT 1

RESOLUTION NO. 2026-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING THE GRANT APPLICATION AND ACCEPTING THE GRANT AWARD FROM THE US DEPARTMENT OF JUSTICE, COMMUNITY ORIENTED POLICING SERVICES

WHEREAS, the Merced Police Department is requesting approval to apply for the FY 2026 COPS Law Enforcement Mental Health and Wellness Act Program grant; and,

WHEREAS, the Merced Police Department must submit the application by August 5, 2026; and,

WHEREAS, grant funds shall be available for use from October 1, 2026, through September 30, 2028; and,

WHEREAS, the grant provides maximum funding in the amount of $250,000; and,

WHEREAS, the grant's mission is to implement new or enhance existing programs that offer training and services to support officers' emotional and mental health, including counseling programs, peer mentoring, suicide prevention, stress reduction, and police officer family services; and,

WHEREAS, the grant does not require a match of any type (in-kind or cash); and, is a 100% reimbursement grant; and, funds are first expended by the MPD and then requests for reimbursement are submitted on a quarterly basis; and,

WHEREAS, the staff is requesting permission to accept the grant award without returning to City Council when offered the funding.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the City Manager or designee of the City of Merced is authorized to submit an application to FY 2026 COPS Law Enforcement Mental Health and Wellness Act Program grant.

SECTION 2. That the City Manager may accept the grant award without returning to City Council for acceptance when offered the grant award.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the _____ of _____ 2026 by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 7/8/2026
City Attorney Date

ADMINISTRATIVE REPORT

File #: 26-354 Meeting Date: 8/3/2026

Report Prepared by: Laura Ivancich, Management Analyst, Engineering Department

SUBJECT: Approval of Amendments No. 1 to the Measure V Regional Project Funding Agreement with Merced County Association of Governments to Receive Measure V Funds for the Highway 59 Widening Phase 1 Project CP200064 (Agreement No. 20180913SD_L-1) and Highway 59 Black Rascal Bridge Project CP200065 (Agreement No. 20180913SD-1)

REPORT IN BRIEF

Consider approving Amendments No. 1 to the Measure V Regional Funding Agreement with Merced County Association of Governments to receive Measure V Regional funds for the Highway 59 Widening Phase 1 Project CP200064 and Highway 59 Black Rascal Bridge Project CP200065 to continue with design, commence with right-of-way acquisition, and prepare for bidding the project for construction.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving Amendment No. 1 to the Measure V Regional Funding Agreement for the Highway 59 Widening Phase 1 Project CP200064, with Merced County Association of Governments; and,

B. Approving Amendment No. 1 to the Measure V Regional Funding Agreement for the Highway 59 Black Rascal Bridge Project CP200065, with Merced County Association of Governments; and,

C. Authorizing the use of pooled cash for expenditures until City receives reimbursement funds; and,

D. Authorizing the Finance Officer to make the necessary budget adjustments; and,

E. Authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve the request as recommended by staff; or,
2. Deny the request; or,
3. Approve, subject to modifications as conditioned by Council; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY
Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES
Addresses Council's priority of widening Highway 59 and replacing the Highway 59 Bridges at Black Rascal Creek.

DISCUSSION
Background

On November 8, 2016, the voters of Merced County approved "Measure V", a one-half cent sales transaction and use tax to supplement transportation roads and alternative transportation project funding. The Measure V transportation sales tax will be in place for 30 years, expiring on March 31, 2047. MCAG is the administrator of the apportionment of sales tax funds to the County, six Cities, and the agreed upon regional areas within Merced County.

One half of the total Measure V funding will be allocated to each jurisdiction through three methods: an annual base allocation and proportional shares of population and approved road miles, the remaining funds will be allocated to regional projects, with a minimum annual amount allocated to transit projects and to the administration of the measure. As part of the Measure V ½ Cent Transportation Sales Tax, 44% of the Transportation Measure funds will be allocated to Regional Projects which are to be established in the adopted Regional Transportation Plan (RTP) approved by the MCAG Governing Board. Regional Projects are to provide for the movement of goods, services and people throughout Merced County and should benefit multiple jurisdictions. Additionally, 27% of the total is for an Eastside share, to be spent on projects east of the San Joaquin River and 17% of the total is for a Westside share, to be spent on projects west of the San Joaquin River. Other allocations are provided to Transit and administration.

As the Local Transportation Authority overseeing the funds, the Governing Board of Merced County Association of Governments has the authority to approve recommendations made by the Regional Projects Committees. However, the MCAG Governing Board shall not approve a project that has not been recommended by the Regional Projects Committee.

MCAG is required by the Expenditure Plan to develop and adopt an Implementation Plan update at least once every two years and the Implementation Plan is the primary financial document that provides an analysis of Measure V revenue and programs project expenditures over a specific period of time as authorized by the MCAG Governing Board.

Currently the City has three active projects under the Measure V Regional Allocation. They include Highway 59 Widening and the Black Rascal Creek Bridge, which are programmed as two separate projects, and Mission Avenue Widening.

Staff met with the Transportation Subcommittee on September 30, 2025, to discuss funding options for the 3 regional projects. It was advised to focus funding on the Highway 59 Black Rascal Bridge

project due to the current unsafe conditions of the bridge for travelers.

At the June 1, 2020, City Council meeting, Council approved two funding agreements with MCAG for the Highway 59 Phase 1 Widening in the amount of $5,944,580 and for Highway 59 Black Rascal Bridge Project in the amount of $4,090,000.

During the 2023 Measure V Implementation Plan call for projects, staff requested additional funding to both projects. The Highway 59 Widening Phase 1 project was programmed an additional $555,420, to bring that project to a total of $6,500,000, and the Black Rascal Bridge project was programmed an additional $1,944,580, bringing that project total to $6,034,580. The amendments to increase the funding amount for the additional programmed amounts for each project were never provided or executed. The $1,944,580 from the 2023 Implementation Plan for CP200065 (Bridge) is reflected in of Amendment 1 (Attachment 4), and the reduction for the programmed funds for CP200064 (Widening) is reflected in Amendment 1 (Attachment 3).

At the October 10, 2025, City Council meeting, staff recommended the following projects under the implementation plan call:

	Proposed Prograr Period				
Project	25/26	26/27	27/28	28/29	29/30
Hwy 59 Black Rascal Bridge Widening	$4,000,0(	$4,000,0			
Hwy 59 Widening Ph 1	$(4,000,0				
Mission Ave Widening	$1,000,0(		$1,000,000	$7,500,000	

- **Highway 59 Widening Ph 1** - Requested to reprogram $4,000,000 from the Highway 59 Widening project to the Black Rascal Bridge project

- **Highway 59 Black Rascal Bridge** - Requested the $4,000,000 in reprogrammed funds from the Highway 59 Widening project and requesting an additional $4,000,000 for project construction

- **Mission Avenue Widening** - Project scope and funding updates to phase the widening into two phases. Phase 1 will consist of widening Mission Avenue from Henry Street to Mather Road, and Phase 2 will consist of widening from just west Mather Road to approximately ¼ mile west of State Highway 59.

The city submitted the call for project applications for the above requests and the MCAG Governing Board approved said requests at their March 19, 2026, meeting.
The 2025 Implementation Plan was adopted on May 21, 2026, by the MCAG Governing Board.

Amendments No.1

As mentioned above, staff requested redirecting $4,000,000 of Measure V Regional from CP200064 (Highway 59 Widening Project) to CP200065 (Highway 59 Black Rascal Bridge Project), as well as requesting an additional $4,000,000, which will be programmed in fiscal year 28/29 to be added in the 2025 Implementation Plan update to fully fund the bridge project. Staff also requested leaving a balance of $2,500,000 in the Highway 59 Widening Phase 1 project for right-of-way acquisition purposes.

MCAG created the attached amendments (Attachments 3 and 4) to the existing funding agreements to reflect these approved changes and allow the project to move into the final phases of right-of-way acquisition and construction for the Bridge Widening project.

Since staff never originally received amendments for the 2023 Implementation Plan updates, a budget true up is now required to bring both projects to their current MCAG allocated balances.

CP200064 - Highway 59 Widening started with a project budget of $5,944,580 and is now being requested to be reduced to $2,500,000.

CP200065 - Highway 59 Black Rascal Bridge started with a project budget of $4,090,000 and is now being requested to be increased to a total project budget of $10,034,580.

The additional $4,000,000 request is programmed in fiscal year 28/29 per the 2025 Implementation Plan (Attachment 5). MCAG has verified that the funding could be made available in either fiscal year 27/28 or 28/29, if we were ready to move into construction sooner. Staff will incorporate this request to increase the budget by $4,000,000 into the future budget.

Staff is requesting approval of Amendments No. 1 for both projects in order to move forward with the right-of-way acquisition and construction phases for CP200065 Highway 59 Bridge Widening.

IMPACT ON CITY RESOURCES

Funding for CP200064 and CP200065 - Highway 59 Widening Phase 1 and Highway 59 Black Rascal Bridge are on a reimbursement basis. City pooled cash will be used to cover expenditures first until reimbursement is received from MCAG. The expenditures and reimbursements of Measure V regional projects will be tracked in Capital Improvement Fund 5002 - Measure V Regional Projects.

ATTACHMENTS

1. Executed Measure V Regional Funding Agreement for the Highway 59 Black Rascal Bridge Project
2. Executed Measure V Regional Funding Agreement for the Highway 59 Widening Phase 1 Bridge Project
3. Amendment 1 to Funding Agreement for Highway 59 Widening Phase 1 Project
4. Amendment 1 to Funding Agreement for Highway 59 Black Rascal Bridge Project

5. MCAG Measure V 2025 Implementation Plan

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Attachment 1

MEASURE V REGIONAL PROJECT FUNDING AGREEMENT

between

MERCED COUNTY ASSOCIATION OF GOVERNMENTS

and the

CITY OF MERCED

This Measure V Regional Project Funding Agreement ("AGREEMENT"), effective June 18, 2020, is entered into by and between Merced County Association of Governments, a joint powers authority pursuant to California Government Code Section 6500 et seq. (MCAG), and the City of Merced, ("RECIPIENT") for the **Highway 59 Black Rascal Bridge Project** ("PROJECT").

RECITALS

A. On November 8, 2016, the voters of Merced County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 et seq. ("Act"), approved Measure V, thereby authorizing MCAG to administer the proceeds from the one-half cent transaction and use tax ("Measure V").

B. The duration of the Measure V transportation sales tax will be 30 years from the initial year of collection, which began April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in Merced County's 2016 – ½ Cent Transportation Sales Tax Measure Expenditure Plan ("Expenditure Plan"), as it may be amended in accordance with State law.

C. This AGREEMENT delineates the rights and responsibilities of the Parties hereto as they relate to the Regional Projects funds that are allocated to the PROJECT by the MCAG Governing Board, as authorized by the Expenditure Plan.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

ARTICLE I: REGIONAL PROJECTS FUNDING ALLOCATION

This AGREEMENT authorizes MCAG to allocate Regional Projects funds derived from Measure V receipts to RECIPIENT in accordance with the voter-approved Expenditure Plan based on the PROJECT's satisfaction of the following criteria:

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- The PROJECT is of regional significance by being located on the State Highway System, the Regional Road System, in more than one jurisdiction, and/or directly benefiting more than one jurisdiction.
- The PROJECT is included in the applicable Regional Transportation Plan (RTP).
- The PROJECT was recommended by the appropriate Regional Projects Committee of authority based on the PROJECT location.
- The PROJECT was approved by the MCAG Governing Board.
- The PROJECT is included in the current Measure V Implementation Plan.

ARTICLE II: PROJECT SCOPE, COSTS, AND SCHEDULE

A. Project Scope

1. The PROJECT funding allocation was approved by the MCAG Governing Board for project study report, environmental, design, and construction.
2. The PROJECT will Widen Black Rascal Bridge on Highway 59 in Merced to a four-lane structure.
3. In utilizing the Measure V funding allocation, the RECIPIENT shall only proceed with work authorized for the specific phase(s) with written "Authorization to Proceed." Within 5 days of the execution of this AGREEMENT or amendment thereof, MCAG shall provide a written "Authorization to Proceed" to the RECIPIENT.

B. Project Costs

1. The PROJECT has a total estimated project cost of $4,090,000 as of the date of this AGREEMENT.
2. The PROJECT has been approved for an allocation from the Measure V East Side Regional Projects funding account in an amount not to exceed **$4,090,000**.
3. The RECIPIENT is responsible for any PROJECT cost overruns. Requests for additional Measure V regional projects revenue beyond what is approved and programmed in the current Implementation Plan may be considered by MCAG through an amendment to the Implementation Plan. All Implementation Plan amendments must be approved by the Governing Board.
4. Regional funding allocated to RECPIENT for the PROJECT that remains unspent at the completion of the PROJECT will remain in the appropriate Regional Projects funding account

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and will be eligible for future programming to regional projects as authorized by the Expenditure Plan.

C. Project Schedule

1. RECIPIENT shall adhere to the following schedule to deliver the PROJECT in a timely manner. Inactivity causing delays of 6 months or more during any phase of the PROJECT shall require action from the MCAG Governing Board to either extend the PROJECT schedule through an amendment to this AGREEMENT or reallocate the PROJECT's funding to another project in the current Implementation Plan.

    a. Environmental Work — Summer 2020 – Spring 2022

    b. Design — Spring 2022 – Spring 2023

    c. Construction — Fall 2023 – Fall 2024

2. The RECIPIENT has six months from the date of this AGREEMENT to execute consultant contracts or initiate work if done by the RECIPIENT's staff.
3. The RECIPIENT shall advertise, award, and administer the PROJECT in accordance with RECIPIENT standards and all applicable federal and state laws.
4. Award information shall be submitted by the RECIPIENT to MCAG within sixty (60) days after the project contract award(s).
5. If no costs have been invoiced for a six-month period, RECIPIENT agrees to submit for each phase a written explanation of the absence of the PROJECT's activity along with target billing date and target billing amount.
6. Measure V Regional Projects funding allocated to the PROJECT that remains unused at the conclusion of the PROJECT schedule above (including any extensions authorized by MCAG) may be redistributed to other regional projects within the current Implementation Plan at the discretion of the MCAG Governing Board.

D. Changes to Project

Changes to the PROJECT scope, schedule or Measure V Regional Projects funding allocation may require an amendment to the Measure V Implementation Plan at the discretion of the MCAG Governing Board. Subsequently, any amendments to the Implementation Plan related to the PROJECT will also require an amendment to this AGREEMENT, requiring action from both parties.

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ARTICLE III: FUNDING AND EXPENDITURES

A. MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)

1. RECIPIENT shall be reimbursed no later than thirty (30) days following the submission of invoices to MCAG for allowed PROJECT costs, with the exception of costs associated with compliance with the requirements outlined in Article IV, Section A of this AGREEMENT.
2. MCAG shall provide the reimbursement forms and documentation requirements for the submission of invoices to RECIPIENT no later than thirty (30) days following the date of this AGREEMENT.
3. MCAG shall include Measure V Regional Projects funds distributed to the PROJECT in a quarterly report to the MCAG Governing Board.
4. Per the Expenditure Plan, MCAG shall provide for an independent annual audit of Measure V revenue and expenditures for all funding categories, including the PROJECT.
5. MCAG shall provide thirty (30) days notice to RECIPIENT prior to conducting an audit of Regional Project funds received by RECIPIENT for the PROJECT to determine whether the RECIPIENT's use of said funds is in compliance with this AGREEMENT and the Expenditure Plan.

B. RECIPIENT'S DUTIES AND OBLIGATIONS

1. RECIPIENT shall use all Regional Projects funds received for this PROJECT in compliance with the applicable guidelines and plan(s), as they may be adopted or amended by the MCAG Governing Board in accordance with applicable law.
2. RECIPIENT must account for Regional Projects funds separately – independent of Measure V Local Projects accounts. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds. MCAG and its representatives and agents shall have the right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.
3. RECIPIENT will utilize the Designated Reporting Tool to provide MCAG with the required information related to Regional Projects fund expenditures according to the following schedule:

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Reporting Period	Due Date
July 1 to September 30	October 31
October 1 to December 31	January 31 of following calendar year
January 1 to March 31	April 30
April 1 to June 30	August 31 (60 days are provided for the 4th quarter of each fiscal year)

C. OTHER CONSIDERATIONS

1. PROJECT-Specific Allocation: RECIPIENT shall use all Regional Projects funds allocated to the PROJECT solely for the PROJECT. Any jurisdiction that violates this provision, as determined by the MCAG Governing Board or Measure V Citizens Oversight Committee, must fully reimburse all misspent funds, including all interest which would have been earned thereon. The interest rate shall not exceed the maximum allowed by law.
2. Staff Cost Limitations: Direct costs associated with the delivery of programs and projects associated with the PROJECT, including direct staff costs and consultant costs, are eligible uses of said funds. Indirect costs, including, but not limited to, overhead costs such as rent, utilities, and human resources staff, are not allowed.
3. CEQA: The PROJECT shall comply with the California Environmental Quality Act (CEQA) and other environmental reviews as required.
4. Promotion: At a minimum, RECIPIENT agrees to promote the PROJECT through branded signage and is encouraged to utilize additional means such as news releases, social media, events, or any other tools to communicate to the public that the project was funded by Measure V. RECIPIENT also agrees to provide MCAG with at least five (5) photographs of the project, either in progress, before and after completion, or some combination thereof. At least one photograph of the completed PROJECT is required.

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ARTICLE IV: REPORTING REQUIREMENTS

A. REQUIREMENTS AND WITHOLDING

RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, MCAG may withhold reimbursement payment for the PROJECT until full compliance is achieved.

1. As a means to keep the public informed, the RECIPIENT, at a minimum, shall provide quarterly updates of current and accurate information on RECIPIENT's website (if applicable) and to MCAG for the Measure V website, related to the PROJECT's progress.
2. RECIPIENT shall, at least annually, publish an article highlighting the PROJECT, or provide information to MCAG regarding such project or program for publication.
3. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT's receipt, usage, and/or compliance with audit findings regarding the PROJECT before the Citizens Oversight Committee.
4. RECIPIENT agrees that MCAG may review and/or evaluate the PROJECT pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of MCAG to observe RECIPIENT's project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT's staff or governing body.

ARTICLE V: OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

Neither MCAG nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Regional Projects funds distributed to RECIPIENT for the PROJECT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, that RECIPIENT shall fully defend, indemnify and hold harmless MCAG, its governing body, elected officials, officers, agents and employees from any liability imposed on MCAG for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT for the PROJECT in connection with the Regional Projects funds distributed to RECIPIENT pursuant to this AGREEMENT.

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B. INDEMNITY BY MCAG

Neither RECIPIENT nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, that MCAG shall fully defend, indemnify and hold harmless RECIPIENT, its governing body, elected officials, officers, agents and employees from any liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT.

C. JURISDICTION AND VENUE

The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Merced County, California.

D. ATTORNEY'S FEES

Should it become necessary to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable expenses and attorney's fees from the other party.

E. TERM

The term of this AGREEMENT shall be from June 18, 2020 to sixty (60) days following the completion of the scope of work as described in Article II, unless amended in writing or a new Measure V Regional Project Funding Agreement is executed between MCAG and RECIPIENT.

F. SEVERABILITY

If any provision of this AGREEMENT is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

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G. ENTIRE AGREEMENT; MODIFICATION

This AGREEMENT, as well as the referenced Expenditure Plan, constitutes the entire AGREEMENT and supersedes all prior written or oral understandings regarding the Regional Projects funding for the PROJECT. This AGREEMENT may only be modified by a written agreement executed by both parties.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

CITY OF MERCED (RECIPIENT)

By: _____ 6/10/20

Name Steve Carrigan Date

Title City Manager

Approved as to Legal Form:

By: _____ 5/4/2020

Name Schuyler Cochran Date

Title Deputy City Attorney

ATTEST:
CITY CLERK

BY _____
Assistant/Deputy City Clerk

MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)

By: _____ 7-16-20

Stacie Guzman Date

Executive Director

Reviewed as to Budget/Financial Controls:

By: _____ 6/30/20

Nav Bagri Date

Finance Director

Approved as to Legal Form:

By: _____ 8/10/2020

Emily Haden Date

Legal Counsel to MCAG

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MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)
(Black Rascal Bridge Widening)

Account Number: N/A

Amount: N/A

VERIFIED

BY: _____
Finance Officer

FINANCE ENTRY	
Contract No:	301249
Vendor Number:	N/A
P.O. Number:	N/A
Funds Available:	No funds to encumber. ws 6/8/20
	06/03/20 FL 4/9/20

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Attachment 2

MEASURE V REGIONAL PROJECT FUNDING AGREEMENT

between

MERCED COUNTY ASSOCIATION OF GOVERNMENTS

and the

CITY OF MERCED

This Measure V Regional Project Funding Agreement ("AGREEMENT"), effective June 18, 2020, is entered into by and between Merced County Association of Governments, a joint powers authority pursuant to California Government Code Section 6500 et seq. (MCAG), and the City of Merced, ("RECIPIENT") for the **Highway 59 Widening Phase 1** ("PROJECT").

RECITALS

A. On November 8, 2016, the voters of Merced County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 et seq. ("Act"), approved Measure V, thereby authorizing MCAG to administer the proceeds from the one-half cent transaction and use tax ("Measure V").

B. The duration of the Measure V transportation sales tax will be 30 years from the initial year of collection, which began April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in Merced County's 2016 – ½ Cent Transportation Sales Tax Measure Expenditure Plan ("Expenditure Plan"), as it may be amended in accordance with State law.

C. This AGREEMENT delineates the rights and responsibilities of the Parties hereto as they relate to the Regional Projects funds that are allocated to the PROJECT by the MCAG Governing Board, as authorized by the Expenditure Plan.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

ARTICLE I: REGIONAL PROJECTS FUNDING ALLOCATION

This AGREEMENT authorizes MCAG to allocate Regional Projects funds derived from Measure V receipts to RECIPIENT in accordance with the voter-approved Expenditure Plan based on the PROJECT's satisfaction of the following criteria:

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- The PROJECT is of regional significance by being located on the State Highway System, the Regional Road System, in more than one jurisdiction, and/or directly benefiting more than one jurisdiction.
- The PROJECT is included in the applicable Regional Transportation Plan (RTP).
- The PROJECT was recommended by the appropriate Regional Projects Committee of authority based on the PROJECT location.
- The PROJECT was approved by the MCAG Governing Board.
- The PROJECT is included in the current Measure V Implementation Plan.

ARTICLE II: PROJECT SCOPE, COSTS, AND SCHEDULE

A. Project Scope

1. The PROJECT funding allocation was approved by the MCAG Governing Board for project study report, environmental, design, and construction.
2. The PROJECT will widen Highway 59 from 16th Street to Olive Avenue/Santa Fe Drive in Merced including the construction of new sidewalks.
3. In utilizing the Measure V funding allocation, the RECIPIENT shall only proceed with work authorized for the specific phase(s) with written "Authorization to Proceed." Within 5 days of the execution of this AGREEMENT or amendment thereof, MCAG shall provide a written "Authorization to Proceed" to the RECIPIENT.

B. Project Costs

1. The PROJECT has a total estimated project cost of $5,944,580 as of the date of this AGREEMENT.
2. The PROJECT has been approved for an allocation from the Measure V East Side Regional Projects funding account in an amount not to exceed **$5,944,580**.
3. The RECIPIENT is responsible for any PROJECT cost overruns. Requests for additional Measure V regional projects revenue beyond what is approved and programmed in the current Implementation Plan may be considered by MCAG through an amendment to the Implementation Plan. All Implementation Plan amendments must be approved by the Governing Board.
4. Regional funding allocated to RECPIENT for the PROJECT that remains unspent at the completion of the PROJECT will remain in the appropriate Regional Projects funding account

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and will be eligible for future programming to regional projects as authorized by the Expenditure Plan.

C. Project Schedule

1. RECIPIENT shall adhere to the following schedule to deliver the PROJECT in a timely manner. Inactivity causing delays of 6 months or more during any phase of the PROJECT shall require action from the MCAG Governing Board to either extend the PROJECT schedule through an amendment to this AGREEMENT or reallocate the PROJECT's funding to another project in the current Implementation Plan.

    a. Environmental Work — Summer 2020 - Spring 2021

    b. Design — Spring 2021 - Winter 2021

    c. Construction — Spring 2022 - Spring 2023

2. The RECIPIENT has six months from the date of this AGREEMENT to execute consultant contracts or initiate work if done by the RECIPIENT's staff.
3. The RECIPIENT shall advertise, award, and administer the PROJECT in accordance with RECIPIENT standards and all applicable federal and state laws.
4. Award information shall be submitted by the RECIPIENT to MCAG within sixty (60) days after the project contract award(s).
5. If no costs have been invoiced for a six-month period, RECIPIENT agrees to submit for each phase a written explanation of the absence of the PROJECT's activity along with target billing date and target billing amount.
6. Measure V Regional Projects funding allocated to the PROJECT that remains unused at the conclusion of the PROJECT schedule above (including any extensions authorized by MCAG) may be redistributed to other regional projects within the current Implementation Plan at the discretion of the MCAG Governing Board.

D. Changes to Project

Changes to the PROJECT scope, schedule or Measure V Regional Projects funding allocation may require an amendment to the Measure V Implementation Plan at the discretion of the MCAG Governing Board. Subsequently, any amendments to the Implementation Plan related to the PROJECT will also require an amendment to this AGREEMENT, requiring action from both parties.

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ARTICLE III: FUNDING AND EXPENDITURES

A. MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)

1. RECIPIENT shall be reimbursed no later than thirty (30) days following the submission of invoices to MCAG for allowed PROJECT costs, with the exception of costs associated with compliance with the requirements outlined in Article IV, Section A of this AGREEMENT.
2. MCAG shall provide the reimbursement forms and documentation requirements for the submission of invoices to RECIPIENT no later than thirty (30) days following the date of this AGREEMENT.
3. MCAG shall include Measure V Regional Projects funds distributed to the PROJECT in a quarterly report to the MCAG Governing Board.
4. Per the Expenditure Plan, MCAG shall provide for an independent annual audit of Measure V revenue and expenditures for all funding categories, including the PROJECT.
5. MCAG shall provide thirty (30) days notice to RECIPIENT prior to conducting an audit of Regional Project funds received by RECIPIENT for the PROJECT to determine whether the RECIPIENT's use of said funds is in compliance with this AGREEMENT and the Expenditure Plan.

B. RECIPIENT'S DUTIES AND OBLIGATIONS

1. RECIPIENT shall use all Regional Projects funds received for this PROJECT in compliance with the applicable guidelines and plan(s), as they may be adopted or amended by the MCAG Governing Board in accordance with applicable law.
2. RECIPIENT must account for Regional Projects funds separately – independent of Measure V Local Projects accounts. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds. MCAG and its representatives and agents shall have the right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.
3. RECIPIENT will utilize the Designated Reporting Tool to provide MCAG with the required information related to Regional Projects fund expenditures according to the following schedule:

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Reporting Period	Due Date
July 1 to September 30	October 31
October 1 to December 31	January 31 of following calendar year
January 1 to March 31	April 30
April 1 to June 30	August 31 (60 days are provided for the 4th quarter of each fiscal year)

C. OTHER CONSIDERATIONS

1. PROJECT-Specific Allocation: RECIPIENT shall use all Regional Projects funds allocated to the PROJECT solely for the PROJECT. Any jurisdiction that violates this provision, as determined by the MCAG Governing Board or Measure V Citizens Oversight Committee, must fully reimburse all misspent funds, including all interest which would have been earned thereon. The interest rate shall not exceed the maximum allowed by law.
2. Staff Cost Limitations: Direct costs associated with the delivery of programs and projects associated with the PROJECT, including direct staff costs and consultant costs, are eligible uses of said funds. Indirect costs, including, but not limited to, overhead costs such as rent, utilities, and human resources staff, are not allowed.
3. CEQA: The PROJECT shall comply with the California Environmental Quality Act (CEQA) and other environmental reviews as required.
4. Promotion: At a minimum, RECIPIENT agrees to promote the PROJECT through branded signage and is encouraged to utilize additional means such as news releases, social media, events, or any other tools to communicate to the public that the project was funded by Measure V. RECIPIENT also agrees to provide MCAG with at least five (5) photographs of the project, either in progress, before and after completion, or some combination thereof. At least one photograph of the completed PROJECT is required.

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ARTICLE IV: REPORTING REQUIREMENTS

A. REQUIREMENTS AND WITHOLDING

RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, MCAG may withhold reimbursement payment for the PROJECT until full compliance is achieved.

1. As a means to keep the public informed, the RECIPIENT, at a minimum, shall provide quarterly updates of current and accurate information on RECIPIENT's website (if applicable) and to MCAG for the Measure V website, related to the PROJECT's progress.
2. RECIPIENT shall, at least annually, publish an article highlighting the PROJECT, or provide information to MCAG regarding such project or program for publication.
3. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT's receipt, usage, and/or compliance with audit findings regarding the PROJECT before the Citizens Oversight Committee.
4. RECIPIENT agrees that MCAG may review and/or evaluate the PROJECT pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of MCAG to observe RECIPIENT's project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT's staff or governing body.

ARTICLE V: OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

Neither MCAG nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Regional Projects funds distributed to RECIPIENT for the PROJECT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, that RECIPIENT shall fully defend, indemnify and hold harmless MCAG, its governing body, elected officials, officers, agents and employees from any liability imposed on MCAG for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT for the PROJECT in connection with the Regional Projects funds distributed to RECIPIENT pursuant to this AGREEMENT.

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B. INDEMNITY BY MCAG

Neither RECIPIENT nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, that MCAG shall fully defend, indemnify and hold harmless RECIPIENT, its governing body, elected officials, officers, agents and employees from any liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT.

C. JURISDICTION AND VENUE

The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Merced County, California.

D. ATTORNEY'S FEES

Should it become necessary to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable expenses and attorney's fees from the other party.

E. TERM

The term of this AGREEMENT shall be from June 18, 2020 to sixty (60) days following the completion of the scope of work as described in Article II, unless amended in writing or a new Measure V Regional Project Funding Agreement is executed between MCAG and RECIPIENT.

F. SEVERABILITY

If any provision of this AGREEMENT is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

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G. ENTIRE AGREEMENT; MODIFICATION

This AGREEMENT, as well as the referenced Expenditure Plan, constitutes the entire AGREEMENT and supersedes all prior written or oral understandings regarding the Regional Projects funding for the PROJECT. This AGREEMENT may only be modified by a written agreement executed by both parties.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

CITY OF MERCED (RECIPIENT)

By: _____ 6/10/20

Name STEVE CARRIGAN Date

Title CITY MANAGER

Approved as to Legal Form:

By: _____ 5/4/2020

Name Richard Coglio Date

Title Deputy City Attorney

ATTEST:
CITY CLERK

BY _____
Assistant/Deputy City Clerk

MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)

By: _____ 7.16.20

Stacie Guzman Date

Executive Director

Reviewed as to Budget/Financial Controls:

By: _____ 6/30/20

Nav Bagri Date

Finance Director

Approved as to Legal Form:

By: _____ 8/10/2020

Emily Haden Date

Legal Counsel to MCAG

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MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)
(Highway 59 Widening, Phase 1)

Account Number: N/A

Amount: N/A

VERIFIED

BY: _____
Finance Officer

FINANCE ENTRY	
Contract No:	301248
Vendor Number:	N/A
P.O. Number:	N/A
Funds Available:	No funds to encumber. MG. 6/8/20
	06/03/20

FL 6/9/20

AMENDMENT NO. 1

to the

MEASURE V REGIONAL PROJECT FUNDING AGREEMENT

between

MERCED COUNTY ASSOCIATION OF GOVERNMENTS

and the

CITY OF MERCED

THIS AMENDMENT is made and entered into as of _____, 2026, by and between, Merced County Association of Governments ("MCAG"), a California joint powers authority within the meaning of Government Code § 6500 et seq (hereinafter referred to as "MCAG"), and the City of Merced (hereinafter referred to as "RECIPIENT") for the **Highway 59 Widening Phase 1** ("PROJECT").

Only those sections of the Agreement requiring modification are cited within this AMENDMENT.

ARTICLE II Section A. Project Scope

1. The PROJECT funding allocation of $2,500,000 was approved by the MCAG Governing board for all project phases.

ARTICLE II Section B. Project Costs

1. The PROJECT has a total estimated project cost of $20,400,000 as of the date of this AGREEMENT for all phases.
2. The PROJECT has been approved for an allocation from the Measure V East Side Regional Projects funding account in the amount of $2,500,000 the balance of which is available to the PROJECT as of the date of this AGREEMENT.
3. Up to 20% of project cost savings may be transferred from one regional project to another existing regional project via an administrative amendment to the Implementation Plan at the discretion of the MCAG's Executive Director. Requests to transfer more than 20% in project cost savings require a formal amendment to the Implementation Plan which requires the approval the appropriate Regional Projects Committee, a public review process and approval by the MCAG Governing Board.

ARTICLE II Section C. Project Schedule

1. Recipient shall adhere to the following schedule to deliver the PROJECT in a timely manner. Inactivity causing delays of 6 months or more during any phase of the PROJECT shall require action from the MCAG Governing Board to either extend the PROJECT schedule through an amendment to this AGREEMENT or reallocate the PROJECT'S funding to another project in the

current Implementation Plan.

a.	Environmental	Complete
b.	Design	*Spring 2022 – Spring 2027*
c.	Right-of-Way	*Summer 2026 – Summer 2028*
d.	Construction	*Spring 2030 – Fall 2031*

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their respective offers, duly authorized, on the day and year first above written.

Merced County Association of Governments

By _____
Stacie Guzman, Executive Director

Date:_____

City of Merced (RECIPIENT)

By _____
Scott McBride, City Manager

Date:_____

Approved as to Legal Form:

By _____
Emily Haden, Legal Counsel

Date:_____

By Craig Cornwell
City Attorney

Date: 7/8/2026

AMENDMENT NO. 1

to the

MEASURE V REGIONAL PROJECT FUNDING AGREEMENT

between

MERCED COUNTY ASSOCIATION OF GOVERNMENTS

and the

CITY OF MERCED

THIS AMENDMENT is made and entered into as of _____, 2026, by and between, Merced County Association of Governments ("MCAG"), a California joint powers authority within the meaning of Government Code § 6500 et seq (hereinafter referred to as "MCAG"), and the City of Merced (hereinafter referred to as "RECIPIENT") for the **Highway 59 Black Rascal Bridge Project** ("PROJECT").

Only those sections of the Agreement requiring modification are cited within this AMENDMENT.

ARTICLE II Section A. Project Scope

1. The PROJECT funding allocation of **$14,034,580** was approved by the MCAG Governing board for all project phases.

ARTICLE II Section B. Project Costs

1. The PROJECT has a total estimated project cost of $13,484,000 as of the date of this agreement **for all phases, including Right of Way and Construction.**
2. The PROJECT has been approved for an allocation from the Measure V East Side Regional Projects funding account as follows:

Accrued Allocation Balance thru FY 2024-25	$1,750,000
Fiscal Year 2025-26 Allocation	$8,284,580
Fiscal Year 2028-29 Allocation	$4,000,000
Total Allocation	**$14,034,580**

3. Up to 20% of project cost savings may be transferred from one regional project to another existing regional project via an administrative amendment to the Implementation Plan at the discretion of the MCAG's Executive Director. Requests to transfer more than 20% in project cost savings require a formal amendment to the Implementation Plan which requires the approval the appropriate Regional Projects Committee, a public review process and approval by the MCAG Governing Board.

ARTICLE II Section C. Project Schedule

1. Recipient shall adhere to the following schedule to deliver the PROJECT in a timely manner. Inactivity causing delays of 6 months or more during any phase of the PROJECT shall require action from the MCAG Governing Board to either extend the PROJECT schedule through an amendment to this AGREEMENT or reallocate the PROJECT'S funding to another project in the current Implementation Plan.

a.	Environmental	Complete
b.	Design	*Spring 2022 – Spring 2027*
c.	Right-of-Way	*Summer 2026 – Summer 2027*
d.	Construction	*Summer 2027 – Fall 2028*

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their respective offers, duly authorized, on the day and year first above written.

Merced County Association of Governments

By _____
Stacie Guzman, Executive Director

Date:_____

City of Merced (RECIPIENT)

By _____
Scott McBride, City Manager

Date:_____

Approved as to Legal Form:

By _____
Emily Haden, Legal Counsel

Date:_____

By _____
City Attorney

Date:_____

APPROVED AS TO FORM:
Craig Cornwell 4-15-2026
CRAIG J. CORNWELL Date
City Attorney-City of Merced

MeasureV

ATWATER | DOS PALOS | GUSTINE | LIVINGSTON | LOS BANOS | MERCED | MERCED COUNTY

2025 IMPLEMENTATION PLAN

Adopted: May 21, 2026



MCAG
MERCED COUNTY ASSOCIATION OF GOVERNMENTS

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I. Introduction

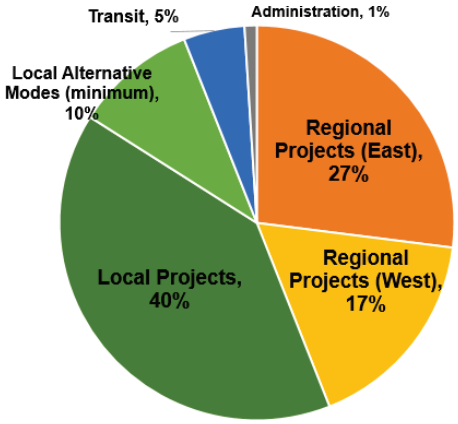
Measure V is Merced County's 30-year 1/2 cent transportation sales tax. It was passed by Merced County voters with 71% approval in November 8, 2016 and went into effect April 1, 2017. Measure V was projected to generate $15 million per year in new revenue, however, actual revenues have routinely exceeded $20 million annually. The variations in actual revenues are the result in the fluctuations in economic activity and the associated sales tax collections.

The Measure V Expenditure Plan passed by voters in 2016 specifies how the revenue must be spent across four funding categories: Local Projects, Regional Projects, Transit and Administration. The Expenditure Plan does not specify projects or specific expenditures within any of the funding categories, but instead identifies general eligible uses and the decision-making authorities and processes for project selection. The four funding categories are:

50% LOCAL PROJECTS

Half of the revenue is allocated by formula to the seven jurisdictions in Merced County: the cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced, and the County of Merced. The governing bodies of the local jurisdictions have complete authority over how these funds are spent so as long as the funds are spent on transportation purposes. The Expenditure Plan requires that each jurisdiction spend at least 20% of their local measure funding on alternative modes projects such as bicycle and pedestrian projects or other alternatives to single-occupant vehicle use.

Measure V Funding Categories and Percentages



44% REGIONAL PROJECTS

Forty-four percent of the revenue is allocated to regional projects. Per the Expenditure Plan, 27% of the annual revenue must be spent on projects east of the San Joaquin River, and 17% must be spent on projects west of the San Joaquin River. The Plan does not identify specific regional projects to be funded by the measure, however, it does delegate the authority for recommending regional project expenditures to the East Side Regional Projects Committee and the West Side Regional Projects Committee. The composition of those committees and the regional project selection process is discussed further in the "Implementation Plan Development" section of this document.

5% TRANSIT

Five percent of the revenue is directed to support increased transit services in Merced County. The Governing Board of the Merced County Association of Governments is the decision-maker for allocating these funds. The goal of this funding category is to expand or enhance public transit services and programs.

1% ADMINISTRATION

One percent of the revenue is provided to Merced County Association of Governments as the Local Transportation Authority for administration, including activities such as the biennial update of the Implementation Plan, contracting for annual independent audits, and preparing an annual report.

II. Purpose of the Implementation Plan

MCAG is required to develop and adopt an Implementation Plan update at least once every two years. The Expenditure Plan states:

> *At a minimum of once every two years, MCAG will prepare and adopt a Transportation Measure Implementation Plan. This will include a financial plan consistent with the Regional Transportation Improvement Program (RTIP) and the State Transportation Improvement Program (STIP).*
>
> - *MCAG staff working with member agencies and affected stakeholders will develop the Draft Implementation Plan and will update it every two years.*
> - *The MCAG Governing Board receives the Draft Implementation Plan and its updates and schedules public hearings to review the Plan.*
> - *The MCAG Governing Board adopts the Implementation Plan.*

The MCAG Governing Board does not have decision-making authority over Local Projects expenditures as that authority is prescribed in the Expenditure Plan to local governing bodies. The Expenditure Plan also provides MCAG as the Local Transportation Authority with the authority to utilize the 1% of funding for administration purposes. Therefore, this Implementation Plan does not program expenditures for either of those accounts. Instead, the focus of this document is to address the two funding accounts for which the MCAG Governing Board holds decision-making authority related to expenditures – Regional Projects and Transit.

Measure V Regional Project Funding is programmed to specific projects in the Implementation Plan as it is the primary financial document that provides an analysis of Measure revenue expenditures over a specific period of time as authorized by the MCAG Governing Board.

The MCAG Governing Board also holds decision-making authority in the use of the 5% for transit purposes. This document will provide a summary of actions taken by the MCAG Governing Board related to providing revenue to current and future projects and programs eligible under the Expenditure Plan.

III. Implementation Plan Development and Update Process

The Expenditure Plan requires the Implementation Plan be updated biennially but provides minimal direction for the Plan's development and update process. The sole direction provided was the required formation of the East Side Regional Projects Committee and the West Side Regional Projects Committee for the purposes of making recommendations to the MCAG Governing Board for regional projects expenditures.

The Expenditure Plan does not provide direction as to how Transit funding allocations would be authorized or programmed other than at the direction of the MCAG Governing Board. With Merced County being served by two public transit agencies that are also administered by MCAG, the transit agencies have utilized the regular MCAG Governing Board agenda process and to request funding allocations, as needed. Subsequently, all authorized Transit funding expenditures are then included in the biennial Plan update.

As required by the Expenditure Plan, the Regional Projects Committees (RPC) were formed in May 2017. The West Side RPC is comprised of one elected official (mayor or council person) from each of the westside cities (Gustine, Los Banos and Dos Palos), and the County Supervisors whose districts are located either completely or partially on the west side of the San Joaquin River. The East Side RPC is comprised of one elected official (mayor or council person) from each of the eastside cities (Livingston, Atwater and Merced) and the County Supervisors whose districts are either completely or partially located on the east side of the San Joaquin River.

2018 IMPLEMENTATION PLAN

For the first Implementation Plan, meetings of the East Side and West Side RPCs were held from August 2017 through May 2018. Committee members brainstormed potential candidate regional projects, developed evaluation criteria used in a project information form, and prioritized projects.

Both committees recommended a "pay-as-you-go approach" and two-year outlook for the first Implementation Plan. Both committees also recommended a 20% set aside of projected revenue within each regional account for future leveraging opportunities.

At their May 2018 meetings both RPCs recommended projects for funding to the MCAG Governing Board, which adopted their recommendations. The Implementation Plan draft was released for public comment and two public hearings were held. The Plan was adopted in September 2018.

2019 IMPLEMENTATION PLAN UPDATE

The first update to the Plan was developed from October 2018 through the Fall of 2019, starting with Governing Board direction to issue a five-to-ten-year call for projects. Following that, the East Side and West Side RPCs had several meetings to discuss candidate projects and funding strategies, starting in January 2019.

In May, the West Side RPC recommended a schedule of set-aside percentages and projects for funding through FY 2028/29. In June, the East Side RPC recommended a schedule of projects for funding through FY 2024/25. The Governing Board adopted their recommendations in July.

The draft Implementation Plan Update was released for public comment and two public hearings were held in August. The 2019 Implementation Plan was adopted in September 2019.

2021 IMPLEMENTATION PLAN UPDATE

In April 2021 the Governing Board approved Measure V Regional Project Policies and directed staff to issue a Call for Projects. The call was issued in April and applications were due August 31. The East and West Side RPCs met in October to review project applications and requests for amendments.

On October 28 and 29, 2021, the West Side and East Side RPCs, respectively, recommended project programming schedules, including recommendations for a "Set-Aside/Reserve for Leveraging and/or Revolving Loan Fund" (West) and a "Contingency Reserve" (both). The recommendations were subsequently approved by the Governing Board at its November 18, 2021, meeting.

2023 IMPLEMENTATION PLAN UPDATE

In May 2023, the Governing Board directed staff to issue a Call for Projects for revenue available during the programming period of FY 23/24 through 27/28. The application deadline was August 1, 2023.

On October 4, 2023 the East Side RPC reviewed available revenues and project applications and recommended a programming scenario which was approved by the Governing Board on November 16, 2023.

The West Side RPC met on October 12 and 25, 2023. At the first meeting, the committee discussed programming amendments, reviewed available revenues and all project applications. At the second meeting the RPC recommended a programming scenario which was approved by the Governing Board on November 16, 2023.

The draft Implementation Plan was released for public review and comment on November 28, 2023 and approved on January 18, 2024 by the Governing Board.

2025 IMPLEMENTATION PLAN UPDATE

In May 2025, the Governing Board directed staff to meet with the East and West Side Technical Working Groups to identify any needs for additional funding for the programmed projects, and any opportunities to advance current projects. Those meetings were held on July 24, 2025. In advance of those meetings, staff asked each jurisdiction to prepare to provide updates on their current regional projects, identify any need for additional funding for those projects, and identify any new projects under consideration if new programming capacity is available.

Following the Technical Work Group meetings, individual meetings were held in August and September between MCAG staff and jurisdiction staff to further discuss their projects and requests, with all final submissions for funding being due to MCAG by October 1, 2025. A second round of Technical Work Group meetings were held on December 9, 2025 on the East Side and December 10, 2025 on the West Side.

On January 12, 2026 both the East and West Side RPCs were convened to review available revenues and project requests. After considerable discussion about the regionality of two new projects submitted by the City of Livingston (North Main Rehabilitation Project and the Davis and Main Street Signal Reconfiguration Project), the East Side RPC recommended a programming document that was largely consistent with the staff proposal aside from project allocations of 10% less than what the City of Livingston requested for each project. The Committee's reduction of the requested allocation was paired with the expressed expectation that the City of Livingston would bring local funding to the projects. The West Side RPC recommended the staff proposal as presented.

On March 19, 2026 both programming scenarios were approved by the Governing Board and staff was directed to release the draft 2025 Implementation Plan for public review and comment. Virtual and in-person public hearings were held at the dates, times and locations listed below. The final draft was adopted on May 21, 2026.

Virtual Public Hearings	**In Person Public Hearings**
April 7, 2026 12pm and 5pm	April 9, 2026 @ 5pm MCAG, 369 W. 18th Street, Merced April 14, 2026 @ 5pm Los Banos Community Center 645 7th Street, Los Banos

IV. Projects and Expenditures

TRANSIT FUNDING

Five percent of Measure V revenue is dedicated to purposes that enhance or expand public transit programs and services in Merced County. At the discretion of the MCAG Governing Board, these funds have been utilized in two ways in partnership with the Transit Joint Powers Authority for Merced County: 1) free fare programs, and 2) capital projects.

Since the inception of the sales tax through June 30, 2025, $9.5 million has been generated for transit purposes. After deducting the Board-approved expenditures in the same period, an unencumbered balance of $7.8 million remains.

Total Transit Measure V Transit Revenue Generated (thru 6.30.25)	$9,570,337
Total Expended – Seniors, Vets, ADA Fare Subsidy Program	($1,255,605)
Total Expended - Capital Purchases	($500,000)
Total Unencumbered Funds (balance)	**$7,814,732**

Free Fare Programs

In April 2017, the MCAG Governing Board allocated $150,000 in Measure V Transit revenue annually to the Transit Joint Powers Authority for Merced County to operate a free fare program for seniors, veterans and ADA eligible passengers on the countywide fixed route transit service provided by The Bus. In March 2019 this increased to $225,000 per year. In July 2021 this program was expanded to include paratransit and micro transit services, and the allocation was increased to $320,000 annually.

For each fiscal year in the 2025 Plan's programming period, $320,000 in Transit funding is allocated to the Transit Joint Powers Authority for Merced County to operate the Measure V Free Fare Program. These funds are expended on a reimbursement basis. Any programmed funding that is not expended through reimbursement of actual ridership in each fiscal year will remain in the overall Measure V Transit funding account and will be considered unprogrammed at the beginning of the next fiscal year.

In addition to the Free Fare Program for veterans, seniors and ADA eligible passengers, the 2025 Implementation Plan includes an annual allocation of $340,000 for the Emergency Fare Relief Program. Approved by the MCAG Governing Board in December 2025, this program provides funding to subsidize transit fares during emergency situations for riders who do not qualify under other fare subsidy programs. The program was piloted during the federal government shutdown in the fall of 2025 and later approved by the Governing Board as an annual allocation to ensure timely action in suspending fares during critical events. These funds are also expended on a reimbursement basis. Any programmed funding that is not expended through reimbursement of actual ridership in each fiscal year will remain in the overall Measure V Transit funding account.

Emergency fare relief is a critical resource in circumstances such as large-scale community evacuations resulting from flooding or other natural disasters, as well as during periods of significant economic distress—such as prolonged federal government shutdowns—that disproportionately impact vulnerable residents. Rapid activation of fare-free service during emergencies supports continuity of essential travel, including access to shelters, food distribution sites, and other emergency-response resources.

Capital Projects

Local Match for Zero-Emission Fleet



In April 2019, the MCAG Governing Board authorized the use of $500,000 of Measure V Transit funds as local match for the Transit Joint Powers Authority for Merced County's application to the Low or No Emission competitive grant program. This successful grant application resulted in the purchase of five battery-electric buses that began service in the fall of 2023.

Clean-Diesel Fleet Replacement

In June 2025, the MCAG Governing Board authorized the use of $2,325,000 of Measure V Transit funds to purchase five clean diesel 29ft buses to replace diesel vehicles that have exceeded their useful life. The vehicles are expected to arrive and be integrated into the fleet by the first quarter of 2027.

Advance of Funds for YARTS buses



In January 2024, the MCAG Governing Board authorized the temporary use of up to $5,500,000 in Measure V Transit funds to complete the purchase of nine YARTS clean diesel buses. This was a temporary transaction to address a cash flow issue YARTS faced as the result of the federal funding awarded for the bus purchases being reimbursement based.

Measure V transit funds allowed YARTS to complete the purchase with the manufacturer and then submit for reimbursement to the Federal Transit Administration. Upon receipt of the federal funds, YARTS repaid the equivalent sum back to the Measure V Transit account. The duration of the transaction from withdrawal to reimbursement did not exceed 90 days.

REGIONAL PROJECTS FUNDING

Financial Plan

Measure V generated $191,406,727 in its first eight years, through June 30, 2025. This is an average of $24 million per year. 44% is allocated to Regional Projects; 27% of the annual total is directed to regional projects located to the east of the San Joaquin River, and 17% of the annual total is directed to regional projects located to the west of the San Joaquin River.

The following table summarizes the projected revenue and programmed expenditures including set-asides and reserves, for the East and West Regional Project Funds accounts through FY 29/30. Note that Measure V is a 30-year measure and the last 16 years remain available for programming.

Projected Regional Projects Funds through 2030*	East Side (27%)	West Side (17%)
Revenue **	$86,396,868	$52,947,377
Interest Earned	$5,370,802	$2,095,291
Programmed Expenditures and Accounts		
Contingency Reserve	$3,066,827	$1,930,965
Project Programming	$88,095,203	$49,168,833
Leveraging Set-Aside and/or Revolving Loan Fund	NA	$3,000,000
Unprogrammed Balance through June 30, 2030	($1,698,335)	$942,870

*Totals reflect actual revenues through FY 24/25 and estimated revenues through 2029/30
**Revenue available for programming = estimated revenue less 10%

Set-Asides and Contingency Reserves

Leveraging Set-Aside and Revolving Loan Fund

The West Side RPC established a set-aside account for opportunities to deliver Measure funded projects by leveraging state and federal investments. This fund also operates as a revolving loan fund for advancing requests for a project that is ready for funding sooner than the schedule indicates. Such requests to advance require a recommendation from the West Side RPC and an affirmative majority vote of the Governing Board. This fund is capped at $3 million. When leveraging expenditures occur, the fund will be replenished with new or otherwise unprogrammed funds during the next Plan update. When expenditures occur related to the advancing of project funds, the fund will be replenished with the project's original allocation in the programmed year.

Leveraging Set-Aside Transactions

Jurisdiction	Project	Allocation Amount	Amount Leveraged	Replenishment Date
none				

Revolving Loan Fund Transactions

Jurisdiction	Project	Amount	Repayment Year*
none			

*The equivalent amount of advanced funds will be reapportioned to the RLF in the original programming year. For example, if Project A advances $2m from Year 4 to Year 2, the funds generated in Year 4 will be reapportioned to the RLF account.

The East Side RPC did not establish a similar account for East Side Regional Projects funding.

Contingency Reserve Accounts

The West Side RPC and the East Side RPC each established their own contingency reserve accounts. The accounts are funded by allocations of 5% of the actual annual revenue directed to the West and East Side Regional Projects Funding accounts, respectively. The purpose of this reserve is to address

revenue shortfalls that may occur when actual revenue generated is less than projected. These funds may also be used for other unanticipated funding shortfalls that jeopardize the delivery of a project, at the discretion of the Governing Board.

Contingency Reserve Accounts Transactions

Account	Jurisdiction	Project	Amount	Approved
West	County	Whitworth Rd Rehab Project	$900,000	Jan 18, 2024



Westside Regional Project: Henry Miller Ave Reconstruction Project, Phase 1
(Merged photo: Before reconstruction on the right, after reconstruction on the left)

Regional East Side Projects

COMPLETED PROJECTS

Jurisdiction	Project	Completed	Regional Measure Expenditure	Estimated Total Project Cost
Livingston	**Hwy 99 Winton Parkway On-Ramp Widening** Widened Winton Parkway to include a dedicated turn lane for the Hwy 99 southbound on-ramp. $840,000 was programmed for environmental, design and construction phases. The City of Livingston committed Local Transportation Funds, SB 1 funds, and Measure V Local funds to complete the project. This project was programmed in the 2018 Plan.	FY 18/19	$626,434	$1,240,000
Atwater	**Winton Way Reconstruction, Phases 1 and 2** Reconstruction of Winton Way from north of Broadway Avenue to south of Bellevue Road including ADA sidewalks and relocated crosswalks. $1,000,000 was programmed in the 2018 Plan. $1,660,000 was added in the 2019 Update.	FY 19/20	$2,660,000	$3,385,000
County	**Bradbury Road Rehabilitation** Rehabilitation of Bradbury Road from State Highway 165 to State Highway 99 in Merced County. $906,172 for the design and construction phases was programmed in the 2018 Plan.	FY 19/20	$906,172	$950,000
County	**Sandy Mush Road Rehabilitation** Rehabilitation of San Mush Road from State Highway 59 to Nickel Road in Merced County. $2,308,619 for the design and construction phases was programmed in the 2018 Plan.	FY 19/20	$2,308,619	$3,520,000

PROJECTS IN PROGRESS

Jurisdiction	Project	Phase(s)	Regional Measure Allocation	Estimated Total Project Cost
Merced	**Hwy 59 Black Rascal Bridge Project** Replace the Black Rascal Bridges on Hwy 59 to a four-lane structure. $460,000 was programmed in the 2018 Plan. $3,630,000 was added in the 2019 Update and $1,944,580 was added in the 2021 update**.** In the 2025	All	$460,000 $3,630,000 $1,944,580 **$8,000,000** Total = $14,034,580	$16,150,000

	Update, $8,000,000 was added to the project ($4,000,000 was redirected from existing programming for the Hwy 59 widening project and another $4,000,000 was added from new programming capacity.)			
Merced	**Hwy 59 Widening, Phase 1** Widening Hwy 59 to four lanes from 16th Street to Olive Avenue/Santa Fe Drive including new sidewalks, bike lanes, curb and gutter, and widening of the at-grade BNSF railroad crossing. $764,580 was programmed in the 2018 Plan for project development. $5,180,000 was added in 2019, and $600,000 was added in 2021. In the 2025 Update, $4,000,000 was redirected to the Black Rascal Bridge Project, leaving a balance of $2,500,000 for this project.	All	$764,580 $5,180,000 $600,000 **($4,000,000)** Total = $2,500,000	$20,400,000
Merced	**Mission Avenue Widening** Widen and reconstruct a portion of Mission Avenue between Henry Street and G Street. The project will include a new storm drain, storm drain basins, sidewalks and bike lanes. This project was programmed in the 2021 Plan with $150,000 for a Project Study Report, and the 2023 Plan update programmed $1,000,000 for environmental and design. The 2025 Update programmed an additional $1,000,000 for construction in FY 27/28.	PSR, Environ, Design	$150,000 $1,000,000 **$1,000,000** Total = $2,150,000	$9,650,000
County	**Atwater Merced Expressway, Phases 1B & 2** Phase 1B constructs a new expressway from Green Sands Road to Santa Fe Ave. $11.4 million was programmed to Phase 1B in 2019 and $14,677,697 was added in the 2021 Plan update. The 2023 Plan programmed an additional $10.5 million for construction in 2027/28 and expanded the project scope to include Phase 2 which extended the project limit to Bellevue Rd.	All	$11,487,697 $14,170,000 $10,500,000 Total = $36,157,697	$75,006,000
Atwater	**Bellevue Rd Reconstruction and Realignment** A partnership between the City of Atwater and the County of Merced to realign and reconstruct a portion of Bellevue Road between Grove Avenue and Parade Street immediately west of the City of Atwater. $200,000 was programmed for a project study report in the 2021 Plan. The 2023 Update programmed an additional $7,692,000 for design and right-of-way through FY 25/26.	PSR, Design, ROW	$200,000 $7,692,000 Total = $7,892,000	$50,692,000

Atwater	**Buhach Widening at Livingston Canal** Expansion of a single-lane portion of northbound Buhach Road to its ultimate two-lane facility width at the Livingston Canal overcrossing, north of Juniper Avenue/Avenue Two and south of Bellevue Road. This project includes curb, gutter, and sidewalk to match existing facilities. $200,000 was programmed in the 2023 Plan.	PSR	$200,000	TBD
Livingston	**Hammatt and Campbell Intersection Improvements** Intersection improvements at Hammatt Avenue and Campbell Blvd. $1m was programmed the 2019 Plan, and an additional $1,520,000 was added in 2023 for construction which is anticipated in FY 26/27.	Environ, Design, Con	$2,520,000	$2,520,000
Livingston	**Transit Center** The development and construction of a transit center on Main Street at the railroad tracks in the City of Livingston that will serve as the hub for commuter rail and bus transit services. Phase 1 will focus on regional local bus transit to include parking area improvements, non-motorized transportation improvements, the construction of the transit center building and bus facilities. $1,900,000 was programmed in the 2019 Plan. In the 2025 Update, the project funds were moved out to FY 29/30.	All	$1,900,000	$5,415,000
Livingston	**Winton Parkway Rehabilitation** Rehabilitation of Winton Parkway from the SR 99 southbound ramps to just south of the Joseph Gallo Court intersection. This project was programmed in the 2023 Plan with $253,000 for design in FY 24/25 and $1,937,000 in FY 25/26 for construction. In the 2025 Update, an additional $1,473,000 was added to the project in FY 27/28. Construction is anticipated in FY 27/28.	Design, Con	$253,000 $1,937,000 **$1,473,000** Total = $3,663,000	$3,663,000
Livingston	**Campbell Corridor Project** Study to examine opportunities to incorporate a Class I multiuse path to connect residents on the north side of SR 99 to the future transit center and existing commercial commerce centers within the City of Livingston. $165,000 was programmed in the 2023 Plan.	PSR	$165,000	Unknown

NEW PROJECTS				
Jurisdiction	Project	Phase(s)	Regional Measure Allocation	Estimated Total Project Cost
Livingston	**North Main Street Rehabilitation Project** $227,700 is programmed for design in FY 28/29 and $3,181,500 in FY 29/20 for construction. These allocations are contingent upon the City of Livingston's use of local funding for a minimum of 10% of each project phase.	Design, Con	**$3,409,200**	$3,535,000
Livingston	**Main & Davis St. Signal Reconfiguration Project Study Report** $202,500 is programmed in FY 27/28 for the Project Study Report. This allocation is contingent upon the City of Livingston's use of local funding for a minimum of 10% of each project phase.	PSR	**$202,500**	$225,000
County	**Santa Fe Road Rehabilitation Project** $2,800,000 is programmed in FY 25/26. This project will be delivered by leveraging $2,393,000 in Local Partnership Program funding.	Design, Con	**$2,800,000**	$5,250,000
MCAG	**State Route 99 Projects (Merced & Atwater)** Caltrans will released updated Project Initiation Documents for the SR 99 Merced Managed Lanes and SR 99 Atwater Managed Lanes projects in the spring of 2026. $4,000,000 is programmed in FY 29/30 to use as local matching funds for state and federal funding opportunities to begin the environmental phase of one of these projects.	Local Match for Environ	**$4,000,000**	Unknown

West Side Regional Projects

COMPLETED PROJECTS

Jurisdiction	Project	Completed	Regional Measure Expenditure	Estimated Total Project Cost
Gustine	**Eastside Storm Drainage Project** Construction of a renovated storm drainage system at Gustine Municipal Airport. This project was delivered by leveraging Measure V dollars to secure funding from the Federal Aviation Administration and Turlock Airport. This project was programmed in the 2018 Plan. Cost savings for this project were reallocated to the Airport Security Project.	FY 18/19	$51,802	$763,388
Gustine	**Airport Security Project** Installation of new safety perimeter fencing and security gates at Gustine Municipal Airport. This project was delivered using regional Measure funds and funds from the Local Partnership Program. This project was programmed in the 2018 Plan. Cost savings from the Eastside Storm Drainage Project were used to cover cost-overruns for this project.	FY 18/19	$92,086	$115,000
Dos Palos	**Center Avenue North Area Project** The environmental, design and construction phases of the rehabilitation of the Center Avenue North between Marguerite Street and Lorraine Street, and Lorraine Street between Center Avenue and Dos Palos Avenue. The project included complete street rehabilitation, the construction of a bike path, ADA ramps and a new transit stop. $200,000 was programmed in the 2018 Plan and $586,000 was added in the 2019 Update.	FY 19/20	$786,000	$936,000
Gustine	**Hwy 33/140 Roundabout Project** Construction of a roundabout on Highway 33/140 at the intersection of 4th Street and 6th Avenue. The project was delivered with Measure V Regional and Congestion Mitigation Air Quality funds. This project was programmed in the 2018 Plan.	FY 25/26	$810,000	$3,300,000
County	**Whitworth Road Rehabilitation Project** Rehabilitation of Whitworth Road from the	FY 24/25	$5,373,575	$5,400,000

	Stanislaus County line to McCabe Road. $4.5 million was programmed for design and construction in the 2021 Plan. The 2023 Plan reflected an additional $900,000 from the contingency reserve to address cost overruns.			
Dos Palos	**Lorraine Street Bridge Replacement** Replaced the existing bridge located at the intersection of Lorraine Street and Center Avenue. This project was programmed in the 2023 Plan.	FY 24/25	$1,373,373	$2,764,000
County	**Palm Avenue Rehabilitation** Rehabilitation of Palm Ave from SR 152 to Valeria Street, just east of the City of Dos Palos. This project was programmed in the 2023 Plan.	FY 25/26	$1,800,000	$1,800,000
County	**Hwy 33 Centinella Drive Turn Lane** $100,000 was programmed in the 2021 Plan to study whether a left turn lane pocket was warranted on southbound Hwy 33 at Centinella Drive in Santa Nella. The study determined the project was not warranted.	FY 21/22	$32,945	$100,000
Gustine	**Hwy 33/Hwy 140 Signalization Project** Installation of a signalized intersection at 4th Street and Highway 140. $2,200,000 was programmed in the 2019 Plan for all phases of the project and an additional $175,000 was programmed in the 2021 Plan. In 2025, the project study report determined the project was not warranted.	FY 25/26	$5,000	$2,375,000
PROJECTS IN PROGRESS				
Jurisdiction	Project	Phase(s)	Regional Measure Allocation	Estimated Total Project Cost
Los Banos	**Pioneer Road Widening Project** Widening Pioneer Road in and near Los Banos and an intersection improvement project at Ortigalita. Measure V Westside Regional funding is programmed across several fiscal years beginning in 19/20 through 25/26. This project was programmed in the 2019 Plan.	Environ, Design, ROW	$8,650,000	$45,000,000

County	**Hwy 152 Pacheco Blvd Regional Path** Construct a class 1 bike path along Hwy 152 from Badger Flat Road to Merced College Los Banos Campus. $600,000 was programmed in the 2018 Plan. $1,621,000 was added in 2019 and an additional $100,000 was added in the 2021 update.	All	$600,000 $1,621,000 $100,000 Total = $2,321,000	$2,321,000
County	**Henry Miller Ave Rehabilitation, Phases 1 & 2** Rehabilitation of Henry Miller Road from Hwy 165 east to Turner Island Road (Phase 1)**.** $2,426,112 was programmed in the 2018 Plan and $350,000 was added in 2020 for a total of $2,776,112 for Phase 1 which is complete. In the 2019 Plan, $5,025,000 was added for Phase 2 will rehabilitate Henry Miller from Hwy 165 west to Highway 33. An additional $3,525,000 was added in the 2021 Update.	Design, Con	$2,426,112 $350,000 $5,025,000 $3,525,000 Total = $11,326,112	$11,326,000
Los Banos	**Hwy 152 and I Street Intersection** Intersection improvements at Hwy 152 and I Street to include traffic signal upgrades, dedicated left and right turn lane for northbound W. I Street, and a dedicated right turn lane for eastbound Hwy 152. The project will also upgrade and install ADA curb ramps on all four corners and upgrade striping to thermoplastic. This project was programmed in the 2023 Plan update with $250,000 for design in FY 24/25 and $700,000 for construction in FY 25/26. In the 2025 Update, $750,000 was deprogrammed from this project and reallocated to the Hwy 165 & Vineyard/Dove Intersection Project, leaving a balance of $200,000**.**	Design, Con	$250,000 $700,000 **($750,000)** Total = $200,000	$1,270,000
Los Banos	**Hwy 165 and Vineyard/Dove Intersection** Installation of a traffic signal at the intersection of Hwy 165 and Vineyard/Dove in the City of Los Banos. This project will include a dedicated left turn lane for all approaches, will upgrade and install ADA curb ramps on all corners, and upgrade striping to thermoplastic. This project was programmed in the 2023 Plan update with $620,000 for design. In the 2025 Update, $2,810,000 was added to this project from a variety of sources. $750,000 was reallocated from the Hwy 152 and I Street Intersection project to this project, $275,000 was reallocated from the Hwy 165 and Scripps Drive	All	$620,000 **$750,000** **$275,000** **$1,785,000** Total = $3,430,000	$4,445,000

	Intersection, and $1,785,000 in new funding capacity was programmed. Construction is anticipated in FY 27/28.			
Los Banos	**Hwy 165 and Scripps Drive Intersection** Installation of a traffic signal to replace the existing HAWK system, adding a dedicated left turn land for all approaches, upgrade and install ADA ramps on all corners, and upgrade striping to thermoplastic. This project was programmed in the 2023 Plan update with $175,000 for design in FY 24/25 and $150,000 for right-of-way in FY 25/26. In the 2025 Update, $275,000 was deprogrammed from this project and reallocated to the Hwy 165 & Vineyard/Dove Project leaving a balance of $50,000.	Design, ROW	$175,000 $150,000 **($275,000)** $50,000	$4,200,000
Dos Palos	**Blossom Street East Area Project** Rehabilitation of East Blossom Street and portions of Lucerne Avenue, Leonard Avenue and Harris Avenue including ADA compliant sidewalks. $400,000 was programmed in the 2018 Plan. $1,588,000 was added in the 2019 Update and an additional $1,987,000 was added in the 2021 Update. $1,390,627 in cost savings from the Lorraine Street Bridge project was allocated by action of the Governing Board in May 2025 and is reflected in the project total.	FY 25/26	$400,000 $1,588,000 $1,987,00 $1,390,627 Total = $5,365,627	$6,575,000
County	**Ingomar Grade Reconstruction** Reconstruction of Ingomar Grade from Fahey Road to Badger Flat Road. Construction anticipated in FY 28/29.	Design, Con	$2,025,000	$2,025,000
County	**Hunt Road Rehabilitation** Rehabilitation of Hunt Road from the City of Gustine limits to Cottonwood Road. This project was programmed in the 2023 Plan. In the 2025 Update, an additional $600,000 was programmed to allow for an increase in scope to include Cottonwood Road from Hunt Road (west) to SR 33.	Design, Con	$50,000 $2,100,000 **$600,000** Total = $2,750,000	$2,850,000

NEW PROJECTS				
Jurisdiction	Project	Phase(s)	Regional Measure Allocation	Estimated Total Project Cost
Gustine	**East, Hunt, and Sullivan Rehabilitation Project** Rehabilitation of East Avenue from the north end intersection with SR 140 south to the Hunt Road intersection. Project improvements will continue south on Hunt to the intersection of Sullivan Road and then east until the project terminates at the bridge near the intersection of SR 33/140 and Sullivan Road. $3,600,000 was programmed for design and construction in FY 26/27.	Design, Con	$3,600,000	$3,600,000

Appendix A

Regional Projects Funding Schedules by Fiscal Year

MeasureV

EAST SIDE REGIONAL PROJECTS (Approved Feb 2026)

Revenue	ACCRUED	25/26	26/27	27/28	28/29	29/30	Total
					Programming Period		
Total Measure V Revenue (Actuals / Estimates)	$191,406,725	$25,796,117	$26,494,158	$27,288,983	$27,971,207	$28,810,344	$327,767,533
Total Measure V Revenue less 10% *(FY 23/24-27/28)*	$24,086,614	$23,216,505	$23,844,742	$24,560,084	$25,174,087	$25,929,309	$146,811,341
East Side Regional Projects Fund *(27% of total)*	$50,957,217	$6,268,456	$6,438,080	$6,631,223	$6,797,003	$7,000,913	$84,092,894
Interest Earned	$3,586,674	$720,000	$194,412	$289,905	$289,905	$289,905	$5,370,802
Contingency Reserve Allocations *(5% of actuals)*	$1,410,044	$313,423	$321,904	$331,561	$339,850	$350,046	$3,066,827
(A) Total Avaliable for Programming	**$53,133,848**	**$6,675,034**	**$6,310,588**	**$6,589,567**	**$6,747,059**	**$6,940,773**	**$86,396,868**

Jurisdiction	Project		25/26	26/27	27/28	28/29	29/30	Total	*(As of Oct 2025)* EXPENDITURES	BALANCE
Atwater	Bellevue Road Rehab/Realign	$2,350,000	$5,542,000					$7,892,000	$350,458	$7,541,542
Atwater	Buhach Widening at Livingston Canal	$200,000						$200,000	$56,585	$143,415
Livingston	Hammatt & Campbell Intersect.	$1,000,000		$1,520,000				$2,520,000	$29,399	$2,490,601
Livingston	Transit Center	$0					$1,900,000	$1,900,000	$0	$1,900,000
Livingston	Campbell Corridor Project	$165,000						$165,000	$0	$165,000
Livingston	Winton Parkway Rehab	$253,000	$1,937,000		$1,473,000			$3,663,000	$0	$3,663,000
Livingston	North Main Street Rehab	$0				$227,700	$3,181,500	$3,409,200	$0	$3,409,200
Livingston	Main & Davis St. Signal Reconfiguration	$0			$202,500			$202,500	$0	$202,500
Merced	Hwy 59 Black Rascal Bridge Widening	$1,750,000	$8,284,580			$4,000,000		$14,034,580	$359,659	$13,674,921
Merced	Hwy 59 Widening, Phase 1	$2,250,000	$250,000					$2,500,000	$732,329	$1,767,671
Merced	Mission Ave Widening (G St. to Henry)	$150,000	$1,000,000		$1,000,000			$2,150,000	$95,132	$2,054,868
County	Santa Fe Rehab., Merced to Atwater	$0	$2,800,000					$2,800,000	$0	$2,800,000
County	Atwater-Merced Expressway, Phase 1B & 2	$25,657,697			$10,500,000			$36,157,697	$3,579,963	$32,577,734
MCAG	SR 99 Projects (Atwater & Merced)	$0					$4,000,000	$4,000,000	$0	$4,000,000
County	Bradbury Rd Rehabilitation	$906,172						$906,172	$906,172	$0
County	Sandy Mush Rd Rehabilitation	$2,308,619						$2,308,619	$2,308,619	$0
Livingston	Hwy 99 Winton Parkway On-Ramp Widen	$626,434						$626,434	$626,434	$0
Atwater	Winton Way Reconstruction, Phases 1 & 2	$2,660,000						$2,660,000	$2,660,000	$0
	(B) Total Programmed:	**$40,276,923**	**$19,813,580**	**$1,520,000**	**$13,175,500**	**$4,227,700**	**$9,081,500**	**$88,095,203**	**$11,704,750**	**$76,390,453**
	(C) = (A - B) Balance by FY:	$12,856,925	($13,138,546)	$4,790,588	($6,585,933)	$2,519,359	($2,140,727)			
	Cumulative Unprogrammed Balance:		**($281,621)**	**$4,508,967**	**($2,076,967)**	**$442,392**	**($1,698,335)**			
	Contingency Programming:									
	Contingency Reserve Running Balance	**$3,580,608**	**$1,723,466**	**$2,045,370**	**$2,376,932**	**$2,716,782**	**$3,066,827**			

Closed Out Projects (Actuals)

MeasureV

WEST SIDE REGIONAL PROJECTS (Approved Feb 2026)

Revenue	ACCRUED	25/26	26/27	27/28	28/29	29/30	Total
					Programming Period		
Total Measure V Revenue (Actuals / Estimates)	$191,406,725	$25,796,117	$26,494,158	$27,288,983	$27,971,207	$28,810,344	$327,767,533
Total Measure V Revenue less 10% *(FY 23/24-27/28)*	$24,086,613	$23,216,505	$23,844,742	$24,560,084	$25,174,087	$25,929,309	$146,811,341
West Side Regional Projects Fund *(17% of total)*	$32,084,174	$3,946,806	$4,053,606	$4,175,214	$4,279,595	$4,407,983	$52,947,377
Interest Earned	$1,557,991	$45,881	$79,239	$108,114	$149,786	$154,279	$2,095,291
Leveraging Set-Aside or RLF *(capped at $3m)*	$3,000,000						$3,000,000
Contingency Reserve Allocations *(5% of actuals)*	$887,805	$197,340	$202,680	$208,761	$213,980	$220,399	$1,930,965
(A) Total Avaliable for Programming	**$32,754,359**	**$3,795,347**	**$3,930,165**	**$4,074,568**	**$4,215,401**	**$4,341,863**	$53,111,703

(As of Oct 2025)

Jurisdiction	Project		25/26	26/27	27/28	28/29	29/30	Total	EXPENDITURES	BALANCE
Dos Palos	Blossom St. East Area	$3,777,627	$1,588,000					**$5,365,627**	$3,253,822	$2,111,805
Gustine	Hwy. 33/140 Signalization	$5,000						**$5,000**	$0	$5,000
Gustine	East, Hunt, and Sullivan Rehab	$0		$3,600,000				**$3,600,000**	$0	$3,600,000
Los Banos	Pioneer Rd Widening	$6,250,000	$2,400,000					**$8,650,000**	$1,696,172	$6,953,828
Los Banos	Hwy. 152 & I Street Intersection	$0		$200,000				**$200,000**	$0	$200,000
Los Banos	Hwy. 165 & Scripps Dr Int.	$0				$50,000		**$50,000**	$0	$50,000
Los Banos	Hwy. 165 & Vineyard/Dove Rdbt	$0	$800,000		$2,630,000			**$3,430,000**	$0	$3,430,000
County	Hunt Road Rehab	$2,150,000		$600,000				**$2,750,000**	$1,739,538	$1,010,462
County	Hwy 152 Pacheco Blvd Regional Path	$2,321,000						**$2,321,000**	$25,741	$2,295,259
County	Henry Miller Rehab Phases 1 & 2	$6,301,000				$5,025,000		**$11,326,000**	$2,523,136	$8,802,864
County	Palm Ave Rehab (152 to Valeria)	$0	$50,000	$1,750,000				**$1,800,000**	$1,739,538	$60,462
County	Ingomar Grade Reconstruction	$0				$2,025,000		**$2,025,000**	$0	$2,025,000
County	Hwy. 33 Centinella Dr. Turn Lane	$32,945						**$32,945**	$32,945	$0
County	Whitworth Rd. Rehab (Stan. Co to McCabe)	$4,500,000						**$4,500,000**	$5,373,575	($873,575)
Gustine	Hwy. 33/140 Roundabout	$810,000						**$810,000**	$810,000	$0
Gustine	Eastside Storm Drainage	$51,802						**$51,802**	$51,802	$0
Gustine	Airport Security	$92,086						**$92,086**	$92,086	$0
Dos Palos	Center Ave. North Area	$786,000						**$786,000**	$786,000	$0
Dos Palos	Lorraine St. Bridge	$1,373,373						**$1,373,373**	$1,373,373	$0
	(B) Total Programmed:	**$28,450,833**	**$4,838,000**	**$6,150,000**	**$2,630,000**	**$7,100,000**	**$0**	**$49,168,833**	**$19,497,728**	$29,671,105
	(C) = (A - B) Balance by FY:	$1,303,527	($1,042,653)	($2,219,835)	$1,444,568	($2,884,599)	$4,341,863			
	Cumulative Unprogrammed Balance:		**$260,873**	**($1,958,961)**	**($514,394)**	**($3,398,993)**	**$942,870**			
	Contingency Programming:									
	Contingency Reserve Running Balance:	**($373,333)**	**$209,216**	**$411,896**	**$620,657**	**$834,636**	**$1,055,035**			

Closed Out Projects (Actuals)

Appendix B

Implementation Plan Adoption, Updates, and Amendments

PLAN YEAR	TYPE	PURPOSE	EFFECTIVE DATE
2017	Adoption	Programmed projects in fiscal years 2017/18 and 2018/19	September 2018
2019	Biennial Update Amendment	Programmed projects in eight fiscal years on the East Side (through 2024/25) and 12 fiscal years on the West Side (through 2028/29) Added $500,000 to the Hwy 33/Hwy 140 Roundabout Project and $350,000 to the Henry Miller Avenue Project, Phase 1	September 2019 November 2020
2021	Biennial Update	Updated project schedules and programmed new revenue to existing and new projects	December 2020
2023	Biennial Update	Programmed projects through FY 27/28	January 18, 2024

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-624 Meeting Date: 8/3/2026

Report Prepared by: Laura Ivancich, Management Analyst, Engineering Department

SUBJECT: Adoption of a Resolution Accepting $246,000 in Post-Programming Congestion Mitigation and Air Quality Improvement (CMAQ) Carryover Apportionment Funds for Project No. CP220066 - Merced Traffic Signal Synchronization

REPORT IN BRIEF
Considers adopting a resolution accepting $246,000 in Post-Programming Congestion Mitigation and Air Quality Improvement (CMAQ) Carryover Apportionment funds to supplement construction funding for the Merced Traffic Signal Synchronization Project along R Street, M Street, G Street, Yosemite Avenue, and Olive Avenue.

RECOMMENDATION
City Council - Adopt a motion:

A. Adopting **Resolution 2026-49,** A Resolution of the City Council of the City of Merced, California, Accepting Post-Programming CMAQ Carryover Apportionment Funds in the Amount of $246,000 and Authorizing Related Budget Adjustments; and,

B. Approving a budget amendment increasing revenue in Fund 5005-Street and Signal CIP in the amount of $246,000 and appropriating the same to Project No. CP220066 for costs associated with the construction costs of traffic signal synchronization; and,

C. Approving the use of pooled cash until reimbursement is received from the grant; and,

D. Authorizing the City Manager to execute the necessary documents.

ALTERNATIVES
1. Approve, as recommended by Staff; or,
2. Approve, subject to conditions other than recommended by Staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny.

AUTHORITY
Charter of the City of Merced, Article II Section 200 - Powers.

Caltrans Procedures for Administering Local Grant Projects in the State Transportation Improvement Program (STP) are used to comply with the changes to the programming and funding statutes

brought about by Charter 622 of the Statutes of 1997 (SB 45, KOPP). The procedures have been modified to remain consistent with and complimentary to the various guidelines and policies adopted by the California Transportation Commission (CTC), including the current 2010 STP Guidelines (adopted on October 14, 2009).

CITY COUNCIL PRIORITIES
As provided for in the 2026-2027 Adopted Budget.

DISCUSSION
In 2021, the City applied for Congestion Mitigation and Air Quality Improvement (CMAQ) funds for a citywide Traffic Signal Synchronization/Timing Project along R Street, M Street, G Street, Yosemite Avenue, and Olive Avenue.

Appropriation was made at the August 5, 2024, Council Meeting to accept CMAQ grant funds in the amount of $993,417, and a local match of $128,708 for Construction costs associated with the traffic synchronization project.

Staff prepared plans and specifications, the project was advertised for bids, and City Council awarded the project to St Francis Electric, Inc., in the amount of $1,386,770.00 on March 16, 2026.

Due to increased costs for labor and materials, the project had a shortfall of $475,092. Staff transferred $475,092 of Measure V funding from CP260002 (Measure V Local Transportation - Projects to be Determined) to supplement the project, while requesting additional funding from Merced County Association of Governments (MCAG).

At the request of the Engineering Department, Merced County Association of Governments approved the usage of the Region’s CMAQ Carryover Apportionment in the amount of $246,000 to supplement the construction phase of the project.

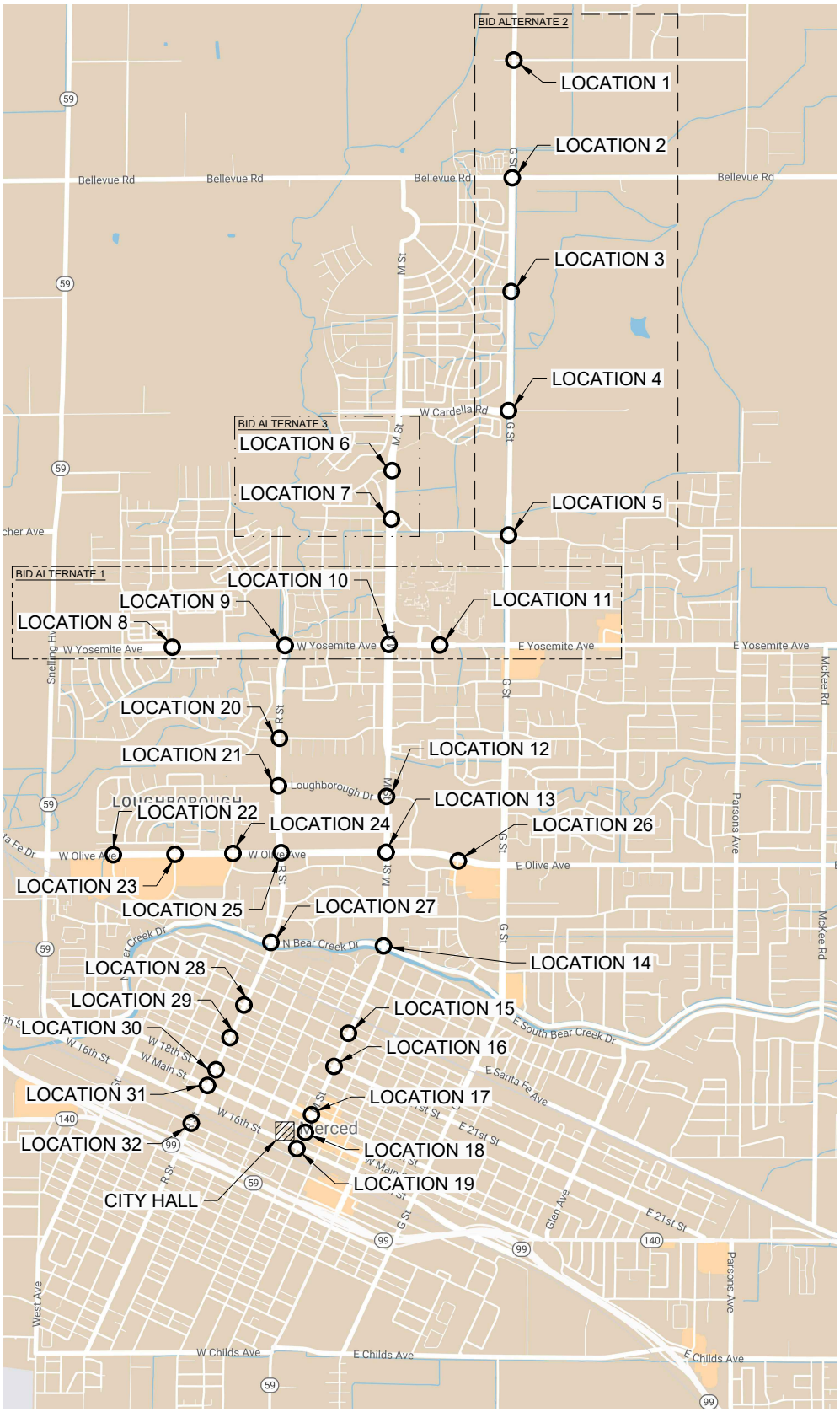
The CMAQ post program funding amount of $246,000 requires a local match of $31,873. After City Council accepts this apportionment, any unused Measure V Funding will be transferred back to CP270002 (Measure V Local Transportation - Projects to be Determined).

IMPACT ON CITY RESOURCES
Project CP220066 - Merced Traffic Signal Synchronization was established as a Capital Improvement Project to be funded by Measure V, SB1, and CMAQ funds. There are sufficient funds to complete this project, but with the acceptance of the CMAQ post programming funding, any unused Measure V funding will be transferred back to CP270002-Measure V Local Transportation Projects to be Determined for other Measure V eligible projects.

This agenda item requires 5 affirmative votes.

ATTACHMENTS
1. Location Map
2. E-76 CML-5085(059)

3. MCAG Post-Programming CMAQ Apportionment
4. CMAQ Funds Resolution



LOCATION MAP

NOT TO SCALE

N W E S

Attachment 1

City of Merced
"Gateway to Yosemite"
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6846

PROJECT NO. 220066
CMAQ TRAFFIC SIGNAL SYNCHRONIZATION

DR. BY: I SATHER	
DATE: 3/03/2026	
CH. BY: ENGR	
DATE: MAR 2026	
File No.	
SCALE: NOT TO	

Plot Date: 3/3/2026

Current Projects\CP220066 - CMAQ (059) Traffic Sync\2 - Design\Dwg\Loc Map.dwg

AMENDMENT MODIFICATION SUMMARY - (E-76)

FEDERAL AID PROGRAM **CALIFORNIA DEPARTMENT OF TRANSPORTATION**

DLA LOCATOR: 10-MER-0-MER
PREFIX: CML
PROJECT NO: 5085(059)
SEQ NO: 6
STATE PROJ NO: 1022000097L-N
ALT. PROJ NO:
AGENCY: MERCED
ROUTE:
DISASTER NO:

TIP DATA
MPO: MCAG
FSTIP YR: 21/22
STIP REF: 205-0000-0318
FSTIP ID CMAQ21-04

PROJECT LOCATION:
ALONG THE FOLLOWING CORRIDORS WITHIN THE CITY OF MERCED: R ST, M ST, G ST, OLIVE AVE AND YOSEMITE AVE.
TYPE OF WORK:
MERCED TRAFFIC SIGNAL SYNCHRONIZATION PROJECT. TRAFFIC SIGNALS
FED RR NO'S:
PUC CODES:
PROJ OVERSIGHT: ASSUMED/LOCAL ADMIN
ENV STATUS / EIS 07/12/2023
RW STATUS / DT: 1 07/15/2024
INV RTE:
BEG MP:
END MP:
BRIDGE NO:

PREV AUTH / AGREE DATES:
PE:
R/W:
CON:
SPR:
MCS:
OTH:

PROJECT END DATE (PED): 01/29/2028

PROG CODE	LINE NO	IMPV TYPE	FUNC SYS	URBAN AREA	URB/RURAL	DEMO ID
M400	10	15				
Z400	30	24				
Z400	31	17				

FUNDING SUMMARY

PHASE		PROJECT COST	FEDERAL COST	AC COST
	PE PREV. OBLIGATION	$325,361.00	$211,365.00	$0.00
PE	PE THIS	$0.00	$0.00	$0.00
	PE SUBTOTAL	$325,361.00	$211,365.00	$0.00
	RW PREV. OBLIGATION	$0.00	$0.00	$0.00
R/W	RW THIS REQUEST	$0.00	$0.00	$0.00
	RW SUBTOTAL	$0.00	$0.00	$0.00
	CON PREV. OBLIGATION	$1,122,125.00	$993,417.00	$0.00
CON	CON THIS REQUEST	$277,873.00	$246,000.00	$0.00
	CON SUBTOTAL	$1,399,998.00	$1,239,417.00	$0.00
	OTH PREV. OBLIGATION	$0.00	$0.00	$0.00
OTH	OTH THIS REQUEST	$0.00	$0.00	$0.00
	OTH SUBTOTAL	$0.00	$0.00	$0.00
	TOTAL:	$1,725,359.00	$1,450,782.00	$0.00

STATE REMARKS

12/06/2021	SEQ1: RFA PE (7-I is attached)
12/14/2021	* SEQ 1: Authorizing $211,365.00 in CMAQ federal funds for PE phase.
07/28/2023	Sequence #2 is a request to extend the project end date (PED) from 10/01/23 to 9/30/24. The first request for an extension was declined on 6/06/23 without prejudice. The project was delayed by a slow environmental process. The FTIP ID was entered into the record as requested by FHWA in an email dated 12/30/21. This request was deferred until the local agency's unique entity identifier (UEI) was entered into FMIS. There are no other actions requested.
08/04/2023	Sequence #3 is a resubmittal of Sequence #2 that inadvertantly did not update the project end date to 9/30/24. There are no other changes.
06/28/2024	SEQ #4: RFA CON, EPSP authorization is in the package. DBE=21%, QAP=4/22/22. RW Cert is attached separately as it was received last.
07/24/2024	SEQ 4: CON initial authorization. Obligating $993,417 of Z400 funds to CON. CE is not being requested. Effective this sequence, PED is set to 01/06/26.
09/08/2025	Sequence #5 is a request to extend the project end date (PED) from 1/06/26 to 1/29/28. The project has been delayed to downsize the project scope to coincide with the obligated funding after bids were rejected twice as too costly. There are no other actions requested.
04/30/2026	SEQ6: AMOD due to Award. Agency is adding $246k in funds. MCAG letter of support is attached.
05/20/2026	Seq 6 - Add CON/CE funding of $246k. Post programming change approved by MCAG.

FEDERAL REMARKS

AUTHORIZATION

AUTHORIZATION TO PROCEED WITH REQUEST: OTH
FOR: CON/CE ADJUSTMENT
DOCUMENT TYPE: AMOD

PREPARED IN FADS BY:	NORIEGA, JASMINE	ON	2026-04-30	948-3755
REVIEWED IN FADS BY:	BODDU, AKSHITHA	ON	2026-05-13	591-2000
SUBMITTED IN FADS BY:	KE, RICHARD	ON	2026-05-20	FOR CALTRANS
PROCESSED IN FADS BY:	SIGNATURE, NOT_REQUIRED	ON	2026-05-20	FOR FHWA
E-76 AUTHORIZED DATE IN FMIS	JIYOUNG AHN	ON	2026-05-27	18:33:38.0

SIGNATURE HISTORY FOR PROJECT NUMBER 5085(059) AS OF 07/13/2026

FHWA FMIS SIGNATURE HISTORY

MOD #	SIGNED BY	SIGNED ON
5	WAII HAYS	05/27/2026
	WAII HAYS	05/27/2026
	JIYOUNG AHN	05/27/2026
4	WAII HAYS	09/15/2025
	WAII HAYS	09/15/2025
	JIYOUNG AHN	09/15/2025
3	WAII HAYS	08/15/2024
	WAII HAYS	08/15/2024
	GRACE REGIDOR	08/21/2024
2	WAII HAYS	08/07/2023
	WAII HAYS	08/07/2023
	RICARDO POMALES	08/08/2023
1	WAII HAYS	07/31/2023
	WAII HAYS	07/31/2023
	RICARDO POMALES	07/31/2023
0	SHUN HUEY	12/29/2021
	SHUN HUEY	12/29/2021
	GRACE REGIDOR	12/30/2021

FHWA FMIS 3.0 SIGNATURE HISTORY

CALTRANS SIGNATURE HISTORY

DOCUMENT TYPE	SIGNED BY	SIGNED ON
AMEND/MOD	KE, RICHARD	05/20/2026

MERCED COUNTY ASSOCIATION OF GOVERNMENTS

PH: 209.723.3153
FAX: 209.723.0322
www.mcagov.org
369 W. 18th Street
Merced, CA 95340

February 13, 2026

Parminder Singh
Caltrans District 10
Local Assistance Engineer

Dear Mr. Singh:

Subject: E-76 AMOD for City of Merced; Post Programming Adjustment for CML-5085(059)

The Merced County Association of Governments authorizes modifications for CML-5085(059): Traffic Signal Synchronization and Controller Upgrades for signals along R Street, M Street, G Street, Olive Ave, and Yosemite Ave. The City of Merced may increase federal construction funding for this project in the amount of $246,000.

If you have any questions, please contact me or Elizabeth Forte, Director of Planning and Programming, at Stacie.guzman@mcagov.org or Elizabeth.forte@mcagov.org.

Sincerely,

Stacie Guzman

Stacie Guzman
Executive Director
Merced County Association of Governments

RESOLUTION NO. 2026-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, ACCEPTING POST-PROGRAMMING CMAQ CARRYOVER APPORTIONMENT FUNDS IN THE AMOUNT OF $246,000 AND AUTHORIZING RELATED BUDGET ADJUSTMENTS

WHEREAS, in 2021, the City of Merced ("City") applied for Congestion Mitigation and Air Quality Improvement (CMAQ) funds for a citywide Traffic Signal Synchronization/Timing Project along R Street, M Street, G Street, Yosemite Avenue and Olive Avenue; and

WHEREAS, on August 5, 2024, the City accepted CMAQ grant funds in the amount of $993,417 and a local match of $128,708 for Construction costs associated with the traffic synchronization project; and

WHEREAS, due to increased labor and material costs, the project experienced a funding shortfall of $475,092. Accordingly, the City transferred Measure V funding from Project No. CP260002 (Measure V Local Transportation – Projects to be Determined) while requesting additional funding assistance from the Merced County Association of Governments (MCAG); and

WHEREAS, at the City's request, MCAG approved the allocation of the Region's CMAQ Carryover Apportionment in the amount of $246,000 to supplement the construction phase of the project; and

WHEREAS, acceptance of the Post-Programming CMAQ Carryover Apportionment requires a local matching contribution of $31,873; and

WHEREAS, it is in the best interests of the City to accept the additional CMAQ Carryover Apportionment funding to complete the Traffic Signal Synchronization Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the City of Merced accepts Post-Programming CMAQ Carryover Apportionment funds in the amount of Two Hundred Forty-Six Thousand Dollars ($246,000).

SECTION 2. That the Finance Officer is authorized to make a budget amendment to increase revenue in Fund 5005-Street and Signal CIP in the amount of $246,000 and to appropriate the same amount to Project No. CP220066 for construction costs associated with the Traffic Signal Synchronization Project, together with any other necessary budget adjustments.

SECTION 3. That the use of pooled cash is authorized until reimbursement is received from the grant.

SECTION 4. That the City Manager is authorized to execute necessary documents in furtherance of this resolution.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2026, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

_____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY:_____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Craig Cornwell 7-28-2026
City Attorney Date

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-649 Meeting Date: 8/3/2026

Report Prepared by: Jennifer Flachman, Senior Management Analyst

SUBJECT: Approval of Arts and Culture Advisory Commission's Recommended 250th Commemorative Mural Art Project

REPORT IN BRIEF
Considers the Arts and Culture Advisory Commission's (ACAC) recommended 250th Commemorative Mural Art Project to be installed on an exterior wall of the City of Merced Public Works Corp Yard facing West Avenue with expenditures not to exceed $15,000.00.

RECOMMENDATION
City Council - Adopt a motion approving the ACAC's recommended 250th Commemorative Mural art project to be installed on an exterior wall of the City of Merced Public Works Corp Yard facing West Avenue and expenditures not to exceed $15,000.00.

ALTERNATIVES
1. Approve, as recommended by Staff; or,
2. Approve, subject to other than recommended by Staff; or,
3. Deny; or,
4. Refer to Staff for reconsideration of specific items; or,
5. Continue to a future meeting.

AUTHORITY
Arts and Culture Advisory Commission Ordinance #2489, Section 2.54.060 Jurisdiction of the Commission.

CITY COUNCIL PRIORITIES
As provided for in the Council Goals and Priorities.

DISCUSSION
As part of the 2025/26 Budget, the City Council allocated $75,000 for art installations throughout the City of Merced. During the Fiscal Year 2026/27 budget process, the remaining funding was reallocated to Fiscal Year 2026/27 to support completion of the approved public art program. Of that amount, $58,000 is available for additional projects. The Arts and Culture Advisory Commission recommends allocating $15,000 to the 250th Anniversary Commemorative Mural Project.

- **250th Anniversary Commemorative Mural:** Funding would support the design and installation of a mural on a City-owned exterior wall or structure. The artwork would

commemorate the 250th anniversary of the United States, celebrate California through imagery such as the California brown bear, California poppies, and the California quail, or incorporate a combination of these themes. The final artistic concept would be developed by the selected artist and be subject to City Council approval.

- The ACAC identified the following potential locations:
  - The M Street Bridge at Bear Creek beneath the flag displays.
  - An exterior wall of the City of Merced Public Works Corp Yard facing West Avenue.

The Arts and Culture Advisory Commission recommends allocating $15,000 for this project.

IMPACT ON CITY RESOURCES

Sufficient funding is available in the Fiscal Year 2026/27 budget within the City Council's Professional Services Account (10000500-511012). No additional appropriation is required.

ATTACHMENTS

1. Recommended Mural Locations

City Council Sponsored Public Art Project
250th Commemorative Mural


Grogan Ave
Merced Public
Works Department
1778
1361
1355
W 2nd St
West Ave
1344
1025










600
Merced Lateral
N Bear Creek Dr
N Bear Creek Dr
Michael O Sullivan Bike Path
1030

Questions?

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-650 Meeting Date: 8/3/2026

Report Prepared by: Jennifer Flachman, Senior Management Analyst

SUBJECT: Approval of Arts and Culture Advisory Commission's Recommended Remaining Public Art Projects

REPORT IN BRIEF
Considers the Arts and Culture Advisory Commission's (ACAC) recommended remaining public art projects from the 2026/27 budget.

RECOMMENDATION
City Council - Adopt a motion approving the ACAC's recommendations for remaining art projects from the 2026/27 budget which include, $13,000 for programmed events at Bob Hart Square, $10,000 for a splash pad mural at Stephen Leonard Park, and $20,000 for the Utility Box Refresh Project.

ALTERNATIVES
1. Approve, as recommend by Staff; or,
2. Approve, subject to other than recommended by Staff; or,
3. Deny; or,
4. Refer to Staff for reconsideration of specific items; or,
5. Continue to a future meeting.

AUTHORITY
Arts and Culture Advisory Commission Ordinance #2489, Section 2.54.060 Jurisdiction of the Commission.

CITY COUNCIL PRIORITIES
As provided for in the Council Goals and Priorities.

DISCUSSION
As part of the 2025/26 Budget, the City Council allocated $75,000 for art installations throughout the City of Merced. During the Fiscal Year 2026/27 budget process, the remaining funding was reallocated to Fiscal Year 2026/27 to support completion of the approved public art program. Of that amount, $58,000 is available for additional projects. The Arts and Culture Advisory Commission recommends the following projects for City Council approval:

- $13,000 to continue programming at Bob Hart Square (dates to be determined). Funding will support a variety of community events, including line dancing, swing dancing, karaoke, and

live performances by emerging local musicians. The estimated cost for each event is between $500 and $1,500, depending on the activity and programming needs.

- $10,000 for a splash pad mural at Stephen Leonard Park.

- $20,000 for the Utility Box Refresh Project. City Council previously approved $12,000 for this project. Due to the preparation process and labor required to repair and refresh existing utility box murals, additional funding is needed to complete the work. The estimated cost is approximately $2,500 per utility box, with a total of eight boxes included in the refresh project.

IMPACT ON CITY RESOURCES

Sufficient funding is available in the Fiscal Year 2026/27 budget within the City Council's Professional Services Account (10000500-511012). No additional appropriation is required.

ATTACHMENTS

None.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-644 Meeting Date: 8/3/2026

Report Prepared by: Jennifer Parsley, Assistant City Clerk, City Clerk's Office

SUBJECT: Request to Remove a Member of the Personnel Board and Appointment to the Personnel Board to Appoint One Employee Nominated Individual

REPORT IN BRIEF
Considers removing a Personnel Board member due to violating the attendance policy and appointing one Employee nominated individual to the Personnel Board.

RECOMMENDATION
City Council - Adopt a motion:

A. Removing Jessica Fernandez as the Employee Appointed Personnel Board Member; and,

B. Appointing Pamela Toconis to serve as the Employee Nominated member for the Personnel Board with a partial term expiring on July 1, 2027, respectively.

ALTERNATIVES
1. Remove the Personnel Board Member; or
2. Refer to staff with direction to resume recruitment of applicants.

AUTHORITY
Article VII, Sections 700, 702, 702.1, 707, and 708 of the Merced City Charter.

CITY COUNCIL PRIORITIES
Not applicable.

DISCUSSION
The Personnel Board, created by City Charter, recommends to City Council the adoption, amendment, or repeal of civil service rules and regulations, in addition to other personnel matters. The Board consists of five members who serve four-year terms of office.

The members of the Personnel Board shall be nominated and appointed in the following manner:

Two members shall be appointed by the City Council from a list of five persons to be nominated by election by the employees in the classified service; two members shall be appointed by the City Council directly, and the fifth shall be appointed by the City Council from a list of three persons nominated by a majority of the four thus appointed. In the event the majority of the four thus

appointed is unable to nominate three persons after sixty (60) days, the City Council may appoint from a list of less than three persons nominated. In the event the employees are unable to nominate five persons after sixty (60) days, the City Council may appoint from a list of less than five persons nominated. The successor of any member of the Board shall be nominated and appointed in the same manner as such member was nominated and appointed.

Employee Nominated Member Jessica Fernandez was appointed to a full term on August 21, 2023. This past year from April 1, 2025 to March 31, 2026, Ms. Fernandez has not attended any of the 6 meetings that were held. Staff has reached out to the Ms. Fernandez through email and by text on multiple occasions to confirm their attendance, she responded one time but ended up not in attendance to that meeting.

Per the Attendance Policy, (Attachment 4) every Board and Commission Member receives during their onboarding process states that a Commission, Committee, or Board Member shall be required to attend 70 percent of the scheduled meetings during a fiscal year. Ms. Fernandez has a 0 percent attendance. The Attendance Policy also states that the City Council may remove those commission, committee, or board members who do not meet the requirement of appointment.

The Clerk's Office did receive an application to fill this position if Council so chooses to remove Ms. Fernandez.

Employee Nominated - The Clerk's Office received an eligible application from Pamela Toconis.

The matter of removal and appointment to fill one seat on the Personnel Board is now before the Council.

IMPACT ON CITY RESOURCES

No impact on City resources.

ATTACHMENTS

1. Personnel Board Roster
2. Application (Employee Nominated)
3. Attendance Record
4. Attendance Policy

City of Merced, CA

Personnel Board

Board Roster

Jessica Fernandez

1st Term Jul 01, 2023 - Jul 01, 2027

Appointing Authority Employee
Position Member
Category Employee Nominated

Dorothea "lynn" White

1st Term Jul 01, 2024 - Jul 01, 2028

Appointing Authority City Council
Position Member
Category Employee Nominated

Phyllis J Vizcarra

1st Term Jul 01, 2025 - Jul 01, 2029

Appointing Authority City Council
Position Member
Category Board Nominated

Melissa Rosales

1st Term Jul 01, 2025 - Jul 01, 2029

Appointing Authority City Council
Position Vice-Chair
Category Council Appointed

Alberto Escobedo

1st Term Jul 01, 2026 - Jul 01, 2030

Appointing Authority City Council
Position Member
Category Council Appointed

Profile

Pamela
First Name

Z
Middle Initial

Toconis
Last Name

IMPACT-HROB Consulting by TOCONIS
Employer

Owner
Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)

- (•) Yes
- ( ) No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)

- (•) Yes
- ( ) No

Street Address

Suite or Apt

City

State

Postal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)

- (•) Yes
- ( ) No

Which Council district do you live in? *

- [x] District 3

Are you currently serving on a Board or Commission? If so, please list:

Personnel Board

Which Boards would you like to apply for?

Personnel Board: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *

- [x] Bachelor's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

◉ Yes ○ No

If you selected no, please identify how you would like to be contacted:

Email

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

As a Human Resource Consultant and Organizational Behavioralist, I feel I can contribute with my 40 years of experience. I have worked with and within City/County Government as a contract consultant for many years prior to 2016. Multiple aspects of my services have included recruitment of professionals up to $175K, as well as contract supplier of temporary personnel from entry level to accountant. Additional areas of experience within a Joint Powers Authority of several HR related recruitments, policy writing, union aspects and response, oral panels, oral panel questions, forms creation, and many other supportive services. Recruitment positions are available upon request.

Please list your current employer and relevant volunteer experience.

Part Time Contract Consultant to the UCMerced Small Business Development Center for 12 years, a Part Time Contract Consultant to the Valley Sierra Small Business Development Center for 2 years - both under the Small Business Administration Services .....thttps://www.facebook.com/UCMercedSBDC/

What is your understanding of the roles and responsibilities of this Board or Commission?

Prior to working with the UCMerced SBDC, and the Valley Sierra SBDC, I was an Organizational Human Resource Consultant for 5 years to government entities. As stated in your description: recommends to the City Council the adoption, amendment, or repeal of civil service rules and regulations, hears appeals of any person in the classified service relative to any suspension, demotion or dismissal, and makes any investigation which it may consider desirable concerning the administration of personnel in the municipal service and reports its findings to the City Council and the City Manager.

Do you have experience or special knowledge pertaining to this Board or Commission?

40 years plus of HUMAN RESOURCES and ORGANIZATIONAL BEHAVIOR MANAGMENT.

Any other comments you would like to add that may assist the City Council in their decision?

I am looking forward to an opportunity to serve my community through this valuable and strategic Board.

ORGANIZATIONAL_DEVELOPMENT_CONSULTANT_2026.pdf
Upload a Resume

Requirements

Question applies to multiple boards
AB 1234 Ethics Training

☑ I Agree *

Question applies to multiple boards
Attendance Policy

☑ I Agree *

Question applies to multiple boards
Statement of Economic Interests - FPPC Form 700

☑ I Agree *

Question applies to multiple boards
Oath of Office

☑ I Agree *

Question applies to multiple boards
Public Scrutiny

☑ I Agree *

Question applies to multiple boards
How did you hear about this vacancy? *

☑ City Website

If you selected other, please indicate how you learned about the vacancy:

Demographics

Pamela Z Toconis

Ethnicity

☑ Caucasian/Non-Hispanic

Gender

☑ Female

Date of Birth

Submission

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledege.

pzt

PAMELA ZOE TOCONIS

[redacted]

ORGANIZATIONAL MANAGEMENT DEVELOPMENT and HR CONSULTANT

Enabling the achievement of new and established business potential through comprehensive Organizational Management, Business Development, HR, Finance, and acquisition of State & Federal Certifications, State & Federal Contract Analysis and Support to SBDC Clients, Equipment Acquisition and SBA Financing

DIRECTOR OF ADMINISTRATIVE SERVICES/FINANCE & HR

Accomplished and results-oriented professional with comprehensive and progressive experience in human resource management, talent forecasting, performance management, HR training programs, employee engagement, and succession planning. Capable of identifying deficiencies and potential opportunities for improving business functionality. Skilled in preparing daily, monthly, and annual financial reports while managing accounts payable/receivable and bank statement reconciliation. Articulate presenter with a talent for achieving ambitious results by galvanizing teams, building internal and external allies, and selling ideas across the organization.

AREAS OF EXPERTISE

- HR Strategies & Management
- Workforce Planning
- Recruitment & Selection Process
- Employee Development Initiatives
- Performance Evaluations
- Employee Relations & Mediation
- Financial Controls & Budgeting
- Cost Reduction Analysis
- Team Leadership & Mentoring
- Relationship Building
- FLSA Audits
- Customer Service
- Staff Development Program
- Public & Media Relations
- Problem Solving

PROFESSIONAL EXPERIENCE

University of California, MERCED Small Business Development Center — 9/2015 – Present
Valley Sierra SBDC — 1/2025 – Present,

Senior Business Development Consultant

Deliver consultative guidance to a diverse range of clients concerning business development processes. Support clients in various functions such as accounting, advertising, HR, inventory control, and sales pricing. Help clientele to identify business weaknesses and challenges as well as determine relevant solutions. Instructor of CA & FED Certification Processes for Government Contracting,

Forensic Accountant — 2021 – 2022

Perform extensive research project and rebuilding of lost accounting data and detail from 2014 to 2021, for a multi-million-dollar electronic processing firm.

Director of Administrative Services/Finance & Human Resource — 2016 – 2021

Provide executive-level leadership, with full accountability for overseeing all aspects of HR, finance, and administration for a Manufacturer of close-tolerance automatic screw machine products. Responsible for leading the conversion of accounting programs and training support personnel to achieve company targets. Devise and implement robust HR policies and

procedures, encompassing compensation, and benefits for employees. Build an HR department and the associated protected files systems.

- Contributed efforts towards increasing company profits by shipping an average of 30,000 parts out of an extensive inventory of 100,000 daily. Strengthened the new Finance Department by establishing a multi-staff specialty group of accounting personnel.

Merced County Office of Education 2014 – 2015
Consultant

Served as a representative for MCOE North Valley Leadership Training. Enrolled classified managers in NVLI by working in close collaboration with supervisory personnel. Sourced out and marketed potential growth opportunities to the public and service organization. Recruited businesses by email and public contact.

- Cultivated solid relations and interacted with several Merced County Education entities for the advanced training of management personnel and acquiring new businesses by communicating with them either through email or publicly.

Joint Powers Authority - California Public Agencies 2008 – 2013
HR Project Consultant

Extensive guidance and solutions offered to agencies for improving organizational behavior/HR. Provided support regarding various aspects, including employee relations and retention, recruitment, strategic planning, H&S, process improvement, leadership, and HR policy creations.

- Liaised with federal, state, and local agencies on various projects whilst working as a recruiter, compliance specialist, policy manual constructionist, and lecturer.

Prior experience as **Human Resource Director/Consultant** at Impact- HROM Consulting – Merced, CA

EDUCATION

Bachelor of Science Major in Organizational Behavior with an emphasis on Organizational Management and HR
University of San Francisco • San Francisco, CA • 1993

CALIFORNIA DEPARTMENT OF GENERAL SERVICES (DGS) CERTIFICATIONS
SB – State of California Small Business Certification ID 2032470, April 18, 2025
SB-PW CERTIFIED – State of California Small Business for Purpose of Public Works Certification ID 2032470, April 18 ,2025
SAM UNIQUE ENTITY ID GXRHM7BS2WA7

Technical Proficiencies

Include, but are not limited to: ZOOM, MS Office 365 (Word, Access, Excel, PowerPoint, Outlook, FrontPage, Visio, One Note), Adobe, Neo Gov, Neosserra, Professional X, Photoshop, MS Project, Knowledge Point, CA & FED Certification Procedures Instructor, QuickBooks Pro/Premier/Enterprise Certified Trainer

PERSONNEL BOARD

ATTENDANCE RECORD

April 1, 2025 through March 31, 2026

Total # of Meetings Held <u>During Reporting Year</u>: 6

<u>NAME</u>	**# of Mtgs <u>Attended</u> ***	**# of Mtgs <u>Held</u> ***	**# of Mtgs <u>Absent</u> ****	**# of Mtgs <u>Excused</u>**	**% of Mtgs <u>Attended</u>**
Fred Buckingham (7/1/2025 end term)	3	3	0	0	100%
Jessica Fernandez (appt. 8/21/2023)	0	6	6	0	0%
Melissa Reyes (appt. 7/7/2025)	5	5	0	0	100%
Pamela Toconis (appt. 12/16/2024)	6	6	0	0	100%
Phillis Krego (appt. 7/7/2025)	6	6	0	0	100%
Dorothea "Lynn" White (appt. 7/15/2024)	4	6	2	2	100%

* If a member less than full year, please indicate # of meetings held since appointment.

** This # includes excused meetings.

Formulas for computing percentage of meetings attended:

a. Member for full year - # of meetings attended (include excused) divided by total total # of meetings held

b. Member for partial year - # of meetings attended (include excused) divided by total # of meetings held <u>since appointment</u>.

Appointed Commission, Committee, and Board Member Attendance Policy

The City Council, at its July 15, 1996, August 4, 1997, August 20, 2007, and September 20, 2021 meetings, adopted motions amending the original policy adopted October 3, 1994, regarding attendance, absences, and excused absences for City Council appointed commissions, committee, and board members:

1. If a member of a board or commission is absent from three regularly scheduled meetings of such board or commission, consecutively, or is convicted of a crime involving moral turpitude, or ceases to be a qualified elector of the City, the office shall become vacant and shall be declared by the City Council.

2. A commission, committee, or board member shall be required to attend 70 percent of scheduled meetings during a fiscal year. When attending other City of Merced business meetings and subcommittee meetings as a Board representative, absence shall be recorded as being present at the meeting.

3. Excused absences shall be recognized for illness, family emergencies, business conflicts and one vacation per each one-year period.

4. Department Heads or staff liaisons to appointed commissions, committees, or boards shall monitor attendance requirements for non-compliance. Upon notification of such non-compliance, the City Clerk may submit a recommendation to the City Council for appropriate action.

5. The City Clerk shall prepare a report annually to the City Council of an attendance report for every commission, committee, and board. The report shall include number of meetings attended, meetings missed (excused or unexcused), and a delineation of three consecutive absences or less than 70 percent attendance.

6. Prior to the annual report being submitted for City Council review, the City Clerk shall provide the report to each committee/board/commission for review and comment. Staff shall notify those Committee Members whose attendance is below 70 percent of the need for improvement.

7. The City Council may remove those commission, committee, or board members who do not meet the requirement of appointment.

8. All applicants for commissions, committees, and boards shall be notified prior to City Council appointment regarding time requirements for serving and the policy regarding removal.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-631 Meeting Date: 8/3/2026

Report Prepared by: Kirsten Waller, Deputy City Clerk, City Clerk's Office

SUBJECT: Annual Appointments to the Bicycle and Pedestrian Advisory Commission (District 5, District 6, and One Ex-Officio)

REPORT IN BRIEF
Accept nominations to fill vacancies on the Bicycle and Pedestrian Advisory Commission.

RECOMMENDATION
City Council - Adopt a motion:

A. Accepting nominations and appointing individuals to serve as members of the Bicycle and Pedestrian Advisory Commission (District 5, District 6, and One Ex-Officio); or,

B. Accepting nominations and appointing as many members as Council sees appropriate and directing staff to continue the recruitment of applicants.

ALTERNATIVES
1. Approve, as recommended; or,
2. Approve, subject to other than recommended; or,
3. Deny; or,
4. Direct the Clerk's Office to continue recruitment for the vacancies.

AUTHORITY
Merced Municipal Code, Section 3.38.050.

DISCUSSION
Bicycle and Pedestrian Advisory Commission Roles

The Bicycle and Pedestrian Advisory Commission serves as an advisory body to the City Council on matters relating to improving conditions for bicycling, pedestrian activity, and other modes of active transportation within the City of Merced, as well as the mobility needs of the elderly and those with disabilities. It is the intent of the City Council to improve conditions for users of all active modes in the City of Merced, promote active transportation with the associated benefits of improved air quality, improved safety conditions for users of all modes, health benefits, and to advise on matters of policy, programs, and bike routes for active transportation users of all ages. The Commission also helps to implement policy, programs, and bike routes. Of the 7 voting members, 6 are appointed by Council District and 1 is appointed at-large. City Council may appoint up to an additional 4 Ex-Officio (non-

voting members).

Past Council Actions

At the Council meeting of March 21, 2022, staff was directed to return to a yearly appointment process for the reappointment of eligible members and the appointment of new applicants to vacant board or commission seats.

Appointments - Terms

Members appointed to a Board or Commission shall serve a term of four years. When members resign or leave the Board or Commission in which they serve, the term dates remain the same. Per the Municipal Code, Sections 702 and 702.1, a "term" shall be defined to include serving fifty percent plus one day of a term as a board member or commissioner on a particular board or commission. Members who are appointed to a term that is less than fifty percent, are considered to serve partial terms. Additionally, partial terms begin once the member has been officially appointed to a Board or Commission by the City Council.

Recruitment

The Clerk’s office began a recruitment campaign that consisted of a social media post coordinated with the Public Information Officer to alert citizens of the vacancies and expiring terms, an email blast was sent to over 3,000 subscribers on the boards and commissions list notifying them of the recruitment. Staff continued recruitment efforts in accordance with Council's direction provided at the July 6, 2026, Council Meeting.

Applications

District 5 - The term for Lisa Kayser-Grant expired on July 1, 2026. Ms. Kayser-Grant has graciously served two full terms on the Bicycle and Pedestrian Advisory Commission and is not eligible to re-apply. The applicant appointed to this position will serve a full term ending on July 1, 2030. The Clerk’s Office did not receive any eligible applications for this district.

District 6 - The term for Arturo Martinez Jr expired on July 1, 2026. Mr. Arturo has not shown interest in being re-appointed. The applicant appointed to this position will serve a full term ending on July 1, 2030. The Clerk’s Office did not receive any eligible applications for this district.

One Ex-Officio - This seat became vacant, the term for Omar Sandoval expired on July 1, 2026. The applicant appointed to this position will serve a full term ending on July 1, 2030. The Clerk’s Office received two eligible applications: Amanda Estrada from District 1 and Sabrina Abong from District 3.

One non-eligible application was received.

The matter of appointment to fill three seats on the Bicycle and Pedestrian Advisory Commission is now before the Council.

ATTACHMENTS

1. Bicycle and Pedestrian Advisory Commission Applications
2. Current Roster
3. Ordinance No. 2513

Profile

Amanda
First Name

Middle Initial

Estrada
Last Name

Employer

Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)

◉ Yes ○ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)

◉ Yes ○ No

Street Address

Suite or Apt

City

State

Postal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)

◉ Yes ○ No

Which Council district do you live in? *

☑ District 1

Are you currently serving on a Board or Commission? If so, please list:

Weaver USD Measure K CBOC

Which Boards would you like to apply for?

Bicycle and Pedestrian Advisory Commission: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *

☑ Associate's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

◉ Yes ○ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I am currently employed with Recovery Solutions a company that provides mental health services to individual, and I am currently pursuing a degree in Psychology. I have a strong interest in public service, community engagement, and contributing to the continued growth and success of the City of Merced. I currently serve as Vice Chair of the Pioneer Elementary School Site Council, Vice Chair of the Citizens Stipend Setting Commission, and as a member of the Weaver USD Measure K Citizens' Bond Oversight Committee. Through these roles, I have gained experience collaborating with diverse groups, reviewing budgets and policies, and making thoughtful recommendations that serve the best interests of the community. I am applying because I want to become more involved in local government and contribute my time and perspective to improving the quality of life in Merced. Whether the focus is parks and recreation, planning, transportation, housing, or personnel matters, I believe every board and commission plays an important role in shaping a safe, thriving, and well-managed community. I would be honored to serve and help make thoughtful, informed decisions that benefit both current and future residents.

Please list your current employer and relevant volunteer experience.

I am currently employed with Recovery Solutions a company that provides mental health services to individuals. I served as Vice Chair of the Pioneer Elementary School Site Council, and this was my second year on the council, though my first year in the Vice Chair role. In this position, I collaborate with school leadership and fellow council members to review plans, discuss budgeting priorities, and support initiatives that benefit students and families. I am also serving my first year on the Weaver Union School District Measure K Citizens' Bond Oversight Committee (CBOC), where I help review budgets and promote accountability in the use of public funds. Additionally, I served as Vice Chair of the City of Merced Citizens Stipend Setting Commission, where I work alongside fellow commissioners to review and make recommendations regarding elected official stipends in a fair, transparent, and responsible manner.

What is your understanding of the roles and responsibilities of this Board or Commission?

My understanding is that each City Board and Commission serves an important advisory role by reviewing information, considering community needs, and making recommendations to the City Council and City staff within its area of responsibility. Members are expected to become informed on relevant issues, participate in thoughtful discussions, consider diverse perspectives, and make decisions that are fair, transparent, and in the best interest of the community. I also understand that serving on a Board or Commission requires preparation, collaboration, and a commitment to responsible stewardship of public resources. I value these responsibilities and would approach the role with an open mind, integrity, and a willingness to listen and learn while representing the interests of the residents of Merced.

Do you have experience or special knowledge pertaining to this Board or Commission?

While I may not have specialized professional experience in every area represented by the City's Boards and Commissions, I bring valuable experience in collaborative decision-making, public service, budgeting, and community involvement through my leadership roles on the Pioneer Elementary School Site Council, the Citizens Stipend Setting Commission, and the Weaver USD Measure K Citizens' Bond Oversight Committee. These experiences have strengthened my ability to review information carefully, consider different perspectives, ask thoughtful questions, and make recommendations that balance community needs with responsible stewardship of public resources. As a Psychology student, I also have a strong interest in understanding how public policies and community resources affect people's well-being and quality of life. I am eager to continue learning and to contribute my time, dedication, and perspective in service to the City of Merced.

Any other comments you would like to add that may assist the City Council in their decision?

I care deeply about the future of Merced and want to play an active role in helping our community continue to grow and thrive. As both a parent and an engaged community member, I believe it is important to give back through public service and to help shape decisions that will have a lasting impact on future generations. Over the past several years, I have intentionally sought opportunities to serve my community through volunteer leadership roles, and I hope to continue that commitment by serving on a City Board or Commission. If appointed, I will come prepared, listen to diverse perspectives, ask thoughtful questions, and approach every decision with integrity, fairness, and a genuine commitment to serving the best interests of the residents of Merced.

Upload a Resume

Requirements

Question applies to multiple boards

AB 1234 Ethics Training

☑ I Agree *

Question applies to multiple boards

Attendance Policy

☑ I Agree *

Question applies to multiple boards

Statement of Economic Interests - FPPC Form 700

☑ I Agree *

Question applies to multiple boards

Oath of Office

☑ I Agree *

Question applies to multiple boards

Public Scrutiny

☑ I Agree *

Question applies to multiple boards

How did you hear about this vacancy? *

☑ City Website
☑ Other

If you selected other, please indicate how you learned about the vacancy:

I first learned about this vacancy through a post on Instagram.

Demographics

Ethnicity

☑ Hispanic

Gender

☑ Female

Date of Birth

Submission

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledege.

AE

Profile

Sabrina
First Name

C
Middle Initial

Abong
Last Name

Tesla
Employer

Production Associate
Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)

◉ Yes ○ No

Question applies to multiple boards

Do you live within the City Limits of Merced? (Required)

◉ Yes ○ No

Street Address

Suite or Apt

City

State

Postal Code

Question applies to multiple boards

Are you a registered voter in the City of Merced? (Required)

◉ Yes ○ No

Which Council district do you live in? *

☑ District 3

Are you currently serving on a Board or Commission? If so, please list:

regional airport authority Parks and recreation meeting

Which Boards would you like to apply for?

Bicycle and Pedestrian Advisory Commission: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *

☑ Associate's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

(•) Yes ( ) No

If you selected no, please identify how you would like to be contacted:

[redacted]

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I have lived in the city of Merced since I was 19 currently 29 years old I own a home in Merced and I pay taxes I advocate, work full time and I am a mother of one child.

Please list your current employer and relevant volunteer experience.

I am currently sitting on the regional airport authority as a voting member for the third district and I sit on parks and recreation committee.

What is your understanding of the roles and responsibilities of this Board or Commission?

I have to respect and comply with the brown Act respect my fellow commissioners and advocate for the city I live in.

Do you have experience or special knowledge pertaining to this Board or Commission?

I am an alumni of a cohort on behalf of Building Healthy Communities called boards and commission leadership institute, yes I have been on a national advisory board for foster youth and currently sit on one committee of Merced city.

Any other comments you would like to add that may assist the City Council in their decision?

I am a former foster youth and have loads of experience advocating and creating change in the legislative branch of government.

nonprofitresume.pdf

Upload a Resume

Requirements

Question applies to multiple boards

AB 1234 Ethics Training

☑ I Agree *

Question applies to multiple boards

Attendance Policy

☑ I Agree *

Question applies to multiple boards

Statement of Economic Interests - FPPC Form 700

☑ I Agree *

Question applies to multiple boards

Oath of Office

☑ I Agree *

Question applies to multiple boards

Public Scrutiny

☑ I Agree *

Question applies to multiple boards

How did you hear about this vacancy? *

☑ A Friend

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☑ Caucasian/Non-Hispanic

Gender

☑ Female

Date of Birth

Submission

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledege.

sca

Sabrina Abong
Merced, CA 95340
[redacted]

EDUCATION:

Los Banos High School Los Banos, CA High School diploma obtained	2013-2015
Willow Glen High School San Jose, CA	2011-2013
Atwater High School Atwater, CA	2011-2011
Merced College Merced, CA Associate's degree with transfer in psychology	May 2018

Experience:

Quality Parenting Initiative conference-panelist

September 2018

- Be a panelist and share my experiences as a former foster youth to improve resource parents to create stability for foster youth and to be nurtured and to have a long lasting home.

Foster youth support coordinating program-participant

July 2018-Current

- Improve services for current foster youth in the public educational system to improve their experiences while being in public schools from kindergarten to senior year in high school.

CASA(court appointed special advocate)-mentor

April 2018-current

- Advocate for a current foster child in merced county for whatever he or she may need and write court reports and recommend the court whatever needs he or she may have.

Rural Justice Summit-participant

March 2018

- Attend a conference on how to better organize, solve issues from grassroots, the importance of emerging, the importance of why young people should vote and observe what other communities have done and use their model to make Merced Community better.

Golden Valley High School opportunity conference-panelist speaker.

February 2018

- Communicate to foster parents, probation officers, social workers, teachers, CASA workers about the benefits of coping in foster youth and understanding what he or she is going through or what he or she has gone through.

The positives and negative of AB 12 and SB 12-participant

February 2018

- Attend a round table on how to better implement these bills to better serve the foster care population.

Youth Connect committee-participant

February 2018-present

- Attend a monthly meeting about how to better serve the displaced youth or homeless youth of Merced county and how to partner him or her with resources in the community to make him or her a better productive individual of society.

San Diego futures foundation-participant

December 2017

- Disseminate refurbished computers to foster parents who had foster children in San Diego county.

Foster Parent Focus Group-Trainer

September 2017-Current

- Facilitated training to foster parents on how to improve a foster youth mental health and how to build a relationship built on trust and respect.

Merced College Guardian Scholar

September 2017-May 2018

- Provided foster youth attending Merced College resourced for them to be successful in college.

Big Bear Retreat-Facilitator

August 2017

- Facilitated training and workshops to develop a guardian scholar club at Merced college.

Continuum Care Reform- Speaker

July 2017

- Disseminate and provide vital feedback on the “healthy kids” survey to be presented to Foster Youth in group homes to measure level of happiness.
- Provide them with steps that can be taken to positively create relationships with youth that are in care.

PBS SoCal- Participant

July 2017

- Provide input about foster care and how to best support foster youth through the use of documentaries.

Merced City School District LCAP Meeting-Participant

May 2017

- Participated in district talks as an impacted youth and provided ways to use the money meant for foster youth to ensure more youth become successful.

Merced City School District Board Meeting- Participant

Feb 2017- July 2017

- Attended School Council Meetings and provided a "best practices" approach in how to help the district's foster youth and ensure their success.

California Youth Connection – Merced Chapter

May 2016- Current

- Spoke with legislators and provided them personal experiences and information as to why certain legislation will be beneficial for foster youth if passed such as Senate Bill 1060 which aims to keep siblings connected after adoption.
- Met with my Local Assembly member and informed them of what Foster care is and how their support can secure a better future for the nation's Foster Youth.

Tay Member of Alameda Behavioral Health- Panelist

February 2020- Current

- Attend monthly meetings on behalf of TAY(Transitional Age Youth) and as a TAY to better help the TAY youth from 16-24.

Nytd Reviewer

March-current

- Attend virtual training biweekly to review the NYTD survey and the findings that have been found from administering the survey to youth in foster care on a federal level from every state.

Boards commission and leadership Institute

August-current

- Attend bi-monthly training on how to publicly speak on a board and be on different boards how to efficiently speak publicly.

HeartMath Training

May-August

- Attend a weekly virtual training to breathe efficiently through stressful times and better calm down.

City of Merced, CA

Bicycle and Pedestrian Advisory Commission

Board Roster

Caroline Meraz

Partial Term Jul 01, 2023 - Jul 01, 2027

Appointing Authority City Council
Position Member
Category District 3

William D Watkins

1st Term Jul 01, 2024 - Jul 01, 2028

Appointing Authority City Council
Position Ex-Officio

Curtis Thomas

1st Term Jul 01, 2024 - Jul 01, 2028

Appointing Authority City Council
Position Ex-Officio

Mylia M Chambers

1st Term Jul 01, 2025 - Jul 01, 2029

Appointing Authority City Council
Position Commissioner
Category District 4

Peggy Hsu

2nd Term Jul 01, 2025 - Jul 01, 2029

Appointing Authority City Council
Position Commissioner
Category At-Large

Dwight M Ewing

2nd Term Jul 01, 2025 - Jul 01, 2029

Appointing Authority City Council
Position Commissioner
Office/Role Vice Chair
Category District 1

Dina Gonzalez

1st Term Jul 01, 2026 - Jul 01, 2030

Appointing Authority City Council
Position Commissioner
Category District 2

Craig R Harmelin

1st Term Jul 01, 2026 - Jul 01, 2030

Appointing Authority City Council
Position Ex-Officio

Vacancy

Position Ex-Officio

Vacancy

Appointing Authority City Council
Position Commissioner
Category District 6

Vacancy

Appointing Authority City Council
Position Commissioner
Category District 5

ORDINANCE NO. 2513

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AMENDING CHAPTER 2.52, "BICYCLE ADVISORY COMMISSION," OF THE MERCED MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT TO CODE. Chapter 2.52, "Bicycle Advisory Commission," of the Merced Municipal Code is hereby amended to read as follows:

"Chapter 2.52
BICYCLE AND PEDESTRIAN ADVISORY COMMISSION

Section:

2.52.010 Purpose.
2.52.020 Establishment.
2.52.030 Terms.
2.52.040 Meetings.
2.52.050 Officials.
2.52.060 Jurisdiction of the Commission.

2.52.010 Purpose.

The purpose of the Bicycle and Pedestrian Advisory Commission is to serve as an advisory body to the City Council on matters having to do with bicycling, pedestrian activity, and other modes of active transportation within the City of Merced, as well as the mobility needs of the elderly and those with disabilities. It is the intent of the City Council to improve conditions for users of all active modes in the City of Merced, promote active transportation with the associated benefits of improved air quality, improved safety conditions for users of all modes, and health benefits, and to help

advise on matters of policy, programs, and bike routes for active transportation users of all ages. Active transportation includes any method of travel that is human-powered, including, but not limited to, walking, bicycling, skateboarding, and use of wheelchairs and other assistance devices.

2.52.020 Establishment.

A. Pursuant to Section 700 of the Charter, there is hereby established a Bicycle and Pedestrian Advisory Commission which shall consist of seven (7) voting Members. At least two (2) voting Members of the Commission shall be from a recognized bicycle organization. All seven (7) voting Members must be qualified electors of the City of Merced. Six (6) Member shall each represent a different District of the City of Merced, with one (1) Member serving at-large.

B. A majority of the voting Members of the Commission shall constitute a quorum.

C. In accordance with Section 702 of the Charter, Members shall be appointed by at least four (4) affirmative votes of the City Council and subject to removal by motion of the City Council adopted by at least five (5) affirmative votes.

D. The City Council may appoint an additional four (4) Members to sit on the Commission as ex-officio, non-voting Members. Said ex-officio, non-voting Members may be non-City residents who live within the City of Merced's sphere of influence or persons who represent a Merced-based school, persons who represent an organization specializing in the needs of individuals with disabilities or the elderly, or persons who otherwise demonstrate a strong concern for active transportation related issues within the City of Merced.

2.52.030 Terms.

A. In accordance with Section 702 of the Charter, the Bicycle and Pedestrian Advisory Commission Members shall serve for a term of four (4) years and until their respective successors are appointed and qualified.

B. Notwithstanding subsection A of Section 2.52.020 of this Code, the existing Members of the Bicycle Advisory Commission shall continue their appointed terms as Members of the Bicycle and Pedestrian Advisory Commission, regardless o the District of their residence. If the single Member serving at-large is insufficient to cover any overlapping Districts of residence, the overlapping Members shall, upon the first meeting following the enactment of this Ordinance, determine which Member is serving the District of their residence and which will serve as an at-large representative for a District without an existing representative until the end of their term.

2.52.040 Meetings.

Regular Bicycle and Pedestrian Advisory Commission meetings shall be held on the fourth Tuesday of every even numbered month during normal City business hours or as otherwise set by Resolution of the City Council. The meetings shall be conducted in accordance with Section 704 of the Charter.

2.52.050 Officials.

A. In accordance with Section 704 of the Charter, the Members of the Bicycle and Pedestrian Advisory Commission shall as soon as practical following the first day of July, organize by electing two (2) of the seven (7) voting Members to serve as Chair and Vice-Chair at the pleasure of the Commission.

B. Notwithstanding subsection A of this Section, the Members of the existing Bicycle Advisory Commission

currently serving as Chair and Vice-Chair shall be conferred their respective roles as part of the Bicycle and Pedestrian Advisory Commission upon the enactment of this Ordinance and shall retain those positions until the next annual election.

2.52.060 Jurisdiction of the Commission.

A. The Bicycle and Pedestrian Advisory Commission shall have the responsibilities as provided below:

1. Review and advise the City Council, as directed by the City Council or requested by the staff, on the design of capital improvement projects, street improvements, and parking facility projects as they relate to bicycling, pedestrian activity, or other active transportation issues.

2. Review and advise the City Council, as directed by the City Council or requested by the staff, on changes and updates to the Active Transportation and Safe-Routes-to-School Plan, General Plan, Municipal Code and other policy documents which relate to active transportation.

3. Promote any and all forms of active transportation as a viable form of transportation.

4. Assist in the development and dissemination of awareness and education materials for all forms of active transportation to the community.

5. Initiate requests to City staff from the community on issues of concern related to bicycling, pedestrian issues, and issues that relate to other forms of active transportation or the transportation needs of elderly individuals or those with disabilities.

6. Such other duties as the City Council may prescribe."

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 18th day of February, 2020, and was passed and adopted at a regular meeting of said City Council held on the 2nd day of March, 2020, by the following called vote:

AYES: 6 **Council Members:** BLAKE, MARTINEZ, MCLEOD, MURPHY, SERRATTO, SHELTON

NOES: 0 **Council Members:** NONE

ABSTAIN: 0 **Council Members:** NONE

ABSENT: 1 **Council Members:** ECHEVARRIA

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

12/2/19

City Attorney **Date**

PROOF OF PUBLICATION

(2015.5 C.C.P)

Proof of Publication of

STATE OF CALIFORNIA)

)ss.

)

COUNTY OF MERCED

I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the printer foreman or principal clerk of The Merced County Times, a newspaper of general circulation, printed and published in the City of Merced, County of Merced, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Merced, State of California, under the date of December 14, 1999, Case Number 143600; that the notice, of which the aSnnexed is a printed copy has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

LEGAL#7316

PUBLIC NOTICE OF ADOPTION OF ORDINANCE NO.2513

Publication Date: 03-05-2020

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated this :6thof March ,2020

This spac's

Copy of notice

Legal#7316

PUBLIC NOTICE OF ADOPTION OF ORDINANCE

CITY OF MERCED

ORDINANCE NO. 2513

NOTICE IS HEREBY GIVEN that on March 2, 2020, the City Council of the City of Merced adopted Ordinance No. 2513, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AMENDING CHAPTER 2.52, "BICYCLE ADVISORY COMMISSION," OF THE MERCED MUNICIPAL CODE

Ordinance No. 2513 amends the Bicycle Advisory Commission to the Bicycle and Pedestrian Advisory Commission to include pedestrian activity, other modes of active transportation, as well as the mobility needs of the elderly and those with disabilities.

Ordinance No. 2513 was adopted by the following roll call vote of the City Council:

AYES: 6 Council Members: BLAKE, MARTINEZ, MCLEOD, MURPHY, SERRATTO, SHELTON

NOES: 0

Council Members: NONE

ABSTAIN: 0 Council Members: NONE

ABSENT: 1

Council Members: ECHEVARRIA

A copy of the full text of Ordinance No. 2513 is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

Jennifer Levesque

DEPUTY CITY CLERK

PUBLISH: 3/5/2020

Publish Date:03-05-2020

Proof of Publication - Merced County Times, 2221 K St., Merced, California, 95341 Telephone 383-0433

Adjudged a newspaper of general circulation by court decree No. 143600.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-638 Meeting Date: 8/3/2026

Report Prepared by: Jennifer Parsley, Assistant City Clerk, City Clerk's Office

SUBJECT: Reappointment of Robert Tyler as the Citizens' Oversight Committee - Measure V City Representative

REPORT IN BRIEF
Nomination for reappointment to the Measure V Transportation Expenditure Plan - Citizens Oversight Committee.

RECOMMENDATION
City Council - Adopt a motion nominating Robert Tyler for reappointment to the City of Merced seat on the Citizens' Oversight - Measure V Committee.

ALTERNATIVES
1. Approve, as recommended by staff; or
2. Deny and direct staff to recruit for additional applicants; or.
3.. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
4. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY
Charter of the City of Merced, Section 200, Powers.

DISCUSSION
Measure V is Merced County's transportation sales tax that was passed by voters in November 2016. It is estimated that the measure will generate $15 million in new revenue annually for a total of $450 million through the life of the measure. As the Local Transportation Authority for Merced County, the Merced County Association of Governments (MCAG) will administer the program.

The purpose of the Citizens' Oversight - Measure V Committee is to provide input on implementation of the Plan, to advise the MCAG Board if and when the Plan needs to be augmented, and to ensure that the funds are being spent in accordance with the Plan. The purpose of the Citizens' Oversight - Measure V Committee is to inform the public and to ensure that the Transportation Measure funding program revenues and expenditures are spent as promised to the public.

Robert Tyler was nominated by the City Council at its September 7, 2021 meeting to complete the term of Don Bergman who had resigned after a short time on the committee.

MCAG notified the City Clerk's Office that Mr. Tyler's partial term was coming to an end in May but stated he would be eligible for another full term should the Council wish to nominate him to remain as the City's representative on the Measure V Committee.

Robert Tyler was reappointed by the City Council at its June 6, 2022 meeting to a full term.

MCAG notified the City Clerk's Office that Mr. Tyler's first full term was coming to an end in May but stated he would be eligible for his second full term should the Council wish to nominate him to remain as the City's representative on the Measure V Committee.

The matter of the nomination of Mr. Tyler or to begin a new recruitment is now before the Council

ATTACHMENTS

1. Application of Robert Tyler

Profile

Robert
First Name

J
Middle Initial

Tyler
Last Name

Franchise owner of Ameriprise Financial Services, Inc.
Employer

Financial Advisor, Certified Financial Planner
Job Title

[redacted]
Email Address

[redacted]
Primary Phone

[redacted]
Alternate Phone

Are you 18 years of age or older? (Required)

◉ Yes ○ No

[redacted]
Street Address

[redacted]
Suite or Apt

[redacted]
City

[redacted]
State

[redacted]
Postal Code

Which Council district do you live in? *

☑ District 6

Are you currently serving on a Board or Commission? If so, please list:

Which Boards would you like to apply for?

Citizens Oversight Committee - Measure V Transportation Expenditure Plan: Appointed

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

◉ Yes ○ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I served as chair and member of the Bicycle Advisory Commission for seven years, ending June 30, 2017. During that time I made several presentations to the City Council. I am interested in continuing to serve Merced as a volunteer and feel that my financial background would contribute to the mission. I have a B.S. in Business Administration with a concentration in Accounting from CSU Stanislaus, an A.S. in Engineering from Merced College and obtained the Certified Financial Planner designation in 1992 and have kept it current since then. I have lived in Merced since purchasing a new home in 1987, then moving to a new home in North Merced in 2001. I was assigned to Castle AFB in 1977 as an electronics technician and lived in Atwater for ten years.

Please list your current employer and relevant volunteer experience.

I have owned a franchise of Ameriprise Financial Services, Inc., in Merced for 32 years. I help clients manage over $80 million. I served on the Finance Council for St. Patrick's Church for 12 years and on the Facilities Committee for several years. . I am an Eagle Scout, and currently hold the position of Eagle Scout Advancement chair as a District Committee member (10+ years) for the Rio Del Oro District. I also serve on the Board of the Greater Yosemite Council of the Boy Scouts of America.

What is your understanding of the roles and responsibilities of this Board or Commission?

Work on a committee to analyze and verify that the expenditures meet the criteria outlined in Measure V.

Do you have experience or special knowledge pertaining to this Board or Commission?

Seven years of experience on the City of Merced Bicycle Advisory Commission including the last year as the chair. I am an analytical person and have been in the finance industry for over thirty years, including working at a large CPA firm.

Any other comments you would like to add that may assist the City Council in their decision?

Thank you for considering my application.

Upload a Resume

Requirements

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☑ Caucasian/Non-Hispanic

Gender

☑ Male

[redacted]

Date of Birth

Submission

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledege.

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CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-536 Meeting Date: 8/3/2026

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

File #: 26-537 Meeting Date: 8/3/2026

SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.