



Merced County Multi-Jurisdictional Housing Element

City of Merced, Report to City Council | May 20, 2024

City of Merced Multi-Jurisdictional Housing Element



- Agenda
 - Project Overview
 - Overview of the Housing Element
 - Regional Housing Needs Assessment (RHNA)
 - Sites Inventory
 - Affirmatively Furthering Fair Housing (AFFH)
 - Housing Element Policies & Programs
 - Role of City Council
 - Next Steps

Project Overview

Community
Engagement



- Project Initiation
- Review and Evaluate Previous Housing Element
- Administrative Draft Housing Element
- Public Review Draft Housing Element
 - 30-day Public Review Period (May 13 - June 12)
 - 10 business days required to incorporate changes based on public comments

Project Overview

Community Engagement

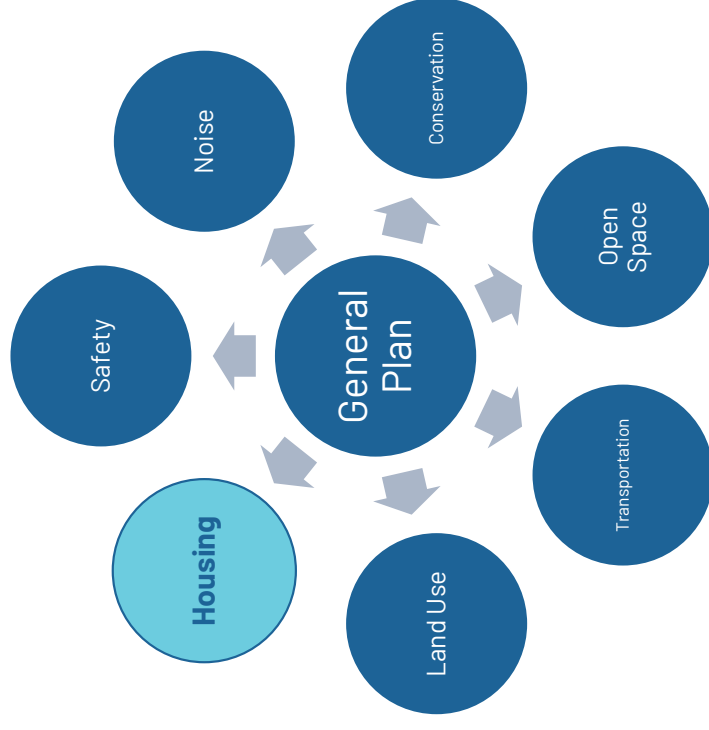
- California Department of Housing and Community Development (HCD) Review
 - 90-day HCD Review of Draft Element
 - Additional submittals may be necessary
- Public Hearings
 - Adoption Hearings
 - 60-day HCD Review of Adopted Element
- Certification!

Community Engagement

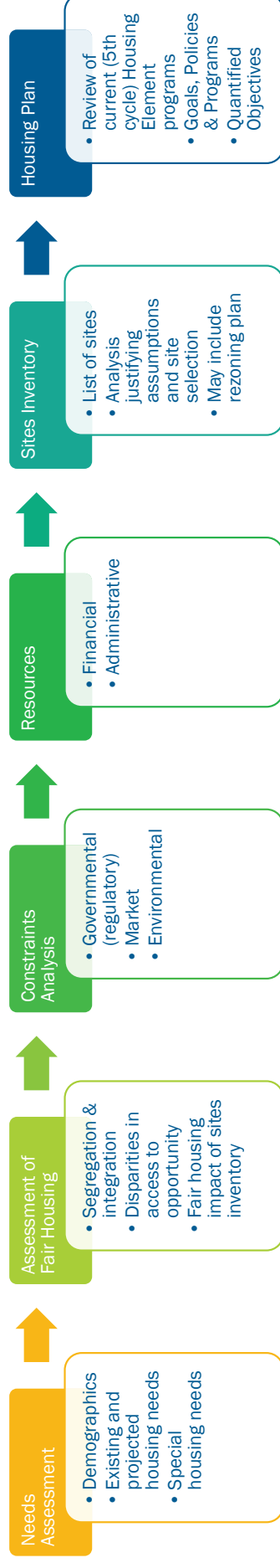
- City Council Study Sessions (1)
- Community Workshops (2) – August 2023
- Community Survey – 2023 – 2024
- Town Halls - 2024
- Various City Council Reports and Actions
- Social Media & Radio announcements
- 30 Day Comment Period
- Project Website (<https://mercedmjhe.com/>)

What is a Housing Element?

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



Housing Element Basics



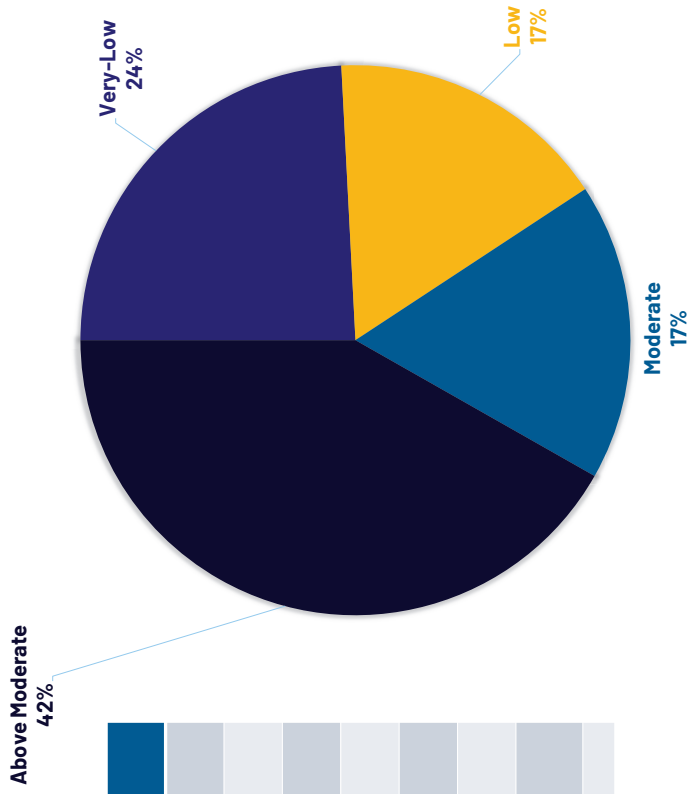
For more information, visit: [HCD Building Blocks](#)

MCAG Regional Housing Needs Allocation (RHNA)

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



RHNA Breakdown by Income Level



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

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

Site Inventory - Meeting the RHNA



- **Planned and approved projects**
 - Building permits issued for residential development after July 1, 2023
- **Projected ADUs**
 - Based on ADU permitting trends, assume a number of ADUs to be permitted in the 6th Cycle

Site Selection Criteria

- **Identification of sites**
 - Sites with appropriate zoning and development standards to accommodate residential development (opportunity sites)
 - Identified vacant sites zoned for residential use
 - Identified sites that have a high likelihood of redevelopment
 - Criteria for lower-income units
 - Site must allow for at least 20 dwelling units per acre
 - Site must be between 0.5 acre and 10 acres in size
 - Considered fair housing, infrastructure, and environmental constraints

Sites Identified for Rezone

- The Sites Inventory includes 37 sites proposed for rezone to facilitate additional residential development
- Sites will be rezoned from low density residential, general commercial, and planned development to high-density residential and central commercial.
- Assuming a mix of low- and moderate- income units

Achieving the RHNA

	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	669	0	3,633	4,302
ADUs Anticipated	0	0	16	16
Remaining RHNA	3,616	1,838	0	5,454
Opportunity Sites (District 1)	137	78	91	306
Opportunity Sites (District 2)	0	60	0	60
Opportunity Sites (District 3)	38	62	0	100
Opportunity Sites (District 4)	227	101	51	379
Opportunity Sites (District 5)	192	90	0	282
Opportunity Sites (District 6)	640	381	1,679	2,700
Rezone Sites	2,829	1,237	0	4,066
Total Units on Sites	4,063	2,009	1,821	7,893
Total Unit Surplus	447	171	1,821	2,439
Percent Buffer over RHNA	10%	9%	41%	23%

What is AFFH?

- Defined under **Assembly Bill 686 (Affirmatively Furthering Fair Housing)** as “taking meaningful actions, in addition to combat discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity.” (Government Code Section 8899.50, 65583(c)(5), 65583(c)(10), 65583.2(a))
- The four “umbrellas” of AB 686:
 - Fair Housing Outreach
 - Assessment of Fair Housing
 - Site Analysis
 - Priorities, Goals, and Actions

AFFH “Umbrella” Requirements

- Required components per AB 686:
 - Outreach
 - A diligent effort must be made to equitably include all community stakeholders in the housing element public participation process
 - Assessment of Fair Housing
 - All HEs must contain an assessment of fair housing including analysis regarding existing segregation and inclusion trends and current fair housing practices
 - Site Analysis
 - Jurisdictions must evaluate and address how particular sites available for development of housing will meet the needs of households at all income levels and further fair housing
 - Priorities, Goals, and Actions
 - Based on findings from the AFFH analysis, jurisdictions must address barriers to fair housing and adopt policies with programs that remediate identified fair housing issues

Housing Goals, Policies, and Programs

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

Categories of Housing Programs:

Housing production

Housing preservation

Housing protections

Housing access

Fair housing

Key Programs

Each jurisdiction must identify specific programs in its housing element that will allow it to implement the stated policies and achieve the stated goals and objectives. City of Merced Housing Plan Programs include:

- Program 1: Regional Collaboration
- Program 2: Adequate Sites for RHNA and Monitoring of No Net Loss
- Program 3: By-Right Approval
- Program 4: Replacement Housing
- Program 5: Accessory Dwelling Units
- Program 6: Zoning Code Amendments
- Program 7: Facilitating Affordable Housing Development
- Program 8: Preservation of At-Risk Housing
- Program 9: Housing Preservation and Rehabilitation
- Program 10: Lower-Income and Special Needs Housing

Key Programs Continued

- Program 11: Farmworker Housing
- Program 12: Water and Sewer Service
- Program 13: Community and Economic Development
- Program 14: Fair Housing Outreach and Enforcement
 - To respond to AFFH, Programs included:
 - Place-based strategies
 - Anti-displacement strategies
 - Housing mobility strategies
 - Expanded outreach efforts
 - Detailed metrics and milestones

Role of City Council

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



Next Steps

- Public review period: May 13th – June 12th
 - Consultants to revise Housing Element in response to public comments
 - Submit to HCD for initial 90-day review
- *Jurisdictions are often required to re-submit to HCD for further review
- Revise the Housing Element to respond to all HCD Comments
 - Public hearings and adoption
 - Submit the Adopted Housing Element to HCD for 60-day review

Questions?

- More Information
 - Project Website: <https://mercedmjhe.com/>
 - Leah Brown, Management Analyst, Development Services, brownl@cityofmerced.org
 - Kim Espinosa, Temporary Director of Development Services, espinosak@cityofmerced.org