



2nd Substantial Amendment – 2023 Annual Action Plan

April 2024

Summary of Changes to Projects and Amendment Details

Introduction and Reason for Amendment:

Through a second amendment to the 2023 Annual Action Plan (2023 AAP) for Program Year 2023-24, the City of Merced intends to make changes to previously approved U.S Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) projects and to correct previously stated CDBG financial resource calculations.

This summary has been prepared to illustrate and explain what items in the current amended AAP will be further amended, added, or deleted. During a 30-day Public Review and Comment Period held from 4/5/24 to 5/6/24, written questions/comments regarding these changes can be directed to: *(mail/in-person)* City of Merced Housing Division, 2nd Floor Merced Civic Center, 678 W 18th Street, Merced CA 95340; *(email)* housing@cityofmerced.org. Housing Division staff can be reached by telephone at (209)385-6863.

The 2023 AAP was first amended in January 2024, to expedite expenditure of excess CDBG funds. The primary need for a second amendment is due to the discovery of unintended miscalculations of CDBG financial resource figures as the initial amendment was being readied for its January City Council approval. Given its urgent nature, Council and HUD approved the first amendment, conditioned with the directive to City staff to immediately start a second amendment process that would correct the errors, which now necessitates eliminating and/or postponing additional projects in order to balance the program year budget. Council and subsequent HUD approval of this second amendment will allow City staff to then close out the 2023-24 Program Year with accurate project lists and financial calculations.

Please see the tables and information on the pages that follow.

Translation/interpretation of this summary to Spanish and Hmong will be made available upon request – please call (209)385-6863.

La traducción/interpretación de este resumen al español y hmong estará disponible previa solicitud; llame al (209) 385-6863.

Kev txhais / txhais cov ntsiab lus no ua lus Mev thiab lus Hmoob yuav muaj nyob rau ntawm qhov kev thov - thov hu rau (209) 385-6863.

Projects to be Deleted by this Second Substantial Amendment:

AAP Project # and Annual Plan Year	Project Name	Goal Affected	Funding Source Affected	Amount Deleted and Added Back to Available Resources and Subtracted from Associated Goal	Reason Cancelled
2022 Project #7 (Also was 2021 Project #5)	PFI – CDBG: S Canal St/W Childs Ave. Street, Sidewalk, Curb & Gutter Improvements (FY22/23)	1A Improve Public Infrastructure & Facilities	CDBG	\$ 275,000 (Originally budgeted as \$270,000 project costs and \$5,000 Activity Delivery Costs - ADC)	This project was initially planned as a 2021 and 2022 CDBG public infrastructure project with total project costs of \$1,043,190 and \$104,316 for Activity Delivery (total of \$1,147,506 CDBG). A portion of these funds were removed with the 1 st Substantial Amendment to the 2023 Annual Plan, leaving a total of \$275,000 to be directed towards engineering plan design. However, this project is now moving forward <u>without any</u> federal funding (using Local and State funding sources), so the project in its entirety is removed from CDBG funding/Annual Plans for all years. This project originally expected to benefit an estimated 19,029 residents living within one mile of the project site.
2023 Project #5	PFI – CDBG: Merced City Fire Dept – HEART and EAV EMS Vehicles (23/24)	1A Improve Public Infrastructure & Facilities	CDBG	\$ 632,000 (All project costs, no ADC)	This project is not moving forward due to necessary adjustments that were made to CDBG Expected Resources to correct previous calculation errors. As a result, there are not enough CDBG resources available to carry out this project during PY2023. Goal Outcome Indicator (Table AP-20) is reduced by 3 Public Facilities (“Other”), and 520 Persons Assisted
2023 Project #14 (after 1 st Amendment) (Originally 2023 project #16)	HSG – CDBG: Habitat for Humanity – Homeowner Rehabilitation of Existing Housing Assets	2A Increase Owner Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities	CDBG	\$ 180,000 (Originally budgeted as \$150,000 project costs and \$30,000 ADC)	This project is not moving forward in PY2023 due to necessary adjustments that were made to CDBG Expected Resources to correct previous calculation errors. As a result, there are not enough CDBG resources available to include it in the 2023 Annual Action Plan. However, this project is carried over from previous years and must still be completed. PY2023 funded was intended to replace previous HOME funds that were removed from the project. As such, this

					project may be re-added in the 2024 Annual Action Plan. Goal Outcome Indicator (Table AP-20) is reduced by 1 Homeowner Housing Added (1 household housing unit) and 1 Homeowner Housing Rehabilitated (1 household housing unit).
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Other changes to the 2023-24 Annual Action Plan in this Second Substantial Amendment:

1. Increase in Program Income: more program income has continued to be received at higher amounts than originally anticipated (original estimate: \$93,000). This second amendment will specifically include and direct an additional \$27,225 of this unanticipated program income towards Project #15 (HSG - CDBG/HOME: Affordable Rental Housing - Land Acquisition and Construction (23/26). Total program income of \$147,320 now received in 2023-24 and added to the previously amended CDBG Expected Resources.
2. As a result of the deletion of 2022 Project #7 noted in the table above, the previously amended 2023 Carryover Funds is increased by \$275,000, which will then increase the previously amended 2023 CDBG Expected Resources by the same amount.
3. As a result of project changes/deletions, the following adjustments to the previously amended 2023 CDBG Annual Goals and Objectives (Section AP-20 in AAP) are necessary: a) Goal 1A – decrease by \$657,623; b) Goal 2A – increase by \$1,997; c) Goal 2B – decrease by \$159,173; d) Goal 3A – increase by \$2,377; e) Goal 4A – increase by \$422.
4. Minor text amendments and other corrections related to these adjustments will be made to sections where these projects and goals are mentioned.