

CITY OF MERCED

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



ADMINISTRATIVE REPORT

File #: 26-406

Meeting Date: 5/18/2026

Report Prepared by: Kimberly Nutt, Housing Program Supervisor, Housing Division/Development Services Department

SUBJECT: Public Hearing - Request to Open and Continue the Scheduled Public Hearing, Receipt of Final Public Comment, and Final Review and Approval of the U.S. Housing and Urban Development (HUD) 2026 Annual Action Plan to the June 1, 2026, City Council Meeting, Including Approval and Award of Funding for Projects and Activities Listed in the Draft Final Plan

REPORT IN BRIEF

Due to the unfinalized status of the 2026 project list and related text sections of the Draft 2026 U.S. Housing and Urban Development (HUD) Annual Action Plan, as well as recalculations in progress of final HOME Investment Partnership (HOME) Program available funds after the April 6, 2026, Council authorization of a conditional funding commitment to an affordable housing project, the Housing Division requests City Council open the scheduled public hearing and continue it to the June 1, 2026, City Council meeting, to allow staff additional time to work out final project and budget details.

RECOMMENDATION

City Council - Open a Public Hearing, Accept any Public Comment from Interested Residents in Attendance, and Continue the Public Hearing and the Final Review and Approval of the 2026 Annual Action Plan to the June 1, 2026, City Council Meeting.

ALTERNATIVES

As the 2026 Annual Action Plan is not ready for final approval, there are no other alternatives.

AUTHORITY

Charter of the City of Merced, Section 405, 409, and 411, et seq.; Title 24 of the Code of Federal Regulations Section 91.

CITY COUNCIL PRIORITIES

As provided for in the 2026-26 and 2026-27 Council Goals and Priorities covering general support of community servicing, affordable housing and homelessness prevention, economic development and job training, and quality of life for residents.

DISCUSSION

Staff is requesting that Council open and continue the second of the two Public Hearings scheduled in conjunction with the 2026 Annual Action Plan (AAP) currently being drafted by the Housing Division. The first public hearing was held on March 16, 2026, which introduced the project applications that were received and the results of project scoring. At that time, preliminary budgets

for CDBG and HOME funds were introduced, using allocation estimates of \$900,000 for CDBG and \$350,000 for HOME.

On April 3, 2026, HUD announced the expected allocations that will be distributed nationwide and to the City. The City's CDBG allocation is expected to be \$1,045,361 and the HOME allocation is expected to be \$452,365.10. Final budgets with recommendations for final project funding are currently being prepared for the final draft of the 2026 Annual Action Plan.

The final plan is expected to be ready for approval at the June 1, 2026, City Council meeting, where the continued Public Hearing will be re-opened and held to receive public comment.

The 2026 Annual Action Plan is due to be submitted to HUD by June 3, 2026, to be considered on time, with a regulatory last-chance submittal deadline of August 16, 2026. Housing staff is currently in communications with the City's HUD representative regarding this expected timeline for City Council approval and submittal for HUD acceptance.

IMPACT ON CITY RESOURCES

There is no impact on City resources with this agenda item.

ATTACHMENTS

No Attachments.