

RESOLUTION NO. 2023-

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING AN AMENDMENT TO THE
REGIONAL HOUSING NEEDS ALLOCATION
UNIT PRODUCTION PLAN AND RELATED IN-
LIEU FEE SCHEDULE**

WHEREAS, the City of Merced, a California Charter Municipal Corporation (“City”) hereby consents to, adopts, and ratifies the following resolution:

WHEREAS, on April 4, 2022, the City Council approved Resolution No. 2022-15 adopting a Regional Housing Needs Allocation Unit Production Plan (“Plan”) to provide for the production of affordable housing units; and

WHEREAS, the Plan requires developers of residential projects to reserve a certain percentage of housing units as affordable to extremely low to moderate income households, subject to certain exemptions and exclusions; and

WHEREAS, the Plan provides for alternatives to meeting affordable unit production requirements, one of which is the payment of an in-lieu fee to be determined on a case-by-case basis defined in a study prepared by the City; and

WHEREAS, the City commissioned a consulting firm to prepare an in-lieu fee analysis (“Fee Study”) that analyzed the gap between market rate sales prices and rents for housing units in the City compared to the affordable sales prices and rent limits for Merced County as published by the California Department of Housing and Community Development. The Fee Study also contained detailed analysis of the estimated development funding gap related to the cost of constructing the affordable units on site; and

WHEREAS, based on a review of the Fee Study and further public testimony, the City Council desires to amend the Plan to establish an in-lieu fee schedule and make other revisions to the Plan; and

WHEREAS, in-lieu fee payments shall be deposited into the City’s Affordable Housing Fund established by Resolution No. 2023-55 on June 20, 2023.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby approves the Amended Regional Housing Needs Allocation Unit Production Plan, including the in-lieu fees described therein, attached hereto as Exhibit "A".

SECTION 2. The City Manager or Deputy City Manager is hereby authorized to take actions necessary to implement the Plan on behalf of the City.

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced, at a regular meeting held on the _____ day of _____ 2023, by following called vote:

AYES Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED


BY _____
Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM

BY:  _____ 10-20-23
City Attorney Date