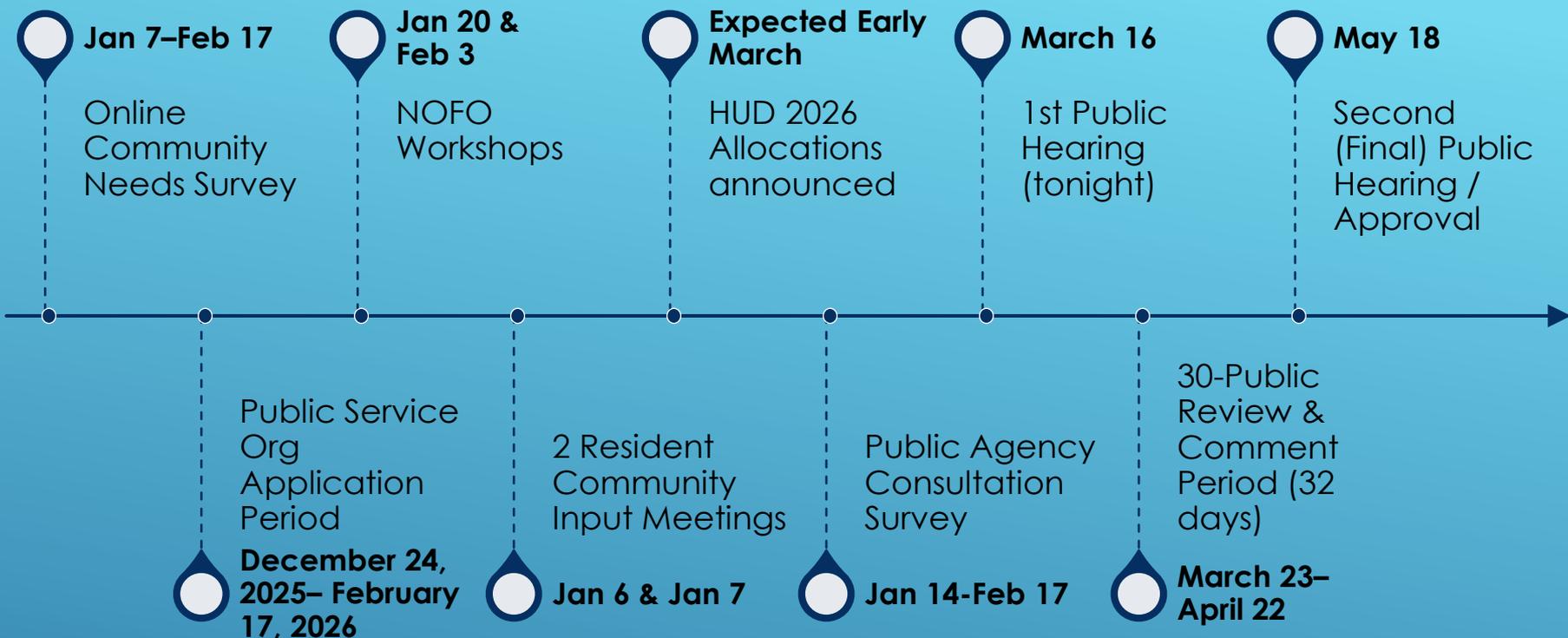


2026 HUD ANNUAL ACTION PLAN

**Merced City Council
First Public Hearing – March 16, 2026**



2026 ANNUAL PLAN – TIMELINE

2026 RESIDENT SURVEY

Need	Top 3 Activities
Housing	<ol style="list-style-type: none"> 1) Housing Opportunities for special needs persons (seniors, disabled, domestic violence victims) 2) Down payment assistance to First-Time Homebuyers 3) Vital safety repairs to homes (owner-occupied)
Neighborhood Improvements/Infrastructure	<ol style="list-style-type: none"> 1) Water/sewer lines and connections, streets, sidewalks/crosswalks, storm drainage 2) Getting rid of trash, messy, overgrown areas, and hazardous items 3) Parks or Recreational Facilities
Economic Development	<ol style="list-style-type: none"> 1) Job training for specific skills or areas 2) Helping small or microbusiness owners with low to moderate incomes grow and develop their businesses. 3) Street, water, parking, rail transport, or other upgrades to business and industrial areas
Public Services	<ol style="list-style-type: none"> 1) Services for persons with special needs (seniors, disabled, domestic violence victims) 2) Assistance for homeless services 3) Youth programs including counseling, education, career training

2026 RESIDENT SURVEY

- 99 Total responses
- 1-submitted on Spanish language survey
- 1-submitted on Hmong language survey

Rank	Greatest Needs
1	Job Training, Skills development, money management programs
2	Affordable homeownership-related assistance
3	Homeless services, prevention, and housing solutions
4	Affordable quality childcare and/or youth centers and services
5	Services and programs for special needs persons (domestic violence victims, seniors, disabled, substance abuse)

2026-27 HUD ALLOCATIONS

- ▶ Possible announcement Mid-March
- ▶ U.S. Congress approved the Consolidated Appropriations Act February 3, 2026
- ▶ HUD has 60 days to announce allocations

2026 FUNDING REQUESTS & SCORING RESULTS

Organization Name	Project Name	Funding/Category	Score	Status	Rank	Amount Requested
CDBG-Public Services						
Sierra Saving Grace	Emergency Subsistence	05Q-Subsistence Payments	89.0%	Accepted/Recommended	1	\$40,000
Project Sentinel	Tenant/Landlord Mediation	05K-Tenant-Landlord Counseling	84.5%	Accepted/Recommended	2	\$52,307.40
Harvest Time	Food 4 You	05W-Food bank/distribution	83.9%	Accepted/Recommended	3	\$75,750
Boys and Girls Club of Merced County	Teen Workforce Readiness Program	05H-Employment Training	83.3%	Accepted/Recommended	4	\$45,000
Youth for Christ Central Valley	Merced City Life	05D-Youth Services	73.6%	Accepted/Preliminarily Not recommended	5	\$24,000
Sovereign Harmony Project	Harmony Care Closet	05Z-Other Public Services	38.3%	Accepted/Not Passing/Not recommended	N/A	\$30,000
CDBG-Economic Development Projects						
UC Merced Monarch Small Business Center	Small Business Assistance	18B-Economic Development: Technical Assistance	77.5%	Accepted/Preliminarily Recommended	N/A	\$38,000
CDBG-Housing Projects						
Sierra Saving Grace	Acquisition with Rehabilitation	14G-Rehabilitation: Acquisition	78.3%	Accepted/Recommended	N/A	\$500,000
HOME-Housing Projects						
Merced Community Action Agency	Homeowner Weatherization Program (Rehab)	14A-Rehabilitation: Single Unit Residential	73.3%	Accepted / 2-year program recommended	N/A	\$200,000
Administrative Projects (non-competitive)						
Merced County Human Services Agency	Point-in-Time Homeless Count	Administrative	N/A	Accepted	N/A	\$ 50,000
Project Sentinel	Fair Housing Services	Administrative	N/A	Accepted	N/A	\$ 37,885.90

2026 BUDGET – CDBG PUBLIC SERVICES

Organization/ Agency	Description	HUD Project Type	REQUESTED	* ESTIMATED Award
Public Service Activities	Maximum Available for Public Services = \$167,814 <u>Calculation</u> = CDBG Allocation \$900,000 + unallocated prior year program income \$218,766 x 15% * ESTIMATED RECOMMENDED PROJECT AMOUNTS ARE INITIALLY CALCULATED AT 74% OF REQUESTED, WITH \$84 BALANCE TO SIERRA SAVING GRACE. ** PS HOUSING ADC CALCULATED AT 6% OF PS CAP.			
Sierra Saving Grace	Short term emergency rental/mortgage/utility assistance; security deposits	05Q/Subsistence Payments	\$ 40,000	* \$ 29,684
Project Sentinel, Inc	Tenant/landlord counseling service for city residents	05K/Tenant Landlord Counseling	\$ 52,307.40	* \$ 38,707
Harvest Time	Food distribution to LMI/homeless	05W/Food Bank/Distribution	\$ 75,750	* \$ 56,055
Boys and Girls Club of Merced County	Teen workforce readiness program	05H/Employment Training	\$ 45,000	* \$ 33,300
Housing Division	Eligible costs of implementing all public Services activities (Activity Delivery)	Estimated average based on direct hours	15% of Cap (\$25,172)	** \$10,068
Total public service funding (proposed/recommended):			\$ 238,229.40	\$ 167,814
PUBLIC SERVICES 15% CAP (Estimated):			- \$ 167,814	\$ 167,814
Over/Under public service cap:			\$ 70,415.40	----

2026 BUDGET – OTHER PROJECTS (CDBG)

Housing & Infrastructure Projects			
Sierra Saving Grace	Acquisition with Rehabilitation	14G-Rehabilitation: Acquisition	\$ 500,000
Housing Division	Activity Delivery Costs (estimated 5%)	14G-Rehabilitation: Acquisition	\$ 25,000
Project TBD			\$ 286,844
Housing Division	Activity Delivery Costs (estimated 5%)	14G-Rehabilitation: Acquisition	tbd
Total Housing & Infrastructure ADC & Project Costs – CDBG:			\$ 811,844
Economic Development			
UC Merced Monarch Small Business Center	Small Business Technical Assistance	18B-Economic Development: Technical Assistance	\$ 38,000
Housing Division	Activity Delivery Costs (estimated 5%)	18B-Economic Development: Technical Assistance	\$ 1,900
Total Economic Development Project Costs – CDBG:			\$ 39,900

2026 BUDGET – OTHER PROJECTS (HOME)

Organization/ Agency	Description	Project Type	Project Costs	Activity Delivery	ESTIMATED TOTAL
Housing Activities	Maximum Available for Housing Activities = \$840,612				
Merced Community Action Agency	Homeowner Rehabilitation- Weatherization	Homeowner Rehabilitation	\$ 200,000	\$ 10,000 (5% of project cost)	\$ 210,000
To Be Determined	TBD project: new rental housing construction, rehab existing rental units, or acquire property for rental housing	Affordable housing	\$ 559,745	\$ 16,792 (3% of project cost)	\$ 576,537
To Be Determined	CHDO-15% mandatory set- aside	Affordable Housing	\$ 52,500	\$ 1,575	\$ 54,075
Total Housing ADC & Project Costs – HOME:			\$ 812,245	\$ 28,367	\$ 840,612

2026 BUDGET – CDBG & HOME ADMINISTRATION

Administrative Activities	Estimated maximum available for CDBG administrative activities = \$201,600			
	Calculation = CDBG Allocation \$900,000 + Estimated 2026 Program Income \$108,000 x 20%			
	Description	Project Type	Requested	Estimated Budget
Housing Division	Direct Administration costs	Admin	Remaining	\$ 131,600
Housing Division	Indirect Administration costs	Admin	10% alloc + est PI	\$ 20,000
Merced County HSA	Continuum of Care	Admin	\$ 50,000	\$ 50,000
Total Admin Projects - CDBG:				\$201,600

Administrative Activities	Maximum available for HOME administrative activities = \$ 35,000			
	Calculation = HOME Allocation \$350,000 x 10%			
	Description	Project Type	Requested/Available	Estimated Budget
Project Sentinel, Inc	Fair Housing Services for city residents	Admin Fair Housing	\$ 35,000	\$ 35,000
Housing Division	Direct Administration costs	Admin	\$0	\$ 0
Total Admin Projects - HOME:				\$ 35,000

Total CDBG Budget: \$ 1,221,158

Total HOME Budget: \$ 875,612

Public Hearing

Tonight:

Hold Public Hearing:

Receive Public
Comment

Council Direction

Tonight:

Provide Any Council
Comments

Direction regarding
Public Service
Funding Options

Finalization of AAP Budget

Forward:

Based on Council's
direction tonight,
Staff will prepare
project lists for
inclusion in:

**Public Review Draft –
30 day Public Review
Period March 23-
April 22**

**May 18, 2026 – 2nd
Public Hearing and
Approval of Final
Draft Plan**

TONIGHT'S ACTIONS & NEXT STEPS

An aerial photograph of a large, cleared construction site. The site is a vast, flat expanse of brown earth, showing numerous tire tracks and signs of heavy machinery activity. A paved road runs along the left side of the site, with several trees planted along its edge. In the background, a residential neighborhood with houses and lush green trees is visible under a clear sky. The word "QUESTIONS?" is overlaid in large, white, sans-serif capital letters across the middle of the image.

QUESTIONS?