

**RESOLUTION NO. 2024-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING SUBSTANTIAL AMENDMENT #1 TO THE PROGRAM YEAR 2023-2024 ANNUAL ACTION PLAN; AUTHORIZING THE CITY MANAGER OR DEPUTY CITY MANAGER TO EXECUTE ANY RELATED DOCUMENTS, CERTIFICATIONS, AND/OR AGREEMENTS RESULTING FROM THIS AMENDMENT; CERTIFYING COMPLIANCE WITH THE REQUIREMENTS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM; AND, AUTHORIZING STAFF TO SUBMIT ALL REQUIRED DOCUMENTS TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, as a U.S. Department of Housing and Urban Development (HUD) entitlement community and in following the City’s adopted Citizen Participation Plan (CPP), the City of Merced is required to undergo a Substantial Amendment process to its respective Annual Action Plan when it makes changes that affect more than 75 percent of the allocation of funding in any project and/or total distribution, and/or when the City proposes to carry out activities using funds from any program not previously described by the Consolidated Plan, and/or to substantially change the purpose, scope, location, or beneficiaries of a previously described activity; and

WHEREAS, for Substantial Amendments, the adopted CPP requires at a minimum that the City: 1) place multi-language public notices in the Merced Sun-Star and Merced County Times, on the City’s website, and at the City of Merced Civic Center; 2) make the proposed amendments available for review at the Housing Division office and the City website and provide copies upon request; 3) hold a minimum 30-day Review and Comment Period to give residents an opportunity to review the proposed changes and to provide comment. Following the completion of these Citizen Participation Requirements, the City Council may adopt any proposed Substantial Amendments without a Public Hearing; and

WHEREAS, the City published Public Notices in English, Spanish, and Hmong languages in both required local newspapers on Thursday, November 23, 2023, and posted the Notices to the City Housing Division website ([www.cityofmerced.org/housing](http://www.cityofmerced.org/housing)), and at City Hall; provided a 33-day public review and comment period beginning Friday, November 24, 2023, to Tuesday, December 26, 2023; and advertised the expected date of the City Council Meeting at which approval of the Amendment would be requested; and

WHEREAS, HUD requires the City of Merced to develop, in consultation with its citizen and community-based service providers, a funding strategy that furthers its housing and community development goals as described in the City's Five Year Consolidated Plan for program years 2020-2024, a strategy which identifies the need for affordable rental housing as the most needed and underfunded priority need in the community; and

WHEREAS, additionally, HUD requires the City to expend CDBG funds in a timely fashion, and as such, the City must expend a minimum of \$1,551,559 of its CDBG funding to meet its May 2, 2024, regulatory timeliness deadline; and

WHEREAS, the First Substantial Amendment to the 2023 Annual Action Plan proposes to: 1) address the urgent need for affordable rental housing by redirecting \$2,612,845 of its CDBG funds from 2021, 2022, and 2023 Public Infrastructure and Facilities projects to 2023 Project #15 in the previously approved 2023 Annual Action Plan, for the purpose of acquiring vacant land for an affordable rental housing project and adds Acquisition of Land to the use of HOME funds in Project #15; 2) remove 2023 Projects #7 and #17 and redirect CDBG funding to Project #15; 3) add unanticipated 2023 CDBG Program Income to Expected Resources and allocate it to Project #15; and

WHEREAS, the First Substantial Amendment to the 2023 Annual Action Plan also serves to notify the Public of other minor amendments to the 2023 Annual Action Plan and changes to Prior Year 2021 and 2022 Annual Action Plan CDBG funds and activities that will increase 2023 CDBG Carryover Resources Expected and redirect prior-year CDBG funds to 2023 Project #15, as was included and described in detail in the "Summary of Changes to Projects and Amendment Details" document that was made available to the public for the aforementioned 33-day Review and Comment Period that began on November 24, 2023, and which is included as an attachment to the Executive Summary in the First Substantial Amendment to the 2023 Annual Action Plan document; and

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

SECTION 1. The City Council of the City of Merced hereby approves Substantial Amendment #1 to the City of Merced 2023 HUD Annual Action Plan, which also affects projects, activities, and funding previously approved in the 2021 and 2022 Annual Action Plans, and directs the City Manager to review and consider all public comment provided in the Review and Comment Period and at the City Council Meeting. The City Manager or Deputy City Manager is hereby authorized to execute all forms, certifications, agreements, and other documents related thereto, and staff is authorized to submit all documents to the United States Department of Housing and Urban Development; and

SECTION 2. The City Council hereby directs the Finance Officer to appropriate all funds as necessary and to projects as specified in the First Substantial Amendment to the 2023 Annual Action Plan.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2024, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
SCOTT McBRIDE, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Craig Cornwell      12-13-23  
City Attorney      Date