

Regional Early Action Planning Grants of 2021 (REAP 2.0) REGIONAL COMPETITIVE GRANT PROGRAM (RCGP) APPLICATION

Deadline: December 22, 2023

A. Background

This application to the Merced County Association of Governments (MCAG) is for the **Regional Competitive Grant Program**, a grant authorized under the [Regional Early Action Planning Grants of 2021 \(REAP 2.0\)](#) provisions. The REAP 2.0 program was established through AB 140 (July 2021) for transformative and innovative projects that implement a region's Sustainable Communities Strategy (SCS) and help achieve the objectives of more housing and transportation options that reduce reliance on cars. REAP 2.0 builds on actions completed through the REAP 1.0 grant program but expands the focus by integrating housing and vehicle miles traveled (VMT) reduction, and by allowing for broader planning and implementation investments, including infrastructure investments supporting housing development. This includes accelerating housing production and facilitating compliance with the Sixth Cycle of the housing element.

REAP 2.0 is specifically designed to provide Eligible Entities with tools and resources to help implement and advance plans, primarily including Sustainable Communities Strategies (SCS) as part of Regional Transportation Plans to pursue greenhouse gas emission reduction targets through land use and transportation changes.

The REAP 2.0 Program Framework includes two core components:

1. Local Suballocation Grant Program
2. Regional Competitive Grant Program

This is the application for the REAP 2.0 Regional Competitive Grant Program. The Regional Competitive Grant Program sets aside \$2,716,159 for jurisdictions and transit agencies throughout the region for eligible projects which meet all REAP 2.0 goals and objectives. The goal of this competitive program is to provide local jurisdictions and transit agencies an opportunity to propose REAP 2.0 eligible projects with a priority focus on implementation. All projects or programs must achieve all REAP 2.0 goals, objectives, and pass thresholding criteria. Full guidance and requirements for this grant program can be found in the [MCAG REAP 2.0 Regional Competitive Grant Program Final Guidelines](#).

B. REAP 2.0 Program Goals and Objectives

The goals of the REAP 2.0 program are to invest in housing, planning, and Infill Housing-supportive infrastructure across the entire state in a manner that reduces VMT, increases Housing affordability, and advances equity. The REAP 2.0 program has three objectives that any single use of the fund must further. The three objectives are:

- Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
- Affirmatively Furthering Fair Housing (AFFH)
- Reducing Vehicle Miles Traveled (VMT)

**Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION**

C. Submission Instructions

Applicants must submit the following to MCAG by 5:00 PM on December 22, 2023 to be considered for the award:

1. A completed REAP 2.0 RCGP application along with all required supporting documents.
2. A fully executed Government Agency Taxpayer ID Form (see Attachment 1).
3. Letters of support are optional and not an application requirement. They can influence scores to the extent that they add value to any other response.

All applications must be submitted electronically to MCAG by email to meg.prince@mcagov.org. No hard copies will be accepted.

D. Timeline

Below is a tentative schedule, which is subject to change in the final guidelines:

- August 15, 2023: Release draft RCGP Guidelines for public review
- October 19, 2023: MCAG adopts final RCGP Program guidelines, releases call for applications
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- June 30, 2024: Deadline to encumber REAP 2.0 funds
- March 31, 2026: All REAP 2.0 projects and activities must be completed; final activity reports due to MCAG; final project invoices due to MCAG

E. Contact

If you have questions regarding this application or the REAP 2.0 program, contact Meg Prince at meg.prince@mcagov.org.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

1. Application Information

Agency Name	City of Merced
Agency Type	Local Municipality
Applicant's Mailing Address*	678 W. 18 th Street
City	Merced
Zip Code	95340
Website	www.cityofmerced.org
Authorized Representative Name	Scott McBride
Authorized Representative Title	City Manager
Phone	209-385-6818
Email	mcbrides@cityofmerced.org
Contact Person Name	Leah Brown
Contact Person Title	Management Analyst
Phone	209-385-6928
Email	brownl@cityofmerced.org
Grant Amount (min \$500,000)	\$2,700,000
Project Start Date	02/2024
Project End Date	03/2026
Can your project be partially funded? (Yes/No) If yes, explain.	Yes, the project has other funding and will be applying for tax credits.

*Ensure the Government Agency Taxpayer ID Form matches the Applicant's Mailing Address listed above exactly. (See Attachment 1, "Government Agency Taxpayer ID Form")

If your agency is submitting multiple applications, please prioritize them below.

Number of
Applications
Submitted:

4

Application Priority

(Ex. 1 of 3):

3 of 4

If your agency is partnering with additional agencies, jurisdictions, or community-based organizations for this project, please list them here and identify their roles.

Partner Name: Linc Housing

Role: Developer

Partner Name: _____

Role: _____

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

2. Signature

As the official designated by the governing body, I hereby certify that the proposed project is consistent with the MCAG REAP 2.0 Regional Competitive Grant Program Final Guidelines.

I further certify that, if approved by MCAG for award through the REAP 2.0 program, the **City of Merce** assumes the responsibilities specified in this application and certifies that the information, statements, and other content contained in this application are true and correct.

Signature: 

Name of Authorized Signatory: Scott McBride

Title: City Manager

Date: 12/21/23

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

3. Project Description

Provide a description of the project including major deliverables and a description of the project's impact on accelerating housing production, affirmatively furthering fair housing, and reducing vehicle miles traveled. If consultants will be used, identify what activities they will be responsible for. **(500-word limit)**

The I Street Project site is a .52-acre land that spans one block from 18th and I Street to 19th and I Street near Merced's downtown neighborhood. Linc Housing Corporation was selected by the City of Merced to develop this property.

Linc Housing worked closely with the City of Merced planning department in developing a design program that embodies the character of the neighborhood which was well received and approved by the planning commission in June 2023. Utilizing the existing zoning code and the State Density Bonus regulations, the project will be a new construction of two buildings, 1 four-story and 1 three-story, containing 53 one-bedroom units reserved for low income households earning between 30%-80% AMI, and 1 three-bedroom manager's unit. Through the construction of the I Street Project, the City of Merced is closer to its goal of increasing the inventory of affordable housing units in the community.

Linc Housing developed a design program that maximizes the number of affordable homes while creating a sense of place and community for our residents. The shared amenities envisioned for this project include a laundry room, a community room, a manager's office, service offices, two courtyards, a bike storage, and 3 staff parking spaces. These shared amenities are designed to promote outdoor activities and engagement among residents.

The project is conveniently located within one-half mile of the Amtrak Station, which is a high-quality rail service. Just two blocks or 850 ft from the project sight is the K St/18th St Bus Stop for the M5 Route. The M5 Route has a service frequency of 30 minutes throughout the day from Mondays through Fridays. The Route runs every hour during the weekend. This Route helps expand the connectivity of the project to other essential amenities that are farther than half a mile from the property such as retail centers carrying various service-oriented shops and stores.

The M3 Route, with a 30-minute service frequency during the weekdays, is also just 3 blocks or .3 mi from the project site. This Route connects the property to amenities like the Merced County Library, McNamara Park, and significant health centers like the Country Villa Healthcare Center and Mercy Medical Center. Please see the table below for amenities close to the site. The availability of high-frequency transit will encourage less use of cars helping reduce Green House Gas emissions.

The I Street Project will follow all applicable Fair Housing laws. Linc Housing is partnering with Aperto as the property manager, and the Merced County Community Action Agency (MCCAA) as the service provider. The Property Management and Service team will affirmatively further Fair Housing by conducting outreach and education activities, distributing literature, and publicizing the availability of fair housing services through various media. The service team will also record and investigate inquiries and complaints from residents related to discrimination, and conduct enforcement activities.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

4. REAP 2.0 Objectives

Please respond to the following questions demonstrating how your project fulfills each REAP 2.0 objective.

Objective 1: Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability

All projects must meet the State REAP 2.0 infill definition. The REAP 2.0 infill definition pursuant to State guidelines provides that:

“Infill”, for the purposes of the REAP 2.0 Program, means areas where all the following apply: (1) the area consists of unused or underutilized lands (2) within existing development patterns (3) that is or will be accessible to destinations and daily services by transit, walking, or bicycling and located in either:

- a. An urban center, urban corridor, or area with transit-supportive densities, or*
 - b. An established community that meets all the following criteria:*
 - i. The area consists or previously consisted of qualified urban uses*
 - ii. The area is predominantly surrounded (approximately 75 percent of the perimeter) by parcels that are developed or previously developed with qualified urban uses. In counting this, perimeters bordering navigable bodies of water and improved parks shall not be included, and*
 - iii. No parcel within or adjoining the area is classified as agricultural or natural and working lands.*
1. Explain how the project is located in an eligible infill area as indicated by the definition above. Include the address(es) of the project area(s), satellite map (Google Maps or similar) of the project site(s) including surrounding parcels so MCAG can verify that the project is not adjacent to natural or agricultural lands and is in an appropriate infill site. If a zoning map is available to show the project location and associated land use designation, that will help assist in confirming the project is in an eligible infill area. (500-word maximum)

The I Street Project site consists of vacant lots surrounded by parcels that are developed or previously developed with qualified urban uses. The project is located in the City of Merced in the County of Merced. Below are the addresses associated with the site.

- 1823 “I” Street (APN 031-074-009)
- 1815 “I” Street (APN 031-074-010)
- 205 West 18th Street (APN 031-074-011)
- 211 W. 18th Street (APN 031-074-012)
- 202 W. 19th Street (APN 031-074-008)

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Aerial Map of the Project Site

2. Explain how the project accelerates infill development (see definition above) near jobs and other key destinations to support housing choice and affordability that effectively reduces VMT and greenhouse gas emissions. (150-word maximum)

The project site's adjacent land uses are as follows: 19th Street and multi-family homes to the north, I Street and multifamily apartments to the east, a retail plaza that includes a laundry mat and convenience store to the south, and single-family homes to the west. The project site is also conveniently located near the downtown area which is considered to be a job center. The project is also within one mile of several essential amenities and high-frequency transit. Please see the table below attached amenities map

Amenity	Distance
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Regional Early Action Planning Grants of 2021 (REAP 2.0)
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Health Facility: Surgical Group of Merced Medical offices for: Dr. Adrian Fedele, MD Dr. Hanson Ray W, MD Dr. Gregory P. DiCarlo, MD 411 W 20th St, Merced, CA 95340	0.15 mi
Health Facility: Country Villa Healthcare Center 510 W 26th St, Merced, CA 95340	.56 mi (Route M3 connects the project to this facility)
Health Facility: Mercy Medical Center 2740 M St, Merced, CA 95340	.68 mi (Route M3 connects the project to this facility)
Bus or Train Station: Merced Amtrak Station 324 W 24th St, Merced, CA 95340	0.42 mi
Bus or Train Station: M5 Route K St/18 th St, Merced, CA	.16 mi
Bus or Train Station: M3 Route M St/19 th St, Merced, CA	.30 mi
Pharmacy: Merced Drug Pharmacy 35 E 16th St, Merced, CA 95340	0.27 mi
Grocery Store: Smart & Final Extra! 1425 Martin Luther King Jr Way, Merced, CA 95340	0.33 mi
Library: Merced County Library 2100 O St, Merced, CA 95340	.55 mi (Route M3 connects the project to this facility)
Park: McNamara Park 1040 Canal St, Merced, CA 95341	.59 mi (Route M3 connects the project to this facility)

Objective 2: Affirmatively Furthering Fair Housing (AFFH)

“Affirmatively Furthering Fair Housing”, pursuant to Government Code section 8899.50 means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, Affirmatively Furthering Fair Housing means taking meaningful actions that, taken together, address significant disparities in Housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with Civil Rights and Fair Housing Laws. HCD provides an [AFFH Data Viewer](#) which may assist the applicant in evaluating the project’s AFFH impacts.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
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1. Explain how the project combats discrimination, overcomes patterns of segregation, and fosters equitable and inclusive communities. (150-word maximum)

Linc Housing is committed to fostering an equitable and inclusive community at I Street Merced. The project's staff will receive cultural competency training which focuses on developing sensitivity and understanding of 'culture' as everyone defines it for themselves - rather than making assumptions about an individual based on broad cultural norms or stereotypes - and then teaches staff to mindfully translate that understanding into practice.

Our Service program will include customized service planning as a strategy which will allow both the residents and the staff to have several shared points of reference, including culture when designing services that are flexible and responsive to the individual's needs. All documents will be available in Hmong, English, or Spanish (Merced's 3 threshold languages) and other underserved populations throughout the county. Culturally competent and evidence-based treatment services will also be integrated with supportive service planning, coordination, housing, education, social skills, and employment activities.

2. Explain how the project includes meaningful actions to address disparities in housing needs and in access to opportunity, replace segregated living patterns with balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity. (150-word maximum)

According to a recent analysis of the City of Merced's housing element, a large percentage of the City is burdened with high housing costs in relation to their income. In an effort to increase the community's access to affordable housing, the City released a Request for Proposal (RFP) to develop these underutilized parcels into a 100% affordable housing community with access to meaningful supportive services. The City selected Linc Housing to help transform this underutilized parcels into an area of opportunity.

Linc Housing is committed to addressing disparities in housing needs and in access to opportunity. Future residents at the I Street Project will be selected according to all Federal, State and Local laws prohibiting discrimination in housing. Once housed, our residents will have access to resident services and programs that will provide them with tools to navigate opportunities for education or employment.

3. Explain how the project supports regional and local efforts to work toward ensuring all people have full and equal access to opportunities enabling them to lead healthy lives. (150-word maximum)

Linc Housing is committed to ensuring that residents of I Street will have access to opportunities enabling them to lead healthy lives. The service team will provide well-tailored services for the residents that will equip them to access and navigate employment or educational opportunities. Our onsite services will include but not limited to: transportation, education, employment counseling, wealth management, and health and wellness workshops.

The project's proximity to high-quality public transit is also essential for our residents' anticipated improved health. Access to affordable housing and job opportunities nearby are proven key factors to stability. The project's design program will encourage outdoor activities, sustainable living, and engagement among residents. The project will include courtyards that will be thoughtfully landscaped and will include seating areas, a vegetable garden, trees, and drought-resistant plants. The development will create a thriving and active community for our residents that promotes healthy living and connecting with neighbors.

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1. Application Information

Agency Name	City of Merced
Agency Type	Local Municipality
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Grant Amount (min \$500,000)	\$2,700,000
Project Start Date	02/2024
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Can your project be partially funded? (Yes/No) If yes, explain.	Yes, the project has other funding and will be applying for tax credits.

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If your agency is submitting multiple applications, please prioritize them below.

Number of Applications Submitted: _____ Application Priority (Ex. 1 of 3): _____

If your agency is partnering with additional agencies, jurisdictions, or community-based organizations for this project, please list them here and identify their roles.

Partner Name: Linc Housing Role: Developer
 Partner Name: _____ Role: _____

Regional Early Action Planning Grants of 2021 (REAP 2.0)
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2. Signature

As the official designated by the governing body, I hereby certify that the proposed project is consistent with the MCAG REAP 2.0 Regional Competitive Grant Program Final Guidelines.

I further certify that, if approved by MCAG for award through the REAP 2.0 program, the **City of Merce** assumes the responsibilities specified in this application and certifies that the information, statements, and other content contained in this application are true and correct.

Signature: _____

Name of Authorized Signatory: Scott McBride

Title: City Manager

Date: _____

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4. REAP 2.0 Objectives

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Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION



Aerial Map of the Project Site

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Amenity	Distance
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REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

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1. Explain how the project combats discrimination, overcomes patterns of segregation, and fosters equitable and inclusive communities. (150-word maximum)

Linc Housing is committed to fostering an equitable and inclusive community at I Street Merced. The project's staff will receive cultural competency training which focuses on developing sensitivity and understanding of 'culture' as everyone defines it for themselves - rather than making assumptions about an individual based on broad cultural norms or stereotypes - and then teaches staff to mindfully translate that understanding into practice.

Our Service program will include customized service planning as a strategy which will allow both the residents and the staff to have several shared points of reference, including culture when designing services that are flexible and responsive to the individual's needs. All documents will be available in Hmong, English, or Spanish (Merced's 3 threshold languages) and other underserved populations throughout the county. Culturally competent and evidence-based treatment services will also be integrated with supportive service planning, coordination, housing, education, social skills, and employment activities.

2. Explain how the project includes meaningful actions to address disparities in housing needs and in access to opportunity, replace segregated living patterns with balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity. (150-word maximum)

According to a recent analysis of the City of Merced's housing element, a large percentage of the City is burdened with high housing costs in relation to their income. In an effort to increase the community's access to affordable housing, the City released a Request for Proposal (RFP) to develop these underutilized parcels into a 100% affordable housing community with access to meaningful supportive services. The City selected Linc Housing to help transform this underutilized parcels into an area of opportunity.

Linc Housing is committed to addressing disparities in housing needs and in access to opportunity. Future residents at the I Street Project will be selected according to all Federal, State and Local laws prohibiting discrimination in housing. Once housed, our residents will have access to resident services and programs that will provide them with tools to navigate opportunities for education or employment.

3. Explain how the project supports regional and local efforts to work toward ensuring all people have full and equal access to opportunities enabling them to lead healthy lives. (150-word maximum)

Linc Housing is committed to ensuring that residents of I Street will have access to opportunities enabling them to lead healthy lives. The service team will provide well-tailored services for the residents that will equip them to access and navigate employment or educational opportunities. Our onsite services will include but not limited to: transportation, education, employment counseling, wealth management, and health and wellness workshops.

The project's proximity to high-quality public transit is also essential for our residents' anticipated improved health. Access to affordable housing and job opportunities nearby are proven key factors to stability. The project's design program will encourage outdoor activities, sustainable living, and engagement among residents. The project will include courtyards that will be thoughtfully landscaped and will include seating areas, a vegetable garden, trees, and drought-resistant plants. The development will create a thriving and active community for our residents that promotes healthy living and connecting with neighbors.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION



Objective 3: Reducing Vehicle Miles Traveled (VMT):

1. Explain how the project promotes development and aligns housing production in infill locations consistent with the state's climate targets and goals discussed in the [California Climate Change Scoping Plan](#). (150-word maximum)

Stable housing near high-quality transit is a key element for a sustainable land use and transportation pattern as described in the California Climate Change Scoping Plan. The I Street community will provide 53 affordable units to low-income households near high-quality transit and job centers. Our service team will offer services specific to the needs of our residents to ensure that they are equipped with tools to access employment opportunities. Programs like life skills training and employment counseling can help residents access and maintain their employment. Stable housing and access to job centers along with supportive services will promote improved health outcomes for our residents.

2. Explain how the project shifts travel away from driving by implementing or supporting pedestrian, bicycle, transit, and other alternative transportation programs. (150-word maximum)

The project is less than one-half mile from the downtown neighborhood and job center. The project is also very close to high-quality public transit which further connects the I Street community to several essential amenities. The service team will encourage sustainable living through various programs like green and health and wellness education. The project will also offer bike parking spaces.

3. Explain how the project is consistent with the MCAG's 2022 RTP/SCS strategies through:
 - Land use planning, policies, and investment strategies by infill development that facilitates housing supply, choice, and affordability and is serviced by existing and planned expansions of a multimodal transportation system; and/or

The MCAG 2022 RTP/SCS strategies focus on high-density residential developments with a baseline of 7.3 units per acre. The I Street Merced project will contain 54 units on a .52-acre vacant and underutilized lot, producing a high density of 28 units per acre. Linc Housing utilized the state density bonus ordinance to maximize the number of units to be built onsite.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

The project is also ideally located near the downtown neighborhood and high-quality transit. The project's immediate neighborhood is an established neighborhood with access to various essential amenities like grocery stores, medical facilities, and job hubs. The project is not on or near any farmlands and helps fulfill MCAG's goal to minimize any conversion of farmland, focusing on "upward development" instead of "outward development."

- Transportation planning, policies, and investment strategies by increasing travel options to homes, jobs, services, and other key destinations that provide, support, or enhance multimodal communities and reduce the number or length of vehicle trips?

The site location is within walking distance of job centers and high-quality transit. The I Street project will bring 54 residential units close to essential amenities encouraging a shift away from driving which helps reduce GHG. The project's immediate neighborhood, the downtown area, is pedestrian friendly equipped with sidewalks and crosswalks.

The project is conveniently located within one-half mile of the Amtrak Station, which is a high-quality rail service. Just two blocks or 850 ft from the project sight is the K St/18th St Bus Stop for the M5 Route. The M5 Route has a service frequency of 30 minutes throughout the day from Mondays through Fridays. The Route runs every hour during the weekend. This Route helps expand the connectivity of the project to other essential amenities that are farther than half a mile from the property such as retail centers carrying various service-oriented shops and stores.

The M3 Route, with a 30-minute service frequency during the weekdays, is also just 3 blocks or .3 mi from the project site. This Route connects the property to amenities like the Merced County Library, McNamara Park, and significant health centers like the Country Villa Healthcare Center and Mercy Medical Center. Please see the table below for amenities close to the site. The availability of high-frequency transit will encourage less use of cars helping reduce Green House Gas emissions.

Additionally, the project is offering resident services onsite which minimizes our residents need to travel to offsite facilities using cars.

5. Primary Factors

Please respond to the following questions demonstrating how your project fulfills each REAP 2.0 primary factor (150-word limit per question):

Factor 1: Supporting Compliance with your Jurisdiction's Housing Element for the 6th Cycle Regional Housing Needs Assessment

1. This project supports the housing needs assessed for the City of Merced towards the 6th Cycle RHNA by providing more low income housing. Merced has been meeting it's past RHNA but not specific to the low income portion. This development will add the needed low income units to get Merced closer to its RHNA as a whole and specific to the income qualifiers.

Factor 2: Transformative Planning and Implementation Activities

"Transformative planning and implementation activities" means housing, planning, infrastructure investments supporting infill housing, and other actions that enable meeting housing goals that also result in per capita vehicle miles traveled reductions, including accelerating infill development, supporting residents through realizing Multimodal Communities, shifting travel behavior through reducing driving, and increasing transit ridership.

1. Explain how the project meets the definition of Transformative Planning and constitutes a high-impact and innovative project.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

The I Street Community will be the first high density multifamily affordable housing development in the downtown neighborhood, bringing 54 affordable units. The project's location is within walking distance of a job center, high quality transit, and essential amenities. Maximizing its proximity to transit, the project is designed to encourage outdoor activities. We provided a large bike storage to encourage biking and beautifully landscaped courtyard for residents to gather outside. This development will promote shifting travel behavior through reducing driving, and increasing transit ridership.

Factor 3: Public Outreach

1. Explain how the proposed project arose from or went through a public process to solicit community input.

In an effort to increase the community's access to affordable housing, the City of Merced released a public Request for Proposal (RFP) to develop these underutilized parcels into a 100% affordable housing community with access to meaningful supportive services. The City selected Linc Housing to help transform this underutilized parcels and was approved by the City Council.

Linc Housing worked closely with the City of Merced planning department very early in the design process and developed a design program that embodies the character of the neighborhood. The project's design was submitted for entitlement review in May 2023 and was well received and approved by the planning commission in June 2023. The project's entitlement package is scheduled for final City Council approval in January 2024. A Public Hearing notice is being published in the Merced County Times on 12/21/2023 and 12/28/2023.

Factor 4: Benefit to Disadvantaged Populations

"Disadvantaged and Historically Underserved Communities" includes concentrated areas of poverty; Areas of High Segregation and Poverty and areas of low to moderate access to opportunity ([TCAC/HCD Opportunity Area Maps](#)); Communities of Concern, Disadvantaged Communities (SB 535 [Disadvantaged Communities Map](#)), and Low-Income Communities pursuant to Senate Bill 535 (De León, Chapter 830, Statutes of 2012) and Assembly Bill 1550 (Gomez, Chapter 369, Statutes of 2016); areas of high Housing cost burdens; areas with high vulnerability of displacement; areas related to Tribal Entities; and other areas experiencing disproportionate impacts of California's Housing and climate crisis.

1. Explain how the project targets funding to benefit disadvantaged and historically underserved communities.

The I Street Project site is a .52-acre land that spans one block from 18th and I Street to 19th and I Street near Merced's downtown neighborhood. The project site's census tract is 0013.02 and is located in SB 535 Disadvantaged Communities area. The project will provide new affordable housing units near transit and is designed to avoid the displacement of residents from surrounding communities.

Factor 5: Significant Beneficial Impacts

Significant beneficial impacts must lead to substantial changes in land use patterns and travel behaviors. In demonstrating significant beneficial impacts, applicants may consider rates of change (e.g., percent increase over a baseline), the magnitude of impact relative to variables or targets, the proportion of need achieved, and the impact relative to past trends, policies, and practices. Variables or targets may include but are not limited to benefitting households by income group; Regional Housing Needs Assessment; Housing units (new construction, preservation/conservation, and rehabilitation); density; infrastructure; infrastructure capacity and accessibility; public

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

space; community amenities; investments; Vehicle Miles Traveled reduction goals or targets; regional or local equity policies and programs included in an adopted RTP/SCS; and GHG reduction goals or targets.

1. Explain how the project leads to substantial changes in land use patterns and travel behaviors, demonstrated by:
 - A rate of change compared to the baseline; or
 - The magnitude of impact relative to variables or targets; or
 - The proportion of need achieved; or
 - The impact relative to past trends, policies, and practices; or
 - A significant regionwide benefit which is not small in scope. Project contributes to spreading REAP 2.0 projects throughout the region to ensure a regionwide benefit.

The I Street Project utilized the State Density Bonus ordinance to maximize the amount of units to be built on site. The Density Bonus permits the project to build up to 80% of the allowable units. The project will be constructing 54 units in a .52-acre land or 28 units per acre. The I Street project is one of a couple of affordable housing projects utilizing the State Density Bonus in the area.

Factor 6: California Planning Priorities

California Planning Priorities are defined per [Government Code 65041.1](#).

1. Explain how the project supports promotion of infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserve cultural and historic resources.

The City of Merced is partnering with Linc Housing to develop these underutilized lots already served transit, streets, water, sewer, and other essential services. The project's immediate neighborhood is designated as a SB 535 Disadvantaged community with a poverty rate of 31.1% in 2021. Residents of this community are heavily burdened by the high cost of housing. This affordable housing community will bring 54 units available to low-income households who are already working nearby. This development is a catalytic project that will bring new opportunities and stability for the residents.

2. Explain how the project supports protection of environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

The I Street project is located in a neighborhood with an established path of growth through its city planning guidelines. The project will not impact any farmlands, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands.

3. Explain how the project encourages efficient development patterns by ensuring that any infrastructure associated with development does all of the following:
 - a. Uses land efficiently; and
 - b. Is built adjacent to existing developed areas; and
 - c. Explain how the project is located in an area appropriately planned for growth; and
 - d. Explain how the project location is served by adequate transportation and other essential utilities and services; and

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

- e. Explain how the project minimizes ongoing costs to taxpayers.

The I Street Project uses underutilized vacant lots in an area appropriately planned for growth with access to essential amenities and public transit by constructing a high-density affordable housing development. The project spans one block from 18th and I Street to 19th and I Street near Merced's downtown neighborhood.

The project is conveniently located within one-half mile of the Amtrak Station, which is a high-quality rail service. Just two blocks or 850 ft from the project site is the K St/18th St Bus Stop for the M5 Route. The M5 Route has a service frequency of 30 minutes throughout the day from Mondays through Fridays. The Route runs every hour during the weekend. This Route helps expand the connectivity of the project to other essential amenities that are farther than half a mile from the property such as retail centers carrying various service-oriented shops and stores.

The M3 Route, with a 30-minute service frequency during the weekdays, is also just 3 blocks or .3 mi from the project site. This Route connects the property to amenities like the Merced County Library, McNamara Park, and significant health centers like the Country Villa Healthcare Center and Mercy Medical Center. Please see the table below for amenities close to the site. The availability of high-frequency transit will encourage less use of cars helping reduce Green House Gas emissions.

The I Street Project will help fulfill the city's goal of increasing the inventory of affordable housing in the community. The I Street Project will help low-income families access stable homes at a time when housing is extremely expensive. The project will help prevent homelessness leading to decreased costs for shelters, healthcare, and law enforcement related to homelessness. Additionally, stable, secure housing can improve workforce productivity and reduce absenteeism, benefiting the economy and tax revenue.

6. Secondary Factors

Secondary factors are considered in the scoring process. These are not tied directly to the REAP 2.0 program but demonstrate the thoroughness of the application and the effectiveness of the project. (150-word limit per question)

Factor 1: Project Scope of Work and Budget

A scope of work, schedule and budget must be included as part of the grant application.

Factor 2: Project Risk Assessment:

Risks alone should not result in a deficiency, but should be considered if they are unmitigated, not fully understood, or unmanageable. Capacity and project experience of the applicant(s) will be considered as part of the project risk assessment.

1. How has the applicant considered risk in delivering the project within the required timeframe?

Linc Housing is the developer for the I Street Project. Linc has extensive experience in developing projects within the expected timeframe and budget.

Linc Housing is a 501(c)(3) nonprofit public benefit corporation and will be the developer of the I Street Project.

Founded in 1984, Linc develops, operates, and provides services to affordable housing communities for families, seniors, and the special needs population throughout California. With nearly 9,000 homes developed and over 6,300 units under its management, Linc is one of the largest and most successful nonprofit affordable housing developers/operators in California. Of its overall portfolio, Linc has successfully developed 15 permanent supportive housing properties comprised of 676 special needs units. During its 39 years in business, Linc has assisted more than 80 cities and communities with their affordable housing needs. Within the last five years, Linc has developed more than 1,000 affordable housing units

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

with projects ranging from 14 to 340 new affordable homes. Linc currently has more than 800 additional units under construction and another 1,000 units in predevelopment. We highlighted our signature properties as part of this section and a map of Linc's previous development projects can be found here: <https://www.linchousing.org/find-a-rental/>. Please also see Appendix D for a list of Linc's portfolio.

Linc is among the most financially capable affordable housing developers in California with the ability to carry projects financially through predevelopment. Linc has robust balance sheets and a proven track record of successfully raising capital to fund our projects.

Linc Housing and its staff have extensive experience utilizing a wide range of funding sources for the development of affordable housing including:

- Tax-Exempt Bonds and Traditional Permanent Debt
- 9% and 4% Low-Income Housing Tax Credits
- California State Low-Income Housing Tax Credits
- Multifamily Housing Program (MHP)
- Federal HOME and Section 202 Funds
- Neighborhood Stabilization Program (NSP)
- Affordable Housing and Sustainable Communities (AHSC)
- Infill Infrastructure Grant (IIG)
- Veterans Housing and Homelessness Prevention (VHHP)
- The Federal Home Loan Bank's Affordable Housing Program (AHP)

In the last five years, Linc has been awarded more than \$250 million in public funds and resources, more than \$200 million in tax-exempt bond debt, and more than \$250 million in 4%, 9%, and State Low-Income Housing Tax Credit equity.

The I Street project is scheduled for construction completion in 6/10/2027. The project is allocating all REAP Grant funds to cover soft cost expenses such as architecture, engineering, environmental reports, and permit fees which is anticipated to be completed at 11/2025.

Regional Early Action Planning Grants of 2021 (REAP 2.0)
REGIONAL COMPETITIVE GRANT PROGRAM APPLICATION

7. Project Schedule and Budget

All tasks, budget amounts, dates and deliverables should be included under one line item. Indicate what tasks will be completed by the consultant and include dates for draft and final deliverables, if applicable. Budget must account for the full amount which the jurisdiction is applying for. Include project location(s). All tasks and spending must be completed by March 31, 2026.

Tasks	Budget	Start Date	End Date	Description and Deliverables
Soft Cost	\$2,700,000	2/2024	3/2026	Architecture – includes project design Engineering – includes, Civil, MEP, Structural, Dry Utilities, CASp, waterproofing, EBM, Survey Environmental – includes Phase I ESA, Geotechnical Study Third Party Reports – includes appraisal, market study City Impact, Planning, and Permit Fees
Total:				

Attachment 1: Government Agency Taxpayer ID Form

Financial Information System for California (FI\$Cal)

GOVERNMENT AGENCY TAXPAYER ID FORM

2000 Evergreen Street, Suite 215

Sacramento, CA 95815

www.fiscal.ca.gov

1-855-347-2250



The principal purpose of the information provided is to establish the unique identification of the government entity.

Instructions: You may submit one form for the principal government agency and all subsidiaries sharing the same TIN. Subsidiaries with a different TIN must submit a separate form. Fields bordered in red are required. Hover over fields to view help information. Please print the form to sign prior to submittal. You may email the form to: vendors@fiscal.ca.gov, or fax it to (916) 576-5200, or mail it to the address above.

Principal
Government
Agency Name

City of Merced

Remit-To
Address (Street
or PO Box)

678 W 18th Street

City

Merced

State

CA

Zip Code+4

95340

Government Type:



City



County



Special District



Federal



Other (Specify)

Federal
Employer
Identification
Number
(FEIN)

94-6000371

List other subsidiary Departments, Divisions or Units under your principal agency's jurisdiction who share the same FEIN and receives payment from the State of California.

Dept/Division/Unit
Name

Complete
Address

Dept/Division/Unit
Name

Complete
Address

Dept/Division/Unit
Name

Complete
Address

Dept/Division/Unit
Name

Complete
Address

Contact Person

Scott McBride

Title

City Manager

Phone number

209-385-8670

Email Address

mcbrides@cityofmerced.org

Signature

Scott McBride

Date

12/21/23