



**DRAFT Five Year Consolidated Plan 2020-2024
and
DRAFT First Year Annual Action Plan
2020-2021**

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Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Consolidated Plan (the “ConPlan”) is a document submitted to the U.S. Department of Housing and Urban Development (HUD) that serves as a comprehensive housing affordability strategy, community development plan and submission for funding under any of HUD’s entitlement formula grant programs. The ConPlan for Housing and Community Development was established through legislation passed by the U.S. Congress in 1990. Under the Cranston-Gonzalez National Affordable Housing Act, jurisdictions that receive federal entitlement funds for housing and community development activities are required to prepare a comprehensive three- to five-year plan for using those funds.

The entitlement formula utilizes population information, poverty and overcrowded housing data to establish funding allocations. The City of Merced (the “City”) qualifies as a Community Development Block Grant (CDBG) entitlement City based on the grant formula. The City, the County of Merced Housing Authority and other regional agencies coordinate their efforts to provide a balanced approach to community needs using their available resources. A five-year strategic plan has been developed by the City of Merced that identifies and prioritizes the future use of the City’s HOME and CDBG funds. The 2020-2024 ConPlan covers the timeframe from July 1, 2020 to June 30, 2025.

Methods of Evaluation

In preparing the ConPlan, the City utilized several methods to analyze the housing and community development needs of Merced. Methods included hosting focus groups, surveying community residents and stakeholders, surveying multi-family unit property owners, analyzing U.S. Census data and utilizing information in several City and county planning documents. The City hosted community meetings and hearings and met with organizations as an effort to outreach to and encourage the participation of all residents, particularly low- and moderate-income residents, elderly persons and persons with disabilities. The purpose of the meetings was to inform the community about the ConPlan process and to identify opportunities to improve collaborative efforts and eliminate service delivery gaps in order to develop and sustain decent and affordable housing, suitable living environments and expanded community and economic opportunities.

Consolidated Plan Format

In 2012, HUD released its new eCon Planning Suite with interactive tools and resources for grantees to use in the preparation of the Consolidated Plan and Action Plan in the Integrated Disbursement and Information System (IDIS). This new tool provides data from HUD-selected sources, primarily 2010 Census data and the 2014-2018 American Community Survey (ACS) data set. Despite the primary

reliance on HUD-selected data sources, grantees are permitted opportunities to customize their ConPlan.

COVID-19:

While completing the draft of this Consolidated Plan, a new coronavirus known as SARS-CoV-2 was first detected in Wuhan, Hubei Province, People's Republic of China, causing outbreaks of the coronavirus disease COVID- 2 19 that has now spread globally (COVID-19). The first case was reported in the United States in January 2020. In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic and President Trump declared the outbreak a national emergency. During this time, the State of California has declared a state of emergency, shutting down large gathering places and limiting the movement of residents.

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the crisis. It was signed into law by President Trump on March 27th, 2020. The CARES Act is an over \$2 trillion economic relief package that provides direct economic assistance for American workers, families, and small businesses, and preserves jobs for industries. As part of the CARES Act, additional assistance is provided for HUD grantees, and the City is receiving a special CARES Act allocation of CDBG funds (CDBG-CV funds). The City has amended its 2019 Annual Action Plan to include the CARES Act allocation and implement programs specific to the needs resulting from the outbreak. As a result of the crisis, the current specific data and immediate needs of residents may differ from those presented in this plan as the information here was collected prior to the outbreak. However, the information presented here shows trends that have been consistent over recent years in the City and will likely only prove to be amplified by the effects of COVID-19.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The ConPlan is divided into five major parts: 1) the general characteristics of the community and the needs and strategies to address those needs, 2) the housing needs and the current housing market, 3) the needs of the homeless, 4) the goals and prioritization of community and economic development and 5) the strategies that will be used to address non-homeless special needs populations. Based on those categories, the Needs Assessment identified several target populations:

- Extremely low income and low income households;
- Homeless persons;
- Seniors and frail elderly;
- Youth; and
- Persons with disabilities.

Several types of projects were also identified as essential to the community:

- Public Infrastructure and Capital Improvements (particularly those related to future projects that could be undertaken within the south Merced area;
- Programs and planning that encourages economic development;
- Increased public services to area nonprofit agencies, particularly those programs that provide services for the homeless, youth and seniors;
- Permanent supportive housing for the chronically homeless; and
- Programs that promote and/or create fair and affordable housing, especially targeting extremely low- and low-income households

The City's priority need objectives and outcomes are based on the availability of CDBG and HOME funding allocation. An estimated \$1,124,056 for CDBG funding and \$542,776 for HOME funding per year over the 5-year ConPlan period. The figures proposed for each project are estimates based on the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

3. Evaluation of past performance

Each year, the U.S. Department of Housing and Urban Development (HUD) assesses the City of Merced's management of CDBG program funds, the City's compliance with the ConPlan and the extent to which the City is preserving and developing decent affordable housing, creating a suitable living environment and expanding economic opportunities. Overall, the City has performed satisfactorily in addressing its priority needs and carrying out the programs described in the ConPlan. The City evaluated its performance during the last ConPlan period (2015-2019) in order to set goals and strategies for this ConPlan.

4. Summary of citizen participation process and consultation process

City staff developed a detailed citizen participation plan adopted in 2017 that was updated in 2020 in response to the receipt of funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act updates to the citizen participation plan were published for public review, and comments were accepted between May 4 – May 8, 2020. Nonprofits and community residents were provided adequate opportunity to review and comment on the original Citizen Participation Plan and on substantial amendments to the plan, in compliance with HUD requirements.

Citizens were engaged through community meetings, surveys, public hearings, and individual meetings. Citizens who participated in the process received extensive information about the ConPlan, the citizen participation process, the HUD requirements for an entitlement City, the amount of funding that the

City anticipates receiving and how those funds can be used by the City. Residents were given the opportunity to provide City staff with their input on the prioritization of community needs.

Citizens were encouraged to participate in 4 community meetings as well as 2 Public Hearings. The community meetings were held on December 9 and 10, 2019, at the Merced Civic Center/City Hall, 678 W. 18th Street, Merced, and included one meeting held during evening hours.

A public hearing was held in the evening on July 6, 2020, to introduce the ConPlan and First-Year Action Plan. At this meeting, members of the public as well as City Council were asked to identify community needs and priorities before the final drafting of the ConPlan. A second public meeting was held the evening of August 3, 2020. At this hearing, members of the public were asked to provide comments on the draft ConPlan, and the City Council was asked to approve the required Entitlement Community documents before submission to HUD. At both public hearings, Spanish and Hmong interpretation services and listening devices were provided and available for use by members of the public, including interpretation services for those wishing to provide oral comments at the live meetings.

The City also consulted with public and private departments and agencies, and social service and non-profit organizations to understand the community's needs and available resources. Department staff provided input on how CDBG resources could be used and leveraged to provide services.

Upon completion of the draft ConPlan, it was available for public review and comment for 30 days, from [ENTER DATE] to [ENTER DATE] at [ENTER LOCATION], as well as on the City's website.

5. Summary of public comments

City staff developed a detailed citizen participation plan adopted in 2017 that was updated in 2020 in response to the receipt of funds under the CARES Act. It is attached to this Consolidated Plan. As required by HUD, nonprofits and community residents were provided adequate opportunity to review and comment on the original Citizen Participation Plan and on the amendment. Citizens were engaged through community meetings, surveys, public hearings, and individual meetings. Citizens who participated in the process received extensive information about the ConPlan, the citizen participation process, the HUD requirements for an entitlement City, the amount of funding that the City anticipates receiving and how those funds can be used by the City. Residents were given the opportunity to provide City staff with their input on the prioritization of community needs.

The City held 4 community meetings and 2 public hearings. Each community meeting focused on a different topic – resident concerns, housing, economic development, and social services- but attendees were welcome to raise any issues affecting the Plan at all meetings. During these public meetings, residents and council members were asked to identify community needs and priorities before the drafting of the ConPlan. The following were some of the public comments during these meetings, focus groups and hearings:

- More programs and services are needed to respond to high levels of poverty especially in south Merced
- Utility costs are a growing burden for lower income households
- Limited job opportunities, especially for young people, is a concern
- Homelessness is a growing concern. Veterans, youth, and the chronic homeless were specific sub-populations discussed
- More affordable housing and better public transportation for seniors is needed

During the preparation of the Consolidated Plan, a Housing and Community Development Survey (in both English and Spanish) was administered. An electronic version of the survey was placed on the City's Website and flyers advertising the survey were distributed at townhall meetings. A total of 204 respondents participated in the English survey. No responses were received to the Spanish survey, however, 27% of survey respondents identify as Hispanic.

The final public hearing was held [ENTER DATE]. At this hearing, members of the public were asked to provide comments on the draft ConPlan and the City Council was asked to approve the document before submission to HUD.

The City also consulted with public and private departments and agencies, and social service and non-profit organizations to understand the community's needs and available resources. Department staff provided input on how CDBG resources could be used and leveraged to provide services. The City of Merced specifically contacted agencies representing persons with HIV/AIDS, homeless persons, low-income youth, and persons with disabilities, elderly persons, and persons with alcohol and/or substance abuse problems. Additionally, cities and governments within the region were contacted and consulted as well.

6. Summary of comments or views not accepted and the reasons for not accepting them

TBD

7. Summary

Based on the public participation process and review of regional data and reports (i.e. Housing Element and Continuum of Care Homeless Survey), Merced has the following housing and community priorities to address over the next five years:

- Affordable Rental Housing

- Provide support services for the City's residents with an emphasis on at risk youth, the homeless, and services to seniors
- Fair Housing
- Job Creation
- Neighborhood Revitalization with an emphasis on south Merced
- To preserve, rehabilitate and enhance existing public facilities and infrastructure

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Name | Department/Agency |
|--------------------|--------|-------------------|
| | | |
| CDBG Administrator | MERCED | Housing Division |
| HOME Administrator | MERCED | Housing Division |

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)

1. Introduction

Under Merced's Council-Manager form of government, the City Council appoints and provides policy direction to the City Manager, who is responsible for administering the City's daily operations. As the elected legislative body of the City of Merced, the City Council has overall responsibility for the scope, direction, and financing of City services. In setting policy, the City Council works closely with citizen advisory commissions and committees, considers staff information and recommendations, and receives comments from the general public during open forums, such as town hall meetings.

In the preparation of the ConPlan, the City has consulted with public and private departments and agencies and social service and non-profit organizations to understand the community's needs and available resources. The City met with several department representatives to provide information about the ConPlan and its processes. Department staff provided input on how CDBG resources could be used and leveraged to provide services.

The City of Merced specifically contacted agencies representing persons with HIV/AIDS, homeless persons, low-income youth, and persons with disabilities, elderly persons, and persons with alcohol and/or substance abuse problems. Additionally, cities and governments within the region were contacted and consulted as well.

During the consultation process, the City provided detailed information about the ConPlan and the CDBG process, the City's distribution of funds and current projects using the CDBG funds. Focus group participants highlighted the priority needs in general terms and specific to their target population.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

The principal provider of community development and economic development programs, housing projects, and financial support will be the City of Merced. The Merced Housing Authority administers the Section 8 Voucher program and manages public housing located in the City. According to The Merced Housing Authority, funding to modernize the public housing units to ensure long-term physical and social viability of the developments is done through the HUD yearly funded Capital Fund Program. Capital Program activities to be undertaken by the Housing Authority are identified in the Public Housing Agency (PHA) 5 Year and One-Year Action Plans. The residents are invited each year to contribute to the drafting the Housing Authority's Plan and planned use of Capital Fund monies. A resident advisory board is formed and meets monthly to review the PHA's strategy and policies for both public housing and tenant-based housing. The City works closely with the Merced Housing Authority to qualify Merced

residents for Section 8 Housing Choice Vouchers. The City provides information on the availability of Section 8 programs to qualified residents.

Other key health, mental health and service agencies that the City works closely with are, Continuum of Care; Merced County Community Action Agency; Merced County Department of Mental Health; and Merced County Rescue Mission. Each is consulted during the City's ConPlan and Annual Action plan process.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The City is an active member of the Merced City and County Continuum of Care and has recently helped develop the Merced City and County Continuum of Care Regional Plan to Prevent and End Homelessness. This Regional Plan will be used as a template to develop the new Continuum of Care 10 year plan which will provide a series of recommendations and plans to address the needs of homeless persons including chronically homeless individuals and families, families with children, veterans, unaccompanied youth, and persons at risk of homelessness. Recommendations include:

- Continuing to follow a Housing First approach that focuses on providing housing as quickly as possible and then providing services as needed. Once a household obtains housing, a variety of services are offered following housing placement in order to help households maintain their housing. Such services are time-limited or long-term depending upon the household's need. Housing is not contingent on compliance with services. However, participants must comply with a standard lease agreement. Assistance also includes locating rental housing, relationship development with private market landlords, and lease negotiation and home-based case management which can also be time-limited or long-term depending upon the willingness and needs of the household;
- Continuing to support and identify funding sources for rapid re-housing which involves a variety of assistance that includes: short-term or medium-term rental assistance and housing relocation and stabilization services which may include mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management. Case management includes 1) on-site and off-site supportive services such as employment counseling, health care, mental health care, and access to various mainstream resources; 2) activities that help with circumstances that may impede access to housing such as poor credit history, legal issues, and inability to negotiate manageable and appropriate lease agreements with landlords; and 3) availability to resolve housing-related crises should they occur through home visits and communication with landlord;
- Continuing to utilize a Coordinated Entry System (CES) which will cover the entire CoC and will use the Vulnerability Index/Service Prioritization Decision Assistance Tool (VI-SPDAT) to determine the most appropriate intervention for persons experiencing homelessness: affordable housing, rapid re-housing, or permanent supportive housing. The tool will be

imbedded into HMIS and will help triage clients and ensure connection to the best intervention. Access to a CES assessment will occur through street outreach and engagement as well as shelters;

- Continuing to utilize Homeless Management Information System (HMIS) for all statistical data, on-going case management records, financial assistance provided and final outcomes of assistance or housing placement.
- Continuing support of a community outreach and education campaign that will raise awareness about households at-risk of becoming homeless and provides information about resources available through homeless prevention programs.
- Continuing to develop and define partnerships between local government and nonprofit and for-profit affordable housing developers to develop additional units of permanent affordable housing for extremely low-, very low-, and low-income homeless families and individuals;
- Develop additional units of permanent affordable housing for extremely low and very low-income families and individuals during the next five (5) years of implementation of plan;
- Develop units of permanent affordable housing for homeless veterans during the next five (5) years of implementation of plan.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City does not receive ESG funding. However, eligible public and private agencies are able to apply for Federal Emergency Solution Grant (ESG) through the California Department of Housing and Community Development (HCD). The City works closely with the Merced City and County Continuum of Care to establish funding policies and procedures as required by HCD. The City has a representative on the CoC Board of Directors which is the CoC entity that ensures HCD requirements which includes 1) determining how ESG funds will be allocated in that region; 2) identifying the performance standards for evaluating the outcomes of projects and activities; and 3) identify the funding, policies and procedures for the administration and operation of the HMIS, if appropriate.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

In order to obtain a comprehensive assessment of the needs and priorities within the community, the Consolidated Plan process included consultation with Merced citizens, service providers and City staff. A focus group was conducted with individuals from nine organizations, which represent and serve special populations, as well as economic development organizations. Key person interviews were conducted to supplement the focus group with an additional four organizations represented during the interview process. The participants in the public process served a broad range of populations, including:

- Organizations providing services to the chronically homeless, transitionally homeless and persons at risk of homelessness;

- Organizations serving Merced seniors;
- Organizations representing the business community;
- Housing developers;
- Organizations serving at-risk youth;
- Organizations working to ensure fair housing guidelines are followed;
- Organizations serving victims of domestic violence; and
- Merced City staff.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

| | | |
|---|--|--|
| 1 | Agency/Group/Organization | Merced County |
| | Agency/Group/Organization Type | Other government – County |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Lead-based Paint Strategy Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Invited to participate in survey, public input meetings and to provide comments on the draft plan; attended community focus groups. |
| 2 | Agency/Group/Organization | Merced City and County COC |
| | Agency/Group/Organization Type | Other Government |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Housing Needs Assessment Market Analysis Anti-Poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Invited to participate in survey, public input meetings and to provide comments on the draft plan. |
| 3 | Agency/Group/Organization | Housing Authority of the County of Merced |
| | Agency/Group/Organization Type | Other Government |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Housing Needs Assessment Market Analysis Anti-Poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Invited to participate in survey, public input meetings and to provide comments on the draft plan. |
| 4 | Agency/Group/Organization | Sierra Saving Grace Homeless Project |
| | Agency/Group/Organization Type | Services - Housing Services-homeless |

| | | |
|---|--|---|
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Housing Needs Assessment Anti-Poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Services - Housing Services-homeless |
| 5 | Agency/Group/Organization | Merced Rescue Mission |
| | Agency/Group/Organization Type | Services - Housing Services-homeless |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Housing Needs Assessment Anti-Poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in a targeted interview on needs covered in the sections of the Plan discussed above. |
| 6 | Agency/Group/Organization | Greater Merced Chamber of Commerce |
| | Agency/Group/Organization Type | Other Government |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Market Analysis Economic Development Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in a targeted interview on needs covered in the sections of the Plan discussed above. |
| 7 | Agency/Group/Organization | Healthy House Within a Match |
| | Agency/Group/Organization Type | Services - Education |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Economic Development Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in community focus groups and stakeholder interviews. |
| 8 | Agency/Group/Organization | Alpha Pregnancy Help Center |
| | Agency/Group/Organization Type | Services - Children |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Market Analysis Economic Development Anti-poverty Strategy |

| | | |
|-----------|--|--|
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in community focus groups. |
| 9 | Agency/Group/Organization | Alliance for Community Transformation |
| | Agency/Group/Organization Type | Services - Housing Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services – Victims |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Housing Need Assessment Public Housing Needs Economic Development Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in community focus groups. |
| 10 | Agency/Group/Organization | Project Sentinel |
| | Agency/Group/Organization Type | Services-Housing Services- Fair Housing |
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Families with children Housing Need Assessment Public Housing Needs Market Analysis Economic Development Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization attended community focus groups. |
| 11 | Agency/Group/Organization | Central Valley Coalition for Affordable Housing |
| | Agency/Group/Organization Type | Service- Housing |

| | | |
|--|--|--|
| | What section of the Plan was addressed by Consultation? | Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Housing Need Assessment Public Housing Needs Market Analysis Economic Development Anti-poverty Strategy |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | This organization participated in community focus groups. |

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

N/A

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|---------------------|--------------------------|---|
| Continuum of Care | Merced County | The County of Merced is a Continuum of Care applicant and conducts homeless counts, surveys of the homeless population, and strategic planning to end homelessness. Consistent with the goals of the CoC, the City of Merced's Strategic Plan will provide support to nonprofits that meet the social services needs of the City's residents with an emphasis on the homeless. |
| Housing Element | City of Merced | Based on the Regional Housing Needs Allocation (RHNA) set forth by the State of California, The Housing Element is the City's chief policy document for the development of affordable and market rate housing. Consistent with this policy document, the City will maintain and enhance the quality of existing residential neighborhoods through the BNP; and, promote and encourage fair housing opportunities for all economic segments of the community, regardless of age, sex, ethnic background, physical condition, or family size. |

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

The City participates in regional planning efforts with Merced County in the implementation of the Consolidated Plan as detailed above. We also work with the State of California Department of Fair Employment and Housing to track reported fair housing data. The City also works with the Merced County Association of Governments for regional housing of assisting low to moderate income residents and housing matters of significance to all communities.

Narrative (optional):

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of Merced published all public hearings and ConPlan summaries in The Merced County Times and the Merced Sun-Star newspapers, as well as the City's website, for public review and comment. The summary described the contents and purpose of the ConPlan and listed the locations where copies of the entire plan could be examined. Upon completion of the draft ConPlan, it was available for public review and comment for 30 days. Copies of the ConPlan were available to the public at the City Hall.

As noted earlier, two public hearings were held with the City Council. Citizens who participated in the process received extensive information about the ConPlan, the citizen participation process, the HUD requirements for an entitlement City, the amount of funding that the City anticipates receiving and how those funds can be used by the City. Residents were given the opportunity to provide City staff with their input on the prioritization of community needs.

The 30-day review period ended on [ENTER DATE]. During the 30-day public review period the City did not receive comments.

Community Surveys were also administered at various public locations, including on-line on the City's website and at townhall meetings. Survey participants were asked about the levels of priority for separate items that were categorized under the following community needs: Housing; Infrastructure; Neighborhood Services; Community Services; Business and Jobs; Community Facilities; and, Special Needs Services. The City received 204 survey response, which assisted the City in its goal setting. As stated previously, the following summarizes the results of the survey based on the first two highest priorities per categories:

Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|--|---|--|--|---------------------|
| 1 | Public Meeting | Non-English Speaking - Specify other language: Spanish Non-targeted/broad community | The City actively encouraged low- and moderate-income residents, persons of color, persons with disabilities and non-English-speaking residents to attend community meetings and hearings. In accordance with the Citizen Participation Plan, the City provided access and assistance to all residents. This includes: interpreters for non-English-speaking citizens; information provided through workshops, churches, the school district, and local community centers; and utilize sites for the public meetings that are accessible for persons with disabilities. All public hearings and meetings were held at convenient and accessible locations that accommodate persons with disabilities. | More programs and services are needed to respond to high levels of poverty especially in south Merced. There is a growing concern for youth leaving high school with limited job opportunities. Veterans, youth, people with substance abuse issues, and the chronic homeless were specific sub-populations discussed. More affordable housing and better public transportation for seniors is needed. | N/A | |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|--|---|------------------------------|--|---------------------|
| 2 | Public Hearing | Non-English Speaking - Specify other language: Spanish Non-targeted/broad community | The City actively encouraged low- and moderate-income residents, persons of color, persons with disabilities and non-English-speaking residents to attend community meetings and hearings. In accordance with the Citizen Participation Plan, the City provided access and assistance to all residents. This includes: interpreters for non-English-speaking citizens; information provided through workshops, churches, the school district, and local community centers; and utilize sites for the public meetings that are accessible for persons with disabilities. All public hearings and meetings were held at convenient and accessible locations that accommodate persons with disabilities. | [ENTER AFTER PUBLIC HEARING] | | |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|-----------------------|--|--|--|--|---------------------|
| 3 | Public Comment Period | Non-targeted/broad community | The draft Five-Year 2020-2024 Consolidated Plan and First-Year 2020 Annual Action Plan were published for comment to solicit feedback from community residents. The comment period was open from June 10, 2020 through July 10, 2020. | [ENTER AFTER COMMENT PERIOD CONCLUDES] | | |
| 4 | Community Survey | Non-English Speaking - Specify other language: Spanish Non-targeted/broad community | The City published a survey to collect feedback from the public on community needs and fair housing issues. The survey was open online in English and Spanish from February 7, 2020 through March 13, 2020. The English survey received 204 responses. No responses were received for the Spanish survey, however, 27% of survey respondents identify as Hispanic. | Feedback revealed significant concerns with a lack of affordable housing, increasing homelessness, and needed infrastructure repair such as street lighting and sidewalks. | No comments were rejected. | |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------------|--------------------|---|---|--|---------------------|
| 5 | Stakeholder Interviews | Targeted outreach | The City interviewed stakeholders in key issue areas to gain a deeper perspective on concerns raised through the non-targeted community outreach. | Stakeholders focused on the lack of affordable, accessible housing options for residents and an emphasis on service coordination. | No comments were rejected. | |

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

In order to ensure the most efficient and effective use of resources the City must first assess the needs of the community. In this section, the City's various demographic and economic indicators will be described and analyzed to provide the foundation needed for grant management.

Using data gathered by state, local, and federal sources the City can start to identify needs based on the broad trends in population, income, and household demographics. Primary data sources include the US Census Bureau, HUD, and Bureau of Labor Statistics. Once that data has been gathered, they can be examined with a more nuanced analysis of variables, such as how family and household dynamics relate to race and housing problems.

A key goal of the Needs Assessment section is to identify the nature and prevalence of housing problems experienced by the City's residents. Per HUD's definition, there are four housing problems that are assessed:

- Cost-Burden, which is defined as households who spend 30% or more of their income on housing costs
- Lack of Complete Plumbing
- Lack of Complete Kitchen Facilities
- Overcrowding

In addition to the demographics analyzed, this section also looks at factors that impact or are impacted by the housing market. The City's public housing, the needs of those facing homelessness, and non-homeless special needs are also discussed. Finally, non-housing development needs like public services and infrastructure are also analyzed to assist in determining where resources should be allocated.

Whenever possible, each of these issues is juxtaposed with economic and demographic indicators to determine if certain groups carry a disproportionate burden. Understanding the magnitude and prevalence of these issues in the City of Merced is crucial in aiding in setting evidence-based priorities for entitlement programs.

Throughout this document, Census Tracts will be used to provide for geographic comparisons. These visualizations will help guide resources into neighborhoods that may need additional support and identify living patterns that may be associated with poverty, income, housing type, and other data points.

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

The housing needs of a community are, like all items in the market economy, a product of supply and demand. However, determining the factors that impact supply and demand is much more complicated than building one house for one household. Changes in population, household size, availability of rental housing, income, and the condition of a property all work to shift the community's housing needs.

The following section will show that the greatest housing issue facing the citizens of Merced is affordable housing. According to the 2014-2018 American Community Survey 5-Year Estimates, there are approximately 11,242 cost burdened households in the City, making up 45.2% of the population. Renters are more likely to be cost burdened, approximately 57.8% pay over 30% of their income towards housing. Homeowners are better off but still 35.4% of those with a mortgage and 9.9% of those without a mortgage are cost burdened. This points to the current housing supply being either too small or too expensive.

| Demographics | Base Year: 2010 | Most Recent Year: 2018 | % Change |
|---------------|-----------------|------------------------|----------|
| Population | 77,080 | 82,289 | 7% |
| Households | 23,753 | 25,827 | 9% |
| Median Income | \$36,269.00 | \$42,637.00 | 18% |

Table 5 - Housing Needs Assessment Demographics

Alternate Data Source Name:
2006-2010 ACS, 2014-2018 ACS
Data Source Comments:

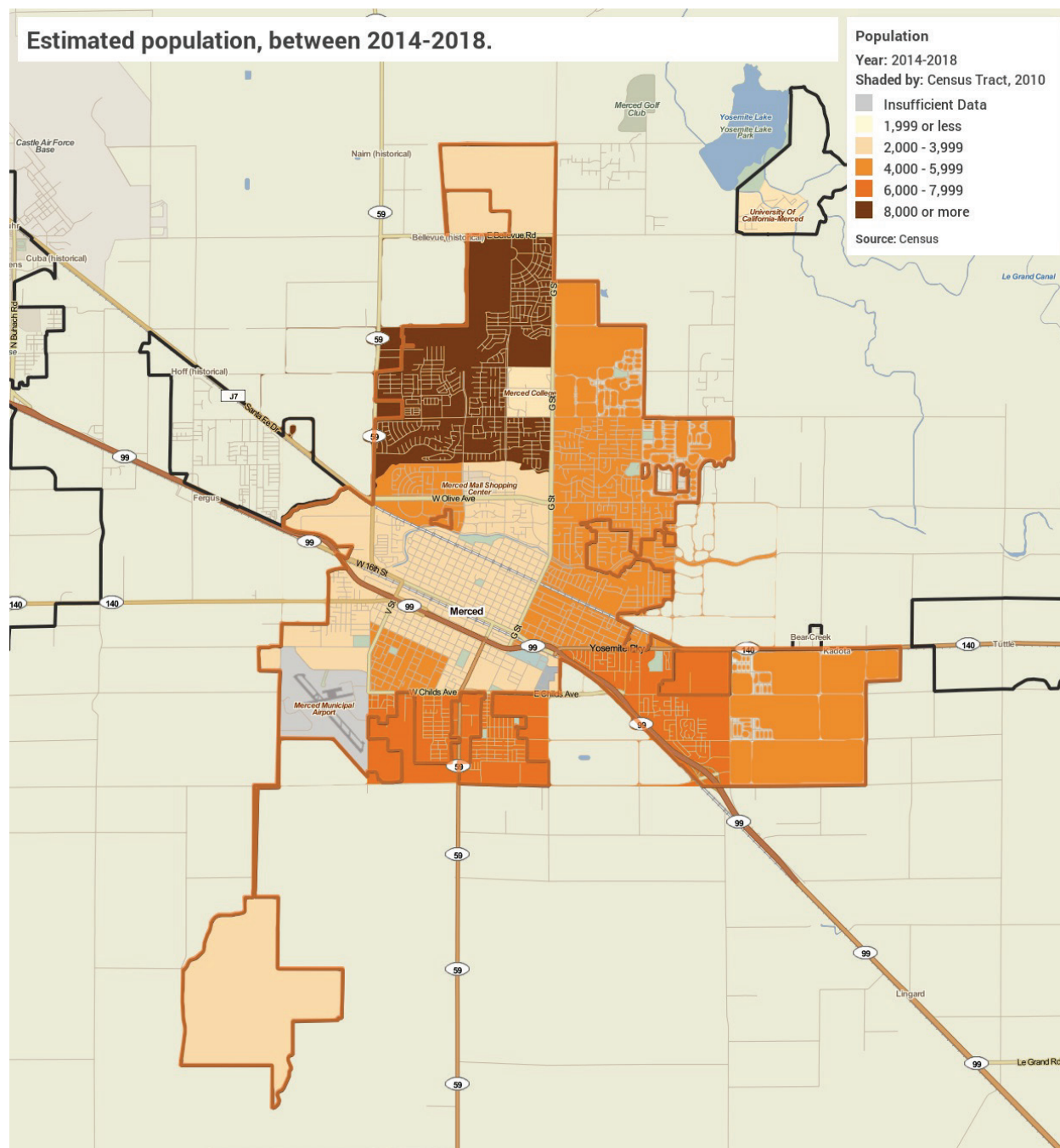
Since 2010, the population of Merced has increased by approximately 8%. During the same time period the number of households in the City increased more quickly. This indicates a situation where the household size is reducing throughout the City.

The Median Household Income (MHI) in Merced increased by 18%. However, this growth in income has barely kept up with inflation. According to the Bureau of Labor Statistics (BLS) inflation calculator, a household in Merced that had an income of \$36,269 in 2010 would have the same purchasing power as \$41,488 in 2018. The actual increase in purchasing power in Merced was 2.8%. It is also worth remembering that the median household income calculation is a single data point and does not provide information on the distribution of wealth or if certain income groups are growing or lagging.

Population - 2018

The following map displays the population density throughout the City by census tract. Census tracts are determined by the US Census Bureau and are adjusted every 10 years upon completion of the decennial census. Tract boundaries are created to include a similar number of people into the same tract and does not generally take into account the size of the area covered.

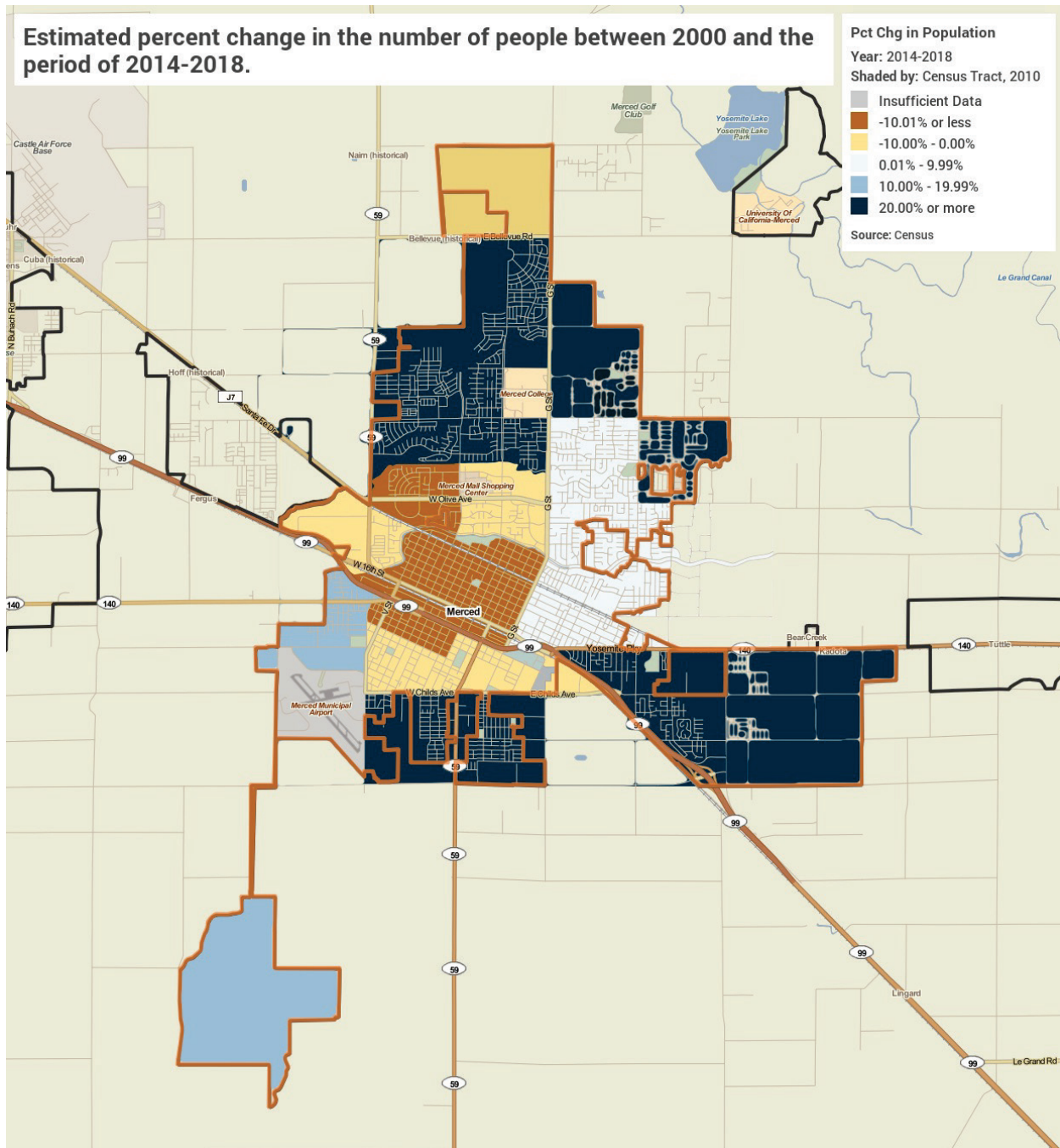
In Merced, populations seem to be higher in tracts around the edges of the City. In particular, in the northern tracts there are 8,000 residents or more living. What this relatively large population tells us is that since 2010 those areas have likely experienced above average growth. The tracts with a relatively small population, under 4,000, have likely seen a population decrease since the last census. The reason for this population shift involves a number of factors, many of which will be discussed throughout the Needs Assessment and Market Analysis.



Population

Change in Population

The map below displays the population change throughout the jurisdiction since 2000. The average population growth in the jurisdiction was 7%, but that growth is not evenly distributed throughout the area. As noted above, tracts with significant growth (colored dark blue) are in areas that have a relatively large population per tract. In these areas the population grew by 20% or more since 2000. On the other end of the spectrum, tracts with a relatively small population tend to have seen the population decrease by 10% or more.



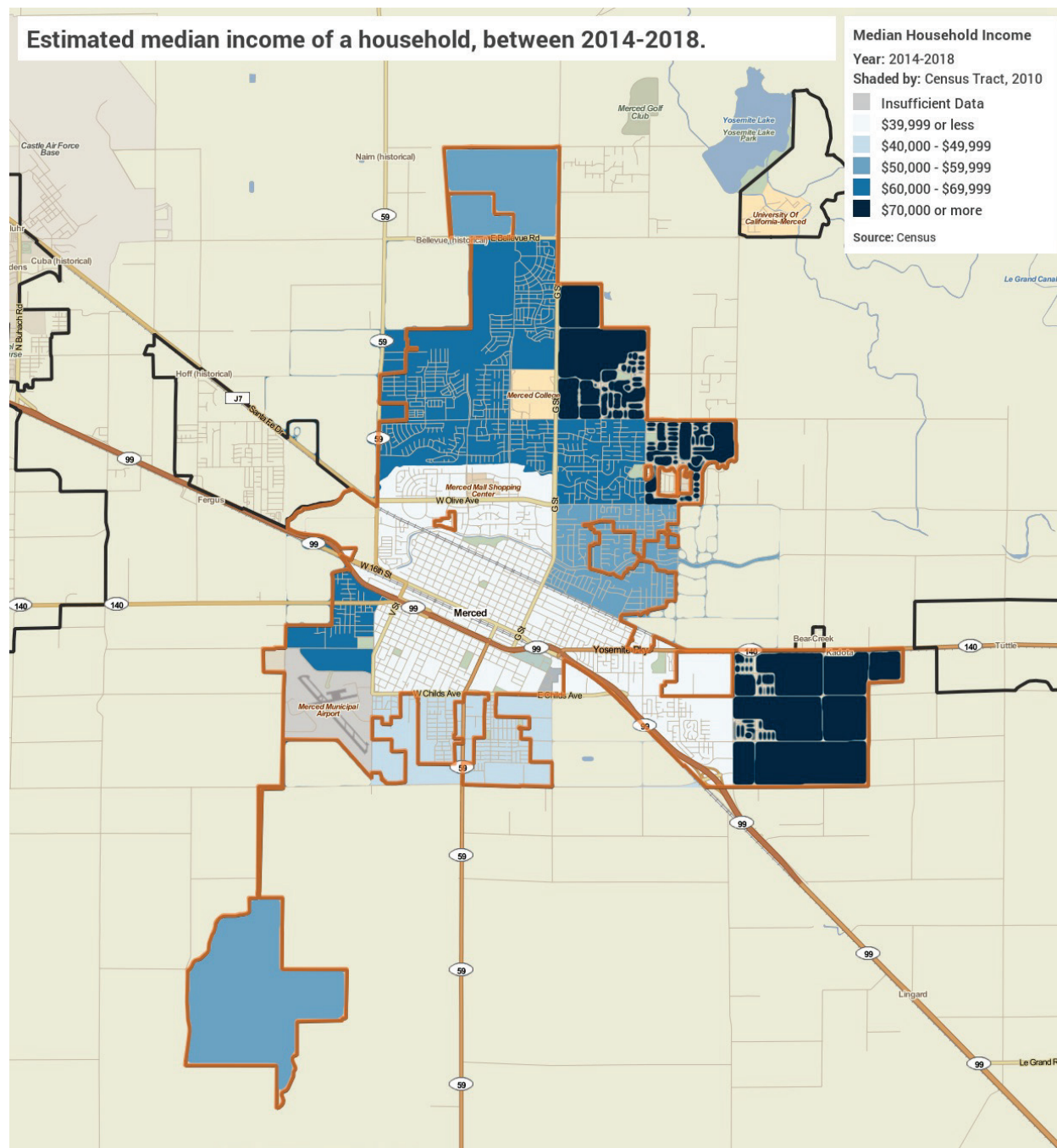
Population Change

Median Household Income

As noted above, the 2018 Median Household Income in Merced is \$42,637. However, when broken down by census tract it is clear that incomes vary significantly across the City. Tracts in the center part of the City had the lowest MHI, under \$40,000. These tracts are in the same areas that saw the population decrease since 2000. High MHI tracts that are over \$60,000 are found in high growth areas that saw the population increase substantially. Considering how closely linked housing affordability, poverty, and

other issues are to income it is important to understand and attempt to address these disparities. Wealth concentrated in a few areas can lead to many residents having limited access to low-poverty areas and contribute to the prevalence of Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs).

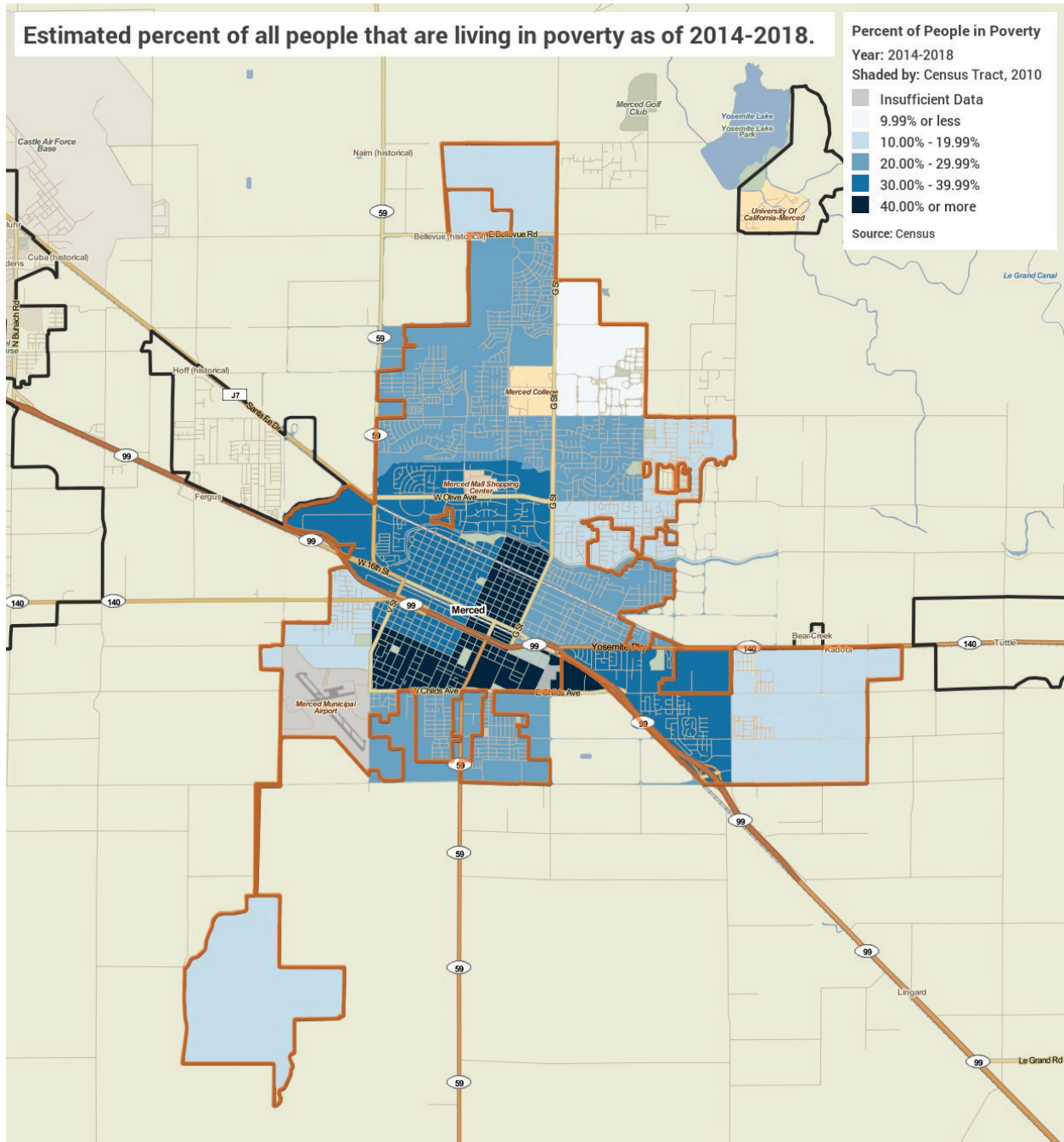
Source: 2014-2018 American Community Survey 5-Year Estimates



Median Household Income

Poverty

In many ways, the poverty map below shows a close relationship with the previous median household income map. Areas with lower MHIs tend to have higher poverty rates. In Merced, the 2018 poverty rate was 29.7%. Again, we see areas of the City where there is a stark difference in a geographically condensed area. High poverty tracts where 40% or more of the residents live below the poverty line are found in the central part of the City, just a short distance from areas where the poverty rate is less than 10%.



Poverty Level

Number of Households Table

| | 0-30% HAMFI | >30-50% HAMFI | >50-80% HAMFI | >80-100% HAMFI | >100% HAMFI |
|---|------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------|
| Total Households | 5,080 | 3,705 | 4,605 | 2,235 | 9,815 |
| Small Family Households | 1,895 | 1,620 | 1,970 | 950 | 4,770 |
| Large Family Households | 920 | 785 | 850 | 455 | 1,265 |
| Household contains at least one person 62-74 years of age | 635 | 605 | 770 | 430 | 2,085 |
| Household contains at least one person age 75 or older | 230 | 340 | 495 | 285 | 780 |
| Households with one or more children 6 years old or younger | 1,504 | 1,190 | 1,385 | 584 | 1,755 |

Table 6 - Total Households Table

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

HAMFI Definitions

In the above table, data from HUD's Comprehensive Housing Affordability Strategy (CHAS) is used to develop a more detailed look at households in Merced. This data is slightly older than the previously used census data, but it allows for a demographic analysis based on relative income. The HUD Area Median Family Income (HAMFI) provides a baseline for income in the area.

This document will use the following income group definitions:

- Extremely Low Income: 0-30% HAMFI
- Very Low Income: 30-50% HAMFI
- Low Income: 50-80% HAMFI
- Moderate Income: 80-100% HAMFI
- Above Moderate Income: >100% HAMFI

Number Households

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

| | Renter | | | | | Owner | | | | |
|---|--------------|--------------------|--------------------|---------------------|-------|--------------|--------------------|--------------------|---------------------|-------|
| | 0-30% AMI | >30- 50% AMI | >50- 80% AMI | >80- 100% AMI | Total | 0-30% AMI | >30- 50% AMI | >50- 80% AMI | >80- 100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Substandard Housing - Lacking complete plumbing or kitchen facilities | 40 | 25 | 95 | 25 | 185 | 4 | 0 | 0 | 0 | 4 |
| Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing) | 210 | 65 | 95 | 4 | 374 | 45 | 15 | 55 | 15 | 130 |
| Overcrowded - With 1.01-1.5 people per room (and none of the above problems) | 565 | 405 | 270 | 105 | 1,345 | 4 | 75 | 50 | 55 | 184 |
| Housing cost burden greater than 50% of income (and none of the above problems) | 2,435 | 865 | 155 | 0 | 3,455 | 450 | 200 | 405 | 80 | 1,135 |

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| Housing cost burden greater than 30% of income (and none of the above problems) | 450 | 1,180 | 1,335 | 100 | 3,065 | 75 | 340 | 390 | 335 | 1,140 |
| Zero/negative Income (and none of the above problems) | 295 | 0 | 0 | 0 | 295 | 110 | 0 | 0 | 0 | 110 |

Table 7 – Housing Problems Table

Alternate Data Source Name:

2012-2016 CHAS

Data Source

Comments:

Housing Needs Summary

Using CHAS data, the table above gives an overview of housing problems in the City by income group and tenure (renter or homeowner). In Merced, the most prevalent housing problem is cost burdened households. In the City there are 6,520 renters and 2,275 homeowners who pay 30% or more of their income to housing expenses. More troubling, the majority of these households are severely cost burdened and spend more than half their income on housing expenses.

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Having 1 or more of four housing problems | 3,695 | 2,540 | 1,945 | 235 | 8,415 | 580 | 630 | 895 | 485 | 2,590 |
| Having none of four housing problems | 365 | 305 | 1,155 | 880 | 2,705 | 40 | 230 | 610 | 635 | 1,515 |

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| Household has negative income, but none of the other housing problems | 295 | 0 | 0 | 0 | 295 | 110 | 0 | 0 | 0 | 110 |

Table 8 – Housing Problems 2

Alternate Data Source Name:

2012-2016 CHAS

Data Source

Comments:

Severe Housing Problems

In general, severe housing problems are significantly more likely for lower income residents. Over 75% of the renter households and 63% of homeowners who make between 0-100% AMI have a severe housing problem. Given the data presented in Table 3 it is clear that the most common housing problem is cost burden.

3. Cost Burden > 30%

| | Renter | | | | Owner | | | |
|----------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | |
| Small Related | 1,605 | 1,120 | 730 | 3,455 | 115 | 215 | 355 | 685 |
| Large Related | 670 | 450 | 255 | 1,375 | 105 | 110 | 80 | 295 |
| Elderly | 260 | 215 | 110 | 585 | 145 | 155 | 130 | 430 |
| Other | 1,210 | 490 | 435 | 2,135 | 150 | 40 | 95 | 285 |
| Total need by income | 3,745 | 2,275 | 1,530 | 7,550 | 515 | 520 | 660 | 1,695 |

Table 9 – Cost Burden > 30%

Alternate Data Source Name:

2012-2016 CHAS

Data Source

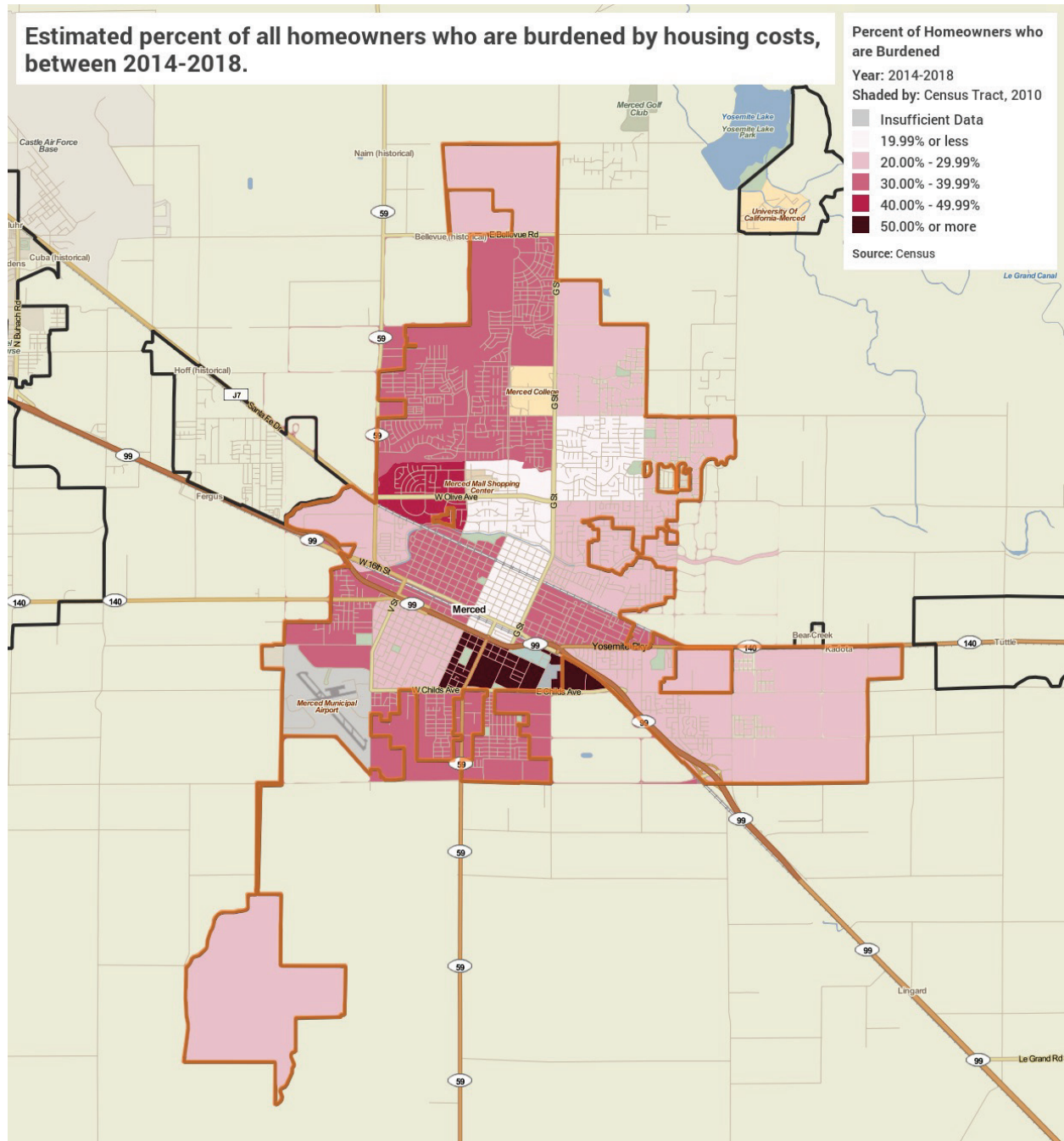
Comments:

Housing Cost-Burdened

The above table shows the number of households who are cost burdened by tenure and income. Overall, the lower income a household has the greater the likelihood that they are cost burdened. Renters are also more likely to be cost burdened than home owners.

Like most economic indicators, the likelihood a household being cost burdened is correlated with where the household lives. This is due to factors effecting both supply and demand for housing. Areas with a low median income have a demand for less expensive units and areas with a high median home value may only have units that are out of reach for low income households. The following maps display cost burdened as determined by the US Census Bureau, while it is not separated by income group it is available by census tract for comparison.

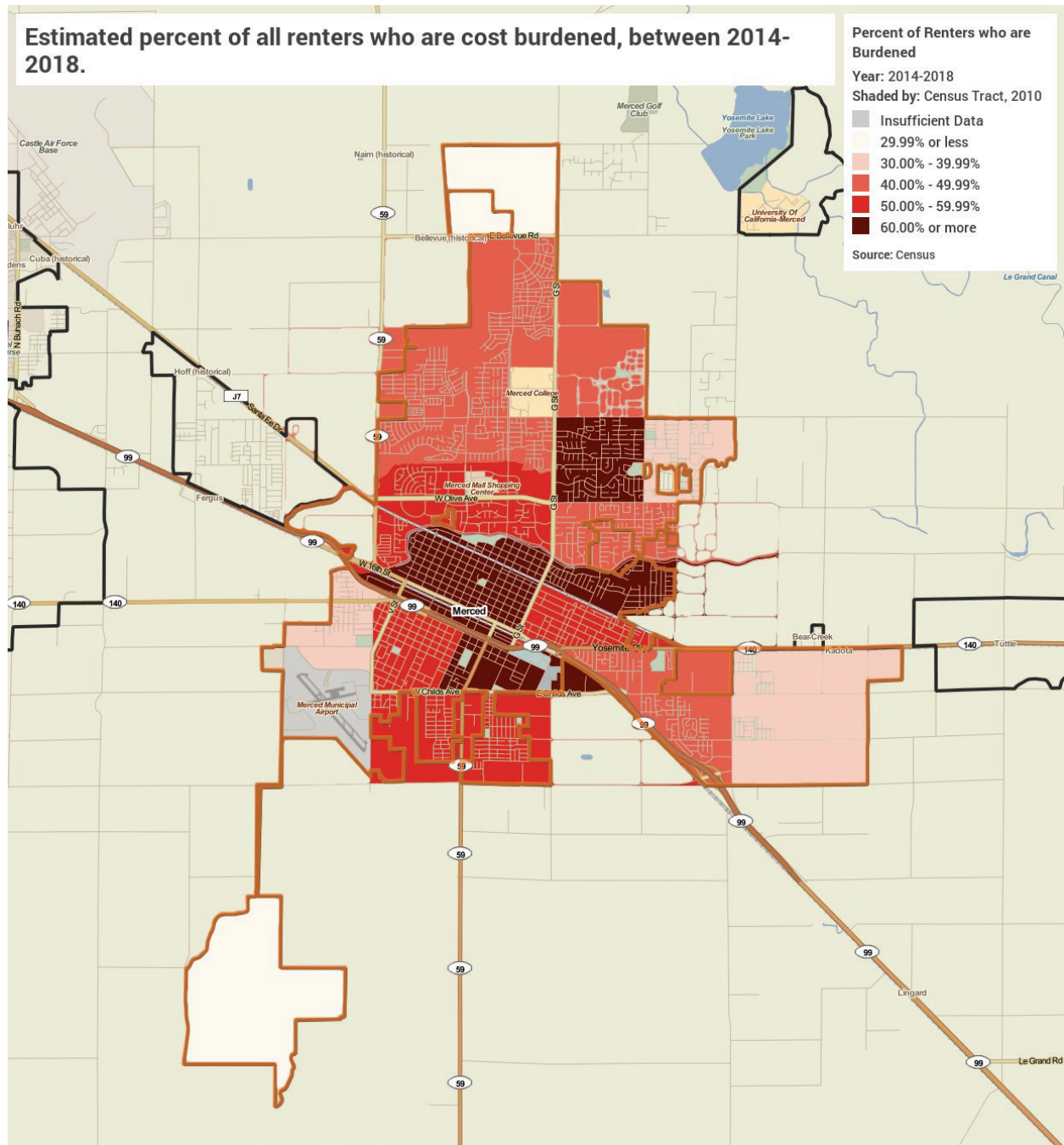
Cost burdened owner-occupied households are found throughout the City. However, there is one tract that stands out as having a disproportionately high number. In the center part of the City south of Highway 99 there is an area where over half of all home owners are cost burdened. This is a stark contrast to the tract across the highway to the north where less than 20% of homeowners have this housing problem.



Cost Burdened Homeowners

Renter Cost-Burdened

For renters in Merced the cost burden rates are much higher across the whole City. There are several areas where over 60% of renters are cost burdened and only one tract where fewer than 30% of renters are cost burdened. These households are at particular risk for housing instability because just one unexpected expense could force them to choose between buying food, paying rent, or other necessary expenses.



Cost Burdened Renters

4. Cost Burden > 50%

| | Renter | | | | Owner | | | |
|----------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | |
| Small Related | 1,310 | 425 | 35 | 1,770 | 95 | 105 | 230 | 430 |

| | Renter | | | | Owner | | | |
|----------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| Large Related | 520 | 105 | 45 | 670 | 75 | 55 | 25 | 155 |
| Elderly | 195 | 115 | 35 | 345 | 90 | 40 | 20 | 150 |
| Other | 845 | 245 | 80 | 1,170 | 40 | 15 | 65 | 120 |
| Total need by income | 2,870 | 890 | 195 | 3,955 | 300 | 215 | 340 | 855 |

Table 10 – Cost Burden > 50%

Alternate Data Source Name:

2012-2016 CHAS

Data Source

Comments:

Severe Cost Burden

Most cost burdened households pay enough to their household costs to be classified as severely cost burdened. For these households, 50% or more of their income goes to housing. Even a minor unexpected expense or increase in utilities can lead to housing instability and put them at risk of homelessness. There are nearly 5,000 households who are severely cost burdened and they are primarily renters.

5. Crowding (More than one person per room)

| | Renter | | | | | Owner | | | | |
|---------------------------------------|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Single family households | 690 | 340 | 200 | 35 | 1,265 | 19 | 70 | 50 | 45 | 184 |
| Multiple, unrelated family households | 70 | 89 | 165 | 90 | 414 | 30 | 15 | 55 | 25 | 125 |
| Other, non-family households | 10 | 45 | 0 | 0 | 55 | 0 | 0 | 0 | 0 | 0 |
| Total need by income | 770 | 474 | 365 | 125 | 1,734 | 49 | 85 | 105 | 70 | 309 |

Table 11 – Crowding Information – 1/2

Alternate Data Source Name:

2012-2016 CHAS

Data Source

Comments:

Overcrowded

HUD defines an overcrowded household as one having more than one occupant per room. In Merced, overcrowding is relatively rare but there is a noticeable difference due to housing tenure. For households earning less than 100% AMI, lower incomes are correlated with higher rates of overcrowding. There are over 2,000 households that are overcrowded.

As seen below, children are present in more renter households than homeowner households. In renter households, children are more common in lower income households: but, for homeowners, children tend to be in higher income households.

| | Renter | | | | Owner | | | |
|-------------------------------------|--------------|--------------------|--------------------|-------|------------------|--------------------|--------------------|-------|
| | 0-30% AMI | >30- 50% AMI | >50- 80% AMI | Total | 0- 30% AMI | >30- 50% AMI | >50- 80% AMI | Total |
| Households with Children Present | 1,420 | 1,045 | 1,080 | 3,545 | 84 | 145 | 305 | 534 |

Table 12 – Crowding Information – 2/2

Alternate Data Source Name:

2012-2016 CHAS

Data Source

Comments:

Describe the number and type of single person households in need of housing assistance.

Residents who live alone may have an increased risk of housing instability. The median household income for a single person household is \$26,616 in Merced, which is over \$15,000 less than the citywide MHI of \$42,637. Single person households are also more likely to not have access to a personal vehicle, which can limit transportation options making commuting more difficult.

In Merced, single-person households are more likely to be renters. Given the information analyzed earlier it is likely that many of these households are cost burdened. That amounts to 5,778 households that may need housing assistance.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Disability

Residents who have disabilities often have additional housing needs in order to maintain safe, secure, and affordable homes. In some cases, the resident will need modifications to the unit to make it accessible. In Merced, there are 12,890 residents who report having a disability, or 15.8% of the population. Unsurprisingly, the likelihood that a resident has a disability increases with age and nearly 65% of all residents 75 or older report a disability.

In order to properly address the needs of this population it is important to understand how common different types of disabilities are. The most commonly reported disability is independent living difficulty which is defined by the US Census Bureau as “a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor’s office or shopping”. The second most common disability reported is ambulatory difficulty. This disability is defined by the US Census Bureau as “having serious difficulty walking or climbing stairs.”

Survivors of Domestic Violence, Dating Violence, Sexual Assault, and Stalking

Gathering accurate statistics on the number of survivors of the listed crimes is incredibly difficult. Many incidents go unreported for a variety of reasons, including fear of future violence, loss of children, and lack of housing or economic support. It is important that resources are dedicated to providing support and safety for residents in need of escaping and reporting violence.

According to data reported by the Merced Police Department, there were 30 reported rapes in 2019. The US Department of Justice estimates that only 34.8% of sexual assaults are reported. In Merced, there may be over one hundred residents in need of housing support due to being a survivor of violence.

What are the most common housing problems?

As discussed above, the most common housing problem in Merced is Cost Burden. According to the 2014-2018 American Community Survey 5-Year Estimates, there are approximately 11,242 cost burdened households in the City, making up 45.2% of the population. Renters are more likely to be cost burdened, approximately 57.8% pay over 30% of their income towards housing. Homeowners are better off but still 35.4% of those with a mortgage and 9.9% of those without a mortgage are cost burdened.

Are any populations/household types more affected than others by these problems?

Lower income households experience more housing problems across the board. The extremely low-income income range (30% AMI and below) is statistically more likely to have at least one problem than other income ranges, and extremely low-income renters more so than owners. When those facts intersect, we see that low and extremely low-income renters are more affected by housing problems than other groups.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the

needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

HUD defines extremely low-income households as households that earn 0-30% AMI (area median income), and severe housing cost burden as housing expenses that are greater than 50% of income.

As indicated in 2016 CHAS data in Housing Needs Summary Tables, the lack of affordable housing is by far the greatest housing problem for extremely low-income households and families with children in the region. For extremely low-income households, there are 4,590 households with severe housing cost burden greater than 50%. These households are at imminent risk of becoming homeless. Furthermore, there are 1,504 extremely low-income households with children in the City, the majority of which are renters.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

The City of Merced does not provide estimates of at-risk populations to supplement data from the US Census Bureau and HUD.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Housing instability is often a complex problem is impacted by housing, economic, and social issues. Housing characteristics linked with housing instability include extremely low income, lack of support for residents who are currently homeless, unaccompanied youth, and youth aging out of foster care. Renters are also at an increased risk of instability due to their home being owned by another person who may decide to take the rental unit off the market. Housing characteristics alone are not the only factor involved with instability and risk of homelessness. Additional factors such as drug and alcohol addiction, crime, health, education, and other factors are discussed in the City's Analysis of Impediments to Fair Housing Choice.

Discussion

N/A

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

An important aspect of understanding the needs of the community is to identify if any racial or ethnic groups face a greater need in the community. In this section, the existence of housing problems amongst racial groups is compared to the City as a whole within each income group. For this purpose, HUD guidelines deem a disproportionately greater need to exist when persons of a particular racial or ethnic group experience housing problems at a rate at least 10 percentage points higher than the jurisdiction as a whole.

0%-30% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 4,275 | 405 | 405 |
| White | 1,335 | 90 | 180 |
| Black / African American | 359 | 15 | 90 |
| Asian | 370 | 35 | 70 |
| American Indian, Alaska Native | 4 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 2,095 | 230 | 40 |
| 0 | 0 | 0 | 0 |

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 3,170 | 535 | 0 |
| White | 825 | 150 | 0 |
| Black / African American | 280 | 20 | 0 |
| Asian | 305 | 39 | 0 |
| American Indian, Alaska Native | 0 | 4 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 1,745 | 310 | 0 |
| 0 | 0 | 0 | 0 |

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 2,840 | 1,765 | 0 |
| White | 990 | 565 | 0 |
| Black / African American | 255 | 95 | 0 |
| Asian | 345 | 255 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 20 | 0 | 0 |
| Hispanic | 1,210 | 830 | 0 |
| 0 | 0 | 0 | 0 |

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 720 | 1,515 | 0 |
| White | 360 | 730 | 0 |
| Black / African American | 0 | 30 | 0 |
| Asian | 50 | 55 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 300 | 690 | 0 |
| 0 | 0 | 0 | 0 |

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

Extremely Low Income: In the City of Merced, 91.3% of the population has at least one housing problem. There are no racial or ethnic groups that are disproportionately impacted in this income group.

Very Low Income: The jurisdiction-wide rate of housing problems for this income group is 85.6%. There are no racial or ethnic groups that are disproportionately impacted in this income group.

Low Income: In this income group approximately 61.7% of the households have a housing problem. There are two groups that are disproportionately impacted by housing problems. Approximately 73% of Black or African American households and 100% of Pacific Islander households experience at least one housing problem.

Moderate Income: Residents in this group are significantly less likely to have a housing problem than other groups. Overall, 32.2% of the population reports a housing problem. Asian households are the only group that are disproportionately impacted, nearly 48% of these households experience a housing problem.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Similar to the above section, below severe housing problems are broken down by race and ethnicity and household income. The goal is to identify any groups that are disproportionately impacted by severe housing problems. The same HUD guidelines are used, a disproportionately greater need exists when persons of a particular racial or ethnic group experience severe housing problems at a rate at least 10 percentage points higher than the jurisdiction as a whole.

0%-30% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 3,750 | 930 | 405 |
| White | 1,205 | 215 | 180 |
| Black / African American | 269 | 105 | 90 |
| Asian | 310 | 95 | 70 |
| American Indian, Alaska Native | 4 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 1,855 | 470 | 40 |
| 0 | 0 | 0 | 0 |

Table 17 – Severe Housing Problems 0 - 30% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 1,650 | 2,055 | 0 |
| White | 400 | 575 | 0 |
| Black / African American | 110 | 195 | 0 |
| Asian | 140 | 205 | 0 |
| American Indian, Alaska Native | 0 | 4 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 995 | 1,050 | 0 |
| Other | 0 | 0 | 0 |

Table 18 – Severe Housing Problems 30 - 50% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 1,115 | 3,490 | 0 |
| White | 330 | 1,225 | 0 |
| Black / African American | 10 | 335 | 0 |
| Asian | 170 | 425 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 20 | 0 |
| Hispanic | 580 | 1,460 | 0 |
| Other | 0 | 0 | 0 |

Table 19 – Severe Housing Problems 50 - 80% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 285 | 1,945 | 0 |
| White | 90 | 1,000 | 0 |
| Black / African American | 0 | 30 | 0 |
| Asian | 35 | 75 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 170 | 820 | 0 |
| Other | 0 | 0 | 0 |

Table 20 – Severe Housing Problems 80 - 100% AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

Extremely Low Income: In the City of Merced a significant number of extremely low-income residents have a severe housing problem. At the jurisdiction level 80.1% of all residents in this income group are disproportionately impacted. According to the available data, 100% of American Indian or Alaska Native households have a severe housing problem.

Very Low Income: Households in this group are significantly less likely to have a severe housing problem than the above group, only 44.5% of very low-income households have a severe housing problem. There are no minority racial or ethnic groups disproportionately impacted.

Low Income: Only 24.2% of residents in this group have a severe housing problem. There are no groups disproportionately impacted.

Moderate Income: At the City level only 12.8% of the moderate-income residents have a severe housing problem. One group is disproportionately impacted by severe housing problems. Approximately, 100% of Asian households report a severe housing problem.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Given the prevalence of cost burdened households a deeper analysis of the data is warranted. The cost burden and severe cost burden rates are broken down by racial and ethnic groups. HUD guidelines deem a group is disproportionately impacted when persons of a particular racial or ethnic group experience cost burden or severe cost burden at a rate at least 10 percentage points higher than the jurisdiction as a whole.

Housing Cost Burden

| Housing Cost Burden | <=30% | 30-50% | >50% | No / negative income (not computed) |
|--------------------------------|--------|--------|-------|-------------------------------------|
| Jurisdiction as a whole | 14,049 | 5,580 | 5,373 | 435 |
| White | 6,035 | 2,015 | 1,855 | 210 |
| Black / African American | 470 | 640 | 364 | 90 |
| Asian | 1,370 | 520 | 470 | 70 |
| American Indian, Alaska Native | 30 | 0 | 4 | 0 |
| Pacific Islander | 4 | 20 | 0 | 0 |
| Hispanic | 5,870 | 2,320 | 2,580 | 40 |

Table 21 – Greater Need: Housing Cost Burdens AMI

Alternate Data Source Name:

2012-2016 CHAS

Data Source Comments:

Discussion:

Cost Burden: Overall, 22.3% of the population pays between 30% and 49.9% of their income to housing expenses. Two racial or ethnic groups are disproportionately impacted. Approximately 43.4% of Black or African American households and 83.3% of Pacific Islander households are cost burdened

Severe Cost Burden: At the city level 21.5% of the population has a severe cost burden by paying over 50% of their income to household expenses. There are no groups who are disproportionately severely cost burdens.

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Throughout the City of Merced there were several groups that have a disproportionately greater need and are summarized below.

Housing Problems

- Extremely Low Income: No racial or ethnic groups
- Very Low Income: No racial or ethnic groups
- Low Income: Pacific Islander and Black or African American households
- Moderate Income: Asian households

Severe Housing Problems

- Extremely Low Income: American Indian or Alaska Native households
- Very Low Income: No racial or ethnic groups
- Low Income: No racial or ethnic groups
- Moderate Income: Asian households

Housing Cost Burden

- Cost Burden: Black or African American and Pacific Islander households
- Severe Cost Burden: No racial or ethnic groups

If they have needs not identified above, what are those needs?

An additional analysis of the relationship between race and ethnicity, income, and housing problems is included in section MA-50.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

The relationship between racial or ethnic groups and specific neighborhoods is included in section MA-50.

NA-35 Public Housing – 91.205(b)

Introduction

Public housing was established to provide decent and safe rental housing for eligible low- and moderate-income families, the elderly, and persons with disabilities. Public housing includes federally subsidized, affordable housing that is owned and operated by the public housing authorities. The City of Merced does not own public housing, however it works in close collaboration with the Housing Authority of the County of Merced (HACM) to provide public housing within the City.

The City of Merced will continue to work independently and closely with the HACM and local nonprofits to provide assistance to low-income families as well as develop public housing projects in Merced. The Housing Authority of the County of Merced provides and manages public housing, including the Housing Choice Voucher program, formerly known as Section 8. As of the 2019-2020 PHA Plan FY, the waiting list for this program was over 4,553 families.

The lack of affordable, decent housing is a major issue in Merced County. Developing enough affordable housing in the jurisdiction to meet the need is a huge challenge for stakeholders seeking to improve the quality of life for a large sector of our population. The numbers included in this table are the number of public housing units and housing vouchers in Merced County, which is the lowest level at which the HACM reports data to HUD.

Totals in Use

| | Program Type | | | | | | | | |
|----------------------------|--------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| # of units vouchers in use | 0 | 20 | 421 | 2,856 | 352 | 2354 | 103 | 27 | 0 |

Table 22 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Alternate Data Source Name:
Housing Authority of the County of Merced
Data Source Comments:

Characteristics of Residents

| | Program Type | | | | | | | | |
|---|--------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|--|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | |
| Average Annual Income | 0 | 0 | 20071 | 16021.75 | 15975.39 | 16021.75 | 0 | 11328 | |
| Average length of stay | 0 | 0 | 6.8 | 5 | 5.5 | 5 | 0 | 5 | |
| Average Household size | 0 | 0 | 3 | 4 | 0 | 4 | 0 | 4 | |
| # Homeless at admission | 0 | 0 | 57 | 1 | 37 | 127 | 73 | 1 | |
| # of Elderly Program Participants (>62) | 0 | 0 | 202 | 540 | 121 | 540 | 0 | 0 | |
| # of Disabled Families | 0 | 0 | 123 | 719 | 61 | 719 | 0 | 0 | |

| Program Type | | | | | | | | |
|---|-------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program |
| # of Families requesting accessibility features | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| # of HIV/AIDS program participants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| # of DV victims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: Housing Authority of the County of Merced

Race of Residents

| Program Type | | | | | | | | | |
|-------------------------------|-------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|------------|
| Race | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| White | 0 | 0 | 980 | 3234 | 795 | 3234 | 58 | 0 | 0 |
| Black/African American | 0 | 0 | 126 | 712 | 124 | 712 | 14 | 1 | 0 |
| Asian | 0 | 0 | 37 | 642 | 127 | 642 | 0 | 1 | 0 |
| American Indian/Alaska Native | 0 | 0 | 4 | 58 | 34 | 58 | 1 | 0 | 0 |
| Pacific Islander | 0 | 0 | 2 | 18 | 3 | 18 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 24 – Race of Public Housing Residents by Program Type

Data Source: Housing Authority of the County of Merced

Ethnicity of Residents

| Ethnicity | Certificate | Mod-Rehab | Public Housing | Program Type | | | | | |
|--------------|-------------|-----------|----------------|--------------|-----------------|----------------|-------------------------------------|----------------------------|------------|
| | | | | Vouchers | | | Special Purpose Voucher | | |
| | | | | Total | Project - based | Tenant - based | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| Hispanic | 0 | 0 | 268 | 986 | 184 | 986 | 6 | 10 | 0 |
| Not Hispanic | 0 | 0 | 153 | 1041 | 134 | 1641 | 67 | 10 | 0 |

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

If an applicant family's head or spouse is disabled, HACM will assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, HACM will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible unit.

On March 24, 2020 the HCV/Section 8 waiting list was reopened and stayed open through April 2, 2020. Currently, the waiting list is 4,553 families with the 68% being extremely low-income. There were 561 families on the list with a disabled member (12%) in need of accessible units.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

The most immediate need of residents of public housing and HCV holders is additional services, affordable housing and incomes that can support self-sustainability. The need for affordability is indicated by the number of households on the waiting lists for the voucher program, however the waiting list is currently closed.

Residents of publicly supported housing also have lower incomes on average than the general population. The average income of residents in public housing is \$20,071 and for the HCV program it is \$16,021.39. Without the help of subsidized housing, they would not be able to afford housing at market rates.

How do these needs compare to the housing needs of the population at large

The housing needs for residents of public housing and housing choice voucher holders are similar to those of the population at large, but to a higher degree. There is a significant need for affordable housing units, accessible units, units in a variety of sizes and types, and units with transportation options. There is also a need for economic opportunities that match the skills of workers in the community.

Discussion

N/A

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Homelessness is a particularly troublesome and complex issue that most communities across the United States must address. A major reason that homelessness is difficult to address is that it has many causes with overlapping and interrelated variables. The cause of any single person's homelessness often lies, not in a single factor, but at the convergence of many events and conditions. From one perspective, homelessness is an economic problem caused by unemployment, lack of affordable housing options, or poverty. From another perspective, homelessness is a health issue because many homeless persons struggle with mental illness, physical disabilities, HIV/AIDS, substance abuse, or a combination of those health factors. A third perspective is to view homelessness as a social problem with factors such as domestic violence, educational attainment, and race lying at the root. In reality, homelessness can be caused by all of these issues and they are often interrelated. Due to this complexity, addressing homelessness requires a collaborative and community-based approach.

The Stewart B. McKinney Homeless Assistance Act defines the "homeless" or "homeless individual" or "homeless person" as an individual who lacks a fixed, regular, and adequate night-time residence; and who has a primary night-time residence that is:

- A supervised publicly or privately-operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings

The Merced City and County Continuum of Care (CoC) is the leading organization serving the homeless population in the City and the County. The data below is from the 2019 Point-in-Time (PIT) Count, which was taken in the last week of January. The PIT count shows a snapshot of people experiencing homelessness on any given night in the CoC area, of which on that night was 473 people. In the table below, the first three rows categorize the sheltered and unsheltered homeless count, and the rest of the rows are sub-categories of the homeless count.

Homeless Needs Assessment

| Population | Estimate the # of persons experiencing homelessness on a given night | | Estimate the # experiencing homelessness each year | Estimate the # becoming homeless each year | Estimate the # exiting homelessness each year | Estimate the # of days persons experience homelessness |
|--|--|-------------|--|--|---|--|
| | Sheltered | Unsheltered | | | | |
| Persons in Households with Adult(s) and Child(ren) | 50 | 4 | 0 | 0 | 0 | 0 |
| Persons in Households with Only Children | 0 | 3 | 0 | 0 | 0 | 0 |
| Persons in Households with Only Adults | 144 | 272 | 0 | 0 | 0 | 0 |
| Chronically Homeless Individuals | 45 | 129 | 0 | 0 | 0 | 0 |
| Chronically Homeless Families | 21 | 0 | 0 | 0 | 0 | 0 |
| Veterans | 2 | 16 | 0 | 0 | 0 | 0 |
| Unaccompanied Child | 5 | 16 | 0 | 0 | 0 | 0 |
| Persons with HIV | 2 | 7 | 0 | 0 | 0 | 0 |

Table 26 - Homeless Needs Assessment

Data Source Comments: 2019 PIT Count. Data provided by the HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations Report. This Data is based on point-in-time information provided to HUD by the CA-520 Merced City & County Continuums of Care (CoC). CoCs are required to provide an unduplicated count of homeless persons according to HUD standards (explained in HUDs annual HIC and PIT count notice and HUDs Point-in-Time Count Methodology Guide.

Indicate if the homeless population is: Has No Rural Homeless

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Below is a summary of each homeless population category type. This data is from the 2019 Point-in-Time (PIT) Count, which was provided to HUD by the CA-520 Merced City & County Continuum of Care (CoC).

Chronically Homeless Individuals and Families:

According to the 2019 PIT Count, there were 174 persons that were reported as chronically homeless with 129 being unsheltered (73%). There were also 21 chronically homeless families. Mental health issues are often correlated with chronic homelessness.

Households with Adults and Children:

There were 54 persons in households with adults and children experiencing homelessness. Of this number, 50 were sheltered and 4 were unsheltered. Homeless families with children are in need of multi-bedroom housing, access to schools and educational resources. Working to get children out of homelessness will greatly improve the future success of the children in the City. Prolonged exposure to homelessness may increase harm to the development of children due to the lack of housing stability and the increased risk of living in poverty which include hunger and the lack of access to healthcare.

Veterans and Their Families:

There were 18 veterans in the 2019 PIT count with 16 being unsheltered (89%). There was no data with veterans and their families. Veterans are more likely to have a disability than non-veterans. Veterans are in need of veteran-specific supportive services such as trauma counseling and assistance with navigating the resources available through the VA.

Unaccompanied Youth:

Homeless youth are likely to have fled or been abandoned by parent(s) with mental health issues, drug addiction, or another family crisis. Similar to households with adults and children, increased exposure to homelessness can cause harm to the development of children due to the lack of housing stability and the increased risk of living in poverty which include hunger and the lack of access to healthcare. According to

the 2019 PIT Count, there were 21 unaccompanied youth and young adults that were experiencing homelessness. The majority were unsheltered with 16 youth (76%).

Nature and Extent of Homelessness: (Optional)

| Race: | Sheltered: | Unsheltered (optional) |
|----------------------------------|-------------------|-------------------------------|
| White | 242 | 203 |
| Black or African American | 49 | 30 |
| Asian | 1 | 0 |
| American Indian or Alaska Native | 3 | 9 |
| Pacific Islander | 1 | 2 |
| Ethnicity: | Sheltered: | Unsheltered (optional) |
| Hispanic | 95 | 112 |
| Not Hispanic | 225 | 176 |

Data Source 2019 PIT Count. Data provided by the HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations Report. This Data is based on point-in-time information provided to HUD by the CA-520 Merced City & County Continuums of Care (CoC). CoCs are required to provide an unduplicated count of homeless persons according to HUD standards (explained in HUDs annual HIC and PIT count notice and HUDs Point-in-Time Count Methodology Guide).

Comments:

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

There were 54 persons in households with adults and children experiencing homelessness. As mentioned in this section, an increased exposure to homelessness can cause harm to the development of children due to the lack of housing stability and the increased risk of living in poverty which includes hunger and the lack of access to healthcare.

There were 18 veterans in the 2019 PIT count with 16 being unsheltered (89%). There was no data with veterans and their families. Veterans are more likely to have a disability than non-veterans and this is also true for homeless veterans. Housing for homeless veterans may require reasonable accommodations that will meet their unique needs especially if they have a disability.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

2019 PIT data shows that a majority of the homeless population was White with 82%. Black or African Americans were the second largest group with 15% and all other races were less than 3%. Persons who identify ethnically as Hispanic were 34% of the homeless population.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

There are more unsheltered homeless than sheltered homeless according to the 2019 PIT count. Of the total 473 persons experiencing homelessness, 279 were unsheltered (59%) compared to 194 that were sheltered (41%).

Persons experiencing homelessness that were sheltered were counted in emergency shelters and transitional housing settings. Unsheltered homeless are from settings that are not meant for human habitat and may include the street, abandoned buildings and cars.

Discussion:

N/A

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

The non-homeless special needs assessment includes the elderly, persons with disabilities, persons with HIV/AIDS, and persons with drug and alcohol addictions. Services to these populations are critical in the prevention of homelessness. Common special needs populations identified in the city's consolidated plan public/stakeholders' forums included ex-offenders, and persons in need of non-traditional childcare (nights, evening, weekends).

Describe the characteristics of special needs populations in your community:

Elderly: The elderly population faces increased challenges and providing decent, affordable housing is incredibly important. It is medically beneficial and emotionally comforting for this population to remain in a familiar setting and, as a result, strong emphasis is placed on the elderly maintaining a lifestyle that is as independent as possible. Unfortunately, the elderly population is often on a limited income and/or has a disability, which puts financial pressure on them that reduces independence. As prices throughout the community inflate, the elderly population generally lacks the ability to increase their income to match.

According to the most recent data available, there are approximately 20,004 residents over the age of 65 in the City, making up 9.5% of the population. The disability rate for elderly residents is higher than the general population and the availability of affordable and accessible housing is of utmost importance.

HIV/AIDS: See discussion below in this section.

Alcohol and Drug Addiction: Gathering accurate data about alcohol and drug addiction within a community is difficult. Addiction often goes unrecognized because people don't seek help for fear of facing criminal charges. Usually, only when someone overdoses, gets arrested, or seeks treatment are they counted in statistics.

Disability: There are 12,890 people in the City who have a disability, which is 15.8% of the population. Unsurprisingly, disability is correlated with age and older residents are more likely to have one or more disabilities. While the rate of childhood disabilities is low, it is still an important demographic to consider. Households with a child with a disability face unique challenges due to the additional expense and time that it can take to properly care for the child.

What are the housing and supportive service needs of these populations and how are these needs determined?

Elderly: The types of housing for the elderly and frail elderly vary depending on the special features and/or services needed to meet the needs of older residents. Factors that must be considered in developing housing for the elderly include location, services and amenities, proximity to health care, shopping, and other services, affordability, and ease of upkeep. Various categories of housing for the elderly are independent and assisted living, nursing homes and other support facilities such as adult day care, respite and senior center facilities.

Elderly persons generally need an environment that provides several areas of assistance or convenience. First, the availability of healthcare is important, since health problems generally become more prevalent with age. Second, availability of assistance with daily activities such as shopping, cooking, and housekeeping becomes more important as people grow older. Also, the proximity of basic goods and services such as those provided by pharmacies and grocery stores grows increasingly important as a person becomes less able to drive or walk. The availability and ease of transportation are important for the same reason. Safety is a growing concern, since older Americans – especially those living alone – are particularly vulnerable to crime and financial exploitation. Lastly, weather and climate are considerations for many elderly people, since these factor into both ease of transit as well as health.

Providing secure, safe, affordable, and stable housing for the elderly population is vitally important for this population. There are many factors that contribute to a healthy environment for the elderly including, but not limited to, access to health care, shopping, and social networks. A robust public transportation network is incredibly beneficial to assisting the elderly remain active and independent. Additionally, elderly resident's homes may need modifications to assist with any disabilities that may develop as a result of aging.

Alcohol and Drug Addiction: Individuals with substance abuse problems need a strong network in order to stay healthy and sober. Their housing needs include sober living environments, support for employment, access to health facilities, and easy access to family and friend networks. Additionally, detoxification facilities are necessary when addiction is first recognized.

Disability: Individuals with disabilities encompass a wide range of skill levels and abilities. Therefore, they have many of the same issues as the general population with the added needs that are unique to their capabilities. Individuals with disabilities usually have a fixed income and have limited housing options. The individuals who have more independent skills tend to utilize subsidized housing options. Individuals requiring more support find residences in the public welfare funded community homes either sharing settings or privately-owned personal care settings. Many individuals continue to reside with parents and families throughout adulthood. Regardless of the housing situation, a common thread is the need for continuous support services dependent of the level of capabilities.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Sexually transmitted infections (STIs) can have serious health consequences and long-term negative effects on a person's quality of life if left untreated. Understanding that STIs are common and treatable is an important step to maintaining health. Unfortunately, there is a lot of misinformation about STIs which can lead to increased medical costs and spreading of the infection. These additional medical costs can but an increased financial burden on residents, particularly low-income residents.

The California Department of Public Health tracks STI's throughout the state. Rates are tracked at the county level and the following data reflects Merced County, including the City. These residents need specialized support in order to maintain health.

Discussion:

N/A

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Public facility improvement needs are greatest in older neighborhoods of Merced. Parks and playgrounds are particularly in need of repair and upgrades that will make them safe and accessible for people with disabilities. The City also lacks sufficient facilities that provide support and space for vulnerable populations. Currently, the City has just one youth center and one senior center, and both are in the path of a planned high-speed rail and a new station. Construction of the rail lines and station will result in the demolition of these community assets. A new location is needed for these centers, however, just one youth and one senior center is not likely enough to serve the needs of the community as the City grows. Eventually, facilities in both the North and South would be necessary to fully meet the community needs.

How were these needs determined?

Public facility priority needs were identified in the course of preparing this Consolidated Plan through the input of community leaders, citizen participation, and requests and ideas from a wide range of service providers and public agencies. These inputs were provided in a series of meetings and public hearings described in the public participation section of this Plan. Representatives from the participating communities discussed and ranked facility and infrastructure needs.

Describe the jurisdiction's need for Public Improvements:

The City's needs for public improvements include building sidewalks in older neighborhoods to increase pedestrian safety, updating sidewalks with accessible curb cuts, addressing failing water and sewer lines, improving storm drainage, and expanding street lighting to address crime and community safety.

How were these needs determined?

Public infrastructure priority needs were identified in the course of preparing this Consolidated Plan through the input of community leaders, citizen participation, and requests and ideas from a wide range of service providers and public agencies. These inputs were provided in a series of meetings and public hearings described in the public participation section of this Plan. Representatives from the participating communities discussed and ranked facility and infrastructure needs.

Describe the jurisdiction's need for Public Services:

The public service needs in the City include a range of challenges for vulnerable populations. Among the most cited needs include services for people who are homeless or at risk of becoming homeless and support for people with substance abuse issues. Currently, there is no facility within Merced where a person can access detox services or receive ongoing, supportive drug abuse treatment. The City's low- and moderate-income households also struggle with covering housing expenses due to high rent and utility costs. As a result, many households also struggle to meet nutrition needs. Further, the City is in

need of job training to address its unemployment rate and financial literacy courses to support people in managing their finances and accessing credit

How were these needs determined?

Public service priority needs were identified through the input of community leaders, citizen participation, and the several public meetings and public hearings for the development of the City's Consolidated Plan. These inputs were described in the public participation section of this Plan.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

This section looks at the housing market and supply in Merced by analyzing various housing and economic indicators. Developing a picture of the current housing stock in the community begins by looking at trends in structure, age, price, and tenure. Furthermore, the supply of homeless shelter facilities, special needs services and housing, and non-housing community development resources are considered. The analysis is supplemented by GIS maps to provide geographical visualization of the data.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

This section looks at the composition of Merced's housing stock in terms of housing type and tenure. Details are provided based on the number of units in the structure, multifamily housing distribution within the jurisdiction, unit size and tenure, as well as an analysis of owner-occupied and renter occupied housing.

All residential properties by number of units

| Property Type | Number | % |
|---------------------------------|---------------|-------------|
| 1-unit detached structure | 17,949 | 66% |
| 1-unit, attached structure | 723 | 3% |
| 2-4 units | 3,071 | 11% |
| 5-19 units | 3,374 | 12% |
| 20 or more units | 1,527 | 6% |
| Mobile Home, boat, RV, van, etc | 677 | 2% |
| Total | 27,321 | 100% |

Table 27 – Residential Properties by Unit Number

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

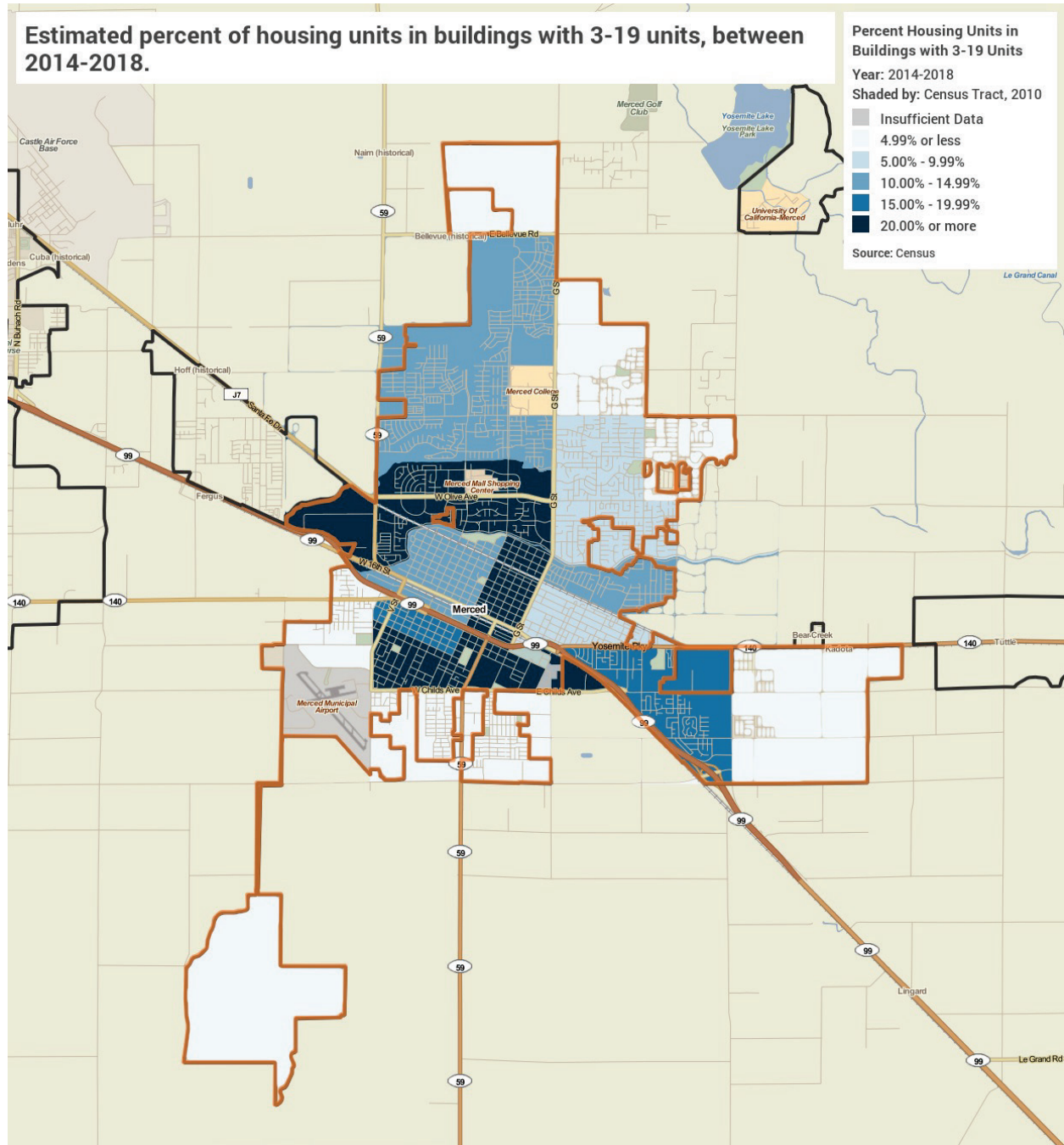
Data Source Comments:

Residential Properties by Number of Units

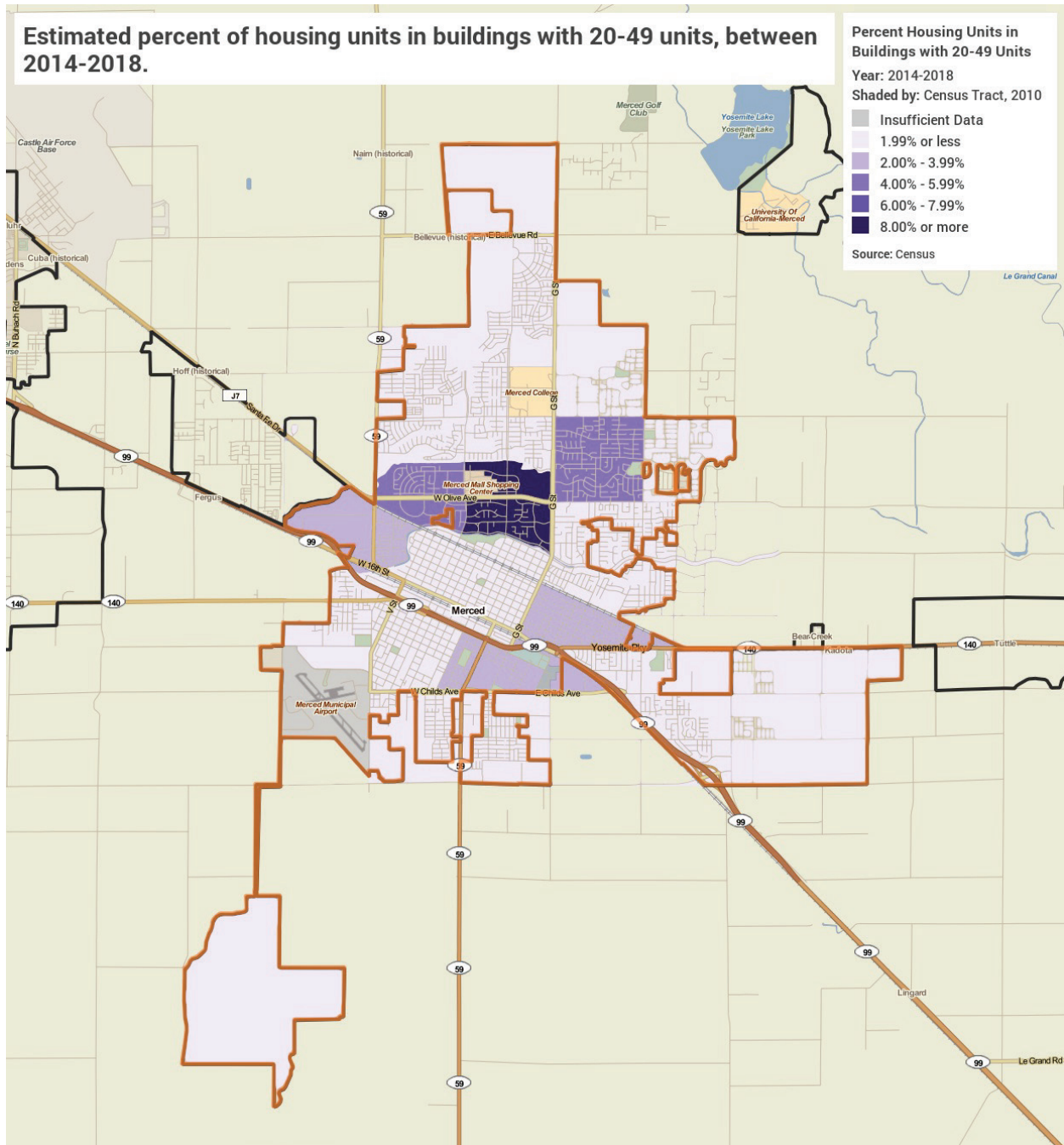
The table above breaks down the City's housing stock by the number of units in each structure and by structure type. Traditional single-family, detached homes are most prominent, accounting for 66% of all housing units. HUD defines multifamily as a unit with more than four units. By that definition approximately 18% of all units are multifamily. Overall, this distribution of housing units is positive and provides a variety of housing options for residents.

Multifamily Development Distribution

The maps below display the distribution of small, medium and large multifamily developments in the jurisdiction. Small multifamily units are buildings with 3-19 units, medium multifamily units are buildings with 20-49 units and large multifamily units are buildings with 50+ units. Multifamily units of all types are significantly more common in the central part of the City than along the outside barriers.



Small Multifamily Developments



Medium Multifamily Developments

Unit Size by Tenure

| | Owners | | Renters | |
|--------------------|--------------|------------|--------------|-----------|
| | Number | % | Number | % |
| No bedroom | 77 | 1 | 492 | 3 |
| 1 bedroom | 35 | 0 | 2209 | 14 |
| 2 bedrooms | 1087 | 10 | 5408 | 35 |
| 3 or more bedrooms | 9285 | 89 | 7234 | 47 |
| Total | 10484 | 100 | 15343 | 99 |

Table 28 – Unit Size by Tenure

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

Data Source Comments:

Unit Size by Tenure

In the City of Merced, the size of units varies significantly between homeowners and renters. Owner-occupied units tend to be larger than rental units. Approximately 89% of homeowner units are 3 or more bedrooms while only 47% of renter units are that size. On the other end only 1% of homeowner units are 1 bedroom or smaller, for renters that unit size makes up 17% of all units.

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The Community Development Block Grant Program (CDBG): The City of Merced's primary objective is the development of viable communities through decent housing, a suitable living environment, and economic opportunities. To achieve these goals, the City has established the following program goals for this Consolidated Plan:

1A Improve Public Infrastructure & Facilities

2A Increase Owner Occupied Rehab Opportunities

2B Increase Affordable Housing Opportunities

2C Provide Assistance for Supportive Housing

3A Provide Vital Services for LMI Families

4A Provide Homeless Prevention Services

5A Provide Economic Development Assistance

HOME Investment Partnership Program (HOME): In order to expand the supply of decent, safe, secure and affordable housing to very low- and low-income households. The City has worked with key stakeholders in the community to establish the following goals for this Consolidated Plan:

2B Increase Affordable Housing Opportunities

2C Provide Assistance for Supportive Housing

3A Provide Vital Services for LMI Families

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

According to the HUD list of Section 8 Contracts, there are four current contracts in the City of Merced. These contracts account for 244 affordable units in the City. One of these contracts is set to expire before the end of 2025, Merced Commons I. This contract includes 76 units, all of which are between one- and three-bedroom units. If this contract is not renewed it will remove 31% of the Section 8 contracts for the market.

Does the availability of housing units meet the needs of the population?

Unfortunately, the availability of housing units does not meet the needs of the population. There is a need for quality affordable housing units of multiple sizes in neighborhoods throughout the City.

Describe the need for specific types of housing:

The City is in need of two primary housing types. Additionally, affordable units are needed in high-income and low-poverty areas to increase access to these areas for LMI households.

- Large rental units: Approximately 47% of rental units have three or more bedrooms. This limits the availability of units for large families and may lead to overcrowding and substandard living conditions.

- Small homeowner units: There are very few units in the City that appeal to homeowners that prefer small units. First time homeowners and retirees looking to downsize may prefer small units and without them they may be priced out of the market or end up cost burdened.

Discussion

N/A

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

The following section examines the cost of housing for both homeowners and renters within Merced. A review is made of current home values and rents as well as the recent changes in home values and rents. Finally, a closer look is given to the affordability of the existing housing stock for the residents of the jurisdiction.

Cost of Housing

| | Base Year: 2010 | Most Recent Year: 2018 | % Change |
|----------------------|-----------------|------------------------|----------|
| Median Home Value | 223,500 | 212,100 | (5%) |
| Median Contract Rent | 680 | 812 | 19% |

Table 29 – Cost of Housing

Alternate Data Source Name:
2006-2010 ACS, 2014-2018 ACS
Data Source Comments:

| Rent Paid | Number | % |
|-----------------|---------------|---------------|
| Less than \$500 | 1,502 | 10% |
| \$500-999 | 6,709 | 45% |
| \$1,000-1,499 | 4,837 | 32% |
| \$1,500-1,999 | 1,541 | 10% |
| \$2,000 or more | 320 | 2% |
| Total | 14,909 | 100.0% |

Table 30 - Rent Paid

Alternate Data Source Name:
2014-2018 ACS 5-Yr Estimates
Data Source Comments:

Housing Costs

Unlike most of the country, housing prices have decreased in Merced since 2010. Rents, however, have increased by almost 20%.

The table above breaks out the rent paid by price cohorts in the City. Approximately 62% of all renters pay between \$500 and \$999 a month, the largest cohort by far. The next largest rent cohort is less than \$500 with 19.3% of renters falling in this range. Later in this section, the report examines rental rates as a percentage of household income to determine the affordability of rental housing.

Home Value

Estimated median value of an owner-occupied home, between 2014-2018.

Median Home Value
Year: 2014-2018
Shaded by: Census Tract, 2010

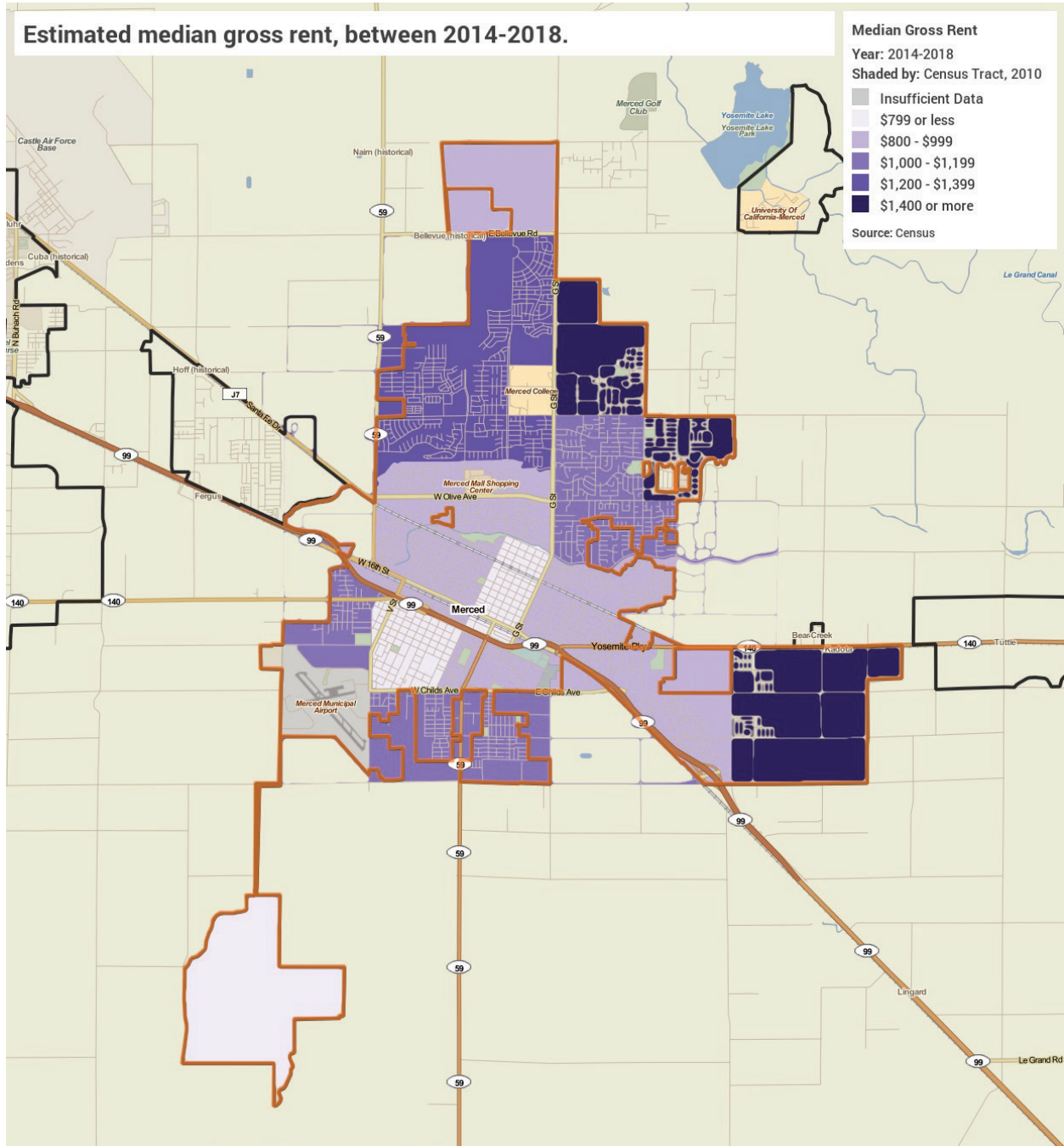
- Insufficient Data
- \$99,999 or less
- \$100,000 - \$199,999
- \$200,000 - \$299,999
- \$300,000 - \$399,999
- \$400,000 or more

Source: Census

Castle Air Force Base
Cuba (historical)
N. Bush Rd
Hoff (historical)
Fergus
Merced
Yosemite City
Merced Municipal Airport
Merced College
Merced Mail Shopping Center
W Olive Ave
W 18th St
W Childs Ave
E Grand Ave
Merced Golf Club
Yosemite Lake
Yosemite Lake Park
University of California-Merced
Le Grand Canal
Bear Creek
Turtle
Lingard
Le Grand Rd

OMB Control No: 2506-0117 (exp. 06/30/2018)

The map below displays the median rent by census tract. Similar to the median home value above, higher rents are generally located at the edges of the City. The downtown area has relatively low rents, often under \$800.



Median Rent

Housing Affordability

| % Units affordable to Households earning | Renter | Owner |
|--|---------------|--------------|
| 30% HAMFI | 665 | No Data |
| 50% HAMFI | 2,995 | 715 |
| 80% HAMFI | 9,420 | 2,290 |
| 100% HAMFI | No Data | 3,480 |
| Total | 13,080 | 6,485 |

Table 31 – Housing Affordability

Data Source: 2011-2015 CHAS

Housing Affordability

Throughout the City of Merced there are limited affordable housing options for low income residents, particularly when it comes to owner occupied housing. A very low-income household has approximately 715 affordable units and nearly 3,000 rental units available.

Monthly Rent

| Monthly Rent (\$) | Efficiency (no bedroom) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|-------------------|-------------------------|-----------|-----------|-----------|-----------|
| Fair Market Rent | 579 | 680 | 839 | 1,213 | 1,465 |
| High HOME Rent | 579 | 680 | 839 | 1,065 | 1,169 |
| Low HOME Rent | 567 | 608 | 730 | 842 | 940 |

Table 32 – Monthly Rent

Alternate Data Source Name:
HUD 2019 FMR and HOME Rents
Data Source Comments:

Fair Market Rent and High Low HOME Rent Limits

Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.

HOME Rents Limits are based on FMRs published by HUD. HOME Rent Limits are set to determine the rent in HOME-assisted rental units and are applicable to new HOME leases.

Is there sufficient housing for households at all income levels?

No. There is a lack of decent affordable units across the board. From a pure quantitative standpoint there are ample units in the City to house the population. However, high home values and rents result in much of the housing stock being out of the affordable range for large portions of the population. Cost burden is a significant issue, particularly for low-income households.

How is affordability of housing likely to change considering changes to home values and/or rents?

The current trend of unaffordable housing costs for both low-income renters and homeowners is unlikely to change. A significant change in the housing market that resulted in a large stock of affordable housing units would need to occur to reduce cost burden and households at risk of homelessness.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.

The median rent for all units in Merced was \$812 according to 2014-2018 ACS estimates in the above table. This falls between the Fair Market Rent and High HOME Rent for a 1-bedroom and 2-bedroom unit. For Low HOME Rent the median rent falls between 2-bedroom and 3-bedroom units. Understanding the relationship between FMR, HOME Rents, and the median rent can help guide the City in providing grant funds and other resources to the organizations and programs that will have the greatest impact.

Discussion

N/A

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

The tables and maps below provide details on the condition of housing units throughout the City of Merced by looking at factors such as age, vacancy, and the prevalence of housing problems.

HUD describes four housing conditions as being problematic: 1) the home lacks complete or adequate kitchen facilities, 2) the home lacks complete or adequate plumbing facilities, 3) the home is overcrowded - defined as more than one person per room, 4) the household is cost burdened by paying more than 30% of their income towards housing costs.

Definitions

Housing is considered substandard when conditions are found to be below the minimum standard of living conditions defined in Section 17920.3 of the California Health and Safety Code. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangement, due to threat to health and safety. The City will continue to conduct proactive code enforcement activities in identified target areas to address code violations, deferred maintenance, substandard housing conditions and encourage continued maintenance of existing neighborhoods. The City shall utilize the existing neighborhood/property condition surveys to aid in targeting additional areas. The Code Enforcement officers will work with the Housing Department Staff to coordinate efforts in rehabilitating existing housing.

Condition of Units

| Condition of Units | Owner-Occupied | | Renter-Occupied | |
|--------------------------------|----------------|-------------|-----------------|-------------|
| | Number | % | Number | % |
| With one selected Condition | 2,968 | 28% | 7,630 | 50% |
| With two selected Conditions | 92 | 1% | 1,229 | 8% |
| With three selected Conditions | 0 | 0% | 37 | 0% |
| With four selected Conditions | 0 | 0% | 0 | 0% |
| No selected Conditions | 7,424 | 71% | 6,447 | 42% |
| Total | 10,484 | 100% | 15,343 | 100% |

Table 33 - Condition of Units

Alternate Data Source Name:
2014-2018 ACS 5-Yr Estimates
Data Source Comments:

Housing Conditions

The table above details the number of owner and renter households that have at least one housing condition. Renters are much more likely to experience housing problems than homeowners. Approximately half of all renters have at least one housing problem while only 28% of homeowners experience that. Very few households have multiple housing problems and due to the analysis

conducted throughout this document it is safe to say that the housing problem faced by most is cost burden.

Year Unit Built

| Year Unit Built | Owner-Occupied | | Renter-Occupied | |
|-----------------|----------------|-------------|-----------------|-------------|
| | Number | % | Number | % |
| 2000 or later | 3,214 | 31% | 3,810 | 25% |
| 1980-1999 | 2,495 | 24% | 4,352 | 28% |
| 1950-1979 | 3,849 | 37% | 5,390 | 35% |
| Before 1950 | 926 | 9% | 1,791 | 12% |
| Total | 10,484 | 101% | 15,343 | 100% |

Table 34 – Year Unit Built

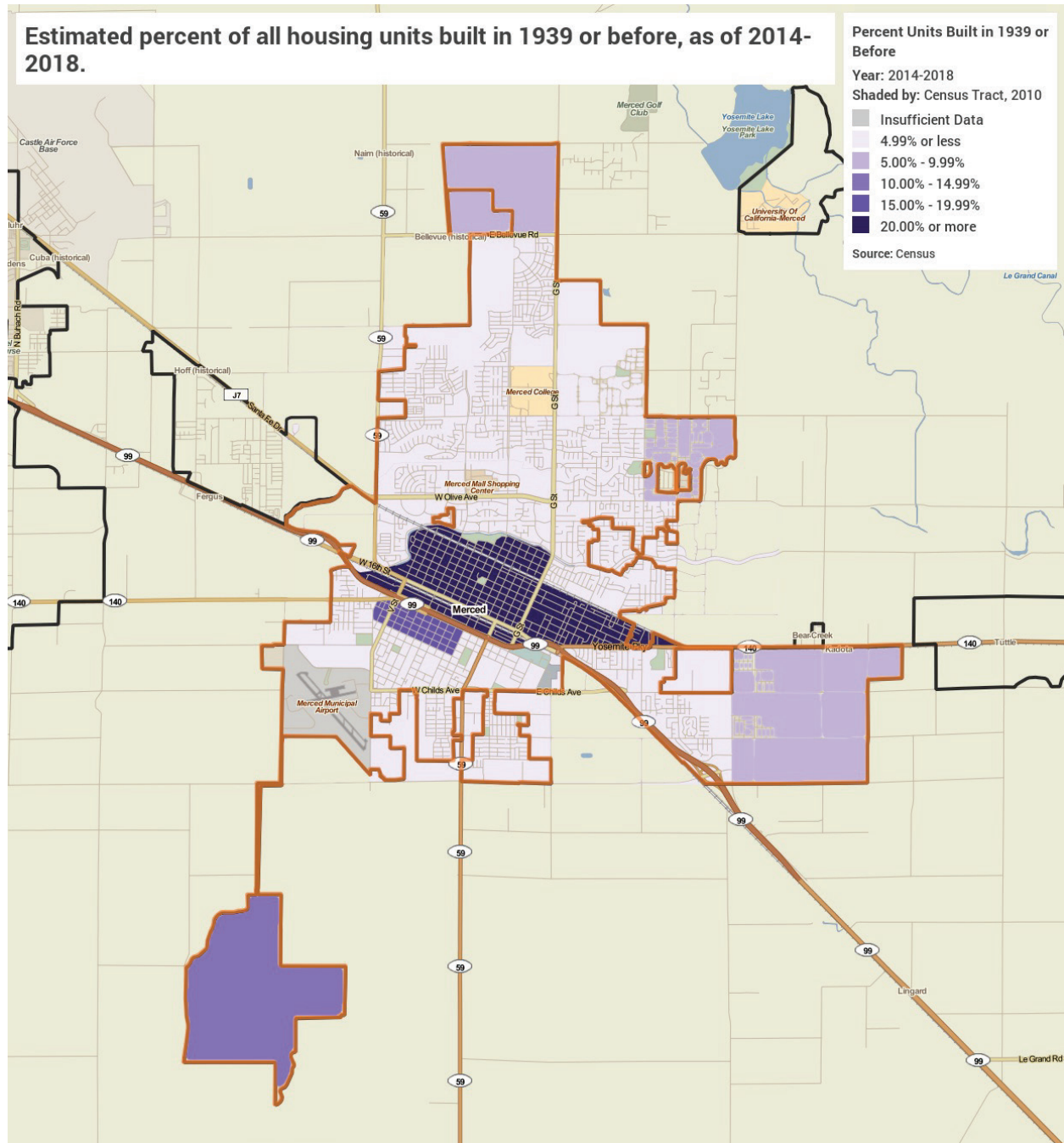
Alternate Data Source Name:
2014-2018 ACS 5-Yr Estimates
Data Source Comments:

Year Unit Built

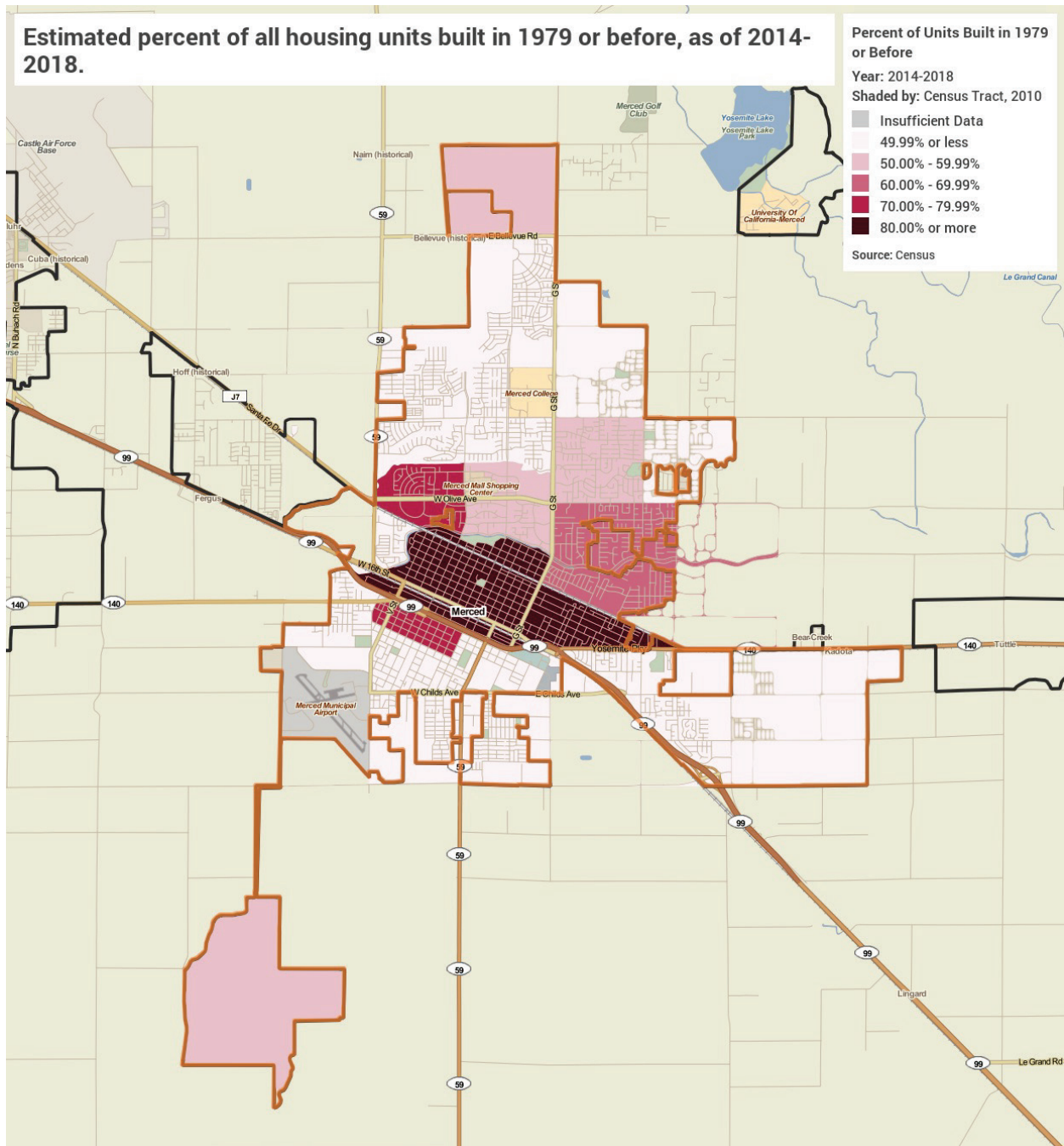
In Merced, there is a significant number of units built prior to 1980. Due to the use of lead-based paint prior to 1978, in this analysis any units built prior to 1980 will potentially have a lead-based paint hazard. Approximately 46% of owner-occupied units and 47% of renter-occupied units have a lead-based paint hazard. This amounts to approximately 12,000 households at risk of lead-based paint.

Age of Housing

The maps below depict the prevalence of older housing units in the City. Housing units built prior to 1940 are found almost exclusively in the central downtown parts of the City. In many of these tracts over 20% of the units were built during that time. For units built prior to 1980, the concentrated areas are spread out further from the city center and include tracts where 80% or more of the units are built before 1980 and have a lead-based paint hazard risk.



Housing Units Built Before 1940



Housing Units Built Before 1980

Risk of Lead-Based Paint Hazard

| Risk of Lead-Based Paint Hazard | Owner-Occupied | | Renter-Occupied | |
|---|----------------|-----|-----------------|-----|
| | Number | % | Number | % |
| Total Number of Units Built Before 1980 | 4,775 | 46% | 7,181 | 47% |
| Housing Units build before 1980 with children present | 3,845 | 37% | 1,180 | 8% |

Table 35 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

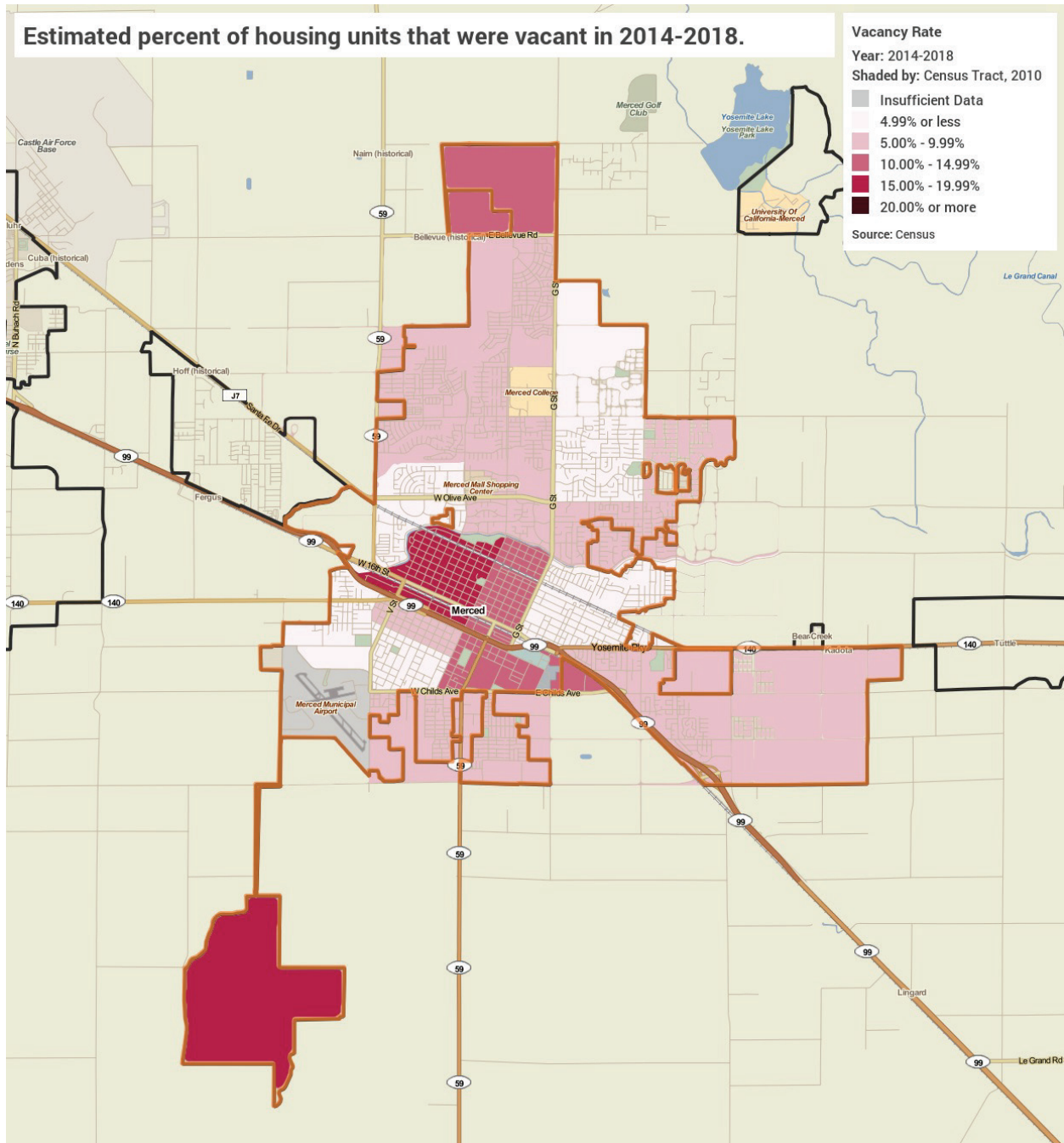
Lead-Based Paint Hazard

As mentioned previously, any housing unit built prior to 1980 may contain lead-based paint in portions of the home. The most common locations are window and door frames, walls, and ceilings, and in some cases throughout the entire home. Thus, it is generally accepted that these homes at least have a risk of lead-based paint hazards and should be tested in accordance with HUD standards. The greatest potential for lead-based paint and other environmental and safety hazards is in homes built before 1980. Within the City there are 12,000 housing units built before 1980.

Data note: For housing units built before 1980 with children present, the most recent data available was 2015 CHAS data. The 2011-2015 ACS data was used for the total number of units built before 1980 to match the time period.

Vacancy Rate

The map below shows the average housing vacancy rates throughout the City. The darker shaded areas have higher vacancy rates, while the lighter shaded areas have lower vacancy rates. In most census tracts throughout the City vacancy rates are at least 5% with a few tracts with lower vacancy rates.



Vacancy Rate

Need for Owner and Rental Rehabilitation

The City of Merced has a great need for housing rehabilitation. Much of the housing stock in the City is relatively old and as these homes age there is an increasing need for rehabilitation to maintain safe and secure units. It is particularly important to assist low-income households that live in older homes. Due to financial restraints they may need support to prevent homes from deteriorating and falling into disrepair.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Housing units built prior to 1980 may contain Lead-Based Paint in portions of the home (window and door frames, walls, ceilings, etc.) or in some cases throughout the entire home. Thus, it is generally accepted that these homes at least have a risk of Lead-Based Paint Hazards and should be tested in accordance with HUD standards. As indicated in the Age of Housing table and maps, throughout Merced approximately half of all housing was built prior to 1980. The safest estimate is to presume that all homes with an LBP hazard are occupied by LMI households, or 12,000 total units.

Discussion

N/A

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

This section describes the supply and condition of the public housing stock managed by the Housing Authority of the County of Merced (HACM), which is the local public housing authority serving the people of Merced. The HACM currently operates and manages 421 public housing units and has 2,856 Housing Choice Voucher participants.

Totals Number of Units

| | Program Type | | | | | | | | |
|--|--------------|-----------|----------------|----------|----------------|---------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project -based | Tenant -based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| # of units vouchers available | 0 | 20 | 421 | 2,856 | 352 | 2,354 | 103 | 27 | 0 |
| # of accessible units | | | | | | | | | |
| *includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition | | | | | | | | | |

Table 36 – Total Number of Units by Program Type

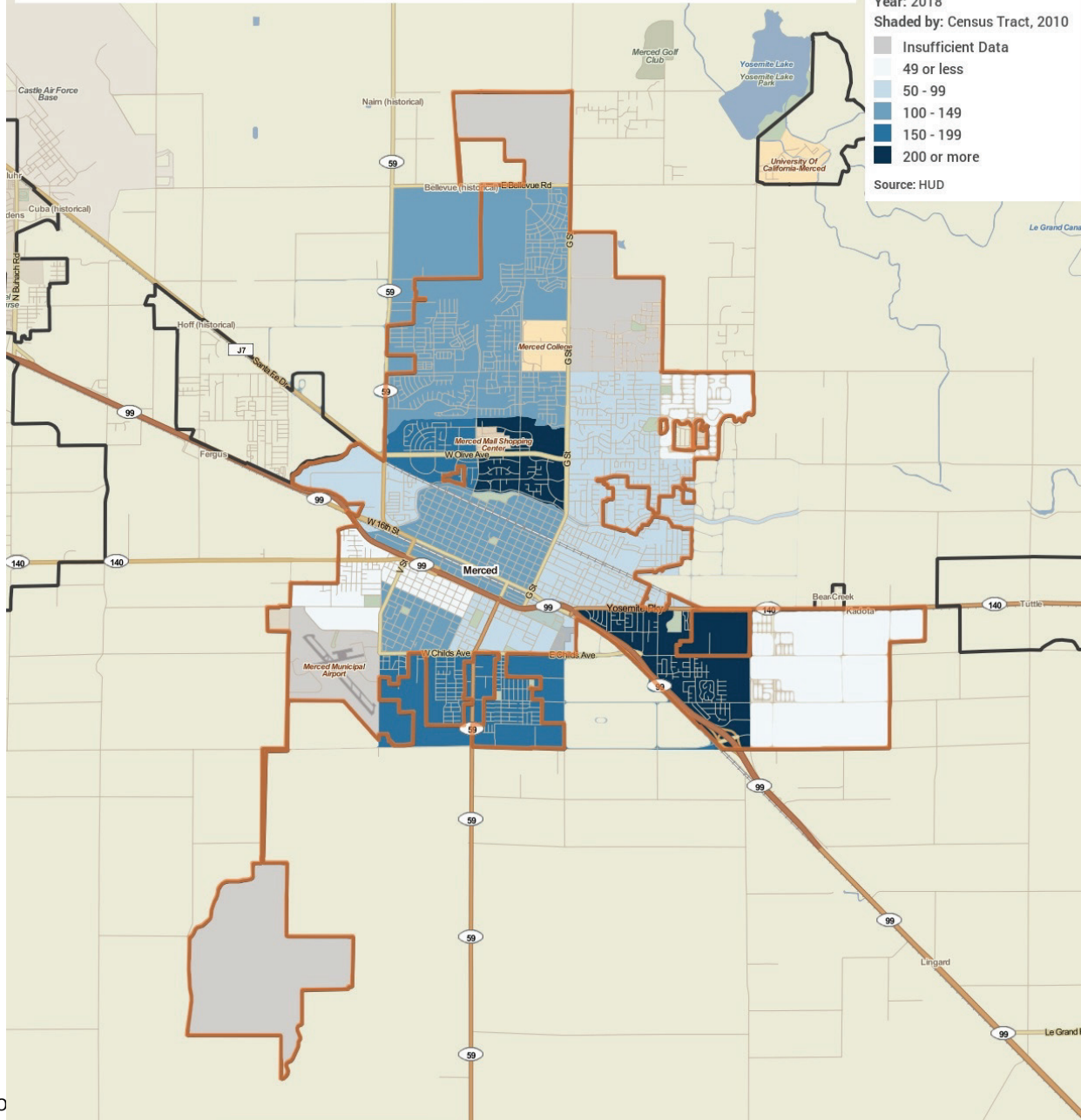
Alternate Data Source Name:
Housing Authority of the County of Merced
Data Source Comments:

Number of households receiving Housing Choice Vouchers in 2018.

Households with HCV
Year: 2018
Shaded by: Census Tract, 2010

- Insufficient Data
- 49 or less
- 50 - 99
- 100 - 149
- 150 - 199
- 200 or more

Source: HUD



Distribution of Housing Choice Vouchers (HCV)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The following developments and scores are provided by HUD through the Physical Inspection scores. Any property with an inspection score that is 90 or higher is considered in excellent question, a score between 56 and 89 is in acceptable condition, and a score of 55 or lower is in poor condition. The intent of providing these details is to allow interested parties to:

- 1) Better understand the condition of the HUD-assisted housing stock
- 2) Hold providers accountable
- 3) Plan for future affordable housing

Public Housing Condition

| Public Housing Development | Average Inspection Score |
|----------------------------|--------------------------|
| Scattered Sites | 94 |
| Gateway Homes | 83 |
| Merced Gardens | 83 |
| Merced Golden Manor | 96 |
| Village Terrace Pats | 68 |
| Merced Commons I | 72 |
| Merced Commons II | 67 |

Table 37 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

In Merced, there are no public housing developments with a poor inspection score. However, there are three developments with sub-80 inspection scores that may need additional restoration or revitalization. Village Terrace Apartments, Merced Commons I, and Merced Commons II each have a score that warrants support to prevent deterioration that could lead to poor quality developments and substandard living conditions.

Merced Commons I/II performed work to the units and property, conducted pre-REAC inspections to drastically improve the score; however, while awaiting an inspection date, the COVID-19 pandemic hit, and as a result, all 2019-2020 inspections were postponed. Work on the property will continue.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

In the Housing Authority of the County of Merced's Annual Plan for Fiscal Year 10/1/19-9/30/20, the Housing Authority identified a number of strategies to improve the living environment of LMI families.

- 1) Homeownership Program: Provides opportunities for LMI households to purchase a home when they may not be able to afford it on their own.
- 2) Safety and Crime Prevention: Partners with local law enforcement agencies to determine the safety needs of the residents and encourage crime prevention, particularly targeting at-risk youth.
- 3) Violence Against Women Act: Policies and procedures have been developed to comply with all VAWA requirements.

Discussion:

N/A

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

This section provides an overview of the facilities and services available to assist persons who are experiencing homelessness or are at risk of homelessness in the area. Data was provided by the Merced City and County CoC to HUD's Continuum of Care Homeless Assistance Programs for the 2019 Housing Inventory Count (HIC) Report.

Facilities and Housing Targeted to Homeless Households

| | Emergency Shelter Beds | | Transitional Housing Beds | Permanent Supportive Housing Beds | |
|---|---------------------------------|------------------------------------|---------------------------|-----------------------------------|-------------------|
| | Year Round Beds (Current & New) | Voucher / Seasonal / Overflow Beds | Current & New | Current & New | Under Development |
| Households with Adult(s) and Child(ren) | 179 | 0 | 24 | 75 | 0 |
| Households with Only Adults | 69 | 18 | 88 | 88 | 0 |
| Chronically Homeless Households | 0 | 0 | 0 | 0 | 0 |
| Veterans | 8 | 0 | 0 | 85 | 0 |
| Unaccompanied Youth | 0 | 0 | 6 | 4 | 0 |

Table 38 - Facilities and Housing Targeted to Homeless Households

Data Source Comments: 2019 Housing Inventory Count (HIC) Report. Data was provided by the CoC to HUD Continuum of Care Homeless Assistance Programs for the HIC Report.

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Under the Mental Health Services Recovery Act there are a number of services that assist persons experiencing homelessness. Programs include:

- Community Outreach Program Engagement and Education (COPE): Healthy living workshops that covers self-management of chronic diseases, diabetes, stress reduction, youth stress reduction, and smoking cessation that targets a number of groups, including residents experiencing homelessness.
- Wellness Center: Provides housing assistance, peer support, resource connections, employment assistance, and other services.
- WeCan Full-Service Partnership: Full-service partnership that helps client with serious emotional disturbances.
- Merced Community Assistance Recovery Enterprise: Provides crises prevention, employment services, housing support, linkages to the community, and psychiatric services
- Community United by Empowerment (CUBE): Includes therapy and counseling, case management, social skills groups, indoor and outdoor recreational activities, independent living skills classes, employment assistance, housing assistance, laundry, tutoring, and quiet areas.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The facilities are listed by HUD in the 2019 Housing Inventory Count for CA-520 (Merced City and County CoC).

Permanent Supportive Housing:

Housing Authority of the County of Merced:

- Shelter Plus Care – 8 adult-only beds
- VASH – 42 veteran family beds, 43 veteran adult-only beds

Merced County

- Human Services Housing Support Program – 33 family beds, 4 youth beds

- Project Hope Westside – 8 adult-only beds
- Project Home Start – 4 adult-only beds

Sierra Saving Grace – 14 adult-only beds

Turning Point – 11 adult-only beds

Rapid Re-Housing

Sierra Saving Grace – 46 adult-only beds

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

There are four primary groups with non-homeless special needs in the jurisdiction. They are the elderly and frail elderly, those with HIV/AIDS and their families, those with alcohol and/or drug addiction, and the mentally or physically disabled. This section will explain who they are, what their needs are, and how the jurisdiction is accommodating (or should accommodate) those needs.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Elderly: The supportive housing needs for this population can vary widely depending on the health and fitness of the individuals. In general, with aging disabilities and other health issues become more common. Because of this, supportive housing must include access to health professionals and housing modifications to assist the resident. It is important to help residents stay independent and in their own homes for as long as possible if they prefer that.

HIV/AIDS: Medical and social support is important for residents living with HIV/AIDS. While there have been great advances in the medical treatment of HIV/AIDS, it is still important to provide specialized support. Family and friends must be accessible and medical facilities should be nearby.

Alcohol and/or Drug Addiction: Individuals dealing with addiction often require housing options that will provide a safe, sober place for recovery. A strong network is necessary to maximize the chance they will stay healthy and sober. It is important that these persons have access to health services, support groups, employment assistance, and access to family and friends. Additionally, detoxification facilities are necessary when addiction is first recognized.

Mental and Physical Disabilities: Individuals with disabilities encompass a wide range of skill levels and abilities. Therefore, they have many of the same issues as the general population with the added needs that are unique to their situation. Often times, individuals with disabilities have a fixed income and limited housing options. Individuals with more independent skills can utilize subsidized housing but individuals that need more support or specialized housing have fewer options. Many individuals continue to reside with parents and families throughout adulthood, which can put additional financial burden on the family. Regardless of the housing situation, a common thread is the need to continuous support services dependent on the level of capabilities.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Under the Mental Health Services Recovery Act there are a number of services that assist persons with housing.

- Community Assistance Recovery Enterprise – Adult Full-Service Partnership: Crises intervention, employment services, housing support, linkages to the community, psychiatric services
- Merced Adult Wellness Center: Housing assistance, resource connection and referrals, dual diagnosis, peer support, consumer advisory committee, employment assistance, socialization, recreation and exercise, anger management, volunteer programs, community activities, arts, skills building, member facility groups, celebrations, and groups for southeast Asian residents.
- Dual Diagnosis Wellness Center: Multidisciplinary team, integrated treatment specialist, stage-wise interventions, time-unlimited services, outreach, motivational interventions, substance abuse counseling group treatment, family interventions, alcohol and drug self-help groups, pharmacological treatment, secondary interventions
- Westside Transitional Wellness Center: employment development, job finding, housing assistance, continuing education, money management, mental health recovery groups, peer to peer support, medication education groups, self-discovery activities

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City's programs are designed to address the needs of vulnerable populations, particularly those with special needs. Under Goal 3B. Provide Supportive Services for Special Needs, the City plans to fund the following activities for people who are not homeless:

- Harvest Time – The City will fund the upgrade and installation of walk-in refrigeration/freezer units for the organization's food distribution program.
- Alliance for Community Transformations/Valley Crisis Center Program – Increasing Housing and Financial Stability Project – provide funding to emergency shelter clients who are victims of domestic violence, sexual assault, and human trafficking for one-time first/last month's rental assistance and costs of job-seeking and job training classes to help them obtain employment and financial independence.
- Symple Equazion – Aim High P.O.W.E.R. Academy – provide funding to formerly homeless young women who are aged 18 to 24 years of age and existing residents of the Aim High Transitional Home for work and life readiness skills, including goal setting, job seeking and attainment, communication, social, and personal finance/money management skills in order to reduce homelessness.

- Services for those affected by COVID-19- The City will provide to be determined services for those most affected by the COVID-19 pandemic.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

See above

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Public policies are meant to address the overall needs of citizens. Yet, there are times where they may have a negative effect on certain aspects of the community, specifically affordable housing and residential investment. Affordable housing and public and private residential investments are key components in furthering fair housing in any community. The primary tool communities have for identifying contributing factors for these barriers to housing is an assessment of fair housing and fair housing choice. In 2020, the City is updating the fair housing assessment.

The City plans corresponding actions designed to strengthen the supply of affordable housing and narrow the affordability “gaps.” Elements of those actions appear within this Consolidated Plan and beyond. Additionally, the City anticipates a review of public policies that may impede the development of affordable housing and to improve the understanding of their consequences.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

This section provides insight into the economic development landscape of Merced. The table below details the extent of business sector employment throughout the City. Unemployment, commuting times, and education are also analyzed in this section.

Economic Development Market Analysis

Business Activity

| Business by Sector | Number of Workers | Number of Jobs | Share of Workers % | Share of Jobs % | Jobs less workers % |
|---|-------------------|----------------|--------------------|-----------------|---------------------|
| Agriculture, Mining, Oil & Gas Extraction | 2,005 | 468 | 7 | 2 | -5 |
| Arts, Entertainment, Accommodations | 2,535 | 2,762 | 9 | 10 | 1 |
| Construction | 1,622 | 568 | 6 | 2 | -4 |
| Education and Health Care Services | 8,717 | 9,520 | 30 | 35 | 5 |
| Finance, Insurance, and Real Estate | 1,266 | 1,224 | 4 | 5 | 1 |
| Information | 228 | 187 | 1 | 1 | 0 |
| Manufacturing | 2,502 | 1,828 | 9 | 7 | -2 |
| Other Services | 1,223 | 567 | 4 | 2 | -2 |
| Professional, Scientific, Management Services | 1,777 | 2,169 | 6 | 8 | 2 |
| Public Administration | 1,742 | 2,485 | 6 | 9 | 3 |
| Retail Trade | 3,211 | 3,429 | 11 | 13 | 2 |
| Transportation and Warehousing | 1,488 | 1,430 | 5 | 5 | 0 |
| Wholesale Trade | 675 | 241 | 2 | 1 | -1 |
| Total | 28,991 | 26,878 | -- | -- | -- |

Table 39 - Business Activity

Alternate Data Source Name:

2013-2017 ACS (Workers), 2017 LEHD (Jobs)

Data Source Comments: The most recent LEHD data was from 2017. For comparison, 2013-2017 ACS data was used.

In Merced, there are two business sectors with a disconnect between workers and jobs by 5%. In the Agriculture, Mining, Oil and Gas Extraction sector there are significantly more workers than jobs. This sector represents 7% of all workers but only 2% of all jobs. The Education and Health Care Services Sector, which is the largest sector in the City, accounts for 30% of the workers and 35% of the jobs. In total, there is a need for 800 workers in this field.

Labor Force

| | |
|--|--------|
| Total Population in the Civilian Labor Force | 34,533 |
| Civilian Employed Population 16 years and over | 29,803 |
| Unemployment Rate | 5.40 |
| Unemployment Rate for Ages 16-24 | 30.40 |
| Unemployment Rate for Ages 25-65 | 10.50 |

Table 40 - Labor Force

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

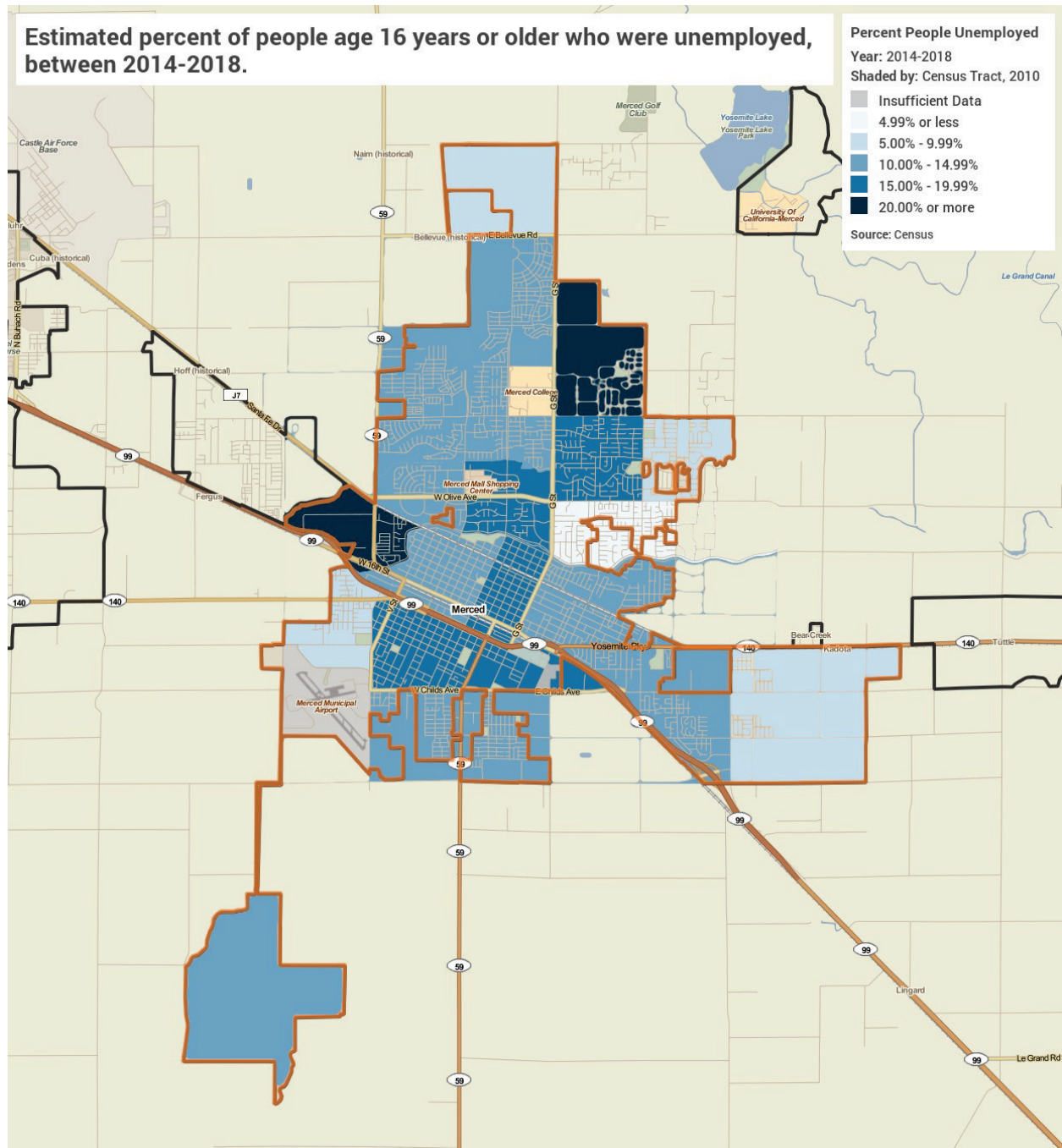
Data Source Comments:

Data for the Unemployment Rate was from the Bureau of Labor Statistics, November 2019, Not Seasonally Adjusted. All other data, including unemployment by age was from the ACS.

Unemployment

There are multiple methods of measuring unemployment, each with their own pros and cons. The US Census collects annual unemployment data by census tract, which allows for a geographic comparison of the unemployment rate. However, the data is generally two or more years old. The unemployment data gathered by the Bureau of Labor Statistics is produced monthly but cannot be compared by census tract, only by City.

In the map below ACS data is used to estimate the unemployment rate by census tract. Two tracts have a noticeably large unemployment rate, over 20%. There is also one tract with an unemployment rate of less than 5%.



Unemployment Rate

| Occupations by Sector | | Number of People |
|--|--|------------------|
| Management, business and financial | | 8,607 |
| Farming, fisheries and forestry occupations | | 1,985 |
| Service | | 6,914 |
| Sales and office | | 5,432 |
| Construction, extraction, maintenance and repair | | 2,252 |
| Production, transportation and material moving | | 4,613 |

Table 41 – Occupations by Sector

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

Data Source Comments:

Occupations by Sector

The Occupations by Sector table above identifies how prevalent certain jobs are across industries. This differs from the table found earlier in this section that showed how common all jobs were in certain sectors. For example, the managers of both a fast food restaurant and a construction company would both fall under “Management, Business, and Financial” in the above table but would be in different categories in the first table.

In Merced, the largest occupation sector is the Management, Business, and Financial sector. Over 8,600 jobs in the City fall in this group. The next two largest groups are Service and Sales, with 6,914 and 5,432 jobs, respectively.

Travel Time

| Travel Time | Number | Percentage |
|--------------------|---------------|-------------|
| < 30 Minutes | 20,537 | 74% |
| 30-59 Minutes | 4,353 | 16% |
| 60 or More Minutes | 3,013 | 11% |
| Total | 27,903 | 100% |

Table 42 - Travel Time

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

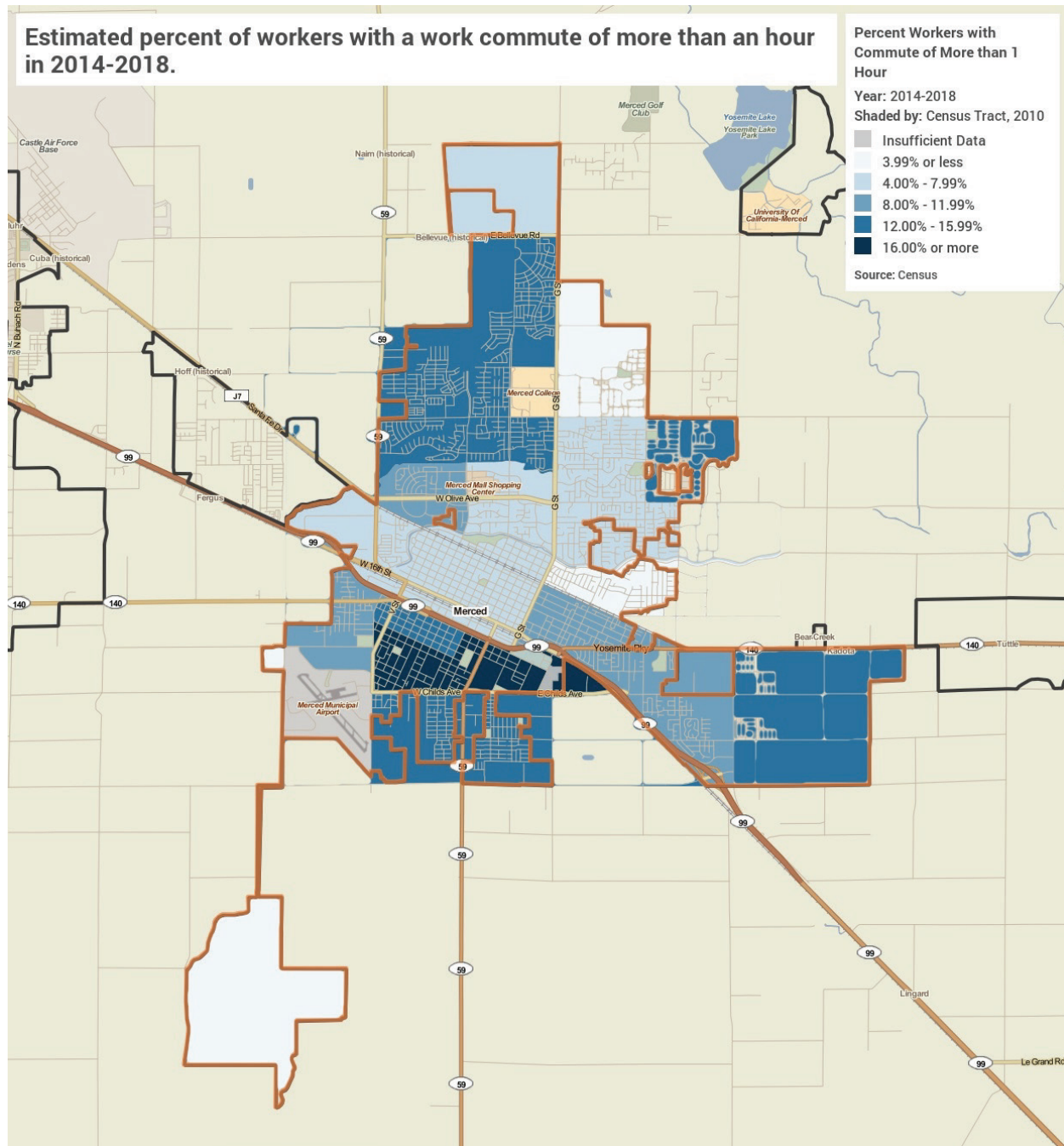
Data Source Comments:

Commute Travel Time

Approximately 74% of all persons commuting to work have a commute of less than 30 minutes each way. Approximately 11% of all employed persons have a commute of 60 minutes or more, to and from

work each day. Higher average commute times are much more likely in the central tracts than anywhere else in the jurisdiction.

Source: 2014-2018 American Community Survey 5-Year Estimates



Commute Travel Time Greater Than One Hour

Education:

Educational Attainment by Employment Status (Population 16 and Older)

| Educational Attainment | In Labor Force | | Not in Labor Force |
|---|-------------------|------------|--------------------|
| | Civilian Employed | Unemployed | |
| Less than high school graduate | 4,606 | 1,217 | 4,072 |
| High school graduate (includes equivalency) | 5,279 | 1,219 | 3,310 |
| Some college or Associate's degree | 8,386 | 1,351 | 3,486 |
| Bachelor's degree or higher | 5,486 | 445 | 979 |

Table 43 - Educational Attainment by Employment Status

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

Data Source Comments:

Educational Attainment by Age

| | Age | | | | |
|---|-----------|-----------|-----------|-----------|---------|
| | 18–24 yrs | 25–34 yrs | 35–44 yrs | 45–65 yrs | 65+ yrs |
| Less than 9th grade | 215 | 872 | 1,256 | 2,921 | 1,994 |
| 9th to 12th grade, no diploma | 1,169 | 1,175 | 1,350 | 1,787 | 729 |
| High school graduate, GED, or alternative | 2,537 | 3,170 | 2,220 | 3,987 | 1,824 |
| Some college, no degree | 5,929 | 3,500 | 2,333 | 3,541 | 1,856 |
| Associate's degree | 348 | 1,046 | 1,009 | 1,433 | 545 |
| Bachelor's degree | 830 | 1,602 | 1,002 | 1,689 | 680 |
| Graduate or professional degree | 8 | 846 | 650 | 1,060 | 765 |

Table 44 - Educational Attainment by Age

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

Data Source Comments:

Educational Attainment – Median Earnings in the Past 12 Months

| Educational Attainment | Median Earnings in the Past 12 Months |
|---|---------------------------------------|
| Less than high school graduate | 23,019 |
| High school graduate (includes equivalency) | 26,766 |
| Some college or Associate's degree | 33,992 |
| Bachelor's degree | 49,238 |
| Graduate or professional degree | 64,776 |

Table 45 – Median Earnings in the Past 12 Months

Alternate Data Source Name:

2014-2018 ACS 5-Yr Estimates

Median Earnings by Educational Attainment

Median earnings of individuals in the City are closely tied to educational attainment. Median earnings increase as individuals attain higher education. A person with a Bachelor's degree can expect to earn over twice that of a person without a high school degree. A person with a graduate or professional degree can expect to earn more nearly twice somebody with only some college or an Associate's degree.

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

In Merced, there is one business sector that has a much larger share of the workers and jobs than any other sector. The Education and Health Services sector includes 30% of all workers and 35% of all jobs. The next largest sector, Retail Trade, is considerably smaller and includes 11% of workers and 13% of jobs.

Describe the workforce and infrastructure needs of the business community:

In Merced, there are several sectors with workforce needs. There are currently 2,000 more workers than jobs in the City, but the skills do not match the demand. In particular, there is a disconnect in the following areas:

- Arts, Entertainment, Accommodations: 227 workers needed
- Education and Health Services: 803 workers needed
- Professional, Scientific, and Management Services: 392 workers needed
- Public Administration: 743 workers needed
- Retail Trade: 218 workers needed

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

According to the California Central Valley Economic Development Corporation (CCVEDC), Merced County has 11 designated Opportunity Zone census tracts. The Opportunity Zones include industrial and

commercial buildings and land opportunities that offer significant economic growth potential. The Merced County Community and Economic Development Department works closely with financing partners, builders and local stakeholders to help projects take advantage of Opportunity Zones. Opportunity Zones are economically distressed communities. Under certain conditions, new investments in Opportunity Zones may be eligible for preferential tax treatment.

There are seven tracts in the City of Merced that have been designated as Opportunity Zones: 06047001301, 06047001302, 06047001401, 06047001501, 06047001601, 06047001602, and 06047001700.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

As noted above, there is a need for workers in a number of areas. Many of these jobs require a college degree in order to be eligible. A workforce that more closely aligns with the needs of the community would help address these discrepancies.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The WorkNet Merced provides a variety of resources to assist the area's workforce. These resources include job referrals, job listings, community resource directory, career advising, education and, job training. These resources can help the City meet the identified Consolidated Plan goals and can provide an organization to receive grant support.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDs)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

N/A

Discussion

N/A

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

HUD identifies four specific data points that constitute “housing problems”: cost burden, overcrowding, lack of complete plumbing facilities and lack of complete kitchen facilities. In Merced, housing problems are rare except for being cost burdened. According to the 2014-2018 ACS 5-Year Estimates, the citywide rate of each is:

- Cost Burden: 45.2%
- Overcrowding: 8.5%
- Lack of Complete Plumbing Facilities: 0.4%
- Lack of Complete Kitchen Facilities: 1.3%

In order for an area to be concentrated it must include two or more housing problems that are substantially higher than the Citywide average. For this analysis, HUD’s definition of “disproportionate” will be used to identify areas substantially higher: 10 percentage points higher than the jurisdiction as a whole. In Merced that translates to cost burden greater than 55.2%, overcrowding greater than 18.5%, lack of plumbing facilities greater than 10.4%, and lack of kitchen facilities greater than 11.3%.

In the City there are two tracts with a concentration of housing problems.

Tract 15.03: Located in southern Merced to the northeast of the Merced Municipal Airport

Overcrowding: 19.0%

Cost Burden: 62.9%

Tract 16.02: Located in southern Merced east of Highway 59 and south of E Childs Avenue. This tract includes newly annexed parts of the City as well as County land.

Overcrowding: 20.8%

Cost Burden: 56.8%

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

For the purposes of this analysis a “racial or ethnic concentration” will be any census tract where a racial or ethnic minority group makes up 10 percent or more of the population than the city as a whole. According to the 2014-2018 American Community Survey 5-Year estimates the racial and ethnic breakdown of Merced’s population is:

- White: 56.84%
- Black: 6.08%

- American Indian and Alaska Native: 0.87%
- Asian: 12.6%
- Native Hawaiian and Other Pacific Islander: 0.09%
- Other Race: 19.24%
- Two or More Races: 4.27%
- Hispanic or Latino: 52.57%

Within Merced, the following tracts display a racial or ethnic concentration:

Asian

Tract 16.02: 29.92%

Some Other Race:

Tract 16.01: 42.0%

Tract 15.03: 32.53%

Tract 15.02: 35.98%

Hispanic

Tract 16.01: 84.34%

Tract 15.03: 74.13%

Tract 15.02: 86.4%

A “low-income concentration” is any census tract where the median household income for the tract is 80% or less than the median household income for the City of Merced. According to the 2014-2018 American Community Survey 5-Year Estimates, the Median Household Income in Merced is \$42,637. A tract is considered to have a low-income concentration if the MHI is \$34,110 or less. There are eight tracts with a low-income concentration. A map of these tracts is provided below.

- Tract 10.05: \$29,714
- Tract 10.03: \$33,112
- Tract 10.04: \$27,824
- Tract 13.01: \$29,508
- Tract 13.02: \$25,615
- Tract 15.02: \$31,346
- Tract 15.03: \$25,785
- Tract 16.01: \$20,929

See map below: Concentration of LMI Households

What are the characteristics of the market in these areas/neighborhoods?

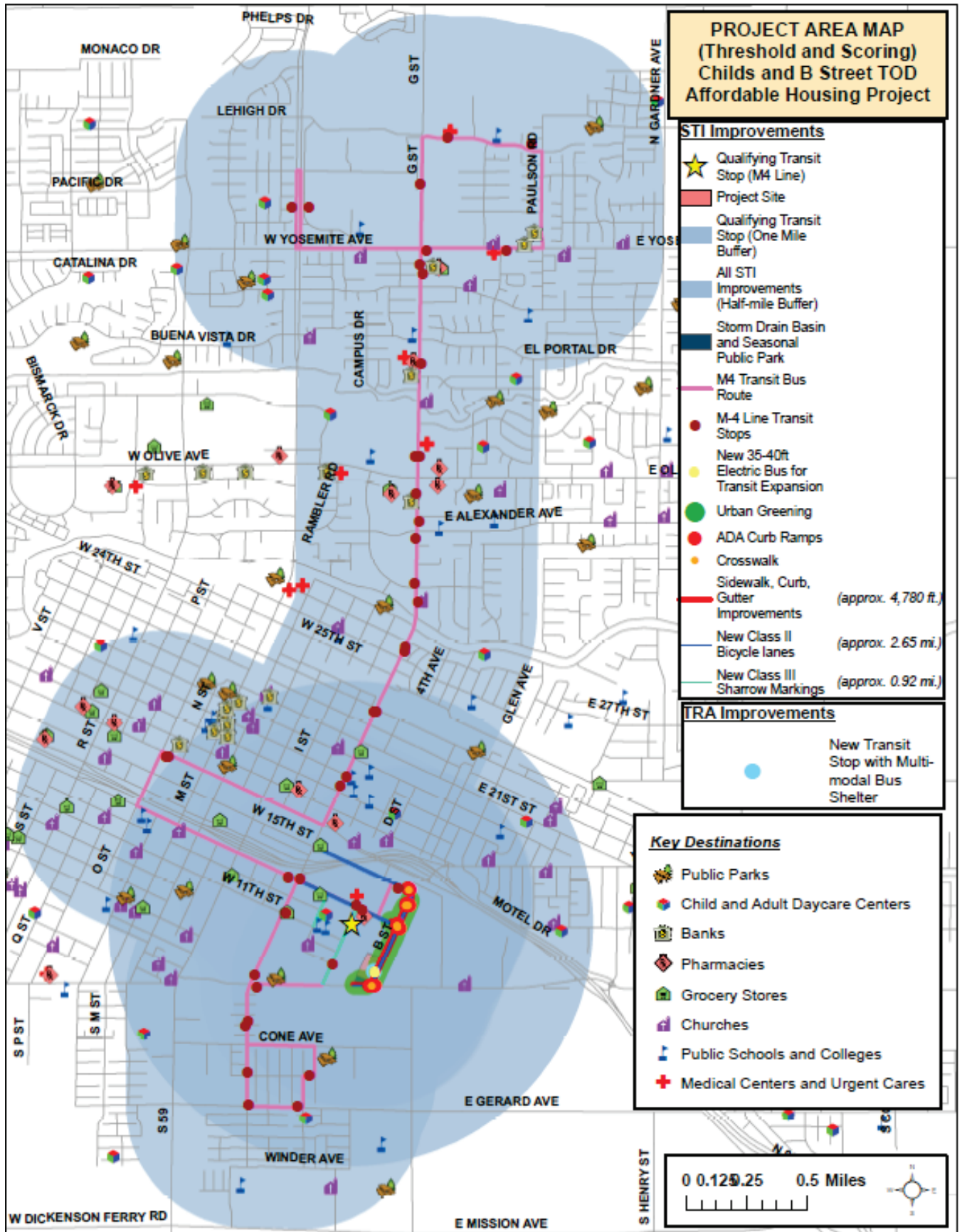
The area of primary concern are the three tracts that contain both a concentration of minority residents and low-income households. The median home sale price in this area is significantly lower than the citywide average and ranges between \$125,000 to \$151,500. Median rent is also below average and ranges from \$679 and \$802. Housing problems are a particular problem in this area and the vacancy rate for all tracts are under 5.5%.

See map below: MA-50 Target Area

Are there any community assets in these areas/neighborhoods?

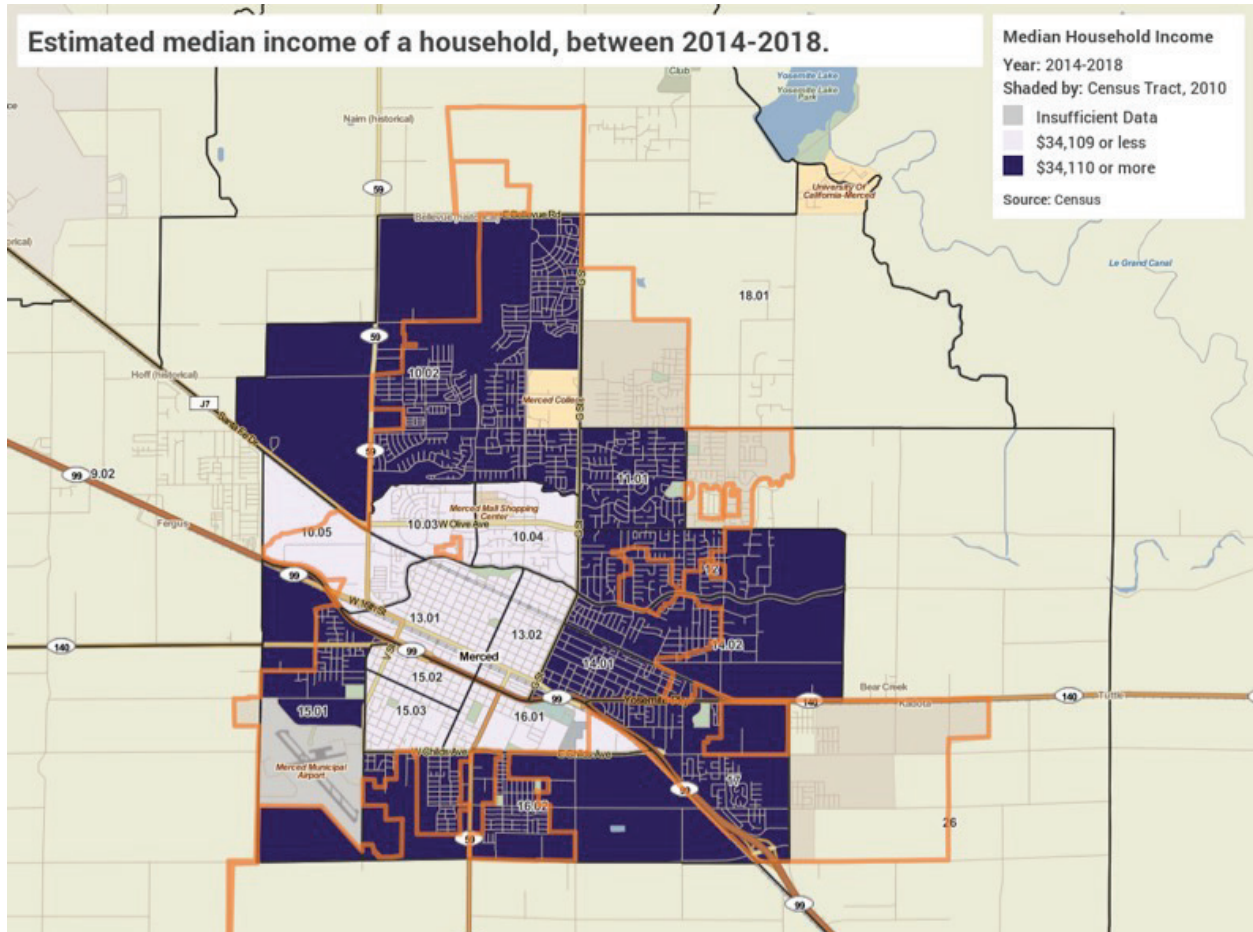
This area has a number of community assets. It includes a number of neighborhood and community parks, the Merced Fairgrounds Speedway, which hosts a large vendor/farmer's market each Saturday and the Merced County Fair each summer, and the Merced Housing Authority. In the area there is also the Mercy Medical Center Clinic, the Golden Valley Health Center complex, a large number of religious institutions from a variety of spiritual practices, and it is located near the Merced Regional Airport, as well as Highway 99.

The City is providing funding for a 119-unit affordable housing development at Childs Avenue and B Street in Tract 16.01 and another 50-unit affordable housing development in tract 15.02. Part of the Childs Avenue and B Street project includes acquiring an electric bus to enhance transportation to assets throughout the area. The electric bus will be added to the M4 line, which passes in front of both future housing development sites and connects to the community college in North Merced, and will increase stop frequency from every 30 minutes to every 15 minutes. See map below for M4 bus line route and nearby amenities. Further, the hope with these developments is that they will spur greater interest in investing in these areas with new community assets, similar to the interest that has been shown in tract 16.02.

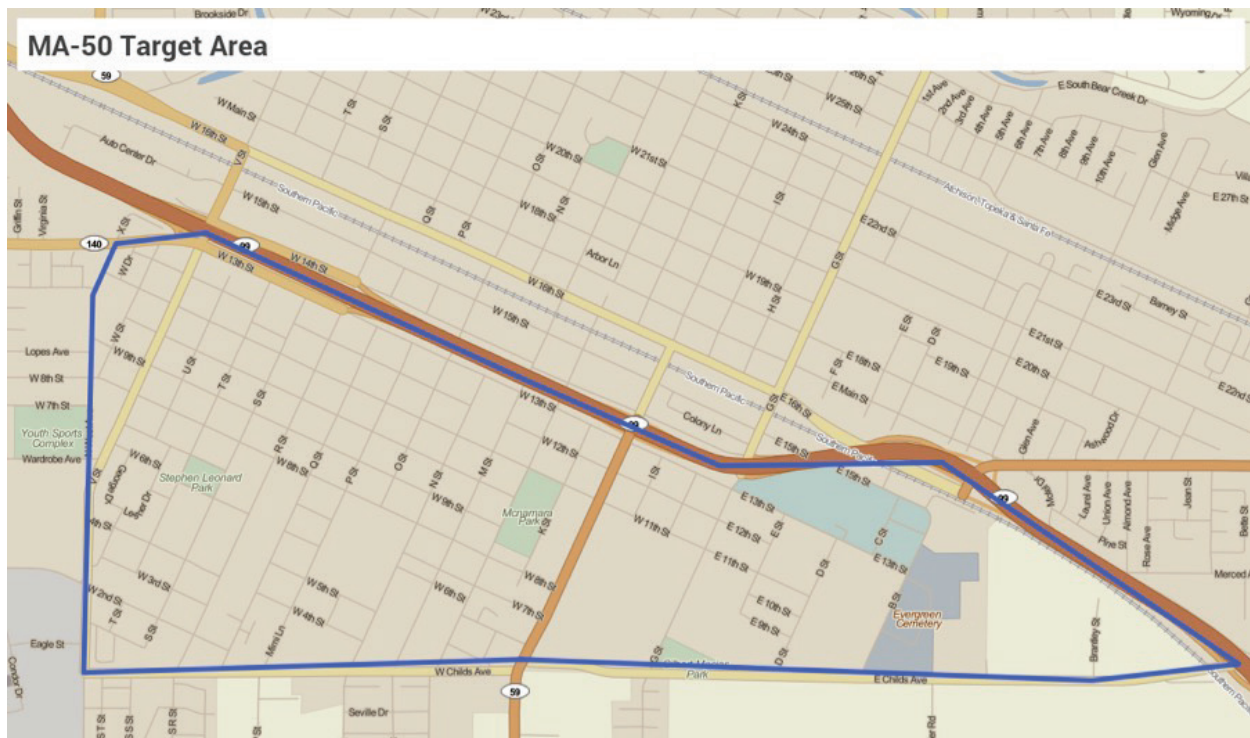


Are there other strategic opportunities in any of these areas?

Yes, the area is close to the commercial district of Merced. That location, when coupled with the relatively low housing prices in the area, provides an opportunity to link affordable housing with job opportunities. There is also a large number of multifamily units that can allow for an efficient use of funding.



Concentration of LMI Households



MA-50 Target Area

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Internet is an essential communications and information platform that allows users to take advantage of the increased interconnectedness of business, education, commerce, and day to day utility. Reliable access to the internet is becoming a necessity to thrive in the modern economic environment. Communities that lack broadband access struggle to keep pace with the country. Locations without broadband access impedes its population's ability to take advantage of the educational and entrepreneurial opportunities available online. This is particularly problematic for LMI areas where economic opportunities are already often lacking. Studies suggest a strong correlation between increased high-speed internet access and increased education and employment opportunities, especially in small cities and rural areas.

Merced does not have significant gaps in broadband coverage. Most of the city has multiple options of internet providers, to include LMI areas. The average Merced household has at least four (4) options for broadband-quality Internet service; however, an estimated five percent (5%) of locals still don't have access to more than one provider and may have to rely on low-grade wireless.

The following map shows broadband access throughout the City. Broadband access is defined as advertised internet speeds of 768 kilobits per second or higher. FCC data shows four major infrastructure options within Merced: Cable, DSL, Fiber, and Fixed Wireless.

See map below: Broadband Access

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

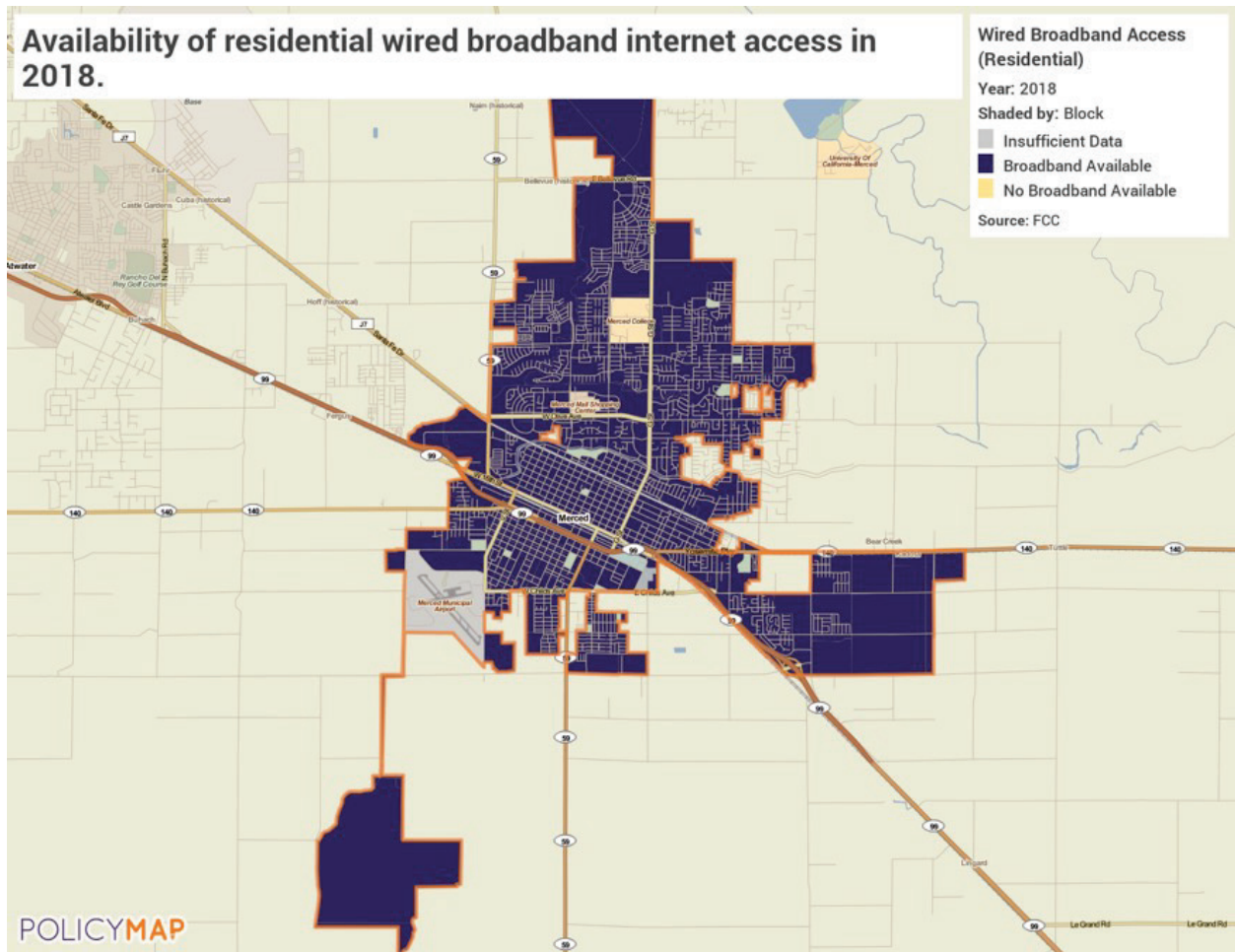
Once broadband access has been obtained, it is important to ensure there is competition among service providers. Any resource that has a de facto monopoly on an area may not be incentivized to provide standard and consistent services. Merced has a total of eight (8) Internet providers offering residential service. AT&T (DSL) and Earthlink (DSL) are the strongest providers in Merced so far as coverage. The average Merced household has at least four (4) options for broadband-quality Internet service. These providers frequently overlap around the city:

- AT&T Internet (DSL and Fiber)
- Earthlink (DSL and Fiber)
- Xfinity (Cable)
- Fire2Wire (Fixed)

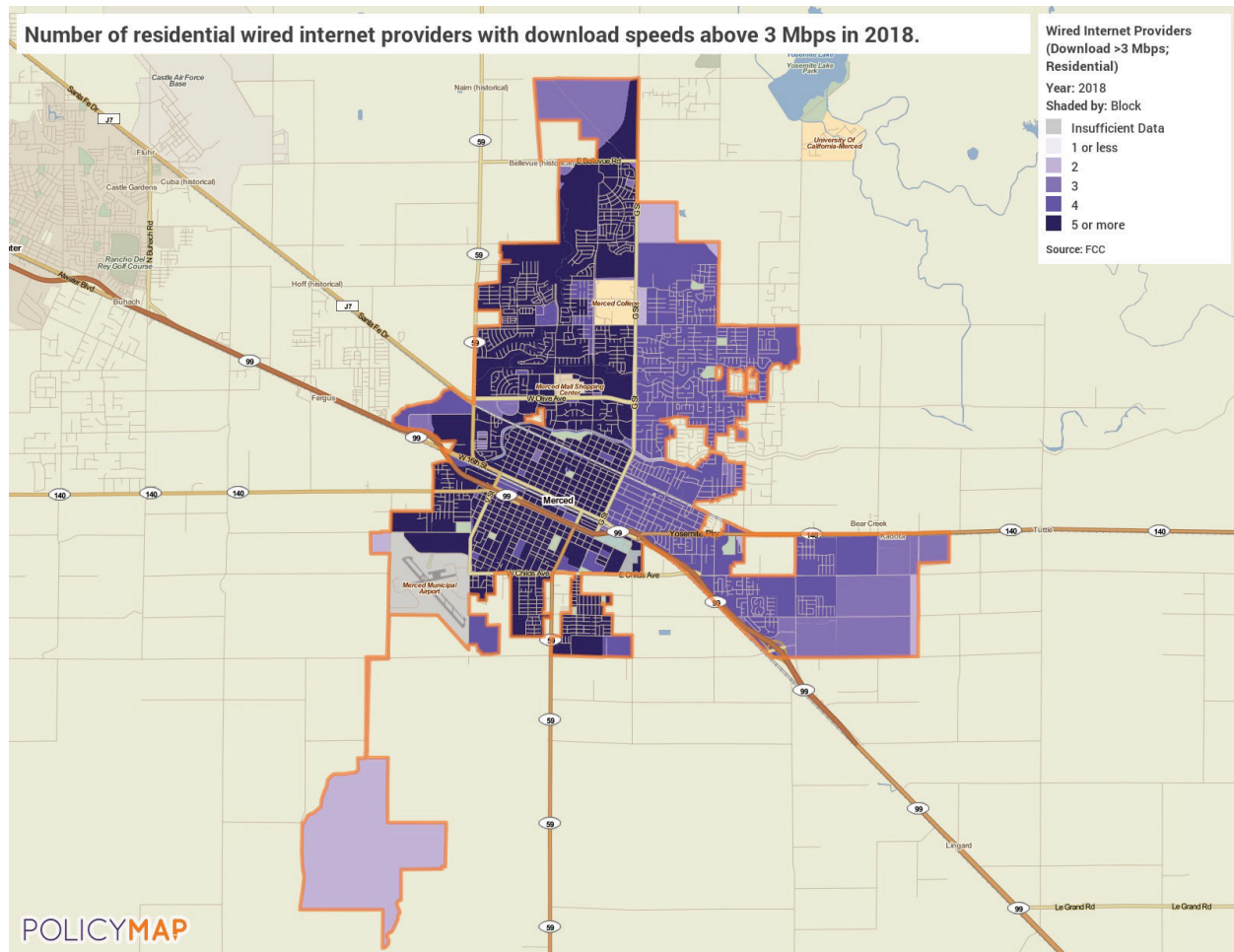
- UnWired Broadband (Fixed)
- Ayera Technologies (Fixed)
- Viasat Internet (formerly Exede)(Satellite)
- HughesNet (Satellite)

The following map shows the number of broadband service providers by census tract. Most of the city has at least four options of high-speed internet with competitive providers, though there are some tracts with lower populations that only have access to one provider.

See map below: Highspeed Internet Providers



Broadband Access



Highspeed Internet Providers

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Merced has not historically been prone to various natural hazard events but has still experienced flooding, hail, thunderstorm winds, wildfires, warm weather, drought and others. The potential impacts of climate change—including an increase in prolonged periods of excessively high temperatures, more heavy precipitation, more severe storms or droughts—are often most significant for vulnerable communities. The City is not located on the coast, but it is still impacted secondary effects due to its proximity to the West Coast. By the middle of the century the average summer temperature is expected to rise four degrees. This rise in temperature could lead to altered weather and precipitation patterns, a rise in severe storms, an increased risk of catastrophic floods, increased electricity costs, and ruined crops. Additionally, any increase in the ocean levels or increased storm activity may lead to people moving from the coast. An increase of people could come into the City which may drive up housing costs, reduce the availability of jobs, and tax resources.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Low- and moderate-income residents are at particular risk due to having less available resources to combat the impacts of natural disasters. A dramatic rise in electricity or housing costs could put them at imminent risk of homelessness or living in substandard conditions. Residents in rural communities will have less access to public support in case of emergencies and will have fewer resources to repair or prevent damage to their homes.

The City of Merced strives to inform and prepare the general public for multi-hazard mitigation. There are online venues (including the City website, Local Hazard Mitigation Plan website, and social media pages, Merced Police Department website and Facebook page, Merced County Office of Emergency Management website and social media pages, and the CA Voluntary Organizations Active in Disaster (VOAD) website and social media pages) that disseminate numerous informational guidebooks, videos, and emergency resources to build disaster resiliency in the community.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The City of Merced's 2020-2024 Strategic Plan proposes projects and activities to meet the priorities described in the Consolidated Plan (the "ConPlan"). It describes eligible programs, projects and activities to be undertaken with anticipated funds made available over the next five years and their relationship to identified needs for housing, homelessness, and community and economic development. Each year, assuming funding levels remain the same, more specific projects throughout the City will be identified and implemented via the annual Action Plans.

The general priority categories of housing, homelessness, special needs, and community development needs and their related goals are addressed in the various activities to be undertaken. These activities estimate the number and type of families that will benefit from the proposed activities, including special local objectives and priority needs. The projected use of funds identifies the proposed accomplishments. Area benefit activities were qualified using 2010 data from the U.S. Census Bureau.

The City has been awarded \$1,124,056 from the federal Community Development Block Grant (CDBG) program and \$542,776 from the federal HOME program. The goals in this ConPlan are based on the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

The Strategic Plan provides information related to the proposed geographic distribution of investment. It includes a general description of the homeless and other community development needs activities to be undertaken and other actions to address obstacles to meet underserved needs and reduce poverty. This plan can also be found at the City's website at www.Merced.org.

Overall, Merced has several priority housing and community needs it plans to address over the next five years:

- To preserve, rehabilitate and enhance existing neighborhoods and housing, as applicable, with an emphasis on South and Central Merced;
- Create neighborhood revitalization opportunities within targeted areas of the City.
- Provide support services for the City's residents;
- Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor; and
- To address to City's unemployment rate through economic development.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 46 - Geographic Priority Areas

| | | |
|---|--|-------------------|
| 1 | Area Name: | City Wide |
| | Area Type: | Local Target area |
| | Other Target Area Description: | |
| | HUD Approval Date: | |
| | % of Low/ Mod: | |
| | Revital Type: | Comprehensive |
| | Other Revital Description: | |
| | Identify the neighborhood boundaries for this target area. | |
| | Include specific housing and commercial characteristics of this target area. | |
| | How did your consultation and citizen participation process help you to identify this neighborhood as a target area? | |
| | Identify the needs in this target area. | |
| | What are the opportunities for improvement in this target area? | |
| | Are there barriers to improvement in this target area? | |

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

Merced will use a place-based strategy during the planning period. The geographic distribution of funding is predicated somewhat on the nature of the activity to be funded. It is the City's intent to fund activities in the areas most directly affected by the needs of low-income residents and those with other special needs. The Annual Action Plan directs investment geographically to an area benefit neighborhood. The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51% of the residents are low and moderate income persons. Public

infrastructure improvements are an area benefit activity when they are located in a predominately low- and moderate-income neighborhood.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 47 – Priority Needs Summary

| | | |
|----------|------------------------------------|--|
| 1 | Priority Need Name | Expand/Improve Public Infrastructure & Facilities |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate Non-housing Community Development |
| | Geographic Areas Affected | |
| | Associated Goals | 1A Improve Public Infrastructure & Facilities |
| | Description | Expand and improve public infrastructure through activities for LMI persons and households. Improve access to public facilities that will benefit LMI persons and households. Funds will be used to improve public facilities such as recreational parks and community centers. |
| | Basis for Relative Priority | Through community participation and consultation of local stakeholder partners and organizations the need to Expand/Improve Public Infrastructure & Facilities was identified. Adequate public facilities and infrastructure improvements are essential to addressing the needs of the LMI population, including the homeless, elderly and disabled. Facilities and improvements include neighborhood/community centers, improved road infrastructure and the installation of ADA curb cuts and sidewalks for safety in LMI areas. |
| 2 | Priority Need Name | Preserve & Develop Affordable Housing |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate |
| | Geographic Areas Affected | |
| | Associated Goals | 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing |

| | | |
|----------|------------------------------------|---|
| | Description | Preserving housing and developing affordable housing, including Homeowner Rehabilitation, Rental Rehabilitation, and Increased Homeownership Opportunities remains one of the highest priorities in the jurisdiction. |
| | Basis for Relative Priority | Through community participation and consultation of local stakeholder partners and organizations the need to Preserve & Develop Affordable Housing was identified. Through the needs assessment housing cost burden is by far the largest housing problem in the jurisdiction. |
| 3 | Priority Need Name | Public Services & Quality of Life Improvements |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate Families with Children Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Victims of Domestic Violence Non-housing Community Development |
| | Geographic Areas Affected | |
| | Associated Goals | 3A Provide Supportive Services for Special Needs 3B Provide Vital Services for LMI Families |
| | Description | Provide supportive services for LMI households and also the special needs populations in the jurisdiction. Public services will target LMI citizens and may include services to address homelessness, persons with physical and mental health, seniors, and youth. |
| | Basis for Relative Priority | Through community participation and consultation of local stakeholder partners and organizations the need for Public Services for LMI and Special Needs was identified. Public Services offered by the city and partner non-profit organizations provide for vital and essential services for LMI households and families throughout the jurisdiction. Public services will also help to enhance education and improve living situations of LMI individuals and households in the jurisdiction. |

| | | |
|---|------------------------------------|---|
| 4 | Priority Need Name | Homelessness Housing and Support Services |
| | Priority Level | High |
| | Population | Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth |
| | Geographic Areas Affected | |
| | Associated Goals | 4A Provide Homeless Prevention Services |
| | Description | Provide for homeless activities and services, including Homeless Prevention, Shelters Services, and Rapid Re-Housing. |
| | Basis for Relative Priority | Through community participation and consultation of local stakeholder partners and organizations the need for homeless activities such as shelter operations and homeless prevention services was identified. The local PIT count has also identified homeless adults and families as homeless that require assistance. |

Narrative (Optional)

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

| Affordable Housing Type | Market Characteristics that will influence the use of funds available for housing type |
|---------------------------------------|---|
| Tenant Based Rental Assistance (TBRA) | The City does not run a TBRA program. Note, however, that HACM has a total of 2,856 units in their Section 8 Housing Choice Voucher program. |
| TBRA for Non-Homeless Special Needs | As noted, the City does not run a TBRA program. However, the COC and City programs are designed to provide housing assistance for people with special needs. |
| New Unit Production | The Housing Element adopted on July 18, 2016 by the Merced City Council includes the goal of New Affordable Housing Construction, which includes: (1) Increase the Stock of Affordable Housing for Extremely Low, Very Low, Low, and Moderate Income Households; (2) Encourage a Mix of Housing Throughout the City to Meet the Needs of Different Income Groups ; and (3) Encourage the Construction of Housing and Facilities to Meet Special Needs, Including Farmworkers, Homeless, Large Families, Seniors, and People with Physical or Mental Disabilities, and those with Developmental Disabilities |
| Rehabilitation | Approximately 46% of owner-occupied units and 47% of renter-occupied units in the City of Merced were built before 1980. This could indicate the potential need for rehabilitation and continued maintenance of approximately of these units, particularly for concerns related to lead-based paint. |
| Acquisition, including preservation | The Housing Element adopted on July 18, 2016 by the Merced City Council includes the goal of Housing Conservation and Rehabilitation. This goal's objectives include: (1) continue the City's Housing Rehabilitation Forgivable Loan Program; (2) Pursue State and Federal Funds to Support Conservation and Rehabilitation; (3) Work with the High Speed Rail Authority to reduce impacts to housing. Further, the City acquires market-rate housing to convert to affordable/supportive units. For the 2020 Annual Action Plan Year, both Sierra Saving Grace and the Merced Rescue Mission will carry out these types of projects. |

Table 48 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City anticipate receiving funds through the CDBG and HOME programs as described below over the five year ConPlan period.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|---|----------------------------------|--------------------|--------------------------|-----------|---|-----------------------|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | 1,124,056 | 96,000 | 59,101 | 1,279,157 | 4,880,224 | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | 542,776 | 208,600 | 0 | 751,376 | 2,411,104 | |

Table 49 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City will attempt to use HOME Funds, Grants, and other funding when appropriate to meet the objective of the Annual Action Plan. The City does add local funds (including unexpended CDBG funds from prior years if available) to further support the organizations and individuals receiving CDBG funding.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A

Discussion

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

| Responsible Entity | Responsible Entity Type | Role | Geographic Area Served |
|---|-------------------------|--|------------------------|
| MERCED | Government | Economic Development Housing Homelessness Non-homeless special needs Ownership Planning Rental Neighborhood Improvements Public facilities Public services | Jurisdiction |
| HOUSING AUTHORITY OF THE COUNTY OF MERCED | Government | Housing Homelessness | Region |
| MERCED CITY AND COUNTY CONTINUUM OF CARE | Government | Housing Homelessness Non-homeless special needs | Region |

Table 50 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The strengths in the delivery system are interdepartmental communication and collaboration. City staff from various departments works with each other, with organizations and agencies that assist low-income individuals and with families in Merced and community residents to establish priorities for utilizing CDBG funding. The City also works closely with the CoC and the Housing Authority of the County of Merced. The City also has close relationships with Project Sentinel through the funding of its Fair Housing Counseling Program and with Habitat for Humanity through the funding of its homeowner rehabilitation program. The primary gap in the delivery system is due to inadequate funding resources. The need in the City outreaches the funding resources. As a result, even projects with a high priority may have to wait to be funded as the City continues to seek additional funding sources.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

| Homelessness Prevention Services | Available in the Community | Targeted to Homeless | Targeted to People with HIV |
|---|----------------------------|----------------------|-----------------------------|
| Homelessness Prevention Services | | | |
| Counseling/Advocacy | X | X | |
| Legal Assistance | X | X | |
| Mortgage Assistance | X | X | |
| Rental Assistance | X | X | |
| Utilities Assistance | X | X | |
| Street Outreach Services | | | |
| Law Enforcement | X | X | |
| Mobile Clinics | X | X | |
| Other Street Outreach Services | X | X | |
| Supportive Services | | | |
| Alcohol & Drug Abuse | X | | |
| Child Care | X | | |
| Education | X | | |
| Employment and Employment Training | X | X | |
| Healthcare | X | X | |
| HIV/AIDS | X | | |
| Life Skills | X | X | |
| Mental Health Counseling | X | X | |
| Transportation | X | X | |
| Other | | | |
| | X | | |

Table 51 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

All projects participating in CE will follow the assessment and triage protocols of the CE system. The assessment process will progressively collect only enough participant information to prioritize and refer participants to available CoC housing and support services.

The CoC has adopted the following phased approach to engage and appropriately serve persons seeking assistance through the CE system:

1. Initial Triage (Immediately): This first phase will focus on identifying the immediate housing crisis, and clarifying that the CoC crisis response system is the appropriate system to address the potential participant's immediate needs.
2. Diversion or Prevention Screening (Immediately): The second phase of assessment can also happen immediately upon engaging with a participant. During this phase, CE staff will examine existing CoC and participant resources and options that could be used to avoid the participant entering the homeless system of care.
3. Crisis Services Intake (Immediately): The third phase should also happen immediately, as it is intended to collect all information necessary to enroll the participant in a crisis response project such as emergency shelter or other homeless assistance project.
4. Initial Assessment (Within 3 business days): During the fourth phase, assessors will collect information to identify a participant's housing and service needs with the intent to resolve that participant's immediate housing crisis.
5. Comprehensive Assessment (Within 5 business days after initial assessment): In the fifth phase, the assessor will seek information necessary to refine, clarify, and verify a participant's housing and homeless history, barriers, goals, and preferences. Assessment information supports the evaluation of the participant's vulnerability and prioritization for assistance.
6. Next Step / Move On Assessment (Ongoing): The final phase will collect information revealed or known after an Initial Assessment is conducted when that new information might suggest a revised referral strategy. Or it will re-evaluate participants who have been stably housed for some time and who might be ready for less-intensive housing and service strategies.

Assessment Screening

The CE process may collect and document participants' membership in Civil Rights protected classes but will not consider membership in a protected class as justification for restricting, limiting, or steering participants to particular referral options

Assessor Training

The CoC is committed to ensuring that all staff who assist with CE operations receive sufficient training to implement the CE system in a manner consistent with the vision and framework of CE, as well as in accordance with the policies and procedures of its CE system.

The HMIS intake and assessment survey can only be conducted by staff or volunteers who have successfully completed training and been authorized by Community Action Agency (CAA) or Human Services Agency (HSA) HMIS. All intake and assessment surveys will be conducted using the approved HMIS Intake Forms and the Assessment Survey tool for the intended individual or family.

After initial training, the CoC will provide at least annual training for persons who will manage access point processes and conduct assessments for CE. Training will be offered at no cost to the agency or staff, and will be delivered by an experienced and professional trainer who is identified by the CoC. The

purpose of the training is to provide all staff who administer intakes and assessments with access to materials that clearly describe the methods by which assessments are to be conducted with adherence to the CoC's coordinated entry written policies and procedures. Topics for training will include the following:

- Review of CoC's written CE policies and procedures, including variations adopted for specific subpopulations;
- Requirements for use of assessment information to determine prioritization;
- Intensive training on the use of the CE assessment tool; and
- Criteria for uniform decision-making and referrals.

In addition, all assessment staff must be trained at least once regarding:

- How to conduct a trauma-informed assessment of participants, with the goal of offering special consideration to survivors of domestic violence and/or sexual assault to help reduce the risk of re-traumatization.
- Safety planning and other next-step procedures to be followed in the event that safety issues are identified in the process of conducting an assessment.

All staff administering assessments use culturally and linguistically competent practices in order to reduce barriers for underserved populations, including but not limited to immigrants and refugees, youth, individuals with disabilities, and LGBTQ individuals. The CoC shall further these practices by:

- Incorporating cultural and linguistic competency training and person-centered approaches into the required annual training protocols for participating projects and staff members;
- Using culturally and linguistically competent questions for all persons that reduce cultural or linguistic barriers to housing and services; and
- Providing staff access to and training in the procedures for obtaining interpretation and accessibility services.

CAA HMIS Systems Administrator will monitor the quality and consistencies of intake and assessments entered into HMIS and provide feedback, training, and adjustments to policies and procedures as necessary to address issues that may arise. Additionally, CAA HMIS may revoke the right of any individual user or agency to participate in HMIS and/or coordinated entry if the individual or agency violates user agreements or policies and procedures.

Participant Autonomy

It is crucial that persons served by the CoC's CE system have the autonomy to identify whether they are uncomfortable or unable to answer any questions during the assessment process, or to refuse a referral that has been made to them. In both instances, the refusal of the participant to respond to assessment

questions or to accept a referral shall not adversely affect his or her position on the CE's prioritization list.

The CoC will not deny services to any participant based on that participant's refusal to allow their data to be stored or shared unless a Federal statute requires collection, use, storage, and reporting of a participant's personally identifiable information as a condition of program participation. All CoC coordinated entry participants are free to decide what information they provide during the assessment process, to refuse to answer assessment questions, and to refuse housing and service options without retribution or limiting their access to other forms of assistance.

Note that some funders require collection and documentation of a participant's disability or other characteristics or attributes as a condition for determining eligibility. Participants who choose not to provide information in these instances could be limiting potential referral options.

If participants reject options, the CoC must describe the conditions for participants to maintain their place in CE prioritization lists. Programs may require participants to provide certain pieces of information to determine program eligibility only when the applicable program regulation requires the information in order to establish or document eligibility.

a. Referral

Notification of Vacancies

All CE participating providers will enroll new participants only from the CoC's CE referral process. To facilitate prompt referrals and to reduce vacancy rates, participating providers must notify the Collaborative Applicant of any known and anticipated upcoming vacancies.

When a TH, RRH, or PSH vacancy occurs or is expected to occur in the immediate future, the provider agency with the vacancy must alert the CE Coordinator via email within 1 business days of the vacancy. The notification must include specific details of the vacancy, including the project name, unit size, location, and any funder-defined eligibility requirements.

The Collaborative Applicant will provide vacancy information to the CE Governing Committee, which will work to identify a prioritized household to fill the vacancy during the next regularly scheduled housing referral coordination meeting. The Collaborative Applicant will use the by-name list to identify the highest prioritized and eligible household to fill the vacancy and refer the household to the provider with the vacancy.

All participating housing providers will enter their program inventory and eligibility criteria in HMIS. Program staff will work with the HMIS system administrator and CoC CES Administrator to make sure program information stays up to date. Additional eligibility criteria will be used to pre-screen individuals and households on the CES Administrator for basic eligibility

Participant-Declined Referrals

One of the guiding principles of CE is participant choice. This principle must be evident throughout the CE process, including the referral phase. Participants in CE are allowed to reject service strategies and housing options offered to them, without repercussion.

Individuals and families will be given information about the programs available to them and provided choices whenever feasible based on assessment information, vulnerability and need scores, preliminary eligibility pre-determinations, and available resources. Of the options available, participants will be afforded their choice of which project to be referred to. If an individual or family declines a referral to a housing program, they remain on the prioritization list until the next housing opportunity is available.

Provider-Declined Referrals

There may be instances when agencies decide not to accept a referral from the CE system. When a provider agency declines to accept a referred prioritized household into its project, the agency must notify the Collaborative Applicant of the denial and the reason for the denial. Refusals by projects are acceptable only in certain situations, including these:

- The person does not meet the project's eligibility criteria.
- The person would be a danger to self or others if allowed to stay at this particular project.
- The services available through the project are not sufficient to address the intensity and scope of participant need.
- The project is at capacity and is not available to accept referrals at this time.
- Other justifications as specified by the "referred to" project.

The agency must communicate the refusal to the Collaborative Applicant within 2 business days of making the refusal. The agency must notify the Collaborative Applicant why the referral was rejected, how the referred participant was informed, what alternative resources were made available to the participant, and whether the project staff foresee additional, similar refusals occurring in the future. This information will then be shared by the Collaborative Applicant with the CE Governing Committee, which will discuss and decide on the most appropriate next steps for both the project and the participant.

Promotion of utilization of CES

a. Affirmative Marketing & Outreach

All persons participating in any aspect of CE such as access, assessment, prioritization, or referral shall be afforded equal access to CE services and resources without regard to a person's actual or perceived membership in a federally protected class such as race, color, national origin, religion, sex, age, familial status, or disability. Additionally, all people in different populations and subpopulations in the CoC's geographic area, including people experiencing chronic homelessness, veterans, families with children,

youth, and survivors of domestic violence, shall have fair and equal access to the coordinated entry process.

Each project participating in CE is required to post or otherwise make publicly available a notice (provided by the CoC) that describes coordinated entry. This notice should be posted in the agency waiting areas, as well as any areas where participants may congregate or receive services (e.g., dining hall). All staff at each agency are required to know which personnel within their agency can discuss and explain CE to a participant who seeks more information.

The CoC will affirmatively market housing and supportive services to eligible persons in the CoC's geographic area who are least likely to apply in the absence of special outreach, including the following sub-populations: people experiencing chronic homelessness, veterans, families with children, youth, and survivors of domestic violence. Coordinated entry outreach will be designed to ensure the coordinated access process is available to all eligible persons regardless of race, color, national origin, religion, sex, age, familial status, disability, actual or perceived sexual orientation, gender identity, or marital status. Coordinated entry outreach and any marketing materials will clearly convey that access points are accessible to all sub-populations.

Good faith efforts at conducting an affirmative marketing strategy shall include the following:

1. Advertising in locations or media that are used and viewed or listened to by those identified as least likely to enter CoC services and housing;
2. Marketing CoC services and housing to specific community, religious, support organizations or other groups frequented by those least likely to enter CoC services and housing;
3. Developing a brochure or handout that describes CES processes to be used by persons experiencing a housing crisis to locate, identify, and access CES services;
4. Insuring that the CES management staff and operators of CES access points have read and understood the Fair Housing Act, and the purpose and objectives of the CES AMS.

Outreach will be conducted by existing outreach teams and programs in the community that act as coordinated entry access points, including outreach resources that specifically target people experiencing chronic homelessness, veterans, families with children, youth, LGBTQ youth, and survivors of domestic violence and human trafficking. Culturally competent outreach resources with strong existing ties to the community's most vulnerable populations will serve as coordinated entry access points to ensure that all subpopulations access coordinated entry. Outreach will be available in the following languages to meet the needs of minority, ethnic, and groups with Limited English Proficiency (LEP): Spanish and Hmong Assessments

b. Complaint and Appeal Processes

The CoC is committed to ensuring that no information is used to discriminate or prioritize households for housing and services on a protected basis such as race, color, religion, national origin, sex, age, familial status, disability, actual or perceived sexual orientation, gender identify, or marital status.

The CE participant information packet must include a form that details who the point of contact is for filing and addressing any nondiscrimination complaints, which can be filed by participants if they believe the nondiscrimination policy has been violated in their case during the CE process. Additionally, this form will describe and provide contact information on how to access the appeal process if they are not satisfied with or have any questions regarding how their complaints are handled. This form must be reviewed at the access point by CE staff, and must be signed by each participant.

c. Non-discrimination Policy

The CE system must adhere to all jurisdictionally relevant civil rights and fair housing laws and regulations. The CoC has designated the CE Governing Committee as the entity responsible for monitoring agencies on compliance with all CE requirements, including adherence to civil rights and fair housing laws and regulations. Failure to comply with these laws and regulations will result in a monitoring finding on the project, which may affect its position in the local CoC rating and ranking process.

- Fair Housing Act - prohibits discriminatory housing practices based on race, color, religion, sex, national origin, disability, or familial status.
- Section 504 of the Rehabilitation Act - prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.
- Title VI of the Civil Rights Act - prohibits discrimination on the basis of race, color, or national origin under any program or activity receiving federal financial assistance.
- Title II of the Americans with Disabilities Act - prohibits public entities, which include state and local governments and special purpose districts, from discriminating against individuals with disabilities in all their services, programs, and activities, which include housing and housing-related services such as
- housing search and referral assistance.
- Title III of the Americans with Disabilities Act - prohibits private entities that own, lease, and operate places of public accommodation, which include shelters, social service establishments, and other public accommodations providing housing, from discriminating on the basis of disability.

The Merced City and County CoC and all agencies participating in the coordinated entry process must comply with applicable equal access and nondiscrimination provisions of federal and state civil rights laws during every phase of the coordinated entry process.

Outreach will be conducted by existing outreach teams and programs in the community that act as coordinated entry access points, including outreach resources that specifically target people

experiencing chronic homelessness, veterans, families with children, youth, LGBTQ youth, and survivors of domestic violence and human trafficking. Culturally competent outreach resources with strong existing ties to the community's most vulnerable populations will serve as coordinated entry access points to ensure that all subpopulations access coordinated entry. Outreach will be available in the following languages to meet the needs of minority, ethnic, and groups with Limited English Proficiency (LEP): Spanish and Hmong Assessments.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The strengths in the delivery system are interdepartmental communication and collaboration. City staff from various departments works with each other, with organizations and agencies that assist low-income individuals and with families in Merced and community residents to establish priorities for utilizing CDBG funding. The primary gap in the delivery system is due to inadequate funding resources. The need in the City outreaches the funding resources. As a result, even projects with a high priority may have to wait to be funded as the City continues to seek additional funding sources.

The jurisdiction's faces the following challenges:

- Service providers who do not receive grant funding do not always understand the importance of the Homeless Management Information System (HMIS), so they do not enter their clients into the system.
- Not all stakeholders are comfortable with HMIS or do not have the staffing needed, requiring the lead HMIS agency to make entries on behalf of others.
- Not all vouchers for permanent housing that have been made available from the Merced Housing Authority are being used, largely due to landlords unwilling to rent to the homeless.
- We understand that our CEC Policies and Procedures are not in full compliance with recent HUD guidance and they are being updated. We recently awarded CESH money to the HMIS lead agency to expand and improve the HMIS system for CES information and listing.
- On a county wide level, we are having difficulty housing the chronically homeless due to the amount of case management needed for them to maintain housing and the unwillingness of landlords to rent to the chronically homeless.
- Overall, we acknowledge a need to re-focus on measurable outcomes for our system of care as opposed to responding to the immediate needs before us.

Therefore, the City and its partners are in the process of addressing these challenges.

In August 2019, a consultant was contracted to assess the current state of homelessness in Merced County, identify gaps in addressing it, update our CEC Policies and Procedures, and recommend next steps to ensure that our systems are aligned and funding is being used effectively.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City of Merced, through the Continuum of Care, will continue working to eradicate homelessness. The City will continue working with the Continuum of Care on goals aimed toward eliminating chronic homelessness in the City and the County. Through its commitment and dedication, the continuum, along with supporting agencies, will continue to strategize on approaches and ways to acquire more shelters and/or organizations that will provide homeless individuals not only with basic care needs but also job training and guidance. The issues associated with homelessness are complicated. Solutions to resolve this problem require considerable time, energy and financial resources, which, if not available, put an obstacle on achieving goals.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|--|------------|----------|-----------------------------------|-----------------|---|--|--|
| 1 | 1A Improve Public Infrastructure & Facilities | 2020 | 2024 | Non-Housing Community Development | City Wide | Expand/Improve Public Infrastructure & Facilities | CDBG: \$429,292 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20,000 Persons Assisted |
| 2 | 2A Increase Owner Occupied Rehab Opportunities | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | CDBG: \$425,089 | Homeowner Housing Rehabilitated: 15 Household Housing Units |
| 3 | 2B Increase Affordable Housing Opportunities | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | CDBG: \$1,467,052 HOME: \$2,686,535 | Rental Units Constructed: 92 Household Housing Units |
| | | | | | | | | Housing for Homeless Added: 30 Household Housing Units |
| | | | | | | | | Rental Units Rehabilitated: 8 Household Housing Units |
| | | | | | | | | Homeowner Housing Added: 1 Household Housing Units |

| | | | | | | | | |
|---|--|------|------|----------------------------|-----------|--|-------------------------------------|---|
| 4 | 2C Provide Assistance for Supportive Housing | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | CDBG: \$2,866,350 HOME: \$76,874 | Housing for Homeless Added: 11 Household Housing Units |
| 5 | 3A Provide Vital Services for LMI Families | 2020 | 2024 | Non-Homeless Special Needs | City Wide | Public Services & Quality of Life Improvements | CDBG: \$623,361 HOME: \$159,071 | Public Service Activities other than Low/Moderate Income Housing Benefit: 6,100 Persons Assisted |
| | | | | | | | | Public Service Activities for Low/Moderate Income Housing Benefit: 30 Household Housing Units |
| | | | | | | | | Homeless Prevention Overnight Shelter: 1,500 Persons Assisted |
| 6 | 4A Provide Homeless Prevention Services | 2020 | 2024 | Homeless | City Wide | Homelessness Housing and Support Services | CDBG: \$348,237 | Homeless Prevention: 3,100 Persons Assisted |
| 7 | 5A Provide Economic Development Assistance | 2021 | 2024 | Economic Development | City Wide | Economic Development | CDBG: \$0 | Not Planning to allocate CDBG or HOME funds to this type of service |

Table 52 – Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|---|
| 1 | Goal Name | 1A Improve Public Infrastructure & Facilities |
| | Goal Description | The City will improve access to public infrastructure through development activities for LMI persons and households. Public infrastructure activities include improvements to infrastructure in the jurisdiction such as roadway resurfacing and improvements to curbs and ramps on sidewalks for ADA compliance. The City will also expand and improve access to public facilities through development activities for LMI persons and households and for special needs population (elderly, persons with a disability, victims of domestic abuse, etc.). Public facilities may include neighborhood facilities, community centers and parks and recreation facilities. |
| 2 | Goal Name | 2A Increase Owner-Occupied Rehab Opportunities |
| | Goal Description | The City will provide for owner occupied housing rehabilitation in target areas of the jurisdiction. These activities will benefit LMI households. |
| 3 | Goal Name | 2B Increase Affordable Housing Opportunities |
| | Goal Description | The City will work to increase homeownership opportunities for LMI households through new construction of homeowner & rental housing. |
| 4 | Goal Name | 2C Provide Assistance for Supportive Housing |
| | Goal Description | The City will provide assistance for supportive housing for eligible residents in the City. |
| 5 | Goal Name | 3A Provide Vital Services for LMI Families |
| | Goal Description | Provide supportive services for low- to moderate-income and special needs households in the jurisdiction. Public services will include: fair housing awareness, crime prevention programs, case management for emergency assistance, employment programs, health programs as well as services to address homelessness, persons with physical and mental health disabilities, the elderly, and the youth. Note that fair housing services provided under this goal will be paid for with HOME Administrative dollars. |
| 6 | Goal Name | 4A Provide Homeless Prevention Services |
| | Goal Description | The City will provide for homeless prevention services for the homeless population in the jurisdiction. |

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City estimates that it will provide affordable housing opportunities of the following types and amounts:

| | |
|-----------------------------|----------------------------|
| Rental Units Constructed: | 92 Household Housing Units |
| Housing for Homeless Added: | 30 Household Housing Units |
| Rental Units Rehabilitated: | 8 Household Housing Units |
| Homeowner Housing Added: | 1 Household Housing Units |
| Supportive Housing Added: | 11 Household Housing Units |

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The County of Merced's Housing Authority has implemented modifications to current public housing units, if any, in public housing based on Section 504 Needs Assessment that it completed. Please refer to the HAMC Public Housing Authority Annual Plan for further information.

Activities to Increase Resident Involvements

HAMC encourages resident involvement through various methods, particularly focusing on self-sufficiency and enhancing the quality of one's own life. HAMC connects residents and participants to services, activities, and other organizations that promote that vision. There are network center (including public computer centers) and community partnerships for residents to utilize. On the HAMC website, resident can locate relevant services and service providers in dedicated "resident" and "resident services" sections. Additionally, HAMC provides information via webpage and mail outs to participants about the status of its programs and residents for current and future participants.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the 'troubled' designation

N/A

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Public policies are meant to address the overall needs of citizens. Yet, there are times where they may have a negative effect on certain aspects of the community, specifically affordable housing and residential investment. Affordable housing and public and private residential investments are key components in furthering fair housing in any community. The primary tool communities have for identifying contributing factors for these barriers to housing is an assessment of fair housing and fair housing choice. In 2020, the City is updating the fair housing assessment. The 2020 update has found:

The City plans corresponding actions designed to strengthen the supply of affordable housing and narrow the affordability “gaps.” Elements of those actions appear within this Consolidated Plan and beyond. Additionally, the City anticipates a review of public policies that may impede the development of affordable housing and to improve the understanding of their consequences.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Assistance to promote homeownership opportunities for Low- and Moderate- Income Homeowners

It can be difficult for Very Low, Low, and Moderate income first-time homebuyers to acquire sufficient savings and income to pay for a down-payment, closing costs, monthly mortgage, and tax and insurance payments. To address this problem, the City’s Housing Program administers the First Time Homebuyer Program (FTHB), a special low-interest, deferred-payment loan program designed to provide “silent” second mortgages of up to \$35,000, funded by the Home Investment Partnerships Program (HOME). Applicants must demonstrate financial need and pre-approval for a first mortgage; the second mortgage will be financed as a three-percent-interest, 5-year deferred loan payment.

The Housing Program also administers a down-payment assistance program funded by Neighborhood Stabilization Program (NSP) and Cal Home funds. The conditions of this loan are similar to the FTHB program described above with the exception that the home purchased must be a home that has been foreclosed upon within the City of Merced.

Efforts to Remove Constraints for Low-Income Homeowners to Maintain Safe Housing

The City considers safe housing a priority for all citizens. Unfortunately, many low-income homeowners are unable to make needed repairs to maintain safe housing. In an effort to remove the financial constraints faced by these homeowners, the City’s Housing Program administers a Housing Rehabilitation Program funded by Community Development Block Grant (CDBG) funds. Through this program, homeowners can obtain a low-interest loan to make necessary repairs to their homes. In some cases, the homes are in such disrepair that it is more cost effective to demolish the existing home and reconstruct a new home.

The term, or payoff period, is usually 20 years for an amortized loan. The City also offers deferred payment loans. A deferred payment loan is one in which interest accumulates, but the borrower does not make any payments. In order to qualify for a deferred payment loan, the property must be owner-occupied and their entire housing cost is in excess of 30 percent of their household income.

Transfer of City-Owned Properties for Affordable Housing Development

Like much of California, Merced is facing a shortage of affordable housing. The City's Housing Element identifies several goals that center around increasing affordable housing opportunities for Merced's residents through new construction, rehabilitation, financial assistance programs, and coordinating innovative efforts with public and private partners. Student and migrant farmworker housing are particular concerns. City staff would like to leverage nine properties that are former-Redevelopment Authority owned sites to address the community's housing needs, particularly for multifamily rental housing. The City will follow new State procedures established this year that require making the properties available through an RFP to affordable housing groups.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The County of Merced Homeless Count and Subpopulation Survey suggest that in order to further reduce the number of homeless each year, every jurisdiction in the county should be encouraged to take affirmative steps that include setting annual “reduction” goals and adopting and implementing evidence-based and best practices to insure the goals are met.

Specific to engagement strategy, jurisdictions should identify, engage, house, and provide intensive integrated supportive services and treatment to the most vulnerable, visible, and hardest-to-reach chronically homeless single adults and families who have been living on the streets of Merced County.

Additionally, the City of Merced should focus on supporting street outreach and engagement efforts. Such action should continue to focus on identifying chronically homeless persons in need of a housing first approach. Such attention should be given to the most visible and hardest-to-reach individuals. These actions should have the support of various public and private partners who can help identify, house, and provide social services in order to help implement a housing first approach, including the creation of Permanent Supportive Housing.

The City of Merced coordinates with the County of regional homelessness needs. Below is a summary of regional coordination efforts underway.

1. How Merced County has coordinated with CoC to identify share of regional need to address homelessness

Assembly member Adam Gray has convened a subcommittee of Merced City and County CoC members to identify needs and a regional response to homelessness in Merced County. This task force consists of local elected officials, city managers and law enforcement agencies, and has been meeting regularly for over a year.

Data from Merced County’s Homeless Management Information System and Point in Time counts were analyzed in recognition of the need for data-based, informed decisions.

These task force meetings have produced a regional response to Merced County’s homelessness crisis, including:

- Agreement that Merced County will construct a “Navigation Center” shelter facility in Merced with supportive services on-site. The 75-bed Merced Navigation Center is planned to open in October 2020.

- Agreement that Merced County will create “mini-Navigation Centers” at other locations throughout Merced County. These are essentially transitional facilities offering shelter plus supportive services. These sites will all open during 2020 and be operated by Merced Rescue Mission.
 - Agreement that the City of Merced will construct 119 units of affordable housing units, 30 of which will be units of permanent supportive housing.
 - Request that CoC develop a housing inventory program to aid in expediting placements
 - Request that CoC update the CES and HMIS to collect better data and enhance assessment tools
2. *Merced County’s identified share of need and how requested funds help Merced County meet the need*

The requested HHAP funds will allow Merced County to meet operational needs of the 75-bed Merced Navigation Center opening October 2020.

The Merced Navigation Center will be a “low barrier” shelter – individuals with pets, possessions and partners will be accommodated. This definitely meets a regional need in addressing homelessness in the Merced County region.

A. Creating Sustainable, Long Term Housing Solutions

1) How Merced County is involved in the efforts to create sustainable, long term housing solutions for people experiencing homelessness

- In October 2019, Merced County replaced its zoning code, which had not been updated since 1977. The zoning code was updated to make it more user friendly and in alignment with State statutes relating to development of housing and emergency shelters.
- In April 2019 the County successfully applied for SB2 planning funds with which to update the Franklin-Beachwood Community Plan (Franklin-Beachwood is an unincorporated community in Merced County). SB2 intends to streamline housing production and increase affordable housing stock. The 1983 Franklin-Beachwood Community Specific Plan is the most outdated in the county. The revised Franklin-Beachwood Community Specific Plan will be adopted by June 2022.
- Since 2018 Merced County has worked with the City of Merced on its plans to construct a 119-unit affordable housing complex with 30 units of permanent supportive housing. In December 2019, Merced County declared a 5 acre parcel of land owned by the County and needed by the City as surplus property, and allowed sale of the property to the City for the project.

- In July 2019, Merced County contracted with a consultant for assistance in implementing its \$631,401 “No Place Like Home” grant award from the California Department of Housing and Community Development (HCD). No Place Like Home is intended to develop permanent supportive housing for homeless persons who are also in need of mental health services. Merced County’s NPLH technical assistance grant intends to support implementation of the Coordinated Entry System, permanent supportive housing and the accompanying supportive services required.
- Merced County’s Department of Community and Economic Development collaborates with developers and outside organizations to encourage the development of affordable housing. Its code enforcement division investigates complaints of substandard housing conditions and works with property owners to bring housing up to code.

2) List of all funds Merced County uses to provide housing and homeless services for homeless populations (federal, state and local)

| Project | Purpose | Amount | Fund Source |
|--|---|-------------|---------------------|
| Pacheco Place <i>Merced County Behavioral Health</i> | 8 beds perm supp hsg Operated by Merced County Community Action Agency | \$153,562 | HUD CoC |
| Home Start <i>Merced County Behavioral Health</i> | 4 beds perm supp hsg Operated by Merced County Community Action Agency | \$137,311 | HUD CoC |
| CalWORKS Homeless Assistance <i>Merced County Human Services Agency</i> | Rental assistance for homeless CalWORKS families | \$1,195,485 | CA Dept Social Svcs |
| CalWORKS Housing Support | Rental assistance and support svcs for homeless CalWORKS families | \$2,813,523 | CA Dept Social Svcs |

| | | | |
|--|---|-------------|-------------------------------|
| <i>Merced County Human Services Agency</i> | | | |
| Home Safe | Housing assistance | \$747,080 | CA Dept Social Svcs |
| <i>Merced County Adult Protective Services</i> | | | |
| Housing and Disability Advocacy | Supportive svcs for disabled persons who are homeless | \$261,788 | CA Dept Social Svcs |
| <i>Merced County Human Services Agency</i> | | | |
| Mental Health Services Act Housing Program | 10 units perm supportive hsg | \$1,131,713 | CA Dept of Mental Health |
| <i>Merced County Behavioral Health</i> | | | |
| Projects for Assistance in Transition from Homelessness (PATH) | Community outreach, case management, mental health svcs | \$95,503 | Dept of Health and Human Svcs |
| <i>Merced County Behavioral Health</i> | | | |
| Outreach and Treatment Program | Rental assistance for homeless w/ mental illness | \$210,000 | CA Dept of Healthcare Svcs |
| <i>Merced County Behavioral Health</i> | | | |
| D Street Shelter | 60 bed temporary shelter | \$546,928 | CA Assembly Bill 97 |

| | | | |
|---------------------------------------|--|---------------------|--------------------------------|
| <i>Merced County</i> | Operated by Merced County Community Action Agency | | |
| Outreach and Engagement Center | Outreach, assessment & referrals for homeless individuals | \$1,609,526 | CA Assembly Bill 97 |
| <i>Merced County</i> | | | |
| Rescue Mission | Transitional shelter | \$60,000 | CA Assembly Bill 97 |
| <i>Merced County</i> | | | |
| Rescue Mission | 50 beds transitional shelter w/ supportive svcs | \$986,354 | CA Senate Bill 850 |
| <i>Merced County</i> | | | |
| Juvenile Hall Demolition | Cleared site for construction of new Navigation Center, opening Oct 2020 | \$474,694 | CA Assembly Bill 97 |
| <i>Merced County</i> | | | |
| Navigation Center <u>Construction</u> | 75 bed shelter w/ supportive svcs; opening Oct 2020 | \$1,749,441 | CA Senate Bill 850 |
| <i>Merced County</i> | | | |
| Navigation Center <u>Construction</u> | 75 bed shelter w/ supportive svcs; opening Oct 2020 | \$2,500,000 | Central CA Alliance for Health |
| <i>Merced County</i> | | | |
| Navigation Center <u>Operations</u> | 75 bed shelter w/ supportive svcs; opening Oct 2020 | \$2,250,559 (3 yrs) | CA Senate Bill 850 |
| <i>Merced County</i> | | | |

| | | | |
|---|--|----------------------|-----------------------------------|
| Navigation Center <u>Operations</u> <i>Merced County</i> | 75 bed shelter w/ supportive svcs; opening Oct 2020 | \$984,852 (3 yrs) | CA Senate Bill 2 |
| Health Care Navigator <i>Merced County Human Services Agency</i> | Outreach to homeless; assist w/ accessing Medi-Cal | \$1,173,963 | CA Dept of Health Care Svcs |

3) *How the above resources are integrated or coordinated with Merced CoC members*

Five of the above projects are delivered through partnerships with other CoC members, including:

- Merced County Community Action Agency is a non-profit corporation which operates 12 beds of permanent supportive housing and a 60 bed temporary shelter through contracts with Merced County.
- Merced Rescue Mission is a non-profit organization which will operate 50 beds of transitional shelter housing through contracts with Merced County.

Merced County also integrates its staffing resources in various ways to further the efforts of the CoC:

- Merced County employs several staff members to provide support services to the homeless population, including outreach staff, case managers, substance abuse counselors, housing navigator and health care navigator.
- Merced County lends staff support to assist with the annual Point in Time count.
- Merced County Human Services Agency is now the Collaborative Applicant for the Merced City and County Continuum of Care.

Merced County offers short term housing assistance, housing search assistance, credit repairs, crisis counseling, substance use disorder counseling, job training, transportation, and other services which support homeless individuals and families. These services are integrated into the overall system of care and utilized by other Merced CoC providers.

4) *Current gaps in housing and homeless services for homeless in Merced County*

Merced County's population is 282,928; more than a third are Medi-Cal members. Merced County is known for rates of poverty and unemployment approximately double the national average, and a shortage of housing which is affordable for residents. These factors have contributed to increasing rates of homelessness in Merced County.

In December 2019, the Merced County Homeless Management Information System documented that 1,503 unduplicated homeless adults had sought shelter services since December 2018.

The January 2019 Point in Time count discovered that 26% of those homeless persons contacted self-identified as current substance abusers, and 35% stated they had been admitted to the emergency department or hospital more than once during the previous year.

The target population usually have had frequent contact with law enforcement. They are likely to have a history of chaotic life functioning, leading to an erratic work history, financial instability, substance use disorder, and untreated medical conditions.

Therefore, the needs of the target population include:

- basic shelter, meals and showers;
- assistance in accessing permanent housing, transportation, mainstream benefits, and employment;
- medical assessment, treatment and referrals; and
- substance use disorder treatment.

It is clear that additional shelter beds and additional case management staffing are necessary to address homelessness and return individuals to productive functioning in the family, workplace, and community.

B. HHAP Funding Plans

1. How jurisdiction plans to use HHAP and how it will complement existing funds to close identified gaps in housing and homeless services for homeless in Merced County

The County is constructing a 75-bed shelter with support services on site, which will be known as the Merced Navigation Center. The Merced Navigation Center will open in October 2020 and will operate 24 hours per day. Construction will be accomplished via funding provided by Senate Bill 850 and (potentially) the Central California Alliance for Health.

The proposed HHAP funding – including the eight percent set aside for youth ages 18 to 24 - will be used to operate the Merced Navigation Center. HHAP funding will complement other

sources including CA Senate Bill 850 funds, CA Senate Bill 2 (Permanent Local Housing Allocation) funds, and the in-kind value of County staff time.

Merced County understands that ending homelessness requires immediate access to a safe and decent shelter. The Merced Navigation Center will be a low-barrier, service-enriched shelter targeting homeless adults with high risk chronic conditions. Individuals will be allowed to bring partners, pets, and personal belongings, thereby reducing the primary barriers to seeking shelter and supports.

The facility will feature sleeping beds, meals, showers, space for storing personal possessions, a pet kennel area, and conference/ classroom space. The facility will have round-the-clock staffing and security present.

Residents will receive coordinated care on site, including: case management; medical assessment and referrals; substance use disorder treatment; assistance in accessing mainstream benefits; job training and employment assistance; and assistance in locating permanent housing.

C. Collaborating Partner Efforts

Merced Police Department will refer homeless individuals to the Merced Navigation Center. Merced Police Department responds to complaints of homeless individuals appearing to sleep in public spaces not meant for human habitation, exhibiting signs of severe service needs, or otherwise coming into frequent contact with law enforcement.

County departments such as Merced County Human Services Agency and Merced County Behavioral Health and Recovery Services will offer supportive services at the site for Merced Navigation Center residents.

All Merced Navigation Center residents will receive a needs assessment in order to make linkages to appropriate providers. A clinical assessment will be performed to determine psychosocial history, a mental status exam and an alcohol and drug assessment.

Residents will then be assigned a case manager to monitor progress based on the initial assessments. The case manager will assure that residents receive support with group counseling and accessing all programs as appropriate, including Medi-Cal, Supplemental Security Income, employment assistance and transportation assistance.

A housing navigator will work with residents and the supportive services providers to locate and secure the appropriate level of permanent housing for residents. The housing navigator will check with Merced Housing Authority for rental assistance. Through the Housing Choice Voucher program, Merced Housing Authority offers up to \$850 per month in rental assistance for 2,803 units, 150 of which are prioritized for homeless individuals or families.

Catholic Charities will come to the Merced Navigation Center and offer supportive services, including financial assistance for housing placement.

Merced County Community Action Agency, the lead HMIS agency, will provide support and assistance to Merced Navigation Center staff having difficulty using HMIS.

A contracted operator will oversee basic shelter and security.

1. *Barriers that Merced County experiences in partnering, and how these barriers will be addressed*

Examples – lack of key stakeholders or service providers, political bureaucracy, approval methods, lack of community input

Merced County's barriers are not unique to other County organizations.

- The size of the organization presents challenges in information-sharing
- The organization's institutional structure does not easily address homelessness. Departments which address specific aspects of homelessness are not staffed to take responsibility for a project which was initiated by another.
- Identifying clear goals for the Merced Navigation Center – both in form and function – has proven challenging. Discussions regarding the size and type of facility took place for more than a year.

Eventually agreement was reached when Merced County also allocated some of its CA Senate Bill 850 funds for small transitional shelters in areas of Merced County outside the City of Merced.

- Local stakeholders lack the appropriate resources to house and case manage chronically homeless individuals with untreated mental illness, severe substance abuse, and chronic health conditions.
- Some service providers are not funded by Continuum of Care, therefore, do not participate in the CoC or HMIS. We are still considering ways to partner with non-CoC service providers.
- Homeless individuals willing to accept shelter or housing must wait longer for other assistance such as food, services, etc. due to a cumbersome and time-intensive referral process.

We intend to address this barrier by designating specific days and times that service providers will be available to provide immediate connection to resources, rather than simply referrals.

- Merced County is known for a scarcity of housing which is affordable for its residents. At the same time, housing exists which is vacant due to substandard conditions.

Merced County intends to apply for Community Development Block Grant funding this year with which to augment its code enforcement division. Through a more robust code enforcement program and existing housing rehabilitation loan programs, the County intends to turn substandard properties into viable housing.

As described previously, a consultant has been contracted to assess the current state of homelessness in Merced County, identify gaps in addressing it, update our CEC Policies and Procedures, and recommend next steps to ensure that our systems are aligned and funding is being used effectively. These recommendations will include those for optimal utilization of the Merced Navigation Center.

2. If no collaborative partners have been identified – process of how Merced County intends to include new and existing partners on HHAP project

Collaborative partners have not been identified because Merced County only approved construction of the Merced Navigation Center approximately 30 days ago – on January 14, 2020.

One possibility under consideration is to move Merced County's Outreach Center to the Merced Navigation Center facility. As described previously, the staff assigned to the Outreach Center are tasked with connecting homeless individuals and families to services.

The County is in the process of a Request for Proposals for a contracted management entity. The County expects to select a management entity by June 2020. The management entity will be expected to foster collaborative partnerships to enhance services to Merced Navigation Center residents.

Addressing the emergency and transitional housing needs of homeless persons

State Housing Law requires that cities identify sites that can adequately accommodate emergency homeless shelters. Additionally, cities must not unduly discourage or deter these uses. With the adoption of Ordinance Nos. 1633 and 1634, the Zoning Map was amended to designate an Emergency Shelter Overlay Zone District for emergency shelters at specific sites. In addition, Municipal Code definitions related to housing, including emergency shelters, transitional housing and supportive housing were amended such that transitional and supportive housing are residential uses subject to the same regulations and procedures that apply to other residential uses of the same type in the same zone. These amendments were requirements of State law (SB 2).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The City will continue to work with a multitude of service agencies to assist homeless persons make the transition to permanent housing and independent living. There are 86 emergency shelter beds available, all in the City of Merced this number of beds provides shelter to 17.3 percent of the known homeless population. Merced County Community Action Agency – now known as Merced County Community Action Board (MCCAB) is the largest provider of emergency shelter services to Merced County’s homeless, with 62 of the total 86 beds throughout Merced County.

The Agency also operated Pacheco Place, an eight-unit/ 10-bed permanent supportive housing facility in Los Banos, opened in 2012 Pacheco Place is an apartment complex purchased in January 2012 in partnership with the Merced County Department of Mental Health. A grant award of \$1,072,900 Mental Health Services Act Housing Program funds includes \$400,000 for future operating costs of Pacheco Place.

In November 2010, the Merced County Department of Mental Health also applied for \$287,576 in Continuum of Care funds from HUD with which to offer permanent supportive housing in Los Banos. Known as “Project Hope Westside”, a location had not yet been found by December 2011 when the Continuum of Care technical submission was due. The two projects were combined, and the \$287,576 Continuum of Care award will contribute to the sustainability of Pacheco Place.

The County’s Continuum of Care has begun implementing a Housing First approach and a Rapid Re-housing approach. This program, combined with the county’s emergency shelter and transitional shelter bed inventory, have largely contributed to the decrease in the number of homeless persons during the past couple of years as evidenced by the results of the 2013 homeless count.

Housing First is recognized as an evidence-based best practice model by national researchers and policymakers based on years of research and implementation. The implementation of a Housing First Approach has helped jurisdictions across the country significantly reduce their homeless population.

Implementation involves moving homeless persons - including chronically homeless individuals - from the streets and directly into housing and providing wrap-around services to ensure housing stability. This approach links chronically homeless persons to permanent supportive housing which provides subsidized housing and appropriate supportive services. This approach is in contrast to a “housing readiness model” which emphasizes that a homeless individual or family must address other issues such as substance abuse and mental illness through case management in a shelter or transitional housing program prior to entering affordable permanent housing.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Merced will continue to work with the County in using their Housing First and Rapid Re-housing approaches that were described on pages two and three. The 2015 homeless count and survey data revealed that 58% of the unsheltered homeless population is chronically homeless and in need of longer-term assistance such as rental assistance and wrap-around social services such as health care, employment services, mental health care, and life skills training. Thus, a Housing First approach is needed. Conversely, the data showed that 48% of the unsheltered homeless population is not chronically homeless and will likely need shorter-term assistance, such as a few months of rental assistance, and are not as reliant on social services. Thus, a Rapid Re-housing approach is needed.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

In accordance with the Lead-Based Paint Poisoning Prevention Act, as amended, the Residential Lead-Based Paint Hazard Reduction Act of 1992, associated federal regulations, and the City of Merced's policy regarding the identification and abatement of lead-based paint hazards, all housing activities assisted using Federal funds must undergo an assessment for possibility of lead based paint and the level of protection determined, per HUD's hazard reduction requirements, regardless of the year built. This includes homes purchased, sold, or rehabilitated through the City of Merced's subrecipient programs and multi-family housing projects receiving project-based assistance. After assessment and testing, if deteriorated lead-based paint surfaces are found, they must be stabilized during the rehabilitation of the property. Abatement must be performed by a certified lead-based paint professional, and a Clearance Inspection must be issued by the certified lead-based paint assessor prior to the issuance of the Notice of Completion. For homeowner-occupied rehabilitation projects, the homeowner of the property must receive a Lead Hazard Information pamphlet.

How are the actions listed above related to the extent of lead poisoning and hazards?

The age of the housing stock is the key variable for estimating the number of housing units with lead-based paint (LBP). Starting in 1978, the use of all LBP on residential property was prohibited. Since the age of housing stock in Merced is relatively young, most built after 1980, the probability of finding lead-based paint in a unit is low. However, the City will continue to provide lead-based paint testing, as required.

In the City of Merced, it is estimated that about 7,000 housing units occupied by low-income or very low-income households contain lead-based hazards. Although accurate statistics are not available, it is likely that many of these homes are concentrated in the South Merced area where there is a concentration of families in poverty and substandard housing, two factors that are often correlated with the incidence of lead poisoning. Lead based paint hazards represent an immediate risk to children.

Lead poisoning education and abatement efforts in Merced are provided through the cooperative efforts of the County Public Health Department, Environmental Health Division, and the Child Health and Disability Program. The abatement of lead-based hazards is a vital component of the City of Merced's Housing Rehabilitation Loan Program. All housing rehabilitation projects are assessed for lead based paint and lead based paint abatements are performed by licensed contractors.

How are the actions listed above integrated into housing policies and procedures?

In accordance with HUD and EPA Lead-Based Paint Disclosure, Lead Safe Housing Rule, and other federal regulations, the City of Merced's policies and procedures implement steps to evaluate each project for the possibility of lead paint hazards and the level of protection required, including abatement.

1. For Infrastructure projects:
 - A. All projects shall submit a plan set to the Housing Division stating, "Any paint being removed shall be tested for Lead-Based Paint."
 - B. Housing staff will ensure the plan set with this Lead-Based Paint statement is received prior to finalizing and completing a NEPA Environmental Review and Assessment for the project, which it needs in order to move forward with expenditures.
2. Acquisition of property with a residential structure:
 - A. Regardless of the year the home is constructed, the purchase agreement includes a requirement that the property be tested for lead-based paint. All properties with existing structures shall be tested.
 - i. If the property tests negative, no further action is needed. The Housing Division files a copy of the testing and clearance reports in the project file for documentation.
 - ii. If area(s) on the property tests positive for lead-based paint, the subject area(s) is/are stabilized and removed by a certified and licensed lead-based paint abatement contractor, then re-tested to obtain clearance certification.
 - iii. This process will occur during the escrow process prior to release of funds, and escrow cannot be closed on the property until all identified LBP issues are cleared.
 - iv. All testing, identification, abatement, and clearance reports are maintained in the project file for documentation.
 - v. Environmental clearance in order to allow for the release of funds will not be finalized and completed unless lead paint issues are resolved.
3. Homeowner Rehabilitation projects:
 - A. All rehabilitation projects are tested for lead-based paint.
 - B. All homeowners are given a Lead Hazard Information pamphlet.
 - C. Testing shall be performed first, before any other scheduled rehabilitation work on the home, unless in cases of immediate threat to life, health, and safety of the homeowner and occupants.
 - D. If the property tests negative, no further action is needed. The Housing Division files a copy of the testing and clearance reports in the project file for documentation.
 - E. If area(s) on the property tests positive for lead-based paint, the abatement of the lead-based paint is completed at no cost to the homeowner. The area(s) is/are stabilized and removed by a certified and licensed lead-based paint abatement contractor, then re-tested to obtain clearance certification.
 - F. Abatement, clearance inspection, and certification must be issued prior to the issuance of the project's Notice of Completion.
 - G. All testing, identification, abatement, clearance, and any other relevant reports are maintained in the project file for documentation, and communications with either the contracted subrecipient and/or the homeowner documentation.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Merced's antipoverty strategy is closely aligned with the goals and objectives of the overall affordable housing plan. These goals include: reducing poverty, creating new and affordable housing, including opportunities for homeownership, developing and promoting services for at-risk populations, expanding job training, and providing public and social services. The City will also continue partnering with organizations to provide a continuum of services addressing the full range of needs of low- and moderate-income families.

All communities share a goal to eradicate poverty. The City recognizes that a goal to reduce poverty will contribute to the economic wellbeing of individuals and families. The families whose income increases above the poverty level will be able to live independent of public and private assistance. Making housing affordable is the keystone to the overall anti-poverty strategy. The City's Housing Element includes a housing affordability goal with the following objectives:

- Increase Homeownership Opportunities for Low and Moderate Income Groups
- Provide Financial Assistance as Needed to Extremely Low, Very Low and Low Income Renter Households
- Minimize Governmental Constraints to the Development, Improvement, and Maintenance of Housing.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The aforementioned policy is taken from the City's current Housing Element.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City's Development Services Department, is responsible for ensuring that the receipt and expenditure of HUD funds comply with program requirements through the monitoring of program performance. Careful evaluation of the housing and public service delivery system can be the most effective tool in detecting gaps and making appropriate modifications. Procedures will include in-house review of progress reports and expenditures and on-site visits to ensure compliance with federal regulations. The monitoring system will encourage uniform reporting to achieve consistent information on beneficiaries. Monitoring will also aim at resolving any program or accounting findings or other problems that may keep an organization from meeting its contractual obligations. Technical assistance will be provided where necessary.

Furthermore, project and financial data will be maintained using HUD's IDIS (Integrated Disbursement Information System) software. Use of this system allows HUD staff easy access to local data for review and progress evaluation.

a. Monitoring of Housing and Community Development Projects

The City will prepare a PY 2020-2021 Monitoring Plan comprising of:

- Conducting a risk-based assessment to identify which sub-recipients will receive a full, onsite monitoring versus a remote, desk monitoring
- Establishing a monitoring schedule
- Creating a monitoring checklist
- Conducting on-site visits, as applicable
- Notifying sub-recipients of monitoring results
- Providing technical assistance
- Ensuring that corrective actions, if needed, are taken

b. Ensuring Long-Term Compliance with CDBG Program and Planning Requirements

The City ensures compliance by:

- Checking project eligibility against regulations and staying in constant communication with the City's HUD CPD representative.
- Following the City's Subrecipient Monitoring Plan

- Reviewing HUD's monitoring handbook to ensure compliance with national objectives of low- and moderate-income area benefit and low-and moderate-income limited clientele, financial management requirements, and other CDBG Entitlement Program requirements
- Reviewing CPD notices on CDBG program and planning requirements

c. Ensuring Long-Term Compliance with HOME Program and Planning Requirements

To ensure long-term compliance with HUD regulations, the City not only recertifies its CHDOs annually but also assesses a developer's capacity to complete a HOME project and the project's long-term viability before awarding or committing HOME funds. This assessment involves vetting a developer in a number of areas.

In accordance with the rules of the HOME Investment Partnership Program the City monitors each HOME-assisted rental development annually through an extensive reporting process throughout the HOME affordability period. Onsite monitoring is performed at least every 3 years, but may be more often if any concerns are determined through the annual reporting process.

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City has been allocated the following amounts by HUD for its CDBG and HOME programs.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|---|----------------------------------|--------------------|--------------------------|-----------|---|-----------------------|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | 1,124,056 | 96,000 | 59,101 | 1,279,157 | 4,880,224 | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | 542,776 | 208,600 | 0 | 751,376 | 2,411,104 | |

Table 53 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City will attempt to use HOME Consortium Funds, Grants, and other funding when appropriate to meet the objective of the Annual Action Plan. The City does add local funds (including unexpended CDBG funds from prior years, if available) to further support the organizations and individuals receiving CDBG funding.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|--|------------|----------|-----------------------------------|-----------------|---|----------------|---|
| 1 | 1A Improve Public Infrastructure & Facilities | 2020 | 2024 | Non-Housing Community Development | City Wide | Expand/Improve Public Infrastructure & Facilities | CDBG: \$98,338 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5,000 Persons Assisted |
| 2 | 2A Increase Owner Occupied Rehab Opportunities | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | CDBG: \$64,366 | Homeowner Housing Rehabilitated: 10 Household Housing Units |

| | | | | | | | | |
|---|--|------|------|----------------------------|-----------|--|-----------------------------------|---|
| 3 | 2B Increase Affordable Housing Opportunities | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | HOME: \$642,332 | Rental Units Constructed: 89 Household Housing Units |
| | | | | | | | | Housing for Homeless Added: 30 Household Housing Units |
| | | | | | | | | Rental Units Rehabilitated: 0 Household Housing Units |
| | | | | | | | | Homeowner Housing Added: 1 Household Housing Units |
| 4 | 2C Provide Assistance for Supportive Housing | 2020 | 2024 | Affordable Housing | City Wide | Preserve & Develop Affordable Housing | CDBG: \$885,037 HOME: \$77,125 | Housing for Homeless Added: 5 Household Housing Units |
| 5 | 3A Provide Vital Services for LMI Families | 2020 | 2024 | Non-Homeless Special Needs | City Wide | Public Services & Quality of Life Improvements | CDBG: \$162,282.00 | Public Service Activities other than Low/Moderate Income Housing Benefit: 5,449 Persons Assisted |

| | | | | | | | | |
|---|---|------|------|----------|-----------|---|-------------------|--|
| | | | | | | | | Public Service Activities for Low/Moderate Income Housing Benefit: 30 Household Housing Units |
| | | | | | | | | Homeless Prevention Overnight Shelter: 300 Persons Assisted |
| 6 | 4A Provide Homeless Prevention Services | 2020 | 2024 | Homeless | City Wide | Homelessness Housing and Support Services | CDBG: \$69,134 | Homeless Prevention: 620 Persons Assisted |

Table 54 – Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|---|
| 1 | Goal Name | 1A Improve Public Infrastructure & Facilities |
| | Goal Description | The City will improve access to public infrastructure through development activities for LMI persons and households. Public infrastructure activities include improvements to infrastructure in the jurisdiction such as roadway resurfacing and improvements to curbs and ramps on sidewalks for ADA compliance. The City will also expand and improve access to public facilities through development activities for LMI persons and households and for special needs population (elderly, persons with a disability, victims of domestic abuse, etc.). Public facilities may include neighborhood facilities, community centers and parks and recreation facilities. |
| 2 | Goal Name | 2A Increase Owner-Occupied Rehab Opportunities |
| | Goal Description | The City will provide for owner occupied housing rehabilitation in target areas of the jurisdiction. These activities will benefit LMI households. |
| 3 | Goal Name | 2B Increase Affordable Housing Opportunities |
| | Goal Description | The City will work to increase homeownership opportunities for LMI households through new construction of homeowner & rental housing. |
| 4 | Goal Name | 2C Provide Assistance for Supportive Housing |
| | Goal Description | The City will provide assistance for supportive housing for eligible residents in the City. [update with specifics] |
| 5 | Goal Name | 3A Provide Vital Services for LMI Families |
| | Goal Description | Provide supportive services for low- to moderate-income households in the jurisdiction. Public services will include: fair housing awareness, crime prevention programs, case management for emergency assistance, employment programs, health programs, as well as services to address homelessness, persons with physical and mental health disabilities, the elderly, and the youth. Note that fair housing counseling services under this goal will be funded with HOME Administrative funds. |

| | | |
|---|-------------------------|---|
| 6 | Goal Name | 4A Provide Homeless Prevention Services |
| | Goal Description | The City will provide for homeless prevention services for the homeless population in the jurisdiction. |

Projects

AP-35 Projects – 91.220(d)

Introduction

The City of Merced will provide activities that support one or more of the following projects during Program Year 2020.

Projects

| # | Project Name |
|---|--|
| 1 | CDBG: Administration |
| 2 | CDBG: Housing Programs |
| 3 | CDBG: Public Facilities & Infrastructure |
| 4 | CDBG: Public Services |
| 5 | HOME: Administration |
| 6 | HOME: CHDO Reserves |
| 7 | HOME: Non-CHDO Development Activities |

Table 55 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The priority needs for the City of Merced's 2020-2024 Consolidated Plan were determined through analysis of information gathered from a variety of sources. The City issued a NOFA and Request for Proposals, which was published on February 20, 2020 in the Merced County Times and the Merced Sun-Star newspapers. The notice requested proposals from non-profit organizations that have capacity to provide Fair Housing and Continuum of Care Services in the community. The City held informational meetings on 3/2/2020 and twice on 3/3/2020 to discuss program priorities and guide potential applicants in their program concepts. During the evaluation phase, all applications were screened to ensure the proposed project or activity met one of the priority needs.

Most agencies do not have necessary funds to provide all services needed by the clients and have stated in their applications that without HUD funds the project or program may not be able to fully serve the client need.

AP-38 Project Summary
Project Summary Information

| | | |
|---|--|--|
| 1 | Project Name | CDBG: Administration |
| | Target Area | City Wide |
| | Goals Supported | 1A Improve Public Infrastructure & Facilities 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing 3A Provide Vital Services for LMI Families 4A Provide Homeless Prevention Services |
| | Needs Addressed | Expand/Improve Public Infrastructure & Facilities Preserve & Develop Affordable Housing Public Services & Quality of Life Improvements Homelessness Housing and Support Services |
| | Funding | CDBG: \$244,011 |
| | Description | Citywide administration of the CDBG program in PY 2020. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | N/A |
| | Location Description | |
| | Planned Activities | Admin, planning and neighborhood training |
| 2 | Project Name | CDBG: Housing Programs |
| | Target Area | City Wide |
| | Goals Supported | 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing |
| | Needs Addressed | Preserve & Develop Affordable Housing |
| | Funding | CDBG: \$719,457 |
| | Description | Housing programs will include owner occupied housing rehabilitation, increased homeownership opportunities, and assistance for supportive housing. These activities will benefit LMI households. |
| | Target Date | 6/30/2021 |

| | | |
|----------|--|---|
| | Estimate the number and type of families that will benefit from the proposed activities | Approximately 10 homes will be rehabilitated and 5 units will be added for formerly homeless individuals. |
| | Location Description | City Wide |
| | Planned Activities | Habitat for Humanity will receive \$54,000 for homeownership rehabilitation. Sierra Saving Grace will receive \$385,000 for acquisition of at least 1 (one) residential unit for repair and conversion to affordable/supportive rental housing for formerly homeless individuals or families Merced Rescue Mission will receive \$357,500 for acquisition of at least 1 (one) residential unit for repair and conversion to affordable/supportive rental housing for formerly homeless individuals or families. |
| 3 | Project Name | CDBG: Public Facilities & Infrastructure |
| | Target Area | City Wide |
| | Goals Supported | 1A Improve Public Infrastructure & Facilities |
| | Needs Addressed | Expand/Improve Public Infrastructure & Facilities |
| | Funding | CDBG: \$82,500 |
| | Description | Assistance for improving public infrastructure and facilities. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | Improvements will benefit approximately 5,000 households. |
| | Location Description | City Wide |
| | Planned Activities | Funding will be made available for engineering projects. |
| 4 | Project Name | CDBG: Public Services |
| | Target Area | City Wide |
| | Goals Supported | 3A Provide Vital Services for LMI Families 4A Provide Homeless Prevention Services |
| | Needs Addressed | Public Services & Quality of Life Improvements Homelessness Housing and Support Services |
| | Funding | CDBG: \$156,146 |

| | |
|--|--|
| Description | The City will provide supportive and vital services for low income and special needs populations in the jurisdiction. Public services will target LMI citizens and may include services to address homelessness, persons with physical and mental health disabilities, the elderly, and the youth. Services may also include recreational programs for special needs populations, and education and health programs for special needs households. Public services for LMI will include: fair housing awareness, crime prevention programs, case management for emergency assistance, employment programs, and health programs. |
| Target Date | 6/30/2021 |
| Estimate the number and type of families that will benefit from the proposed activities | <p>The following outcomes are expected:</p> <p>Public Service Activities other than Low/Moderate Income Housing Benefit: 5,419 Persons Assisted</p> <p>Public Service Activities for Low/Moderate Income Housing Benefit: 30 Household Housing Units</p> <p>Homeless Prevention Overnight Shelter: 300 Persons Assisted</p> <p>Public Service Activities other than Low/Moderate Income Housing Benefit: 30 Persons Assisted</p> <p>Homeless Prevention: 620 Persons Assisted</p> |
| Location Description | City Wide |

| | | |
|---|--|--|
| | Planned Activities | <p>The following organizations will receive funding for public services:</p> <p>Habitat for Humanity – Stanislaus will receive \$4,920.00 for First-Time Homebuyer Education Classes.</p> <p>Sierra Saving Grace will receive \$20,000.00 for its rental assistance program.</p> <p>Merced Rescue Mission will receive \$20,000.00 to support its overnight warming center.</p> <p>Harvest Time will receive \$22,026 for upgrades to its walk-in refrigeration/freezer units for homeless/LMI food distribution.</p> <p>Alliance for Community Transformations will receive \$10,800 for its Housing & Financial Stability program for residents of Valley Crisis Center.</p> <p>Symple Equazion will receive \$38,960.00 for its employment, personal finance, and life skills training Aim High POWER Academy program for formerly homeless young women.</p> <p>The City will reserve \$39,440.00 for projects to be determined that will support the City's response to the COVID-19 pandemic.</p> |
| 5 | Project Name | HOME: Administration |
| | Target Area | City Wide |
| | Goals Supported | 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing |
| | Needs Addressed | Preserve & Develop Affordable Housing |
| | Funding | HOME: \$75,137 |
| | Description | Citywide administration of the HOME program in PY 2020. The City will use \$30,000 of this amount to fund a fair housing counseling program that addressing the City's public services goal. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | N/A |
| | Location Description | City Wide |
| | Planned Activities | Admin |

| | | |
|---|--|--|
| 6 | Project Name | HOME: CHDO Reserves |
| | Target Area | City Wide |
| | Goals Supported | 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing |
| | Needs Addressed | Preserve & Develop Affordable Housing |
| | Funding | HOME: \$522,000 |
| | Description | The City will set aside 15% of HOME funds for CHDO affordable housing development activities including Rehab and Rental Housing Opportunities. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | These activities will benefit households through the addition of 89 affordable rental units and 30 units for formerly homeless individuals. |
| | Location Description | City Wide |
| | Planned Activities | CHDO affordable housing development activities including Rehab and Rental Housing Opportunities will be funded through the Childs Avenue & B Street Project. |
| 7 | Project Name | HOME: Non-CHDO Development Activities |
| | Target Area | City Wide |
| | Goals Supported | 2A Increase Owner-Occupied Rehab Opportunities 2B Increase Affordable Housing Opportunities 2C Provide Assistance for Supportive Housing |
| | Needs Addressed | Preserve & Develop Affordable Housing |
| | Funding | HOME: \$154,217 |
| | Description | Non-CHDO Development Activities will be Rehab and Rental Housing Development for LMI households in the City. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | Two units will be rehabilitated for low income households. |
| | Location Description | City Wide |

| | | |
|--|---------------------------|---|
| | Planned Activities | The City will provide Habitat For Humanity with \$81,727 and Sierra Saving Grace with \$72,490 for acquisition and rehabilitation activities. |
|--|---------------------------|---|

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Merced will use a place-based strategy during the planning period. The geographic distribution of funding is predicated somewhat on the nature of the activity to be funded. It is the City's intent to fund activities in the areas most directly affected by the needs of low-income residents and those with other special needs. The Annual Action Plan directs investment geographically to an area benefit neighborhood. The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51% of the residents are low and moderate income persons. Public infrastructure improvements are an area benefit activity when they are located in a predominately low- and moderate-income neighborhood.

Geographic Distribution

| Target Area | Percentage of Funds |
|--------------------|----------------------------|
| City Wide | 30 |

Table 56 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The basis for assigning the priority to each category was based on the identified needs expressed during the consultation and citizen participation process. In addition, priorities were determined by information gathered from the Census, a market study and existing community documents, which include the City of Merced's current Housing Element.

It is the City's intent to fund activities in the areas most directly affected by the needs of low-income residents and those with other special needs. To create substantive neighborhood improvements and stimulate additional, unassisted improvement efforts, the City will focus a portion of its housing-related funding in targeted low-income and special needs neighborhoods.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City of Merced has established the following goals for its 2020-2021 Annual Action Plan.

| One Year Goals for the Number of Households to be Supported | |
|---|-----|
| Homeless | 35 |
| Non-Homeless | 120 |
| Special-Needs | 0 |
| Total | 155 |

Table 57 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households Supported Through | |
|---|-----|
| Rental Assistance | 20 |
| The Production of New Units | 120 |
| Rehab of Existing Units | 10 |
| Acquisition of Existing Units | 5 |
| Total | 155 |

Table 58 - One Year Goals for Affordable Housing by Support Type

Discussion

AP-60 Public Housing – 91.220(h)

Introduction

N/A, there is no local City PHA, however, the City will rely on guidance from the County Housing Authority.

Actions planned during the next year to address the needs to public housing

The County of Merced's Housing Authority has implemented modifications to current public housing units, if any, in public housing based on Section 504 Needs Assessment that it completed. Please refer to the HAMC Public Housing Authority Annual Plan for further information.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HAMC encourages resident involvement through various methods, particularly focusing on self-sufficiency and enhancing the quality of one's own life. HAMC connects residents and participants to services, activities, and other organizations that promote that vision. There are network center (including public computer centers) and community partnerships for residents to utilize. On the HAMC website, resident can locate relevant services and service providers in dedicated "resident" and "resident services" sections. Additionally, HAMC provides information via webpage and mail outs to participants about the status of its programs and residents for current and future participants.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

N/A

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

This section provides an overview of existing housing needs in Merced. It focuses specify goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing within the program year. This section also indicates the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units.

The City shall encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Merced County. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-resident occupancies, transitional facilities and housing units serving temporary needs. The City will encourage development of housing for extremely-low income households through a variety of activities such as outreach to nonprofit and for-profit housing developers, providing in-kind technical assistance for housing developers, financing and funding assistance and expedited processing as appropriate. The City's objective shall be to encourage and facilitate construction of supportive housing units for extremely-low income housing units during the 2020-2024 planning period.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City will continue to support programs and strategies which addresses the Priority Needs of Homeless Persons and Families. The City will financially support programs and services for the homeless through its CDBG Public Service Funding. Also, there is an existing continuum of care homeless system which serves Merced. The City's strategy is to continue to support the network of homeless service providers existing in Merced. In addition, the City supports the efforts of the County of Merced to end chronic and episodic homelessness which include 22 recommendations outlines in the 10 Year Plan to End Chronic Homelessness as well as the supporting the following additional recommendations:

- RECOMMENDATION 23: Design and implement a local Coordinated Assessment System
- RECOMMENDATION 24: Design and implement a winter warming center
- RECOMMENDATION 25: Develop and implement a "balanced" plan that will effectively approach the issue of homeless encampments and other related matters
- RECOMMENDATION 26: Develop partnerships between local government and nonprofit and for-

profit affordable housing developers

- RECOMMENDATION 27: Develop additional units of permanent affordable housing

Addressing the emergency shelter and transitional housing needs of homeless persons

State Housing Law requires that cities identify sites that can adequately accommodate emergency homeless shelters. Additionally, cities must not unduly discourage or deter these uses. With the adoption of Ordinance Nos. 1633 and 1634, the Zoning Map was amended to designate an Emergency Shelter Overlay Zone District for emergency shelters at specific sites. In addition, Municipal Code definitions related to housing, including emergency shelters, transitional housing and supportive housing were amended such that transitional and supportive housing are residential uses subject to the same regulations and procedures that apply to other residential uses of the same type in the same zone. These amendments were requirements of State law (SB 2).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City will continue to work with a multitude of service agencies to assist homeless persons make the transition to permanent housing and independent living. There are 86 emergency shelter beds available, all in the City of Merced this number of beds provides shelter to 17.3 percent of the known homeless population. Merced County Community Action Agency – now known as Merced County Community Action Board (MCCAB) is the largest provider of emergency shelter services to Merced County's homeless, with 62 of the total 86 beds throughout Merced County.

The Agency also operated Pacheco Place, an eight-unit/ 10-bed permanent supportive housing facility in Los Banos, opened in 2012 Pacheco Place is an apartment complex purchased in January 2012 in partnership with the Merced County Department of Mental Health. A grant award of \$1,072,900 Mental Health Services Act Housing Program funds includes \$400,000 for future operating costs of Pacheco Place.

In November 2010, the Merced County Department of Mental Health also applied for \$287,576 in Continuum of Care funds from HUD with which to offer permanent supportive housing in Los Banos. Known as "Project Hope Westside", a location had not yet been found by December 2011 when the Continuum of Care technical submission was due. The two projects were combined, and the \$287,576 Continuum of Care award will contribute to the sustainability of Pacheco Place.

The County's Continuum of Care has begun implementing a Housing First approach and a Rapid Re-housing approach. This program, combined with the county's emergency shelter and transitional shelter

bed inventory, have largely contributed to the decrease in the number of homeless persons during the past couple of years as evidenced by the results of the 2013 homeless count.

Housing First is recognized as an evidence-based best practice model by national researchers and policymakers based on years of research and implementation. The implementation of a Housing First Approach has helped jurisdictions across the country significantly reduce their homeless population.

Implementation involves moving homeless persons - including chronically homeless individuals - from the streets and directly into housing and providing wrap-around services to ensure housing stability. This approach links chronically homeless persons to permanent supportive housing which provides subsidized housing and appropriate supportive services. This approach is in contrast to a “housing readiness model” which emphasizes that a homeless individual or family must address other issues such as substance abuse and mental illness through case management in a shelter or transitional housing program prior to entering affordable permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Merced will continue to work with the County in using their Housing First and Rapid Re-housing approaches that were described on pages two and three. The 2015 homeless count and survey data revealed that 58% of the unsheltered homeless population is chronically homeless and in need of longer-term assistance such as rental assistance and wrap-around social services such as health care, employment services, mental health care, and life skills training. Thus, a Housing First approach is needed. Conversely, the data showed that 48% of the unsheltered homeless population is not chronically homeless and will likely need shorter-term assistance, such as a few months of rental assistance, and are not as reliant on social services. Thus, a Rapid Re-housing approach is needed.

Discussion

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The development industry is faced with a variety of constraints in the construction of new housing. These constraints limit the number and increase the cost of housing units, which are constructed and may be loosely classified as governmental and non-governmental, although there is a strong interrelationship between these factors.

Federal, State, and local government policies and regulations can positively or negatively impact the availability and affordability of housing. Local governments have little or no influence upon the national economy or the Federal monetary policies that influence it. Yet these two factors have some of the most significant impacts on the overall cost of housing. The local housing market, however, can be encouraged and assisted locally. Part of the housing element's purpose is to require local governments to evaluate their past performance in this regard. By reviewing local conditions and regulations that may impact the housing market, the local government can prepare for future growth through actions that protect the public's health and safety without unduly adding to the cost of housing production. The analysis in this section does not include Federal or State policies or regulations that cannot be impacted by local government actions.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Efforts to Remove Constraints for First Time Home Buyers

It can be difficult for Very Low, Low, and Moderate income first-time homebuyers to acquire sufficient savings and income to pay for a down-payment, closing costs, monthly mortgage, and tax and insurance payments. To address this problem, the City's Housing Program administers the First Time Homebuyer Program (FTHB), a special low-interest, deferred-payment loan program designed to provide "silent" second mortgages of up to \$35,000, funded by the Home Investment Partnerships Program (HOME). Applicants must demonstrate financial need and pre-approval for a first mortgage; the second mortgage will be financed as a three-percent-interest, 5-year deferred loan payment.

The Housing Program also administers a down-payment assistance program funded by Cal Home funds. The conditions of this loan are similar to the FTHB program described above with the exception that the home purchased must be a home that has been foreclosed upon within the City of Merced.

Efforts to Remove Constraints for Low-Income Homeowners to Maintain Safe Housing

The City considers safe housing a priority for all citizens. Unfortunately, many low-income homeowners are unable to make needed repairs to maintain safe housing. In an effort to remove the financial

constraints faced by these homeowners, the City's Housing Program administers a Housing Rehabilitation Program funded by Community Development Block Grant (CDBG) funds. Through this program, homeowners can obtain a low-interest loan to make necessary repairs to their homes. In some cases, the homes are in such disrepair that it is more cost effective to demolish the existing home and reconstruct a new home.

The term, or payoff period, is usually 20 years for an amortized loan. The City also offers deferred payment loans. A deferred payment loan is one in which interest accumulates, but the borrower does not make any payments. In order to qualify for a deferred payment loan, the property must be owner-occupied and their entire housing cost is in excess of 30 percent of their household income.

Efforts to Provide Fair Housing

This is an on-going series of activities undertaken by the City of Merced's Housing Program to ensure that low and moderate-income households receive maximum benefit from the funds received by their local government. This area of activity includes constant attention to good communication between various service providing agencies in the community, knowledge of market conditions and forces that drive good policy decisions regarding the use of resources, and constant evaluation of program efforts. It also refers to the monitoring of the City's *Analysis of Impediments to Fair Housing Choice*. A total of \$30,000 in HOME administrative funds will be spent in FY 2020 on Fair Housing activities, including a contract with Project Sentinel to provide fair housing services for the residents of Merced. This is an annual program.

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

The section will describe the City's planned actions to carry out the following strategies outlined in the Consolidated Plan:

- Foster and maintain affordable housing;
- Evaluate and reduce lead-based paint hazards;
- Reduce the number of poverty-level families;
- Develop institutional structure; and
- Enhance coordination.

In addition, the City will identify obstacles to meeting underserved needs and propose actions to overcome those obstacles.

Actions planned to address obstacles to meeting underserved needs

Overall, Merced has several priority housing and community needs it plans to address over the next five years:

- To preserve, rehabilitate and enhance existing neighborhoods, and housing as applicable with an emphasis on South and Central Merced;
- Create neighborhood revitalization opportunities within targeted areas of the City.
- Provide support services for the City's residents with an emphasis on the homeless and services to seniors;
- Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor;
- To address to City's significantly high unemployment rate with economic development;
- To preserve, rehabilitate and enhance existing public facilities

It is the mission of the City to use resources to assist with businesses, job development, and the provision of safe, affordable housing. In short, we will do our part to maintain Merced as a community its residents are proud to call "home". Given the aforementioned 6 priorities, the City identified five

main goals:

- Provide decent affordable housing
- Maintain and promote neighborhood preservation
- Support special needs programs and services
- Construct or upgrade public facilities and infrastructure
- Facilitate the Construction of Permanent Supportive Housing
- Improve accessibility
- Economic Development

Actions planned to foster and maintain affordable housing

The City of Merced will support the development and maintenance of affordable housing through several planned projects during the 2020-2021 Action Plan Year. These projects include:

- Funding of Childs & B Affordable Housing project;
- Pursuit of development of former Redevelopment Agency properties for affordable housing; partnering with CHDO or local organizations to construct;
- Continuation of acquisition programs that convert market rate residential units to affordable housing;
- Monitoring of past projects to ensure they remain assets for safe, affordable housing.

Actions planned to reduce lead-based paint hazards

In the City of Merced it is estimated that about 7,000 housing units occupied by low-income or very low-income households contain lead-based hazards. Although accurate statistics are not available, it is likely that many of these homes are concentrated in the South Merced area where there is a concentration of families in poverty and substandard housing, two factors that are often correlated with the incidence of lead poisoning. Lead based paint hazards represent an immediate risk to children.

Lead poisoning education and abatement efforts in Merced are provided through the cooperative efforts of the County Public Health Department, Environmental Health Division and Child Health and Disability Program. The abatement of lead-based hazards is a vital component of the City of Merced's Housing Rehabilitation Loan Program. All housing rehabilitation projects are assessed for lead based paint and lead based paint abatements are performed by licensed contractors.

Actions planned to reduce the number of poverty-level families

Merced's antipoverty strategy is closely aligned with the goals and objectives of the overall affordable housing plan. These goals include: reducing poverty, creating new and affordable housing, developing

and promoting services for at-risk populations, expanding job training, and providing public and social services. The City will also continue partnering with organizations to provide a continuum of services addressing the full range of needs of low- and moderate-income families.

All communities share a goal to eradicate poverty. The City recognizes that a goal to reduce poverty will contribute to the economic wellbeing of individuals and families. The families whose income increases above the poverty level will be able to live independent of public and private assistance.

Actions planned to develop institutional structure

The City supports cooperation in the development of affordable housing through financial and/or technical assistance. The City will cooperate with developers to provide housing opportunities for extremely-low, very-low, low and moderate income households. The City shall also evaluate the effectiveness of its partnerships with non-profit housing developers on an annual basis. Based on its findings, the City will seek ways to expand and foster its partnerships as appropriate. The City will assist and encourage housing development for extremely-low, very-low, low and moderate income households through a variety of activities such as providing in-kind technical assistance, funding support, land write-downs, expedited processing, fee deferrals, and incentives and concessions that meet or exceed State density bonus law as appropriate.

The City shall also encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Merced County. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-resident occupancies, transitional facilities and housing units serving temporary needs. The City will encourage development of housing for extremely-low income households through a variety of activities such as outreach to nonprofit and for-profit housing developers, providing in-kind technical assistance for housing developers, financing and funding assistance and expedited processing as appropriate.

Actions planned to enhance coordination between public and private housing and social service agencies

The City's Housing Department maintains primary management of as well as the coordination of the various organizations involved in these processes. The staff within the Department work closely with other City departments and the community to develop programs and activities that improve low- and moderate-income neighborhoods throughout Merced. The administration of program activities includes housing, public facility and infrastructure improvements, public and social service activities and economic development activities. The City collaborates with public agencies, for-profit agencies, and non-profit organizations in order to provide the aforementioned programming and services.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|--|---------------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 96,000 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 96,000 |

Other CDBG Requirements

| | |
|---|--------|
| 1. The amount of urgent need activities | 0 |
| <TYPE=[text] REPORT_GUID=[A698417B4C924AE0218B42865313DACF] DELETE_TABLE_IF_EMPTY=[YES]> | |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Guidelines are attached.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Guidelines are attached.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Appendix - Alternate/Local Data Sources

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| 1 | Data Source Name 2006-2010 ACS, 2014-2018 ACS |
| | List the name of the organization or individual who originated the data set. US Census Bureau |
| | Provide a brief summary of the data set. The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas. |
| | What was the purpose for developing this data set? ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs. |
| | How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Merced, CA |
| | What time period (provide the year, and optionally month, or month and day) is covered by this data set? 2006-2010 ACS, 2014-2018 ACS5-Year Estimates |
| | What is the status of the data set (complete, in progress, or planned)? Complete |
| 2 | Data Source Name 2012-2016 CHAS |
| | List the name of the organization or individual who originated the data set. US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD) |
| | Provide a brief summary of the data set. Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households. |

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| | <p>What was the purpose for developing this data set?</p> <p>The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2012-2016 CHAS</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 3 | <p>Data Source Name</p> <p>2014-2018 ACS 5-Yr Estimates</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau</p> <p>Provide a brief summary of the data set.</p> <p>The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p> <p>What was the purpose for developing this data set?</p> <p>Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2014-2018 ACS 5-Year Estimates</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 4 | <p>Data Source Name</p> <p>2013-2017 ACS (Workers), 2017 LEHD (Jobs)</p> |

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| | <p>List the name of the organization or individual who originated the data set.</p> <p>2013-2017 ACS and 2017 Longitudinal Employee-Household Dynamics: United States Census Bureau</p> <hr/> <p>Provide a brief summary of the data set.</p> <p>The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p> <p>The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.</p> <hr/> <p>What was the purpose for developing this data set?</p> <p>ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p> <p>LEHD: Information from the LEHD help state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, and jobs with state-of-the-art confidentiality protections and no additional data collection burden.</p> <hr/> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <hr/> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2013-2017 ACS (Workers), 2017 LEHD (Jobs) - The most recent data available for the LEHD was 2017. The 2013-2017 ACS data was used to match.</p> <hr/> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 5 | <p>Data Source Name</p> <p>HUD 2019 FMR and HOME Rents</p> <hr/> <p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p> |

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| | <p>Provide a brief summary of the data set.</p> <p>Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for the Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.</p> <p>HOME Rents Limits are based on FMRs published by HUD. HOME Rent Limits are set to determine the rent in HOME-assisted rental units and are applicable to new HOME leases.</p> <p>What was the purpose for developing this data set?</p> <p>Fair Market Rents (FMRs) are used to determine payment standard amounts for HUD Programs. HOME Rent Limits are the maximum amount that may be charged for rent in HOME-assisted rental units and are applicable to new HOME leases.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 6 | <p>Data Source Name</p> <p>PIC (PIH Information Center)</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p> <p>Provide a brief summary of the data set.</p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p> <p>What was the purpose for developing this data set?</p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> |

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| | <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 7 | <p>Data Source Name</p> <p>2019 Housing Inventory Count</p> |
| | <p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p> |
| | <p>Provide a brief summary of the data set.</p> <p>The Housing Inventory Count Reports provide a snapshot of a CoC's HIC, an inventory of housing conducted annually during the last ten days in January, and are available at the national and state level, as well as for each CoC. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing.</p> |
| | <p>What was the purpose for developing this data set?</p> <p>HIC provides the inventory of housing conducted annually during the last ten days in January. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless.</p> |
| | <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>COC</p> |
| | <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> |
| | <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 8 | <p>Data Source Name</p> <p>Bureau of Labor Statistics</p> |
| | <p>List the name of the organization or individual who originated the data set.</p> <p>Bureau of Labor Statistics (BLS)</p> |
| | <p>Provide a brief summary of the data set.</p> <p>BLS unemployment rates are from the BLS Local Area Unemployment Statistics (LAUS). This program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence.</p> |

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| | <p>What was the purpose for developing this data set?</p> <p>The purpose of the BLS data is to collect, analyze, and disseminate essential economic information to support public and private decision making.</p> |
| | <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> |
| | <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> |
| | <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |