

For Period: July 1, 2024, through June 30, 2025

City of Merced

2024 HUD Annual Action Plan

FINAL

Approved by Merced City Council August 5, 2024



City of Merced Housing Division
Development Services Department
Merced, California

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Executive Summary

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

1. Introduction

The 2020-2024 Consolidated Plan (the "ConPlan") is a document required by the U.S. Department of Housing and Urban Development (HUD) that assessed and analyzed local conditions and issues related to housing, homelessness, community development, and economic development and serves as a comprehensive housing affordability strategy, community development plan, and submission for funding under any of HUD's entitlement formula grant programs spanning the period of time from July 2020 to June 2025. Utilizing a comprehensive outreach and citizen participation process, the Consolidated Plan described priority needs of the community and developed strategies to address those needs.

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. Each year, the goals and priorities of the ConPlan are carried out through Annual Action Plans, which detail how the City will use its funding towards the accomplishment goals laid out in the ConPlan.

This City of Merced 2024 Annual Action Plan covers the fifth-year goals described in the 2020-2024 Consolidated Plan and covers the period spanning July 1, 2024, through June 30, 2025, a timeframe also referred to within as "the 2024 Program Year." The Annual Action Plan identifies various activities proposed to be funded with Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and other fiscal resources to be received from HUD, as well as non-federal sources, such as Program Income received from existing State-funded first-time homebuyer loans with the City, and the City of Merced's own resources, such as Enterprise, Housing Successor Agency (HSA), and General Funds. The City expects to receive \$1,056,567.00 in CDBG funds and \$450,563.61 in HOME funds, totaling \$1,507,130.61 from HUD as entitlement formula grants during the 2024-25 fiscal year. Including anticipated and received program income, projected carryover, and CDBG and HOME entitlement formula allocations, the City has a combined total Annual Plan budget for the 2024 program year of approximately \$2,890,171.00.

The entitlement formula utilizes population information, poverty level, and overcrowded housing data to establish funding allocations. The City of Merced qualifies as a CDBG entitlement City based on the grant formula. The City, the County of Merced (including the Continuum of Care), the Housing Authority of Merced County, and other regional agencies coordinate their efforts to provide a balanced approach to community needs using their available resources.

At the end of the AP-05 Executive Summary section further below, you will find tables that summarize the 2024 HUD CDBG and HOME available resources and planned projects. For more project details, please refer to the project tables in Section AP-38. Additionally, separate tables are provided that list all Federal, State, and Local funds used for all affordable housing funding and related projects the City, Development Services Department, and the Housing Division is currently handling.

Methods of Evaluation

In preparing the Five-Year ConPlan in 2020, the City utilized several methods to analyze the housing and community development needs of Merced. Methods included hosting resident and stakeholder focus groups on affordable housing needs and potential housing-related policies, surveying community residents and stakeholders, surveying multi-family unit property owners, 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. Likewise, in preparing this 2024 Annual Action Plan, which updates the ConPlan with "year five" projects and resources, the city used many of these same methods of evaluation to update the prior-year efforts.

Action Plan Format

In 2012, HUD released its 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 the most-recent Census and American Community Survey (ACS) data sets available. Despite the primary reliance on HUD-selected data sources, grantees are permitted opportunities to customize their ConPlan and Annual Plan.

COVID-19

In Spring of 2020, while preparing the draft of the 2020-2024 ConPlan, 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-19 that spread globally. The first case was reported in the United States in January 2020. In early March 2020, the World Health Organization declared the coronavirus outbreak a pandemic, the President declared a national emergency, and the State of California declared a state of emergency, shutting down large gathering places and limiting the movement of residents. Locally, both the City and County of Merced declared a local state of emergency on March 13, 2020.

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the crisis, and it was signed into law on March 27, 2020. The CARES Act is an over \$2 trillion economic relief package that provided direct economic assistance for American workers, families, and small businesses, and preserves jobs for industries. As part of the CARES Act, additional assistance was provided for HUD grantees, and the City received CARES Act allocations of CDBG funds (CDBG-CV funds) in Rounds 1 and 3. The City amended its 2019 Annual Action Plan after each round of allocations to include each distribution and implement programs specific to the assessed needs that arose. The City received a total of \$1,193,573 of CDBG-CV funds, and repurposed \$125,239 of regular CDBG funds to be used towards combating the local effects of the pandemic. These funds are still being distributed throughout the community.

The crisis drastically affected the preparation of the ConPlan, requiring a re-invent of effective means of citizen participation locally, largely through the use of online surveys to poll residents, schools, community business partners, and health agencies. As the pandemic continues to wane into a new normalcy and internet technology (and access to it) increasingly becomes a daily part of today's societal norms, the use of internet-based ways of reaching residents has become part of the City's normal outreach each Annual Plan update. It has proved the most effective way to both reach residents and local agencies and obtain their participation, allowing the City to see a consensus of current community needs.

In 2020 however, some residents felt outreach through surveys and pre-pandemic meeting alone had been insufficient, and that more outreach with residents needed to be accomplished. As a result, two virtual outreach meetings were held, and the City held a second round of public review and comment period and public hearings. In November 2020, the City Council approved the final draft of the ConPlan, 2020 Annual Action Plan, and Analysis of Impediments to Fair Housing. However, due to multiple overlapping HUD processes and deadline constraints, including the Consolidated Annual Performance and Evaluation Report (CAPER) and another CARES Act Substantial Amendment process, more delays accumulated, and the City did not receive HUD approval and access to 2020 program funds until March 2021, nearly nine months into the program year.

The accumulated delays resulted in gaps in assistance to vulnerable residents via the public service programs that received late funding, which placed some programs in jeopardy of closing completely, and 2020 projects were not able to start until the 2021 program year. As we approach the end of the 2023 Program Year in preparing this 2024 plan, four years after COVID-19 arrived, we are fully recovered from the snowball effect of these delays.

COVID-19 (continued)

At the start of the Pandemic, the immediate need categories of residents did not vary significantly from yearly trends; however, they intensified – for example, rental assistance to prevent homelessness became an intense need, as was the need to assist LMI families experiencing food insecurity, support LMI businesses, and retain LMI jobs.

The American Rescue Plan of 2021 - HOME-ARP funding

In an ongoing effort to provide additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses, on March 10, 2021, Congress passed the \$1.9 trillion American Rescue Plan of 2021 (ARP). It was signed into law by President Biden on March 11, 2021, and became Public Law 117-2. The ARP built upon previously enacted COVID-19 aid measures in 2020 and early 2021, including the CARES Act, a year-end spending and aid package, and the Families First Coronavirus Response Act (FFCRA).

The ARP included funding assistance for agriculture and nutrition programs; schools; childcare; COVID-19 vaccinations, testing, treatment, and prevention; emergency rental assistance; small business assistance; direct recovery rebate payments to families; and programs for health care and transportation workers, veterans, and other targeted populations.

Specifically, an aspect of the ARP that the City manages through the Annual Action Plan process involved Congress's instruction that a total of \$5 billion in nationwide funding, awarded using the 2021 HOME allocation formula (HOME-ARP funds), be directed to various activities benefiting those who have been impacted by the effects of COVID-19 the most – those who are homeless, at risk of homelessness, fleeing domestic violence, and others where assistance or services would prevent homelessness or serve those with the greatest risk of housing instability.

In April 2021, HUD notified the City that it would receive a one-time HOME-ARP allocation of \$1,988,778. HUD issued CPD Notice 21-10: "Requirements for the Use of Funds in the HOME-American Rescue Plan Program," and in October 2021, the City signed a HOME-ARP Grant Agreement with HUD. The CPD Notice included the requirement to prepare a formal plan for the use of the HOME-ARP funds (HOME-ARP Allocation Plan).

Between November 2022 and March 2023, the City prepared and adopted its HOME-ARP Allocation Plan, and in April 2023, the Allocation Plan was accepted and approved by HUD. Development of the Allocation Plan required separate consultation, public input, and needs assessment processes and a Substantial Amendment to the 2021 Annual Action Plan. The City intends to use the HOME-ARP funds towards the production of affordable rental housing to benefit individuals and families in all of the four qualifying populations (QP's). In February 2024, HOME-ARP funds were conditionally reserved for the future 57-unit Mercy Village Apartments affordable housing project.

January 2023 Storms and Resulting Floods

The 2022-23 winter season was one of the wettest ever on record for Merced City and the surrounding area. Soils and storm water systems were repeatedly saturated and tested beyond maximum capacity.

On January 4, 2023, Governor Newsom declared a state of emergency as a preemptive response to several powerful storms expected to hit California that week, and Merced County activated the Merced

County Emergency Operations Center as a precautionary measure. A heavy storm hit Merced on January 7, 2023. The City Manager/Director of Emergency Services issued two proclamations declaring the existence of a local emergency, which allowed for activation of the City's Emergency Operation Center (EOC), in preparation for likely flooding. EOC Staff held daily planning and operational meetings with all City departments and local cooperators, such as Merced County, Merced Irrigation District, and Merced School Districts, and an evacuation center was set up at the Merced County Fairgrounds, which also later became temporary headquarters for FEMA to assist flood victims.

As predicted, this storm caused Bear Creek to rise past flood stage and, as storm drains empty to the Bear Creek, also overwhelmed the City's stormwater drainage system, flooding city streets. Within the city limits, the West North Bear Creek Drive area was severely affected, and ground-level units of several apartment complexes were flooded. Outside the city limits, as a result of broken levees, the Planada and McSwain-area communities experienced devastating flooding conditions and heavy property damage to homes and businesses.

The displacement of tenants and homeowners countywide strained this area of already low vacancy rates and exposed a priority need for tenant protections for affected renters and tenant/landlord counseling. The City responded by expanding its partnership with Project Sentinel Inc. to provide this activity for the 2023 Program Year, and these services are proposed to continue through the 2024 program year as a public service activity.

In April 2023, the City Council adopted Ordinance No. 2548, which added Chapter 9.75 "Displaced Tenant Protections" to the Municipal Code. The new ordinance applies to all rental units that were damaged by the January 2023 flooding and offers protections to their tenants, including right of first refusal following completion of repairs made necessary by flood damage and a restriction on rent increases.

Broadband Internet Services

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, especially at broadband speeds. 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.

Broadband Coverage and Providers

Section MA-60 of the 2020-2024 Consolidated Plan evaluated the need for broadband and wiring connections for households, including low- and moderate-income households and neighborhoods, and found that Merced does not have significant gaps in broadband coverage and providers.

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, including to LMI areas. 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; 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.

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), and HughesNet (Satellite).

The City's Efforts to Expand Broadband Access to LMI Residents

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 may already be 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.

Although the City of Merced does not have significant gaps in broadband coverage on the wider sense, actually securing broadband access may not be evenly obtainable by disadvantaged, low-income households.

During the COVID-19 pandemic, it became abundantly clear that access to broadband was not evenly available across disadvantaged communities. Nearly 56% of all residents were employed as essential workers during the pandemic and had limited resources to secure access to internet services their children needed during remote learning times. The pre-pandemic internet status quo was no longer good enough, and the City paid attention.

In December 2021, the City Council approved \$2.6 million of ARPA funding to be allocated to Broadband Regional Capital Improvement. The City entered into a MOU with the County of Merced to fund a Countywide Broadband Feasibility study, and the County selected a vendor for the feasibility study through an RFP process. In September 2022, the County was awarded a \$500,000 LATA (Local Area Technical Assistance) Grant from the CPUC for conceptual design of a countywide broadband network. The County plans to work with through the Golden State Connect Authority and RCRC for design and build of the future broadband network once the CPUC Open Access Middle Mile Priority 1A network maps are released in June 2023.

Expanding LMI Residential Broadband Access (continued)

In 2023, the City worked in cooperation with the County of Merced on their Federal Funding Account broadband grant application to the CPUC. As of July 1, 2024, the CPUC has not announced the award of the County of Merced regions grant allocations. The City continues to work with the County of Merced on the future BEAD (Broadband Equity, access, and Deployment) grant throughout 2024. The City is also working with a new broadband service provided within the City limits, that is defined as a CLEC (competitive local exchange carrier) by the CPUC. The provider is working through the process for encroachment permits to start construction in late 2024.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City's priority need objectives and outcomes are based on the availability of CDBG and HOME funding allocation each year. In preparing the Annual Action Plan and contemplating what types of projects will be funded, the projects and funding amounts are based on assumptions that CDBG funding, entitlement funding distribution formulas, and/or the number of HUD 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 needs assessment that was accomplished in the 2020-2024 ConPlan has continued to help guide us over this five-year span and included assessments based on community characteristics, housing market and housing needs, strategies to address homelessness and help those at risk of homelessness, and ways to bolster jobs and economic development.

Target Populations

The needs assessment that has been completed as a part of the 2024 Annual Action Plan process closely mirrors that of the ConPlan and First, Second, Third, and Fourth Annual Plans, in identifying the following target populations, ranked in approximate order of placing from surveys:

- Special needs populations (frail elderly, victims of domestic violence/abuse, or persons with disabilities, alcohol or drug addiction, or HIV/AIDS)
- Children, youth, and adolescents
- Extremely low income and low-income households (those at risk of becoming homeless)
- Homeless persons
- Veterans

Barriers to Housing

Being able to locate safe, affordable housing for you and your family should ideally be a basic and barrier-free element of living in an established community like the City of Merced. However, residents who responded to the community needs survey stated that they have experienced or observed the following barriers to finding decent, safe housing, listed most experienced/observed to least:

1. Utility costs too high
2. Not enough good paying jobs to afford the cost of living and cost of housing too much for income
3. Affordable housing options available only in certain locations or are in areas that feel unsafe
4. Infrastructure deficiencies – i.e. no bike transportation facilities, sidewalks, paved streets, or municipal water/sewer services
5. Lack of diversity in housing stock – for example, too many single-family homes and not enough apartments; or not enough studio apartments
6. Overall lack of available units and distance to employment, schools, shopping, or services is too far from affordable housing
7. Condition of housing units and lack of units available to people with pets or support animals
8. Not enough housing assistance for mentally disabled
9. Access to public transportation is not convenient or accessible
10. Unit size (not enough bedrooms for house members)
11. Accessibility of housing units or neighborhood for people with disabilities or disabling conditions
12. Other barriers not listed (write-in answers included: rent is too high; too many government regulations and fees; increase in property tax; cost of trying to move to other/better housing is too high, including landlords who require income to be triple the amount of rent, costs of security deposits; accumulated cost of multiple application and credit check fees when applying for rental housing; lengthy application processes; poor quality of newly built homes; out of town investors charging too much for rent; inefficiency and inaccessibility of electric utility services and offices)
13. Housing restricted based on age

Essential Project Types

Several types of projects were also identified as essential to the community for the 2024 program year:

- Programs that provide, promote, or enable decent, safe, affordable housing
- Public improvements that build or improve neighborhood infrastructure and streetscapes
- Economic development programs that help create new jobs and build job skills
- Public services programs through partnerships with area nonprofit agencies to address the needs of LMI residents

Ranked Needs and Activities by Category

Through a combination of needs assessment surveys, public agency and stakeholder consultations, town hall meetings, resident and stakeholder meeting discussions, and feedback during housing-related Council meetings, the following needs and activities were ranked highest and most important by respondents and attendees:

- Housing– 1) Building new rental apartments for households with low or moderate incomes; 2) providing housing opportunities for people with special needs (frail elderly, persons fleeing domestic violence, disabled individuals, or those battling alcohol or drug addiction); and 3) providing more housing opportunities for people who are homeless or chronically homeless, such as the creation of emergency shelters and/or permanent housing navigation services.
- Neighborhood Improvements/Infrastructure – 1) building or improving public infrastructure and streetscapes in residential neighborhoods, including water and sewer lines, streets, tree planting, sidewalks/crosswalks, and storm drainage; 2) eliminating environmental hazards, such as litter/trash/dumped items, vacant or dilapidated buildings, and overgrown lots; and 3) providing resources for neighborhood organizing and leadership development.
- Economic Development – 1) providing assistance for job training programs; 2) financing projects and public service programs that create new jobs; and 3) business development assistance to low- to moderate-income microenterprise business owners or small businesses.
- Public Services – 1) providing services for people with special needs, like the elderly, victims of domestic violence/abuse, persons with disabilities, and those battling alcohol or drug addiction or HIV/AIDS, such as transportation services for these groups; 2) providing services for people that are homeless or food insecure; and 3) providing afterschool programs and childcare for children and youth.
- Fair Housing Education – 35.3% of survey respondents answered that they are unaware of their rights under Fair Housing and Anti-Discrimination laws (an increase of 3% over last year’s survey). The responses still indicate that a deeper effort should be made by the City and its fair housing partner organization to reach and distribute education materials directly to renters and landlords to promote better understanding of their protections and rights. Approximately 37.8% of respondents reported that they are aware of suspected housing discrimination incidents over the last year and believe that the incidents were potentially based on income levels, source of income, or race/ethnicity.

Overall Most Needed Project Types

Additionally, from the 2024 Community Needs Survey, the following types of projects were ranked in order of the most underfunded but with the greatest need, from highest to lowest:

1. Affordable homeownership opportunities
2. Employment training, workforce development, and financial literacy programs
3. Affordable quality childcare and/or youth centers and services
4. Homeless services, homelessness prevention programs, and housing solutions for the homeless

5. New affordable rental housing units
6. Services and programs for domestic violence victims or mental health and substance abuse patients
7. Services and programs for elderly and/or disabled persons
8. Sidewalks, lighting, crosswalks, and other public infrastructure improvements
9. Security deposit and/or short term rental assistance
10. Rehabilitating/repairing rental housing units

Weighing Needs vs. Available Funding

While the Housing Division would like to fund all of these needed programs and projects, the reality is that the necessary funding and administrative staffing resources needed to run the programs will need to be secured from a variety of resources and partnerships.

Given the City's relatively small CDBG and HOME allocations in comparison to the infinite amount of needed services, infrastructure, and LMI housing opportunities, funds to build enough affordable housing, complete large capital improvement projects, provide first time homebuyer assistance, or even create more programs to help prevent homelessness will need to come from other sources, such as other Federal or State grants or creative local funding strategies, as they become available and are awarded.

Identifying, addressing, making progress on, and ultimately striving to solve or achieve these issues, projects, and goals will take time, and some will take longer than others.

One Year and Continuing Goals

The City has identified the following goals and anticipated outcomes to accomplish through collaboration with non-profit organizations and other agencies, both year-to-year and over a span of several years:

1. Make Housing More Affordable for Merced Residents: the greatest housing issue the City continues to face is the insufficient supply of affordable rental and homeownership housing units. Topics that involve the creation and enforcement of policies that encourage the development of affordable housing is always a major focus of discussion during any given year. The City remains proactive in looking for ways to increase the number of affordable units, whether by fine-tuning current policies that are now in place and unique to Merced, seeking funding opportunities and creative subsidy layering strategies, creating pro-housing policies, meeting with rental housing developers about including affordable units in their developments, or a combination of all.

In 2023, the State awarded funding to two large affordable housing projects: 1) 108 units of 30-60% AMI affordable units with farmworker housing - Bella Vista Apartments by Visionary Home Builders; and 2) 156 affordable rental units, including two manager units – Devonwood Apartments by The Richman

Group and Central Valley Coalition for Affordable Housing. On May 2, 2024, the Richman/CVCAH development team and all investors were successful in closing their financial investors' escrow, which included CDBG, HOME, City Sewer/Water Enterprise Funds, and City Housing Successor Agency (HSA) funds, and the project broke ground in late May 2024. Visionary Homes' Bella Vista development plans to apply for California State Tax credit awards in Spring 2025, and the City has pledged \$3.5 million of its American Rescue Plan Act (ARPA) funds towards the project.

In Spring of 2022, the City began formal negotiations and the preparation of necessary documents for disposition of all ten of its HSA properties to three different affordable housing development partners, Linc Housing, Fuller Center for Housing of Merced County, and CC915 Merced, Inc., for various affordable housing projects – duplexes, single family homes, and “container” apartment units for homeless veterans. CC915 Merced, Inc.'s 20-unit “container” CA State Homekey-funded project with supportive services is nearing completion at the property located at 73 South R Street, with progress being slowed by an exceptionally rainy 2023/24 winter and manufacturing delays of the container units themselves. When completed early this fall, this project will house most, if not all, of the homeless veteran population in Merced. While the Fuller Center is not pursuing development of the properties at this time, Linc Housing is currently in a one-year escrow to acquire theirs while they complete their subsidy layering package.

More projects are in the works. Thanks to an unexpected change of ownership in January 2021 of The Grove Apartments that resulted in a large payoff of HSA LMI Asset funds, these funds became available to re-use towards eligible housing activities.

The Gateway Terrace II project's 50 affordable units, which will include 10 units for veterans, will use HSA LMI Asset and ARPA funds to rejuvenate the project. City staff is making progress on transferring of previous funding commitment documents to this new funding source and expects funds to be transferred to the project by December 2024.

One Year and Continuing Goals - Continued (1)

Moreover, as aforementioned, after approval of the HOME-ARP Allocation Plan by HUD on April 11, 2023, the City has access to \$1,988,778 of HOME-ARP funds (less administrative funds) to be used towards production of affordable rental housing for all qualifying populations (QP's) targeted for this funding by HUD. In early Spring 2024, the City Council authorized the conditional reservation of the available HOME-ARP funding to Upholdings, Inc. for the planned 57-unit (formerly 65 units) Mercy Village affordable housing project to be located on a vacant lot on Park Avenue in North Merced. The project is centrally located between health clinics, schools, and essential retail resources such as grocery stores and will be an excellent use of HOME-ARP funds. As such, the project will assist all four QP groups that this special funding intended to reach in addressing the long-term effects of the COVID-19 Pandemic on these most vulnerable populations.

Past Actions

2021 was an extremely active year at the City of Merced for furthering affordable housing. After a successful Request for Qualifications (RFQ) process was carried out in May 2021 to find potential affordable housing partners. Accordingly, in December 2021, the City Council pledged \$6.5 million of its U.S. Treasury American Rescue Plan Act (ARPA) fund allocation toward multiple affordable housing projects.

In November 2021, the City applied for 2021 State CalHome Program funding, in partnership with Self-Help Enterprises, to provide First Time Homebuyer (FTHB) Mortgage and Owner-Occupied Rehabilitation (OOR) Assistance to Merced residents totaling \$2,500,000. This application was successful, and the City was awarded \$1,125,000 for FTHB and \$1,375,000 for OOR program assistance. To help administer these State-funded programs, the City used \$36,000 of its HSA LMI Asset funds to contract with Self-Help Enterprises. The programs are now active, and the City is currently working with Self-Help on qualifying FTHB applicants for the purchase of their first home.

In 2021, Council authorized application to and adoption of an allocation plan for State of California Permanent Local Housing Allocation (PLHA) Plan funds that the City of Merced is eligible for each year as a part of SB2 and the State PLHA Program. The PLHA Program is funded in large part from recording and other fees collected and deposited into the Building Homes and Jobs Trust Fund. Each year, entitlement and non-entitlement local governments can apply for and receive funds from this permanent, ongoing source of funding for housing-related projects and programs that assist in addressing the unmet housing needs in their communities.

In late December 2021, the City Council adopted Resolution 2021-109, authorizing a joint application and participation in Round 2 of the California Department of Housing and Community Development's (HCDs) Homekey Program to jointly apply with Upholdings California LLC and RH Community Builders LP for Homekey funding towards a motel acquisition and rehabilitation/conversion project at 1213 V Street in Merced for chronically homeless ("at-risk") households and permanent supportive housing. The motel had served as a Project Roomkey location during the COVID-19 pandemic. In March 2022, HCD awarded \$24,024,054 of Homekey funding to the project. This project is now complete, and all 95 units are occupied.

On June 6, 2022, the Council approved acceptance and appropriation of \$1,324,969 of 2019 and 2020 PLHA funds to Upholdings, Inc. for their 57-unit "Mercy Village" affordable housing project. In November 2022, the Council issued a funding commitment letter to Linc Housing, pledging the 2021-2023 PLHA funds to their project, a 54-unit affordable apartment complex.

One Year and Continuing Goals - Continued (2)

Regional Housing Needs Allocation Unit Production Plan and Ongoing Housing Studies

In recent years, the City of Merced has taken decisive policy-related actions to further affordable housing in an inclusive and balanced manner. The City listened to the urgings expressed by its residents

to find balanced policy solutions and workable avenues that aim to increase affordable housing in the community. The City recognizes that the adjacent University of California Merced campus's student and staff population has grown along with the City as a whole, and although there is some housing on campus, there has been an increased strain on existing units, and thus, a need for more housing within the City limits.

In September 2021, the City Council directed staff to work with the County and Cities to explore options for a regional approach to affordable housing with Merced County Association of Governments (MCAG) and made available \$5 million to support this regional effort.

Additionally, the City has modified some of the zoning ordinances to simplify and streamline affordable housing production of all types. For example, the City has updated its ordinances on accessory dwelling units, parking requirements, infill development, and developed programs to make it easier and less expensive to construct ADU's, duplexes, and triplexes, by working with an architectural firm to design and develop pre-approved construction plans that property owners can then purchase with a simple permit and an approved site plan.

Additionally, in April of 2022, the Council adopted a Regional Housing Needs Allocation (RHNA) Unit Production Plan, which was subsequently amended on November 20, 2023. The Plan's intent is centered on developing a mechanism and bridge policy for requiring the production of affordable housing units as part of new market rate development until specific language related to affordable housing production is codified and incorporated into the Zoning Ordinance, General Plan (Housing Element), and other policy documents, all this with the overall goal of helping to meet the City's housing goals under the State's RHNA requirements. These requirements are outlined in the City's Housing Element, which is updated regularly, and are not tied to unit production but are more specifically tied to demonstrating the availability of adequate land and land use zoning of sites that can accommodate units. The Plan is similar to inclusionary zoning practices but is tailored to the City of Merced's desire to maintain a balance between the number of units needed and the business and profit margin needs of the builders themselves. With the RHNA Production Plan as the tool, the City Council seeks to move beyond identifying and zoning land and into encouraging the production of the units themselves.

Council gave further direction to prepare an assessment of this policy, including a nexus study and determination of in-lieu fees that may be assessed as an alternative option to constructing affordable units. In October 2023, Council gave direction to set the fee amount for the in-lieu option and also amended the RHNA Plan to require that a minimum of 5% of the total number of proposed units in new 60+-unit single-family and mixed-use developments be "affordable" and spread across the annually adjusted extremely low-, very low-, low-, and moderate-income levels. Multifamily developments are not subject to the RHNA production plan; however, the in-lieu fees that are collected are held in a special Affordable Housing Fund and can then be used to subsidize low-income/affordable-unit multifamily developments as a means to produce them. The plan also only applies to land use

entitlements requiring the execution of a pre-annexation development agreement, a development agreement, or a legislative action agreement per Zoning Code 20.72.040.

One Year and Continuing Goals - Continued (3)

The City has a variety of housing policy projects ongoing and near completion, using a combination of California State grants for Local Early Action Planning (LEAP) and SB2 funds. Each project is designed to affirmatively further fair housing by creating a wider range of opportunities for innovative affordable housing development.

The City is working on updating its Subdivision Ordinance and Zoning Code to include Tiny Homes. The City seeks to establish specific zoning districts (Planned Developments, small lots, etc.) where Tiny Homes will be allowed and to establish design standards for such homes.

In December 2022, the City issued a request for proposals to find a consultant to conduct a Downtown Housing Feasibility Study. The purpose of the study is to explore the Transit Oriented Development (TOD) housing needs in the downtown area specifically related to the future High-Speed, Amtrak, and ACE Rail station. Deliverables will include financial proformas of two potential development locations on existing parking lot parcels, preserving the existing parking while adding more parking for residents, providing a conceptual site plan, elevations, and floor plans for a mixed-use affordable apartment complex. In April 2023, the City Council approved a professional services agreement with Mogavero Architects to carry out this study.

2. Increasing the Number of Permanent Supportive Units: In July of 2022, the Childs and B Street Affordable Housing/Retreat Apartments project added 30 permanent supportive units for homeless individuals to the City's housing inventory.

Via past and perhaps future projects with Sierra Saving Grace Homeless Project for the purchase and rehabilitation of existing housing units, these projects convert existing market rate one- to four-unit properties to both LMI and permanent supportive rental units. The projects have an additional benefit in improving neighborhood aesthetics, as the purchased units are usually in great need of repair and are boarded-up, which has a blighting effect on neighboring homes and attracts transients, leading to further damage of the home and negative effects on the surrounding neighborhood.

Additional permanent supportive units will be completed by Fall 2024 through a separate \$4.4 million State Homekey awarded to the City and Certified Containers 915 (CC915), who will be enlisting the Merced Rescue Mission to manage once complete. The project will place 20 units (plus one management unit) of permanent supportive housing for homeless veterans using former shipping containers converted to living space. An extremely important project for the regional effort to address homelessness, it will enable all of the unsheltered homeless veterans in the City to be permanently housed. The City's contribution to the project is through a land donation of the property located at 73

South R Street, which is one of the Housing Successor Agency properties the City has been working to dispose to a qualified affordable housing partner and project.

Building on this success, on July 12, 2024, the City announced that the California Housing and Community Development (HCD) has awarded \$11,150,000 in new HCD Homekey Program funding to another joint project with CC915, the Homekey CC915 Merced Phase 2 project, to be located at 125 East 13th Street. This new shipping container re-use project will create and install 58 units of permanent supportive housing to serve the homeless and at-risk populations. The unit range will be diverse, supplying 24 studio units, 13 on-bedroom units, 20 two-bedroom units, and one one-bedroom manager unit.

One Year and Continuing Goals - Continued (4)

If the Gateway Terrace II Apartments project is successful with new funding strategies in continuing forward with construction, another 10 units of permanent supportive housing for homeless veterans will be added through the use of VASH vouchers. Once completed, combined with CC915's first Homekey-funded container housing project on R Street, this will mean that the County's entire population of homeless veterans in the City can be permanently housed.

Also, as mentioned in "1" above, the City and UpHoldings California LLC, with RH Community Builders LP, received a \$24 million State Homekey award to convert an existing 95-unit motel to approximately 80 units of permanent studio apartments, and rehabilitation work is now complete. The last set of residents moved in at the end of May 2024, and the project is now 100% occupied. All tenants receive case management along with additional supportive services located onsite. Additionally, the Mercy Village project - also with UpHoldings - will include more permanent supportive units with the support of City-provided State PLHA funding and the use of HOME-ARP funds.

3. Assisting Low-Income Homeowners with Housing Rehabilitation: Oftentimes, low- to moderate-income individuals and families may be able to afford the initial purchase a home, but not be able to afford the inevitable large or even minor repairs that come with homeownership. Thus, in Program Year 2022, the City restarted its Homeowner Rehabilitation program with Habitat for Humanity of Merced and Stanislaus Counties. A three-year contract was executed with Habitat, which the City amended with additional 2023 CDBG funding. As Habitat is still working through these funds, no additional funding will be provided from 2024 funding as originally planned; however, rehab projects will continue through the end of the three year performance period. With current funding, we expect to assist approximately six low- to moderate-income homeowners with needed minor and/or major repairs, thereby preserving and extending the long-term livability and legacy of the homes and making them safer for homeowners to live in.

Additionally, as mentioned in "1" above, low-income homeowners are receiving additional support with needed repairs over the next two years with \$1,375,000 of 2021 CalHome funding the City and Self Help

Enterprises was awarded for completion of Owner Occupied Rehabilitation projects within the City. The City and Self Help expect to assist 9 homeowners through these State funds.

4. Improving Streets and Parks with ADA Infrastructure projects: With last year's 2023 Annual Action Plan, the City restarted an infrastructure project that was previously approved in 2019 but was not able to move forward due to environmental clearance issues with a separate, but related, affordable housing project (Gateway Terrace II, or GTII). The infrastructure project involves installation of ADA sidewalk improvements in the immediate area of the GTII site, as well as replacement of water and sewer mains within a City public utilities easement through the vacant parcel and extending through nearby alleyways. The sewer main is partially collapsed and the water main, like many throughout the City, is aging and needs to be replaced. The lines will also be placed further from each other within the existing trench to ensure that the City's water supply is protected. This project is continuing into the 2024 program year.

One Year and Continuing Goals - Continued (5)

In July 2024, Housing staff met with staff members of the Engineering, Public Works, and Parks departments to develop a list of potential parks and right-of-way infrastructure projects to consider for future CDBG funding. Identifying viable projects early in this manner should provide sufficient lead time to properly prepare and obtain NEPA clearances as well as design work over the coming year, as having shovel ready projects ready to go at the start of the next and ensuing program years will assist the City in meeting its responsibilities to expend CDBG funding in an efficient manner and the annual May 2nd timeliness test.

5. Fund Vital Public Service Programs that Address High Community Need: the City anticipates the provision of \$184,685 in CDBG funding to assist public service programs that benefit low- to moderate-income individuals and families, especially those who are very low-income, at-risk or currently homeless, experiencing housing or food instability, or LMI youth. Each year, the City works to solicit non-profit organization proposals that address the highest needs of the community, and this year is no exception.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

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, especially under the circumstances of the past four and a half years with the Coronavirus crisis and how it has changed the way we do simple things, such as holding meetings or public gatherings, managing CARES Act funding and programs, and finding creative ways to spur the production of affordable and permanent supportive housing to serve both at-risk and

those experiencing homelessness, the City has performed satisfactorily in addressing its priority needs and carrying out the programs described in the ConPlan. The City continually evaluates its performance and capacity to accomplish all its planned activities in order to set future goals and strategies.

Successes

Over the previous Consolidated Plan cycle (2015-2019) and over the first four years of the current 2020-2024 cycle, we have been consistently successful with housing acquisition with rehab programs, by both Sierra Saving Grace Homeless Project (SSG) and the Merced Rescue Mission (MRM), which have converted one to four units of market rate housing to permanent supportive rental units for homeless individuals and families almost every year, with the number of units dependent on largely the current housing market and how much “house” the provided funding will buy at the time. These programs have provided not only the benefit to the clients being served with housing and vital case management, but the surrounding neighborhoods also benefit with the aesthetic improvement and the long-term managed upkeep of the homes thereafter. The last of these projects was funded in PY2022-23 with SSG, and four units were acquired and rehabilitated, housing a majority of formerly homeless families, including two single-mom households who both, with their children, had been living in their cars prior to being housed in the new units. These successful placements are why these programs work.

On May 2, 2024, the City and the developer team of The Richman Group (TRG) and Central Valley Coalition for Affordable Housing (CVCAH), along with many other investors, successfully made its financial escrow closing on the 156-unit Devonwood Apartments project, which will be located at 1535 Devonwood Drive in Merced. The project broke ground approximately two weeks after closing and is currently completing site grading and other site preparation work before the start of vertical construction. The project will contain 100% of affordable units and will help ease the strain of the affordable rental housing unit shortage that increases as average rents continue to rise and the nearby UC Merced student enrollment increases.

The Devonwood Apartments TRG/CVCAH developers are the same team that the City successfully partnered with between 2018 and 2022 to plan, fund, and build the 119-unit Childs and B Street affordable housing complex, now renamed “The Retreat Apartments,” which fully occupied all units at the end of December 2022.

The City is still making steady progress towards the Gateway Terrace II 50-unit affordable/permanent supportive housing project. Following the January 2021 “The Grove Apartments” payoff of a large amount of Housing Successor Agency LMI Asset funds (former Redevelopment Agency funds), the City made plans to redirect these LMI Asset funds towards the stalled Gateway Terrace II, which HUD has determined cannot use federal CDBG and HOME funding sources. The City is currently drawing up the necessary draft documents for both the funding switch and a related repayment of HOME funds to HUD.

Successes (Continued)

Successes can also be celebrated with the ongoing progress that continues to be made with multiple affordable and permanent supportive housing projects, most especially with the newest State HCD Homekey funding award of \$11,150,000 to the City that was formally announced on July 12, 2024, to partner with CC915 to develop the 58-unit Homekey CC915 Phase 2 Project at 125 E. 13th Street in Merced.

In Spring 2024, the Housing Division's difficulty in consistently maintaining adequate staffing levels was relieved with the hiring of a third staff person. The increased activity delivery administrative revenue that can be charged for direct hours worked on current and progressing affordable housing projects greatly assists in our ability to maintain this current three-person level.

Successes and Lessons in CDBG Timelines and Timeliness

On October 21, 2021, HUD's Office of Community Planning and Development (CPD) issued a Memorandum to all CDBG grantees notifying them of a temporary change in the process for the application of corrective actions with regards to the untimely expenditure of CDBG funds. The regulation at 24 CFR 570.902 requires that a grantee have no more than 1.5 times its most recent CDBG entitlement grant (allocation) at 60 days prior to the end of its program year to be considered "timely" (this is May 1 annually for the City of Merced). Recognizing the unprecedented amounts of funding that grantees, including the City of Merced, have been struggling to spend, HUD's October 21 Memorandum issued temporary policies that revised and softened its corrective actions for grantees who do not meet the 1.5 timeliness standard for the 2022 timeliness test date. As such, in a letter dated June 20, 2022, HUD informed the City that it would have 12 months to reach the 1.5 standard.

This leniency allowed us to overlap and complete lingering projects that were still behind by almost a year as of the preparation of the 2022 Annual Plan. However, on May 1, 2023, the City still did not meet its Timeliness deadline and, subsequently, began working with HUD in Fall of 2023 on approval of a CDBG "Work-Out Plan," which laid out expenditure timelines for each project.

The financial closure of the Devonwood Project and the expenditure of \$2,612,845 of CDBG funds to acquire the vacant property for the project also meant that the City has mostly moved past the accumulated issues of overlapping program years, beginning in PY2020, the ripple effect that multiple sources and tranches of COVID-19 related funding has had on the Housing Division staff's overall workload, and many other contributing factors that led to "Timeliness" issues related to CDBG funding.

Due to a combined number of reasons, including unforeseen issues and bottlenecking of planned infrastructure projects internally, the City was non-compliant until the Devonwood CDBG land acquisition expenditure was transacted in April 2024. As such, the City is starting the 2024 Program year with a clean slate and minimal CDBG carryover balances.

Moving forward, regarding infrastructure and parks projects where internal coordination, current staff's capacity to handle additional design and project management workload, and oversight of important

HUD compliance requirements such as Davis-Bacon labor laws are factors of consideration, staff is adjusting how projects are planned, vetted, and funded prior to Annual Plan approval, in order to ensure that, once allocated, the project and funding moves efficiently and with proper recordkeeping and compliance monitoring.

Shortcomings

Due to the concentrated project backlog catchup efforts on public service programs, staffing constraints over the past year, and the lasting effects of the January 2023 countywide flooding diverting the attention of this subrecipient to flood recovery efforts, the restarted Homeowner Occupied Rehabilitation (OOR) program under our partnership with Habitat for Humanity of Merced/Stanislaus Counties (HHMSC) has gotten a slower than expected start. However, two potential homeowners have passed the initial application screening process and are awaiting environmental clearance in order to move forward with needed repairs to their homes.

In 2021 and prior, National Environmental Protection Act (NEPA) recordkeeping deficiencies discovered by HUD during a January 2020 monitoring of Housing Division environmental records kept the prior OOR program at a standstill. The monitoring findings reported that NEPA records of four 2015 assisted projects were not retained in written files as required. As a result, no further projects could be undertaken under the previous contract with HHMSC. Thus, the Housing Division restarted this beneficial partnership with HHMSC with the 2022 program year, which includes re-doing the required environmental impact analysis with the proper records retained. The City Council approved the 2022 HHMSC project as a three-year program to finish out the current ConPlan period through June 2025, with \$150,000 of CDBG funding supplemented in 2022 and 2023. Given the slow start, the program will not receive any additional 2024 funding.

What We Learned

As the dynamic of Merced continues to change and transform from a smaller, rural metropolitan area to the more progressive, socially-active dynamic of a UC college town, as well as a major rail transportation hub in the next decade that will likely change our demographic makeup, we continue to grow, seek new, and expand upon current relationships with advocacy groups and community organizations that will help us to improve services to and more effectively connect with low-income and disadvantaged populations that exist within our community and to plan for our future housing needs. Even as we maintain more appropriate staffing levels in relation to workload, the ability of staff to regularly connect directly with low-income residents, attend neighborhood and Continuum of Care meetings, and attend staff trainings to deepen our staff's technical knowledge continues to be a challenge.

Valuable lessons were learned during the development of the 2020-2024 Consolidated Plan/First-year Annual Action Plan regarding the value of our resident advocacy groups in helping us make connections to interested residents, but it also exposed the need to find new and/or better ways to reach the populations that most need the funding assistance provided through each Annual Plan cycle. Each year,

the expectation that internet access is a right not a luxury becomes more matter-of-fact and the norm – therefore, reaching more residents by internet-based methods rather than any other means has become both easier and surprisingly more fruitful in terms of resident participation. Simply put, we have learned that more residents are willing to respond to an internet survey than attend a meeting. However, there are those residents that prefer paper-based methods, so we also make a concentrated effort to make paper-based surveys available to residents to fill out and mail back.

As such, this year, we once again heavily utilized the internet and social media in distributing our Community Needs Survey and advertising and holding meetings, via website postings, and a hybrid of in-person and live streaming input meetings. We also used traditional methods to solicit participation, such as direct mail to ensure that the survey went out in the monthly utility bill newsletter, engaged with residents at in-person Town Hall meetings, and participated in a local news radio station interview to inform listeners how they could participate in the development of this plan.

What Will We Change to be More Effective?

Recognizing that ways to reach residents in the community are continually changing and that most of the more efficient electronic means learned during the pandemic of reaching the public will likely stay and become part of the norm, the City will continue to look for better and deeper ways to reach a greater number of residents each year. We need to continue to make a robust commitment to a much deeper reach to very low- to moderate-income residents, the general business community, and to our service and agency partners in the City, not just during the development of each Annual Plan update, but throughout the year, while keeping in mind that boots on the ground methods may still be the best, as many residents might not have access to computers, social media, cellular phones, or other means of getting online to answer surveys and communicate their needs. In this way, we will be better equipped, informed, and innately able to anticipate and respond to the needs for the next year of funding by developing programs earlier than we have in the past.

Especially when fully staffed, we continually need to spend time actively connecting so that we can truly provide to the community in the deep ways and areas that it is needed. Equivalently, the Housing Division needs to push and encourage our subrecipients to reach those sectors of citizens who may not know about the assistance that is available to them, as well as be more active in our City and County Continuum of Care at a staff-level so that we are a directly informed part of the important coordinated community conversations that are occurring.

Lastly, our Information Technology staff has finished and made available a master list of mailing addresses for all apartment complexes in the City of Merced. Now that this is an available and valuable tool, Housing staff will need its use in assessing five-year and yearly community needs in the upcoming 2025-2029 Consolidated Plan, to directly reach more than 1,100 apartment units to ask them to respond to community surveys and provide input to the development of plans.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

City staff developed a detailed Citizen Participation Plan in 2013 that was updated in 2017 and again updated and adopted by City Council in 2020, the latter in response to the receipt of funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to include citizen participation procedures during times of federal, state, and local disaster declarations. The Citizen Participation Plan outlines the way the City communicates with residents regarding the use and expenditure of HUD funds.

Citizens were engaged through community meetings, news radio broadcasts, regular City Council meetings, Town Hall meetings, community surveys, and public hearings. Citizens who participated in the process received extensive information about the Annual Action Plan process, 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 to benefit the LMI community and its more vulnerable members. Residents were given the opportunity to provide City staff with their input on the prioritization of community needs and any other needs that have arisen over the past year. The City also consulted with public and private departments and agencies, and social service and non-profit organizations to understand the community's needs, available resources, and the changes that have been observed by hands-on organizations over the past year. Division staff provided input on how CDBG and HOME resources could be used and leveraged to provide services, programs, and housing funding to the community.

Citizens were encouraged to participate in two community workshops and respond to a community needs survey, as well as attend two Public Hearings.

Meetings, Public Outreach, Consultation, and Comment Periods

Information was disseminated, outreach and consultation was accomplished, and meetings and comment periods were held as noted below during the development and preparation of the 2024 Annual Action Plan:

- Resident Community Needs Survey: December 15, 2023 – March 22, 2024
- Community Needs Survey QR codes and links provided in January and February 2024 Utility Bill newsletters
- City Council Town Hall Meetings: January 23, January 29, and February 15, 2024, at Merced Civic Center, Tenaya Middle School, and Chenoweth Elementary School
- KYOS Broadcast Radio Spot: "Community Conversation" interview with City Staff on Friday, January 26, 2024; air date: Saturday, January 27, 2024 (radio spots are also posted on the KYOS website: www.1480kyos.com) - community needs survey and the funding objectives.
- Invitation to Apply/NOFO Notification Letters mailed to 125 local organizations: week of February 12, 2024

- Notice of Funding Availability - Information and Application posted on Housing Division website: February 14, 2024
- Funding Request Application Period: February 16, 2024 – March 15, 2024
- Notice of Funding Opportunity (NOFO) for Non-Profit Program Funding Requests Published in Merced Sun-Star and Merced County Times: February 22, 2024
- NOFO Nonprofit Community Funding Information Workshops: Wednesday, February 28, 2024 (6:00 p.m.); Thursday, February 29, 2024 (3:00 p.m.)
- Advertisement to City Residents: Community Input Needs Meeting and Survey QR code and links - published in Merced Sun-Star and Merced County Times on February 29, 2024
- Resident Community Input Meetings: March 6, 2024, and March 20, 2024 (5:30 p.m.)
- 2024 Public, Governmental, Business, Health, and Service Agency Virtual Consultation survey: May 14, 2024 – May 28, 2024
- Notice of Public Hearing and 30-Day Public Review and Comment Period: Posted on the City Clerk Public Notices and Hearings webpage and on the Housing Division Public and Environmental Review Notices webpage on May 24, 2024
- Notice of Public Hearing and 30-Day Public Review and Comment Period: Published in Merced Sun-Star daily newspaper on May 29 and 30, 2024, and in the Merced County Times weekly newspaper on May 30, 2024
- Public Hearing (First): June 3, 2024
- Public Review and Comment Period: June 14, 2024, to July 15, 2024 (32 days)
- Public Hearing (Final): the scheduled July 15, 2024, hearing was opened and continued to the August 5, 2024, meeting
- Continued Public Hearing (Final): August 5, 2024
- Housing Division website (www.cityofmerced.org/housing) was kept up to date with news, survey links, review and comment period documents, and meeting/public hearing links and dates/locations.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

As required by HUD, citizens were solicited to participate in the development of this plan through community meetings, community needs surveys, town hall meetings, public hearings, and topic-related City Council meetings. Citizens who participated in the process received extensive information about the 2020-2024 ConPlan and the 2024 Annual Action Plan, the citizen participation process, the HUD requirements for an entitlement City, the projects being considered for funding, the amount of funding that the City anticipates receiving, and how those funds can be used by the City. Residents were given multiple opportunities to provide City staff with their input on the prioritization of community needs.

Community Needs Survey

During the preparation of the Annual Action Plan, an electronic Housing and Community Needs Survey available for survey takers to read and answer. The survey was created using Microsoft Forms software, which enables the survey to be taken in many different languages due to the multi-language translation capabilities that are embedded in the program. “Tiny Url” internet links and QR Reader Codes for the electronic version of the survey was placed on the City’s website, in quarter-page multi-language ads placed in the newspaper, and were mailed directly to utility bill customers to receive with their January and February utility bills. The outreach encouraged residents who wanted to take the survey on paper to call or email to request a paper version (or pick up in our office), although this year, no residents chose to take the survey this way (9 were recorded in last year’s annual plan). Links were also placed on the City’s Instagram and Facebook social media accounts.

During a radio interview spot by the KYOS news radio station, Staff also encouraged listeners to navigate to the Housing Division webpage for the survey QR code and direct links.

As a result of these efforts, a total of 201 respondents participated in the survey.

35.8% of respondents stated they were of Hispanic or Latino ethnicity, and approximately 7.5% of respondents were Asian, 6.5% were Black/African American, 1.5% Native Hawaiian/Other Pacific Islander, 3.5% were American Indian/Alaskan Native, and 57.2% were White/Caucasian.

This year’s survey asked more specific income level questions in relation to household size, so that we are able to more closely determine what types of households are responding. This does not tell us who we have reached, just who has chosen to respond – an important distinction. Of the 181 households that responded to this question, approximately 25.4% were extremely low-income (0-30% AMI – Area Median Income), 8.2% were low-income (31-50% AMI), 8.8% were moderate-income (51-80% AMI), and 57.4% answered that their household income was 81% or more of AMI. The most responses came from 2-person households, at 25.37% of the total survey respondents, and the least percentage of responses were received from households of 6- and 7-persons, at 4.47% each. Households of 1-, 3-, and 6-persons had the most percentage of extremely low-income households, ranging from 33.3 to 34.7 percent.

The continuing struggles of City residents to simply afford to pay basic elements of living – utilities, rent/mortgage, and food – are evident, as close to half (42.5%) of the respondents said that they have had difficulties paying their utilities (ranked 1st), had to make trade-offs between other essential expenses to make their housing payment (2nd), and/or have also had trouble doing even that (difficulty paying rent/mortgage was ranked 3rd). Also, ranked 4th, fifty respondents who are homeowners stated that they are experiencing the inability to afford vital repairs to keep their homes in good repair, such as plumbing, electrical, roofing, or heating/cooling systems. With, 142 of the survey respondents being homeowners, this means that, from this sampling, 35% of those who own their own home cannot afford to maintain it.

Resident Input Meetings

The City held two in-person community input meetings in March 2024, where attending residents had the opportunity to learn how HUD funding can be used to address the needs of LMI residents and the City as a whole. Housing staff used a PowerPoint slide presentation and residents were encouraged and welcomed to ask questions about any topic that could be addressed with funding.

At each of the two meetings, Housing staff helped residents understand the role that the Housing Division and the City plays in helping to distribute HUD funding to the community. Staff explained the funding and programs we administer, eligible uses of CDBG and HOME funds, the Consolidated, Annual Action Plan, and CAPER purpose and annual cycle, the different HUD National Objectives, determination of funding to address community need, and the Citizen Participation Plan and importance of resident participation in the process.

Each meeting was held in an in-person format. Spanish and Hmong language interpreters attended each meeting in-person and were prepared to provide interpretation services, if needed. The meetings were held in the Sam Pipes Room, which is a large ADA-accessible meeting room located on the first floor of City Hall.

Service Organization Information Meetings

The City held two in-person service organization NOFO information workshops in February 2024, where attending community organizations received a wealth of information about the funding application and project selection process and the financial management and reporting responsibilities of running CDBG- and HOME-funded programs. Organizations had the opportunity to have focused discussion on issues and different topics within the community, as well as how their conceptual programs could fit into an eligible activity category and meet a CDBG National Objective.

Organizations were provided detailed information and regulations regarding basic eligible activities, national objective compliance and beneficiary income criteria and requirements, the performance measurement system, uniform administrative requirements, cost principles, recordkeeping, reporting, and monitoring, income-eligible census tracts, and were provided a copy of HUD's "Playing by the Rules - A Handbook for Subrecipients on Administrative Systems." Attending organizations were also given time for questions and discussions, and these were very beneficial in forging relationships between organizations. Information was also provided about the application process, application deadlines, technical assistance appointments, and contact information for further questions.

Like the resident meetings, each workshop was held in an in-person format and were held in the Sam Pipes Room at City Hall. Attendees could request language interpretation and special accommodations in advance of the meeting, if needed.

Council Meetings/Public Hearings

Two public hearings were publicly noticed and held (June 3, 2024, and July 15, 2024), with the July meeting being continued to August 5, 2024. During these meetings, residents and council members were asked to identify any other community needs and priorities and identify any shifts of funding priorities and amounts before the Draft Annual Action Plan was finalized and approved.

The following is a list of some topics covered during the preparation of this plan and the above-mentioned meetings and hearings:

- Homelessness – open drug use, sleeping in bikeway tunnels
- Insecure housing – cycle of homeless, transitional, permanent supportive, low paying job, loss of housing and back to homelessness; being homeless sometimes more stable
- Housing – high rent prices; need for more affordable units to ease low vacancy rate; high utility costs; homeowner rehabilitation programs; substandard housing
- Public safety/crime – burglaries; graffiti; bicycle patrols; Measure C for public safety funding; diversity of fire department/female staff; national safety/police training for threats
- Youth – antiviolence/intervention programs
- Vehicle traffic – speeding; installing traffic calming, road diet reductions, speed tables, red light cameras; sound pollution from modified vehicle exhaust; EV charging stations; parking
- Alternative modal traffic – more safer bike lanes; public transit; walkable mixed use development; higher density housing; pedestrian friendly development
- Public infrastructure – new and repair sidewalks, disrepair in alleys; crosswalks; condition of roads; lighting; sewer and water mains in outlying areas; expensive water/sewer extension and connection fees; storm water drainage/areas prone to ponding; driveway damage from trees
- High Speed Rail/Intermodal Station – relocation of Senior Center; overnight maintenance center and new jobs; associated job training programs
- Healthcare – more after hours urgent cares vs emergency rooms; school based clinics in low-income areas (mental health, dental/medical); nutrition programs; ambulance services
- PBID – Property Based Improvement District; TBID – Tourism Based Improvement District
- Bear Creek improvements/flood prevention funding – Dept of Water Resources
- Public Art projects
- Business/Economic Development – finding businesses; finding appropriate land; relationships with industries; Merced Mall upgrades
- Parks – clean up days; cannabis smoking nuisances in parks; safety; drug paraphernalia/needles; barriers to limit cul-de-sac access; blue light cameras in parks; lighting; Laura Fountain restoration project

Please see the tables in Section AP-12 Participation and the Public Comment Summaries in Attachment 1 for public comments received during community outreach for this plan.

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

All public comment was accepted.

7. Summary

Based on the 2020-2024 Consolidated Plan's 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 five-year ConPlan period ending June 30, 2025:

- 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 and Job Training
- Neighborhood Revitalization with an emphasis on South Merced
- To preserve, rehabilitate, and enhance existing public facilities and infrastructure

The needs and priorities expressed from residents through the preparation of this 2024 Annual Action Plan, which carries out the fifth year of the current ConPlan, closely resemble those listed above, and through funding, all of the needs listed above will be addressed in some way, big or small, with the projects included in this 2024 Annual Plan.

Local public agencies and non-profits were assisted and also given the opportunity to spend time discussing community goals and needs. As a result of the published Notice of Funding Opportunity (NOFO), letters notifying 125 organizations of the availability of funding, NOFO Informational workshop meeting dates that included an in-depth presentation and Q & A section for non-profit organizations, and an application period held from February 16 to March 15, 2024, the Housing Division received 11 applications from non-profit organizations seeking project funding for the 2024 Program Year.

At the June 3, 2024, Public Hearing, staff presented the preliminary CDBG and HOME budgets and the list and descriptions of the projects that were assembled as a result of the application for funding process. Staff asked the Council to consider and discuss the various projects proposed, a process which helps to guide staff in the development of the final Annual Plan budget and its funding activities and goals aimed at addressing community needs. As the Housing Division received more funding requests in total than the Public Services 15% cap allowed, Councilmembers were provided information about each proposed project and asked to prioritize the funding requests and award amounts based on the expressed needs and funding preferences of the community during this process.

The City Council also unexpectedly requested staff look for alternative projects to three of the proposed housing projects - please see the attached Administrative Reports for details and how this unexpected request affected the preparation and submittal of the 2024 Annual Action Plan.

City Council approved the 2024 Annual Action Plan on August 5, 2024, and adopted Resolution #2024-83 (attached). Council also approved submission of the 2024 Annual Action Plan to HUD following any necessary changes and revisions needed to complete the plan. As a result of all discussions, seven public service projects and three housing providers were awarded funding for the 2024 Annual Plan year; however, Council requested staff begin a substantial amendment process to examine moving CDBG funds from a CDBG acquisition with rehab project to a parks/public infrastructure project. HOME funding is set aside in a fourth housing project to contribute to affordable housing development.

HUD's final regulatory deadline for submission of the Action Plan each year is August 15th. If HUD does not receive the City's plan submission by this date each year, the City would be ineligible to receive its grant allocation for that year, which would mean the loss of over \$1.5 million in vital federal funding of community service, housing, and infrastructure programs and projects.

2024 HUD Annual Action Plan Final Project List & Budget

Funding Source: CDBG

Total Funds Available: \$ 1,321,994.00

Expected CDBG Resources:

2024 CDBG Allocation = \$ 1,056,567 Estimated 2024 Program Income = \$ 108,000 Prior Year Resources = \$ 157,427

Organization/Agency	Project Description	Project Type	Activity Delivery Costs (ADC)	Project Costs	PROJECT TOTAL
Public Service Activities – Maximum Available for Public Services = \$ 205,425					
15% Cap Calculation = CDBG Allocation \$ 1,056,567 + Prior Year Program Income \$ 312,937 x 15%					
<i>Note: All Public Services Activities below will meet a National Objective for activities benefitting low- to moderate-income persons.</i>					
Sierra Saving Grace Homeless Project	Short-term rental/mortgage/utility emergency assistance	Subsistence Payments (05Q)	--	\$ 60,000	\$ 60,000
Harvest Time	Food distribution to LMI/homeless	Food Banks (05W)	--	\$ 40,000	\$ 40,000
Healthy House Within A MATCH Coalition	Senior services-homeless prevention/support services and elder abuse prevention	Senior Services (05A)	--	\$ 25,000	\$ 25,000
Project Sentinel, Inc	Tenant/landlord counseling service for LMI city residents	Tenant/Landlord Counseling (05K)	--	\$ 25,000	\$ 25,000
LifeLine CDC	Afterschool support/job training for Loughborough area LMI families	Employment training (05H)	--	\$ 20,000	\$ 20,000
Merced Calvary Assembly of God	Independent living skills, homeless prevention/support services for LMI residents of the 1213 V Street Homekey Project	Employment training (05H)	--	\$ 10,000	\$ 10,000
Walking by Faith Ministries International, dba SERENITY	Afterschool support/gang prevention for LMI youth	Youth Services (05D)	--	\$ 25,425	\$ 25,425
Total CDBG Public Services:					\$ 205,425
Housing and/or Infrastructure Activities					
Sierra Saving Grace	Acquisition/rehab of existing residential unit(s) for conversion to LMI affordable and/or permanent supportive housing (20% ADC for Acquisition/Rehab)	Rehabilitation: Acquisition (Matrix Code 14G) LMH Nat'l Obj	\$ 117,276	\$ 586,380	\$ 703,656
Habitat for Humanity Merced/Stanslaus	241 E Main St Rehabilitation project for Homeownership. (20% ADC for Rehab) This project is being re-instated after it was deleted from 2023 AAP through an amendment process	Rehabilitation: Single Unit Residential (14A) LMH Nat'l Obj	\$ 30,000	\$ 150,000	\$ 180,000
Total CDBG Housing and/or Infrastructure:					\$ 883,656
Administration and Planning Activities					
City of Merced Housing Division	Direct Administration (includes approx. \$75,000 for ConPlan Consultant)	Program Admin (21A)	--	\$ 85,957	\$ 85,957
City of Merced Housing Division	Indirect Administration	Indirect Admin Costs (21B)	--	\$ 108,956	\$ 108,956
Merced County Human Services Agency	Homelessness Planning Activities for City and County Continuum of Care	Planning (20)	--	\$ 38,000	\$ 38,000
Total CDBG Administration and Planning:					\$ 232,913
Total CDBG Projects:					\$ 1,321,994

Funding Source: HOME**Total Funds Available: \$ 1,568,176.61**

Expected HOME Resources: 2024 HOME Allocation = \$ 450,563.61 Estimated 2024 Program Income = \$ 60,000 Prior Year Resources = \$ 1,057,613 <i>Note: Projects below are budgeted with the HOME Allocation rounded down to \$ 450,563 (no cents)</i>					
Organization/Agency	Project Description	Project Type	Activity Delivery Costs [ADC]	Project Costs	PROJECT TOTAL
Housing Activities					
Certified Community Housing Development Organization (CVCAH)	Required CHDO 15% Reserves (2023: \$85,980; 2024: \$67,585)	Eligible Single- or Multi-family rental rehab / new affordable rental housing projects	\$ 30,713	\$ 153,565	\$ 184,278
Certified Community Housing Development Organization (CVCAH)	Additional requested funds for proposed CHDO HOME project: Rehabilitation of existing duplex LMI rental units at 1933/1935 H Streets	1-4 Unit Rental Housing Rehabilitation	\$ 58,191	\$290,958	\$ 349,149
Developer To Be Determined	TBD holding project for new rental housing construction, rehab of existing rental units, and/or acquisition of property for rental housing	Multi-family affordable rental housing	\$ 164,948	\$ 824,745	\$ 989,693
Total HOME Housing Projects:					\$ 1,523,120
Administration and Planning Activities					
Housing Division	Direct Administration costs	Program Admin	--	\$ 11,504	\$ 11,504
Project Sentinel, Inc	Fair Housing Services for city residents	Admin Fair Housing	--	\$ 33,552	\$ 33,552
Total HOME Administration and Planning Projects					\$ 45,056
Total HOME Projects:					\$ 1,568,176

Table 1
Program Funding for FY 2024-25

Source of Funds	CDBG	HOME	Other	Total
Grant FY 2024/25	\$ 1,056,567.00	\$ 450,563.61	\$ -	\$ 1,507,130.61
Program Income FY 2024/25 (estimate)	\$ 108,000.00	\$ 60,000.00	\$ -	\$ 168,000.00
Funding to be disencumbered and reallocated	\$ -	\$ -	\$ -	\$ -
Funds paid back from Fund 071 to reallocate	\$ -	\$ -	\$ -	\$ -
FUND 071/471 - LMI Housing	\$ -	\$ -	\$ 2,198,357.72	\$ 2,198,357.72
Fiscal Year 2023/24 Additional PI to Carryover received in IDIS after June 14, 2024	\$ 110,070.00	\$ 25,221.23	\$ -	\$ -
Fiscal Year 2024/25 Carryover	\$ 47,357.00	\$ 1,032,391.77	\$ -	\$ 1,079,748.77
Current Active Projects & ADC (Previously Approved and/or Encumbered/Funded)	\$ 902,394.71	\$ 4,648,699.78	\$ 15,943,304.48	\$ 21,494,398.97
Total Revenue / Carryover / Previously Encumbered	\$ 2,224,388.71	\$ 6,216,876.39	\$ 18,141,662.20	\$ 26,582,927.30
HUD Funding Allocations – CDBG				
Total CDBG Program Amount (Allocation + Program Income + Carryover)				\$ 2,224,388.71
Administrative (Admin + Activity Delivery Cost)				\$ 380,189.00
Capital Improvements				\$ -
Development Projects & Activities				\$ 736,380.00
Public Service				\$ 205,425.00
Current Active Projects (Previously Encumbered/Funded)				\$ 902,394.71
CDBG - Total Unencumbered Balance				\$ -
HUD Funding Allocations – HOME				
Total HOME Program Amount (Allocation + Program Income + Carryover)				\$ 6,216,876.39
Administrative (Admin + Activity Delivery Cost)				\$ 298,908.00
Development Projects & Activities				\$ 1,269,268.61
Current Active Projects (Previously Encumbered/Funded)				\$ 4,648,699.78
HOME - Total Unencumbered Balance				\$ -
Other				
Total Other Program Amount (Allocation + Program Income + Carryover)				\$ 18,141,662.20
Administrative (Admin + Activity Delivery Cost)				\$ 303,210.57
Projects & Activities - Other (GT2 Infrastructure)				\$ 1,895,147.15
Current Active Projects (Previously Encumbered/Funded)				\$ 15,943,304.48
Other – Total Unencumbered Balance				\$ -
Total Remaining to be Allocated				\$ -

City of Merced - 2024 Federal, State, and Local Fund Summary

Table 2
Program Activities for FY 2023-24 and Prior

Current Active Projects (Previously Approved and/or Encumbered/Funded)	
CDBG	
Project Activity Costs (ADC) - Prior Fiscal Years	\$ 65,000.00
Project Activity Delivery Costs - Prior Fiscal Year	\$ 25,000.00
Gateway Terrace II - CVCAH	\$ 250,000.00
Merced County - Continuum of Care	\$ 38,000.00
Boys & Girls Club - Journey Upward Merced Program (JUMP)	\$ 55,730.00
Boys & Girls Club - Journey Upward Merced Program (JUMP)	\$ 40,694.00
Habitat for Humanity Merced/Stanslaus - OOR Program	\$ 150,000.00
Habitat for Humanity Merced/Stanslaus - OOR Program	\$ 150,000.00
Harvest Time - Utility, Insurance, Staffing & Mileage	\$ 15,563.72
Lifeline CDC - Afterschool support/Job training for Loughborough area LMI families	\$ 12,920.52
Project Sentinel - Tenant/Landlord Counseling Service for City Residents	\$ 51,385.00
City of Merced Engineering Dept. - Upgrades/ADA Improvement for 5 Parks	\$ 11,970.29
Direct Admin - Prior Fiscal Year	\$ 32,188.05
Indirect Admin - HOME Activities (Funded with CDBG) - 21H - Prior Fiscal Year	\$ 2,497.87
Indirect Admin - HOME Activities - 21B - Prior Fiscal Year	\$ 1,445.26
CDBG Total	\$ 902,394.71
HOME	
Housing Project (Devonwood Development) - (CHDO FY 21/22)	\$ 85,980.00
Housing Project (Devonwood Development) - (CHDO FY 22/23)	\$ 90,479.00
Housing Development Project - Acquisition & Construction (Devonwood Development)	\$ 3,669,275.00
Project Sentinel / Fair Housing Services	\$ 33,360.00
Project Activity Costs (ADC) - Prior Fiscal Years	\$ 769,145.78
Direct Admin - Prior Fiscal Year	\$ 460.00
HOME Total	\$ 4,648,699.78

OTHER (FEDERAL, STATE & LOCAL)	
Gateway Terrace II Apartments (Offsite Public Infrastructure)	\$ 432,931.32
CalHome 06 FTHB Program	\$ 348,525.09
CalHome 12 FTHB Program	\$ 314,336.66
CalHome 21 FTHB Program & OOR Program	\$ 2,459,771.14
State HOME 92/93/94 FTHB / OOR Program	\$ 595,389.63
BEGIN (Originally for the Silverleaf Development) - Projects TBD	\$ 77,846.11
Self-Help Enterprises - ADMIN - CalHome 21 Program (3 years Admin) - (Fund 071)	\$ 31,638.50
Fuller Center - Funding for soft costs on LMI vacant lot(s) - (Fund 071)	\$ 7,000.00
Childs & B Consultant Fees - Professional Services - (Fund 071)	\$ 35,000.00
PLHA / Linc Housing (18th & I) - Transitional Permanent Supportive Housing	\$ 1,608,830.00
PLHA / Upholdings (Mercy-Park Ave.) - Permanent Supportive Housing with Supportive Services	\$ 1,324,969.00
HOME-ARP / Upholdings (Mercy-Park Ave.) - Affordable Housing Project with Supportive Housing - TBD	\$ 1,690,461.30
ARPA / Richmond Group (Devonwood) - Affordable multifamily rental housing	\$ 1,309,538.00
ARPA / Visionary Home Builders (Bella Vista/Parsons Ave.) - Affordable multifamily rental housing	\$ 3,500,000.00
OMEKEY / CC915 / Merced Rescue Mission (73 S. R Street) - Transitional Perm. Supportive Housing Project	\$ 1,300,933.09
HOME-ARP / Admin & Planning	\$ 298,316.70
NSP3 - Habitat for Humanity Rehabilitation / Homeowner Rehab	\$ 59,376.35
Project Activity Costs (ADC) - Prior Fiscal Years	\$ 22,782.79
CARES Act/CDBG-CV Funding - Salvation Army Merced Social Services	\$ 143,501.58
CARES Act/CDBG-CV Funding - Sierra Saving Grace - Emergency Assistance Program	\$ 109,013.10
CARES Act/CDBG-CV Funding - United Way - Econ Dev/Microenterprise Assist. - Workplace Stabilization Prog.	\$ 273,144.12
OTHER Total	\$ 15,943,304.48
Previously Encumbered Projects Total	\$ 21,494,398.97
Total for All Programmed Activities	\$ 26,582,927.30

Table 3
Program Activities for FY 2024-25

Administrative	
CDBG	
Administrative Expenses - Fiscal Year 2024/25	\$ 10,957.00
Project Activity Delivery Costs - Fiscal Year 2024/25	\$ 147,276.00
Merced County Human Services Agency - Continuum of Care Collaborative Applicant	\$ 38,000.00
Professional/Consultant Services	\$ 75,000.00
Indirect Administrative Expenses - Fiscal Year 2024/25	\$ 108,956.00
CDBG Total	\$ 380,189.00
HOME	
Administrative Expenses - Fiscal Year 2024/25	\$ 11,504.00
Project Activity Costs - Fiscal Year 2024/25	\$ 253,852.00
Project Sentinel - Fair Housing Services	\$ 33,552.00
HOME Total	\$ 298,908.00
OTHER	
Project Activity Delivery Costs - Fiscal Year 2023/24 (071)	\$ -
Administrative Expenses - Fiscal Year 2023/24 (071)	\$ 26,929.00
Professional Services Contracts (Fund 071)	\$ 186,000.00
Miscellaneous TBD - To Balance Budget (Fund 071)	\$ 90,281.57
Other Total	\$ 303,210.57
Total Administrative Costs (CDBG/HOME/Other)	\$ 982,307.57
Public Services / Fair Housing Services	
CDBG	
Sierra Saving Grace Homeless Project - Emergency Assistance Program	\$ 60,000.00
Harvest Time - Food 4 YOU Program	\$ 40,000.00
Healthy House Within A MATCH Coalition - Senior Services - homeless prevention/support services & elder abuse prevention	\$ 25,000.00
Project Sentinel - Tenant/Landlord Counseling Service for City Residents	\$ 25,000.00
Lifeline CDC - Afterschool support/Job training for Loughborough area LMI families	\$ 20,000.00
Merced Calvary Assembly of God - Independent living skills, homeless prevention/support services & elder abuse prevention	\$ 10,000.00
Walking by Faith Ministries International, dba SERENITY	\$ 25,425.00
Total Public / Fair Housing Services	\$ 205,425.00
Development Projects & Activities	
CDBG	
Habitat for Humanity Merced/Stanslaus - 241 E. Main Street Project	\$ 150,000.00
Housing Project and/or Infrastructure Project TBD (Sierra Saving Grace Property Acq. & Rehab)	\$ 586,380.00
Housing Project and/or Infrastructure Project - TBD	\$ -
Project TBD - Funding Available after HUD reimburses CDBG for funds paid back to HUD	\$ -
CDBG Total	\$ 736,380.00
HOME	
Housing Project TBD - (CHDO FY 23/24)	\$ 85,980.00
Housing Project TBD - (CHDO FY 24/25)	\$ 87,585.00
Housing Project - TBD	\$ 290,958.00
Housing Project - TBD	\$ 824,745.61
Project TBD - Funding Available after HUD reimburses HOME for funds paid back to HUD	\$ -
HOME Total	\$ 1,269,268.61
OTHER	
Gateway Terrace II - Reimburse HUD for prior expenses (Fund 071 & 471)	\$ 700,506.95
Gateway Terrace II - Remaining from original Scope of Work (Fund 071)	\$ 801,244.21
CVCAH - 1820 I Street - Reimburse HUD for prior HOME expenses (Fund 071 & 471)	\$ 269,639.99
Gateway Terrace II - Additional Funding Available (Fund 071 & 471)	\$ 123,756.00
Other Total	\$ 1,895,147.15
Total Development Projects & Activities	\$ 3,900,795.76

City of Merced - Federal, State, and Local 2024 Program Activities

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity 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/Development Services Dept
HOME Administrator		MERCED	Housing Division/Development Services Dept

Table 1 – Responsible Agencies

Narrative (optional)

The Department of Development Services – Housing Division is responsible for overseeing the administration of the City’s Community Development Block Grant and HOME Investment Partnership Program funding, including the preparation of the Annual Action Plan. As the Development Services Director staff position is only filled on an interim basis at this time, currently the Housing Program Supervisor oversees the day-to-day administration of these programs, with the City Manager as an advisor/director.

For National Environmental Policy Act (NEPA) reviews of projects that contemplate the environmental and human impacts for the use of the City's allocations of federal funds as a funding source, the City of Merced is the Lead Agency and City Manager Scott McBride is the Certifying Officer.

Consolidated Plan Public Contact Information

Scott McBride, City Manager

Kimberly Nutt, Housing Program Supervisor

Housing Division Mailing Address:

City of Merced Housing Division
678 W. 18th Street
Merced, CA 95340

Phone: (209) 385-6863
Email: housing@cityofmerced.org

Webpages:

City of Merced homepage: www.cityofmerced.org

Housing Division webpage: www.cityofmerced.org/housing

Social Media:

Facebook: City of Merced - Home

Instagram: [cityofmerced](https://www.instagram.com/cityofmerced)

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

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.

As part of the process, the City created a comprehensive internet-based survey specifically directed toward public, governmental, business, health, and service agencies within the City, County, and the general San Joaquin Valley region, asking general service and targeted funding-related questions, as well as requesting them to rank the community's needs and priorities from their organization or agency's point of view on the topics of public facilities, infrastructure, social and public services, economic development, and housing. The survey also asked each responding organization or agency to identify and explain any areas where our agencies can improve coordination, including with use of funds, homeless strategies, providing a deeper reach to homeless and extremely low-income families, efforts to reduce poverty, determining what and where public facilities and infrastructure is most needed, and creating jobs in our community. The survey reached 45 agencies, organizations, and inter-agency departments, including our Police and Fire Departments.

The City of Merced specifically contacted agencies representing persons with HIV/AIDS, homeless persons, low-income youth, victims of domestic violence and sexual assault, 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.

During the consultation process, the City provided detailed information about the ConPlan, the Annual Action Plan, and the CDBG process, the City’s distribution of funds and current projects using the CDBG funds. Consultation participants highlighted the priority needs in general terms and specific to their target population from an organizational point of view.

The goal of the consultation process was to provide detail of the priority needs identified in the Consolidated Plan, how local agencies could best focus their programs and activities to help address

those priority needs, and to explore opportunities for coordination to improve availability and access to services.

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(l))

The principal provider of community development and economic development programs, housing projects, and financial support will be the City of Merced. The Merced County 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, through its partner agencies, affordable housing developers, and local service organizations, works with the Merced Housing Authority to both qualify Merced residents for Section 8 Housing Choice Vouchers and find housing. The City provides information on the availability of Section 8 programs to qualified residents through these partnerships.

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; Sierra Saving Grace Homeless Project, and Merced County Rescue Mission. Each is consulted during the City's ConPlan and Annual Action plan process. Additionally, the City's own Police and Fire Departments are a daily connection to our residents most in need of health, emergency, homeless, drug/alcohol intervention, public safety, crime awareness and prevention, and other vital services every day.

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.

Merced City's homelessness planning has historically been guided by three plans - 1) the 10-Year Plan that was drafted and released in 2011 by the Merced City and County Continuum of Care; 2) the Merced County Housing Element; and 3) the City of Merced Housing Element. In 2019, the Merced County Behavioral Health and Recovery Services and Human Services Agency began working to develop a No Place Like Home (NPLH) Community Plan, which later expanded to a regional plan approach. The Regional Homeless Plan incorporates all governmental jurisdictions within the County and their leadership and is anticipated to be adopted by region-wide City and County governments.

The 10-Year Plan to End Homelessness remains a valuable tool for best practices to follow, with recommendations including:

- Following a Housing First approach to provide shelter and housing as quickly as possible. Once obtained, a variety of services are offered 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, lease negotiation, and home-based case management., depending on the willingness and needs of the household;
- Identifying funding sources for rapid re-housing, involving a variety of assistance including: short- 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 to help with circumstances that impede access to housing such as poor credit history, legal issues, and inability to negotiate manageable lease agreements with landlords; and 3) availability to resolve housing-related crises through home visits and communication with landlord;
- Utilizing the Homeless Management Information System (HMIS) for all statistical data, on-going case management records, financial assistance provided and final outcomes of assistance or placement;
- Utilizing the Coordinated Entry System (CES) which covers the entire CoC and uses 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 is imbedded into HMIS and helps triage clients and ensures connection to the best intervention. Access to a CES assessment occurs through street outreach, engagement, and at shelters;
- Supporting a community outreach and education campaign to raise awareness about households at-risk of becoming homeless and provide information about resources available through homeless prevention programs;
- Developing and defining partnerships between local government and nonprofit/for-profit affordable housing developers to build additional units of permanent affordable housing for extremely low-, very low-, and low-income homeless and non-homeless families and individuals, as well as homeless veterans.

During the development of the 2024 Annual Action Plan, representatives from the CoC attended the NOFO non-profit information meetings and was present to assist with citizen inquiries at the January and February 2024 Town Hall meetings. This collaboration time is always invaluable in strengthening the coordination between our two entities and the wider community service network.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and 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. HCD requirements include: 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) identifying 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 jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING
	Agency/Group/Organization Type	Housing Services - Housing Services-Education Community Housing Development Organization (CHDO) and Non-Profit Public Benefit Corporation
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is an established non-profit Community Housing Development Organization (CHDO) and an Affordable Housing Developer. CVCAH provides housing (ADA-accessible, large family, rental, permanent supportive) and non-housing supportive services (life skill enhancement classes and after school programs) to homeless and chronically homeless individuals and families with children, persons with disabilities, persons/families at risk of becoming homeless, elderly persons, mental health patients, and veterans. CVCAH also develops affordable housing throughout the State of California and approximately 25% of income generated from those and local housing activities assists in providing housing for homeless individuals and families. The City partners closely with CVCAH in developing affordable housing in the community. CVCAH feels the need for more senior citizen services and affordable housing has increased over the last year and that the need for fire stations and more staffing have also increased and are spread too thin as a result. This organization was invited to participate in community outreach meetings, consultation needs surveys, public input meetings, and to provide comments on the draft plan. Area for improved coordination: none at this time. The current collaboration is very well with the City and the community as a whole.
2	Agency/Group/Organization	Habitat for Humanity Merced/Stanslaus Counties
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Service-Fair Housing Regional organization 501(c)(3) Non-profit Organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Habitat for Humanity Merced/Stanslaus Counties (HHMSC) serves the Merced and Stanislaus Counties and works in partnership with families to help eliminate poverty housing in the community, advocate for and make accessible fair and affordable housing opportunities, and to preserve and improve existing housing occupied by low-income homeowners. HHMSC continues to be a strong partner with the City of Merced in providing homeowner occupied rehabilitation opportunities, which includes lead paint testing and abatement activities. HHMSC has been instrumental in the continuing countywide response to the January 2023 floods and has been actively working with homeowners in the rural community of Planada to repair flood-damaged homes. This organization was invited to participate in community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan. HHMSC did not respond to this 2024 Annual Plan consultation survey but assisted the City in January 2023 with its comprehensive HOME-ARP Allocation Plan consultation.
3	Agency/Group/Organization	Dr. Jennifer M. Jones Foundation
	Agency/Group/Organization Type	Services - Housing Services-homeless Services-Health Services-Education Health Agency

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Dr. Jennifer M. Jones Foundation is a nonprofit organization that has been supporting wellness, personal, professional, and community growth for many years. The organization helps individuals address the barriers that prevent them from moving their lives forward. This organization was invited to participate in NOFO workshops, consultation needs surveys, and to provide comments on the draft plan. The Foundation responded to the 2024 Annual Plan consultation survey with helpful input on healthcare in the community and enhanced care management, and stated that more funding to assist the needs of non-homeless LMI residents is needed. Areas to improve coordination: coordinated efforts and funding for prevention, in an effort to be proactive, not reactive, to homelessness.

4	Agency/Group/Organization	Merced City Police Department/Merced City Fire Department
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services - Victims Agency - Emergency Management Other government - Local Code Enforcement, Crime Awareness, Youth Gang Prevention Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Addressing condition of housing stock through Code Enforcement

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>This year, the request to respond to the Consultation Survey was inadvertently not sent due to a change of command at both the Police and Fire Departments. However, the City of Merced's Police and Fire Departments are a part of almost daily conversations with city staff and are each are in constant contact with homeless, extremely low-income families with children, persons with disabilities, persons HIV/AIDS, mental health patients, drug treatment and recovery patients, businesses, and all other populations every day, and serve to provide health services (paramedic, mental health, drug/alcohol dependence, seniors/elderly, hospital transportation, homeless care) and crime awareness and prevention services within their scope of community services. The Police Department has three special units, Disruptive Area Response Team (DART), Gang Violence Suppression Unit (GVSU), and School Resource Officers that deepen the citywide contact with homeless individuals, neighborhood gangs, and high school youth, respectively. Past consultations have revealed that the City could better coordinate with its emergency services departments to help disseminate information to the extremely low-income, homeless, at-risk youth, elderly, and veteran populations that federal funds need to reach the most. The Code Enforcement Division/Police Department could better be used to connect the Housing Division to homeowners and rental property owners that are most in need of homeowner or rental property rehabilitation funding. In addition, their eyes on the street could be used as an additional vital source in understanding the unspoken and most dire needs of the community, in combination with other methods of assessing the needs of the community.</p>
5	Agency/Group/Organization	Merced County Food Bank, Inc.

	Agency/Group/Organization Type	Services-Elderly Persons Services-homeless Services-Health Services-Education Services - Victims Health Agency Agency - Emergency Management Regional organization Non-Profit Public Charity Organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-poverty Strategy Regional Food Insecurity

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Merced County Food Bank's (MCFB) mission is to improve the health and well-being of Merced and Mariposa residents affected by hunger, through the acquisition, storage, and distribution of nutritious food; to provide and advocate for, increased access to, and consumption of, nutritious fruits, vegetables, nuts, and other foods; and, to integrate, facilitate, and advocate for programs and services that address hunger's underlying and related issues. This organization sources and distributes food and other nutrition products to those in need with the help of partnering agencies, such as food pantries, emergency shelters, and meal programs that serve families, children, seniors, and others at risk of hunger, educates the public about the problem of hunger. MCFB also directly serves the public through the Senior Brown Bag Program, USDA Emergency Food Assistance Program (EFAP) distribution sites, and through California's Drought Food Assistance Program (DFAP). MCFB is funded through private donations and public funds through the State of California Department of Social Services (DSS), U.S. Department of Agriculture (USDA), and Federal Emergency Management Agency (FEMA). Their budget supports low-income food insecure residents of the City of Merced. They were invited to participate in NOFO workshops, consultation needs survey, public input meetings, and to provide comments on the draft plan. MCFB did not respond to consultation requests this year; however, they remain an integral community partner that services the needs of food insecure residents.</p>
6	Agency/Group/Organization	Boys and Girls Club of Merced County
	Agency/Group/Organization Type	<p>Services-Children Services-Persons with Disabilities Services-Health Services-Education Services-Employment Services - Narrowing the Digital Divide Services - Youth/Adolescent; 501(c)(3) Non-Profit Organization</p>

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Boys and Girls Club of Merced County (BGCMC) serves non-homeless disadvantaged youth and LMI income families of Merced County with evidenced-based youth development programs after school and during the summer, focusing on character and leadership development, education and career development (including workforce readiness), health and life skills, the Arts, and sports, fitness, and recreation for stress management, environmental appreciation, and social skill development. Referral support is provided for wrap-around services such as mental health. Populations reached include children/youth/adolescents, families with children, persons/families at-risk of becoming homeless, and children with disabilities. This organization was invited to participate in NOFO workshops, consultation needs survey, public input meetings, and to provide comments on the draft plan. BGCMC responded to the consultation survey, providing helpful input to the Annual Action Plan regarding community needs for youth and jobs. Area for improved coordination: coordination of job creation and placements
7	Agency/Group/Organization	SIERRA SAVING GRACE
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services - Victims Non-Profit Public Charity Organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy Preservation of Existing Housing Stock through Acquisition/Rehab for rental housing
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	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Sierra Saving Grace Homeless Project (SSG) provides housing (rapid rehousing, emergency rental assistance, permanent supportive, rental housing, acquisition with rehabilitation) and non-housing supportive services to homeless, at-risk, and chronically homeless individuals/families within the community. Populations served by those primary services include: children/youth/adolescents, families with children, persons with disabilities, victims of domestic violence/human trafficking/sexual assault, homeless and/or chronically homeless persons, elderly persons, mental health patients, drug treatment or recovery patients, formerly incarcerated individuals, veterans, and those unemployed or looking for work. SSG receives current and past grant funding from a combination of HUD CDBG, HOME, CDBG-CV, and Emergency Solutions Grant (ESG) funds, California Emergency Solutions and Housing (CESH) funds, and other sources as they become available. SSG currently is contracted with the Central California Alliance for Health (CCAH) to serve their members who are homeless or at risk of homelessness with deposit assistance and housing case management and manage Rapid Rehousing funds from ESG and CESH. Approximately 80% of clients served are City of Merced residents. This organization was invited to participate in NOFO workshops, consultation needs surveys, public input meetings and public hearings, and to provide comments on the draft plan. SSG is a member of the City and County Continuum of Care. SSG works closely with the City's Housing Division on homelessness prevention and the creation and provision of both affordable and permanent supportive housing. This year SSG did not respond to consultation survey; however, they remain a steadfast partner in housing the homeless and the most vulnerable in the city and will be a continuing subrecipient for the 2024 program year.</p>
8	Agency/Group/Organization	MERCED COUNTY ARTS COUNCIL

	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Education Services - Narrowing the Digital Divide Services - Arts, Cultural, Mental Health
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Anti-poverty Strategy Neighborhood/Downtown Revitalization through Public Art Projects
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Merced County Arts Council provides art education and workshops to children and adults, including children of low-income families and developmentally disabled adults, in the community as a way to stimulate creativity and excite curiosity in the arts as careers or personal enrichment. Areas of improved coordination: The Arts Council can help with tourism, help strategize public art planning, and mental health services through art. The Arts Council has also been instrumental to the City with formation of the Arts Commission and with strategizing public art projects, to both beautify and prevent graffiti in downtown/business areas.
9	Agency/Group/Organization	Housing Authority of the County of Merced
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Education

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Anti-poverty Strategy
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	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Housing Authority provides permanent subsidized rental housing for residents and housing projects countywide and assists clients in connecting with partner agencies for any other needs. The Housing Authority services housing within communities in Merced County, but the program allows for participants to transport their vouchers to any U.S. state and the Authority remains responsible for the rental subsidy of those vouchers. Populations served include children/youth/adolescents, families with children, persons with disabilities, victims of domestic violence/human trafficking/sexual assault, homeless and chronically homeless persons, persons/families at-risk of becoming homeless, elderly, and veterans. HACM provides clients with self-sufficiency classes via the Family Self-Sufficiency (FSS) program, and the program includes escrow funds that clients can use towards self-sufficiency goals. The HACM receives annual Project Based Voucher and Housing Choice Voucher funding from HUD's Office of Public Housing, as well as State funds through the California Housing and Community Development (HCD) Office of Migrant Services for farmworker centers. Funding is to provide rental assistance to families at the extremely low to very low HUD-published income levels. This agency was invited to participate in community outreach meetings, consultation needs survey, public input meetings, and to provide comments on the draft plan. Over the last year, the Authority has seen that the need for housing in general has increased and noted that this increase has led to even more limited opportunities for Authority clients. Merced County seniors can no longer afford housing and bills, leading them to the brink of homelessness. Vacancy rates are decreasing, affordable housing is limited, and the cost of living continues to increase with limited income opportunities. Area for improved coordination: coordination for the use of affordable housing.</p>
10	Agency/Group/Organization	MERCED COUNTY

	Agency/Group/Organization Type Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Services - Narrowing the Digital Divide Health Agency Child Welfare Agency Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - County Planning organization Major Employer
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	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This agency oversees all county government operations, including the Continuum of Care, which they will continue to manage for the plan year. They were invited to participate in community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan.
11	Agency/Group/Organization	Merced City and County COC
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Other government - County Regional organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Anti-poverty Strategy
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	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The County of Merced Human Services Agency represented the Continuum of Care (CoC) during the consultation process, as it acts as the Collaborative Applicant for the CoC serving citizens countywide, including children/youth, adolescents, victims of domestic violence, persons with disabilities, and chronically homeless individuals and families. The CoC was invited to participate in community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan. Within the Merced City limits, as of the 2023 PIT count conducted on February 23, 2023, 571 individuals qualify for CoC services. Annually, the CoC manages approximately \$1 million in recurring Emergency Solutions Grant (ESG) and CoC funding from HUD, and additionally, currently manages several one-time grants that include Homeless Housing Assistance and Prevention (HHAP), California Emergency Solutions and Housing (CESH), and Emergency Solutions Grant - Coronavirus (ESG-CV) grants totaling approximately \$2.6 million. Separately, the CoC/Collaborative Applicant administers State Permanent Local Housing Allocation (PLHA) funds on behalf of all jurisdictions in the County. All clients served by its grant programs meet the HUD definition of homeless. Currently, the City and the County Human Services Agency participate as partners through the regional planning committee, as well as through the CoC. Coordination between the City and the CoC could be improved with more streamlined service delivery and more timely communication.</p>
12	Agency/Group/Organization	MERCED RESCUE MISSION

	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Education Services-Employment Services - Victims Non-Profit Public Charity Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis Anti-poverty Strategy Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization primarily provides housing (rapid rehousing, permanent supportive, emergency shelter, acquisition with rehabilitation, respite care, and transitional housing) and non-housing supportive services to homeless and chronically homeless individuals and individuals/families at risk of becoming homeless within the community. Populations served by those primary services include: families with children, elderly persons, drug treatment or recovery patients, formerly incarcerated individuals, veterans, homeless recently released from the hospital, and those unemployed. The Rescue Mission typically receives funding from a combination of HUD CDBG, Homeless Housing Assistance and Prevention (HHAP) Grant, California Emergency Solutions and Housing (CESH) Grant, private donations (individuals, businesses, churches), and other grant funds such as Dignity Health, Central California Alliance for Health, and Emergency Food and Shelter grants. This organization works with multiple service providers and provides approximately \$2.5 million in homeless services within the community. The Rescue Mission works to fill the gaps in services for people experiencing homelessness. This organization was invited to participate in NOFO workshops, consultation needs survey, public input meetings, and to provide comments on the draft plan. MRM did not respond to the Annual Plan consultation survey but assisted the City in its HOME-ARP Allocation Plan consultation in January 2023 by responding to similar needs assessment questions.
13	Agency/Group/Organization	Greater Merced Chamber of Commerce
	Agency/Group/Organization Type	Planning organization Business Leaders Business and Civic Leaders Business Support and Advocacy

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization was invited to participate in community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan. The Chamber of Commerce did not respond to the City's 2024 Annual Plan consultation needs assessment survey, but has provided vital feedback in past years.
14	Agency/Group/Organization	MERCED LAO FAMILY
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-homeless Services-Health Services-Education Service-Fair Housing Business and Civic Leaders Services - Translation/Cultural/Social
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Citizen Participation and Outreach

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization provides invaluable and vital Hmong and other Southeast Asian language translation services to the resident, service, and business community. The City of Merced partners with this organization to translate all published notices and advertisements, at all public hearings, and at all community outreach meetings held in preparation of this plan. This organization was invited to participate in NOFO workshops, outreach meetings, consultation needs surveys, public input meetings, public hearings, and to provide comments on the draft plan. The organization did not respond to the City's 2024 Annual Plan consultation needs assessment survey, but is a close partner of the City organization, in ensuring inclusivity and fair housing amongst all citizens.
15	Agency/Group/Organization	Project Sentinel, Inc.
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Education Service-Fair Housing Services - Victims 501(c)(3) Non-Profit Organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Analysis of Impediments to Fair Housing Choice
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization provides vital and necessary fair housing services within the community, focusing on disseminating housing discrimination-related education materials, information, and resources to Merced City residents, as well as providing assistance to residents with discrimination cases that cannot be resolved through provided landlord/tenant counseling services. This organization was invited to participate in NOFO workshops, outreach meetings, consultation needs surveys, public input meetings, and to provide comments on the draft plan. Coordination with Project Sentinel has been extremely helpful in recent years, as Project Sentinel provided their presence and assistance during the January 2023 floods, which resulted in additional services being requested and provided by Project Sentinel, for tenant/landlord counseling. Fair Housing, veterans, tenant, landlord, and other educational materials developed by Project Sentinel are provided to residents who attend the Town Hall meetings and are also provided on the City Fair Housing webpage dedicated to providing fair housing information to residents and at City offices.

16	Agency/Group/Organization	Leadership Counsel for Justice and Accountability
	Agency/Group/Organization Type	Services-Education Service-Fair Housing Services - Victims Services - Narrowing the Digital Divide Planning organization Fair Housing/Housing Policy Advocate
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Citizen Participation and Outreach
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Leadership Counsel for Justice and Accountability (LCJA) works alongside residents and communities in the San Joaquin Valley to advocate for sound policy and identify and work to eliminate inequities in order to secure equal access to opportunity regardless of wealth, race, income, and place, as well as an advocate for citizen input to public policy. This organization was invited to participate in NOFO workshops and to provide comments on the draft plan. This year, the request to respond to the Consultation Survey was inadvertently sent to the wrong email address, as there had been an unknown change to the employee assigned to the Merced area around the time of the survey. Though the Leadership Counsel did not participate in the direct consultation process this year, they regularly and actively participate in City Council and other meetings with City officials regarding potential housing policy strategies, affordable housing, and tenant rights advocacy. Areas of improved coordination: the City has reached out to LCJA in the past to request their help in getting more citizens to attend resident input meetings in order to strengthen citizen participation.

17	Agency/Group/Organization	HEALTHY HOUSE WITHIN A MATCH COALITION
	Agency/Group/Organization Type	Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Service-Fair Housing Services - Victims Services - Translation/Cultural/Social; 501(c)(3) Non-Profit Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Citizen Participation and Outreach

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization provides support services to homeless and at-risk elderly, elderly disabled, and elderly veterans, and provides translation services to the City and community in several languages, including Spanish interpretation at City Council meetings. Healthy House performs intensive case management, including support for SSI, Medi-Cal, LEP or non-English speakers, refugees, and immigrants, fresh produce delivery, support groups, partners with researchers from UC Merced, and holds mental health support groups for single mothers of color and southeast Asian elders. The City utilizes this organization for translation services at all public hearings and public outreach meetings, and Healthy House translators were integral during the January 2023 flooding in helping to relay the needs of Spanish-speaking residents. This organization was invited to participate in NOFO workshops, community outreach meetings, consultation needs surveys, public input meetings, and to provide comments on the draft plan. Areas for improved coordination: better coordination of efforts; better communication and less competition for funding.
18	Agency/Group/Organization	Merced County Hispanic Chamber of Commerce
	Agency/Group/Organization Type	Services-Education Business and Civic Leaders 501(c)(6) Corporation
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development Anti-poverty Strategy

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Merced County Hispanic Chamber of Commerce primarily promotes Hispanic-owned small businesses and to further the economic development of all Merced County businesses. The MCHCC receives funding annually from annual memberships, grants, and fundraiser events. Areas where coordination can be improved are in coordination of homeless strategies, coordinated efforts to address poverty and create jobs, especially those that MCHCC can help market. Other areas of improvement can be in coordinating business, financial, tax, investment, capital funding, marketing, and networking education and training opportunities to help small businesses succeed and to disseminate general information to their clients regarding HUD-funded programs available through the City. This organization was invited to participate in NOFO workshops, community outreach meetings, resident and consultation needs surveys, public input meetings, and to provide comments on the draft plan.</p>
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Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable.

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	County of Merced/Human Services Agency	The County of Merced Human Services Agency is the Merced City and County Continuum of Care's Collaborative Applicant and conducts homeless counts, applies for and implements programs with State and Federal funding sources, surveys of the homeless population, and strategic planning with a goal to end homelessness in Merced County. Consistent with the goals of the CoC, the City of Merced's Strategic Plan provides support to nonprofits that meet the social services needs of the City's homeless and at-risk residents, seeks to find preventative solutions to poverty and homelessness, and responds to the need to build more affordable and permanent supportive housing units.
General Plan/Multijurisdictional Housing Element	City of Merced	Based on the Regional Housing Needs Allocation (RHNA) set forth by the State of California, the Multijurisdictional Housing Element is the City's chief policy document for the development of affordable and market rate housing. The Housing Element is one of the chapters, or elements, in the 2030 General Plan and is required by the State to be updated every six years. 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.
Park and Open Space Master Plan	City of Merced	The City of Merced Park and Open Space Master Plan aims to improve the quality of life in Merced by assessing the community's needs in providing a larger and more comprehensive park and recreation program. The Master Plan inventories and suggests improvements for parks and recreation facilities that can be assisted with CDBG funds, many of which are in predominantly low-income and disadvantaged areas of the city.
Active Transportation / Safe Routes to School Plan	City of Merced	The Active Transportation and Safe Routes to School Plan (ATP) outlines the goals for active transportation, including goals for increasing connectivity through ADA accessibility and new sidewalk improvements. CDBG funds could be used towards some of those projects, particularly in low-income neighborhoods in the city.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Five-Year and Annual PHA Plans	Housing Authority of the County of Merced	The Housing Authority of the County of Merced's Five-Year and Annual Plans outline the funding and strategies for providing housing assistance to our most vulnerable citizens, including homeownership and rental assistance programs. Other overlapping goals include safety and crime prevention/awareness, the preservation and creation of permanent affordable housing for low-income and homeless individuals and families, and participation in the Merced City and County Continuum of Care.
(Annual) Merced City Council Goals and Priorities	City of Merced	Each year, as part of the overall City of Merced budget development for use of General Fund and other local funding, the City Council performs a separate community needs assessment process, which includes the Town Hall meetings that the Housing Division uses in gathering information about the needs of the community. After this needs assessment, the City Council and city executive staff hold strategic planning sessions to determine and help guide Council decisions for the coming year in the areas of Governance, Quality of Life, Economic Development, Public Safety, Community Investment, and Capital Improvement project (by District). This process is much like the Consolidated and Annual Action Plan process, and there are many overlapping Council priorities that can also be addressed with HUD funds, with the major difference being that Council goals and priorities are generally not targeted to or tracked to specific income populations or ethnicity groups in the same way that HUD funds are.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

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 (MCAG) to address various ways to meet the State of California's Regional Housing and Needs Assessment Goals (RHNA) for regional housing assisting low to moderate income residents and housing matters of significance to all communities.

In 2024, the City of Merced joined with the cities of Atwater, Dos Palos, Gustine, Livingston, and Los Banos in developing a multi-jurisdictional housing element (MJHE) for the sixth cycle housing element update.

While the goal to provide sufficient affordable housing units within our community is complex, the City continues to partner with MCAG, local building industry leaders, and developers to develop creative solutions to increase both the community's market-rate and affordable multi- and single-family housing stock.

AP-12 Participation – 91.105, 91.200(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 advertisements, public hearing notices, and Annual Action Plan summaries in The Merced County Times and the Merced Sun-Star newspapers, as well as the City's website. Notices described the contents and purpose of the Annual Action Plan and listed the location and methods of how the use of funds, preliminary CDBG and HOME resource budget, project summary tables, and proposed project funding could be reviewed. Review documents were made available during the Public Review and Comment Period for 32 days (minimum of 30 days required), as required by HUD and the adopted Citizen Participation Plan. Copies of the review documents were available to the public on the City's website, at the City of Merced Housing Division office, and could be emailed to individuals by emailing Housing Division staff with the request. Translation of the documents into Spanish or Hmong languages was also available upon request.

At the Town Hall meetings in January and February of 2024, citizens had the opportunity to informally address City Council with their community concerns. This year's Town Hall meetings began with all City departments staffing information tables and were available to answer residents' questions for approximately one hour before the Town Hall meeting began. This gave Housing staff another valuable opportunity to engage with citizens, distribute fair housing and program information, solicit more responses to the Community Needs Survey, and to explain the purposes and potential uses of HUD funding resources. Follow-up calls were also made to provide further information to residents who requested it. Housing staff remained for the Town Hall meeting to note any community needs expressed that had not yet been brought up in the three Community Input workshop meetings or through the concurrent community survey.

As noted earlier, a total of three public hearings were held with the City Council, where Housing staff presented the 2024 funding proposals from agencies and non-profit organizations that applied for funding. Citizens who participated in the process received extensive information about the Annual Action Plan, the citizen participation process, the HUD requirements for an entitlement City, the amount of funding that the City anticipated receiving, and how those funds can be used by the City. Residents were given further opportunity to provide City staff with their input on the prioritization of community needs.

The 32-day Public Review and Comment Period was held from June 14 to July 15, 2024. During this period, the City received six (6) comments submitted by email from community members; however, one comment that was received by email was later retracted by the sender. There

were no comments submitted in person and no residents requested documents be emailed to them. No language translation requests were received.

Comments were also received by the City Clerk for the public hearings, as well as during the Public Hearings, and are summarized in the Citizen Participation attachments.

Community Surveys responses were solicited in various ways, including online on the City's website, through social media postings, City Hall flyers, in a radio spot interview of Housing staff, and through the newsletter mailed to all municipal utility account holders in the City of Merced. Among other relevant topics, survey participants were asked to rank their desired levels of priority for several listed eligible funding possibilities that were categorized under the following community needs: Housing; Public Service; Infrastructure; Neighborhood Improvement; and Economic Development. The City received 201 survey responses.

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)
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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	Community Needs Assessment Survey	Minorities Non-English Speaking - Specify other language: Spanish and Hmong Persons with disabilities Non-	The City published an internet-based Community Needs Survey to collect feedback from the public on community needs, priorities, and fair housing experiences. A print version of the survey was made available to all residents whenever possible, which residents could fill out in person	Feedback revealed significant concerns with overburdened housing costs, difficulty paying essential living expenses, cost of housing and lack of affordable housing options, the need for more jobs and job training, increasing homelessness, fair housing and discrimination, and needed infrastructure repair such as street lighting and sidewalks. Particularly alarming, fifty residents who are homeowners stated that they	No responses were rejected. 4 of the 201 respondents stated that they were not residents living within the City of Merced city limits. County residents who took the survey were asked their association to the City, and responses revealed that 50% work or run a business within the city limits, 25% have family or daycare providers that live in the City, and 75% also shop here. This year,	75 https://tinyurl.com/2024-resident-needs-survey

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	Internet Outreach	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish and Hmong</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>The City relied on social media platforms and the internet, and used the utility bill newsletter to encourage survey response and to reach more residents. Flyers with links to the Community Needs Survey and listing the dates/times/locations of the Community Input Meetings were posted on the City's Facebook and Instagram pages. All town halls and public hearings were held in-person and live-streamed to Facebook Live. Annual Action Plan In-person public hearings and all community input meetings were</p>	<p>Housing staff monitored all comments posted to these meetings to gather any that could be included into needs assessment and other community conversation efforts. It also was an additional opportunity for direct outreach to residents in answering their questions on current projects and other topics.</p>	<p>No comments left on social media posts were rejected.</p>	<p>https://www.facebook.com/cityofmerced/</p>

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 Review and Comment Period	Non-targeted/broad community	<p>All project funding that was being considered in the draft 2024 Annual Action Plan was published for comment to solicit feedback from community residents. The comment period was publicly noticed to be open from June 14, 2024, through July 15, 2024. Public comment notices were posted on the City Clerk and Housing Division's public notices webpages on May 24, 2024. The notices were then published on May 29 and May 30, 2024, in English, Spanish, and Hmong in the Merced Sun Star.</p>	<p>Six comments were received by email submission between June 14 and July 15, 2024. Comments discussed the distribution of public service funding as well as the importance of permanent supportive housing for homeless and chronically homeless individuals and families.</p>	<p>All public comment received during the comment period was accepted. However, one emailed comment was recalled by the sender shortly after its receipt; therefore, this comment will not be included in the comment summaries.</p>	

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)
4	Public Meeting	Non-targeted/broad community	<p>The City actively encouraged low- and moderate-income residents, persons of color, persons with disabilities, and non-English-speaking residents to attend community meetings. In accordance with the Citizen Participation Plan, the City provided disabled-accessible meeting locations and requested language assistance to all residents. This included: interpreters for non-English-speaking citizens (Spanish and Hmong), translated</p>	<p>At the Resident Input Meetings, Housing staff explained how HUD funds can be utilized in the community and answered questions about affordable housing. The City's Annual Action Plan 2024 projects that will help ease the lack of available and affordable housing.</p>	All comments made at the public meetings were accepted.	78

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)
			<p>The City actively encouraged low- and moderate-income residents, persons of color, persons with disabilities and non-English-speaking residents to attend public hearings by making them available in Spanish and Hmong and publishing notices in widely distributed publications easily read by all residents. In accordance with the Citizen Participation Plan, the City provided access to all information as well as language assistance to all residents who</p>	<p>Annual Action Plan 2024</p>		

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)
6	Newspaper Ad	Non-targeted/broad community	On February 29, 2024, the City published a quarter-page advertisement in both the Merced County Times and the Merced Sun-Star inviting residents to attend their choice of two Resident Input meetings that were held on March 6 and March 20, 2024. The advertisement also asked residents to participate by taking the Community Needs Survey, and QR codes and direct links were provided in the Annual Action Plan ad to access the survey. The advertisements were published in	As a result of the advertisements, more residents were informed about the Community Input Meetings and the Community Needs Survey and could then choose to participate in one or both activities.	The City did not receive any direct comments regarding this advertisement.	80

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)
7	Technical Assistance to Organizations	Organizations seeking program funding assistance	The City's Housing Division hosted two NOFO information meetings that explained relevant CDBG and HOME regulations and explained the City's NOFA process. Meeting dates were February 28 and 29, 2024. These meetings were focused to attending organizations. Additional technical assistance was offered to organizations for one-on-one meetings to develop their applications and programs to ensure it would meet a national objective and	As a result of this technical assistance, the Housing Division received funding requests from the organizations that attended their technical assistance meetings. Annual Action Plan 2024	All requests for technical assistance were accepted and assistance provided.	81

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

HUD has allocated to the City of Merced a total of \$1,507,130 in new CDBG and HOME funds for program year 2024. Allocation of funds and assignment of priorities for funding are based upon the national goals and objectives set forth by HUD regulations, and local goals for housing and community development. Local goals, consistent with HUD regulations, focus on improving quality of life for all residents and the neighborhoods they live in. The City intends on pursuing additional funding through other local, state, and federal resources whenever possible to ensure that all residents have access to safe, decent, and affordable housing.

The City does not anticipate a steady stream of program income from year to year over the term of the Consolidated Plan, as it fluctuates from one year to another. The fluctuation in program income is due to payments received from the County of Merced through Chapter 8 - Tax default property sales and unanticipated loan payoffs through the year. To the greatest extent possible, program income received from the repayment of Rehabilitation loans, First Time Homebuyer loans, and residual receipt payments will be reprogrammed for loan activities in those same or similar programs from which the funds were originally provided.

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: \$		

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	1,056,567	108,000	157,427	1,321,994	0	For 2024, which is the fifth and final year of the current Consolidated Plan period, the City will receive an actual CDBG allocation of \$1,056,567, which is a \$22,194 increase over last year. Additionally, an estimated \$108,000 in program income is anticipated to be received over the program year; however, it should be noted that this is a conservative estimate. Any additional program income received will become carryover to the next program year, unless the City performs a substantial amendment to use it on an eligible activity during the year. CDBG Prior Year Resources include unused 2023 Administrative funds and a 2023 public service project that did not move forward (Boys and Girls Club) and payments and payoffs from active housing loans that were received during the 2023 program year.

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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA						The City will receive an actual 2024 HOME allocation of \$450,563.61, which is a decrease of \$122,636.39 over last year. Of special note, the 2024 HOME allocation includes cents, which is unusual. Since the Annual Allocation column in this table does not accept cents, the number in that column is rounded down to the whole dollar. Program income in the amount of \$60,000 is anticipated to be received during the program year; however, it should be noted that this is a conservative estimate. Any additional program income received will become carryover to the next program year, unless the City performs a substantial amendment to use it on an eligible activity during the year. HOME Prior Year Resources include payments and payoffs from active housing loans received during the 2023-24 program year, 2023 CHDO Reserve funding that was not expended on a project, and 2023 funds that were set aside for affordable rental housing but were not needed/used for the 2023 Devonwood Apartments project (the project used a combination of 2016, 2017, 2020, 2021, and 2022 HOME entitlement and program income funds).
OMB Control No: 2506-0117 (exp. 09/30/2021)			450,563	60,000	1,057,613	1,568,176	0	

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2024

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Table 5 - 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 attempts to use HOME Funds, State Grants, and local funding sources, when appropriate, to meet the objective of the Annual Action Plan and emphasizes the need for local organizations to leverage Federal, State and local resources when they request funding for their programs. These efforts have been fruitful, and projects supplemented with other funding sources have substantially exceeded accomplishments that could be achieved from federal funds alone. Although there is no official match requirement in the CDBG program, in most cases, other funds, such as private funds received through donors or fundraising activities, commercial loans, Gas Tax funds, and non-federal funds, are used to supplement and defray project costs.

All Participating Jurisdictions (PJs) receiving HOME funds, like the City of Merced, must contribute or match no less than 25 cents for each dollar of HOME funds spent on affordable housing. As PJs draw funds from HOME, they incur a match liability, which must be satisfied by the end each federal fiscal year. Federal match requirements apply to the City's HOME funds. In the past, redevelopment Low- and Moderate-Income Housing funds were the City's primary source for leveraging or providing matching funds for the City's Housing programs. With the dissolution of redevelopment agencies in California, the City no longer receives this funding. The HOME statute provides for a reduction of the matching contribution requirement under three conditions: 1) local fiscal distress; 2) severe fiscal distress; and 3) for Presidentially declared major disasters covered under the Stafford Act. When a local jurisdiction meets both of the distress criteria in 24 CFR 92.222, it is determined to be in severe fiscal distress and receives a 100 percent reduction of match, effective for the fiscal year in which the determination is made and for the following fiscal year. Individual poverty rate and per capita income (PCI) are based on data obtained from the latest American Community Survey (ACS) estimates from Census data. In 2023, for a jurisdiction to qualify as distressed based on the poverty criterion, its percentage persons in poverty must have been at least 16.44 percent, and to qualify as distressed based on the PCI criterion, its average PCI must have been less than \$26,375. With a 2023 estimated poverty rate of 25.76 percent and a PCI of \$21,518, the City of Merced's match is reduced 100 percent for Fiscal Years 2023 and 2024. In November 2023, with a qualifying major Presidentially declared disaster in January 2023 from flooding brought on by heavy winter storms, the City also requested a reduction of the HOME Match funds under the third criteria (24 CFR 92.222(b)) for 2023, and it is extendable by one year.

Below is a list of some non-HUD grants the City continually applies for or partners with non-profit organizations for when available:

Federal: Federal Tax Credits, Rental Assistance Program (Section 8 Housing Choice Voucher Program), Supportive Housing Program (SHP), National Housing Trust Fund, and Project Based Section 8.

State: Low-Income Housing Tax Credits (LIHTC), Mental Health Services ACT (MHSA), Cal-Home Program, The California Housing Finance Agency (CalHFA), Multi-Family Housing (MHP) Program, Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program, Emergency Housing Assistance (EHAP) Program, Affordable Housing (AHP) Program, Affordable Housing and Sustainable Communities (AHSC) Program, No Place Like Home (NPLH), Housing Related Parks (HRP) Program, Infill Infrastructure Grant (IIG) Program, Permanent Local Housing Allocation (PLHA), and the 2017 Housing Funding Package (SB2 Funding).

Local: Central California Alliance for Health, City Density Bonus Program, and loans from the Conventional Lending Industry.

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

The Housing Division was designated as the Housing Successor Agency (HSA) overseeing approximately ten (10) vacant properties and, with the January 2021 payoff of the Grove Apartments loans, over \$2.2 million of HSA LMI Asset funds that may be used to support additional affordable housing projects over next few years. These funds must be used to further the goal of the City in the development of additional affordable housing units, and per State law, the properties must either be developed with affordable housing or sold for the same purpose. If sold, the sales proceeds must be deposited into the HSA LMI Housing Asset fund to be reused for affordable housing.

Pending Disposition of Properties

Staff is in varying stages of working to dispose these lands to three separate affordable housing developers for development with affordable units. Assembly Bill 1486 amended the Surplus Lands Act effective January 1, 2020, requiring cities to offer to sell surplus property to affordable housing developers and other such entities before offering them for sale on the open market. Under certain exemptions, the Act requires disposed properties to meet certain conditions per Government Code Section 54221(f)(1)(A): 1) not less than 80% of the parcel area should be used for housing development; 2) not less than 40% of the total number of units shall be made available to households earning 75% AMI or less and at least half of which shall be affordable to very low-income households; and 3) units must be restricted by a regulatory agreement for no less than 30 years.

In March 2021, the City Council adopted Resolution 2021-17 declaring the properties exempt surplus land, and in April 2021, a Request for Proposal (RFP) for these affordable housing development opportunities was released, with the City receiving multiple proposals from affordable housing developers. The HSA will contribute the land through terms negotiated with each developer through separate Disposition Development Agreements (DDAs). On October 18, 2021, the City Council selected three affordable housing partners to develop the ten sites as follows:

- Linc Housing: Sites 1 through 5 (1823 I Street, 1815 I Street, 205 W. 18th Street, 211 W. 18th Street, and 202 W. 19th Street) – 54 affordable rental housing units
- Fuller Center for Housing of Merced County (formerly Habitat for Humanity of Merced County): Sites 6 through 9 (1744 I Street, 49 W. 18th Street, 150 W. 19th Street, and 26 W. 18th Street) - single family homes
- Custom Containers 915 (CC915): Site 10 (73 South R Street) – 21 apartment units for formerly homeless veterans converted from former shipping containers (also received a \$4.4 million State Homekey award for this project)

The City currently is currently in a one-year escrow with Linc Housing for ownership transfer of its properties while other funding is sought and a NEPA environmental clearance is obtained. The project

was awarded the use of 53 Project Based Vouchers by the Housing Authority of Merced County. The Fuller Center closed escrow on April 14, 2023, and a DDA has been recorded. The initial set of construction plans have been submitted to the Building Division for review, and construction is expected to begin in Winter 2024. The Fuller Center is actively seeking a low-income family to assist with the build and qualify to acquire the property. CC915's project recently received shipments of the finished units from the manufacturer in Texas, and the project is currently setting them on site, with final completion and occupancy clearance expected this Fall.

Discussion

In addition to the entitlement allocations the City receives from HUD, the Housing Division also manages numerous other grants and programs within the community.

The following funds and programs continue to generate income from the loans and are included in the Fiscal Year 2024/25 budget:

- LMI Housing Assets (Local)
- Cal HOME 06/12 (HCD)
- HOME 92/93/94 (HCD)
- NSP 3 (HUD)

Local funding sources (non-Federal) budgeted in Fiscal Year 2024/25 include:

- CalHome 2021 (HCD)
- Homekey (HCD)
- LMI Housing Assets (Local)
- Water Enterprise Funds (Local)
- Sewer Enterprise Funds (Local)

These are local funding sources budgeted as part of the overall 2024/25 Housing Division budget. These other funding sources were not included as part of the anticipated resources in the HUD Annual Plan since they are non-federal funding sources. The non-federal funding sources are necessary to assist the Housing Division finance the 'fiscal gap' of various projects, thereby allowing them the ability to move forward.

HUD-Eligible Projects funded or supplemented with non-federal funding sources include:

- Gateway Terrace II ADA Improvements/Water and Sewer Main Replacement Project
- First Time Home Buyer (FTHB) Program using approximately \$1,771,579 of CalHome Program funding, including \$1,125,000 of 2021 CalHome Program funds
- Homeowner rehabilitation program using approximately \$1,375,000 of 2021 CalHome Program

funding, and a portion of available State HOME 92/93/94 grant funding totaling \$555,193 will be used for homeowner rehab projects

HSA LMI Asset Fund Activities - Gateway Terrace II and 1820 I Street

In January 2020, the City was monitored for compliance with NEPA environmental review procedures and related regulations, and in October of 2021, the City received HUD's required corrective actions list from that monitoring. The corrections list included the HUD-assisted property of 1820 I Street and the Gateway Terrace II project that requires repayment from a non-HUD local funding source. In January 2021, the Grove Apartments refinanced and paid off its existing Housing Successor Agency (HSA) LMI Asset Fund loans, which is what the City has planned to use as the required source.

This spring 2024, the City completed the process of terminating previous loan documents for both the GTII and the 1820 I Street properties, and the latter property's repayment can now be completed.

Until most recently (August 2024), additional funding from the HSA LMI Asset Fund had also been planned to repay the GTII project costs as well as replace the previous HUD funding. This would have required separate action by the City Council, followed by the approval, execution, recording of new loan documents, and the repayment for the GTII site from the new loan to the developer. However, the City recently learned that HUD-related internal delays concerned with the transfer of ownership from the Housing Authority to Central Valley Coalition for Affordable Housing will take many months, too late for a piece of major funding that previously had been planned for the project. As such, the City will need to find an alternative local funding source or request a voluntary grant reduction to satisfy the monitoring findings corrective actions.

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		Expand/Improve Public Infrastructure & Facilities	CDBG: \$0 HOME: \$0	Other: 0 Other
2	2A Increase Owner Occupied Rehab Opportunities	2020	2024	Affordable Housing	City Wide	Preserve & Develop Affordable Housing	CDBG: \$0 HOME: \$0	
3	2B Increase Affordable Housing Opportunities	2020	2024	Affordable Housing	City Wide	Preserve & Develop Affordable Housing	CDBG: \$211,128 HOME: \$1,534,376	Rental units rehabilitated: 2 Household Housing Unit Homeowner Housing Added: 1 Household Housing Unit Homeowner Housing Rehabilitated: 1 Household Housing Unit
4	2C Provide Assistance for Supportive Housing	2020	2024	Affordable Housing	City Wide	Preserve & Develop Affordable Housing Homelessness Housing and Support Services	CDBG: \$825,344	Rental units rehabilitated: 2 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	3A Provide Vital Services for LMI Families	2020	2024	Non-Homeless Special Needs	City Wide	Public Services & Quality of Life Improvements Homelessness Housing and Support Services	CDBG: \$240,950	Public service activities other than Low/Moderate Income Housing Benefit: 2337 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 104 Households Assisted Homelessness Prevention: 100 Persons Assisted
6	4A Provide Homeless Prevention & Support Services	2020	2024	Homeless	City Wide	Homelessness Housing and Support Services	CDBG: \$44,572	
7	5 Enhance Fair Housing Knowledge and Resources	2020	2024	Non-Homeless Special Needs	City Wide	Public Services & Quality of Life Improvements	HOME: \$33,800	

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	1A Improve Public Infrastructure & Facilities
	Goal Description	<p>The City will improve access to public infrastructure through development activities for LMI persons and households. Public infrastructure activities include, but are not limited to, improvements to infrastructure in the jurisdiction such as roadway resurfacing, installation or replacement of water, sewer, and storm lines and drains, and installation of new or improved curbs, gutters, and ramps on sidewalks and public access areas 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, fire stations and emergency response equipment, and parks and recreation facilities.</p> <p>This goal includes will not receive any CDBG or HOME funding in the 2024 Annual Action Plan.</p>
2	Goal Name	2A Increase Owner Occupied Rehab Opportunities
	Goal Description	<p>The City will continue to implement the owner-occupied housing rehabilitation (OOR) programs for low- to moderate-income homeowners city-wide that were funded in years 2022 (CDBG of \$150,000) and 2023 (CDBG of \$150,000) with Habitat for Humanity Merced/Stanslaus Counties (HHMSC). No new OOR program funding is planned with 2024 CDBG funding, but HHMSC will continue to use their existing funds to finish this coming third year of their three-year contract.</p>
3	Goal Name	2B Increase Affordable Housing Opportunities
	Goal Description	<p>The City will work to increase rental opportunities for LMI households through new construction of rental housing. Also included in this goal are rehabilitation and other projects that increase affordable housing options for residents, including opportunities for homeownership by low- to moderate-income homeowners.</p> <p>This goal includes \$31,128 of CDBG and \$11,256 of HOME administrative funding from Projects 1 and 2 (Direct Administration and Indirect Administration) that are listed in the AP-35 "Projects" and AP-38 "Project Summary" charts.</p>

4	Goal Name	2C Provide Assistance for Supportive Housing
	Goal Description	<p>The City will provide assistance for supportive housing for eligible residents in the City. These projects will supply vital permanent supportive housing for formerly homeless, chronically homeless, and at-risk individuals and families and will rehabilitate and convert market rate housing to affordable rental units.</p> <p>This goal includes \$121,688 of CDBG funding from Projects 1 and 2 (Direct Administration and Indirect Administration) that are listed in the AP-35 "Projects" and AP-38 "Project Summary" charts.</p>
5	Goal Name	3A Provide Vital Services for LMI Families
	Goal Description	<p>Provide supportive services for low- to moderate-income households in the jurisdiction. Public or supportive services could include: fair housing awareness, homeless prevention through short-term rental, mortgage, or utility assistance, crime prevention programs, tenant/landlord dispute resolution counseling, case management for emergency assistance, employment programs, health programs, as well as services to address homelessness, persons with physical and mental health disabilities, victims of domestic violence, the elderly, and the youth.</p> <p>Note that fair housing services under this goal will be funded with HOME administrative funding.</p> <p>This goal includes \$35,525 of CDBG administrative funding from Projects 1 and 2 (Direct Administration and Indirect Administration) that are listed in the AP-35 "Projects" and AP-38 "Project Summary" charts.</p>

6	Goal Name	4A Provide Homeless Prevention & Support Services
	Goal Description	<p>The City will provide for both homeless prevention and support services for the homeless population in the jurisdiction. Per HUD's definition of "Homeless" in 24 CFR 576.2 (Definitions), this Strategic Plan goal (4A) also includes expected outcomes for projects or programs that benefit any individual or family who "is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member" and any individual or family who lacks a fixed, regular, and adequate nighttime residence," including those living in a supervised shelter designated to provide temporary living arrangements.</p> <p>The 2024 program that is planned under this goal is the provision of a portion of the City's administrative funding to the City and County Continuum of Care to support homelessness planning activities. As this is admin funding, no outcome numbers are listed under this goal, as HUD does not allow reporting on admin activity outcomes.</p> <p>This goal includes \$6,572 of CDBG administrative funding from Projects 1 and 2 (Direct Administration and Indirect Administration) that are listed in the AP-35 "Projects" and AP-38 "Project Summary" charts.</p>
7	Goal Name	5 Enhance Fair Housing Knowledge and Resources
	Goal Description	<p>The City will provide funding for fair housing education, complaint referral services, fair housing discrimination case management, training resources, and outreach services for residents, landlords, service organizations, and the City of Merced itself, to ensure that residents of Merced have equal and discrimination free access to housing in the city.</p> <p>This goal includes \$248 of HOME administrative funding from Project 1 (Direct Administration) that is listed in the AP-35 "Projects" and AP-38 "Project Summary" charts.</p>

Projects

AP-35 Projects – 91.220(d)

Introduction

The projects budgeted for the 2024 program year are summarized below.

The Administrative and Public Service activities identified are expected to be completed no later than June 30, 2025.

Identified Projects

The City of Merced intends to carry out the below projects during Program Year 2024, which are organized by project type as follows:

- AP - Administration and Planning Activities
- HSG - Housing New Construction and Rehabilitation Activities
- PFI - Public Facilities and Public Improvement Activities
- PSA - Public Services Activities

Projects

#	Project Name
1	AP - CDBG & HOME: Administration and Planning (PY2024)
2	HSG - CDBG: Rehabilitation/Acquisition: Sierra Saving Grace Homeless Project (PY2024)
3	HSG - CDBG: Habitat for Humanity - Homeowner Rehabilitation of Existing Housing Assets (PY2024,2025)
4	HSG - HOME CHDO Reserves: Community Housing Development Organization (PY2023,2024)
5	HSG - HOME CHDO: Project - ADA Rehabilitation of 1933/1935 H Street (PY2024,2025)
6	HSG - HOME: Rental Housing Construction, Rehabilitation, and/or Acquisition of Land
7	PSA - CDBG: Sierra Saving Grace Emergency Rent/Mortgage/Utility Subsistence Payments (PY2024)
8	PSA - CDBG: Harvest Time Homeless and LMI Food Distribution "Food 4 You" Program (PY2024)
9	PSA - CDBG: Healthy House W.A.M. Undoing & Preventing Homelessness and Abuse Later in Life (PY2024)
10	PSA - CDBG: Project Sentinel - Tenant-Landlord Counseling Services (PY2024)
11	PSA - CDBG: Lifeline CDC Empower Loughborough Community (PY2024)
12	PSA - CDBG: Merced Calvary Assembly of God Church - Clean Life Program (PY2024)
13	PSA - CDBG: WBFMI/SERENITY Strengthen Transform Affirm Restore Support (STARS) Program (PY2024)

Table 7 - Project Information

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

The priority needs for the City of Merced's 2024 Annual Action 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 22, 2024, in the Merced County Times and the Merced Sun-Star newspapers. The notice requested proposals from non-profit organizations that have capacity to provide eligible public service and/or housing rehabilitation and preservation activities that will reach extremely low-income and low-income households, homeless persons, seniors and frail elderly, youth, and persons with disabilities, with an emphasis on homelessness prevention. The City held NOFO informational workshops on February 28 and 29, 2024, to discuss program priorities, requirements to meet HUD National Objectives, and to 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 and, for CDBG-funded projects, met one of HUD's National Objectives.

In making project recommendations, consideration was given to a variety of thresholds that projects must meet to comply with CDBG requirements, including meeting one of the National objectives and addressing one of the community priorities set out in the Consolidated Plan. Staff also took into account activity need and justification, conflict of interest considerations, cost eligibility, reasonability, and effectiveness, activity management and implementation, experience with similar activities, past performance, leveraged funds, and completeness of the application.

While there are several constraints to meeting the needs of low-income residents, the primary obstacle is that there is a lack of funding to fully address all 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.

A second obstacle to meeting underserved needs is the location of many available services in the community. Homeless services are generally only available in one section of the City, and some very low-income residents do not have adequate, reliable transportation. Housing staff works closely with the Engineering Department and regional agencies to improve accessibility with infrastructure projects, but the amount of funding received each year does not address all areas.

A third obstacle is the number of non-profits that need assistance with basic management and fiscal policies. New non-profits have formed in Merced and throughout the region, and they have small but passionate staff members and volunteers devoted to a variety of issues. Unfortunately, most new non-profits do not have the staffing capacity to meet the financial and reporting requirements of CDBG and other grant programs and may need basic assistance in setting up bookkeeping systems, requesting reimbursements for eligible costs, keeping proper beneficiary and income eligibility records, and applying for grants.

AP-38 Project Summary
Project Summary Information

1	Project Name	AP - CDBG & HOME: Administration and Planning (PY2024)
	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 & Support Services 5 Enhance Fair Housing Knowledge and Resources
	Needs Addressed	Expand/Improve Public Infrastructure & Facilities Preserve & Develop Affordable Housing Public Services & Quality of Life Improvements Homelessness Housing and Support Services
	Funding	CDBG: \$232,913 HOME: \$45,056

	Description	<p>This project covers all CDBG and HOME administrative activities that include, but are not limited to, grant management, plans, reports, and environmental review preparation, planning, site inspections, subrecipient monitoring, data collection and studies, and administration of public services program activities by City of Merced Housing Division staff. The project allows the Housing Division the ability to provide CDBG and HOME administrative services to ensure the planning and implementation of all Housing Division projects. The City is permitted to charge up to 20% of its 2024 CDBG allocation for program administration and planning, which includes a maximum of 10% that can be charged for indirect costs, such as internal services provided to the Housing Division by other City departments. This is in line with the City's Indirect Cost Allocation Plan. A maximum of 10% of the HOME allocation can also be charged for administration and planning; however, HOME is not charged indirect costs. In addition to Housing Division staffing, in Program Year 2024, this project will also include using CDBG and HOME administration funds for planning activities for homelessness support and prevention services (CDBG \$38,000), fair housing services (HOME \$33,552), and professional services activities (approximately \$75,000 CDBG planned) for the cost of services provided by a qualified consultant for the preparation of the 2025-2029 Consolidated Plan/Five Year Strategic Plan, which will also include the first-year 2025 Annual Action Plan, as well as updates to the Analysis of Impediments to Fair Housing Choice and the Citizen Participation Plan. In Section AP-20 "Annual Goals and Objectives," these direct administration dollar figures are spread amongst and added to all goals (1A, 2A, 2B, 2C, 3A, 4A, and 5), based on the percentage that projects use each funding source to meet their listed intent. No Goal Outcome Indicators are set for this project, since these are administrative and planning projects.</p>
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Administration and Planning activities will benefit all residents, but primarily LMI individuals and households throughout the City.

	Location Description	<p>The majority of activities will be carried out at the Housing Division office, 678 W. 18th Street, Merced, through subrecipients, collaborative agencies, or consultants, or with off-site project monitoring, training, inspections, and other visits necessary to carry out and monitor the overall program and project activities, and other sites as needed.</p>
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	Planned Activities	<p>The following administrative activities are expected to take place under this project:</p> <p>CDBG:</p> <ol style="list-style-type: none"> 1. Direct Administration Costs: \$10,957; IDIS Matrix Code: 21A/General Program Administration; National Objective Met: N/A; Eligibility: 24 CFR 570.205. 2. Indirect Administration Costs: \$108,956; IDIS Matrix Code: 21B/Indirect Costs; National Objective Met: N/A; Eligibility: 24 CFR 570.206(e). 3. Professional Services Consultant for Consolidated Plan/AAP/AI/CPP Preparation: approximately \$75,000 (pending consultant proposals); IDIS Matrix Code: 20/Planning; National Objective Met: N/A; Eligibility: 24 CFR 570.205. Through a Request for Proposal (RFP) process, a qualified consultant will be selected to assist the Housing Division plan and prepare for the future needs of LMI residents and the community as a whole. 4. Merced County Human Services Agency (HSA): \$38,000 (meets ConPlan Goal 4A – Provide Homeless Prevention Services); IDIS Matrix Code: 20/Planning; National Objective Met: N/A; Eligibility: 24 CFR 570.205. Administrative cost support will be provided towards planning activity costs of the Merced City and County Continuum of Care's Collaborative Applicant (HSA fulfills this role) for planning strategies to address homelessness in the Merced community. CDBG funding is not provided to the nonprofit providers who implement the homelessness programs funded by the CoC. HSA/Collaborative Applicant will use these funds towards any planning and/or data collection costs not already assisted by HUD CoC funding, in order to use its wide-reaching resources and expertise to assist the City make decisions regarding homelessness program funding. Historically, these funds have been used to cover staffing and/or consultant costs of the annual Point-in-Time count, which assesses the actual, current level of homelessness in the City limits, as well as countywide, by counting homeless residents where they sleep. The 2024 Point In Time count that was conducted on January 25, 2024, determined that there are a total of 197 unsheltered and 369 sheltered homeless individuals living in the City of Merced. <p>HOME:</p> <ol style="list-style-type: none"> 1. Direct Administration Costs: \$11,504; IDIS Matrix Code: 21H/CDBG Funding of HOME Administrative Costs; National Objective Met: N/A; Eligibility: 24 CFR 570.206(i)(2). 2. Project Sentinel, Inc./Fair Housing Services Administration: \$33,552; IDIS Matrix Code: 21D-Fair Housing Services (subject to Admin cap); National Objective Met: N/A; Eligibility: 24 CFR 571.206(c). Fair Housing Services will be an administrative activity under HOME Administration in PY 2024 and will use funds to support a fair housing education, counseling, and antidiscrimination legal services program in partnership with Project Sentinel, Inc. to address the City's responsibility to ensure and protect the fair housing rights of its residents and Affirmatively Further Fair Housing (AFFH). Fair
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2	Project Name	HSG - CDBG: Rehabilitation/Acquisition: Sierra Saving Grace Homeless Project (PY2024)
	Target Area	City Wide
	Goals Supported	2C Provide Assistance for Supportive Housing
	Needs Addressed	Preserve & Develop Affordable Housing
	Funding	CDBG: \$703,656
	Description	Sierra Saving Grace will be provided \$703,656 of CDBG funding to acquire an existing one- to four-unit residential property for subsequent rehabilitation/repair and conversion to supportive rental housing for low- to moderate-income individuals and families and case-managed formerly homeless individuals (permanent supportive housing - PSH). This type of project has been highly successful in past years. The amount set aside includes \$586,380 to acquire and rehab a property and up to \$117,276 for activity delivery costs. The estimated cost of necessary life, health, and safety rehab work will be included in the purchase price. This project meets multiple needs and priorities of the Five-Year Consolidated Plan for vital housing services -- permanent supportive housing (case management) and addition of affordable housing rental units.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	The amount of CDBG funding provided will enable Sierra Saving Grace to purchase and rehab at least two (2) housing units - either two single-family units on one property, or a duplex unit. The provided funding may also be enough to support purchase and rehab of a third unit or triplex. Individuals and/or families will be formerly homeless or extremely low- to low-income level clients.
	Location Description	Administrative activities for this project will take place at Sierra Saving Grace offices at 3341 M Street in Merced, as well as the offices of the real estate sales estate purchasing agent chosen, and a title company. Once a property is purchased (address is not known at the time of Annual Plan approval) and escrow closes, rehabilitation work will commence at the property site to prepare it for rental to a suitable formerly homeless or extremely low- or low-income client with case management.
	Planned Activities	Planned activities will include acquisition of existing residential homes or a duplex for subsequent rental to formerly homeless and/or extremely low- or low-income individuals and families; IDIS Matrix Code: 14G/Rehabilitation: Acquisition; Eligibility: 24 CFR 570.202(b)(1); National Objective Met: LMH/Low-Mod Housing Benefit – 24 CFR 570.208(a)(3).

3	Project Name	HSG - CDBG: Habitat for Humanity - Homeowner Rehabilitation of Existing Housing Assets (PY2024,2025)
	Target Area	
	Goals Supported	2B Increase Affordable Housing Opportunities
	Needs Addressed	Preserve & Develop Affordable Housing
	Funding	CDBG: \$180,000
	Description	<p>This project will provide assistance to existing Homeowners with health and safety repairs to their residence and rehabilitate existing housing assets. In 2024, Habitat for Humanity Merced/Stanslaus (HHMSC) will be provided \$150,000 towards project costs associated with the ongoing rehab project at 241 E Main Street. An additional \$30,000 will be directed to activity delivery costs, for a total of \$180,000. This project is partially started (PY 2017/Activity 1114), and has received previous NEPA environmental clearance, but has experienced several setbacks and unanticipated cost increases since it began in approximately 2018, including deletion from the 2023 Annual Plan during its necessary second amendment, material cost increases, additional ADA-related costs, delays related to the Coronavirus pandemic, and the January 2020 HUD Environmental Monitoring. Previous agreements and amendments have since expired; and the original project scope has changed from a simple rehabilitation to a reconstruction/rehab after full demolition of the structure in 2019; however, Housing staff has been working with HUD and HHMSC to develop an acceptable path for completion. As such, the project is being restarted, the requested CDBG funds will replace the previously committed HOME funds, and staff is processing updates to both the previous environmental review and a new agreement amendment to reflect these changes. The project will result in the completed home being sold to and occupied by an approved LMI family through HHMSC.</p>
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	This home will be sold by HHMSC to an income-eligible household once rehabilitation/reconstruction is complete.
	Location Description	241 E Main Street; Census Tract 14.01

	Planned Activities	Rehabilitation of a Single-Family dwelling. Project will involve reconstruction and sale of the completed unit by HHMSC to an income-eligible buyer. IDIS Matrix Code: 14A/Rehabilitation: Single-Unit Residential; Eligibility: 24 CFR 570.202(a)(1); National Objective Met: LMH/Low-Mod Housing Benefit – 24 CFR 570.208(a)(3).
4	Project Name	HSG - HOME CHDO Reserves: Community Housing Development Organization (PY2023,2024)
	Target Area	City Wide
	Goals Supported	2B Increase Affordable Housing Opportunities
	Needs Addressed	Preserve & Develop Affordable Housing
	Funding	HOME: \$184,278
	Description	Each year, the City is required to set aside at least 15% of its HOME funds for Community Housing Development Organization (CHDO) projects, which could include such eligible activities as affordable rental housing construction and rehabilitation of rental housing units. For the 2024 HOME allocation, this amounts to \$67,585, with an additional \$13,517 for activity delivery costs (total of \$81,102). As \$103,176 of prior year (PY 2023) CHDO Reserves were not used on a project, these funds will be combined with new 2024 HOME CHDO project and activity delivery funding towards an eligible affordable housing or rehabilitation project (total of \$184,278).HOME CHDO projects will be carried out by the City's current CHDO partner, Central Valley Coalition for Affordable Housing (CVCAH). CVCAH owns several existing rental properties within the city limits of Merced that may be suitable projects for rehab activities.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	If HOME CHDO funds are used for rental unit rehabilitation activities with CVCAH, approximately 2-5 LMI household housing units could benefit, depending on the scope of work needed and the chosen project site. If funds are used for rental housing construction in combination with a HOME-funded projects, accomplishment indicators for CHDO funds will be reported as a HOME project.
	Location Description	All HOME CHDO projects will be undertaken within the City of Merced.
	Planned Activities	Rental Unit Rehabilitation or New Rental Housing Construction
5	Project Name	HSG - HOME CHDO: Project - ADA Rehabilitation of 1933/1935 H Street (PY2024,2025)

	Target Area	
	Goals Supported	2B Increase Affordable Housing Opportunities
	Needs Addressed	Preserve & Develop Affordable Housing
	Funding	HOME: \$349,149
	Description	An eligible project has been identified for use of the HOME CHDO Reserve funds. Central Valley Coalition for Affordable Housing owns an existing duplex at 1933 and 1935 H Street in Merced City that is in need of ADA accessibility upgrades. The property was originally purchased in 2001 with a loan of non-HUD local funding by the City of Merced. Pending completion of an environmental clearance prior to commitment of funds, an additional \$349,149 of HOME funds will be used, and is being set aside with this project. Of this, the project needs another \$290,958 to complete the preliminarily estimated budget of \$444,523. Additionally, up to \$58,191 will be used by the City of Merced Housing Department for activity delivery.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	The rehabilitation project involves two existing rental units, which are currently occupied by two LMI households. CVCAH will strictly follow all Uniform Relocation Act (URA) requirements for temporary housing of the tenants, if needed, while rehab work is in progress.
	Location Description	The property is located in Central Merced in Census Tract 13.02. The two units are contained within one duplex structure and have the assigned addresses of 1933 and 1935 H Street.
	Planned Activities	Rehabilitation of an existing duplex structure for LMI Rental Housing. The anticipated rehab work involves leveling (raising) of the floor in two existing bedrooms to the grade of the rest of the units for ADA accessibility, new insulation, new dual pane windows, new HVAC system, roof replacement, and new flooring.
6	Project Name	HSG - HOME: Rental Housing Construction, Rehabilitation, and/or Acquisition of Land
	Target Area	City Wide
	Goals Supported	2B Increase Affordable Housing Opportunities
	Needs Addressed	Preserve & Develop Affordable Housing
	Funding	HOME: \$989,693

	Description	Approximately \$989,693 of HOME funds will be set aside for multi-unit affordable rental housing projects within the City of Merced. Actual activities could include new construction of units, rehabilitation of existing units, and/or land acquisition for an affordable housing project. This amount will include activity delivery costs. The City has had initial meetings with a multi-family rental housing developer who is interested in including affordable units in their new construction project. The funds could also be used towards a larger HOME CHDO rehabilitation project.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	The number of units and the types of families identified for the use of these funds has not yet been fully determined. However, all funds will benefit LMI households.
	Location Description	A location has not yet been determined. However, a potential site will be located within the city limit boundaries of Merced.
	Planned Activities	Affordable rental housing - new construction, rehabilitation, and/or acquisition of vacant land for an eligible project.
7	Project Name	PSA - CDBG: Sierra Saving Grace Emergency Rent/Mortgage/Utility Subsistence Payments (PY2024)
	Target Area	City Wide
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements
	Funding	CDBG: \$60,000
	Description	Sierra Saving Grace Homeless Project will receive \$60,000 for its short-term emergency rent/mortgage/utility subsistence payment assistance program. Assistance will be provided for a maximum of three consecutive months to help residents retain housing, maintain safe, livable housing, and prevent homelessness. Payments will be made directly to landlords, property management agencies, mortgagees or banks (loan principle and interest only), and gas and electric utility providers on the resident's behalf.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	Assistance will benefit approximately 33 households with housing assistance and, as a result, prevent homelessness for approximately 50 extremely low-, low-, and moderate-income individuals during the program year. The program will exclusively serve LMI households who are residents of the City of Merced.
	Location Description	The program will be administered by Sierra Saving Grace at their current offices located at 3341 M Street in Merced City. Assistance will be provided for all income-eligible residents living in the City of Merced city limits.
	Planned Activities	Sierra Saving Grace will receive \$60,000 for its short-term emergency rent/mortgage/utility assistance subsistence payments program; IDIS Matrix Code: 05Q/Subsistence Payments; Eligibility: 24 CFR 570.207(b)(4); National Objective Met: LMC/Limited Clientele Exclusive - 24 CFR 570.208(a)(2)(i)(C)
8	Project Name	PSA - CDBG: Harvest Time Homeless and LMI Food Distribution "Food 4 You" Program (PY2024)
	Target Area	City Wide
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements Homelessness Housing and Support Services
	Funding	CDBG: \$40,000
	Description	Harvest Time will receive \$40,000 of CDBG funds for its "Food 4 You" homeless individual/LMI household food distribution program costs for staffing, electric/gas utility and liability insurance costs, and other eligible costs to support food box disbursements to LMI households and the provision of meals to homeless individuals living within the City limits.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	This program serves both the homeless community and extremely low- to moderate-income families who are in need of food support. Approximately 88% percent of clients are City of Merced residents, and approximately 60% of beneficiaries are unduplicated. The primary focus of the program will be to assemble and hand out food boxes through its drive-through food storage and distribution warehouse. Approximately 1,000 LMI city residents are anticipated to be served by the food distribution with this program. The program also provides prepared meal services to homeless individuals within the City limits, by delivering lunch boxes via a cooperative partnership with Merced Rescue Mission three times per week. In January 2024, there were approximately 197 unsheltered homeless living within the City of Merced. For reporting purposes, the 197 unsheltered homeless individuals receiving prepared meals will be reported as individuals separately in Goal 4A (Provide Homeless Prevention and Support Services) and the anticipated 1,000 LMI residents served with food box distributions will be tracked as individuals in Goal 3A (Provide Vital Services for LMI /Families) in the AP-20 Goal Outcome Indicators column, as they are separate services serving different populations of Merced residents. As such, this program is expected to benefit at least 1,197 individuals.
	Location Description	The location of Harvest Time's food distribution program is 1021 R Street (APN 032-033-014) in Census Tract 15.02, within the City limits of Merced. The property is owned by the Calvary Assembly of God Church, and the food distribution warehouse - dedicated entirely for this use - is leased from the church by Harvest Time.
	Planned Activities	Reimbursement of operating costs including staffing, mileage, gas/electric utilities, and general liability and workers compensation insurance will be provided for Harvest Time's Food Distribution program. IDIS Matrix Code: 05W/Food Banks; Eligibility: 24 CFR 570.201(e); National Objective Met: LMC/Limited Clientele - 24 CFR 570.208(a)(2)(i)(D)
9	Project Name	PSA - CDBG: Healthy House W.A.M. Undoing & Preventing Homelessness and Abuse Later in Life (PY2024)
	Target Area	City Wide
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements Homelessness Housing and Support Services
	Funding	CDBG: \$25,000

	Description	Healthy House Within A MATCH has been an independent non-profit since 2003. Its grant based programs address health disparities, striving to improve access and health equity in under-represented cultural groups in Merced County. The City last funded their successful CDBG Elder Housing Program in PY2019-20, which served homeless seniors. For 2024, with \$25,000 of CDBG funds, Healthy House will expand its Later in Life senior and aged adults program. The project will provide vital services that include emergency assistance (includes food assistance), access to resources (physical/mental health services), and economic stability (includes victim/witness resources, social security assistance, life skills) to seniors, including those seniors who are suffering from or at risk of homelessness, abuse and/or neglect, or disabilities, and their respective households. Homeless prevention and other support services will also be provided, which will include housing advocacy, case management, and rental assistance to seniors. Seniors are listed in the 2020-24 Con Plan as a target population; however, no project funding has been allocated to this population group this Con Plan period to help address their unique needs. For these reasons, Healthy House was encouraged to apply for 2024 CDBG public service project funding to close out the last year of this Con Plan period.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Elderly persons are a HUD-designated Presumed population group, where individuals are automatically assumed to be of LMI income level to meet the corresponding HUD National Objective. Healthy House W.A.M. estimates that they will be able to provide direct case management to at least 200 seniors. Additionally, Healthy House will use the program to expand its case review committee and network coordination to another 10 members, as well as provide trainings to approximately 80 social service providers, law enforcement, and other non-traditional partners to solidify the full scope of understanding as to the needs of seniors. It is anticipated this training will result in assisting another 20 LMI elders.
	Location Description	Healthy House will administer the program from its offices at 301 W. 18th Street in Merced. Clients are located primarily in Central and South Merced, which are in CDBG Income-Eligible Census Tracts.
	Planned Activities	Program expenses will consist of reimbursed costs that will include hourly staffing, training materials, pamphlet printing costs, postage, and consultant fees for trainings. IDIS Matrix Code: 05A/Senior Services; Eligibility: 24 CFR 570.201(e); National Objective Met: LMC/Presumed Benefit - 24 CFR 570.208(a)(2)(i)(A)
10	Project Name	PSA - CDBG: Project Sentinel - Tenant-Landlord Counseling Services (PY2024)

	Target Area	City Wide
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements
	Funding	CDBG: \$25,000
	Description	Project Sentinel will be provided \$25,000 of 2024 CDBG funds to provide Tenant and Landlord (TLL) Counseling Services as an eligible public service program in response to an increase in the number of calls they and City staff have received over recent years from Merced residents while administering its HOME-funded Fair Housing Services administrative program on behalf of the City. The TLL project would provide direct education and counselling services to tenants and landlords where cases of fair housing discrimination do not appear to exist, but where a clear dispute between tenants and landlords requires substantial intervention, mediation, and/or education to resolve problems, prevent evictions, and prevent potential homelessness.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Project Sentinel expects to be able to manage approximately 11 cases (households) with the amount of project funding provided, serving and providing homelessness prevention for approximately 50 residents. Additionally, Project Sentinel will be able to assist approximately 56 city residents that need information, education, and referrals to other services when fielding calls to their offices.
	Location Description	Project Sentinel, Inc.'s main offices are located at: 1490 El Camino Real, Santa Clara, CA 95050. Project Sentinel will be administering this program from its satellite office located in Modesto, California, at the following location: 1231 8th Street, Suite 425, Modesto CA 95354. Services may also be handled from local offices, as needed.
	Planned Activities	Counseling services will be provided to help prevent and settle disputes between tenants and landlords. IDIS Matrix Code: 05K/Tenant-Landlord Counseling; Eligibility: 24 CFR 570.201(e); National Objective Met: LMA/Low-Mod Clientele (LMC) - 24 CFR 570.208(a)(2)(i)(B).
11	Project Name	PSA - CDBG: Lifeline CDC Empower Loughborough Community (PY2024)
	Target Area	
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements
	Funding	CDBG: \$20,000

	Description	Lifeline CDC proposes to continue serving the Loughborough area with \$20,000 for its 2024 "Empower Loughborough Community" program. This organization uses strength-based approaches to helping Loughborough-area residents lift themselves out of poverty and become self-reliant. Lifeline works to provide the gap in job seeking and technical resources, job skills education, childcare and afterschool services, and workforce agency connections that will enable parents to obtain stable jobs while providing safe places for their children to learn and grow through healthy and creative afterschool activities.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	This program serves extremely low- to moderate-income families who live in the Loughborough area. Approximately 900 LMI or poverty-level Loughborough Area residents are expected to be served with this program in some way.
	Location Description	The Loughborough area is located in North Merced and is generally considered to be Census Tract 10.03 extending to parts of Tract 10.04.
	Planned Activities	Eligible project costs may include but not be limited to: staffing costs, utilities, and community center afterschool activity materials and equipment, healthy afterschool snacks for children, printing costs, and insurance for community center spaces used by Lifeline CDC. IDIS Matrix Code: 05H/Employment Training; Eligibility: 24 CFR 570.201(e); National Objective Met: LMA/Low-Mod Area Benefit – 24 CFR 570.208(a)(1)(i).
12	Project Name	PSA - CDBG: Merced Calvary Assembly of God Church - Clean Life Program (PY2024)
	Target Area	
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements Homelessness Housing and Support Services
	Funding	CDBG: \$10,000

	Description	Merced Calvary Assembly of God is a faith-based 501(c)(3) non-profit. With \$10,000 of CDBG funding, this organization will network with the Merced County Food Bank and Convoy of Hope, a humanitarian aid organization that responds to communities experiencing natural disasters, extreme poverty, and hunger, to provide supportive services in the form of basic living needs to assist in the transition from homelessness to being housed and managing a household. Supplies, materials, and costs will include: personal toiletry supplies, household cleaners and supplies, transportation (mileage), employment attainment costs (including clothing needed to interview for and obtain employment, identification card replacement, fees for copies of transcripts/certificates, training courses, etc.), leadership and milestone incentive awards, food supplies for cooking classes, weekly grocery distributions, and job training exclusively to the formerly homeless, recently housed residents of the 1213 V Street project. Mental health and life coaching support may also be provided, as needed, and the costs to the program by the contracted bookkeeper would potentially be eligible.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	With the 1213 V Street project now fully occupied, there are 95 formerly homeless and, in most cases, recently housed residents living at the complex, which was a former motel that was converted to studio units with State Homekey funding (no HUD funding used). This program will exclusively serve those residents and will coordinate with services already provided to the residents by Merced County Behavioral Health Services and the County Human Services Agency. Most, if not all, residents will be of extremely low income levels as they transition from homelessness, learn household management, cooking, and other living skills, and obtain employment and stable incomes. It is expected that not all of the residents will wish to take part in this program; however, the City and Calvary Temple together conservatively hope to have at least 60 benefit from the services.
	Location Description	Twelve Thirteen Studios, 1213 V Street, Merced
	Planned Activities	Funding will be used for eligible costs including auto insurance for church-owned vehicles, mileage, contracted bookkeeper costs, printing costs, office supplies, client support, and program supplies. IDIS Matrix Code: 05H/Employment Training (living skills, self-sufficiency, job coaching); Eligibility: 24 CFR 570.201(e); National Objective Met: LMC/Low-Mod Clientele (LMC) Nature and Location – 24 CFR 570.208(a)(2)(i)(D).
13	Project Name	PSA - CDBG: WBFMI/SERENITY Strengthen Transform Affirm Restore Support (STARS) Program (PY2024)

	Target Area	City Wide
	Goals Supported	3A Provide Vital Services for LMI Families
	Needs Addressed	Public Services & Quality of Life Improvements
	Funding	CDBG: \$25,425
	Description	<p>Walking by Faith Ministries International (WBFMI) is a California Nonprofit Public Benefit Corporation whose purposes include developing innovative evidence based programs to address social determinants of health for at-risk youth, low-income families, seniors, and individuals with disabilities. WBFMI has created an exempt subsidiary entity named SERENITY for the purposes of carrying out youth, housing, and other health and community support programs. The Strengthen, Transform, Affirm, Restore, and Support (STARS) After School Program is part of their Youth Empowerment Center that will serve at-risk youth ages 10-24 that reside in the City of Merced. The program goals are to: 1) improve academic performance through after-school tutoring, gang prevention through positive activities and promoting a healthier lifestyle, and through peer mentoring to encourage pursuit of higher education and/or employment readiness. The STARS program will focus on fundamental academic skills in math, science, reading, and language arts for low-income students who are achieving poor academic outcomes. An individualized curriculum will be created to address each specific need and area of focus. Mentoring and additional support in a safe environment will be available to enable each student to foster their self-worth, help them develop self-care and positive social skills, and plan their academic future. Progress will be measured through quarterly assessments enabling data collection, evaluate outcomes, and modify curriculums as needed. The program will support those low-income youth who are homeless, at-risk of becoming homeless, disabled, and/or with behavioral health or substance abuse challenges with gang prevention and restoration services, bully prevention services, case management, transportation services, behavioral health and substance abuse counseling, and life skills development. Targeted outreach will be carried out in Eligible Census Tracts to inform the target population about the program.</p>
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	SERENITY hopes to assist at least 40 low-income city resident youth of ages 10 to 24 years of age.
	Location Description	Program services will take place at the Perry/Yokley Family Development Center, 740 Canal Street, Merced. Some services or administrative work may also occur at the WBFMI/SERENITY offices at 650 W. Olive Avenue, Merced.
	Planned Activities	Youth Services, including behavioral health and substance abuse counseling, mentoring, social development, gang prevention, and scholastic tutoring; IDIS Matrix Code: 05D/Youth Services; Eligibility: 24 CFR 570.201(e); National Objective Met: LMC/Minimum 51% Low-Mod Clientele - 24 CFR 570.208(a)(2)(i)(B). This program will not be restricted to exclusively LMI participants to allow for youth whose families are over-income to participate if they could benefit from the program.

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 and/or census tract.

Merced primarily selects projects based upon housing needs and various clients served through public service activities, with most of the Federal and State funding allocations being invested in qualifying Census Tracts. Not all of the activities funded through the CDBG and HOME programs will occur within these census tracts, since some programs benefit residents City-wide.

HUD requires that, at a minimum, 70% of total funding will benefit LMI individuals and households. Each year, the City strives to far exceed the minimum, and 2024 is no exception. We expect that 84.3% of our CDBG and HOME activities will be focused to benefit residents in Eligible Census Tracts or at specific sites located within those census areas, all of which are directed to projects expected to benefit LMI individuals and families. The City's ultimate goal remains at 100% LMI benefit, which is achievable regardless of census tract orientation.

Geographic Distribution

Target Area	Percentage of Funds
City Wide	16

Table 8 - 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, the 2020-2024 ConPlan 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

The City of Merced will specifically target a minimum of 70% - with the ultimate goal being 100% - of all funding to benefit low- to moderate-income residents living within the City limit boundaries. Defined as an area in which at least 51 percent of households have an income of 80% percent or less of the Area Median Income (AMI), approximately three quarters of the City is within a CDBG Income-Eligible Census Tract, which HUD has pre-determined are income-eligible areas based on the latest census data. Although the 2024 AAP will not (at this time) feature public infrastructure or facility improvement projects, those projects are typically focused specifically to these income-eligible areas, while other projects are intended to serve primarily LMI residents through the projects themselves (i.e., public services, owner-occupied rehabilitation, and affordable housing).

While approximately 15.7% of 2024 total CDBG and HOME funding will be directed to citywide beneficiaries, approximately 30.8% of just CDBG itself will be directed to projects that serve LMI residents citywide, while the remaining funds will be directed specifically to certain projects that will serve LMI residents in specific HUD Eligible Census Tract areas or specific project sites. 2024 Eligible Census tract area numbers, general location descriptions, and resident population are:*

- Census Tract 10.03 (Loughborough Drive/Meadows Ave/Devonwood Drive – North of Bear Creek, South of Black Rascal Creek, East of Highway 99, West of R Street); 4,541
- Census Tract 10.05 (Highway 99/Willowbrook Dr/Shadowbrook Dr/Cooper Ave - North of Highway 99, North/West of Bear Creek, South of Santa Fe Railroad, East of city limit boundary); 2,459
- Census Tract 13.01 (West Central Merced – North of Highway 99, South/East of Bear Creek, West of M Street); 2,984
- Census Tract 13.02 (Central Merced – North of Highway 99, South of Bear Creek, East of M Street, West of G Street); 2,911
- Census Tract 14.01 (East Central Merced – North of Hwy 99/140, South of E Santa Fe Drive, East of G Street); 3,336
- Census Tract 15.02 (Upper Southwest Merced – North of W. 9th Street, South of Highway 99/Highway 140, East of X Street/West Avenue, West of M Street); 2,351
- Census Tract 15.03 (Central Southwest Merced – North of West Childs Avenue, South of W. 9th Street, East of West Avenue, West of M Street); 5,314
- Census Tract 16.01 (Central Southeast Merced – North of West/East Childs, South/West of Highway 99, East of M Street); 5,124
- Census Tract 16.03 (Southern Merced – North of Dickinson Ferry Rd, South of Childs Ave and city limit boundary, East of West Ave, West of Hwy 59); 3,965
- Census Tract 17.00 (East South Merced – North/East of Highway 99, South of Highway 140, West

of Coffee Road); 7,308

*(Population data source: PolicyMap.com - 2022 Census and Population Data)

While there are several other constraints, the primary obstacle to meeting the needs of target income residents is that there is a lack of funding to fully address all the needs. Even with the limited financial resources, the City attempts to address many of the needs of the community by leveraging funds with developers and providing financing to several non-profit organizations to address the variety of community needs.

Another obstacle to meeting underserved needs is the location of many available services in the County of Merced. The City works with transit agencies to improve access, and there are hourly public transportation linkages between Merced and other communities located within Merced County and other neighboring San Joaquin Valley communities. The City has encouraged many regional non-profit organizations to operate "satellite" offices within the City of Merced.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

This section provides an overview of affordable housing goals in Merced for the 2024 program year. It focuses specific 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 will encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Merced County. When possible, specific emphasis will 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, land donations, providing in-kind technical assistance for housing developers, financing and funding assistance, fee deferrals, 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.

The City's strategies related to CDBG & HOME-funded efforts relate to providing funds for public service activities, developing partnerships with housing organizations, providing secondary financing to affordable housing developments, providing forgivable loans to homeowners for rehabilitation projects to their homes, and secondary financing loans to qualified First Time Homebuyers when funding is available.

The City of Merced has established the following affordable housing goals for its 2024 Annual Action Plan.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	38
Special-Needs	0
Total	38

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	33
The Production of New Units	0

One Year Goals for the Number of Households Supported Through	
Rehab of Existing Units	3
Acquisition of Existing Units	2
Total	38

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The figures noted above comprise of the following Program Year 2024 projects:

Number of Households to be Supported by Population Type:

Homeless Households Supported:

- For 2024, the City is not targeting funding directly to house homeless individuals or families, or those that meet the definition of homeless, such as those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition. This said, these populations may indirectly be served through other housing types, such as rental assistance.

Non-Homeless Households Supported:

- Sierra Saving Grace Homeless Project - Rental Assistance to support 33 non-homeless households to prevent homelessness - 33
- Sierra Saving Grace Homeless Project - Acquisition with Rehabilitation Project to both acquire and rehab at least 2 household housing units (2 units acquired/rehabbed) – 2*
- Central Valley Coalition for Affordable Housing – HOME CHDO duplex rental housing rehab project at 1933/1935 H Street - 2
- Habitat for Humanity Merced/Stanslaus Counties – Rehabilitation of 241 E Main Street - 1

Special Needs Households Supported:

- None for 2024

Households Supported Through Project Types:

- Short-term Emergency Rental Assistance - Sierra Saving Grace Homeless Project: 33 households
- Production of New Units - Affordable Rental Housing Construction: 0 households
- Rehabilitation of Existing Units – Habitat for Humanity Merced/Stanslaus Counties (1); and Central Valley Coalition for Affordable Housing (2): total of 3 households*
- Acquisition of Existing Units – Sierra Saving Grace Homeless Project - Acquisition: 2 households*

* Sierra Saving Grace project is both rehab (2 units) and acquisition (2 units), but is being counted here as 2 units of acquisition only to avoid double-counting.

For 2024, the aforementioned number of households assisted relies primarily on the ability of the City to

provide financial assistance to multiple non-profit organizations. These organizations are tasked with assisting individuals and households within the City of Merced. Annually, these programs are designed to assist a variety of individuals through either rehabilitation of existing units or by acquiring, improving, and expanding their housing stock portfolio. Some of these programs may be funded with non-HUD resources but will achieve the overall goal of improving and increasing the number of affordable units within our community. To help achieve this goal, the Housing Division was able to budget other funding sources as part of the overall Housing Division Fiscal Year 2024-25 budget. Not included in these tables are projects for which the City is using only non-HUD funding, such as California Homekey projects.

AP-60 Public Housing – 91.220(h)

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 Housing Authority of the County of Merced (HACM, or “Authority”) is the Public Housing Agency, or PHA, serving the City of Merced and all other jurisdictions within the County of Merced. The Authority provides and manages public housing, including the Section 8 Program, and currently administers 2,705 Housing Choice Vouchers. Though the housing needs that are being addressed in the community through annual programming should overlap and complement each other, the HAMC is independent of the City of Merced, and the City retains no control over PHA funding or implementation of programs. Except for the City’s role as Responsible Entity for authorizing environmental clearance on PHA projects within the City, including Project Based Voucher subsidized projects, the City of Merced does not own or assist in operations of public housing.

Currently, the City and non-profit affordable housing developers partner with the HAMC to develop multi-family projects within the community whenever feasible. Similarly, the City of Merced is willing to work with the Authority and local nonprofits to provide support services to low-income families who live in public housing, as well as the potential to use our HUD fund allocations to help develop more public housing projects in Merced.

The HAMC has pledged voucher assistance to affordable housing developers currently working on projects in Merced, including:

- CC915 Veterans Housing Homekey project – a housing project built entirely of converted shipping containers, the project will include 20 VASH vouchers to house formerly homeless veterans.
- Up Holdings, Inc. Park Avenue – this 67 unit affordable housing complex will receive voucher assistance from the Authority to support the entire project.
- Linc Housing – 58 Project Based Vouchers will be supplied by the Authority.
- The Richman Group/Central Valley Coalition for Affordable Housing – 39 Project Based Vouchers for the Devonwood Apartments project currently under construction.

As projects break ground, applications are accepted from eligible households with vouchers from the Housing Authority.

In January 2022, the Authority selected 1,200 applicants from the existing waiting list for housing. However, due to the lack of available units and resulting high vacancy rate, many of these families have experience difficulty finding and securing housing. However, since then, there have only been 118 new

units of affordable housing constructed within the City limits, so unit availability is still lacking. This being said, the 156-unit Devonwood Apartments currently under construction will use 39 Project Based Vouchers (PBV's) issued by HAMC, which should help ease the issue of lack of available units.

In July 2024, the Authority began accepting online pre-applications in order to fill waitlists for Project Based Program (PBV) and Public Housing (PH) voucher programs. The lists were opened for ten projects countywide, and four of the projects are in Merced City. The waiting list application period closed on August 19, 2024. Residents could enlist the assistance of two partnering agencies, Turning Point/New Direction and Healthy House Within A Match for help with the application process, and the Merced County Library offers free daily public access to computers to access the internet.

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

The HACM receives its annual contribution of funds from HUD through the comprehensive grant mechanism used to maintain the Authority's operations, renovate units, and meet local, state, and federal requirements for housing projects. Like all federally assisted projects, HAMC projects are subject to the requirements of Section 24 CFR Part 58, which requires the Housing Authority to process the National Environmental Protection Act (NEPA) certification through the local unit of local government (the Responsibility Entity, or RE), which is the City of Merced.

In May 2023, the City of Merced reviewed and certified concurrence with five NEPA analysis prepared by HAMC's environmental consultant for five of the Authority's planned rehabilitation projects that are located within the City of Merced's jurisdictional boundaries. The projects were evaluated the projects against the federal laws and authorities listed in 24 CFR 58.5, and the projects were determined to have no effect to the environment and will be in compliance with those laws.

As such, the Authority will be implementing modifications to existing public housing units, based on the Section 504 Needs Assessment that it completed. Refer to the Authority's Public PHA Annual Plan for further information.

The Housing Division continues to partner with multiple non-profit organizations to acquire existing housing units and construct new affordable housing units on an ongoing basis.

The City has continued to address the affordable housing needs with partnerships and leveraging the fiscal resources received from HUD and other Federal and State agencies for the acquisition and development of new affordable housing units.

The Authority, over the course of their 5-year agency plan, will be assessing its current Public Housing stock to see if it continues to meet the need of the City/County or how better to utilize the land and/or other types of affordable housing.

Authority Statement of Housing Needs and Strategy for Addressing Housing Needs

The following is the Authority's statement of housing needs and their strategy for addressing the housing needs of the County:

"The Housing Authority of the County of Merced offers affordable housing opportunities to our community by providing access to a variety of services and programs to promote self-sufficiency and to enhance the quality of life for those we serve.

We strive to provide housing assistance, training, education, and homeownership opportunities by participation in the acquisition, development, and operation of affordable housing through the utilization of various funding sources and partnerships that builds pride and responsibility in our residents.

We are committed to giving our clients and each other courtesy, respect, and quality customer care. We will ethically apply the laws, rules, and regulations that govern this Agency, and further affirm the value and dignity of each person we serve and with whom we work."

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

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

The Authority encourages public housing residents to participate in policy, procedure, and program implementation and development. Public housing residents participate in the development of the Authority's five-year and annual plans.

HACM Homeownership Program

In the past, the Authority also offered a Homeownership Program (HOP). It is no longer available, however, as previous units available have all been sold. The following is a brief description and the success of their program:

The Authority created a HOP for tenants residing in public housing. The program was established to provide an opportunity for low-income families who ordinarily could not afford to buy their own homes, to do so. Families are required to meet normal eligibility requirements for public housing and must have demonstrated the potential to achieve homeownership status. Such potential involved stable, sufficient

income in order to pay any operating costs and build up equity towards the required down payment. Prospective tenants are required to attend a variety of classes which include homeownership, credit counseling, home maintenance, how to maintain a loan, etc.

95 families have benefited from the program and achieved homeownership.

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

HACM is not designated as troubled.

Discussion

Current data, including the Authority's "PHA 5-Year and Annual Plan" and a wealth of other information on programs, housing resources, budgets, and financial planning, and reporting is available on their website at <http://www.merced-pha.com>.

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

Introduction

The City's strategy related to the needs of the homeless, those at risk of homelessness, and other special needs populations involves the funding of supportive services in Merced or regional services that also specifically address homelessness in the Merced City limits.

In the past, with CDBG public service funding, the City of Merced assisted the Merced Rescue Mission with the fiscal resources necessary to operate an overnight warming center to temporarily shelter homeless individuals during the very cold and rainy-season winter months within large rooms provided by local churches. Since the 2021 program year, the Merced Rescue Mission has been able to provide these services without CDBG assistance in a large room at the Navigation Center on B Street in Merced, absorbing the related operating costs as part of the center operations.

In recent years, the City has assisted the developer team of Central Valley Coalition for Affordable Housing and The Richman Group, Merced Rescue Mission, and Sierra Saving Grace with grants or loans to either preserve existing affordable housing or add additional affordable housing units to the community through rehabilitation or construction of affordable rental housing. Many of these units are used for permanent supportive housing for formerly homeless.

Currently, there are many homeless services available within the City of Merced. These services are managed by a variety of countywide organizations. Many of these programs work in collaboration with the Merced County Continuum of Care, which is the County's Collaborative Applicant that oversees Emergency Shelter Grant (ESG) and other such funds received on a yearly basis from the California Department of Housing and Community Development (HCD) and HUD. Through collaborative data gathering and strategic planning, City continues to work closely with the Continuum of Care member organizations to determine how the needs of the homeless population can be assisted with CDBG and HOME funds. A City representative is on the Continuum of Care Board, whose meetings bring together the region's homeless service providers and advocates to develop the best ways to address homelessness. The meetings help to ensure that there is little duplication of services, which increases the effectiveness of a limited amount of funding between all the participating organizations.

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

Each year, the City prioritizes the financial support of programs and services that will benefit homeless, at-risk, and special needs individuals and families and support regional homeless prevention strategies through its CDBG public service and other funding sources, as available.

During the 2024 program year, the City will support the following programs which seek to address the priority needs of homeless and special needs populations within the city limits.

2024 Program funding to serve homeless and special needs individuals:

1. *Harvest Time – Food Distribution Program for Homeless and Very-Low-Income Families*: this project will provide this existing homeless and LMI food distribution program with \$40,000 of CDBG funds, towards its “Food 4 You” program to help pay for staffing costs, utility, and other eligible operating costs of the program. In addition to the distribution of food boxes to LMI households, nutritious prepared meals are delivered directly to the homeless throughout the City of Merced via a collaborative effort with the Merced Rescue Mission. This collaboration came about as a direct result of discussions held during the Community Input and Service Organization NOFA information meetings for the 2023 Annual Action Plan.
2. *Merced County Human Services Agency (HSA) – Collaborative Applicant Homelessness Planning*: this project will provide \$38,000 of the City’s CDBG funds to support data collection, analysis, and strategic planning efforts to address homelessness within the City limits of Merced by the County’s Human Services Agency, who acts as the Collaborative Applicant to analyze and address homelessness strategy countywide. As the City does not have the resources to do this work ourselves, this collaborative approach to determining and successfully addressing the needs of the City’s homeless residents is vital to meet that effort.
3. *New rental housing construction*: a HOME-funded project for new construction of rental housing could potentially also include units with on-site case management for formerly homeless and/or special needs individuals. Additionally, HOME-ARP funds, through approval of the HOME-ARP Allocation Plan that is a part of the 2021 Annual Action Plan, are conditionally reserved for Upholdings' Mercy Village multi-family project that will include a number of units for special needs mental health patients. Formal commitment of those funds are expected during the 2024 program year.

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. In 2019, the Zoning Ordinance was amended to allow Emergency Shelters as a permitted use in General Commercial (C-G) zones, and a Conditional Use in Central Commercial (C-C) and Thoroughfare Commercial (C-T) Zones. 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).

2024 Program Funding to address emergency shelter and transitional housing needs:

1. *Planning Activity Support for the HSA - Collaborative Applicant:* As discussed in the homeless population one-year goals section above, the City will provide CDBG funding to support the Agency's strategic planning role as the Collaborative Applicant. In addition to funding for programs to benefit homeless persons, the CoC also seeks federal, state, and other funding for programs that address the provision of emergency shelter and transitional housing needs in the community. Therefore, through this collaboration, the City helps the Human Services Agency strategize the use of shelters and transitional housing in addressing homelessness, including to assess if more of these types of housing for the homeless are warranted, and whether the City could strategize future funds to contribute a portion towards those projects.

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 continues to prioritize assisting homeless persons make the transition to permanent, independent housing, which includes contributing to homelessness planning efforts of the CoC.

Through the Continuum of Care and its community-based non-profit member organizations, the County has implemented a mixed-model Housing First and Rapid Re-housing approach in recent years. The CoC, combined with the County's emergency shelter and transitional shelter bed inventory, largely contributed to the effort to limit the effect of the COVID-19 pandemic and the rising cost of living on local homeless counts.

While COVID-19 and rising inflation are factors in recent year to year fluctuations, it's important to look

to previous “normal year” figures for comparison and indicators of efforts to address homelessness. Since the 2019 pre-pandemic Point in Time Count, the total number of homeless within the city has increased by 135% (from 419 in 2019 to 566 in 2024). That being said, in this same time frame, the number of unsheltered individuals within the city limits has decreased slightly, from 204 individuals in 2019 to 197 in 2024. This indicates the success of efforts and the use of available funding by all agencies to shelter the homeless in some way, whether by newly constructed units with permanent supportive housing or through transitional or emergency shelters. The Childs and B “Childs Court” Apartments included 30 units of permanent supportive housing and on-site case management for formerly homeless individuals and families, and since 2019, the Navigation Center has also been built and is providing services. The City’s use of CDBG funds for acquisition of single family and duplex/triplex housing has also contributed to these efforts.

However, the increase in the number of sheltered individuals, from 215 to 369 (154 individuals – a over 171% increase) indicates we still have much work ahead of us in terms of finding suitable projects and funding for permanent housing.

Housing First is recognized as an evidence-based best practice model by national researchers and policymakers based on years of research and implementation. The use of Housing First 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. The Navigation Center uses a mix of these two models, by temporarily providing housing while concurrently assessing the need for services and matching them with housing to meet their individual needs.

The January 2024 Homeless Point in Time count report indicated that 271 individuals were in temporary shelters, and 98 were in transitional housing within the city limits. With the need for permanent supportive housing part of the long-term equation to successfully transition individuals into successful, fully-independent living, the number of permanent supportive units in the City and surrounding area must catch up to the number of individuals who will need them now and in the future.

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 City and County Continuum of Care in using the approaches to housing that were described previously. The 2024 homeless count revealed that 46% of the 428 unsheltered persons countywide are in the City of Merced (slightly down from 2023), and almost 92% of the 402 sheltered persons counted are in the City of Merced. It can be assumed that many of the unsheltered homeless population counted are chronically homeless and in need of longer-term assistance such as long-term/voucher rental assistance and wrap-around social services such as mental health care, employment services, and life skills training. For those of the unsheltered homeless population that are not chronically homeless, they will likely need shorter-term assistance, such as a few months of rental assistance, and are not as reliant on social services.

Much of the program work to address some of the causes of homelessness - behavioral/mental health, drugs and alcohol - are handled primarily by County agencies and programs, and the vast majority of that work is best equipped to stay within those agencies, as to avoid duplication of services, but mainly due to the fact that the City does not have the same resources as the County. However, the City can assist the overall effort with funding for other collaborative, complementary, and supporting programs that help identify and strategize homelessness prevention in other ways.

2024 Program Funding to Homelessness Prevention:

1. Emergency Assistance: Since 2018, Sierra Saving Grace Homeless Project has successfully run a short-term rental assistance program for low- to moderate-income City of Merced residents who need temporary help paying for their housing. Too many of Merced's residents are living paycheck-to-paycheck with no savings and working multiple jobs just to make ends meet each month. Occasionally, these residents need assistance in making these payments so that their limited income can go towards other basic necessities such as transportation, food, or clothing for themselves and their families. In this way, these at-risk households are able to avoid losing their housing and becoming homeless. In program year 2019, the rental assistance program was successfully expanded to include help with mortgage and gas/electric utilities, which will continue with \$60,000 in CDBG funding for Program Year 2024. Last program year, the \$35,500 provided to this program was exhausted after only three months, illustrating the immense need for this type of program to continue.
2. Tenant/Landlord Counseling: There has been a rising trend in the number of calls and referrals by both tenants and landlords needing help with disputes. Although the City contracts with Project Sentinel, Inc. for fair housing services, this service does not extend beyond fair housing discrimination education, counseling, and when needed, advocacy and representation in individual discrimination cases. It does not include mediation for cases that do not involve the protections covered under the Fair Housing Act (those involving race, color, national origin, religion, sex/gender identity, familial status, and disability). Additionally, the January 2023 floods made basic tenant/landlord counseling services rise near to the top of community need, and the new program was included in last year's 2023 Annual Plan. The public service program

will continue for the 2024 Program Year with \$25,000 of CDBG funds. In turn, this will provide additional homelessness protection for those disputes that can be successfully mediated.

3. Senior Services: The Healthy House Within A Match Coalition Undoing & Preventing Homelessness and Abuse in Later Life program contains a homelessness prevention aspect, providing emergency assistance, life skills training, housing advocacy, and connections with social security income resources.

Discussion

The City will continue to support homeless service providers that work collaboratively under the Continuum of Care network through yearly funding to focused service programs, such as advocacy and case management for homeless elderly or at-risk families and youth. In addition, the City intends to support and complement the goals of both the existing 2011 Merced County 10-Year Plan to End Homelessness and the County of Merced Community Regional Homeless Plan by striving to accomplish any or all of the following goals and activities each year, where possible:

- Develop and implement a “balanced” plan that will effectively approach the issue of homeless encampments and other related matters
- Develop partnerships between local government and non- and for-profit affordable housing developers to fund and construct housing that includes units set aside for homeless individuals and families.
- Through these and other partnerships with community agencies, fund and construct more affordable and market rate housing units to help ease the extremely low inventory of vacant units available to rent, which is contributing to the homeless problem in Merced.
- Continue to find means and incentives to make the construction of affordable and permanent supportive housing more feasible and attractive for developers.
- Requiring all public service program subrecipients that provide housing-related services to participate in the CoC’s Coordinated Entry System (CES), to help facilitate coordination of homeless and homelessness prevention services to individuals and families countywide.
- Continuing to provide fair housing services to the residents of Merced City in order to prevent housing discrimination and unlawful evictions.
- Continue to support programs that prevent homelessness and unsafe living conditions that lead to homelessness, such as rental/rental deposit, mortgage, and utility assistance and owner-occupied rehabilitation programs.
- Continue to support programs and services that help residents locate and secure suitable permanent housing.

In March of 2020, the City Council approved a Memorandum of Understanding with multiple County Agencies to establish a Homeless Court Program (HCP), a collaboration that will allow homeless and formerly homeless individuals to resolve outstanding eligible pre- and post-judgement criminal cases and/or infractions, in the interest of promoting public and individual safety and self-sufficiency. The HCP

will help address the unique needs of the homeless population's legal challenges, which oftentimes hinder an individual's ability to re-establish themselves into employment and housing. The HCP is designed to reward those who have made significant progress in improving their situation by providing them access to additional community and court resources. Eligible cases for the HCP include both infraction and misdemeanor traffic and criminal fines. Staff support will be provided by the City Manager and City Attorney's office on behalf of the City of Merced and, initially, Merced County staff will facilitate and implement the administrative functions of the program.

The City does not administer the Housing Opportunities for Persons With AIDS (HOPWA) Program, but there is coordination and contact with the Merced Continuum of Care to provide services to individuals with AIDS within the City and County.

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.

The City has undertaken a number of actions to reduce potential barriers and constraints to affordable housing, as well as promote housing for special needs populations. These include providing regulatory incentives, density incentives, and several other measures to affordable housing developers. These programs are described in more detail in the City's Housing Element. Additionally, the City has undertaken policy changes and use of a combination of housing development tools that will ensure that affordable units get built alongside market rates ones (explained further in the Executive Summary and in the attachments).

Programs that reduce barriers to affordable housing include:

- Fair Housing Services provided by a Project Sentinel (2024).
- Tenant and Landlord Dispute Counseling provided by Project Sentinel (2024).
- Short Term Rental, Mortgage, and Gas/Electric Utility Assistance for LMI households (Sierra Saving Grace) (2024).
- Currently running a three-year program to provide owner-occupied rehabilitation program, through forgivable loans to homeowners needing health and safety repairs to their property (Habitat for Humanity of Merced/Stanslaus Counties).
- New Affordable Rental Housing Construction – all available HOME funding will be directed towards a future affordable housing project.
- State CalHome First Time Homebuyer Program (FTHB) funding through a partnership with Self-Help Enterprises.

- The Regional Housing Needs Allocation Unit Production Plan adopted by City Council on April 4, 2022, utilizes various land use entitlement tools to require the production of affordable housing units as part of new market rate development projects, including residential and mixed-use developments.

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 be able to purchase a home. A monthly mortgage payment typically provides more housing per bedroom than rental housing, as the latter is more expensive. To address this problem, the City of Merced applies for First Time Homebuyer Program (FTHB) funds whenever possible.

In December 2021, the City of Merced, in partnership with Self-Help Enterprises, applied to State HCD for 2021 CalHome First Time Homebuyer Assistance funds as well as funds for Owner-Occupied Rehabilitation, and on April 19, 2022, the City was awarded \$2,500,000 total for both activities. These programs are now fully implemented and are currently being assisted. Self-Help has prioritized its initial FTHB assistance to the list of pre-qualified interested residents the City maintained during the approximate seven years that the City did not have a FTHB program funding. The list was forwarded to Self-Help Enterprises to begin the new program. Currently, two FTHB transactions have been completed, with more being processed or in escrow. To date, no rehab projects have progressed beyond the initial application and screening process.

The Housing Division maintains a loan portfolio of previous FTHB loans, which were funded through various sources such as State 2006 and 2012 CalHome funds. Though conditions and terms are slightly different between these funding sources, applicants must have demonstrated financial need and pre-approval for a first mortgage, and the second mortgages were financed as a low-interest deferred loan payment. As these loans are paid off, the income is then used to provide funds for new loans, which Self-Help Enterprises may also help administer after fully distributing the 2021 funds.

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, with Habitat for Humanity of Merced/Stanislaus Counties (HHMSC), administers a Homeowner Rehabilitation Program funded by

Community Development Block Grant (CDBG) funds.

This program offers these homeowner rehab activities through a 10- or 15-year forgivable deferred loan, with the caveat being that the homeowner has to remain the occupant of the home for the full term of the loan, after which the balance is then forgiven. If the owner moves out or the ownership is transferred before this time, the balance with interest then becomes due and payable.

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.

Efforts to Amend Policies

The City has taken measurable actions in recent years to amend policies and adopt the Regional Housing Needs Allocation Unit Production Plan, which allows staff to use several mechanisms and other tools at our disposal that will serve to help generate more new affordable housing units in the City.

Discussion:

2024 Program Funding to Provide Fair Housing Activities:

1. A total of \$33,552 in HOME administrative funds will be spent in FY 2024 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 and provides tenant and landlord counseling related to claims of discrimination, complaint-based investigations, legal services, and community-wide fair housing education and information. Project Sentinel will emphasize education of general housing rights to low-income tenants and housing providers, including property owner, managers, and property management companies.
2. Project Sentinel will also administer a Tenant and Landlord Counseling Service to handle non-discrimination-based disputes, with \$25,000 of 2024 CDBG funds as a public service.

2024 Program Funding to help remove constraints for First-Time Home Buyers:

1. The City was awarded \$1,125,000 of 2021 CalHome First Time Home Buyer program funding by the State of California for the purchase of single-family homes as gap financing for first time buyers. Self-Help Enterprises is administering this program and has provided assistance to approximately four homebuyers thus far, with more in the works.

2024 Program Funding for Low- to Moderate-Income Homeowners to Maintain Safe Housing:

1. Oftentimes, homeowners can afford to purchase a home, but not to maintain it over many years, especially large-dollar and hazardous repairs like roof repair or replacements, HVAC system repairs or replacement, and removal and abatement of lead paint and/or asbestos-containing materials. Many of these homeowners are elderly and on fixed incomes. The City has provided a combined total of \$300,000 of 2022 and 2023 CDBG funds to Habitat for Humanity of Merced/Stanislaus Counties towards a three-year program to carry out homeowner occupied rehabilitation activities to benefit low-income homeowners needing necessary life-safety repairs to their homes. This program has been implemented, but will not need the third year of funding (2024 funds) that were originally planned for the third year.
2. 2021 CalHome grant funding – as part of the 2022 State CalHome award, \$1,375,000 was awarded to carry out Owner Occupied Rehabilitation (OOR) programming similar in type and scope to Habitat for Humanity. This program has been implemented but has not yet assisted any homeowners.

Community input from public meetings substantiated much of what the Housing Authority and 2016 Housing Element had reported - that housing is still lacking for senior citizens, foster youth who are aging out, and special needs adults. With identified areas of need, this and future plans will work toward addressing these specific populations. Additionally, the City conducted a review of public policies as a part of its 2020 Analysis of Impediments to Fair Housing (AI) to determine actions that may impede the development of affordable housing. This review is found in Section 4 of the AI, which can be found on the City's website at: www.cityofmerced.org.

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
- 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 is striving to address over this current five-year Consolidated Plan period (spanning the 2020-2024 program 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, chronically homeless, and services to seniors, youth, and veterans
- 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 job training
- 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 six priorities, the City identified the following 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

2024 Program Funding to Upgrade Public Facilities and Infrastructure and Improve Accessibility:

There are no Public Facility and Infrastructure improvement or Accessibility (Americans With Disabilities Act - ADA) projects planned with 2024 funds. However, the 2023 K Street ADA/Water-Sewer Main Improvement Project is being implemented during 2024 and may be completed by June of 2025.

2024 Program Funding to Support Special Needs and Improve Public Facilities/Services:

None planned

2024 Program Funding to Promote Economic Development:

None planned

All of the above projects are important, as they serve to promote and improve accessibility and access to quality of life and life-saving amenities for all residents of Merced. Due to the expansion of Merced largely into northern parts of the city in "boom" years and the lack of sufficient funds and staff resources, South Merced contains older sections of infrastructure that may not meet current ADA standards (though met older standards when originally installed). The City is committed to upgrading these older areas of the City as it has CDBG and local funding and staffing resources available.

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 2024 program year. These projects include:

- Continue to advance current work on subsidy layering strategies, grant fund applications, and tax credit applications, preparation of preliminary and final commitment documents and agreements, environmental reviews, other related tasks involved with several affordable housing developers and their proposed projects using ARPA, HOME-ARP, LMI Asset funds, State and Federal tax credits, State Permanent Local Housing Allocation (PLHA), Homekey, and other funding sources in order to move to and finish construction of new affordable housing units over the near future years (Visionary Home Builders/Bella Vista - Parsons Avenue – 108 units; Upholdings/Mercy Village - Park Avenue – 67 units).
- Continue with the pursuit of disposition and subsequent development of former Redevelopment Agency properties for affordable housing; partnering with three housing partners to construct a total of 78 new affordable housing units on these properties (Fuller Center for Housing of Merced County – 4 units; Linc Housing – 58 units; and CC915 – 21 units nearing completion).

- The Regional Housing Needs Allocation Unit Production Plan for all new market rate developments has been implemented.
- Monitoring of past projects to ensure they remain assets for safe, affordable housing.

Although the current economy offers significant challenges to many households, homeownership has become less affordable as a result of increasing prices and interest rates and a historically low inventory of houses available for purchase. Due to the limited supply, low income households struggle to find adequate and affordable housing because of high demand, rising costs, and competition from other buyers, including out-of-town investors. Additionally, there is a severe shortage of rental housing available in the City of Merced. Vacancy rates are consistently under 1% availability, especially when UC Merced is in session.

Many of the City's efforts to foster and maintain affordable housing relate to the General Plan's Housing Element, which is currently undergoing an update. Community input from public meetings substantiated much of what the Housing Authority and Housing Element has reported – that housing is still lacking for senior citizens, low-income, and special needs adults. With identified areas of need, affordable housing projects will strive to consider these populations when possible.

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 and Central parts of Merced area where there are concentrations of families in poverty, homes built before 1978, and substandard housing, 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, Habitat for Humanity's Owner-Occupied Rehab (OOR) program, and the acquisition and rehab programs run by partners Sierra Saving Grace and the Merced Rescue Mission. All housing acquisition and rehabilitation projects are assessed for lead-based paint and lead-based paint abatements are performed by appropriately licensed contractors.

Since a majority of housing units in the City of Merced were built before 1978, the City routinely tests all rehabilitation projects for lead-based paint. After assessment and testing, if deteriorated lead-based paint surfaces are found, they must be stabilized during the rehabilitation of the property and prior to project closeout. As required by Federal and State funding sources, housing rehabilitation programs must comply with the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) and subsequent changes made in September 1999 and Lead Safe Housing Rule (LSHR) regulations (24 CFR

Part 35).

The procedures regarding lead-based paint in rehabilitation programs may include, but not be limited to, and in no particular order:

- Visual Inspection
- Notice to Occupants
- Identification
- Paint Testing
- Paint Stabilization
- Treatment (if necessary)
- Ongoing Lead Based Paint Maintenance

On January 13, 2017, HUD published an amendment to the LSHR on responding promptly to cases of children under age 6 living in certain categories of HUD-assisted housing. The City of Merced Housing Division is working to train staff on these changes and to ensure that all housing projects, including HUD-assisted public infrastructure or facility, multifamily new construction, acquisition, and rehabilitation projects, remain compliant with LSHR requirements.

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, and providing public and social services, such as job training. The City will also continue encouraging and partnering with organizations who provide a continuum of services addressing the full range of needs of low- and moderate-income families, such as LifeLine CDC, whose program focuses on eradicating poverty for families living in the "Loughborough Area" of the City.

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 better able to live independent of public and private assistance.

The City's anti-poverty strategy is based on funding and supporting a range of housing, employment, and family service opportunities aimed at enabling those in poverty to move out of those patterns of hardship. For the workforce itself, the City will continue to look for ways to increase job training programs and the number of available jobs, including working collaboratively with Economic Development Department staff to attract more industries to Merced that provide specialized job training programs to the communities in which they are located. Industries that provide job skills training to match these technological times and foreseeable incoming industries will help raise those students and their families out of generational poverty.

The City will also continue to support activities that preserve and expand the supply of housing in Merced, to help make them more affordable to target income households.

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 will 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, but not limited to, outreach to non-profit and for-profit housing developers, providing in-kind technical assistance, expedited processing, funding assistance/support, land write-downs, fee deferrals, and incentives and concessions that meet or exceed State density bonus law as appropriate.

The City will especially encourage the development of housing units for households earning 30-50 percent or less of the Median Family Income for Merced County, as the housing need for this particular income level is great, especially lower incomes. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-resident occupancies (SRO's), accessory dwelling units (ADU's), transitional facilities, and housing units serving temporary needs.

The Development Services Department is responsible for the management, implementation, reporting, and monitoring of the Consolidated Plan documents, including the Annual Action Plan. The Housing Division within this Department is specifically charged with these tasks. The Division works in close coordination with the City's advisory commissions and the City Manager.

The City has designated staff positions to administer the programs and activities funded with CDBG and HOME funds. These staff members work with the individual City departments, such as Public Works, Development Services, Economic Development, and Parks and Recreation Department to develop procedures and coordination for administering programs that will be carried out by these departments. This staff also provides technical assistance to non-profits (subrecipients) on properly administering CDBG and HOME funds and developing eligible activities.

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

The City's Housing Division maintains primary management of, as well as the coordination of, the various organizations involved in these processes when working with programs and projects assisted with HUD dollars. The staff within the Division 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.

The City will continue to work closely with the County of Merced, which surrounds the City on all sides. The City will also continue to work with many of the non-profit organizations in the community to address the regional issues that affect the needs of target income persons, as well as special needs populations. A City representative will continue to regularly attend the Continuum of Care meetings to ensure homeless issues are being addressed.

Discussion:

Other Actions: Monitoring Plan Update

The City's Development Services Department, more specifically the Housing Division, 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 to ensure compliance with federal regulations. Procedures include in-house review of progress reports and expenditures and on-site visits. The monitoring system encourages uniform reporting to achieve consistent beneficiary information. Monitoring also aims to identify and resolve any program or other findings that may keep an organization from meeting its contractual obligations. Technical assistance is provided where necessary. Furthermore, project and financial data is maintained in HUD's IDIS (Integrated Disbursement Information System) software. Use of this system allows HUD easy access to local data for review and progress evaluation.

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 and/or HUD best practices
- 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 and Federal Register Notices on CDBG and HOME program planning requirements and rule changes
- Scheduling staff for training webinars/seminars whenever possible, in order to stay up to date on rule changes and ahead of the learning curve

Other Actions: Policies and Procedures Update

As part of an overall update to its Housing Division Policies and Procedures, the City plans to strengthen its existing subrecipient monitoring procedures by ensuring that specific HUD-recommended monitoring plan elements are included and/or expanded, 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 subrecipients of monitoring results
- Providing technical assistance
- Ensuring that corrective actions, if needed, are taken

Additionally, the Housing Division will finalize work already in progress to develop NEPA Environmental Policies and Procedures and fold them into the Housing Division's existing procedures. Housing staff will also be doing extensive work on creating comprehensive Policies and Procedures for both CDBG and HOME regulations, as required, to ensure that proper internal controls are being followed and to ensure overall City compliance with HUD regulations, especially as a result of recent HUD monitoring that has exposed weaknesses in these areas.

Finally, the Housing Division plans to review and update its Citizen Participation Plan, to ensure continued compliance with HUD regulations and to continue to find more efficient, wider-reaching ways of reaching residents and to solidify them into procedures.

Program Specific Requirements

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

Introduction:

The program-specific requirements that apply to the City are those for the CDBG and HOME programs.

Beginning with the 2021 Annual Plan, the City has reported that it would be repaying \$307,913.40 of CDBG funds and \$392,593.55 of HOME funds that were prematurely spent towards soft/pre-construction costs for the Gateway Terrace II (GTII) affordable housing project, the last of the corrective actions required from the January 2020 Environmental Monitoring findings. The City is now considering requesting a Voluntary Grant Reduction (VGR) instead of repayment. This would reduce the City's future CDBG allocations over a span of up to three years.

The City was previously considering repayment via the use of LMI Housing Asset local funds in conjunction with using this same local source towards new developer loans for the project. However, this project now will not move forward due to unforeseen HUD-related delays in transferring the ownership of the subject property from the Housing Authority to the developer. This means that the planned U.S. Treasury American Rescue Plan Act (ARPA) funds cannot be used for the project, as there is an expenditure deadline of December 31, 2024. This loss of funding means that the project cannot financially move forward and, thus, LMI Asset funds cannot be used for the repayment or the project or the repayment.

As a result of choosing VGR instead of repayment from another local source (such as General Funds), the City would not regain the use of the previously spent CDBG and HOME funds to use during Program Year 2024, the expected receipt of which would have been reported in this section of this Annual Action Plan. The City expects to submit its VGR request to HUD in Fall of 2024.

The total CDBG VGG/repayment for GTII consists of the following amounts and years of funding: \$307,913.40 of pre-2015 and 2015 CDBG funds (combined); \$357,812.46 of pre-2015 HOME funds, \$11,740.18 of 2015 HOME funds, and \$23,040.91 of 2016 HOME funds.

GTII expenditures were made towards the following using CDBG and/or HOME funds:

- Appraisal and Market Studies (HOME: \$23,200)
- Permit Fees/Water – State Water Resources Control Board (HOME: \$1,554)
- CSCDA – Performance Deposit (HOME: \$50,000)
- CTCAC – Reservation (HOME: \$5,182)
- Financial Advisory Services/Construction Financing (HOME: \$7,000)
- CPA Accounting Fees (HOME: \$10,625)
- Merced County Recording Fees (HOME: \$96)
- Legal Fees (HOME: \$45,000)
- Architect and Engineering Fees (CDBG: \$19,827.50; HOME: \$141,792.50)
- Permits and Fees – City of Merced (CDBG: \$236,767; HOME: \$42,711.79)

- Housing Division - Activity Delivery (CDBG: \$51,318.90; HOME: \$65,432.26)

In addition to the GTII corrections, the City intends to repay to HUD \$269,639.99 of 2016 HOME funds that was spent on construction costs of a 2016 project to build a second stand-alone single family unit at 1820 I Street. HUD also found this project deficient during the January 2020 Environmental monitoring. The City will be using local funds (LMI Asset Funds) for this repayment, which is pending in Fall 2024.

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	108,000
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:	108,000

Other CDBG Requirements

1. The amount of urgent need activities	0
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:

The City of Merced does not plan any other form of investment beyond those identified in Section 92.205 of the HOME Regulations.

The City typically invests HOME funds as equity investments, interest-bearing loans, non-interest-bearing loans, deferred payment loans, interest subsidies consistent with HOME regulations, and grants. The City does not typically choose to provide HOME funds as advances; however, this form of investment is permitted under Section 92.205 without special HUD written approval.

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:

Income-eligible applicants must take an eight-hour home ownership class and will have covenants placed upon the home for a period up to thirty (30) years, depending on the loan amount and program. Depending upon the First Time Homebuyer Program funding source, homes can either be purchased community wide or based upon pre-approved Census Tracts with a high number of low-income residents. This program is designed to assist families with incomes equal to or less than 80% of Area Median Incomes. These are eligible households that range in size and have very-low to low-incomes. All HOME loans provided by the City Program to first-time buyers include conditions to ensure compliance with requirements of 24 CFR 92.254, except State CalHome Loans.

For HOME funded activities, if the home is sold or transferred within 10 years from the date of the loan origination, the applicant shall also pay the City a percentage of the difference between the price paid for the property and its value at the time of sale or transfer. The percentage share is determined on a declining scale, beginning at 10% in the first year, and decreasing one percentage point each year to 0% in Year 10. The City limits the amount subject to recapture to the sale's net proceeds, which is the sales price minus loan repayment and closing costs (other than HOME funds). The limitation applies to all units, regardless of the type of recapture provision used or the nature of the sale (voluntary sales including foreclosures). The funds collected are reused as program income for future HOME Program funded activities.

For CalHome (State) funded activities, the loan is not assumable and must be paid in full upon sale or transfer of the property. The borrower may prepay the loan in part or in full without penalty. The funds collected are reused as program income for future First Time Homebuyer Loans.

Please also see the HOME Loan Guidelines attached to this plan.

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:

The HOME Loan Servicing Plan and Housing Division Policies and Procedures are attached to the Annual Action Plan. During the coming year, we hope to be able to update the Housing Division Policies and Procedures to incorporate and clarify the HOME resale and recapture information.

Applicants for multi-family units are required to enter into a Development Agreement and designate a specific number of units for income eligible residents. Projects usually call for funds to be loaned for a 30–55 year period with a three (3) percent interest rate. The full amount of the HOME Loan subsidy is recaptured and is utilized for other HOME Loans meeting the HOME program income guidelines. If the development is sold, repayment of the loan is required so funds can be reused as program income.

A house must be owner-occupied and deed restricted against resale for the affordability term. Prepayment on loans or a sale within 10 years from the date of loan origination results in a penalty of 4% on the original loan amount starting from the loan origination date and calculated on a per month basis. Loans are not assumable and must be paid in full upon sale or transfer of the property. Following a 10-year obligation, the borrower may prepay the loan plus interest, in part or in whole, at any time without penalty. Funds collected are reused as program income. If a home is sold or transferred within 10 years from the date of the loan origination, the applicant shall also pay the City a percentage share of the difference between the price paid for the property and its value at the time of sale or transfer. The City limits the amount subject to recapture to the sale's net proceeds, which is the sales price minus the loan repayment and closing costs (other than HOME funds). The limitation applies to all units, regardless of the type of recapture provision used or the nature of the sale (voluntary sales including foreclosures).

All HUD and State loan programs have covenants based upon the amount invested into each house/unit. The City may require each house/unit assisted to have a "period of affordability" covenant recorded. The length of this period is determined by the amount of financial assistance invested into each property. The minimum period of affordability per house/unit and correlating period is: A) under \$15,000: 5 Years; B) \$15,000 to \$40,000: 10 Years; or, C) over \$40,000: 15 Years. For qualified homeowner rehabilitations, they may be eligible for a forgivable loan (grant) of up to \$50,000 worth of health and safety upgrades. As long as they do not sell their property within the agreed-upon term, the Housing Division will grant the funds to the homeowner.

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:

Not applicable - The City does not intend to refinance debt.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

There are no planned HOME TBRA activities during the 2024 program year.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

There are no planned HOME TBRA activities during the 2024 program year.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

An owner of any rental housing that is assisted with HOME funds must comply with the affirmative marketing requirements established by the City of Merced, pursuant to 92.351(a). The owner must adopt and follow written tenant selection policies and criteria that:

- Limit the housing to very low-income and low-income families;
- Are reasonably related to the applicants' ability to perform the obligations of their lease, including, but not limited to, paying the rent due, agreeing not to damage the housing, and agreeing not to interfere with the rights and quiet enjoyment of other tenants;
- Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the City;
- Do not exclude an applicant with a Section 8 tenant-based assistance voucher issued from the Housing Choice Voucher Program (HCV) (24 CFR Part 982), a participating HOME-assisted tenant based rental assistance (TBRA) voucher holder, or a participant of any similar HOME-assisted program simply because of this status;
- Provide for the selection of tenants from a written waiting list in the chronological order of their application, as much as practical;
- Give prompt written notification to any rejected applicant of the grounds for any rejection, and;
- Comply with the Violence Against Women Act (VAWA) requirements proscribed in 24 CFR 92.359.

The 2020-2024 Consolidated Plan did not set any preferences or limitations for rental housing projects. The City of Merced requires that all HOME and CDBG funded activities be marketed and available to all eligible persons without regard to race, color, national origin, sex, religion, familial status, or disability. Per the Affirmative Marketing Procedures established by the City, developers receiving funds are required to create units that are accessible to people with disabilities according to all applicable codes. In addition to federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations for people with all types of disabilities. When providing a requested accommodation would result in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.

CDBG 70% Overall Low-Mod Benefit Period

The City intends to use a 3-year consecutive period to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Those years will span 2022, 2023, and 2024 (Years 3-5). The City chose those years to give appropriate time for the program and a short-staffed division to recover from the administrative impacts related to the Coronavirus pandemic, which initially caused delays in development and submission of both the 2020 and 2021 Plans and affected our initial ability to hold public outreach meetings, which translated into further delays in receiving and expending grant funds. We also needed additional time to allocate and spend a very large amount of CDBG and HOME program income received in January 2021 as a result of an unexpected loan payoff.

Attachments

Citizen Participation Comments



NOTICE OF FUNDING OPPORTUNITY (NOFO)
CITY OF MERCED HOUSING DIVISION
FISCAL YEAR 2024-25
HUD COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS

The U.S. Department of Housing and Urban Development (HUD) will soon announce the allocation of Community Development Block Grant (CDBG) funds that the City of Merced will receive for the period July 1, 2024 through June 30, 2025 (PY2024). The City expects an allocation of approximately \$1 million (\$1,000,000). Of this allocation, the City Council may choose to award a maximum of 15% (approximately \$150,000) to be distributed amongst non-profit public service programs that will benefit low- to moderate-income (LMI) City residents/households, with emphasis on those programs that assist in preventing homelessness. Priority funding may also be set aside to complete prior-year housing and sidewalk improvement project(s). Funds may be available for eligible non-public service or housing activities, depending on community need and funding availability. Awarded contracts above \$37,000 will require additional City Council approval.

The City of Merced Housing Division invites applications/project proposals by qualified, established non-profit organizations that have the current capacity to provide eligible, essential public service and/or housing activities that will benefit LMI residents who live within the City limits, especially the following populations: 1) very/extremely LMI households; 2) homeless persons; 3) seniors and frail elderly; 4) at-risk youth; and 5) persons with disabilities. Project types that have been determined as essential to the community include those that: 1) encourage economic success of citizens/community; 2) fill missing gaps in or increase public services, particularly those that provide vital services to the homeless/at-risk of becoming homeless; 3) provide permanent supportive housing for the chronically homeless; and, 4) promote and/or create fair and affordable housing. The Housing Division also invites applications from Fair Housing Service and Continuum of Care providers as partner extensions of our administrative responsibilities to HUD. Program proposals must adhere to all CDBG/HOME regulations and requirements (Title 24 of U.S. Code of Federal Regulations (CFR) Parts 570 and 92), including meeting a CDBG National Objective, and all applicable requirements under 2 CFR Part 200. All organizations must obtain a Unique Entity ID (UEI) number from www.SAM.gov to be considered.

Organizations interested in applying are required to attend at least one of the following two information workshops: 1) Wednesday, February 28, 2024; 6:00pm; or 2) Thursday, February 29, 2024, 3:00pm. Location: Sam Pipes Room, First Floor, Merced Civic Center/City Hall, 678 W 18th Street, Merced. This location is handicapped accessible. If unable to attend a workshop, organizations may schedule an appointment with Housing Division staff to discuss proposals/requirements during the week of March 4th only. Please call/email for an appointment (see below). Special accommodations or translation services (Spanish or Hmong) can be made available upon request.

The application deadline is 5:00 p.m. on Friday, March 15, 2024.

Award of funding will be announced at a future Merced City Council meeting. Updated requirements, Council meeting dates, applications, and more information can be found online at www.cityofmerced.org/housing or from the City of Merced Housing Division at 2nd Floor City Hall, 678 W. 18th Street, Merced, CA, 95340. For additional information/appointments, please call 209-385-6863 or email: housing@cityofmerced.org.

Publish: February 22, 2024

/s/ Kim Nutt
Kim Nutt, Housing Program Supervisor

7. NOFO Letters to Community Organizations, Mailing List, and NOFO Attendance



FUNDING OPPORTUNITY FOR 2024-2025 PROGRAM YEAR

February 16, 2024

Dear Community Organization:

The City of Merced Housing Division is pleased to invite funding request proposals for U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds for the 2024-25 Program Year (July 1, 2024, to June 30, 2025). **A link to information and applications is posted on this webpage: www.cityofmerced.org/housing.**

Interested organizations should visit the linked website to find application guidelines, regulations, application forms, and other information. Applications printed single-sided with all required attachments must be received by the Housing Division no later than 5:00 p.m. on **Friday, March 15, 2024** (no electronic submittals). No applications submitted after this date will be considered, unless funding has already been budgeted for your particular service as part of the City's administrative responsibilities to HUD (i.e., Fair Housing Services).

The City will be holding two information workshops at the below dates and times. The workshops will provide resources and information that includes organizational requirements needed to apply for federal funding and the different requirements for CDBG and/or HOME eligible activities, including client/participant income eligibility requirements, demographic reporting, and more.

Attendance at one of the meetings is considered **mandatory**, unless other arrangements are made with Housing Division staff to receive the necessary information in an alternative way. One-on-one technical assistance appointments will be available upon request during the week of March 4th to discuss project eligibility, requirements, and objectives, and to assist with completing your application. Please call 209-385-6863 to schedule an appointment.

Date	Time	Location
Wednesday, February 28, 2024	6:00 p.m.	Sam Pipes Meeting Room (First Floor) Merced City Hall/Civic Center 678 W. 18 th Street, Merced
Thursday, February 29, 2024	3:00 p.m.	

* For special accommodations, language interpretation services, or more information, please call (209) 385-6863

HUD allows the City of Merced to allocate up to 15% of its yearly allocation of CDBG funds towards public service programs, such as those to help prevent homelessness. Based on previous-year allocations, the City expects to have approximately \$150,000 available to allocate to service programs for PY2024.

If you have questions, please contact the Housing Division at 209-385-6863, or email: housing@cityofmerced.org.

Respectfully,

Kim Nutt
Housing Program Supervisor
City of Merced Housing Division

678 WEST 18TH STREET, MERCED, CA 95340

D STREET SHELTER
PO BOX 2085
MERCED CA 95344

PLANNED PARENTHOOD
3166 COLLINS DRIVE
MERCED CA 95348

ALPHA CRISIS PREGNANCY CENTER
700 LOUGHBOROUGH DRIVE STE A
MERCED CA 95348

CENTRAL CALIFORNIA LEGAL SERVICES
1640 N STREET STE 200
MERCED CA 95340

BEAR CREEK COMMUNITY CHURCH
1717 E OLIVE AVE
MERCED CA 95340

MERCED CO ASSOC OF GOVERNMENTS
369 W 18TH STREET
MERCED CA 95340

BIBLE CHRISTIAN CHURCH
PO BOX 259
LEGRAND CA 95333

ATWATER UNITED METHODIST CHURCH
2550 LINDEN ST
ATWATER CA 95301

LIBERTY FELLOWSHIP
PO BOX 794
ATWATER CA 95301

COMMUNITY SOCIAL MODEL ADVOCATES
508 MENDOCINO COURT
ATWATER CA 95301

ASPIRANET
3360 N HWY 59 #K
MERCED CA 95348

CALVARY ASSEMBLY OF GOD
1021 R STREET
MERCED CA 95340

CALVARY CHAPEL MERCED
PO BOX 3906
MERCED CA 95344

CALVARY TEMPLE
2740 N HWY 59
MERCED CA 95348

CATHOLIC CHARITIES
336 W MAIN STREET STE 1
MERCED CA 95340

CENTRAL VALLEY OPPORTUNITY CENTER
PO BOX 1389
WINTON CA 95388

MERCED LAO FAMILY COMMUNITY INC
1748 MILES COURT STE B
MERCED CA 95340

CHURCH OF CHRIST
2050 YOSEMITE PARKWAY
MERCED CA 95340

CHURCH OF NAZARENE
1374 SHAFFER RD
ATWATER CA 95301

MERCED CO COMMUNITY ACTION AGENCY
PO BOX 2085
MERCED CA 95344

COMMUNITY CATALYST OF CA
301 W 18TH STREET #204
MERCED CA 95340

JMJ MATERNITY HOMES
1694 GROVE AVE
ATWATER CA 95301

MERCED CO BEHAVIORAL HEALTH AND
RECOVERY SERVICES
PO BOX 2087
MERCED CA 95344

SIERRA SAVING GRACE HOMELESS
PROJECT
PO BOX 1301
MERCED CA 95341

NATIONAL ALLIANCE ON MENTAL ILLNESS
MERCED COUNTY
PO BOX 1265
MERCED CA 95341

EVANGELICAL FREE CHURCH
2876 NORTH G STREET
MERCED CA 95340

LOVE INC
PO BOX 2141
MERCED CA 95344

FAITH MISSION MINISTRIES
909 W 18TH STREET
MERCED CA 95340

ST ANTHONY'S CATHOLIC CHURCH
1799 WINTON WAY
ATWATER CA 95301

FIRST ASSEMBLY OF GOD
1350 YOSEMITE PKWY
MERCED CA 95340

HEALTHY HOUSE WITHIN A MATCH
301 W 18TH STREET STE 101
MERCED CA 95340

UNITED WAY
531 W MAIN STREET
MERCED CA 95340

FIRST BAPTIST CHURCH
1683 FIFTH ST
ATWATER CA 95301

FIRST BAPTIST CHURCH
500 BUENA VISTA DR
MERCED CA 95348

FULLER CENTER FOR HOUSING OF MERCED
COUNTY
PO BOX 423
1230 BROADWAY AVE
ATWATER CA 95301-0423

FIRST CHRISTIAN CHURCH
1345 E OLIVE AVE
MERCED CA 95340

TEMPLO IGLESIA BAUTISTA
500 BUENA VISTA DRIVE
MERCED CA 95348

FIRST CHURCH OF GOD
3022 N PARSONS AVE
MERCED CA 95340

MERCED COUNTY HOUSING AUTHORITY
405 U STREET
MERCED CA 95341

VALLEY CRISIS CENTER
790 LOUGHBOROUGH DR
MERCED CA 95348

HOBIE HOUSE
1301 YOSEMITE PARKWAY
MERCED CA 95340

TURNING POINT COMMUNITY PROGRAMS
3333 M STREET
MERCED CA 95348

ALLIANCE FOR COMMUNITY
TRANSFORMATIONS
PO BOX 2075
MARIPOSA CA 95338

MERCED ART HOP
PO BOX 3351
MERCED CA 95344

HORIZONS UNLIMITED HEALTHCARE
PO BOX 25970
FRESNO CA 93729-5970

COMMUNITY HOUSING COUNCIL OF
FRESNO
2560 W SHAW LANE #101
FRESNO CA 93711

MERCED CO WORKFORCE INVESTMENT
1205 W 18TH STREET
MERCED CA 95340

LANDMARK MISSIONARY BAPTIST
949 NORTHWOOD DR
MERCED CA 95348

NEW LIFE COMMUNITY CHURCH
2124 FIRST ST
ATWATER CA 95301

WORKNET OF MERCED COUNTY
1205 W 18TH STREET
MERCED CA 95340

MERCED COUNTY FOOD BANK
2000 W OLIVE
MERCED CA 95348

PLANADA COMMUNITY CHURCH
PO BOX 247
PLANADA CA 95365

MERCED RESCUE MISSION
644 W 20TH STREET
MERCED CA 95340

MERCY DOMINICAN HOSPITAL
315 E 13TH STREET
MERCED CA 95340

SALVATION ARMY
1440 W 12TH STREET
MERCED CA 95341

CENTRAL VALLEY TRAINING CENTER INC
965 PIPER AVE
MERCED CA 95341

NEW HOPE FOR YOUTH
2876 NORTH G STREET
MERCED CA 95340

ST MATTHEW BAPTIST CHURCH
1057 N STREET
MERCED CA 95340

MERCED COUNTY NAACP BRANCH 1047
PO BOX 1107
MERCED CA 95341

MERCED BICYCLE COALITION
731 E YOSEMITE AVE STE B #427
MERCED CA 95340

YOSEMITE CHURCH
2230 E YOSEMITE AVE
MERCED CA 95340

POTTERS PLACE
LINDA D MCMURRAY
1057 N STREET
MERCED CA 95341

MERCED CO HUMAN SERVICES AGENCY
PO BOX 112
MERCED CA 95341

SECOND BAPTIST CHURCH
501 Q STREET
MERCED CA 95340

SHEPHERD OF THE VALLEY LUTHERAN
1455 E YOSEMITE AVE
MERCED CA 95340

CENTRAL CALIFORNIA ALLIANCE FOR
HEALTH
530 W 16TH STREET STE B
MERCED CA 95340

ST MARY MAGDALENE ORTHODOX
PO BOX 3704
MERCED CA 95340

HABITAT FOR HUMANITY - MERCED
STANISLAUS COUNTIES
PO BOX 831
MODESTO CA 95350

GRACE COMMUNITY CHURCH
3144 N G STREET STE 125 PMB308
MERCED CA 95340

ST VINCENT DEPAUL
131 W MAIN ST
MERCED CA 95340

MERCED COUNTY ARTS COUNCIL
645 W MAIN STREET
MERCED CA 95340

SECOND CHANCE FOR WOMEN &
CHILDREN INC
C/O TAMMY MILLARD
3075 PARK AVE #40
MERCED CA 95344

UNITED FAMILIES OF MERCED
3932 FINCH COURT
MERCED CA 95340

KIWANIS CLUB OF GREATER MERCED
FOUNDATION
PO BOX 1450
MERCED CA 95341

VALLEY BAPTIST CHURCH
3312 N G STREET
MERCED CA 95340

CRAIG POTTER
O'RYAN CAPITAL MANAGEMENT LLC
823 N HARBOR BLVD
FULLERTON CA 92832

LOVE FAITH AND HOPE INC
PO BOX 1162
MERCED CA 95341

BOYS AND GIRLS CLUB
615 W 15TH STREET
MERCED CA 95340

CHALLENGED FAMILY RESOURCE CENTER
827 W 20TH STREET
MERCED CA 95340

THE ENRICHMENT CENTER
645 W MAIN STREET
MERCED CA 95340

CENTRAL VALLEY COALITION FOR
AFFORDABLE HOUSING
3351 M STREET STE 100
MERCED CA 95348

CENTER FOR VISION ENHANCEMENT
(COVE)
1901 G STREET
MERCED CA 95340

RAINBOW VALLEY FOSTER CARE
2841 G STREET
MERCED CA 95340

COURT APPOINTED SPECIAL ADVOCATES
OF MERCED COUNTY
PO BOX 2362
MERCED CA 95344

PROJECT SENTINEL
1490 EL CAMINO REAL
SANTA CLARA CA 95050

GOLDEN VALLEY HEALTH CENTERS
FOUNDATION
737 W CHILDS AVE
MERCED CA 95340

LIFELINE COMMUNITY DEVELOPMENT
CORPORATION OF MERCED COUNTY
731 E YOSEMITE AVE STE B #165
MERCED CA 95340

RESTORE MERCED INC
419 W 19TH STREET
MERCED CA 95340

CALIFORNIA CANINE ACADEMY
1741 RASCAL CT
MERCED CA 95340

NORTH STAR FAMILY CENTER
759 W 18TH STREET
MERCED CA 95340

ACE OVERCOMERS OF MERCED COUNTY
PO BOX 734
MERCED CA 95341

THE MENTOR NETWORK
3567 SAN JOSE AVE
MERCED CA 95348

CENTRAL CA CHILD DEVELOPMENT
SERVICES
401 LESHER DRIVE
MERCED CA 95340

DR JENNIFER M JONES FOUNDATION
3144 NOTH G ST STE 125 PMB 208
MERCED CA 95340

MERCED COUNTY PROBATION DEPT
2150 M STREET
MERCED CA 95340

BUILDING HEALTHY COMMUNITIES
431 W MAIN STREET
MERCED CA 95340

UNIVERSITY OF CALIFORNIA - MERCED
OFFICE OF THE CHANCELLOR
5200 NORTH LAKE RD
MERCED CA 95343

GREATER MERCED CHAMBER OF
COMMERCE
531 W MAIN STREET STE B
MERCED CA 95340

MERCED CO HISPANIC CHAMBER OF
COMMERCE
PO BOX 2246
MERCED CA 95344

MERCED COUNTY ASSOCIATION OF
REALTORS
3190 M STREET
MERCED CA 95348

MERCED COMMUNITY COLLEGE
3600 M STREET
MERCED CA 95348

MERCED COUNTY PUBLIC HEALTH
260 E 15TH STREET
MERCED CA 95341

SIERRA HEALTH FOUNDATION
1401 FULTON ST STE 800
FRESNO CA 93721

ELKS LODGE
1910 M STREET
MERCED CA 95340

MERCED WOMEN'S CLUB HOUSE
PO BOX 1164
MERCED CA 95341

CREATIVE ALTERNATIVES INC
3195 M STREET STE D
MERCED CA 95348

AMERICAN RED CROSS – CENTRAL VALLEY
1300 W SHAW AVE STE 4B
FRESNO CA 93711

CENTRAL VALLEY REGIONAL CENTER
3172 M STREET
MERCED CA 95348

THE AMERICAN LEGION
939 W MAIN STREET
MERCED CA 95340

HEALING HEARTS
1022 W 18TH STREET
MERCED CA 95340

COMMUNITY INTEGRATED WORK
PROGRAM
1735 ASHBY RD STE D
MERCED CA 95348

FEET CHANGING LIVES
PO BOX 932
MERCED CA 95341

HARVEST TIME
C/O SHEILA GARCIA
1251 WEAVER AVE
MERCED CA 95341

SHARING LOVE MINISTRIES
2020 ASHBY RD SP 37
MERCED CA 95348

LEADERSHIP COUNSEL FOR JUSTICE AND
ACCOUNTABILITY
2210 SAN JOAQUIN STREET
FRESNO CA 93721

MERCED MAIN STREET ASSOCIATION
531 W MAIN ST
MERCED CA 95340

DOWNTOWN NEIGHBORHOOD ASSOC
PO BOX 7
MERCED CA 95341

SMALL BUSINESS DEVELOPMENT CENTER
655 W 18TH STREET
MERCED CA 95340

MERCED BREAKFAST LIONS CLUB
PO BOX 1065
MERCED CA 95341

MERCED SYMPHONY ASSOCIATION
PO BOX 894
MERCED CA 95341

CALIFORNIA TEACHERS ASSOCIATION
3351 M STREET STE 105
MERCED CA 95348

C/O DWIGHT LARKS
MERCED OLD 99 REALTY INC
1590 W 16TH STREET
MERCED CA 95340

The PRIDE CENTER at the MAC
645 W MAIN ST
MERCED CA 95340

UNITED COLORS INC
1382 RINCON DR
MERCED CA 95348

CA CENTRAL VALLEY ECONOMIC DEV CORP
JENNIFER FAUGHN EXEC DIRECTOR
PO BOX 11445
BAKERSFIELD CA 93389

*** WELCOME – PLEASE SIGN IN! ***

**2024 HUD ANNUAL ACTION PLAN
NOTICE OF FUNDING OPPORTUNITY MEETING**
DATE: February 28 TIME: 6:00 pm
Merced City Hall, 678 W 18th Street, Merced

NAME	BUSINESS/ ORGANIZATION	ADDRESS	PHONE	E-MAIL
Stacy Avalos	Sierra Savings	95346 3341 M Street Merced	209 877 5524	savalos@sierrasavings
See Her	Merced CAC - HSA	2115 Wardrobe Ave, Merced	(209) 385-3000 Ext. 5579	grace.ovey@countyofmerced.com
Jewel Wise	Merced County HSA	1155 W 10th Merced	209-634-4770	see.her2@merced
Sheila Garcia	Harvest Time	3341 M St Merced	209 766 6936	jewel.wise.3@countyofmerced.com
Joan Carroll	SSG			Harvest Time the need @gmail.com
Quiana Stallworth	United Colors inc			
Sherell Daniels	United Colors inc			

*** WELCOME – PLEASE SIGN IN! ***

**2024 HUD ANNUAL ACTION PLAN
NOTICE OF FUNDING OPPORTUNITY MEETING**

DATE: February 29 TIME: 3:00pm
Merced City Hall, 678 W 18th Street, Merced

NAME	BUSINESS/ ORGANIZATION	ADDRESS	PHONE	E-MAIL
Rosalb Yee	Calvary AG			RyEE378@yahoo
Ashlee Williams	Habitat for Humanity	PO Box 831 CA 95353	209-509-9026	williams@hfh
Candice Thompson	Healthy Housing	301 W. 18 th St, Ste. 101 Merced, CA 95340	209-658-1945	condicio@healthyhousingmerced.org
Monika Graster	Lifeline CDC			
John Olson	Calvary AG	1021 R Street Merced 95341	209-2767018	john@calvarymerced.org
DAVID MCCATNE	Calvary AG ISAIAH PROJECT	1021 R Street Merced	408-608-9045	DAVID@ISAIAHPROJECT.COM
JOHN CECCOLU	MERCED COUNTY	-	209-628-4040	JOHN.CECCOLU@MERCEDCOUNTY.CA.GOV
Kelly Turner	Simple Equaria	1093 Nebela Dr 95301	408-553-2344	turner@simpleequaria.com
Trinity Milled	Second Chance for Women		209-930-9587	trinity@secondchanceforwomen.org



City of Merced Housing Division



Welcome

Notice of Funding Opportunity Information Meetings (2024 HUD Annual Action Plan)

Meeting #1: Wednesday, February 28, 6:00 p.m.

Meeting #2: Thursday, February 29, 3:00 p.m.

About the City of Merced Housing Division

- **Housing, Planning, & Inspection Services Divisions → Development Services Department**
 - Federal Grants received from HUD (U.S. Housing and Urban Development)
 - State Grants - CA HCD (California Housing and Community Development)
 - Local Affordable Housing Funding Streams - Affordable Housing Fund
 - No General Fund \$
- **Federal grant programs administered:**
 - Community Development Block Grant (CDBG) - yearly
 - HOME Investment Partnership Program (HOME) - yearly
 - 2020 CARES Act: "Coronavirus Aid, Relief, and Economic Security" Act -- Coronavirus CDBG (CDBG-CV) funds
 - Immediate - COVID-19 prevention/response/recovery (Summer 2020) → Needs = Rental/Mortgage/Utility, Food Bank, and Business/Microenterprise Assistance
 - 2021 American Rescue Plan Act -- HOME Investment Partnership Program - American Rescue Plan (HOME-ARP)
 - Long term COVID-19 Recovery → HOME-ARP Allocation Plan (April 2023) → Needs = Affordable Rental Housing Construction/all QP's
- **State grant programs & grants administered:**
 - Partnership with Self Help Enterprises to administer:
 - CalHome '21 - First Time Homebuyer Assistance & Homeowner Rehab programs
 - State HOME '15 - Existing Program Income from paid loans - Reuse towards new FTHB loans
 - CalHome '06/CalHome '12: active first time homebuyer loans
 - SB2 Planning Grant - "off the shelf" ADU and Duplex/Triplex plans; Tiny Home & ADU ordinance
 - PLHA - Permanent Local Housing Allocation - Affordable Housing projects
 - LEAP - Local Early Action Planning Grant - Zoning/Subdivision Ordinance & General Plan amendments; Pro-housing Policies

Federal Funding~ CDBG & HOME funds

- **"Entitlement Community" = largest jurisdiction in County with population over 50,000**
- **City receives yearly allocations of CDBG and HOME funds in a Five-Year cycle**
 - Consolidated Plan / Five-Year Strategic Plan
 - Multiple broad level needs assessments → goals, project types, and target populations identified
 - Assessed needs are to be addressed over the five-year period through annual project funding
 - Annual Action Plan = Yearly needs assessment / projects to address ConPlan goals
 - CAPER (Consolidated Annual Performance & Evaluation Report) = post-year progress report/eval
- **Resident / Community Input**
 - Citizen Participation Plan (CPP) = lays out how we will communicate with community each cycle
 - *Input of low-income residents is crucial to be able to accurately direct funding where most needed!!*
- **CDBG and HOME funds beneficiary populations**
 - Both funds are aimed towards benefitting low-moderate income (LMI) and most vulnerable citizens of the community
 - Income-Eligible Census Tracts = areas where at least 51% of households have income of 80% or less of Area Median Income (AMI) – approximately three-quarters of the City
 - CDBG: requires overall minimum of 70% funding to benefit LMI persons or households (goal is 100%)
 - HOME: requires overall 100% LMI household

Addressing Community Need – The Process

- **Development of Five-Year Consolidated Plan - broad:**
 - Needs Assessment (Housing, Homeless, Non-Homeless, Non-Housing)
 - Housing Market Analysis (Number, Cost, Condition, Public/Assisted, Barriers, Non-Housing/Economic Development)
 - Strategic Plan /Five Year Plan (Priority Needs, Market influence, Goals)
 - Analysis of Impediments to Fair Housing (Mortgage Lending Practices, Public Policies and Practices, Fair Housing Practices = Future Actions to "Affirmatively Further Fair Housing" - commitment to HUD)
- **Development of each Annual Action Plan - focused:**
 - ConPlan five-year goals and prioritized needs are re-assessed for any adjustments
 - Assessment by: Community Input Meetings, Surveys, Consultation with other Agencies, Town Hall Meetings
 - Noting current community needs
- **Non-profit community org's - project proposals & funding requests**
 - Proposals addressing the needs, priorities, & goals of the ConPlan/Annual Plan are invited
 - NOFA - "Notice Of Funding Availability" published

Reporting Yearly Accomplishments

- **CAPER report - accomplishments/outcomes reporting to HUD of all subrecipient programs**
 - City's report due to HUD by September 28th
 - Public participation: 15-day comment period & Public Hearing
 - Reports participant ethnicity, income level, and accomplishment data as of last day of Program Year (June 30)
- **Reviews activity performance and progress towards ConPlan goals - "Report Card"**
- **Evaluates - why some programs faltered & why some excelled**
- **Examines ways we can improve**
- **Example of data that is reported:**
 - # of affordable housing units added
 - # of homeowner housing units assisted
 - Demographic statistics - Race/Ethnicity and Income Levels assisted
 - Amount of total funding spent per activity
 - How we assisted the homeless and prevented homelessness
 - What low-income areas were served - Eligible Census Tracts (51 percent of households 80% AMI or less)
- ***This data is collected from all subrecipient programs - therefore, programs are also required to report!!***

Examples of Basic Eligible Uses – CDBG Funds (24 CFR 570.201)

- **All activities must be able to document the LMI beneficiaries of CDBG funding and meet a clear National Objective**
- **City administration and staffing** (max 20% of allocation)
- **Vacant property acquisition, disposition, demo/clearance, and remediation of environmental contamination**
- **Public Facilities/Improvements - Acquisition, construction, or rehabilitation** - senior centers, disabled accessibility improvements, homeless facilities, health centers, youth and childcare centers, facilities for abused/neglected children, neighborhood/community facilities, public parking facilities, flood/storm drainage, water/sewer mains, streets & sidewalk installation, fire stations/equipment, parks/open space development and recreational facilities, non-residential historic preservation
- **Housing:** acquisition & rehabilitation of rental housing for LMI families; energy efficiency improvements as rehab; homeowner rehab (privately-owned single- and multi-family); installation of water/sewer connection lines for LMI homeowners as rehab; direct homeownership assistance and housing counseling; public housing modernization for property owned/operated by a public housing authority; lead-based paint testing and abatement; energy efficiency/weatherization improvements; residential historic preservation (NO new construction)
- **Economic Development:** commercial/industrial property rehab (if privately owned: façade improvements and correction of code violations), acquisition, disposition, clearance, infrastructure; business development/technical assistance; for-profit small business assistance; microenterprise assistance; commercial/industrial infrastructure development, including parking, rail transport, street, water, or other improvements.
- **Public Services** (maximum 15% of yearly CDBG allocation):
 - Homeless/AIDS programs; physical & mental health services
 - Services for seniors, disabled persons, youth, domestic violence victims, substance abuse, abused/neglected children
 - Legal and transportation services for LMI persons/specific groups (i.e. elderly transport)
 - Job, life skills, financial literacy training programs
 - Subsistence payments (short-term payments for rent/mortgage/utility) & security deposits
 - Food banks or meal delivery services; neighborhood cleanups

Examples of Eligible Uses ~ HOME Funds (24 CFR 92.205)

HOME funds are designed to increase homeownership and affordable housing opportunities for low- and very low-income persons, including:

- Program administration, including fair housing/consultant services (max 10%)
- Tenant-based rental assistance
- Rental housing rehabilitation
- Homeowner rehabilitation
- Homebuyer assistance to LMI households
- Site acquisition, improvements, demolition, and relocation
- **New construction of rental housing:**
 - Must serve 100% low- and very low-income families (affordable rental housing projects)
 - Required to assist specific *Average Median Income (AMI)* percentages
 - AMI levels (10% of units for 80% AMI, and 90% of units for 60% AMI) = 100% LMI

2024 HUD Annual Action Plan – Timeline

- **Community Needs Online Survey:** survey closes February 29, 2024
- **Notice of Funding Opportunity/Applications for Funding & TA:** January – mid March ← **WE ARE HERE!**
 - Applications screened and project list developed
 - Projects help address current community needs
 - Technical Assistance Appointments available – week of March 4th only!
 - Application Deadline (extended): March 15, 2024
- **Community Input Resident Meetings** Two meetings: Wednesday 3/6/24 (6pm) & Wednesday 3/20/24 (6pm)
- **Preliminary Draft** – anticipated by end of March 2024
- **1st Public Hearing: April 2, 2024 (tentative)** – present preliminary budget and eligible project funding requests received for public comment
- **30-day Public Review and Comment Period: April 12 – May 13, 2024**
 - Public draft posted to website by 4/11/24
- **2nd/Final Public Hearing: May 20, 2024 (tentative)**
 - Additional Public Comment
 - Council Approval of Final Draft Plan
 - Award of Project Funding to Non-Profits
- **Submit Council-approved plan to HUD:** by 6/1/24 (tentative)
- **HUD approval** – expected August 2024
- **Contracts with awarded non-profits:** approximately September – November 2023

Code of Federal Regulations (CFR)

- **CDBG:** Title 24 Part 570 (starts at 24 CFR 570.1)
 - Basic Eligible Activities: 570.201
 - National Objectives: 570.208 (*discussed further next slide*)
- **HOME:** Title 24 Part 92 (starts at 24 CFR 92.1)
 - Eligible Activities: 92.205
 - Eligible Project Costs: 92.206
- **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:** 2 CFR Part 200
 - **Cost Principles: Title 2 Part 230 (starts at 24 CFR 230.5)** - also known as OMB Circular A-122 "Cost Principles for Non-Profit Organizations" - these are the regulations to be applied for all costs whether direct or indirect costs

Helpful handbook for Subrecipients:

- **"Playing by the Rules" - A Handbook for Subrecipients on Administrative Systems**

CDBG~ Responsibilities / Requirements

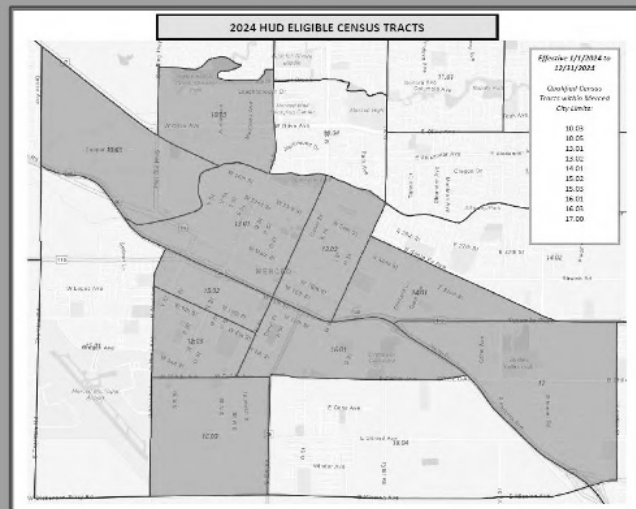
- **Compliance with CDBG/HOME Regulations:** City and Subrecipient
- **Compliance with the Primary Objective:** City
 - Not less than 70% of CDBG expenditures shall be for activities to benefit LMI persons [570.208(a)]
- **Compliance with environmental review procedures:** City, as "Responsible Entity"
- **Compliance with cost principles:** City and Subrecipient
- **Compliance with basic eligible activities:** City and Subrecipient
- **Compliance with one of the three National Objectives:** City and Subrecipient
 - **1. Activities benefitting LMI persons:**
 - **LMA - Area Benefit Activities:** Census Tract or Specified Area - Residential 51% LMI
 - **LMC - Limited Clientele Activities:**
 - (A) "Presumed Benefit:" HUD has predetermined eight specific groups are 51% or more LMI: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or,
 - (B) require income documentation to prove 51% are LMI; or,
 - (C) have income eligibility requirements which limit the activity exclusively to LMI persons; or,
 - (D) be of such nature and such location that it can be concluded that the activity's clientele will primarily be LMI persons

CDBG~ Responsibilities / Requirements (continued)

- **LMH - Housing Activities:** housing that will be occupied by 51% LMI households
- **LMJ - Job Creation/Retention Activities:** at least 51% of Full Time Equivalent (FTE) jobs involve the employment of LMI persons (Economic Development activities)
- **2. Activities which aid in the prevention or elimination of slums or blight**
- **3. Activities designed to meet community development needs having a particular urgency**
- **HUD CDBG Performance Measurement System:** Subrecipient
 - **Objectives:** Broadly framed -- Creating Suitable Living Environments; Providing Decent Housing; or Creating Economic Opportunities
 - **Outcomes:** Asks the question - "What is the type of change sought?"
 - Three categories: 1) Availability/Accessibility; 2) Affordability; or, 3) Sustainability
 - **Indicators:** - Units of changes/outcomes --- the data parameters you will report:
 - Number of persons, households, businesses, units, beds, etc. assisted; and,
 - Income level (30%, 50%, 80% of AMI); and,
 - Race, ethnicity, and disability data for all LMC categories (not LMA, slum/blight, or urgent need national objectives)
- **Reporting** - end of the year (June); summarizing all above + narrative of accomplishments
- **Recordkeeping is VERY important** - minimum five year retention; time sheets, payroll, client docs
- **Monitoring** - Remote / Site: Income documentation; recordkeeping; housing/safety standards

HUD Eligible Census Tracts

- **HUD Eligible Census Tract:**
 - At least 51% of the residential households have incomes at or below 80% of the Area Median Income (AMI)
 - U.S. Census Data
- **LMA (Low Mod Area)**
 - National Objective
 - Income levels predetermined
 - Income level data collection not required for LMA projects



What is a Subrecipient? *

- **Defined by 24 CFR 570.500(c) as:**
 - A public or private nonprofit agency, authority, or organization receiving CDBG funds to undertake activities eligible for such assistance under subpart C – Eligible Activities (570.200)
 - In special circumstances covered under 24 CFR 570.201(o), a subrecipient can be a for-profit agency, but only when carrying out authorized economic development activities.
- **Private Nonprofits** – usually, but not always, corporations, associations, agencies, or faith-based organizations with nonprofit status under the Internal Revenue Code section 501(c)(3)
- **Community-based Development Organizations (CBDOs)** – may be designated as a subrecipient to carry out special activities such as economic development or new housing construction on behalf of the City.
- **Governmental Agencies** – quasi-governmental public agencies, commissions, or authorities, such as a public housing authority, independent from the City and carrying out authorized CDBG activities.
- **Entitlement Grantee/City departments** – interdepartmental agreement/memorandum of understanding (MOU)

* Each Subrecipient is subject to the requirements of 24 CFR 570.503 – Agreements with Subrecipients

Pre-Award Assessment

Important! - to reduce risk of problems, develop effective agreements, and to establish special procedures/monitoring to ensure mutual goals are met.

- ✓ Assess the nature of the activity,
- ✓ Whether the proposed plan for carrying out the activity is realistic,
- ✓ Whether the organization's ability to do the work in a timely manner; and,
- ✓ Whether there is a possibility of any potential conflicts of interest.

Conflict of Interest (24 CFR 570.611) – main points:

- Covered person(s): any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient (City), or of any designated public agencies, **or of subrecipients** that are receiving funds under this part.
- Conflicts prohibited: no covered person(s) who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities, or who are in a position to participate in a decisionmaking process or gain inside information regarding such activities, may obtain a financial interest or benefit from a CDBG-assisted activity; or have a financial interest in any CDBG contract, subcontract, or agreement; or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year after.

Requirements for Project Selection

- ✓ **Applicant is a IRS-registered non-profit organization**
- ✓ **Sam.gov / UEI number (Unique Entity Identifier)**
 - ✓ Not required to completed full SAM registration to obtain a UEI, but must have the UEI number to apply for and receive federal funding.
 - ✓ HUD requirement of the City to ensure this (2 CFR 25.300)
- ✓ **Project is eligible and meets one of the three broad National Objectives**
- ✓ **Activity will benefit at least 51 percent of LMI persons, and which can be documented**
- ✓ **Fits into the community priorities set out by the ConPlan**
- ✓ **Project can be completed in a reasonable time frame**
- ✓ **Prior experience with CDBG - or - prior experience with other grants/similar projects**
- ✓ **Financial capacity**
- ✓ **Financial stability** - not completely reliant on CDBG funds over time
- ✓ **Adequate staffing**
- ✓ **Organizational strength** (recordkeeping, filing systems, financial systems, existence of written procedures manual for financial management and personnel/bylaws)
- ✓ **Cost reasonableness/effectiveness and risk analysis**
- ✓ **Passes the pre-award assessment**

Eligible Costs

- **OMB Circular A-122 "Cost Principles for Non-Profit Organizations" (24 CFR 230.5)**
- **Costs - Basic Considerations:** 2 CFR 200.402-406
- **Indirect Costs:**
 - Costs of an organization that are not easily assignable to a particular project/program, but are necessary to the operation of the organization/performance, such as facility operation and maintenance, depreciation, and administrative salaries that cannot be considered direct costs.
 - Develop an indirect cost allocation plan for determining the appropriate share of administrative costs and submit plan to City for approval
 - Discouraged, so as to provide as much of the funds as possible to assisting residents/program
- **Direct Costs** - attributed directly to a specific cost objective and tracked in distinct categories such as personnel, travel, supplies, etc.
- **No personal items (generally) and no income to residents - 24 CFR 570.207(b)(4)**
- **If ever in doubt if a cost is eligible before you pay it, please ASK!**

Invoice Submittal and Payment

- **Invoicing** – City templates (staff hours, mileage, etc.)
 - **Importance of correctness** – ineligible expenses will be rejected.
 - Addition/subtraction errors and general disorganization will be sent back to fix/resubmit!
 - **Final invoice for program** – mark as “Final Invoice” to enable closeout of project in HUD system
 - Prior to June 30, 2024
 - Make sure required ethnicity/income/outcome reporting is submitted at least quarterly!
 - **Do not alter documents, and remember conflict of interest when requesting payments**
 - Suspicious documents/reimbursements will be rejected due to high risk expenditure
 - **Cash Management (2 CFR 200.305)** – Reimbursement method; based on actual/documented expenditures.
 - Backup: copy of bill/invoice/store receipt, description of expense & how it relates to program, photographs of use in project, evidence of payment (cancelled check, etc)
 - Cash advance method only under case-by-case special circumstances /dep upon project
 - **City internal processing** – allow approximately 6 weeks
 - Housing Division staff ↔ Corrections (return/resubmittal) → final recheck
 - → final approval & preparation for routing
 - → Finance check run schedule

2024 Annual Action Plan – Project Funding

- **Technical Assistance Appointments available – March 4, 5, 6, 7, & 8**
 - Email: housing@cityofmerced.org
 - Phone: 209-388-8988
- **Applications can be found at:** www.cityofmerced.org/housing
 - **NOFO page:**
 - Application forms
 - Guideline books
 - CDBG / HOME and Administrative Regulations
- **Fill-in PDF forms:**
 - Application Submittal Checklist
 - Application
 - Appendix C-1 – total project funding (all sources and amounts used in project)
 - Appendix C-2 – project detailed budget
 - **NEW** – different C-2 forms for public service and housing/capital improvement projects
 - Appendix C-3 – supplemental questions (**NEW**)

Questions?

Thank you for attending – we are grateful for your partnership and interest!

2. Grantee Unique Appendices

- 1. Home Program Loan Servicing Plan**
- 2. Housing Division Policies and Procedures**
- 3. Citizen Participation Plan - Amended**

**CITY OF MERCED
HOME PROGRAM
LOAN SERVICING PLAN**

The City of Merced, hereafter called "City" has adopted these policies and procedures in order to preserve its financial interest in properties, who's "Borrower(s)" have been assisted with HOME funds. The City will to the greatest extent possible follow these policies and procedures but each loan will be evaluated and handled on a case-by-case basis. The City has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas:

- 1) Making required monthly payments or voluntary payments on a loan's principle and interest;
- 2) Required payment of property taxes and insurance;
- 3) Required Request for Notice of Default on all second mortgages;
- 4) Loans with annual occupancy restrictions and certifications;
- 5) Required noticing and limitations on any changes in title or use of property;
- 6) Required noticing and process for requesting a subordination during a refinance; and
- 7) Process of foreclosure in case of default on the loan.

I. LOAN REPAYMENTS

The City will collect monthly payments from those borrowers who are obligated to do so under an Installment Note, which are amortized promissory notes.

For Straight Notes, which are deferred payment loans; the City may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

The City will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the City's Program Income Account as required.

Program loan payments will be made to:

City of Merced
678 W. 18th Street
Merced, CA 95340

When using HOME funds, the property is subject to the requirements of the period of affordability that is then associated with the property. The period of affordability is a time period during which there are restrictions placed upon refinancing or selling the home. The time period is based upon the amount of funds borrowed. Depending upon the circumstances, when refinancing or selling the home during the period of affordability, the original HOME loan may be required to be returned to

the City as either program income or recaptured funds. This is in accordance with Section 80208 of the California State HOME regulations. See the following chart for the period of affordability and loan amounts:

Amount of HOME Loan Funds	Period of Affordability
Under \$15,000	5 years
\$15,000 - \$40,000	10 years
Over \$40,000	15 years

All HOME loans are required to follow the recapture method. The Recapture option is a mechanism to recapture all or a portion of the direct HOME subsidy if the HOME recipient decides to sell the house before the end of the affordability period, at whatever price the market will bear. The Recapture option provides the Lender and the assisted homebuyer with maximum flexibility. The homebuyer is permitted to resell the property at whatever price the market will bear.

If the borrower, when paying off the debt to the lender, continues to reside in the home and it is during the period of affordability, the funds are considered Program Income funds. If the borrower, when paying off the debt to the City, ceases to reside in the home and it is during the period of affordability, the funds are considered Recaptured funds. After the affordability period ends, all repaid funds are considered Program Income.

When all debt to the lender has been satisfied, a Notice of Reconveyance will be issued to the borrower, without warranty, all the estate, title and interest acquired by the Lender under the Deed of Trust for that property.

When the City receives Program Income, they are permitted to keep 10% of the funds for administration. However, when Recaptured Funds are received, no administrative funds will be kept. 100% of Recaptured/Program Income Funds will be expended on another HOME-eligible activity before additional HOME funds may be drawn down.

Owner-Occupied Rehabilitation loans include the cost of rehabilitation, change orders, contingency, etc. When all the work is completed according to the work write-up and change order(s), the City of Merced will provide a letter to the homeowner reducing the principal amount of their loan by the balance remaining in their escrow account.

2. PAYMENT OF PROPERTY TAXES AND INSURANCE

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the City as loss payee in first position or additional insured if the loan is a second mortgage. If borrower fails to maintain the necessary insurance, the City may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The City may check the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the City may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the City encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. REQUIRED REQUEST FOR NOTICE OF DEFAULT

When the Borrower's loan is in second position behind an existing first mortgage, it is the City's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of City's loan. This document requires any senior lien holder listed in the notice to notify the City of initiation of a foreclosure action. The City will then have time to contact the Borrower and assist them if possible in bringing the first loan current. The City can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved.

4. ANNUAL OCCUPANCY RESTRICTIONS AND CERTIFICATIONS

On some owner occupant loans the City may at its option require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every one - five years. These loan terms are incorporated in the original note and deed of trust.

5. REQUIRED NOTICING AND RESTRICTIONS ON ANY CHANGES OF TITLE OR OCCUPANCY

In all cases where there is a change in title or occupancy or use, the Borrower must notify the City in writing of any change. City and borrower will work together to ensure the property is kept in compliance with the original program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the City. Changes in title or occupancy must be in keeping with the objective of benefit to the Targeted Income Group (TIG) families.

Change from owner-occupant to owner-occupant might occur at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the City.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan, provided the heir is in the TIG. If the heir intends to occupy the property and is not in TIG or if the heir intends to act as an investor, the balance of the loan is due and payable. All such changes are subject to the review and approval of the City.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the City allow for a partial conversion where some of the residence is used for a business but the family

still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. REQUESTS FOR SUBORDINATIONS

When a Borrower wishes to refinance the property, they must request a subordination request to the City. The City will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt pay offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the family with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance agency, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the City.

7. PROCESS FOR LOAN FORECLOSURE

The City will send out a letter to the Borrower notifying them of the default situation upon any of the following condition of loan default:

- 1) Non payment;
- 2) Lack of insurance or property tax payment;
- 3) Violation of rent limitation agreement;
- 4) Change in title or use without approval; and
- 5) Default on senior loans.

If the default situation continues then the City may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the City is notified via a Request for Notice of Default, the City, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount, or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. City must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the City may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the City determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the City does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the City can afford

to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the City decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the City fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the City determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the City's lien may be eliminated due to insufficient sales proceeds.

8. CITY AS SENIOR LIEN HOLDER

When the City is in first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days overdue. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private Lender and pay off the City?
- 3) Can the Borrower sell the property and pay off the City?
- 4) Does the balance warrant foreclosure? (i.e. if the balance is under \$5,000, the expense to foreclose may not be worth pursuing).
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the City to prevent foreclosure.

At the end of thirty days, the City may contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and other lien holders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust) and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by local not profit housing agencies or use it for transitional housing

facility or other eligible use. The City could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

9. REPAYMENT OF HOME LOANS

The borrower (applicant) can prepay the loan in part or whole, at any time without penalty.

10. SAMPLE PAYOFF

Compound Period: Exact Days

Nominal Annual Rate: 3.000 %

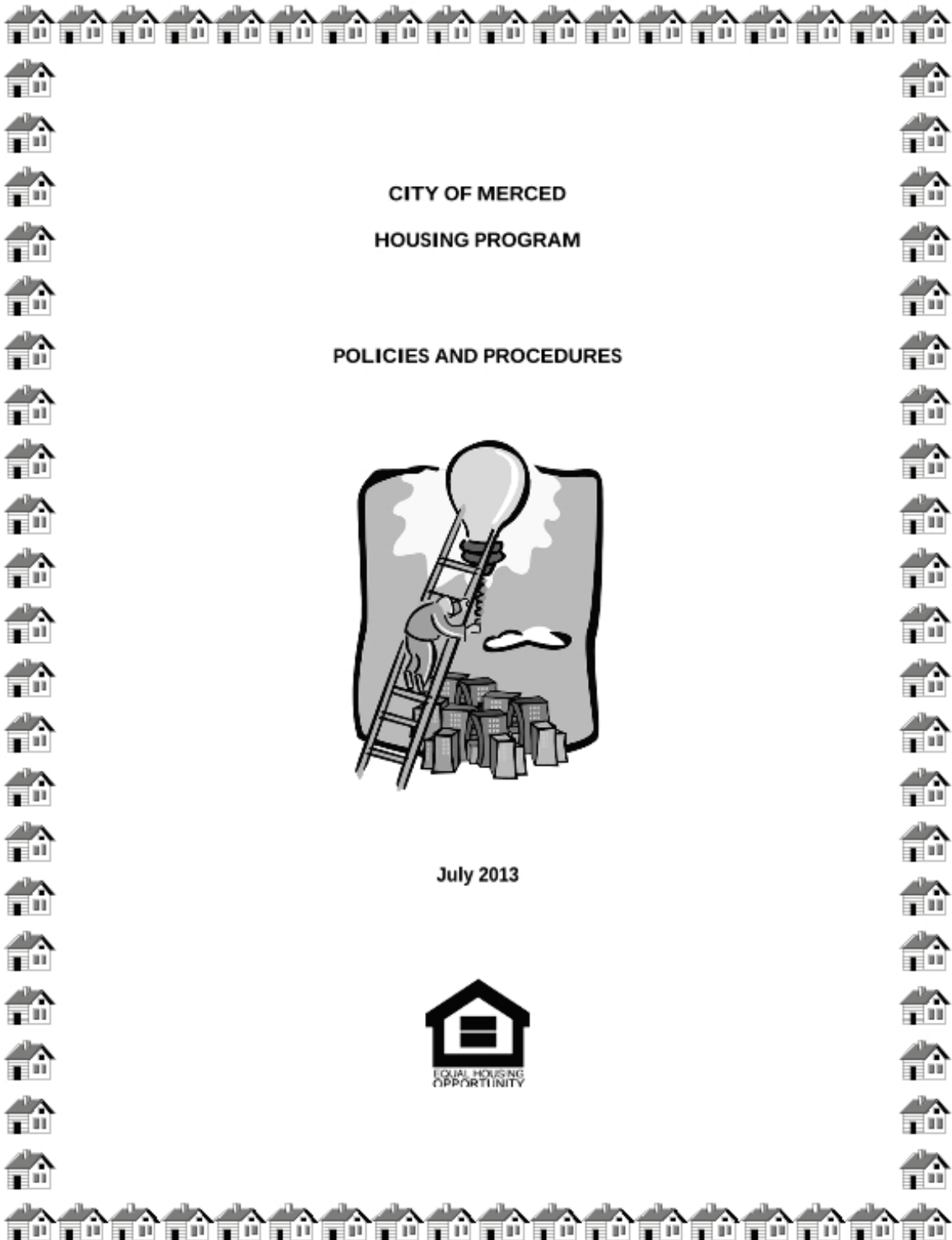
Daily Rate: \$2.47

AMORTIZATION SCHEDULE Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan Start Date	02/10/2000				30,000.00
Loan End Date	03/05/2008	37,264.11	7,264.11	30,000.00	0.00
Grand Totals		37,264.11	7,264.11	30,000.00	

11. DEMAND PROCESS

The City will process the payoff within 5 working days after receiving a payoff demand by the homeowner, Title Company, or Mortgage Company.



City of Merced Housing Program
678 W. 18th Street
Merced, CA 95340
Phone: (209) 385-6863
TDD/TTY: (209) 385-6816
Fax: (209) 723-1780
City's website: www.cityofmerced.org

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POLICIES
REHABILITATION, RECONSTRUCTION, AND RENTAL UNITS

The purpose of these Policies and Procedures is to clearly outline the circumstances under which the City of Merced Housing Program funds are to be made available and utilized. These Policies and Procedures confirm to federal regulations governing the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant Program (CDBG), and Home Investment Partnerships Program (HOME). If the contents of this manual conflict with any of the above, it is the regulations noted above that prevail.

➤ **1.1 GEOGRAPHICAL AREA OF ELIGIBILITY**

Loan funds can be used only for projects within the City of Merced limits.

➤ **1.2 APPLICANT ELIGIBILITY**

1.2a **Owner Occupant:** The borrower's family income for rehabilitation reconstruction projects must not exceed 80 percent of the Median Income limits established for Merced County.

1.2b **Rental Property Owner:** The income of all tenants residing in the rental units shall not exceed 80 percent of the HUD Section 8 income limits established for Merced County. In rare circumstances, approved by the Housing Program Supervisor or the Director of Economic Development, loan funds may be approved for projects where less than 100 percent of the tenants meet these income requirements, but in no circumstance shall the percentage of low-income tenants be less than 70 percent.

1.2c **First Time Home Buyer Program:** Applicants must meet specific requirements related to the program and funding source, as described in First Time Home Buyer Program Section of this document.

➤ **1.3 LOAN TO VALUE RATIO**

1.3a **Owner Occupant Loans:** In rehabilitation and reconstruction projects, the total indebtedness on the property generally should not exceed 80 percent of the appraised value. The Housing Program Supervisor or the Director of Economic Development can make exceptions to these guidelines, but in no case shall the indebtedness on a property exceed 120 percent of its appraised value. The appraised value can be based in-house evaluation.

1.3b **Rental Property Loans:** The total indebtedness on rental property should not exceed 70 percent of the appraised value. The Housing Program Supervisor or the Director of Economic Development can make exceptions to these guidelines, but in no case shall the total indebtedness exceed the appraised value of the property.

➤ **1.4 PROJECTS UNSUITABLE FOR REHABILITATION**

When, in the opinion of the Housing Program Supervisor, it would be more cost-effective to demolish a building and reconstruct a replacement structure of the same number of units on the site, a project is declared unsuitable for rehabilitation.

When such a determination has been made, the project will become a candidate for demolition and reconstruction. The City staff provides floor plans and work write-up for new construction at no additional cost to the homeowner.

➤ **1.5 TYPES OF LOANS**

- 1.5a **Rehabilitation and Reconstruction:** These loans are usually for the elimination of substandard conditions, but reconstruction loans also apply to the construction of new housing on a vacant site that previously contained housing units. The number of units can be increased subject to compliance with City's zoning requirements and the Housing Program Manager's approval.

All loans for rehabilitation and reconstruction are at zero percent (0%) interest during construction, as long as all of the ultimate and continuing loan conditions are met. There is no housing affordability covenant requirement for owner-occupied rehabilitation and reconstruction projects.

- 1.5b **Rental Units:** Loans are not due until the certificate of occupancy is issued. After rehabilitation or reconstruction the dwelling units must meet funding source requirements regarding construction standards and quality.

The regulations of CDBG and HOME Programs identify eligible expenses, beneficiaries, and housing affordability covenant requirements. In the absence of more stringent funding source guidelines, the assisted rental properties shall be used for a minimum of five years by eligible occupants.

- 1.5c **Emergency:** These loans are for the purpose of repairing emergency conditions, such as leaking roofs or overflowing sewer lines and other repairs of emergency nature. These loans will be made where, in the judgment of the Housing Program Supervisor, it would be imprudent to delay repairs due to a danger to health and safety, or risk of further deterioration of the structure. On-site sewer construction for persons currently on septic tank system who want to hook up to City sewer would also be eligible for this type of loan.

In some emergency projects more than one contractor might be used to expedite the process. The Housing Rehab Specialist will be in charge of coordination of different trades involved in the project.

- 1.5d **First Time Home Buyer (FTHB):** See First Time Home Buyer Section of this document for details on FTHB loans.

➤ **1.6 INTEREST RATE**

The interest rate for rehabilitation and reconstruction (owner-occupant) projects is three percent (3%). The interest rate for FTHB is also at 3% as it is discussed further in FTHB Section of this document.

The interest rate for small rental properties is 3 percent (3%) if the City of Merced Housing Program provides all of the funds, or zero percent (0%) interest if the applicant provides fifty percent (50%) of the project funds. At the discretion of the Housing Program Supervisor or the Director of Economic Development the interest rate for development of affordable housing projects can be as low as 0 percent (0 %).

➤ **1.7 PAYOFF PERIOD**

If the owner-occupied rehabilitation applicant qualifies for an amortized loan, the standard term of a rehabilitation or reconstruction loan is 20 years. The loan can be entirely or partially amortized depending on the borrower's income. If the borrower qualifies for a deferred loan, the interest (simple interest) will accumulate for up to 10 years. After 10 years the interest will stop accumulating and the payment will be calculated based on the total principal and 10 years of interest.

The borrowers financial status will be evaluated every five years, which will determine if the loan will be deferred or amortized. According to HUD 30-percent-of-income guidelines, households should not pay more than 30 percent of their income toward housing costs in federally assisted housing. The term of the loan may be longer or shorter, depending upon the amount borrowed and the financial situation of the borrower.

➤ **1.8 PROPERTIES IN FORECLOSURE**

If a property is in foreclosure by the primary lender, the Housing Program Supervisor or the Director of Economic Development can act on behalf of the City by negotiating with the owner or by placing a cost estimate at the time of sale to protect the City's assets. The Housing Program will also coordinate with the City Attorney's office on bankruptcy projects for appropriate actions to protect the City's assets.

➤ **1.9 OTHER TERMS AND CONDITIONS**

1. The loan shall be secured by a Deed of Trust.
2. Title insurance on the property shall be required.

3. Payments on amortized loans shall be due monthly.
4. The loans for rehab/reconstruction may be prepaid at any time without penalty. The term does not apply to First Time Home Buyer (FTHB) loans. See FTHB section of this document for more information.

➤ **1.10 DEFERRAL OF LOAN PAYMENTS**

- 1.10a **Owner Occupant:** Housing loan payments can be deferred if the current housing expenses of the applicant are such that they would exceed thirty percent of their gross income, should they make payments on the City of Merced's loan.

The loan payments are deferred for a period of five years, and then the financial situation of the borrower is re-examined to determine continuing eligibility for payment deferral. If this is the case, the loan payments are deferred for another five-year period, and the financial situation is again re-examined. This process of five-year deferrals continues until the property is sold, or transferred, at such point the City's loan, including any accumulated interest, becomes immediately due and payable to the City.

An exception is if an income-eligible relative assumes the property. In this case, the person may assume the City's loan at the discretion of Housing Program Manager. Interest on a deferred loan is calculated on a non-compounding basis, and stops accruing after ten years.

Persons whose income would allow a partial payment on the City of Merced loan are required to make such payments up to an amount which makes their monthly housing expense no higher than thirty percent of the gross family income. Partially deferred loans shall be reviewed every five years.

Whenever the income situation of a borrower changes significantly, they are required to contact the City of Merced Housing Program. This is especially true of families who are making payments on an amortized loan whose income level decreases. If the situation warrants it, the amortized loan can be converted to a deferred payment loan.

- 1.10b **Rental Property:** Owners of a rental property may have their loan payments deferred one time, for a period of five years. The only applicable time period for the deferral is at the initiation of the loan.

Rental property qualifies for a loan payment deferral if the surplus of income-over-expenses is less than \$200 per month. Interest, however, continues to accumulate on a non-compounded basis.

➤ **1.11 DETERMINATION OF ANNUAL INCOME**

For the purpose of determining eligibility for loans through the Housing Program, the total income of all persons living in the dwelling unit shall be considered, unless one of the parties is renting a room and paying rent, in which case the rent paid is defined as income. The Section 8, Housing Choice Voucher (HCV) definition for annual income shall be utilized in establishing eligibility for the City of Merced Housing Rehabilitation and Reconstruction Loan Program. Once all sources of income are known and defined, the City converts periodic wages to annual income based on the HCV guidelines. For a detailed guide refer to HCV Program Guidebook at: <http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm>

➤ **1.12 HOUSING EXPENSES DEFINED**

For the purpose of determining eligibility for a totally or partially deferred loan, housing expenses shall be defined as the following:

1. Mortgage payments for indebtedness secured by the property.
2. Mortgage insurance premiums.
3. Hazard insurance, including flood insurance.
4. Real estate taxes and special assessments.
5. Major maintenance or repairs.
6. Utilities, to include water, sewer, refuse, and natural or propane gas and electricity.

➤ **1.13 OWNER-CONTRACTOR DEFINED**

An owner of property who receives a loan through the City of Merced Housing Program and holds a valid and appropriate contractor's license through the State of California, at the discretion of the Housing Program Manager, can act as contractor on the rehabilitation or reconstruction project. The project cost reasonableness has to be approved by the Housing Program Manager.

➤ **1.14 PROJECT/LOAN APPROVAL**

- 1.14a **Approval:** Projects and loans shall be approved by the Housing Program Supervisor, the City Manager, the Finance Officer, and the City Attorney. Project approval depends on funding availability and a waiting list is put together for the applicants. The Housing Program Supervisor, within funding source guidelines also:

1. Develops and signs agreements for the re-construction of units of rental housing that also may involve property acquisition.
2. Signs subordination agreements for loans previously issued when the collateral interests of the City of Merced are maintained and the borrower (owner-occupants only), would be benefited.

1.14b **Criteria:** Criteria for approval may include the following:

1. Eligibility of the applicant based on applicant's income, housing condition, and property location.
2. The existing debt on the property based on criteria described in **1.3a** of this document.
3. Credit worthiness of the applicant.

1.14c **Desirability:** Desirability of the projects is based on the following:

1. To improve and preserve the physical environment and appearance of residential neighborhoods in Merced.
2. To eliminate housing conditions which are a detriment to health, safety, and public welfare.
3. To revitalize Merced's housing stock by continuing programs that rehabilitate substandard units.
4. To provide technical assistance to homeowners and investors that rent to low-and moderate-income families.
5. To find additional avenues to leverage CDBG and HOME funds to promote housing rehabilitation and reconstruction.
6. To work towards providing decent, safe, and sanitary owner occupied and rental housing stock to low-and moderate-income households.

➤ **1.15 MAXIMUM LOAN AMOUNT**

The amount of funds to be loaned by the City of Merced for rehabilitation and reconstruction projects is based on the cost established through the solicitation of cost estimates from contractors for completion of a specified scope of work by the Rehabilitation Specialist. The Rehabilitation Specialist also prepares an independent cost estimate in order to verify fair and reasonable cost.

The loan amount is based on the lowest responsible cost estimate plus six percent (6%). There have been some cases that owners preferred to select different contractors from the list but they could not afford to pay the difference. The additional 6% will give the homeowners more flexibility to select different contractors. If the difference is higher than 6%, the homeowner is required to pay the additional difference the Program or the contractor. The Housing Program Manager determines the loan amount.

In the case of owner-contractor job, an exception can be made to the requirement that loan amounts are determined by solicitation of contractor cost estimates. In this instance, the owner-contractor and the Rehabilitation Specialist estimate the project's costs. The amounts to be paid are based on actual expenditures supported by invoices, plus reasonable profit and overhead as defined by local standards and the City of Merced Housing Program. Reasonable variation in establishing loan amount and contractor selection by owners may be made if warranted by the situation contingent on the Housing Program Manager approval.

➤ **1.16 CONTRACTORS ELIGIBILITY**

The Housing Program has a list of eligible contractors who are appropriately licensed in the State of California and the City of Merced and are on the list to do the work. The owner of the property shall select any of the contractors on the list who fall in the 6% loan amount price range. If the owner already has a contractor on mind, the contractor has to be added to the list in order to do be eligible to do the work.

The contractors who are within the 6% range will be invited for interviews with the homeowner and selection process will be conducted in the Housing Division. Subsequent to the contractor selection by the owner, the City of Merced Housing Program provides the loan funds based on the above stated criteria. Contractors are required to follow the requirements that are established by the Housing Program under the Section 2.4 (Contractor Selection) in the Procedure section of this Manual. Contractors not following the Policies and Procedures will not be invited to the selection process.

➤ **1.17 SERVICES PROVIDED**

The City of Merced Housing Program provides the following services for the applicants:

1. Eligibility screening of applicant,
2. Loan processing and coordination with the title companies,
3. National Environmental Policy Act (NEPA) report on the project and clearance report,

4. Property deficiency survey and identifying the needed work,
5. Written scope of work to be done,
6. Plans and working drawings,
7. Submittal of plans for permit process,
8. Conducting contractor's cost estimate tour,
9. Assisting homeowners with contractors selection,
10. Quality assurance and phase completion inspection in addition to required inspections by the Inspection Services Division,
11. Release of scheduled payments to the contractor upon homeowner's approval, and
12. Relocation assistance as is described in relocation assistance of the Procedure Section of this manual, Section 2.6.

PROCEDURES
REHABILITATION, RECONSTRUCTION, AND RENTAL UNITS

➤ **2.1 LOAN APPLICATION**

1. Loan Information application is filled out with the potential borrower's (applicant) contact information, property information, type of improvements to be done, including any improvements requiring emergency repair.
2. If there are no emergency repairs required, the potential borrower's name will be placed on a waiting list.
3. Potential borrower is contacted to submit a completed application. Names are taken from the waiting list on a first come first served basis.
4. The Finance Specialist determines eligibility of the applicant and processes the loan application.
5. If borrower meets the program guidelines, they will be notified that their application has been approved.
6. Environmental report according to National Environmental Policy Act (NEPA) will be prepared by the Housing Division staff.

➤ **2.2 EMERGENCY LOAN**

1. In case of emergency conditions, the property will be surveyed by the Rehabilitation Specialist to determine if the repairs warrant an emergency loan.
2. If the property is in need of emergency repairs the potential borrower is asked to submit an application.
3. Once the application is processed and it is determined that borrower is eligible under the program guidelines a loan will be given only if the items in need of repair are considered an emergency.

➤ **2.3 PROPERTY SURVEY/FLOOR PLAN & WORK WRITE-UP**

1. Property is surveyed by the Housing Rehabilitation Specialist and Building Inspector from the Inspection Services Division for deficiencies.
2. The Housing Rehabilitation Specialist sends survey letter to the owner.

3. The Housing Rehabilitation Specialist prepares work write-up and working drawings detailing scope of work to be done, based on survey of property and owner's input.
4. The owner approves the work write-up and their choice of any floor plans that are prepared by the City.

➤ **2.4 CONTRACTOR'S SELECTION**

1. The Housing Rehabilitation Specialist or Housing Program Supervisor conducts project tour (cost estimate tour) for qualified contractors on the Housing Program list. Contractors wishing to submit a cost estimate, or their representatives, must be present at the tour.
2. The Housing Rehabilitation Specialist or Housing Program Supervisor prepares an independent cost estimate.
3. The Housing Program receives contractors' estimates. Cost estimates will be recorded at the date and time of opening. No late cost estimated will be allowed.
4. The Housing Rehabilitation Specialist and the Housing Program Supervisor sign the Certification of Cost Reasonableness. The amount of loan is set at 6% above the lowest responsible cost estimate.
5. The owner is provided with a list of contractors who are within 6% range of the lowest responsible cost estimate.
6. The owner meets with the eligible contractors in the Housing Program office for the contractor's selection process. Contractors wishing to contact the homeowner must first get approval from the Housing Division. Contractors not following the guidelines will not be awarded the job.
7. The owner selects a contractor after going through the above process. In order to distribute projects in an even way among participating contractors, no contractor is authorized to have more than two jobs at one time. The Housing Supervisor can approve award of more than two projects under special circumstances.
8. On emergency projects if it is more time and cost efficient, the homeowners can provide cost estimate from different contractors to do the work. The Housing Rehabilitation Specialist or Housing Program Supervisor can provide assistance to the homeowner to receive cost estimates. The Rehabilitation Specialist or Housing Program Supervisor will review the cost estimates and

the contractor with the lowest responsible cost estimate will be awarded the job.

➤ **2.5 LOAN APPROVAL**

1. Housing Program Supervisor approves the loan.
2. Housing Finance Specialist draws up loan documents and contracts.
3. Housing Program Supervisor, City Manager, Finance Officer, City Attorney, Owner, Contractor, and all other parties as appropriate, sign documents.
4. Deed of Trust is recorded.
5. Notice to Proceed is mailed to the contractor.

➤ **2.6 RELOCATION**

2.6a. **Owner-occupants:** Housing Division staff administers Temporary relocation of owner-occupant clients. Relocation procedures are based on the HUD Uniform Relocation Assistance Act of 1970 and the following steps are taken:

1. The Housing Division will assist the homeowner in looking for a suitable place for relocation.
2. Relocation costs are either a grant or a loan to the borrower:
 - a) Grant costs include: security deposit, monthly rent, connection of telephone and cable.
 - b) Loan costs include: storage fees and moving supplies/fees.
4. Homeowner is provided with a relocation letter and information pamphlet outlining the above information.

2.6b. **Tenants:** Housing staff administers temporary relocation of tenants. Relocation procedures are based on the HUD Uniform Relocation Assistance Act of 1970. The following steps are taken to minimize displacement as a result of a HUD-assisted project:

1. General Information Notice (GIN) is provided to tenants as soon as feasible after the owner's submission of an application.
2. Move-In Notice to tenants moving in after initial application (GIN) is provided, before the tenant agrees to move into the project (prior to start).

3. Notice of Non-displacement is provided to tenants who will remain in the project.
4. Temporary Relocation Notice is provided to tenants who will be temporarily relocated.
5. Notice of Eligibility is provided to tenants who will be displaced.
6. 90-Day and 30-Day Notices are provided to tenants who will be displaced.

2.6c. Other Conditions:

1. The Housing Program Supervisor will establish a reasonable rent amount based on the local housing market.
2. If a homeowner wishes to relocate to a unit where the rent exceeds the established amount, the homeowner will be responsible for the difference.
3. The relocation unit must be within the city limits of Merced. An exception may be made at the discretion of the Housing Program Supervisor if the relocation unit is located in the unincorporated area of Merced or in Atwater.
4. The city will make a reasonable attempt to find a unit that allow pets, however; if a unit is not available it will be the responsibility of the homeowner to find a place for the pets to stay.
5. Any property damage to the relocation unit other than normal wear and tear will be the responsibility of the homeowner. The City will make the repairs and the costs will be added to the loan.

➤ 2.7 CONSTRUCTION

1. Building permit is issued in the owner and contractor's name.
2. The Building Inspector and the Rehabilitation Specialist or Housing Program Supervisor, performs inspections at various phases of construction as required by City and Building Codes.
3. The Housing Rehabilitation Specialist or Housing Program Supervisor monitors the project for quality control and phase completion.
4. The Housing Division issues phase completion checks to the contractor upon owner's approval. The payments are based on progress schedule and Ten percent (10%) of each payment is withheld for contingency and any possible liens.

5. Contractor must provide lean release waver from his/her subcontractors prior to issuance of the final progress payment.
6. Owner signs the Notice of Completion for recording.
7. Contractor receives the 10% withheld, 35 days after the notice of completion is recorded.

➤ **2.8 MONITORING AND INSPECTIONS FOR RENTAL UNITS**

The Housing Division conducts inspections for HOME-assisted rental housing. HOME rules require on-site inspections of properties according to the number of units in a project—every three years for 1-4 unit projects, every two years for 5-25 unit projects, and every one-year for projects containing 26 or more unit projects. HOME funded projects must meet Merced Municipal Code and Uniform Housing Code to ensure that the HOME-assisted housing is decent, safe, and sanitary.

The owner of the rental property is responsible to keep adequate records to demonstrate compliance with HOME requirements including applying the fair housing requirements. The owner shall keep both project and tenant records showing rent and utility allowance calculations, and documentation necessary to demonstrate that the tenants are income eligible. There are no inspection requirements for owner-occupied rehabilitation and reconstruction projects.

FIRST TIME HOME BUYER PROGRAM

The First Time Home Buyer Assistance Program is aimed at providing financial support to families who might otherwise be unable to purchase a home. The funds for this program are provided through the U.S. Department of Housing and Urban Development (HUD) under the Home Investment Partnerships Program (HOME).

➤ 3.1 PROGRAM QUALIFICATIONS

1. The household income cannot exceed 80 percent (80%) of Merced County Median Income adjusted for household size.
2. Maximum loan is for up to 10% towards the down payment plus up to 5% towards closing costs.
3. Maximum sales price limit based on the median home sales price is subject to change in accordance with state and federal median home prices. Home price to be verified by a qualified appraiser.
4. The applicant must not have owned a home for at least the last three years.
5. The applicant must be able to qualify for a first mortgage loan. The first mortgage loan must be a 30-year fixed interest rate loan.
6. The applicant must provide cash contribution equal to at least one percent (1%) of the sales price of the house. The cash contribution must be "applicant's own funds", and it cannot be borrowed or be part of a rebate from the seller. FHA or Conventional lender guidelines can be used for determining "applicant's own funds".
7. There is no prior residency requirement. In case of too many applicants, priority will be given to those with higher prior residency in the City, retirees, or those having primary business or job in the City.
8. Only single-family homes located within the City of Merced city limits are eligible under this program. The house to be purchased must be within the Merced City limits.
9. Applicant must contact the Housing Division to verify the home is within the city limits of Merced prior to signing a purchase agreement.
10. Applicant(s) must participate in a one day HUD approved education class. A copy of the certification must be submitted to the City. There is no cost to the applicant(s).
11. Applicant must occupy the house as a primary residence.

➤ **3.2 PAYBACK**

The applicant will be receiving a deferred payment loan that will be secured by a second deed of trust for the first five years. See Section 3.3 of this document for terms and conditions.

➤ **3.3 CONDITIONS**

1. The funds loaned will be without interest or required payback for the first 5 years (60 months). Beginning on the 61st month, interest at the rate of three (3) percent will begin to accumulate and payments at an amount necessary to pay off the principle and interest during the next 25 years (300 months) will begin.
2. The loan amount shall be based on the set guidelines in order for the applicant to purchase the property. The City loan is for down payment and closing costs and is not intended to be a portion of the "Primary Mortgage Loan". It is expected that the applicant will purchase a house that is in-line with their borrowing power as determined by income and credit history.
3. The house must be owner-occupied and the deed shall restrict the resale of the property for a period of 10 years. If there is a prepayment on the loan or should the property be sold within 10 years from the date of the loan origination, the applicant will be obliged to pay the City a penalty of 4% on the original loan amount starting from the loan origination date.
4. If the home is sold or transferred within 10 years from the date of the loan origination, the applicant shall pay the City a percentage share of the difference between the amounts received for the property and its value at the time of sale or transfer. The percentage share is determined on a declining scale, beginning at 10 percent in year 1, decreasing 1 percent each year to 1 percent in year 10.
5. The calculation of City participation shall be based on the minimum down payment required by the lender based on the sales price, plus reasonable and necessary closing costs. A maximum of ten percent of City loan funds can be used for the "down payment" and a maximum of five percent of City loan funds can be used for the "closing costs". The City will not pay for "2 to 1 buy-down" fees or discount points.

➤ **3.4 PROCEDURES**

1. The applicant (borrower) will provide a pre-qualified lender letter with the application and all required documentation.
2. The application will be screened for basic eligibility requirements.
3. The primary mortgage lender must verify that "borrowers own funds" are not less than one percent of the sales price, and that the request for City funds

meets the required guidelines of the First Time Home Buyer Assistance Program. This amount shall be determined through discussion with the primary mortgage lender.

4. When the applicant has secured a house to purchase, and received the primary loan approval, the City of Merced shall grant final approval of its loan.

NOTE: Applicant *should not* execute a purchase agreement prior to receiving a final approval for the City of Merced's First Time Home Buyer program.

Affirmative Fair Marketing Procedures and Requirements

The Affirmative Marketing Plan is designed to provide information on available dwelling units in a manner in which individuals of similar income levels in the same housing market area have available to them. The information must provide range of choices in housing regardless of the individual's race, color, religion, sex, sexual orientation, disability, familial status or national origin. The City of Merced requires that all HOME funded activities be marketed to eligible persons without regard to race, color, national origin, sex, religion, familial status or disability. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and City's local Fair Housing Efforts.

➤ 4.1 METHODS AND PRACTICES FOR INFORMING THE PUBLIC

The City of Merced is committed to ensuring decent, affordable housing for its residents. In order to inform the public, owners, and prospective tenants about federal fair housing laws, the City will require the developers to include the Equal Housing Opportunity logotype and/or slogan, and a logotype and/or slogan indicating accessibility to the disabled, in all press releases, solicitations, and program information materials. The City also continues to provide funding to the Central Valley Coalition to provide information and training regarding fair housing laws and policies.

➤ 4.2 REQUIREMENTS AND PRACTICES FOR OWNERS

All developers who receive funds from the City are required to enter into loan agreements with the City prior to receiving funds. These agreements are designed to bind the recipients to all of the program requirements, including the affirmative fair marketing procedures. Developers receiving funds are required to create units that are accessible to people with disabilities according to applicable codes. In addition to federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations for people with all types of disabilities. When providing a requested accommodation would result in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.

As a condition of the agreements on affordable housing projects, not less than 120 days prior to project completion, owners must submit proposed marketing and management plans to the City for review and approval. Prior to commencing marketing activities, owners will be required to meet with City staff to review the proposed marketing strategy to ensure that affirmative marketing efforts will be employed. Management plans must include policies for ensuring reasonable accommodation for persons with disabilities. Management plans must also contain policies and provisions for recordkeeping and monitoring.

Marketing plans must include information on strategies for reaching persons and groups not likely to apply including, but not limited to, households with a disabled member. Marketing plans must include procedures for ensuring that accessible units are occupied by people with disabilities who require accessible features, as described below. Marketing plans must also include the use of the fair housing logotype and/or slogan, and use of a logotype and/or slogan indicating accessibility to the disabled. Fair housing posters must be displayed at the project rental or sales office. Owners are required to advertise in newspapers of general circulation, and to provide notice to community groups when units become available.

Marketing strategies must include use of a welcoming statement to encourage people with disabilities to apply for units, as well as a description of available units, accessible features, eligibility criteria, and the application process. Marketing plans must indicate that qualified applicants with disabilities who request accommodation shall receive priority for the accessible units. Open houses and marketing offices must be accessible to allow disabled persons to visit the site and retrieve information about accessible units.

➤ **4.3 PROCEDURES FOR OUTREACH TO PERSONS NOT LIKELY TO APPLY**

Owners are required to engage in special outreach to persons and groups in the housing market area who, in the absence of such outreach, are not likely to apply for the housing. In determining what special outreach is needed, owners should take into account past patterns of discrimination, the racial and ethnic makeup of the neighborhood, language barriers, location, or other factors that might make it less likely that some persons and groups (a) would be aware of the availability of the housing or (b) would be likely to apply for the housing.

Owners are, in particular, required to advertise in media which are reasonably likely to reach such targeted groups, and to provide notice to community organizations, fair housing agencies, and other similar organizations. A list of local disability organizations and community development boards will be provided by the City of Merced along with sample advertisements. Multilingual advertising is encouraged where such efforts would result in reaching persons and groups not likely to apply.

➤ **4.4 SPECIFIC PROCEDURES TO ENSURE ACCESSIBLE UNITS ARE OCCUPIED BY THOSE WHO REQUIRE ACCESSIBLE FEATURES**

Outreach by owners to the disability community shall include the distribution of notices describing:

1. the availability of all units;
2. specific information regarding the availability and features of accessible units;

3. eligibility criteria; and
4. application procedures.

All application forms shall include information indicating that people with disabilities requiring accessible features shall receive priority for accessible units. The application must include a section to be filled out by any applicant requesting an accommodation with details on the applicant's special needs for accessible features or other accommodations. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. This will allow developers to provide, upfront, any necessary accessible features and/or accommodations for those people requesting accommodations.

Owners shall take reasonable nondiscriminatory steps to maximize the utilization of accessible units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, any vacant accessible unit should first be offered to a current, disabled tenant of the same project or comparable project under the owner's control. When offering an accessible unit to applicants without disabilities, the owner may require such applicants to agree to move to a non-accessible unit when one becomes available or when the accessible unit is needed by a disabled household. Such an agreement may be incorporated into the lease.

Note: An owner may not prohibit an eligible family with a member who has a disability from accepting a non-accessible unit which may become available before an accessible unit. Owners are required to modify such a non-accessible unit as needed or move a disabled household into a unit that can be altered, unless the modifications would result in an undue financial and administrative burden or alteration in the nature of a program. All applicants should be provided information about how to request a reasonable accommodation at the time they apply for admission and at every recertification.

➤ 4.5 RECORDKEEPING AND MONITORING

Owners must maintain records for at least five years regarding marketing and tenant selection practices. Upon request, owners are required to submit to the City copies of all advertisements indicating the date the advertisements were placed and the media outlets which were used. Owners must provide copies of notices sent to community groups and a listing of those groups to which notices were sent. Owners must maintain records regarding the characteristics of persons applying for vacant units, and the characteristics (including race and familial status) of persons actually selected for the units. Owners' records must also include the number, location, and description of accessible units, and success in filling such units with people who need accessible features or other accommodations. Owners must document any reasonable accommodations made to, or requested by, tenants during the reporting year.

As part of the City's monitoring of assisted housing developments, the City will review the owners' records to verify that each qualified household living in an accessible unit has at least one household member who needs the accessible features. The duration of monitoring of Affirmative Fair Marketing Requirements varies with each program. For homeownership, the requirements apply through the completion of initial sales transactions on units covered by the approved plan. For assisted rental housing, requirements apply throughout the term of the loan and regulatory agreements, including those periods when the project does not maintain sustaining occupancy.

➤ **4.6 ASSESSMENT OF SUCCESS AND CORRECTIVE ACTIONS**

The City will review records maintained by owners to ensure that affirmative fair marketing requirements are being met. Where the characteristics of applicants are significantly different from the make-up of the City's population, the City will examine in more detail the owner's actions to determine if a violation of the requirements has occurred. Initially, owners who have not fully complied with the requirements are directed to engage in targeted marketing efforts to reach groups not initially reached. In cases where owners refuse to comply with the affirmative fair marketing procedures, the City may take additional actions to secure performance under the loan agreement, including declaring the loan in default and recapturing the funds.

➤ **4.7 IMPLEMENTATION PROCEDURES**

1. Informing the Public: Recipients shall inform the public of their proposed activities through local media advertisements and announcements that include the Equal Opportunity logo or slogan. Recipients shall notify the local Public Housing Authority (PHA) and request that applicants on the PHA waiting lists be informed of the upcoming availability of rental units. Community organizations, places of worship, employment centers, fair housing groups, human resources agencies and housing counseling agencies shall be informed about the upcoming rental opportunities.
2. Informing Tenants: If funding is used to rehabilitate a property, the recipient shall mail letters to the current tenants informing them of the impending property rehabilitation. This letter shall include a fair housing statement along with the Equal Opportunity logo or slogan.
3. Informing Owners: TCAP recipients shall sign a certification that they have received, read, understood and complied with all requirements set forth in this Plan. This certification will be required prior to receiving any TCAP funds.

➤ **4.8 REQUIREMENTS AND PRACTICES:**

HOME recipients must adhere to each element of this Plan. The elements of this Plan include, but are not limited to:

1. Institute policies and procedures which negate the impact of discrimination aimed at those persons in the following classes (Note: this list is not exhaustive):
 - a. Minority race or ethnicity;
 - b. Limited English proficient persons;
 - c. Households headed by a single person;
 - d. Disabled persons;
 - e. Elderly persons; and
 - f. Families with children.
2. Provide translated materials for persons who are limited English proficient.
3. Maintain records describing actions taken to affirmatively market the rental units, and maintain records assessing the results of such actions.
4. Maintain records outlining the success/failure of all affirmative marketing actions taken, and maintain records of any corrective action.

FAIR HOUSING COMPLIANCE

➤ 5.1 DISABILITY STATUS:

The City of Merced does not discriminate on the basis of disability status in the admission, or access to, or treatment, or employment, in its federally funded program or activities. The City additionally extends the prohibition of discrimination on the basis of disability established by Section 504 of the Rehabilitation Act of 1973, as amended, to all activities including those that do not receive Federal financial assistance. All Housing Program sub-recipients are required to provide the disability status, nature of disability of all clients, and steps taken for reasonable accommodation.

Deneen Proctor, Director of Support Services, has been designated to coordinate compliance with nondiscrimination requirements contained in the Department of Housing and Urban Development (HUD) regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, (24 CFR Part 8).

Contact Information:

Deneen Proctor,

Director of Support Services/ADA Compliance Coordinator

Telephone Number: (209) 385-6837 (Voice), (209) 385-6816 (TDD)

➤ 5.2 LIMITED ENGLISH PROFICIENCY (LEP) PLAN:

The City of Merced Housing Program provides funding through the U.S. Department of Housing and Urban Development (HUD) for a variety of services. These services are accessible to all eligible citizens of Merced. The City is committed to improving the accessibility of these services to eligible individuals who have Limited English Proficiency (LEP). The City has developed and implemented a process by which LEP individuals can meaningfully access the services. In addition, the City works with its sub recipients of Federal financial to provide meaningful access to their LEP applicants and beneficiaries.

The City of Merced has significant concentrations of low-income households and racial/ethnic minorities in Central and South Merced where most of the City's services are needed. In particular, there is a large concentration of people of Hispanic origin and those primarily Hmong and Laotian in the moderate, low and very low-income categories. The majority of the Housing Program clients, however, are Hispanic people who are proficient in English language. On average less than 10 percent of the housing rehabilitation and first time homebuyer clients seek translation assistance on their initial visits to the City to inquire about the program. The City also supports CDBG funded public services programs in the City. Agencies running those programs are also required to provide translation assistance to LEP clients. Those agencies

include the Merced Lao Family and the Healthy House, both with qualified staff to help LEP persons.

The City of Merced promotes and facilitates services to LEP persons. As stated in the City's ordinance, the City has Spanish and Hmong speaking staff members who are available for direct contact or via phone during working hours to help with LEP clients. The City translators are available to help the Housing Program staff when needed.

The Housing Program follows guidelines to outreach LEP persons on public notices and Council meetings regarding our services (See attached Public Services Procedures). The Program places notices in English in the City's daily and weekly newspapers. The notices are also posted in Spanish, Hmong, and English on City's website, at South Merced Police Community Aide and at Merced Lao Family. Both South Merced Police Community Aide and Merced Lao family receive CDBG assistance to offer different eligible programs and their bilingual staff is available to provide additional help. The notices in English also indicate that the summary of the program publications will be translated in Spanish or Hmong and also translation services are available at all City Council meetings upon request.

➤ **5.3 GRIEVANCE PROCEDURE:**

This Grievance Procedure gives the recipient of CDBG and HOME funded or assisted programs and activities a tool to resolve disputes with the City of Merced Housing Program. It also provides information on the regulatory requirements for the Housing Program grievance procedure along with some practical guidance about how to make the process work better for both clients and the Housing Program.

The American with Disabilities Act prohibits discrimination on the basis of disability. The use of an internal grievance procedure is not required before filing other administrative or judicial remedies. Formal filing of a complaint with the appropriate federal enforcement agency may be done at the same time as the filing of an internal grievance.

The City of Merced has adopted an internal grievance procedure for prompt and expeditious resolution of complaints alleging any action prohibited by the American with Disabilities Act. Complaints should be addressed to the designated ADA Compliance Coordinator:

Deneen Proctor
678 W. 18th Street
Merced, CA 95340
Phone # (209) 385-6837; TDD # (209) 385-6816

➤ **5.4 COURSE OF ACTION:**

- 1) A complaint shall be filed in writing. It must contain the name, address, and telephone number of the person filing (complaint), and a brief description of the alleged violation. It must be signed by the complainant or someone authorized to act on the complainant's behalf. The complainant shall be promptly notified of the receipt and acceptance of the complaint.
- 2) An investigation shall be conducted within fifteen (15) days after a complaint is filed. A complainant shall have the right to an informal confidential presentation of their complaint within a reasonable amount of time.
- 3) The ADA Compliance Coordinator shall issue a written decision, after full consideration of the complaint, with a process for resolution of any problem within 45 days of receiving the complaint. A copy shall be forwarded to the complainant.
- 4) The ADA Coordinator shall maintain the confidentiality of all files and records relating to complaints filed, unless disclosure is authorized or required by law.
- 5) The complainant may request within 10 days a reconsideration of the case in instances where she/he is dissatisfied with the resolution.
- 6) Any retaliation, coercion, intimidation, threat, interference, or harassment for filing of a grievance, or used to restrain a complainant from filing, is prohibited and should be reported immediately to the ADA Compliance Coordinator.
- 7) Complainant may be represented.

Individuals, or a specific class of individuals, who believe that they have been subject to discrimination on the basis of disability by a public agency may file a complaint within 180 days of the date of the alleged discrimination with the City of Merced Housing Program.

An applicant may, at any time, exercise the right to appeal the City of Merced Housing Program decision through the local HUD office or the US Department of Justice. Individuals may contact the local HUD office at:

US Department of Housing and Urban Development
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1300

APPENDIX A **DEFINITIONS**

The following definitions shall apply to the policies and procedures unless another meaning is clearly apparent from the context.

CDBG: The Community Development Block Grant (CDBG) program funds under Title I of the Housing and Community Development Act of 1974, as amended. It works largely to provide affordable housing and to expand economic opportunities mainly for low and moderate-income persons.

CHANGE ORDER: That written document in which the purpose will be to approve all changes in the work as specified in the work write-up.

CITY: City of Merced, California. When determinations, approvals, or interpretations are intended, "City" shall mean the City staff persons designated.

CONTRACTOR: A building, plumbing, electrical, or other building trades contractor, licensed by the State of California, and **OWNER/CONTRACTOR**, as used in these Provisions, shall also mean an owner-borrower who is capable of performing certain tradesman work and who, in fact, does perform, or causes to be performed, certain self-help rehabilitation work on his or her own home.

DEED OF TRUST: Legal title to the property that is vested in one or more trustees to secure the repayment of the loan.

DIRECTOR OF ECONOMIC DEVELOPMENT: A person employed by the City to oversee the Housing Division and the Economic Development Department of the City.

DWELLING UNIT: A single owner-occupied or rental unit providing independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation. As used in these policies, dwelling unit shall not include hotel or motel rooms, mobile homes, rooming and/or boarding houses.

FAMILY INCOME: The sum of money income received in a calendar year by the family members related through blood or marriage.

FORECLOSURE: A termination of the right of an owner securing a loan in the property covered by the mortgage.

HOME: The Home Investment Partnerships Program (HOME) funds under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. Its main objective is to create affordable housing for low and very low-income families.

HOUSEHOLD INCOME: The sum of money income of household members regardless of relationship through blood or marriage.

HOUSING DIVISION: The Housing Program of the City of Merced, receiving and managing CDBG, HOME, and State housing-related funds.

HOUSING FINANCE SPECIALIST: A person employed by the City to determine applicant eligibility, provide financial counseling to home owners and investors, and supervise loan preparation, escrow accounts, and loan servicing.

HOUSING PROGRAM SUPERVISOR: A person employed by the City of Merced to be the administrative head and day-to-day operation of the Housing Program.

HOUSING REHABILITATION SPECIALIST: A person employed by the City under the Housing Division and working to provide technical building assistance to homeowners pursuant to the policies, regulations and provisions of the City's Housing Program.

HUD: The U.S. Department of Housing and Urban Development (of the Federal Government).

INSPECTION SERVICES DIVISION: A Division of Development Services of the City of Merced, managing and conducting permit issuance and inspections on all construction activities in the City of Merced.

LIEN: A form of encumbrance against the property, which provides security for the payment of a debt or discharge of an obligation. Example: judgments, taxes, mortgages, deeds of trust.

MEDIAN INCOME: The amount which divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.

MORTGAGE: A written legal document that creates a lien upon real estates as a security for the payment of a specified debt.

NEPA: National Environmental Policy Act of 1969.

NSP1: Neighborhood Stabilization Program 1.

NSP3: Neighborhood Stabilization Program 3.

OWNER CONTRACTOR: A homeowner performing his own work as per City of Merced Policies and Procedures.

OWNER OCCUPANT: A family or individual who occupies and owns or is buying a unit or units of residential property.

REHABILITATION COSTS: The total cost of repairs and improvements and other costs of rehabilitation to be incurred by the applicant that is includable in a rehabilitation loan.

RENTAL PROPERTY OWNER: A family or individual who owns or is buying a unit or units of residential property and who rents these units to a tenant who is within the low to moderate income guidelines.

SINGLE FAMILY DWELLING: An independent structure used for housing a maximum of one family.

SURVEY: The preliminary inspection of the dwelling for code violations, deterioration, improper construction and hazardous conditions existing that are dangerous to the homeowner and the public.

WORK WRITE-UP: The description of all work performed and the document used for all bidding and a contractual purpose of the job.

APPENDIX B
PUBLIC NOTICE PROCEDURE

Public Notice Type:

☐ **MERCED COUNTY TIMES**
Place in the Merced County Times as a Legal. _____ Date Requested _____ Date Published
(English only)

☐ **MERCED SUN-STAR**
Place in the Merced Sun-Star as a display ad. _____ Date Requested _____ Date Published
(English only)

☐ **TRANSLATION: Spanish** _____ Date Requested _____ Date Completed
Hmong _____ Date Requested _____ Date Completed

☐ Post in South Station (all 3 languages) _____ Date Requested _____ Date Completed

☐ Post at Lao Family (English & Hmong) _____ Date Requested _____ Date Completed

☐ Announce on Lao Family TV _____ Date Requested _____ Date Completed

☐ _____ Date Requested _____ Date Aired

☐ Post on bulletin board at Civic Center (all 3 languages) _____ Date Completed

☐ Post on Housing Web Page _____ Date Completed
English ☐ Spanish ☐ Hmong ☐

Copy needs to be given to City Clerk (only if tied to a Council Meeting) _____ Date Completed
o Yes o No

☐ Reserve a meeting location? o Yes o No
Place: _____
Date: _____ Time: _____
Seating set up: _____

☐ Notice mailed to interested organizations and individuals _____ Date Mailed

Other / Notes: _____

APPENDIX C
Complaint Form
for
Alleged Discrimination on the Basis of Disability

Complainant's Name: _____ Phone #: _____

Address: _____

Describe the alleged discriminatory action in sufficient detail to make your complaint clear.
Attach additional pages, if necessary:

What actions do you request be taken to correct the alleged discrimination?

Signature of (check one):

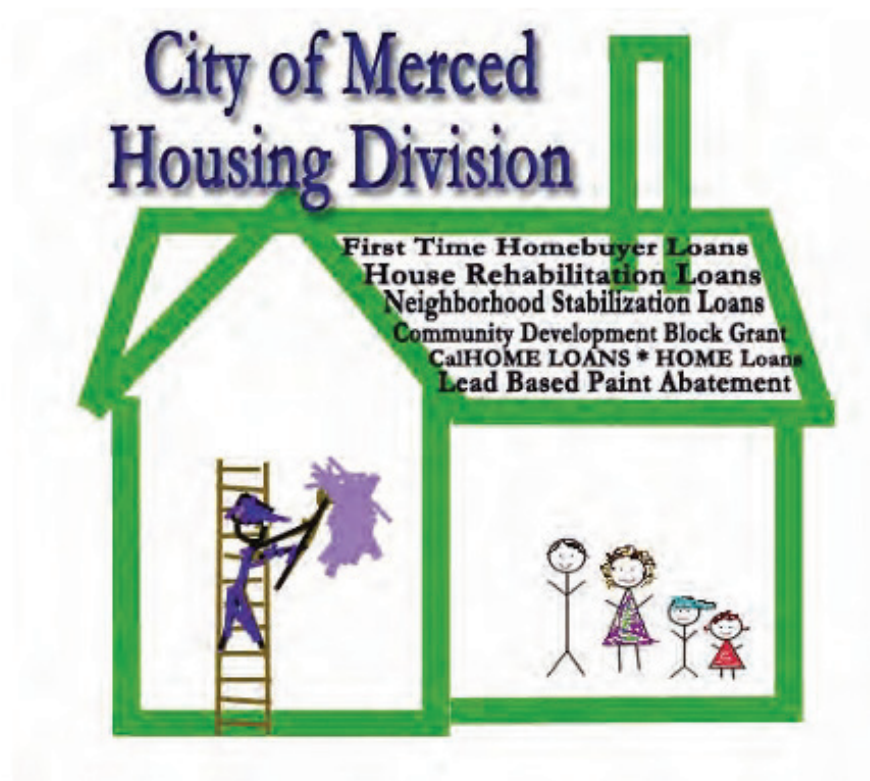
_____ Complainant(s)

_____ Authorized representative(s)

Signature _____ Date: _____



City of Merced Housing Division Citizen Participation Plan



For Submission to the U.S. Department of Housing and Urban Development

City of Merced
Housing Division
678 W. 18th Street
Merced, CA 95340
(209) 385-6863

Amended and Approved by City Council
May 18, 2020

City of Merced
Citizen Participation Plan
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A. INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) requires entitlement communities (jurisdictions with populations above 50,000) to develop a Citizen Participation Plan*. This Citizen Participation Plan describes how the City of Merced (hereafter "the City") will involve residents in the planning, implementation and assessment of how Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds will be used. It defines the City's policies and procedures for public participation in the Consolidated Plan (ConPlan) and Action Plan process.

The ConPlan is a five-year strategy required by HUD that outlines how the City intends to meet identified local Housing and Community Development (HCD) needs over a five-year period. Annually an Action Plan is created that describes how federal, state, and local resources will be used to address the identified needs and objectives during each respective fiscal year of the five-year ConPlan.

Main components of the ConPlan include a:

1. Housing and Community Development Needs Assessment
2. Housing Market Analysis
3. Analysis of Impediments to Fair Housing Choice
4. Strategy that Reflects General Goals With Performance Outcome Measurements

These assessments assist the City of Merced Housing Division determine annual allocation of HUD funds to address identified needs.

The City's ConPlan identifies unmet priorities in the community that generally deal with a suitable living environment, affordable housing, economic opportunities and homelessness. Annually the Action Plan is created to address these unmet priorities. HUD funds cannot be used for standard City services or programs that do not meet the National Goals and Objectives or that are not identified in the five-year ConPlan. The Housing Division oversees HUD funding and designs and carries out programs identified in the ConPlan and Annual Action Plan. Once HUD allocations are released, local non-profit or public agencies may submit grant requests for funding of programs identified in the ConPlan. If funding is available, the City can use no more than 15% of its total CDBG annual allocation and previous year's program income for Public Service Programs.

The planning and approval process for the ConPlan and Action Plan can be broken down into the following stages:

1. Needs Assessment
2. Plan Development
3. Approval Process
4. Amendments
5. Performance Review

The Citizen Participation Process generally includes a series of well-publicized annual public hearings and community/neighborhood meetings to review and give input for the ConPlan, the Annual Action Plan and Consolidated Annual Performance and Evaluation Report (CAPER). All meetings and hearings are publicized in accordance with applicable HUD, state, and local regulations. Public notices for environmental procedures and project-related policies are also part of the citizen participation process. Public notices are printed in English, Hmong, and Spanish in area newspapers. Stakeholders receive individual notice of public meetings via the US Postal Service or email.

In addition to hosting community meetings and public hearings for the ConPlan, the City hosts stakeholder focus group meetings and distributes a community needs assessment survey using the City's Utility Billing System. All plans, notices, and supporting documentation are provided to the public on the Housing Division website. Translations in Spanish and Hmong are available upon request.

B. BACKGROUND

HUD and its Office of Community Planning and Development (CPD) division require entitlement communities to implement strategies that further promote residents to participate in community building through the five-year ConPlan planning process. The CPD's underlying principles include the following:

1. Community building begins with job creation, employment and the creation of safe, decent and affordable housing.
2. The planning and execution of community development initiatives must be bottom up and community-driven.
3. Complex problems require coordinated, comprehensive and sustainable solutions.
4. Government must be streamlined to be more efficient and effective.
5. Citizen participation in federal, state, and local government can be increased through communication and better access to information.

This Citizen Participation Plan is in compliance with these federal principles.

C. OVERVIEW

GOAL: To generate significant public participation in the consolidated planning process including any amendments to the ConPlan, Annual Action Plan or the CAPER, input will be sought particularly from low and moderate-income persons and groups residing within various areas of the City where program funds will be used.

Objective A: All persons shall have the opportunity to take part in the consolidated planning process and any amendments to the ConPlan, Annual Action Plan, or the CAPER.

POLICIES:

Consolidated Plan (ConPlan):

1. A minimum of two community meetings will be held during development of the ConPlan to gather public input. At those meetings members of the public will be asked to identify community needs and priorities. The list of public priorities that align with National Objectives will be taken under consideration during preparation of the ConPlan.

2. During the ConPlan development, residents living in neighborhoods identified as eligible for CDBG assistance will be invited to become part of focus groups. These groups will help develop community development priorities for the ConPlan.
3. Two additional public input meetings will be conducted once the draft ConPlan is completed. The ConPlan will be presented and public comments regarding the document will be recorded.
4. Upon completion of the draft ConPlan, the document will be available for public review and comment for 30 days. Copies of said plan shall be made available to the public at the City of Merced Civic Center, 678 W. 18th Street, and/or Merced Senior Center, Merced County Administration Building and the City's website.
5. A Public Hearing will be held before the Merced City Council where the public can provide additional input regarding the ConPlan prior to approval of the plan by the Council.
6. Any amendments to the ConPlan shall be made available for public review and comment for 30 days. Copies of said report shall be made available at the City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, Merced County Administration Building, and City website.

Annual Action Plan:

1. A minimum of two community meetings will be held during development of the Annual Action Plan to gather public input. At those meetings the public will be asked to identify community needs and priorities. Programs and activities that align with the ConPlan and National Objectives will be taken under consideration during preparation of the Action Plan.
2. Upon completion of the draft Annual Action Plan, the document shall be made available for public review and comment for 30 days. Copies of said plan shall be made available to the public at the City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, Merced County Administration Building and City website.
3. Any amendments to the Annual Action Plan shall be made available for public review and comment for 15 days. Copies of said report shall be made available at the City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, Merced County Administration Building, and City website.

Consolidated Annual Performance and Evaluation Report (CAPER):

1. Prior to drafting the CAPER, a public meeting will be held to gain input on activities carried out as part of the previous Annual Action Plan. Meetings will be held in the summer to allow adequate time for drafting of the CAPER.

2. Upon completion of the CAPER, the report will be available for public review and comment for 15 days. Copies of said report shall be made available at the City of Merced Civic Center, 678 W. 18th Street, and/ or the Merced Senior Center, Merced County Administration Building, and City website.

All Plans:

1. All public hearings and meetings shall be conducted in the evening hours, shall be held at convenient locations that accommodate persons with disabilities, and shall be easily accessible by public transit.
2. The City shall provide interpreters for non-English-speaking persons and/or the hearing impaired when such requests are made at least five working days prior to the hearing.
3. Notices will be written in English, Spanish and Hmong. Upon request translators will be made available to assist with reading of the ConPlan, Annual Action Plan, and CAPER.
4. A public meeting will be held every fall to give an overall report of the previous year's CAPER and update on the current year's Annual Action Plan. The community will be asked for input, direction, and given a question and answer period regarding HUD programming and funding.

Objective B: Adequate information shall be provided to all interested persons and groups upon request.

POLICIES:

1. Prior to adoption of the ConPlan or Action Plan, the City shall make available to all interested persons and groups the anticipated amount of funding the City expects to receive from the CDBG formula program, including the amount that will benefit persons with very low and low incomes. In addition, the City shall identify the range of activities that must be undertaken with these funds, plans to minimize the displacement of persons, and plans to assist displaced persons.
2. The City shall provide all interested persons and groups with reasonable and timely access to all information relating to the City's proposed ConPlan or Action Plan and the City's use of assistance under the relevant programs activity years.
3. A translator or staff member will be made available upon request to assist interested persons with understanding information provided.

Objective C: The City shall provide adequate advance public notice of all associated meetings and hearings.

POLICIES:

1. The City shall provide adequate advance notice of all public hearings and meetings to all interested persons and groups. Sufficient information shall be published about the subject of the hearing or meeting to permit public input. Such notice might take the form of content in the *Merced Sun-Star* and the *Merced County Times* newspapers, individual letters, notices or flyers mailed to interested persons and groups, list serves, existing newsletters and bulletins distributed in targeted areas, or radio announcements.

Objective D: The City shall furnish technical assistance to all interested persons and groups requesting such assistance.

POLICIES:

1. The City shall provide technical assistance, particularly to groups or individuals representing persons with very low or low incomes. Said assistance shall be used to develop funding proposals for assistance under any of the formula programs covered by the ConPlan. The City shall determine the necessary level and degree of assistance. Such technical assistance might include the following:
 - A. Assisting with forms/applications
 - B. Explaining the process for submitting proposals
 - C. Explaining federal and local requirements
 - D. Providing comments and advice on the telephone or in meetings
 - E. Reviewing and commenting on draft proposals

Objective E: All comments and complaints submitted by interested persons or groups shall be adequately considered and addressed.

POLICIES:

1. The City shall consider any comments or complaints from interested persons or groups received at public hearings or meetings in preparing the ConPlan, any amendments to the plan, the Annual Action Plan or the CAPER.
2. In preparing the final ConPlan and/or Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing

or submitted in writing during the review and comment period. The final documents will have a section that includes all comments, plus explanations as to why any comments were not accepted.

3. The City shall provide a substantive written response to every comment or complaint received within 15 working days when possible.

Objective F: The City shall use flexibility provided by HUD during any federal-declared disaster or other unforeseen event to allow the City to best address immediate needs of the community.

POLICIES:

1. The City shall follow all requirements accompanying any special allocation of funds with respect to amended procedures for public notice, public review and comment, and citizen participation to enable the City to redirect resources to the most immediate community needs.
2. The City will request any waivers necessary to use flexibility provided by HUD during times of federal-declared disasters or unforeseen circumstances.

D. PUBLIC PARTICIPATION

1. Citizen Participation Plan and Amendments

The Citizen Participation Plan is designed to facilitate and encourage residents to participate in the entire ConPlan process. In particular, the Citizen Participation Plan seeks to encourage the involvement of low- and moderate-income persons.

The City will use the following process to adopt and make any subsequent changes to its Citizen Participation Plan:

- A. The City will place public notice in the *Merced Sun-Star* and *Merced County Times* newspapers, on the City's Web site, www.cityofmerced.org, and at the City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, or Merced County Administration Building.
- B. Residents will have 30 days to review the Citizen Participation Plan from the date of the notice.
- C. During the 30-day public review and comment period, the document will be available for review at the City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, Merced County Administration Building and City website.
- D. During the 30-day period from the date of notice, residents may file comments in writing at the City Housing Division, 678 W. 18th Street, Merced Civic Center.

E. The City Council will adopt the Citizen Participation Plan.

Any change in the public participation process as outlined in this document will require an amendment to the Citizen Participation Plan.

2. Consolidated Plan and the Annual Action Plan

The steps outlined below provide opportunities for public involvement in the ConPlan and the Annual Action Plan:

- A. To identify the needs of low- and moderate-income persons in different areas of the City, priorities will be established based on Housing and Community Development (HCD) needs.
- B. To solicit community input, which is essential to determining these needs and priorities, the following actions will occur:
 - 1) The City will consult with local public agencies that assist low- and moderate-income persons and areas, including City staff, state, and federal agencies, neighboring local governments and regional agencies.
 - 2) The City will consult with private agencies, including local nonprofit service providers and advocates such as the local public housing agency, health agencies, homeless service providers, nonprofit housing developers and social service agencies (including those focusing on services to children, the elderly, persons with disabilities, persons with HIV/AIDS, persons with substance abuse problems, etc.).
 - 3) The City will place public notices in the Merced Sun-Star and Merced County Times newspapers, on the City's Web site (www.cityofmerced.org) and at City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, or Merced County Administration Building.
 - 4) Residents have 30 days to review the draft ConPlan and/or the draft Annual Action Plan from the date of the notice.
 - 5) Residents may file comments at the City offices, 678 W. 18th Street, Housing Division, during a 30-day period from the date of the notice.
 - 6) A public hearing will be held before the City Council to receive comments, solicit input on needs and priorities, and to approve the ConPlan and the Annual Action Plan.
 - 7) The City Council will adopt the ConPlan and/or the Annual Action Plan.

- 8) In preparing the final ConPlan and/or Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The final documents will have a section that includes all comments, plus explanations as to why any comments were not accepted.

3. Substantial Amendments to the Consolidated Plan and the Annual Action Plan

Amendments to the ConPlan or the Annual Action Plan will be necessary whenever one of the following is proposed:

- To make a substantial change in the allocation priorities or a substantial change in the method of distribution of funds. (Substantial change is defined as a change that affects more than 75% of the allocation of funding in any project and/or total distribution.);
- To carry out an activity using funds from any program not covered by the ConPlan (including program income) not previously described in the ConPlan; or
- To substantially change the purpose, scope, location or beneficiaries of an activity.

The following procedures apply to amendments:

- A. The City will place public notices in the Merced Sun-Star and Merced County Times newspapers, on the City's Web site (www.cityofmerced.org) and at City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, or Merced County Administration Building.
- B. Residents have 30 days to review the proposed amendment from the date of the notice.
- C. During the 30-day public review and comment period, the document will be available for review at the City's Housing office and the City website. Copies of the document will be available to the public free of charge.
- D. Residents may file comments at the City offices, 678 W. 18th Street, Housing Division, during the 30-day period from the date of the notice.
- E. The City Council will adopt the amendment.
- F. In preparing a final amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The final amendment will have a section that includes all comments, plus explanations as to why any comments were not accepted.

4. Consolidated Annual Performance Evaluation Report (CAPER)

Every year, the City must submit to HUD a Consolidated Annual Performance Evaluation Report (CAPER). In general, the CAPER must describe how funds were actually used and the extent to which these funds were used for activities that benefited low- and moderate-income people. The following steps outline the opportunities for public involvement in the CAPER:

- A. The City will place public notices in the *Merced Sun-Star* and *Merced County Times* newspapers, on the City's Web site (www.cityofmerced.org) and at City of Merced Civic Center, 678 W. 18th Street, and/or the Merced Senior Center, or Merced County Administration Building.
- B. Residents have 15 days to review the CAPER and/or Action Plan from the date of the notice.
- C. During the 15-day public review and comment period, the document will be available for review at the City's Housing Division office. Copies of the document will be available to the public free of charge.
- D. Residents may file comments at the City offices, 678 W. 18th Street, Housing Division, during the 15-day period from the date of the notice.
- E. The City Council will adopt the CAPER or Action Plan.
- F. In preparing the CAPER and Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The final report will have a section that includes all comments, plus explanations as to why any comments were not accepted.

5. Response to Disasters and Unforeseen Events

In the event HUD provides opportunity for waiver of the requirements within this plan during a federally-declared disaster or upon any other unforeseen circumstance, the City will follow applicable amended procedures for public notice, public review and comment, and citizen participation to enable the City to redirect resources to the most immediate community needs. The City will comply with all requirements accompanying the allocation of federal funds in these circumstances, including the requirements of statutes, regulations, or HUD administrative guidance with respect to citizen participation and the amendment or adoption of the Consolidated Plan, Annual Action Plan, or CAPER. If needed, the City will request appropriate waivers from HUD to take advantage of any flexibility offered by HUD.

The City may modify its procedures as follows, notwithstanding HUD guidance to the contrary:

- A. Any 30-day public review and comment period contemplated within this Plan may be shortened to five (5) days.

B. In-person public hearings may be replaced by virtual public hearings if:

- 1) National/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and,
- 2) Virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

C. Further, the City may vary from its Citizen Participation Plan, and will attempt to follow the below reasonable notice and public comment procedures if City offices are physically closed to public access:

- 1) Public notices will be published in the "Public Notices" sections of the Merced County Times and the Merced Sun-Star newspaper publications approximately 15 days before a scheduled meeting to decide on any required actions related to the City's HUD Plans.
- 2) The Public notices will note the specific comment period and the meeting date on which the item(s) will be reviewed and action taken.
- 3) Proposed amendments to Plans will be made available for viewing from the City's website or can be emailed upon request by emailing housing@cityofmerced.org on any day prior to 2:00 p.m. on the last day of the posted comment period.
- 4) The City will make an effort to post any small (1 to 10 pages) documents in a locked, see-through case that is located outside the Merced Civic Center, 678 W. 18th Street, Merced, California, during the entire comment period. Documents may not otherwise be viewable in person.
- 5) Members of the public may submit comments during the five-day comment period specified in the section above via: 1) by email of 500 words or less to housing@cityofmerced.org, or, 2) by leaving a voicemail no longer than three minutes in length to a phone number that will be provided.
- 6) Comments received may be read or received at the scheduled City Council meeting. Technology permitting, members of the public who have submitted comments may be called during the scheduled teleconferenced City Council meeting to provide additional comments during the meeting in real time.
- 7) The teleconferenced City Council meetings will be broadcast on Comcast Public Access Channel 96, through website livestream, and via a live social media feeds.

E. FUNDING OF PUBLIC SERVICES

In the event there is a demonstrated need to fund public services, the following will occur:

- A. The City will issue a Notice of Funding Availability (NOFA) for the community meeting for the Annual Action Plan, beginning with the respective program year. The notice will identify the amount of CDBG funds available to public service agencies with CDBG-eligible activities. The agencies may apply to the City at the following address:

City of Merced Housing Division
678 W. 18th Street
Merced, CA 95340

- B. All applications must include the following information in order to be eligible to receive CDBG funds:
- Completed City Housing Division CDBG Application & Documentation
 - Alignment to National Objectives – 24 CFR 570.209(a)
 - Alignment to CDBG Eligible Activities – 24 CFR 570.201
 - Proof of organization's eligibility status and ability to oversee and carry out a federally funded program and reporting requirements
- C. City staff will review applications to determine the eligibility of submissions. City staff will evaluate projects based on alignment to the City's ConPlan, Annual Action Plan, National Objectives, CDBG Eligible Activities, benefits to low- and moderate-income residents, and on the projects' feasibility.
- D. The selected projects will be recommended to the City Council for approval.
- E. Applicants will be notified by mail within 10 days of the City Council's decision.

F. CITIZEN PARTICIPATION SUMMARY

DOCUMENT	PUBLIC PARTICIPATION	REQUIRED TIME FOR PUBLIC REVIEW	REQUIRED APPROVAL	DEADLINE
Citizen Participation Plan	Available for Public Review 10-Day Notice Exception During Disasters/HUD-approved Circumstances: 5-Day Notice	30-Day Public Review Exception During Disasters/HUD-approved Circumstances: 5-Day Public Review	City Council	N/A

ConPlan and/or Annual Action Plan	Public Hearing 10-Day Notice 2-4 Community Input Meetings Area Specific Forums (CP only) Exception During Disasters/HUD- approved Circumstances: virtual public hearing allowed; 5-Day Notice	30-Day Public Review No later than March Exception During Disasters/HUD- approved Circumstances: 5-Day Public Review	City Council	Submit to HUD Prior to May 15
Substantial Amendments	No Public Hearing	30-Day Public Review Exception During Disasters/HUD- approved Circumstances: 5-Day Public Review	City Council	Submit to HUD
CAPER	One Public Meeting	15-Day Public Review	City Council	Submit to HUD Prior to Sept. 30

G. GLOSSARY

Annual Action Plan: An annual plan relative to the use of CDBG and HOME funds as aligned with CDBG Eligible Activities and National Objectives.

Citizen Participation Plan: A plan to involve residents in the planning, implementation and assessment of how the CDBG, HOME and ESG funds will be used.

Community Development Block Grant (CDBG): A HUD program that provides communities with financial resources to address community development needs identified by HUD to include a suitable living environment, affordable housing, economic opportunities, and homelessness.

Consolidated Annual Performance Evaluation Report (CAPER): An annual assessment relative to the CDBG, HOME and ESG funds received.

Consolidated Plan (ConPlan): A five-year strategic plan required by HUD that outlines a unified vision for addressing housing, homelessness, special populations and community economic development needs.

ESG: Emergency Shelter Grant

HOME Investment Partnership (HOME): A federal block grant designed exclusively to create affordable housing for low- and moderate-income households.

Low- and Moderate-Income Households: Households earning less than 80% of the area median family income. They are broken down into the following income designations:

- **Very Low Income:** Households with incomes less than 30% of the area median family income, adjusted for household size.
- **Low Income:** Households with incomes between 31% and 50% of the area median family income, adjusted for household size.
- **Moderate Income:** Households with incomes between 51% and 80% of the area median family income, adjusted for household size.

Low- and Moderate-Income Neighborhood: Generally, a census tract/s or block group/s where a minimum of 51% of the residents are low- or moderate-income households.

Median Family Income (MFI): An index of median family income by household size determined annually by HUD surveys of major metropolitan areas.

Program Year: An annual period from July 1 through June 30 for which the accounting of the CDBG, HOME and ESG funds occurs.

U.S. Department of Housing and Urban Development (HUD): A cabinet-level federal agency with a mission to increase homeownership, support community development and increase access to affordable housing free from discrimination.

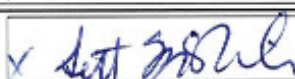
Grantee SF-424's and Certification(s)

CDBG

OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424		
<p>* 1. Type of Submission:</p> <p><input type="checkbox"/> Preapplication</p> <p><input checked="" type="checkbox"/> Application</p> <p><input type="checkbox"/> Changed/Corrected Application</p>		
<p>* 2. Type of Application:</p> <p><input checked="" type="checkbox"/> New</p> <p><input type="checkbox"/> Continuation</p> <p><input type="checkbox"/> Revision</p>		
<p>* If Revision, select appropriate letter(s):</p> <p><input type="text"/></p> <p>* Other (Specify):</p> <p><input type="text"/></p>		
<p>* 3. Date Received:</p> <p>8/6/2024</p>		<p>4. Applicant Identifier:</p> <p>CA62250 MERCED</p>
<p>5a. Federal Entity Identifier:</p> <p><input type="text"/></p>		<p>5b. Federal Award Identifier:</p> <p><input type="text"/></p>
<p>State Use Only:</p>		
<p>6. Date Received by State:</p> <p><input type="text"/></p>		<p>7. State Application Identifier:</p> <p><input type="text"/></p>
<p>8. APPLICANT INFORMATION:</p>		
<p>* a. Legal Name:</p> <p>City of Merced</p>		
<p>* b. Employer/Taxpayer Identification Number (EIN/TIN):</p> <p>94-6000371</p>		<p>* c. UEI:</p> <p>L6YVDNJHHSQ7</p>
<p>d. Address:</p>		
<p>* Street1:</p> <p>678 W. 18th Street</p>		
<p>Street2:</p> <p><input type="text"/></p>		
<p>* City:</p> <p>Merced</p>		
<p>County/Parish:</p> <p><input type="text"/></p>		
<p>* State:</p> <p>CA: California</p>		
<p>Province:</p> <p><input type="text"/></p>		
<p>* Country:</p> <p>USA: UNITED STATES</p>		
<p>* Zip / Postal Code:</p> <p>95340-4700</p>		
<p>e. Organizational Unit:</p>		
<p>Department Name:</p> <p>Development Services Dept.</p>		<p>Division Name:</p> <p>Housing Division</p>
<p>f. Name and contact information of person to be contacted on matters involving this application:</p>		
<p>Prefix:</p> <p><input type="text"/></p>		<p>* First Name:</p> <p>Kimberly</p>
<p>Middle Name:</p> <p>D.</p>		
<p>* Last Name:</p> <p>Nutt</p>		
<p>Suffix:</p> <p><input type="text"/></p>		
<p>Title:</p> <p>Housing Program Supervisor</p>		
<p>Organizational Affiliation:</p> <p>City of Merced</p>		
<p>* Telephone Number:</p> <p>209-388-8988</p>		<p>Fax Number:</p> <p><input type="text"/></p>
<p>* Email:</p> <p>nuttk@cityofmerced.org</p>		

Application for Federal Assistance SF-424	
* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="C: City or Township Government"/>	
Type of Applicant 2: Select Applicant Type: <input type="text"/>	
Type of Applicant 3: Select Applicant Type: <input type="text"/>	
* Other (specify): <input type="text"/>	
* 10. Name of Federal Agency: <input type="text" value="U.S. Department of Housing and Urban Development"/>	
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14-218"/>	
CFDA Title: <input type="text" value="Community Development Block Grant (CDBG) - Entitlement"/>	
* 12. Funding Opportunity Number: <input type="text" value="B-24-MC-06-0044"/>	
* Title: <input type="text" value="2024 Community Development Block Grant"/>	
13. Competition Identification Number: <input type="text" value="n/a"/>	
Title: <input type="text" value="n/a"/>	
14. Areas Affected by Project (Cities, Counties, States, etc.): <div> <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
* 15. Descriptive Title of Applicant's Project: <input type="text" value="2024 Annual Action Plan using allocation for projects eligible under the CDBG program"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: CA-013	* b. Program/Project: CA-013
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: 07/01/2024	* b. End Date: 06/30/2025
18. Estimated Funding (\$):	
* a. Federal	1,055,567.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	157,427.00
* f. Program Income	105,000.00
* g. TOTAL	1,321,994.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text"/>	* First Name: Scott
Middle Name: <input type="text"/>	
* Last Name: McBride	
Suffix: <input type="text"/>	
* Title: City Manager	
* Telephone Number: 203-385-6834	Fax Number: <input type="text"/>
* Email: mcbrides@cityofmerced.org	
* Signature of Authorized Representative: 	* Date Signed: 08/06/2024

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: <input type="text" value="8/6/2024"/>	4. Applicant Identifier: <input type="text" value="CA62250 MERCED"/>	
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>
State Use Only:		
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* a. Legal Name: <input type="text" value="City of Merced"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="94-6000371"/>		* c. UEI: <input type="text" value="L6YVDNJHHSQ7"/>
d. Address:		
* Street1: <input type="text" value="678 W. 18th Street"/> Street2: <input type="text"/> * City: <input type="text" value="Merced"/> County/Parish: <input type="text"/> * State: <input type="text" value="CA: California"/> Province: <input type="text"/> * Country: <input type="text" value="USA: UNITED STATES"/> * Zip / Postal Code: <input type="text" value="95340-4700"/>		
e. Organizational Unit:		
Department Name: <input type="text" value="Development Services Dept."/>		Division Name: <input type="text" value="Housing Division"/>
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text"/> Middle Name: <input type="text" value="D."/> * Last Name: <input type="text" value="Nutt"/> Suffix: <input type="text"/>	* First Name: <input type="text" value="Kimberly"/> Title: <input type="text" value="Housing Program Supervisor"/> Organizational Affiliation: <input type="text" value="City of Merced"/> * Telephone Number: <input type="text" value="209-388-8988"/> Fax Number: <input type="text"/> * Email: <input type="text" value="nuttk@cityofmerced.org"/>	

Application for Federal Assistance SF-424	
* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="C: City or Township Government"/>	
Type of Applicant 2: Select Applicant Type: <input type="text"/>	
Type of Applicant 3: Select Applicant Type: <input type="text"/>	
* Other (specify): <input type="text"/>	
* 10. Name of Federal Agency: <input type="text" value="U.S. Department of Housing and Urban Development"/>	
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14-239"/>	
CFDA Title: <input type="text" value="HOME Investment Partnership Program (HOME)"/>	
* 12. Funding Opportunity Number: <input type="text" value="M24-MC060227"/>	
* Title: <input type="text" value="2024 HOME Investment Partnership Program"/>	
13. Competition Identification Number: <input type="text" value="n/a"/>	
Title: <input type="text" value="n/a"/>	
14. Areas Affected by Project (Cities, Counties, States, etc.): <div> <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
* 15. Descriptive Title of Applicant's Project: <input type="text" value="2024 Annual Action Plan using allocation for projects eligible under the HOME program"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="CA-013"/>	* b. Program/Project: <input type="text" value="CA-013"/>
Attach an additional list of Program/Project Congressional Districts if needed. <div style="display: flex; justify-content: space-between; align-items: center;"> <input style="width: 300px;" type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div> </div>	
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2024"/>	* b. End Date: <input type="text" value="06/30/2025"/>
18. Estimated Funding (\$):	
* a. Federal	<input type="text" value="450,563.61"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text" value="1,657,613.00"/>
* f. Program Income	<input type="text" value="60,000.00"/>
* g. TOTAL	<input type="text" value="1,568,176.61"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> . <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <div style="display: flex; justify-content: space-between; align-items: center;"> <input style="width: 300px;" type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div> </div>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input type="text"/>	* First Name: <input type="text" value="Scott"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="McBride"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="City Manager"/>	
* Telephone Number: <input type="text" value="209-385-6834"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="mcbrides@cityofmerced.org"/>	
* Signature of Authorized Representative:	* Date Signed: <input type="text" value="08/06/2024"/>

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.


Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-L.L.L., "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.


Signature of Authorized Official

8/5/2024

Date

City Manager
Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2022, 2023, 2024 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.

x 

Signature of Authorized Official

8/8/2024

Date

City Manager
Title

OPTIONAL Community Development Block Grant Certification

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Not applicable - N/A

Signature of Authorized Official

Date

Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §§92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Subsidy layering -- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

x 
Signature of Authorized Official

8/6/2024
Date

City Manager
Title

Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

Major rehabilitation/conversion/renovation – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation.

If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion.

In all other cases where ESG funds are used for renovation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the recipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the recipient serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The recipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals.

Matching Funds – The recipient will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The recipient has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the recipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the recipient undertakes with assistance under ESG are consistent with its consolidated plan.

Discharge Policy – The recipient will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for those persons.

Not applicable - N/A

Signature of Authorized Official

Date

Title

Housing Opportunities for Persons With AIDS Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For a period of not less than 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Not applicable - N/A

Signature of Authorized Official

Date

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

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As the duly authorized representative of the applicant, I certify that the applicant:

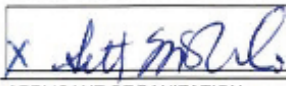
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2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
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SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Merced	08/06/2024

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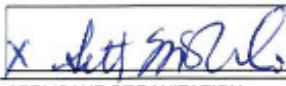
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	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Merced	08/06/2024

SF-424D (Rev. 7-87) Back

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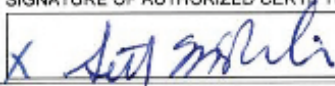
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APPLICANT ORGANIZATION City of Merced	DATE SUBMITTED 08/06/2024

Standard Form 424B (Rev. 7-97) Back

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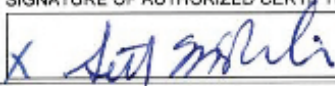
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11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1966 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4601 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Merced	08/06/2024

Standard Form 424B (Rev. 7-97) Back



CITY CLERK'S CERTIFICATE

I, D. SCOTT MCBRIDE, City Clerk of the City of Merced, California, do hereby certify that the attached document, entitled:

RESOLUTION 2024-83

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING THE 2024 HUD ANNUAL ACTION PLAN AND CERTIFYING COMPLIANCE WITH THE REQUIREMENTS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAMS.

is a true and correct copy of the original on file in the Office of the Merced City Clerk, Merced, California.

DATED: August 6, 2024

D. SCOTT MCBRIDE,
CITY CLERK



BY: 
ALEJANDRA MEDINA
Deputy City Clerk

RESOLUTION NO. 2024- 83

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING THE 2024 HUD ANNUAL ACTION
PLAN AND CERTIFYING COMPLIANCE WITH
THE REQUIREMENTS OF THE COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) AND
HOME INVESTMENT PARTNERSHIP (HOME)
PROGRAMS.**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has determined that the City of Merced will receive formula allocations of One Million Fifty-Six Thousand Five Hundred Sixty-Seven Dollars and Zero Cents (\$1,056,567.00) of Community Block Grant (CDBG) and Four Hundred Fifty Thousand Five Hundred Sixty-Three Dollars and Sixty-One Cents (\$450,563.61) of Home Investment Partnership Program (HOME) funds for the 2024 program year, spanning July 1, 2024, through June 30, 2025, and the City is required to prepare, approve, and submit a comprehensive Annual Action Plan, in order to use these funds; and,

WHEREAS, the City of Merced held public hearings on June 3, 2024, and July 15, 2024, and August 5, 2024, to consider public comments on the yearly goals and priorities, proposed Community Organization programs, available resources, proposed expenditure of Federal and City funds, and other data contained in the Draft 2024 Annual Action Plan, to which residents could provide public comment; and,

WHEREAS, during said public hearings and all other public meetings held during development of the Draft Plan, information was provided about HUD's requirements to meet specific National Objectives when funding programs and activities, and a discussion was held regarding eligible uses of CDBG and HOME funds to benefit low- to moderate-income residents of the City of Merced during the 2024 program year and beyond; and,

WHEREAS, the City of Merced has followed its adopted Citizen Participation Plan in providing residents with multiple opportunities to receive information and provide comment on concerns including, but not limited to, affordable housing, fair housing discrimination, infrastructure development, public services, and other high community needs, and the estimated and actual available

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amounts, range of eligible activities, and program requirements for expenditure of CDBG and HOME funds towards housing and community development, and as such provided citizens with reasonable opportunity to participate in development of the 2024 Annual Action Plan, including any submissions, revisions, changes or amendments thereto, and by implementing the minimum 30-day public review and comment period required by the Citizen Participation Plan, which commenced on June 14, 2024, and ended on July 15, 2024 (32 days).

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

SECTION 1. That the City Council of the City of Merced hereby approves the City of Merced's 2024 HUD Annual Action Plan and directs the City Manager to review and consider all public comment provided. The City Manager is hereby authorized to execute all documents related thereto, and staff is authorized to submit all required documents to HUD and to make any subsequent corrections to the submitted plan, as directed by HUD.

SECTION 2. That the City Council hereby accepts CDBG and HOME grant funds in the respective amounts of One Million Fifty-Six Thousand Five Hundred Sixty-Seven Dollars and Zero Cents (\$1,056,567.00) and Four Hundred Fifty Thousand Five Hundred Sixty-Three Dollars and Sixty-One Cents (\$450,563.61) at such time as HUD issues the CDBG and HOME Grant Agreements.

SECTION 3. That the City Council hereby directs the Finance Officer to appropriate all CDBG and HOME funds as necessary and to projects as determined.

SECTION 4. That the City Council hereby authorizes the City Manager to award and execute agreement(s) to any third-party contractors, interagency departments, and subrecipients, for eligible projects and activities as set forth in the 2024 Annual Action Plan, subject to compliance with any applicable CDBG, HOME, and City competitive bidding requirements.

SECTION 5. That the City Council hereby directs that prior to execution, all agreements shall be reviewed and approved as to form and legality by the City Attorney.

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PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 5th day of August 2024, by the following vote:


AYES: 6 Council Members: BOYLE, DEANDA, ORNELAS, PEREZ, SERRATTO, XIONG

NOES: 0 Council Members: NONE

ABSENT: 0 Council Members: NONE

ABSTAIN: 1 Council Members: SMITH

APPROVED:
MATTHEW SERRATTO, MAYOR


Mayor


ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY 
Assistant/Deputy City Clerk

(SEAL)



APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

 7/29/2024
City Attorney Date

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