

City of Merced

2025-2029 Five Year Consolidated Plan and Annual Action Plan

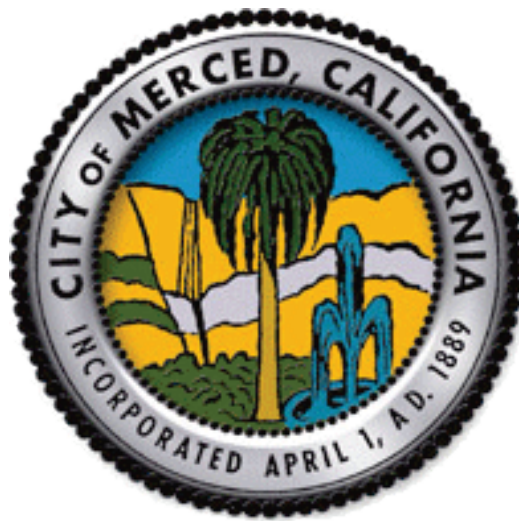


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Executive Summary

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

1. Introduction

Merced, California, located in the heart of the San Joaquin Valley, is a growing city of approximately 89,766 residents. Nicknamed "Gateway to Yosemite" for its proximity to the national park, it blends agricultural heritage with modern development.

Merced's economy includes strong sectors such as healthcare, education, and retail industries. Additionally, sectors such as accommodation, agriculture, manufacturing, construction, public service, and transportation play vital roles in the local economy. The University of California, Merced drives innovation and growth, attracted new businesses and contributed to the area's expanding economic landscape. With its strategic location, Merced plays a vital role in California's Central Valley.

As an entitlement jurisdiction under the U.S. Department of Housing and Urban Development (HUD), the City of Merced (City) receives Community Development Block Grant (CDBG) funds and HOME Investment Partnership Program (HOME) funds from HUD in proportion to its population size, concentration of poverty, and other socioeconomic and demographic data. To continue receiving funds, the City must submit a Consolidated Plan every five years to HUD. This document is the City's Consolidated Plan for Program Years 2025 to 2029 and covers the city of Merced.

The Consolidated Plan is a five-year planning document that identifies needs within households and communities with low to moderate incomes and outlines how the City will address those needs using HUD funds. Ultimately, it guides investments and helps achieve HUD's mission of providing decent housing, suitable living environments, and expanded economic opportunities for populations and communities with low to moderate incomes. The Consolidated Plan serves as the City's official application to HUD for the following federal resources:

- Community Development Block Grants (CDBG) – CDBG is a flexible funding source that can be used for both housing and non-housing activities, including neighborhood revitalization, workforce and economic development, community and nonprofit facilities, and infrastructure and public services in communities that serve residents with low to moderate incomes. The City anticipates receiving an estimated \$1 million annually in CDBG funds during the Consolidated Plan period.
- HOME Investment Partnerships (HOME) – HOME is used for building, acquiring, and rehabilitating affordable housing for rent and homeownership. It may also be used for direct rental assistance to residents with low incomes. The City anticipates receiving an estimated \$450,000 annually in HOME funds during the Consolidated Plan period.

The Consolidated Plan is divided into five (5) major parts:

- i. The Process – summarizes the City's efforts to engage residents and stakeholders and determine the community's priorities

- ii. Needs Assessment – identifies the priority needs of the City’s populations with low to moderate incomes
- iii. Housing Market Analysis – describes the economic environment in which the City will implement its programs
- iv. Strategic Plan – establishes goals, policies and actions for addressing the needs of the community; and
- v. Annual Action Plan for Program Year 2025-26 (July 1, 2025 – June 30, 2026)

Goals

The City determines its goals and priorities for the 2025-2029 Consolidated Plan based on community and stakeholder feedback received through meetings and surveys, U.S. Census Bureau data, City and County housing data, and a variety of City and County planning documents. Additionally, the City hosted two (2) public hearings, three (3) community input sessions, two (2) stakeholder input sessions, and one-on-one stakeholder interviews, and encouraged participation from all residents, particularly residents with low to moderate incomes, the elderly, and persons with disabilities.

Through preparing the Needs Assessment and conducting comprehensive community engagement, the following broad-scoped guiding principles have been determined:

1. Enhance housing opportunities by increasing the availability of affordable housing options and improving the efficiency and cost-effectiveness of existing housing.
2. Promote housing stability for the city’s most vulnerable residents by supporting a range of programs and services that address needs across the housing spectrum, from emergency to permanent housing.
3. Improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities.

These principles will be applied throughout the next five years through more specific goals and objective categories to address needs in the community. They reflect the priorities identified through the community engagement and development process of the City’s Consolidated Plan. They are also guided by HUD’s SMART framework, insuring they are Specific, Measurable, Action-Oriented, Realistic, and Time-Based.

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

Through preparing the Needs Assessment and conducting comprehensive community engagement process, the following key needs were identified:

Housing

- Increase the housing inventory across all income levels, with a particular focus on long-term affordable housing and housing for vulnerable populations.

- Development of new affordable housing units, prioritizing seniors, individuals with disabilities, or other households more vulnerable to housing instability.
- Support to purchase and maintain homes, including financial assistance programs, homebuyer education, and home repair programs to help residents achieve and sustain homeownership.
- Explore alternative development models, such as the subsidy of Accessory Dwelling Units (ADUs) or mixed-use affordable housing.

Homelessness & Prevention

- Continuation and expansion of emergency housing programs, including eligible rapid rehousing activities, short-term emergency rental assistance, shelters, and transitional housing.
- Supportive and preventative services such as mental or behavioral health services and substance abuse treatment both for those experiencing homelessness and those in permanent supportive housing.

Quality of Life

- Investment in enrichment, health, and other beneficial programs to support seniors, youth, and families, particularly in South Merced.
- Support for vulnerable populations through public services like nutrition and food security assistance, physical, mental, behavioral health services, general healthcare, childcare, life skills and finance training, and support for young adults transitioning from foster care.

Public Infrastructure & Facilities

- Invest in infrastructure such as streetlighting, street improvements, and ADA compliant sidewalks, especially in South, Central, and other older areas that are generally low-income where existing infrastructure may be outdated or insufficient.
- Increase pedestrian walkways and bike paths, especially in South Merced and areas with large investments in affordable housing, to better connect households to commerce, education, and work centers.
- Investment in community centers to support seniors, youth, and families.

Economic Development

- Investment in job training and education programs in trades or industries of growth.
- Investment in opportunities that encourage the creation or retention of jobs in the community.

3. Evaluation of past performance

As part of the Consolidated Plan process, the City is required to submit an annual Consolidated Annual Performance Evaluation Report (CAPER) to HUD, which reports on how funds were spent, the demographics and income levels of individuals and households that benefited from the funds, and progress toward meeting annual goals for housing and community development activities. The

monitoring of performance measures enables to City to identify operational improvements, resource allocation issues, and policy questions to be addressed in the upcoming year.

The 2020-2024 Consolidated Plan, which spanned the five program years between July 1, 2020, and June 30, 2025, and involved amendments to encompass COVID-19 funds and projects, included the following six strategic goals established by the City:

- Affordable Rental Housing: To preserve, rehabilitate, and enhance existing neighborhoods, and housing as applicable, with an emphasis on South and Central Merced
- Support Services to Youth, Homeless, and Seniors: Provide support services to the city's residents with an emphasis on the homeless and services to seniors.
- Fair Housing: Ensure that all housing programs are available without discrimination based on race, color, religion, sex, national origin, age, income, disability, status, etc.
- Public Facilities and Infrastructure: To preserve, rehabilitate, and enhance existing public facilities
- Job Creation: To address the city's significantly high unemployment rate with economic development
- Neighborhood Revitalization: Create neighborhood revitalization opportunities within targeted areas of the city.

Overall, the City and its partners have performed proficiently in meeting the strategic goals that were set. Below is a summary of the outcomes achieved during the first four years of the previous five-year Consolidated Plan cycle, including the distribution of Coronavirus CDBG funds (CDBG-CV). Outcome data for the previous Consolidated Plan cycle will be presented to HUD with the submittal of the Fiscal Year (FY) 2024-25 CAPER.

- Affordable Rental Housing: Approximately 172 residents served through provision or retention of affordable units.
- Support Services to Youth, Homeless, and Seniors: Approximately 937 residents served through homeless prevention and overnight shelter services and approximately 10,851 residents served through public services.
- Fair Housing: Approximately 719 residents served through fair housing services.
- Public Facilities and Infrastructure: Approximately 17,900 residents served through improved facilities.

The City has successfully implemented housing, homelessness, and public facilities activities in the previous Consolidated Plan cycle, impacting the lives of thousands of residents with low to moderate incomes. It is anticipated that the City and its partners will continue to positively impact residents through collaborative efforts.

4. Summary of citizen participation process and consultation process

The City's community participation process follows the Citizen Participation Plan (CPP), which provides a structured approach for engaging the community and ensuring timely notifications for public meetings

and hearings. As part of its efforts to encourage broad participation, the City hosted two (2) community meetings and two (2) stakeholder meetings, offering both in-person and virtual attendance options. The meetings were offered in English, Spanish, and Hmong. An additional community meeting was hosted on February 25th, via Zoom, to allow for additional comments and feedback.

The stakeholder meetings included representatives from community partners, service providers, businesses, advocates, and other City departments. To gather additional input, the City distributed a Community Needs Assessment Survey and a Stakeholder Survey. The community survey was also provided in both Hmong and Spanish, with translation services available during the community meetings in these languages.

Two (2) public hearings were held, along with a 30-day public comment period and subsequent second 30-day comment period to gather community feedback. Overall, the City received positive participation in the Consolidated Plan engagement process, including 92 responses to the community needs survey, 9 responses to the stakeholder survey, 6 participants at two stakeholder input sessions and 18 from the two community input sessions. Feedback received during the public comment period and at the public hearing will be summarized following the completion of those events. These efforts are detailed further in sections PR-10 Consultation and PR-15 Citizen Participation of this Consolidated Plan.

5. Summary of public comments

Feedback on community needs was collected through community meetings and surveys, a stakeholder meeting and survey, a public comment period, and at formal public hearings. These comments provided insight into community needs and informed the goals of the Consolidated Plan. The top priority needs that will guide the City's HUD-issued funding for the next five years are:

- Increase the availability of affordable housing options through the creation and preservation of affordable rental and for-sale units, expansion of rental assistance to include move in costs, and homeowner rehabilitation programs.
- Expand knowledge and services of Fair Housing and homelessness prevention.
- Offer a range of programs and services that address quality of life and needs across the housing spectrum, from emergency to permanent housing.
- Improve and expanding access to essential services, community infrastructure, and economic development opportunities, specifically pedestrian walkways and bike pathways, street lighting, and flood retention strategies in South Merced.

The community engagement process and outcomes are discussed in greater detail in sections PR-15 Citizen Participation and Appendices C through G. Feedback received during the public comment period and at the public hearing will be summarized following the completion of those events.

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

All comments were accepted and are included in Appendix G.- Public Comment

7. Summary

The City's Consolidated Plan outlines housing and community development goals for Program Years 2025-2029 and fulfills requirements for CDBG and HOME funding. It emphasizes strong community participation, especially for residents with low to moderate incomes, throughout the planning process.

Delayed 2025 Entitlement Allocation Announcement and Effect on City Approvals

Per HUD Notice #CPD-25-02 issued on January 14, 2025, to all CDBG, HOME, and other formula fund grantees regarding the submittal timing of the Program Year (PY) 2025-2029 Consolidated Plan and the PY2025 Annual Action Plan, announcements of formula grantee allocations are expected later than normal.

Subsequently, with the March 15, 2025, enactment of the FY2025 Full Year Continuing Resolution (CR) (Public Law 119-4, "FY2025 Full Year Continuing Appropriations and Extensions Act)," the City's annual allocations are not expected to be known until early May 2025. The City Council approval and submission timeline for the PY2025-2029 Consolidated Plan and PY2025 Annual Action Plan to HUD will be affected as follows:

- Notices were published on March 20, 2025, in the Merced County Times weekly newspaper and on March 21, 2025, in the Merced Sun-Star daily newspaper, which notified the public that the (then) current public review and comment period would be extended and that the draft plans would be reposted for a new 30-day comment period beginning April 23, 2025.
- Noticed Public Review and Comment Period of April 23 – May 23, 2025: review and comment period will remain as it was noticed to the Public, in order to inform residents of estimated five-year and 2025 preliminary project funding, one- and five-year goals and objectives, and to accept comment on the plan. The posted draft plan document will make it clear that the initial funding levels shown are based on estimated amounts.
- The City is including "contingency provisions" in the posted draft that explain how we intend to adjust the initial estimated figures to actual ones, once the allocations are released by HUD (please see below). By including these provisions, the City will avoid the potential need to conduct additional citizen participation on this Plan.
- May 1 to May 15, 2025 (estimated) – HUD's Program Year 2025 CDBG and HOME allocations are expected to be announced during this time. The City is usually formally notified of its annual allocations by HUD within a few business days of the actual announcement date.
- Anticipated 2nd/Final Public Hearing to be held on June 16, 2025: due to the late allocation, the City estimates that the second/Final Public Hearing, approval of the Plans, and award of 2025 project funding will occur at the Council meeting of June 16, 2025. This date will be confirmed with the publishing of a Public Hearing Notice in the Merced County Times and Merced Sun-Star newspapers on or about May 29, 2025, in addition to being posted on the City's website.
- Deadline for Submission of Plans to HUD: HUD's January 14th CPD Notice allows grantees whose normal submission deadline is less than 60 days from the date that HUD announces PY2025

allocations to delay submission of its Annual Action Plan until 60 days after the allocation announcement date. The City's normal submission deadline is May 15th, annually. Therefore, hypothetically, if the 2025 allocations are announced on May 5th, the City will have until approximately July 4, 2024, to submit its Plan to HUD. Noting that July 4 is a national holiday, the latest the City would submit the plans would be by end-of-day on July 3, 2025.

- HUD Review of the 2025 Annual Action Plan and City Access to Funds: in accordance with 24 CFR 91.500(b), HUD is allowed a 45-day period to review and approve the City's submitted Plan. Following HUD approval after this 45-day period, and unless HUD requires edits to the submitted Plan, the City would be granted access to its CDBG and HOME allocations. Thereafter, the preparation of subrecipient agreements with organizations that will receive 2025 project funding awards as approved by Council and HUD will commence.

2025 Delayed Formula Allocation Announcement – Contingency Provisions

As discussed above, HUD's announcement of 2025 CDBG and HOME allocations will be delayed to approximately early May of 2025. As such, the draft Plan presented for the 30-day Public Review and Comment Period will be prepared with estimated figures, which will be estimated as follows:

Community Development Block Grant (CDBG) Allocations by Program Year:

- *Estimated allocation amount to be used: \$1,000,000*
- Comparatively, the 2024 (previous year) CDBG allocation was \$1,056,567.00

Home Investment Partnership Program (HOME):

- *Estimated allocation amount to be used: \$450,000*
- Comparatively, the 2024 (previous year) HOME allocation was \$450,563.61

Contingency – CDBG

If the actual CDBG allocation is more than estimated: after adjusting figures for all administrative funding at the full 20% allowed and all Public Service funding at the full 15% maximum cap allowed, the remaining CDBG increase will be placed towards public or parks infrastructure project(s), as described in Section AP-35 and AP-38 of the Annual Action Plan. Additionally, each of the proposed public services projects listed in the draft Annual Plan will be increased by proportional percentages of the total public service funds available. The City Council may further adjust these amounts prior to final approval of the plan and award of funding.

Additionally, during the 2025 Program Year, if unexpected amounts of 2025 CDBG Program Income funds are received, those additional funds may also be placed towards either the allowed cap of 15% for any of the public service projects or the public or parks infrastructure project(s), if additional funds are needed for any of these.

If the actual CDBG allocation is less than estimated: after adjusting figures for administrative funding at the full 20% allowed and total Public Service funding at the full 15% maximum cap allowed, the remaining CDBG decrease will be placed towards public or parks infrastructure project(s), as described in Section AP-35 and AP-38 in the Annual Action Plan. Additionally, each of the proposed public services projects listed in the draft Annual Plan will be decreased by proportional percentages of the total public service funds available. The City Council may further adjust these amounts prior to final approval of the plan and award of funding.

Contingency – HOME

If the actual HOME allocation is more than estimated: after adjusting figures for administrative funding at the full 10% allowed and the required 15% CHDO set-aside reserves, the increase will be handled as follows: 1) allocate towards affordable rental housing/rehabilitation projects.

If the actual HOME allocation is less than estimated: after adjusting figures for administrative funding at the full 10% allowed and the required 15% CHDO set-aside reserves, the decrease will be handled by decreasing the amount of HOME funds allocated to affordable rental housing/rehabilitation projects.

The Process

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

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

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

Agency Role	Name	Department/Agency
CDBG Administrator	City of Merced	Housing Division
HOME Administrator	City of Merced	Housing Division

Table 1 – Responsible Agencies

Narrative

The City's Housing Division is the lead agency responsible for the preparation and administration of the Consolidated Plan, corresponding Annual Action Plans (Annual Plan), CAPERs, and the CDBG and HOME programs.

Consolidated Plan Public Contact Information

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

1. Introduction

The City conducted outreach to key organizations to enhance coordination, solicit feedback, and discuss new approaches and efficiencies with public and assisted housing providers; private and governmental health, mental health, and service agencies; and other stakeholders that utilize funding for eligible activities, projects, and programs. Agencies serving people with HIV/AIDS, those experiencing homelessness, low-income youth, seniors, individuals with disabilities, and those with substance use disorders were specifically engaged. Additionally, water resource agencies, governments, and other joint agencies within the region were contacted, as well.

During the consultation process, the City provided detailed information about the ConPlan and the HUD entitlement funding process, the City's distribution of funds and current projects using HOME and CDBG funds. Stakeholders shared their priority needs in general terms and specific to their organization's target populations.

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 City coordinated with many organizations throughout the region to assess strengths and needs. The organizations with which the City consulted are described in detail in the table below.

Beyond the Consolidated Plan development process, the City has long communicated and collaborated with numerous governmental and non-governmental agencies throughout the region to address the needs of its residents with low to moderate incomes. The City's formalized collaborative efforts include:

- Merced County Association of Governments, Merced County's federally recognized metropolitan planning organization (MPO)
- Merced City and County Continuum of Care (CoC)
- County of Merced
- Housing Authority of the County of Merced
- Central Valley Coalition for Affordable Housing

The City serves as the primary provider of community and economic development programs, housing projects, and financial support. The Housing Authority of the County of Merced, the local Public Housing Agency (PHA), oversees the federal Section 8 Voucher program and manages public housing within the city. Public housing modernization efforts, aimed at ensuring long-term physical and social viability, are funded annually through HUD's Capital Fund Program. These initiatives are outlined in the PHA's Public Five-Year and One-Year Action Plans. Residents are actively engaged in shaping the PHA's plans and allocation of Capital Fund resources. A resident advisory board meets monthly to review and provide

input on strategies and policies for public and tenant- based housing. Additionally, the City collaborates with the PHA to assist residents in qualifying for Section 8 Vouchers and informs eligible residents about program availability.

During its community engagement process, the City consulted with various agencies and businesses through stakeholder meetings and surveys to inform its planning and decision-making.

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

The City is an active member of the Merced City and County Continuum of Care (CoC) and contributed to the development of the Regional Plan to Prevent and End Homelessness, which informs the CoC's new 10-Year Plan. This plan outlines strategies to address homelessness among individuals and families experiencing or at risk of experiencing homelessness and chronic homelessness, including veterans and unaccompanied youth.

As a CoC member, the City remains committed to a Housing First approach, prioritizing rapid housing placement with supportive services tailored to maintain stability. Efforts include making funding available to CoC member and other organizations for expanding rapid rehousing programs, offering rental assistance, housing stabilization services, and case management to address barriers to securing housing.

To support the CoC in both data gathering and strategic planning to identify and address the needs of the area's residents experiencing homeless, the City provides a portion of its administrative funding to the Merced County Human Services Agency, who is the Collaborative Applicant for the CoC, to help offset the costs of the annual Point-In-Time Count (PIT). Approximate two-thirds of the County's homeless population lives within the city limit boundary.

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

The City does not receive ESG funding directly. However, eligible public and private agencies can apply for Federal Emergency Solutions Grant (ESG) funding through the California Department of Housing and Community Development (HCD). The City collaborates closely with the Merced City and County Continuum of Care (CoC) to develop funding policies and procedures in compliance with HCD requirements.

The City maintains active participation in the CoC Board of Directors, which oversees the implementation of HCD requirements. This includes determining the allocation of ESG funds within the region, establishing performance standards to evaluate project and activity outcomes, and defining the

funding, policies, and procedures for the administration and operation of the Homeless Management Information System (HMIS), as appropriate.

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

The City invited over 20 organizations, government entities, service providers, and other stakeholders to participate in a stakeholder meeting held virtually on January 9, 2025, and an in-person meeting held on January 17, 2025. In addition to attending the meeting, stakeholders were given the opportunity to complete a survey to provide further input. Six (6) people attended and provided feedback on what they identified as the City's most pressing community needs. At the meeting, stakeholders received extensive information about the Consolidated Plan, the citizen participation process, HUD requirements for an entitlement city, the amount of funding that the City anticipates receiving, and how those funds can be used to assist non-profit organizations carry out essential programs within the City. The City and its consultants facilitated small group discussion during which the stakeholders' feedback on community needs was recorded. Additionally, an online survey was offered to stakeholders. A total of nine (9) stakeholders responded to the survey. A copy of the survey and the responses can be found in Appendix E.

PR-10.02: Agencies, Groups, and Organizations who Participated

Agency, Group, or Organization	Agency, Group, or Organization Type	Section of Plan addressed by Consultation	How was the Agency, Group, or Organization consulted? What are the anticipated outcomes of the consultation or areas for improved coordination?
Housing Authority of the County of Merced	Housing Authority	Needs Assessment Housing Market Analysis	Data request. Provided localized data relevant to multiple sections of the Consolidated Plan.
Habitat for Humanity	Local Non- Profit Organization	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.
Merced County Human Services Agency	Local Government	Needs Assessment Housing Market Analysis	Responded to online stakeholder survey. Provided insight on community needs.
Merced City and County Continuum of Care	Continuum of Care	Needs Assessment Housing Market Analysis	Responded to online stakeholder survey. Provided insight on community needs. Provided localized data to multiple sections of the Consolidated Plan.
United Way of Merced County	Local Non- Profit Organization	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.
Merced County Office of Education	Education	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.
Sierra Saving Grace Homeless Project	Local Non- Profit Organization	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.

Agency, Group, or Organization	Agency, Group, or Organization Type	Section of Plan addressed by Consultation	How was the Agency, Group, or Organization consulted? What are the anticipated outcomes of the consultation or areas for improved coordination?
Leadership Counsel for Justice and Accountability	Local Non-Profit Organization	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.
StrongTowns Merced	Local Non-Profit Organization	Needs Assessment	Responded to online stakeholder survey. Provided insight on community needs.
City of Merced	Local Government	Needs Assessment Housing Market Analysis	Responded to online stakeholder survey. Provided insight on community needs. Provided localized data relevant to multiple sections of the Consolidated Plan.
Merced County Rescue Mission	Local Non-Profit Organization	Needs Assessment	Stakeholder interview; provided insight Provided insight on community needs
Hispanic Chamber of Commerce	Chamber of Commerce	Needs Assessment	Stakeholder interview; provided insight Provided insight on community needs
Merced County Behavior Health & Recovery Services (BHRS)	Local Government	Needs Assessment	Stakeholder interview; provided insight Provided insight on community needs

Table 2 – Agencies, groups, organizations who participated

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

The City engaged over 20 stakeholders in the Consolidated Process through surveys and meetings. These stakeholders included a range of organizations and businesses dedicated to supporting individuals with low to moderate incomes. Invited stakeholders included the Merced City and County Continuum of Care (CoC), the Hispanic Chamber of Commerce, Merced Irrigation District, housing developers, nonprofit and philanthropic organizations, community-based and faith-based groups, resident advisory boards, resident councils, and resident management corporations. No organization was intentionally excluded from contributing to the development of the Consolidated Plan.

PR-10.03: Other local, Regional, and Federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
County of Merced Continuum of Care 10 Year Plan	County of Merced/ Human Services Agency	Merced County, as the Continuum of CoC applicant, leads homeless counts, surveys, and planning efforts. The City's Strategic Plan supports these goals by prioritizing nonprofit services, especially those focused on homelessness.
2021-2029 Housing Element (Sixth Cycle) General Plan	City of Merced Merced County Association of Governments (MCAG)	The Housing Element is the State-recognized strategy for addressing the city's housing needs. This Consolidated Plan aligns with the Housing Element goal of continuing to create affordable housing units.
Climate Action Plan	City of Merced	Promotes affordable housing through energy-efficient, transit-oriented, and infill development, emphasizing renewable energy and green infrastructure to lower costs and improve access to jobs and services.
Five-Year and Annual PHA plans	Housing Authority of the County of Merced	The Administrative Plan sets policies for managing the HCV program, while the Consolidated Plan outlines broader housing and community development priorities, including funding and assistance strategies
Park and Open Space Plan	City of Merced	The plan seeks to enhance quality of life in Merced by assessing community needs and expanding park and recreation programs. It identifies facility improvements eligible for CDBG funding, focusing on low-income and disadvantaged areas within the city.
Active Transportation/ Safe Routes to School Plan	City of Merced	The plan sets goals for active transportation, including improved ADA access and new sidewalks. CDBG funds may support these projects, especially in low-income neighborhoods.
(Annual) Merced City Council Goals and Priorities	City of Merced	Each year, the City Council performs a separate community needs assessment through Town Hall meetings and other outreach methods. These forums oftentimes reveal other high priority community needs that were not discovered during the Con Plan assessment efforts. The City Council uses this public comment to set goals for itself over the coming year and beyond to strategize policy setting, public safety, and parks and infrastructure projects. There are many overlapping Council priorities that can also be addressed with HUD funds.

Table 3 – Other local/regional/state/federal planning efforts

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

As previously noted, the City actively participates in various regional planning efforts and workgroups designed to enhance collaboration in the delivery of housing and community development programs across the region. The City will continue to work with other CDBG entitlement jurisdictions, as well as local stakeholders, to address shared priorities and maximize the impact of available funding and resources.

Narrative (optional): N/A

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

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

The City carried out a broad, multifaceted community engagement effort in accordance with the Citizen Participation Plan (CPP), which is designated to facilitate and encourage the involvement of residents and communities with low to moderate incomes, and outlines requirements for the following processes and events:

- Location and publication of public notices
- 30-day public review period
- Availability of documents
- Public hearings and meetings
- Public comment process
- Required approval
- Deadlines

During the development of the Consolidated Plan, the City gathered input through three (3) community meetings two (2) stakeholder meetings, and a Community Needs Assessment Survey offered online and in print in English, Hmong, and Spanish. A total of 92 responses were received. A separate Stakeholder Survey shared with over 20 stakeholders, including government entities, service providers, higher education systems, business sectors, and the local PHA. Meeting notices and survey notices were distributed via email, social media, the City's website, utility bills, and shared through Merced's public transportation "The Bus" to encourage broad community participation.

A stakeholder meeting was held via Zoom on January 9, 2025, and in person on January 17, 2025, with six (6) participants representing non-profit organizations, government, and public agencies. The City also received nine (9) Stakeholder Survey responses and conducted three (3) individual stakeholder interviews with the Hispanic Chamber of Commerce; Merced County BHRS, and the Merced County Rescue Mission.

Two (2) community meetings were held virtually via Zoom on January 8, 2025, and in person on January 16, 2025, at the Merced Senior Center, with 18 total attendees. Reasonable accommodations and translation services in Hmong and Spanish were made available. Meetings included a presentation on the Consolidated Plan, HUD entitlement programs, and City demographics, followed by a discussion on community needs. Feedback was documented and included in this plan. Please see Appendix C for copy of the presentation.

Following the release of the draft Consolidated and Annual Action Plan, the City hosted a third virtual community meeting on February 25, 2025, to provide an opportunity for residents to ask questions about the draft plan and offer input on the most effective use of the allocated funds. Information on attendees and comments received was collected and is included in this plan.

Community feedback informed the goals included in the initial preliminary draft of the Consolidated Plan, which was presented to City Council on February 18, 2025. Public notices related to both public comment periods and public hearings were sent to community-based organizations, service providers, stakeholders, and other interested groups. The public hearing notice was printed in the local newspaper, 12 days prior to the first public hearing before the City Council and XX days prior to the final public hearing. The preliminary draft of the Consolidated Plan was made available at the City of Merced's Housing Division's offices and on the City's website.

Final draft

To be updated - Second/final public hearing

PR.15.01: Citizen Participation Outreach

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Virtual Stakeholder Meeting	Key Stakeholders	4 attendees	Infrastructure improvements (pedestrian walkways and bike paths), creation of a Community Land Trust, adaptive reuse of vacant properties for mixed-use or affordable housing education and job training programs, and first-time homebuyer programs.	All comments were accepted.	N/A
In-Person Stakeholder Meeting	Key Stakeholders	2 attendees	Top needs identified by attendees included programs to support youth including youth advisory boards, programs to compensate youth for their time (gift cards for food, transportation, etc.), affordable housing for households earning up to 60% AMI, flexible funding sources to leverage current funding sources that are stricter with uses.	All comments were accepted.	N/A

PR.15.01: Citizen Participation Outreach

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Online Stakeholder Survey	Key Stakeholders	9 respondents	Top needs identified by attendees included creation and preservation of affordable housing units for all income levels. Services to support housing stability (rapid rehousing, utility assistance, food security, etc.), behavioral and mental health services for people experiencing homelessness and services within Permanent Supportive Housing communities.	All comments were accepted.	URL closed
Virtual Community Meetings	Non-targeted/ broad community	8 attendees	Access to affordable housing and services, community center to support seniors and youth, youth services, and after school services.	All comments were accepted.	N/A
In-Person Community Meetings	Non-targeted/ broad community	14 attendees	The first meeting identified a need for expanding infrastructure in South Merced, including pedestrian pathways and bike lanes, access to fresh food and grocery stores, streetlights and flood mitigation. Additionally, the need for more affordable housing, business expansion and job training in higher paying industries, such as the tech industries.	All comments were accepted.	

PR.15.01: Citizen Participation Outreach

Mode of outreach	Target of outreach	Summary of response & attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
Online Community Survey	Non-targeted/ broad community	92 respondents	Respondents noted economic development (job training, business retention and expansion, youth programming), community facilities (community centers serving youth, seniors, and families), and housing services (assistance with move in costs, emergency rental assistance, and ADA improvements) as the highest needs.	All comments were accepted.	URL closed
Public Hearing to present draft Consolidated Plan, FY 2025-2026 Annual Action Plan	Non-targeted/ broad community	No comments received	No comments received	N/A	N/A
(First) Public Comment Period (02/19/25 – 03/20/25)	Non-targeted/ broad community	No responses received	No responses received	N/A	N/A
(Second) Public Comment Period (4/23/25 – 5/23/25)	Non-targeted/ broad community	TBD	TBD	TBD	N/A
Public Hearing to adopt final Consolidated Plan, FY 2025-2026 Annual Action Plan	Non-targeted/ broad community	TBD	TBD	TBD	N/A

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

This section of the Consolidated Plan evaluates the housing, community, and economic development needs of residents through a comprehensive assessment of "disproportionate needs" identified in HUD's housing problem tables. The primary data source for this analysis is the Comprehensive Housing Affordability Strategy (CHAS) tabulations provided by HUD, derived from the U.S. Census Bureau's American Community Survey (ACS). These tabulations reflect HUD-defined criteria related to housing needs, income limits, and household categories.

The assessment also incorporates data from the City and County, the Merced County Association of Governments (MCAG), HUD's auto-populated data sets, and additional resources to create a well-rounded analysis. This information guides the development of the City's housing and community development priorities and shapes both the five-year and annual investment strategies.

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

Below are the HUD demographic terms and definitions found through the Needs Assessments:

- Small Family Household: A household with two to four members.
- Large Family Household: A household with five or more members.
- Elderly: Individuals aged 62 and older.
- Household: All people living in a housing unit. Members of a household can be related (family) or unrelated (nonfamily).
- Family: Related individuals living in the same household.
- Nonfamily: Unrelated individuals living in the same household.

The four (4) housing problems outlined in the HUD data and narrative are defined in narrow terms as follows:

- Substandard Housing Unit – Lacks Complete Kitchen Facilities: A complete kitchen consists of a sink with running water, a stove or range, and a refrigerator.
- Substandard Housing Unit – Lacks Complete Plumbing Facilities: Complete plumbing consists of hot and cold running water, a flush toilet, and a bathtub or shower.
- Cost Burdened Household: Monthly housing costs exceed 30 percent of monthly income. A household is severely cost burdened if their monthly housing costs exceed 50 percent of their monthly income. Note that, for renters, housing costs include contract rent and utilities. For

owners, housing costs include mortgage payments, utilities, association fees, insurance, and real estate taxes.

- Overcrowded Household: More than one person per room. Severe overcrowding is more than 1.5 persons per room.

Both Area Median Income (AMI) and HUD Adjusted Median Family Incomes (HAMFI) are represented with this Consolidated Plan and are essentially equivalent when discussing populations and households with lower incomes. HAMFI is the HUD-specific term for what is broadly referred to as AMI. Where the term AMI is used in this Consolidated Plan, assume it refers to HAMFI.

The following outlines income categories used in this report:

HUD Adjusted Median Family Incomes (HAMFI):

- Extremely Low Income: Up to 30% HAMFI
- Very Low Income: 30% to 50% HAMFI
- Low Income: 50% to 80% HAMFI
- Moderate Income: 80% to 100 % HAMFI
- Above Moderate Income: 100% HAMFI and higher

Area median income (AMI):

- Extremely low income: 15 to 30 percent of AMI
- Very low income: 30 to 50 percent of AMI
- Low income: 50 to 80 percent of AMI
- Moderate income: 80 to 120 percent of AMI
- Median income: 100 percent of AMI

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

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

Summary of Housing Needs

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

As shown in Table NA.05.01, Merced has a current population of 89,766 which is comprised of 27,482 households based on U.S. Census American Community Survey data. This reflects a 9.1 percent change in population and a 6.4 percent change in household numbers from 2018 to 2023. Additionally, Merced's median income rose from \$42,637 in 2018 to \$59,938 in 2023, showing a 40.6 percent change. While the median income increased between 2018 and 2023 by 40.6 percent to \$59,938, it still fell short of the California median of \$89,870, highlighting a persistent regional disparity in household earnings.

Demographics	Base Year: 2018	Most Recent Year: 2023	% Change
Population	82,289	89,766	9.1%
Households	25,827	27,482	6.4%
Median Income	\$42,637	\$59,938	40.6%

Table 5 – Housing Needs Assessment Demographics

Data Source: 2014-2018ACS, 2019-2023 ACS (Most Recent Year)

Table NA-05.02 shows that distribution of household types and their income levels based on 2017-2021 CHAS data. Small family households account for the largest percentage of households in Merced at 11,790 or 44 percent of the total households. Of the small family households, 45 percent are lower income (earning up to 80 percent HAMFI). Collectively, 13,185 of all households are lower income, representing 49 percent of households in the City.

Household Type	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	4,910	3,495	4,780	2,790	10,695
Small Family Households	1,820	1,390	2,105	1,275	5,200
Large Family Households	635	645	895	420	1,700
Elderly Family Households	340	315	425	310	1,410
Elderly Non-Family Households	775	605	490	185	825
Other Household Type	1,345	540	875	595	1,555

Table 6 – Total Households Table

Data Source: 2017-2021 CHAS

The following tables highlight the prevalence of housing problems among households in Merced. In general, households earning 80 percent or less AMI experience relatively high rates of housing problems. Again, housing problems are defined as:

1. Unit lacking complete kitchen facilities.
2. Unit lacking complete plumbing facilities.
3. Cost Burdened & severe cost burdened
4. Overcrowding

Table NA 05.03 shows that housing problems overwhelmingly affect lower-income households (households earning up to 80% AMI), particularly renters. Among the 9,690 lower-income households experiencing housing cost burdens, 78% (7,555) are renters, with the highest concentration in the 0-30% AMI bracket. Additionally, 4,710 households with lower incomes face severe housing cost burdens, with renters making up 80% (3,760) of that total. Substandard housing and overcrowding also disproportionately impact renters, with 139 renter households and 89 owner households living in substandard conditions, while 870 renter households and 124 owner households experience overcrowding without additional housing issues.

Housing Needs Summary Tables

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

	Renter				
	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing	40	80	15	4	139
Severely Overcrowded	135	180	125	15	455
Overcrowded (and none of the above problems)	200	215	300	155	870
Severe Housing Cost Burdened (and none of the above problems)	2,435	1,000	325	15	3,775
Housing Cost Burdened (and none of the above problems)	545	795	1,165	230	2,735
Zero/negative Income (and none of the above problems)	0	0	0	0	0
	Owner				
	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing	0	35	50	4	89
Severely Overcrowded	30	10	15	15	70
Overcrowded (and none of the above problems)	20	25	75	4	124
Severe Housing Cost Burdened (and none of the above problems)	435	195	320	50	1,000
Housing Cost Burdened (and none of the above problems)	165	195	565	280	1,205
Zero/negative Income (and none of the above problems)	0	0	0	0	0

Table 7 – Housing Problems Table

Data Source: CHAS, 2017-2021

Table NA.05.04 shows the number of households with no housing problems, one or more housing problems, and negative income by tenure and AMI. There are 5,240 renter households with at least 1 of 4 with households earning 0-30% AMI representing the most households experiencing the highest with 2,815 households. Comparatively, there are 1,275 owner households that have at least 1 of the 4 severe housing problems; with households earning 0-30% AMI representing the most households experiencing the highest with 485 households.

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

	Renters				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Households have at least 1 of 4 Severe Housing Problems	2,815	1,475	765	185	5,240
Households has none of 4 Severe Housing Problems OR cost burden not available, no other problems	1,225	1,210	2,240	1,425	6,100
Total Number of Households	4,040	2,685	3,005	1,610	11,340
	Owners				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Households have at least 1 of 4 Severe Housing Problems	485	265	455	70	1,275
Households has none of 4 Severe Housing Problems OR cost burden not available, no other problems	380	545	1,320	1,110	3,355
Total Number of Households	865	810	1,775	1,180	4,630

Table 8 – Housing Problems 2

Table NA.05.05 shows that housing cost burden (spending over 30% of income on housing) is predominantly an issue for renter households with lower-incomes, with small-related households

making up the largest group at all income levels. Among renters, 1,250 small-related households experience housing cost burdens, with the highest concentration in the >50-80% AMI range. Elderly renter households also face significant cost burdens, with 555 households affected, primarily in the 0-30% AMI bracket. In contrast, among owners, small-related households account for 405 of the total cost-burdened households, with the majority in the >50-80% AMI category. This highlights the disproportionate impact of housing costs on renters with lower-income renters, particularly smaller households and the elderly.

3. Cost Burden > 30%

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	150	515	585	1,250
Large Related	115	230	220	565
Elderly	225	125	205	555
Other	115	135	365	615
Total need by income	605	1,005	1,375	2,985
Household Type	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	40	110	255	405
Large Related	0	0	105	105
Elderly	120	90	170	380
Other	0	4	55	59
Total need by income	160	204	585	949

Table 9 – Cost Burden >30%

Data Source: CHAS. 2017-2021

Table NA.05.06 shows that severe housing cost burden (spending over 50% of income on housing) is predominantly an issue for renter households earning up to 30% AMI, with small-related households making up the largest group at all income levels. Among renters, 1,870 small-related households experience housing cost burdens, with the highest concentration in the >0-30% AMI range. In contrast, among owners, small-related households account for 435 of the total cost-burdened households, with the majority in the >0-30% AMI category. This highlights the disproportionate impact of housing costs on renters with lower-income renters, particularly smaller households.

4. Cost Burden > 50%

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	1235	510	125	1870
Large Related	280	145	30	455
Elderly	450	250	65	765
Other	700	245	140	1085
Total need by income	2665	1150	360	4175
Household Type	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	230	60	145	435
Large Related	85	35	75	195
Elderly	105	150	30	285
Other	70	0	80	150
Total need by income	490	245	330	1065

Table 10 – Cost Burden 50%

Data Source: CHAS, 2017-2021

Table NA.05.07 shows that overcrowding is most prevalent among single-family renter households, particularly in the >50-80% AMI category, reflecting significant housing pressure at low-income levels. Among owners, single-family households face the highest levels of overcrowding, especially in the 0-30% AMI and the >50-80% AMI range, while "other, non-family" households show comparatively lower overcrowding rates across all income levels.

5. Crowding (More than one person per room)

Household Type	Renters			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Single family	275	280	420	975
Multiple, unrelated	50	85	4	139
Other, non-family	15	34	0	49
Total need by income	340	399	424	1,163
	Owners			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Single family	50	15	45	110
Multiple, unrelated	0	20	40	60
Other, non-family	0	0	0	0
Total need by income	50	35	85	170

Table 11 – Crowding Information (1 of 2)

Data Source: CHAS, 2017-2021

Table NA.05.08 highlights the distribution of renter households with children present across different income levels. Of the total 2,785 renter households, 1,055 fall within the 0-30% AMI category, 885 are within the >30-50% AMI range, and 845 belong to the >50-80% AMI group. Of the total 550 owner households, 70 fall within the 0-30% AMI category, 110 are within the >30-50% AMI range, and 371 belong to the >50-80% AMI group.

Table NA.05.08: Households with Children

Household Type	Renter			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	1,055	885	845	2,785
	Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	70	110	370	550

Table 12 – Crowding Information (2 of 2)*Data Source: CHAS, 2017-2021***Describe the number and type of single person households in need of housing assistance.**

According to 2019-2023 AC data, single-person households make up 23% of renter-occupied units (3,460 households) and 19% of owner-occupied units (2,370 households), reflecting a strong demand for rental housing among individuals living alone. This trend is closely tied to Merced's young population, with an average age under 30, as younger residents are more likely to establish single-person households during transitional life stages such as pursuing education, entering the workforce, or living independently for the first time. Additionally, younger households often have lower income levels, making rental housing a more accessible option than homeownership. The city's demographic profile suggests that as young adults form new households, the demand for rental units—particularly affordable, single-person housing—will continue to rise, further emphasizing the need for housing policies that address the unique challenges faced by this age group.

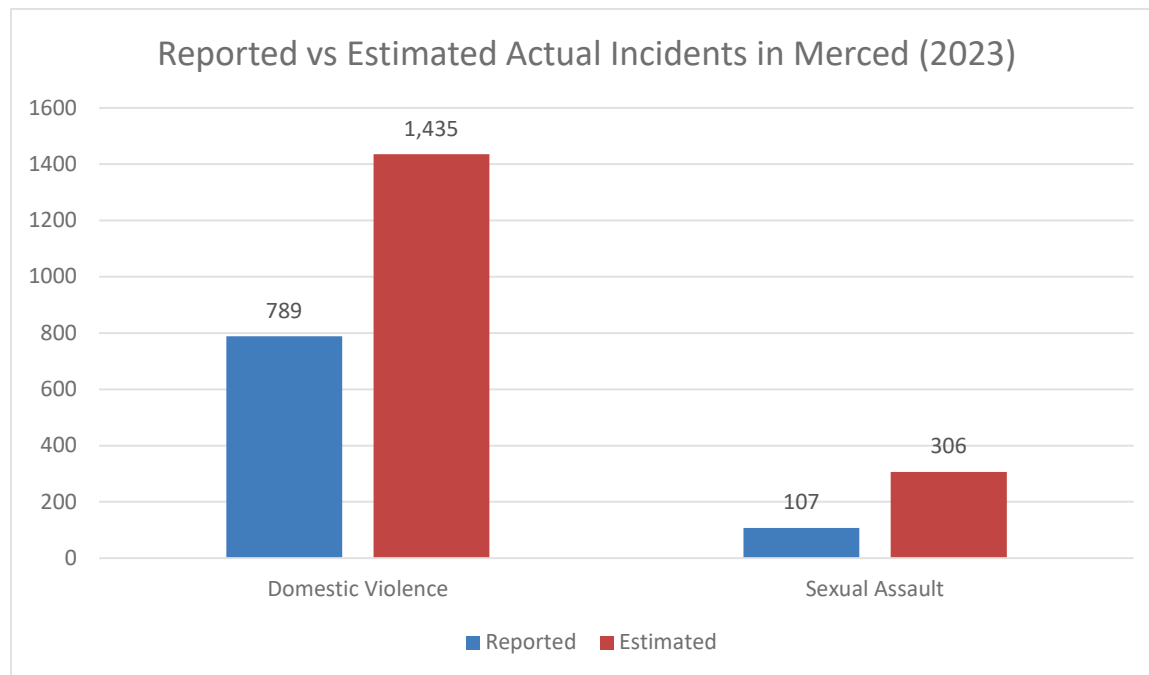
Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

In Merced, the need for housing assistance among residents with disabilities and survivors of violence is significant and multifaceted. According to 2019-2023 ACS data, 10.3 percent of Merced residents under the age of 65 report having a disability. While data for those over the age of 65 is not available, generally, higher rates of disabilities are observed amongst older age groups. The most common challenges faced by this population include independent living difficulties, such as trouble completing errands alone due to physical, mental, or emotional issues, and ambulatory difficulties, which refer to serious challenges with walking or climbing stairs. These challenges often require homes to be modified with features such as ramps, grab bars, and other structural adaptations to ensure safety and accessibility.

At the same time, survivors of domestic violence, sexual assault, and stalking face equally urgent housing needs. Many survivors do not report incidents for fear of retaliation, losing custody of children, financial instability, or lacking secure alternatives. In 2023, there were 107 reported cases of sexual assault or attempted sexual assault in Merced, but according to the U.S. Department of Justice's Bureau of Justice Statistics (BJS), only approximately 34.8 percent of sexual assaults are reported. This means

that the true number of incidents could exceed 300. Similarly, while 789 domestic violence related calls for assistance cases that year, research shows that fewer than 55 percent of such cases are reported, indicating that the real number of affected residents is likely closer to 1,400.

Figure NA.05.01



Given these figures, it is reasonable to estimate that housing to support people with disabilities and victims of domestic violence and sexual assault is needed in Merced as they seek safety and stability. This highlights the critical need for trauma-informed care, economic support, and access to housing solutions that promote independence and security for both individuals with disabilities and survivors of violence. Addressing these challenges requires a concerted effort to expand the availability of accessible housing units and strengthen support services that empower residents to rebuild their lives and thrive within their community.

What are the most common housing problems?

Of the households in Merced, 42 percent are owners, and 58 percent are renters (2021 CHAS). While renter households are more likely to have housing problems than owner households, the most prevalent problem for both groups is housing cost burden. Housing cost burden can lead to issues, including overcrowding, deferred maintenance of the unit (and thus leading to substandard housing), and inability to afford other essentials, such as healthcare and transportation.

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

While households with low incomes are more susceptible to housing problems than those with higher incomes, housing problems are particularly common amongst households with the lowest incomes (i.e.,

very low- and extremely low-income households). Like the rest of the population, the most common housing problems for households earning 50 percent AMI or less are severe housing cost burden and overcrowding. However, this group experiences a severe cost burden to a significantly greater degree. As shown above in Table NA-05.03, 3,435 households earning up to 50 percent AMI spend more than 50 percent of their income on housing costs; making up 91% of all households with low incomes (earning up to 80 percent AMI) with a severe cost burden.

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

While households with low incomes are more susceptible to housing problems than those with higher incomes, housing problems are particularly common amongst households with the lowest incomes (i.e., very low- and extremely low-income households). Like the rest of the population, the most common housing problems for households earning 50 percent AMI or less are severe housing cost burden and overcrowding. However, this group experiences a severe cost burden to a significantly greater degree. As shown above in Table NA-05.03, 3,435 households earning up to 50 percent AMI spend more than 50 percent of their income on housing costs; making up 91% of all households with low incomes (earning up to 80 percent AMI) with a severe cost burden.

According to the HUD 2024 Continuum of Care Homeless Assistance Programs Housing Inventory Count (HIC) Report, the Merced County has a total of 220 Rapid Re-housing family units, totaling 230 family beds. These are managed by the Merced County Human Services Agency and disbursed throughout the County.

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

N/A

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

One of the primary contributors to instability is the prevalence of cost-burdened households. When residents spend more than 30% of their income on housing expenses, they are at a heightened risk of financial strain, and this risk becomes even more severe when households dedicate over 50% of their income to rent or mortgage payments. This financial burden leaves little room for unexpected expenses and increases the likelihood of housing loss.

Overcrowding is another common challenge, where families or individuals double up in single units to cope with high housing costs. This often results in stressful living arrangements that can lead to disputes, evictions, or voluntary departures due to the lack of personal space and privacy. Formal and

informal evictions further compound the issue, with households frequently displaced due to rent increases, financial hardship, or property management decisions.

Vulnerable households have a hard time staying stably housed or in housing without significant problems due to high housing costs, low vacancy, and low wages. To address these housing concerns, localities should focus on increasing access to affordable units to lower-income households and increasing the general housing stock to accommodate future growth.

Discussion

See above.

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

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

Introduction

According to the 2018-2023 ACS 5-year estimate, Merced's population is comprised of the following:

- White alone: 31.7%
- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino- 22.7%

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households at a particular income level. For example, if 40 percent of all very low-income households in a jurisdiction experience one or more of the four defined housing problems, but 50 percent of one specific ethnic group's very low-income households experience housing problems, that would be considered a disproportionate need.

Again, the four housing problems are:

1. Unit lacks complete kitchen facilities.
2. Unit lacks complete plumbing facilities.
3. Household spends more than 30 percent of income on housing costs; and
4. Household includes more than one person per room, excluding bathrooms, porches, foyers, halls, and half-rooms.

The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a housing problem.

0 %- 30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	4,010	900	0	81.7%
White	910	380	0	70.5%
Black / African American	314	30	0	91.3%
Asian	370	55	0	87.1%
American Indian, Alaska Native	15	0	0	100.0%
Pacific Islander	0	0	0	0.0%
Hispanic	2,255	400	0	84.9%

Table 13 – Disproportionally Great Need 0% - 30% AMI

Data Source: 2017-2021 CHAS

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

30% - 50% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,730	765	0	78.1%
White	630	125	0	83.4%
Black / African American	80	90	0	47.1%
Asian	150	40	0	78.9%
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,775	500	0	78.0%

Table 14 – Disproportionally Greater Need 30% - 50% AMI

Data Source: 2017-2021 CHAS

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

50% - 80% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,955	1,830	0	61.8%
White	820	495	0	62.4%
Black / African American	180	65	0	73.5%
Asian	200	35	0	85.1%
American Indian, Alaska Native	20	0	0	100.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,640	1,235	0	57.0%

Table 15 – Disproportionally Greater Need 30% - 50% AMI

Data Source: 2017-2021 CHAS

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

80% - 100% AMI of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	2,955	1,830	0	27.5%
White	820	495	0	18.6%
Black / African American	180	65	0	29.4%
Asian	200	35	0	37.3%
American Indian, Alaska Native	20	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,640	1,235	0	30.2%

Table 16 – Disproportionally Greater Need 30% - 50% AMI

Data Source: 2017-2021 CHAS

Discussion

0-30 Percent of AMI (Extremely Low Income)

In the extremely low-income category, 81.7 percent of the jurisdiction experiences one or more of the four housing problems. One population, American Indian, Alaska Native, experience these housing problems at a disproportionately higher rate of 100 percent. Additionally, Black/African American

households, are near disproportionate with 91.3 percent of households experiencing housing problems. Note that, in absolute numbers, the American Indian, Alaska Native households constitute a small percentage of the overall Merced population (0.7%) with of which 15 are extremely low-income households.

30-50 Percent of AMI (Very Low Income)

In the very low-income category, 78.1 percent of the jurisdiction experiences one or more of the four housing problems, however, no very low-income groups experience a disproportionately higher occurrence of severe housing problems.

50-80 Percent of AMI (Low Income)

In the low-income category, 61.8 percent of the jurisdiction experiences one or more of the four housing problems. Three populations, Black/African American, Asian, and American Indian/Alaska Native households, experience these housing problems at a disproportionately higher rate of 73.5, 85.1, and 100.

80-100 Percent of AMI (Middle Income)

In the middle-income category, 27.5 percent of the jurisdiction experiences one or more of the four housing problems. No middle-income groups experience a disproportionately higher occurrence of severe housing problems; however, Asian households experience a near disproportionate occurrence of severe housing problems with 37.3 percent.

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

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

Introduction

While Section NA-15 measured disproportionate housing problems, this section measures disproportionate severe housing problems, which are defined as follows:

1. Unit lacks complete kitchen facilities.
2. Unit lacks complete plumbing facilities.
3. Household spends more than 50 percent of income on housing costs; and
4. Household includes more than 1.5 person per room, excluding bathrooms, porches, foyers, halls, and half-rooms.

Again, according to the 2018-2023 ACS 5-year estimate, Merced's population is comprised of the following:

- White alone: 31.7%
- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino- 22.7%

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households at a particular income level. The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a severe housing problem.

The following tables and analyses outline the share of households by race/ethnicity and income level experiencing a severe housing problem.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	3,300	1,605	0	67.3%
White	805	480	0	62.6%
Black / African American	284	60	0	82.6%
Asian	350	75	0	82.4%
American Indian, Alaska Native	15	0	0	100.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,740	915	0	65.5%

Table 1 – Severe Housing Problems 0 - 30% AMI*Data Source: 2017-2021 CHAS*

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	1,740	1,755	0	49.8%
White	475	285	0	62.5%
Black / African American	65	100	0	39.4%
Asian	95	95	0	50.0%
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	1,050	1,230	0	46.1%

Table 2 – Severe Housing Problems 30 - 50% AMI*Data Source: 2017-2021 CHAS*

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	1,220	3,560	0	25.5%
White	395	920	0	30.0%
Black / African American	80	165	0	32.7%
Asian	25	210	0	10.6%
American Indian, Alaska Native	0	20	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	680	2,195	0	23.7%

Table 3 – Severe Housing Problems 50 - 80% AMI

Data Source: 2017-2021 CHAS

The four housing problems are: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per bedroom, 4) cost burden greater than 30%

80-100% Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percent with one or more housing problems
Jurisdiction as a whole	255	2,535	0	9.1%
White	14	865	0	1.6%
Black / African American	0	125	0	0.0%
Asian	65	225	0	22.4%
American Indian, Alaska Native	0	0	0	0.0%
Pacific Islander	0	0	0	0.0%
Hispanic	170	1255	0	11.9%

Table 4 – Severe Housing Problems 80 - 100% AMI

Data Source: 2017-2021 CHAS

Discussion

0-30 Percent of AMI (Extremely Low Income)

In the extremely low-income category, 67.3 percent of the jurisdiction experiences one or more severe housing problems. Three populations, Black/African American, Asian, and American Indian/ Alaska Native households, experience severe housing problems at a disproportionately higher rate of 82.6, 82.4, and 100 percent, respectively. Note that, in absolute numbers, the American Indian, Alaska Native households constitute a small percentage of the overall Merced population (0.7%) with of which 15 are extremely low-income households.

30-50 Percent of AMI (Very Low Income)

In the very low-income category, 49.8 percent of the total population experience at least one or more severe housing problems. One population, White households, experience severe housing problems at a disproportionately higher rate of 62.5 percent.

50-80 Percent of AMI (Low Income)

In the low-income category, 25.5 percent of the jurisdiction experiences one or more severe housing problems. No low-income groups experience a disproportionately higher occurrence of severe housing problems.

80-100 Percent of AMI (Middle Income)

In the middle-income category, 9.1 percent of the jurisdiction experiences one or more severe housing problems. One population, Asian households, experience severe housing problems at a disproportionately higher rate of 22.4 percent.

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

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

Introduction:

Disproportionate greater need relative to housing cost burden is calculated by dividing the number of households in a cost burden category (i.e., spending more than 30 percent on housing or spending more than 50 percent on housing) by the total number of households for that given racial or ethnic group or the jurisdiction for a whole.

HUD defines a disproportionate need as any need for a race/ethnicity that is more than 10 percent above the need for the total households in a cost burden category.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	15,759 59.1%	5,045 18.9%	5,295 19.9%	570 2.1%
White	5,725 64.6%	1,300 14.7%	1,605 18.1%	235 2.7%
Black / African American	715 50.4%	265 18.7%	425 29.9%	15 1.1%
Asian	1,480 64.5%	320 13.9%	430 18.7%	65 2.8%
American Indian, Alaska Native	19 35.2%	20 37%	15 27.8%	0
Pacific Islander	0	0	0	0
Hispanic	7,455 56%	2,965 22.3%	2,665 20%	225 1.7%

Table 5 – Greater Need: Housing Cost Burdens AMI

Data Source: 2017-2021 CHAS

Discussion:

30-50 Percent Cost Burden

Approximately 18.9 percent of the general population spends 30 to 50 percent of their income on housing costs. No ethnic or racial group experiences this level of housing cost burden at a significantly greater rate than the jurisdiction.

Greater than 50 Percent Cost Burden (Severe Housing Cost Burdened)

Approximately 19.9 percent of the jurisdiction are severely housing cost burdened (spending more than 50 percent of their income on housing). Black/African American households experience severe housing

cost burden at a disproportionately higher rate of 29.9 percent. Additionally, American Indian and Alaska Native households are nearing the disproportionate level at 27.8 percent.

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

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

The data presented in Sections NA-15 through NA-25 show that some racial or ethnic groups experience disproportionately greater need in terms of housing problems and cost burden. Again, HUD defines a disproportionate need as any need for a certain race/ethnicity that is more than 10 percent above the need for the total households at a particular level of income or cost burden. To summarize the preceding sections, the following racial or ethnic groups have disproportionately greater need:

Housing Problems:

- 0-30 percent AMI: American Indian and Alaska Native households
- 50-80 percent AMI: Black/African American, Asian, American Indian, and Alaska Native households

Severe Housing Problems:

- 0-30 percent AMI: Black/African American, Asian, American Indian, and Alaska Native households
- 30-50 percent AMI: White households
- 80-100 percent AMI: Asian households

Housing Cost Burden by Race and AMI

- > 50 percent housing cost burden: Black/African American

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

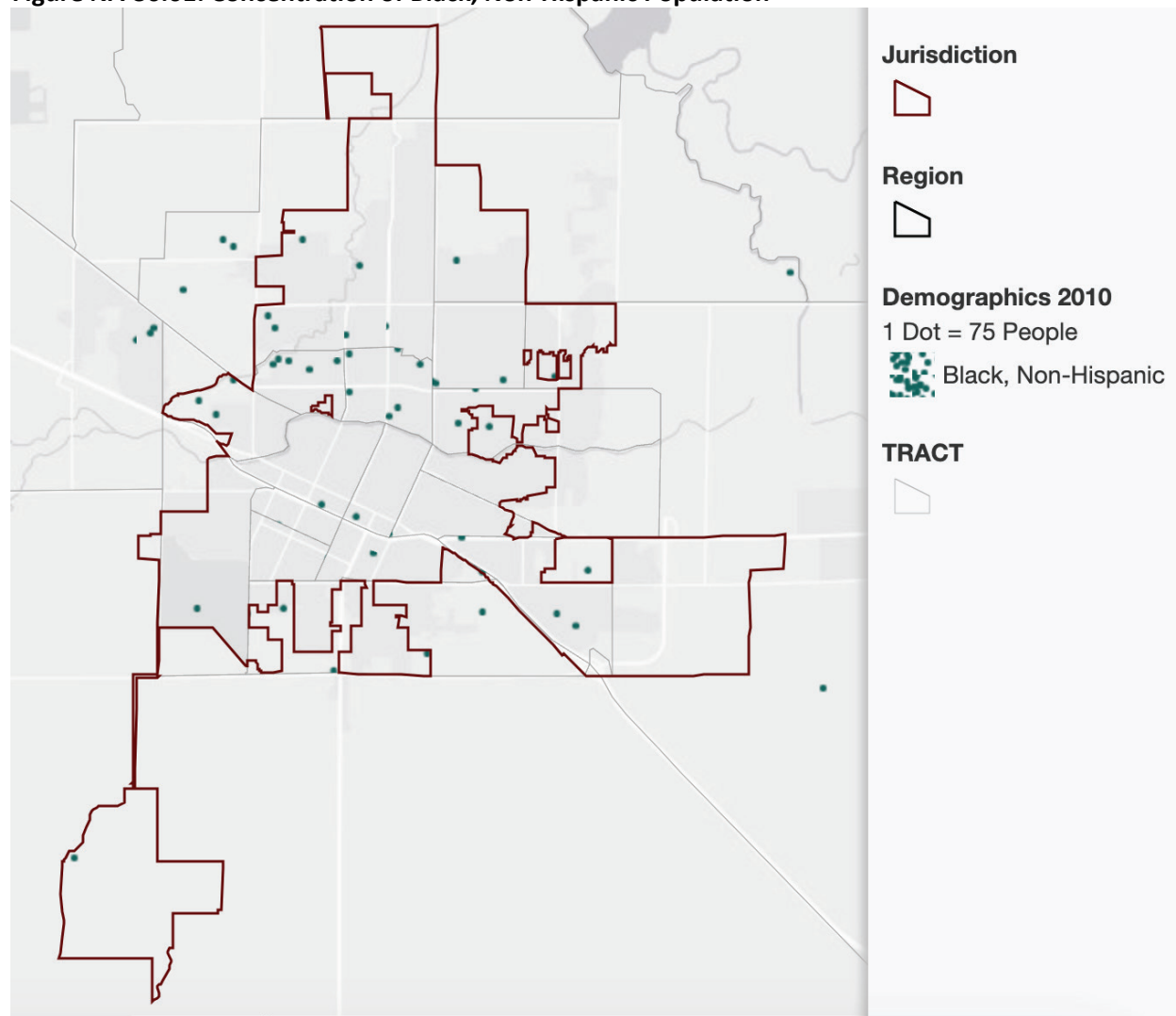
As shown in Table NA 05.03, 3,435 households earning up to 50 percent AMI are severely housing cost burdened. These households represent 91 percent of all low-income households (those earning up to 80 percent AMI) experiencing severe housing cost burden. This significant financial strain leaves little room for other essential expenses, such as nutritious food, medications, and transportation, further exacerbating their vulnerability. Households in this situation are at imminent risk of housing instability, as unforeseen expenses or emergencies could push them into homelessness or shelters.

Community feedback highlights the need for more affordable housing units and greater access to resources that support housing instability. These include rental assistance, utility payment assistance, and access to healthy food, which are critical for addressing the challenges faced by these vulnerable households.

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

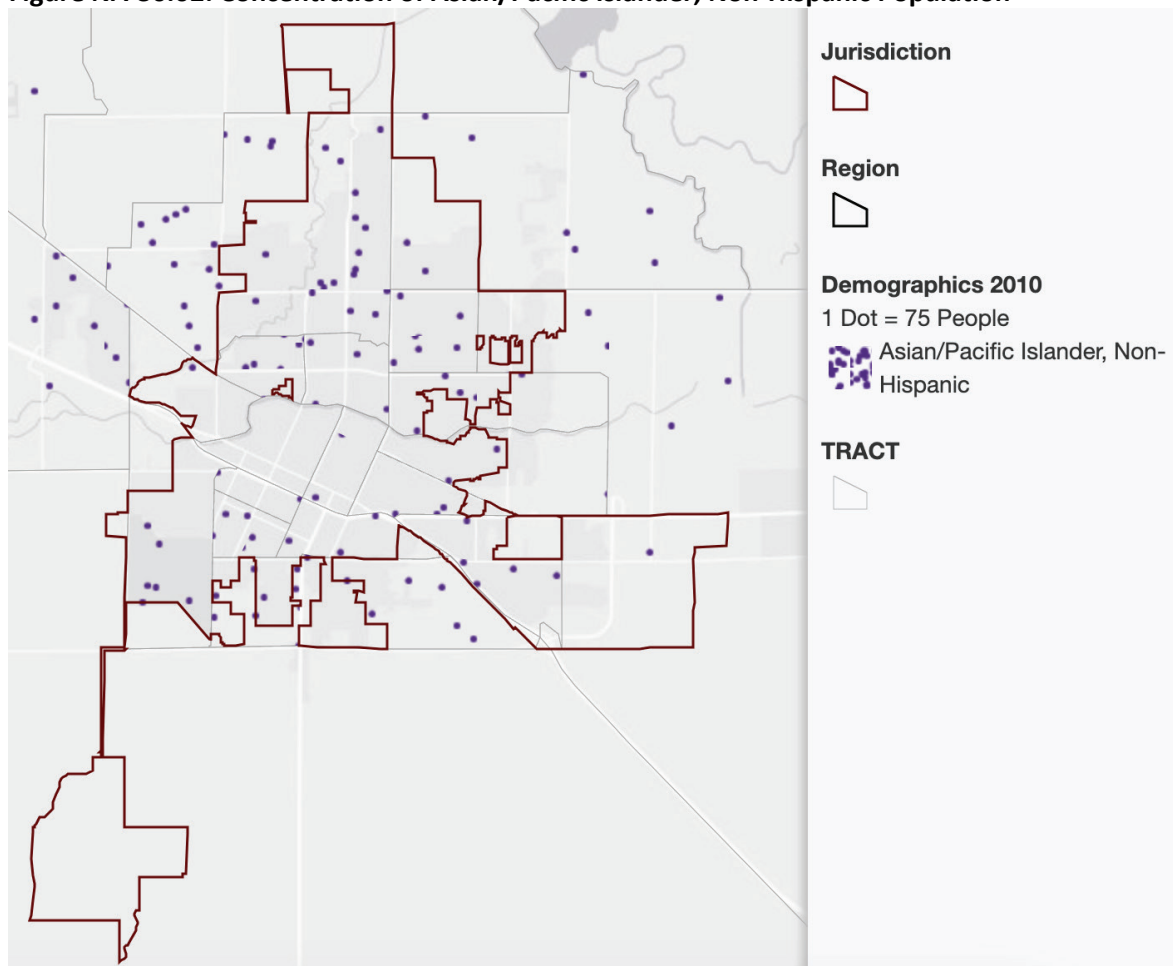
As shown in the following figures, Merced's racial/ethnic groups are live disbursed throughout the city.

Figure NA-30.01: Concentration of Black, Non-Hispanic Population



Data Source: HUD AFFH Maps, 2020

Figure NA-30.02: Concentration of Asian/Pacific Islander, Non-Hispanic Population



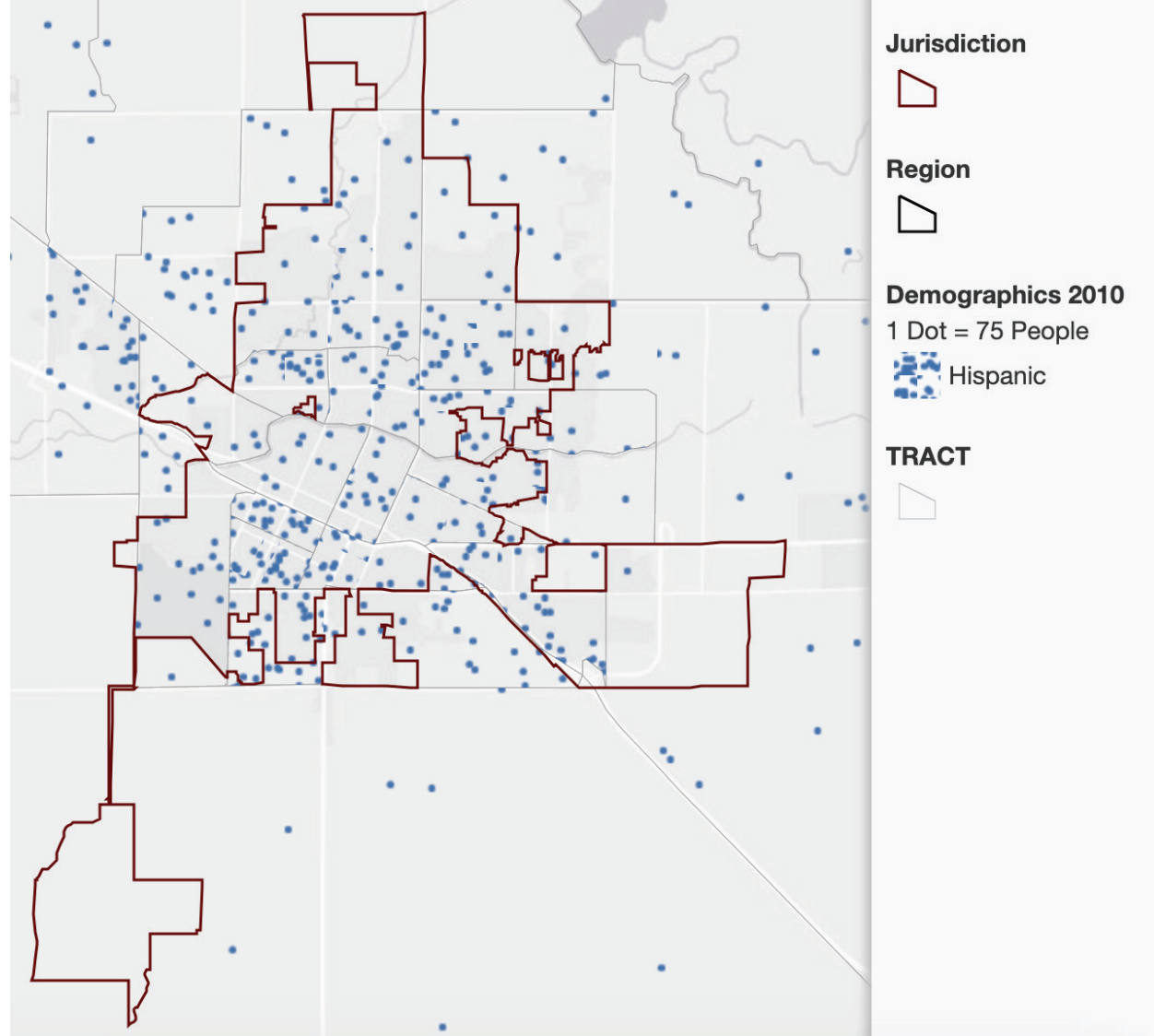
Data Source: HUD AFFH Maps, 2020

HUD R/ECAP

HUD has developed census-tract based areas called R/ECAPs, or racially/ethnically concentrated areas of poverty. These areas have a non-white population of more than 50 percent as well as 40 percent or more of the population living under the poverty line. According to the following map, the following tracts within Merced represent racially/ethnically concentrated areas of poverty:

- 001503
- 001601
- 001302
- 001700

Figure NA-30.03: Concentration of Hispanic Population



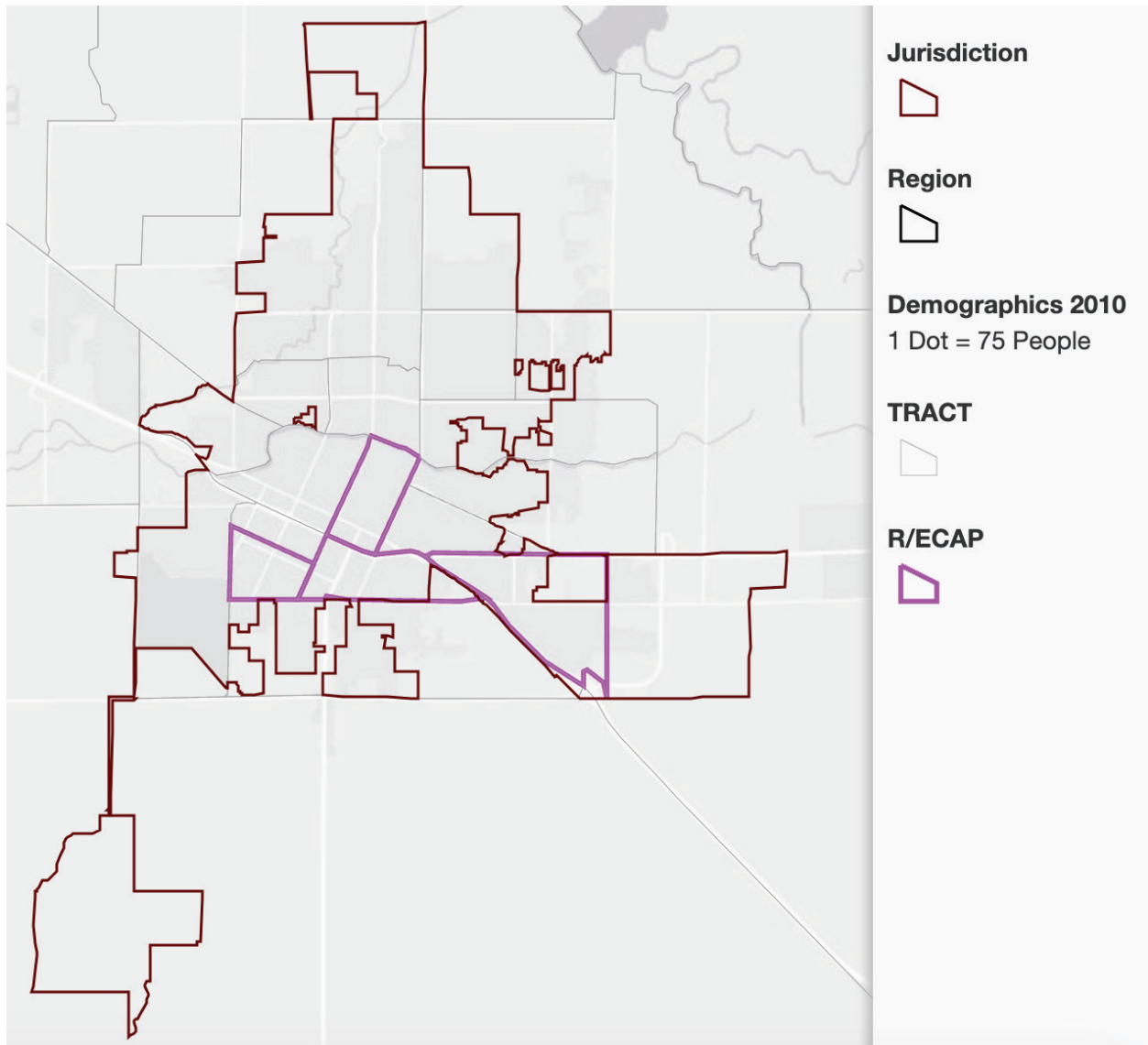
Data Source: HUD AFFH Maps, 2020

HUD R/ECAP

HUD has developed census-tract based areas called R/ECAPs, or racially/ethnically concentrated areas of poverty. These areas have a non-white population of more than 50 percent as well as 40 percent or more of the population living under the poverty line. According to the following map, the following 4 tracts within Merced represent racially/ethnically concentrated areas of poverty:

- 001503
- 001601
- 001302
- 001700

Figure NA-30.04: R/ECAP Census Tracts



Data Source: HUD AFFH Maps, 2020

NA-35 Public Housing – 91.205(b)

Introduction

Public housing was established to provide safe and decent rental housing for individuals and families with low to moderate incomes, older adults, and people with disabilities. Federally subsidized and affordable, public housing is owned and operated by Public Housing Authorities (PHAs). While the City does not own any public housing communities or units, it collaborates closely with the Housing Authority of the County of Merced (HACM) to ensure public housing is available within the City limits.

The shortage of affordable, quality housing poses a significant challenge in Merced and the surrounding county. Addressing the need for more affordable housing requires a collaborative effort from all stakeholders working to improve the quality of life for individuals and families facing housing insecurity and instability. The data in the accompanying table reflect the number of public housing units and housing vouchers available throughout the county, as report by HACM. The City’s distribution of HCVs is 1,738 vouchers.

Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units or vouchers in use	-	-	421	2,721	352	2,400	123	27	26

Table 6 - Public Housing by Program Type

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

Data Source: HACM, 2024 Data

Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	-	-	16,486	12,814	-	12,830	-	11,328
Average length of stay	-	-	5	5	-	5	-	6
Average Household size	-	-	3	3	-	3	-	5
# Homeless at admission	-	-	-	1	-	1	-	-
# of Elderly Program Participants (>62)	-	-	78	432	-	432	-	-
# of Disabled* Families	-	-	53	574	-	567	-	7
# of Families requesting accessibility features	-	-	410	2,614	-	2,587	-	27
# of HIV/AIDS program participants	-	-	-	-	-	-	-	-
# of DV victims	-	-	-	-	-	-	-	-

Table 7 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
White	-	-	343	1,839	-	1,816	-	23	-
Black / African American	-	-	33	447	-	446	-	1	-
Asian	-	-	32	285	-	282	-	3	-
American Indian / Alaska Native	-	-	1	33	-	33	-	-	-
Pacific Islander	-	-	1	10	-	10	-	-	-
Other	-	-	-	-	-	-	-	-	-

Table 8 – Race of Public Housing Residents by Program Type

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

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Hispanic	-	-	280	1,224	-	1,206	-	18	-
Not Hispanic	-	-	130	1,390	-	1,381	-	9	-

Table 9 – Ethnicity of Public Housing Residents by Program Type

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

Data Source: PIC (PIH Information Center)

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

Accessible units are designed for individuals and families with disabilities, particularly those who face mobility, sensory, or other physical challenges. These units may include adaptations such as wider doorways and hallways for wheelchair access, roll-in showers, grab bars, and adjustable-height fixtures in bathrooms, as well as lower countertops and appliances in kitchens. Visual and auditory alerts are also commonly included to assist those with hearing or vision impairments.

Based on the 2022 5-Year ACS Estimates, 11,757 residents of Merced report having a disability, including 5,688 with mobility disabilities, 3,118 with visual disabilities, and 2,751 with hearing disabilities. The FY

2024-2025 Draft Annual Public Housing Plan notes that 4,318 families are on the housing waitlist, 741 of whom have identified as having a disability. Although the plan does not detail the specific types of disabilities, using the proportional data from the ACS estimates, it is inferred that ADA accessible units are needed to accommodate individuals on the waitlist with disabilities.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?

According to the draft 2024-2025 Draft Annual Public Housing Plan, 4,318 families were on the HCV Program waitlist. The following provides statistics on these applicants:

- Elderly – 247
- Disabled - 741
- Black/African American – 1,836
- Asian – 140
- Hispanic – 1,514
- White – 1,578

Individuals and families of public housing units require safe, well-maintained living environments. Immediate needs include timely repairs, pest control, and compliance with safety standards like functional smoke detectors and secure locks. Access to community resources such as transportation, childcare, and education programs is also critical. Additionally, tenants benefit from on-site services like workforce training, youth programs, and case management to resolve disputes or connect with resources for food, healthcare, and financial assistance. These needs align with the needs shared by the community during outreach efforts.

People using HCVs face unique challenges in the private rental market. They often need support finding housing that accepts vouchers, addressing potential discrimination, and covering initial costs such as deposits, utility hookup fees, and moving expenses.

An additional challenge for some holders includes landlords who neglect property maintenance or violate housing quality standards. Access to fair housing and housing advocacy resources would benefit all renters of Merced, including those in public housing and those with HCVs.

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

It is difficult to compare the housing needs of public housing residents and HCV holders to the population at large, because participants of these affordable housing programs are not encountering the challenges of those not receiving the benefit of public housing programs. While monthly housing costs are limited for program participants of the HAMC rental assistance programs, according to 2022 5-Year ACS data, 22 percent of renters citywide were considered housing cost burdened and 27 percent of renters are severely housing cost burdened, spending half of their income on rent and utilities.

According to RentCafe, an online data aggregator, Merced saw a rent increase of 14 percent from 2019 to 2024.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Homelessness is a profound social issue that impacts not just the individuals experiencing it but also the broader community. It often arises from a complex interplay of factors, including economic challenges such as unemployment, poverty and a shortage of affordable housing. Health-related issues like mental illness, substance use disorders, chronic medical conditions, and disabilities also play a role. Social dynamics, including domestic violence, systemic inequalities, and family disruptions, further contribute to the problem.

For individuals, homelessness leads to serious hardships that threaten physical and emotional well-being. For communities, it strains public resources, healthcare systems, and social cohesion. In response, many communities implement strategies, such as emergency shelters, access to supportive services, and the development of affordable housing and workforce programs.

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

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

Addressing homelessness requires a coordinated and compassionate approach. The Merced City and County Continuum of Care (CoC) is the leading organization serving residents of Merced who are experiencing homelessness. The City works closely with the CoC and local non-profits who provide services to those experiencing or at risk of experiencing homelessness.

NA 40.01: Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	29	1	0	0	0	0
Persons in Households with Only Children	8	0	0	0	0	0
Persons in Households with Only Adults	318	425	0	0	0	0
Chronically Homeless Individuals	146	183	0	0	0	0
Chronically Homeless Families	-	-	0	0	0	0
Veterans	6	17	0	0	0	0
Unaccompanied Child	-	-	0	0	0	0
Persons with HIV	2	4	0	0	0	0

Data Source: 2024 Housing Inventory Report (HIC)

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

To describe these categories, the 2024 Annual Point in Time (PIT) Count data, compiled by the Merced City and County Continuum of Care (CoC) is being used. This information is for the area covered by the CoC. For those experiencing unsheltered homelessness:

- Chronic homeless: 183
- Persons with disabilities: 48
- Person with HIV/AIDs: 4
- Veterans: 17
- 1 chronically homeless family (2 adults and 1 child under the age of 18)

For those experiencing sheltered homelessness:

- Chronic homeless: 146
- Persons with HIV/AIDS: 2
- Veterans: 6
- 29 families (35 adults, 48 children under the age of 18)
- 2 chronic homeless families (2 adults and 2 children under the age of 18)

Nature and Extent of Homelessness: (Optional) N/A

Table NA 40.02: Homeless Needs Assessment by Race or Ethnicity

Race	Sheltered	Unsheltered (optional)	Percentage of Total
White	102	0	6.2%
Black or African American	88	197	17.3%
Asian	64	70	8.3%
American Indian or Alaska Native	9	16	1.2%
Pacific Islander	131	136	16.2%
Ethnicity	Sheltered	Unsheltered (optional)	Percentage of Total
Hispanic	294	408	42.6%
Not Hispanic	115	20	8.2%

Data Source: 2024 Housing Inventory Report (HIC)

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

According to the 2024 PIT count, there were 23 veterans experiencing homelessness and 32 families experiencing homelessness, 3 of which were experiencing chronic homelessness. No data was available regarding families of veterans. The PIT Count, while essential for estimating homelessness, significantly underrepresents the true scale of the issue by excluding populations such as couch surfers, doubled-up households, and others experiencing hidden homelessness. Studies suggest that for every person counted, an additional 2-3 individuals may be overlooked, potentially skewing reported figures by 50-150% or more. This underrepresentation is particularly pronounced among youth, rural populations, and individuals avoiding traditional shelter systems, such as survivors of domestic violence or those living in vehicles. As a result, the reported numbers often fail to capture the true scope of homelessness. Based on this information, an estimated 50 – 80 families could need housing assistance.

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

Again, according to the 2018-2023 ACS 5-year estimate, Merced’s population is comprised of the following:

- White alone: 31.7%

- Black alone: 4.9%
- American Indian and Alaska Native alone: 0.7%
- Asian Alone: 9.8%
- Pacific Islander: 0.4%
- Two or more races: 13.1%
- Hispanic or Latino: 58.5%
- White alone, not Hispanic or Latino- 22.7%

Although Black individuals make up just 4.9 percent of Merced’s population, they represent the second largest group experiencing homelessness (17.3%). Similarly, Pacific Islanders, who account for less than 1% of the population, make up the third highest homeless population (16.2%). In contrast, White individuals, who constitute a third of the Merced population, have the second lowest rates of homelessness (6.2%). This contrast underscores the ongoing disparities between race and homelessness, showing how systematic challenges and inequalities may contribute to Black and Pacific Islander communities being disproportionately affected, while White individuals experience homelessness at lower rates relative to their population share.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

In Merced, the issue of homelessness remains a significant challenge, with recent trends reflecting both progress and persistent disparities. According to the 2024 PIT, the total number of individuals experiencing homelessness in the city was 573, comprising 197 unsheltered and 376 sheltered individuals. Encouragingly, the unsheltered population decreased by 13% from 227 in 2023 to 197 in 2024, while the sheltered population saw a 7% increase from 344 to 376 in the same period. These trends suggest that efforts to provide shelter are yielding positive results, as more individuals transition from unsheltered to sheltered situations. However, the presence of nearly 200 individuals still living without shelter underscores the ongoing challenges the city faces in addressing homelessness comprehensively.

Racial disparities further complicate the picture. Hispanic or Latino individuals, who make up approximately 63.8% of Merced’s total population, are disproportionately represented among the unsheltered homeless population, comprising 46% of this group. In contrast, 31.8% of unsheltered individuals identified as White, and 15.4% as Black. These figures highlight systemic inequities in housing stability, with Hispanic or Latino residents facing particularly acute vulnerabilities. Addressing these disparities is crucial for developing effective interventions, as Merced continues to focus on expanding shelter capacity, supportive services, and long-term housing solutions to combat homelessness in a way that leaves no community behind.

Discussion:

See above

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

Introduction:

Certain groups within the city's population are particularly vulnerable to poverty and challenges related to housing affordability. These challenges are often exacerbated by physical and medical needs, which increase the demand for health social, and community services or necessitate living on limited incomes. This intersection of factors frequently hinders households' ability to secure safe and affordable housing.

Describe the characteristics of special needs populations in your community:

Elderly: 10 percent of Merced's population are over the age of 65 (elderly). Of this, 3,445 elderly households earn less than 80% AMI. Approximately 27 percent of Merced's elderly population are without a high school diploma, while 73 percent have a high school diploma or higher. There are 247 elderly households currently on the HAMC HCV waitlist.

People with Disabilities: Based on the 2022 5-Year ACS Estimates, 11,757 residents of Merced report having a disability, including 5,688 with mobility disabilities, 3,118 with visual disabilities, and 2,751 with hearing disabilities. The FY 2024-2025 Draft Annual Public Housing Plan notes that 4,318 families are on the housing waitlist, 741 of whom have identified as having a disability.

Substance Use Disorders: Determining the exact number of individuals with substance use disorders (SUD) in Merced is challenging, due to limited localized data. However, based on 2018 report from the Urban Institute, an estimated 1,902 individuals in Merced County had an opioid use disorder. A 2022 report from the California Healthcare Foundations reported that approximately 8.8 percent of individuals aged 12 and over were reported to have a substance use disorder. According to the Merced Police Department, there were 579 arrests related to substance abuse use (alcohol and drug use). If using the statewide prevalence rate of 8.8 percent, approximately 8,400 individuals in Merced can be estimated to have a SUD.

AIDS/HIV: Data specific to the number of individuals living with AIDS or HIV in the city of Merced isn't available. However, the 2022 California HIV Surveillance Report, released in February of 2024, indicated that Merced County reported 149 new HIV cases between 2018 and 2022, with 429 individuals living with HIV as of 2022, 281 of whom are virally suppressed. Since the city of Merced represents approximately 33 percent of the county's population, it can be estimated that 142 individuals in Merced are living with HIV based on this proportionate calculation.

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

The needs of the special need's populations are determined through a combination of community surveys and meetings, and data analysis from local healthcare and service providers. Public feedback and collaboration with stakeholders such as non-profit and government agencies further informed the needs.

People with disabilities require accessible and affordable housing that accommodates physical, cognitive and sensory impairments. This includes housing near amenities, such as transportation, health care facilities, grocery stores, etc. Employment and training opportunities, resource referral services, advocacy support, and services to support living independently are all critical needs.

Elderly and seniors benefit from housing utilizing universal design standards, allowing them to age safely in place; this includes wider doorways, grab bars, and single level living arrangements. In addition, the elderly would benefit from support services such as on-site medical care, meal services, and social programs to combat isolation and support their overall health and wellbeing.

People living with AIDS/HIV require stable housing that minimizes health complications while reducing stigma. Supportive services tailored to this population include medical case management, mental health services, and general services to support their health and housing.

For people with substance use disorders (SUD), housing that supports their recovery by offering onsite supportive services, case management, support groups, etc. is beneficial. Services such as mental health services, access to AA and NA groups, transportation and health services are all important services to support the recovery of those with SUD.

Housing needs for people at risk of experiencing homelessness focuses on affordable housing options combined with eviction prevention, rental assistance, and case management. Supportive services, such as job training, financial literacy, and access to healthcare help to address underlying issues to housing instability.

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

Data specific to the number of individuals living with AIDS or HIV in the city of Merced isn't available. However, the 2022 California HIV Surveillance Report, released in February of 2024, indicated that Merced County reported 149 new HIV cases between 2018 and 2022, with 429 individuals living with HIV as of 2022, 281 of whom are virally suppressed. Since the city of Merced represents approximately 33 percent of the county's population, it can be estimated that 142 individuals in Merced are living with HIV based on this proportionate calculation.

If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))- N/A

Discussion: N/A

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

Describe the jurisdiction's need for Public Facilities:

The City faces a shortage of facilities designed to support and serve vulnerable populations. Currently, Merced has only one youth center and one senior center, both of which are located within the planned route of a high-speed rail project and its associated station. The construction of this infrastructure will lead to the demolition of these critical community resources.

While identifying new locations for these centers is a priority, it is evident that a single youth and senior center will be insufficient to meet the community's growing needs. As the City continues to expand, it will be essential to develop facilities in both the southern and northern parts of Merced to comprehensively address the needs of its residents.

Additionally, South Merced has a critical need for healthcare facilities that can support urgent and emergency care. Residents in the area often face significant barriers to accessing services outside the region, including delays caused by the train or inadequate transportation options.

How were these needs determined?

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to prioritize public facility needs, with community centers serving seniors, youth, and families, as well as healthcare facilities providing urgent and emergency care, ranking as the top priorities.

Describe the jurisdiction's need for Public Improvements:

The City's public improvement needs are extensive and focus on creating safer, more accessible and sustainable infrastructure. Priorities include constructing new sidewalks in older neighborhoods to enhance pedestrian safety, upgrading existing sidewalks to include Americans with Disability Act (ADA)-compliant curb cuts, improvements to streets and alleys to improve drivability and reduce hazards. Additional improvements involve addressing failing water and sewer lines, enhancing storm drainage systems to mitigate flooding, and developing bike paths and pedestrian walkways to promote active transportation.

How were these needs determined?

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to rank public improvement needs, with ADA- improvements, street/alley improvements, drainage improvements being the top three.

Describe the jurisdiction's need for Public Services:

Merced has a need for expanded public services, especially childcare, crime prevention, and health and wellness services. A significant portion of the city's population is comprised of low-income households with children. Accessible, affordable childcare and after school programming is critical to support working families with children. There is also a need for crime prevention programs to address safety concerns. Merced has a crime rate of 36 of 1,000 residents, making it one of the higher crime rates in the U.S. Crime can be addressed through initiatives such as neighborhood-based safety programs, youth engagement efforts, and community policing. Lastly, residents have highlighted the need for general health and wellness services, including preventative healthcare, mental health support, and accessible day clinics.

How were these needs determined?

These needs were determined through extensive community outreach and surveys. Input was gathered directly from residents, stakeholders, and local organizations to identify the most pressing issues and priorities in Merced's neighborhoods. Surveys and community outreach sessions allowed for insights into the lived experiences and challenges faced by residents. Community members were asked to rank public service needs, with childcare/after school programming, crime prevention, and general health and wellness services ranked the highest.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

This section examines Merced’s housing market and supply by analyzing housing and economic indicators to provide a comprehensive understanding of the local housing market and its dynamics. Developing a clear picture of the current housing stock in the community begins with an analysis of trends in structure, age, and tenure. The analysis also considers the supply of shelter options for people experiencing homelessness, services, and housing for people and households with special needs, and non-housing community development resources. By identifying the availability, affordability, and condition of the housing stock, the Housing Market Analysis highlights the specific needs of various populations, including low-to moderate income households, the elderly, individuals with disabilities, and those experiencing homelessness. This thorough assessment informs strategies to address housing challenges and supports the development of solutions tailored to the unique needs of Merced residents.

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

Introduction

As shown in the table below, 65 percent of households live in a one-unit detached structure. Note that the table provides the count of housing units (rather than properties).

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	18,702	65%
1-unit, attached structure	590	2%
2-4 units	3,291	11%
5-19 units	3,763	13%
20 or more units	1,553	5%
Mobile Home, boat, RV, van, etc.	868	3%
Total	28,767	100%

Table 31 – Residential Properties by Unit Number

Data Source: 2018-2022 ACS

The following table provides the count of housing units by bedroom count and tenure (owner vs. renter). Note that vacant units are excluded. As shown in the table, most owners occupy units with three or more bedrooms. Approximately 47 percent of renters live in similarly sized units.

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	64	1%	1,095	7%
1 bedroom	141	1%	2,249	15%
2 bedrooms	1,344	11%	4,814	31%
3 or more bedrooms	10,168	87%	7,209	47%
Total	11,717	100%	15,367	100%

Table 10 – Unit Size by Tenure

Data Source: 2018-2022 ACS

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

Figure MA 10.03 includes an inventory active and anticipated publicly assisted affordable housing units in Merced. As shown, there are 1,472 affordable and permanent supportive housing units funded through a combination of federal, state, and local programs. These units serve households earning up to 80 percent AMI.

Figure MA 10.03: Publicly Assisted Affordable Housing in Merced

Name	Address	City	Zip	Affordable Units
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99
Merced Golden Manor	338 T St	Merced	95341	50
Merced Gardens	3299 Meadows Ave	Merced	95348	47
Merced Commons I	290 Q St.	Merced	95340	76
Merced Commons II	290 Q St.	Merced	95340	71
Gateway Terrace	410 Lesher Dr.	Merced	95340	65
Childs Avenue Apartments	1296 West First Street	Merced	95340	6
Alamar Apartments	218 South Canal St.	Merced	95340	24
Alamar Apartments II	286 South Canal Street	Merced	95340	79
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202
Sunnyside Apartments	988 D Street	Merced	95340	120
Sunny View Apartments	1108 D Street	Merced	95341	111
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118
Laurel Glen	777 Loughborough Dr	Merced	95348	127
Homekey CC915 Merced	73 South R Street	Merced	95341	21
Twelvethirteen	1213 V Street	Merced	95341	96
Total				1,472

Data Source: City of Merced Housing Needs Assessment, 2023

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

The California Housing Partnership oversees a database designed to track changes in affordable housing and identify units or developments that may transition to market-rate. Within this preservation database, assisted units are categorized by the level of risk of losing affordability.

- Low Risk – Units at risk of converting to market-rate in 10 or more years, often owned by a large, stable, mission-driven non-profit developer
- Moderate Risk – Units potentially transitioning to market-rate within 5-10 years, without overlapping subsidies to extend affordability and not owned by a stable, mission-driven non-profit developer

- **High Risk** – Units at risk of converting within 1-5 years, also lacking overlapping subsidies and mission-driven non-profit ownership.

According to Table MA 10.04, there are 1,472 publicly assisted units in Merced with 233 identified as being at risk of transitioning to market-rate by 2033. This places 15.8 percent of the city’s affordable units at moderate or high risk of conversion.

Merced Commons I, Merced Commons II, and Merced Gardens are under a Section 8 (HCV) contract that expires in 2025. These properties are owned and operated by the Merced County Housing Authority (MCHA) and have a very low risk of conversion, even if contracts were to expire.

Willowbrook Apartments I and Willowbrook Apartments II’s affordability requirements expired in 2024.

Table MA-10.04- Publicly Assisted Units at Risk of Market Rate Conversion

Name	Affordable Units	Total Units	Estimated Affordability End Year/Date	Risk Level
Willowbrook Apartments I	21	96	Apr 2024	High
Willowbrook Apartments II	16	80	Sep 2024	High
Sierra Meadows	99	99	2027	High
Merced Golden Manor	50	50	Sep 2030	Moderate
Merced Gardens	47	47	Jan 2032	Moderate
Merced Commons I	76	76	Jan 2025	Low*
Merced Commons II	71	71	Sep 2031	Low*
Gateway Terrace	65	66	2067	Low
Childs Avenue Apartments	6	27	Aug 2043	Low
Alamar Apartments	24	24	2050	Low
Alamar Apartments II	79	80	2050	Low
Laurel Glen	127	128	2055	Low
The Grove Apartments	202	204	2058	Low
Sunnyside Apartments	120	121	2059	Low
Sunny View Apartments	111	113	2062	Low
Woodbridge Place	74	75	2066	Low
Childs & B Street Tod Affordable	118	119	2074	Low
Homekey CC915 Merced	21	21	2077	Low
Twelvethirteen	96	96	2077	Low

Data Source: California Housing Partnership, 2023

**These developments are owned by the Merced County Housing Authority and are at low risk of conversion.*

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

No, the availability of affordable housing units does not adequately meet the needs of the population. Currently, over 4,300 households are on the Housing Choice Voucher (HCV) waitlist, including 247 elderly households and 741 households with at least one member living with a disability. This significant demand highlights the scarcity of affordable housing options in the city. Moreover, approximately 56

percent of households in Merced are renters, and nearly half of these renters – 49 percent – are housing cost burdened.

In addition to the challenges faced by renters, Merced’s homeless population remains a pressing concern. According to the 2024 Point-in-Time Count, Merced’s homeless population increased slightly by 0.35 percent from the previous year, totaling 573 individuals.

Describe the need for specific types of housing:

Extremely Low-Income Households – There is a significant gap in affordable housing for extremely low-income households, particularly for rental housing. Merced has 4,205 households with extremely low incomes, many of whom are experiencing severe cost burdens.

Senior Housing – There is a gap of more than 1,400 units for lower-income senior rental-occupied households in Merced. While the city has some senior-focused housing developments, the demand far exceeds the available supply.

Housing for Persons with Disabilities – Merced has 11,639 residents with disabilities, yet there is limited housing resources specifically tailored for this group.

Large Family Households – Large households (5 or more members) account for 19.6% of the city’s households. There is a shortage of units with four or more bedrooms, which are essential for accommodating these families.

Farmworker Housing – With over 2,700 farmworkers residing in Merced, there is a notable gap in housing resources for this population. Existing migrant housing centers provide only a small fraction of the needed capacity.

Homeless Population – Merced has 573 individuals experiencing homelessness, with a gap of 362 housing units or beds to meet the immediate shelter needs of this population. Additional supportive housing and emergency shelter options are critical.

Discussion

See above

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

Introduction

The following section provides an analysis of housing costs for both homeowners and renters in Merced. It includes an evaluation of current home values and rental rates, along with an assessment of recent trends and changes in these metrics. Additionally, this section examines the affordability of the existing housing stock in relation to the financial capacity of the city's residents.

Cost of Housing

	Base Year: 2018	Most Recent Year: 2023	% Change
Median Home Value	\$212,100	\$347,700	64%
Median Contract Rent	\$812	\$1,085	34%

Table 11 – Cost of Housing

Data Source: 2014-2018 ACS (Base Year), 2019-2023 ACS (Most Recent Year)

Rent Paid	Number of Renter Occupied Units	%
Less than \$500	754	5%
\$500-999	3,120	21%
\$1,000-1,499	5,707	38%
\$1,500-1,999	3,756	25%
\$2,000 or more	1,579	11%
Total	14,916	100%

Table 12 - Rent Paid

Data Source: 2019-2023 ACS

Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	4,040	870
50% HAMFI	2,685	810
80% HAMFI	3,005	1,775
100% HAMFI	1,610	1,180
Total	13,500	6,205

Table 13 – Housing Affordability

Data Source: 2017-2021 CHAS

Table MA-15.04: Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	\$770	\$825	\$990	\$1,143	\$1,275
High HOME Rent	\$981	\$1,053	\$1,264	\$1,452	\$1,600
Low HOME Rent	\$567	\$608	\$730	\$842	\$940

Table 14 – Monthly Rent

Data Source: 2024 HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

No. There is a significant deficit in the total number of affordable units compared to the number of households that need housing. This reality is most evident at the extremely low-income and moderate-income levels, where the deficit in units is 1,775 and 1,180 respectively.

Table MA-15.05: Comparison

Monthly Rent (\$)	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI
Number of Units (see Table MA-15.03)	4040	2,685	3,005	1,610
Household Need (see Table NA-10.03)	4910	3,495	4,780	2,790
Surplus/(Deficit)	(870)	(810)	(1,775)	(1,180)

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

The affordability of housing in Merced has been impacted by changes in home values and rents. As home values and rental rates continue to rise, the cost burden on residents, particularly households with low- and moderate-incomes, is expected to increase. According to recent trends, the city has already seen escalating home prices and rental rates, which are outpacing wage growth for many residents. This creates challenges for both prospective homeowners and renters in securing affordable housing.

For homebuyers, increasing property values limit access to homeownership for first-time buyers, particularly those with lower incomes or limited savings for down payments. Higher mortgage rates, insurance costs, and property taxes associated with rising home values also place additional financial strain on existing homeowners and homebuyers.

For renters, rising rents exacerbate the already high rate of housing cost burden in the city, where nearly half of all renters are currently spending more than 30% of their income on housing. This trend pushes more residents into housing insecurity or overcrowded living conditions and increases the demand for subsidized and affordable rental units. Additionally, the continued shortage of affordable housing stock, combined with a growing population and increased demand, further drives up prices in both the rental and for-sale markets.

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

Table MA-15.04 shows the current HUD fair market rents for rental housing, as well as the allowable high and low HOME rents. These rents are the upper limits of rents that can be charged by property owners with units assisted by HUD rental housing programs. As noted elsewhere, rapidly increasing rents in the city's market have widened the gap between HUD FMRs and market rents, creating

problems for households with low incomes seeking units that will accept their HUD voucher for rent assistance.

Discussion

See above

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

Introduction

Merced's housing stock is aging, leading to further units considered in "substandard condition." Nearly half of units in Merced were built prior to 1980, commonly necessitating lead-based paint abatement.

Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation"

The jurisdiction defines "standard condition" housing as units that meet all basic health and safety requirements and provide residents with functional amenities, such as plumbing, heating, and kitchen facilities, without the need for significant repairs or upgrades. In contrast, "substandard condition but suitable for rehabilitation" refers to housing units that, while not meeting all health and safety standards, can be feasibly repaired or renovated to reach a standard condition. These units may lack certain amenities or require structural, electrical, or plumbing repairs but remain viable for rehabilitation rather than demolition.

In the context of Merced, the significant portion of aging housing stock, with nearly half of occupied housing units constructed before 1980, contributes to the prevalence of substandard conditions. Many of these older homes, located in areas such as Downtown Merced and south of the freeway, exhibit signs of deferred maintenance or lack basic amenities like plumbing or kitchen facilities. However, given their structural integrity, a substantial number of these units are considered suitable for rehabilitation. This definition underscores the need for targeted investment in housing preservation and rehabilitation programs to improve living conditions while maintaining the availability of affordable housing stock in the city.

As shown in the table below, 32 percent of the owner-occupied units and 54 percent of the renter-occupied units in the Merced have one or two selected physical or financial conditions. Note that the conditions are identical to the four housing problems: (1) lacking complete plumbing facilities, (2) lacking complete kitchen facilities, (3) more than 1 occupant per room, and (4) housing costs greater than 30 percent of household income.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,743	31%	7,560	49%
With two selected Conditions	127	1%	888	6%
With three selected Conditions	41	0%	50	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	8,298	68%	6,775	44%
Total	12,209	100%	15,273	100%

Table 15 - Condition of Units

Data Source: 2019-2023 ACS

The table below reflects the age distribution and percentage of housing units for both owner-occupied and renter-occupied properties. Among owner-occupied units, 57 percent were constructed after 1980, while 54 percent of renter-occupied units were built during the same period.

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	4,059	33%	3,950	26%
1980-1999	2,880	24%	4,243	28%
1950-1979	4,244	35%	5,466	36%
Before 1950	1026	8%	1,614	11%
Total	12,209	100%	15,273	100%

Table 16 – Year Unit Built

Data Source: 2019-2023 ACS

The table below highlights the percentage of housing units built prior to 1980, which are at risk of containing lead-based paint hazards. Among owner-occupied units, 46% are identified as being at risk, while renter-occupied units exhibit a slightly higher risk at 48%.

Risk of Lead Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	5,406	46%	7,403	48%
Housing Units build before 1980 with children present	720	6%	1,535	10%

Table 17 – Risk of Lead-Based Paint

Data Source: 2019-2023 ACS (Total Units) 2017-2021 CHAS (Units with Children present)

Vacant Units

The 2017-2021 ACS 5-Year Estimates reported a total of 3,713 vacant housing units in Merced, with 1,907 deemed suitable for rehabilitation and 1,806 considered unsuitable. The more recent, 2019-2023 ACS 5-Year Estimate identified approximately 3,000 vacant units, however, did not provide the data set on suitability for rehabilitation or unsuitable.

Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction's housing.

Merced has a significant number of units built prior to 1980. In addition to potential lead-based paint hazards posed by older units, it can be assumed that many of these units need rehabilitation. The costs of labor and materials continue to increase while incomes stagnate, leading to deferred maintenance. Most affected by these conditions are low-income seniors and those with disabilities who do not have the resources, and in many instances, the physical capabilities to maintain their residences. Owners of

aging rental units also may face challenges when there is insufficient cash flow to enable them to keep abreast of the maintenance and rehabilitation needs of their units.

Estimate the number of housing units within the jurisdiction that are occupied by low- or moderate-income families that contain lead-based paint hazards. 91.205(e), 91.405

In Merced, approximately 56 percent of households are renters, with nearly half (49 percent) experiencing housing cost burdens, meaning they spend more than 30 percent of their income on housing costs. Similarly, 25 percent of homeowners in the city are also housing cost burdened. Additionally, a significant portion of the housing stock presents potential lead-based paint (LBP) hazards, with 12,809 units built prior to 1980—5,406 of which are owner-occupied and 7,403 renter-occupied.

Additionally, 720 owner-occupied units and 1,535 renter-occupied units built prior to 1980 are at risk of lead-based paint hazards and house children, making them particularly vulnerable to exposure.

Discussion

See above

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

Introduction

This section describes the supply and condition of the public housing stock managed by the Housing Authority of the County of Merced (HACM), which is the local public housing authority serving the people of Merced.

Total Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units or vouchers in use	0	0	421	2,721	352	2,400	123	27	26

Table 18 – Total Number of Units by Program Type

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

Data Source: HACM, 2024 Data

Describe the supply of public housing developments:

The HACM currently operates and manages four (4) public housing developments in Merced. Additionally, the HACM has 2,856 Housing Choice Vouchers (HCV) of which 1,738 are allocated to individuals and families living in Merced.

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

Public Housing Condition

Table MA-20.02 outlines HUD's Physical Inspection scores for housing developments. Properties with inspection scores of 90 or above are classified as being in excellent condition, scores between 56 and 89 are considered to be in acceptable condition, and scores of 55 or below indicates poor condition. The purpose of sharing these details is to provide stakeholders with a clearer understanding of the condition of HUD-assisted housing stock, ensure accountability among housing providers, and support strategic planning for future affordable housing initiatives.

Public Housing Condition

Public Housing Development	Average Inspection Score
Merced Commons I	87
Merced Commons II	84

Table 19 - Public Housing Condition

Data Source: HACM, 2024 Data

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

According to the Housing Authority of the County of Merced (HACM), there are no public housing units within the city of Merced that require restoration or revitalization. All public housing developments have received inspection scores categorized as either acceptable or excellent. HACM remains committed to investing in its public housing inventory as needed and as funding allows, ensuring that residents have access to safe and high-quality homes.

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

In the Housing Authority's Annual Plan for Fiscal Year 10/1/2024–9/30/2025, several strategies were outlined to improve the living environment for individuals and families with low to moderate incomes:

- The Housing Authority partners with local law enforcement agencies to identify the safety needs of residents and implement crime prevention strategies, with a particular focus on supporting youth who are at risk.
- Policies and procedures have been developed to ensure compliance with VAWA requirements, providing protections and resources for individuals who have experienced domestic violence, dating violence, sexual assault, or stalking.
- The FSS program supports participants in developing a five-year plan to achieve greater independence and self-sufficiency. Participants work toward personalized goals, and as they progress, they accumulate funds in an escrow account. Upon completing the program, these funds can be used to purchase a home, start a business, or meet other essential needs, empowering individuals and families to achieve financial stability and long-term success.

Discussion:

See above

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

Introduction

This section provides an overview of the facilities and services available to assist persons who are experiencing homelessness or are at risk of homelessness in the area. Data was provided by the Merced City and County CoC to HUD's Continuum of Care Homeless Assistance Programs for the 2024 Housing Inventory Count (HIC) Report.

Facilities and Housing Targeted to Homeless Households.

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	143	0	0	85	0
Households with Only Adults	231	3	80	75	0
Chronically Homeless Households		0	0	8	0
Veterans	1	0	0	85	0
Unaccompanied Youth	6	0	0	0	0

Table 20 - Facilities and Housing Targeted to Homeless Households

Data Source: HIC Report 2024

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

There are a wide variety of services to support individuals experiencing homelessness, complemented by mainstream services in health, mental health, and employment in Merced.

Key services include emergency shelters, transitional housing programs, and permanent supportive housing provided by organizations such as the Merced Community Action Agency and Merced County Rescue Mission. Additional targeted resources include the Independent Living Skills Program (ILSP) for youth transitioning from foster care and Shelter Plus Care (SPC) vouchers offered through Merced County Behavioral Health and Recovery Services for individuals with serious mental health or substance use disorders.

Complementary programs targeting health and wellness include the Community Outreach Program Engagement and Education (COPE), which delivers workshops on managing chronic diseases, stress reduction, smoking cessation, and youth wellness, including for individuals experiencing homelessness. The Wellness Center provides housing assistance, peer support, employment assistance, and resource

connections to help individuals regain stability. Programs like the WeCan Full-Service Partnership address the needs of clients with serious emotional disturbances, while the Merced Community Assistance Recovery Enterprise (CARE) focuses on crisis prevention, housing support, psychiatric services, and employment.

For more intensive support, the Community United by Empowerment (CUBE) offers a wide range of services, including therapy and counseling, case management, social skills groups, independent living skills classes, employment and housing assistance, laundry facilities, tutoring, and recreational activities.

Additionally, mainstream health and mental health services are provided by organizations like Sierra Vista Child and Family Services and Merced County Behavioral Health, while employment assistance is available through the Department of Workforce Investment and Work-Net Employment Resource Center, which offer skills training and job placement.

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

According to the HUD 2024 Continuum of Care Homeless Assistance Program Housing Inventory Count (HIC) Report, Merced County offers over 900 year-round beds to support individuals experiencing homelessness. This includes emergency shelters, transitional housing, permanent supportive housing (PSH), and rapid rehousing programs. Of these beds, 571 are designated for adults-only, while 260 are allocated for families. Additionally, 22 beds are reserved for individuals experiencing chronic homelessness, 34 beds are dedicated to veterans experiencing homelessness, and 9 beds are designated for youth.

Emergency shelter services are provided by the Merced County Community Action Agency, Merced County Human Services Agency, Merced County Office of Education (MCOE), Merced Rescue Mission, and Valley Crisis Center. Transitional housing is offered by Merced Rescue Mission and Valley Crisis Center. PSH is facilitated by Merced County BHRS and Sierra Saving Grace. Rapid rehousing services are supported by the City of Los Banos, Healthy House, Merced County Human Services Agency, MCOE, Merced Rescue Mission, Sierra Saving Grace, and WestCare SSVF.

The Merced Office of Education provides resources and support for children and youth experiencing homelessness, ensuring they have access to education and related services.

Merced County Human Services Agency provides homeless assistance programs, including temporary and permanent housing solutions for eligible families. Services encompass shelter provisions and support in securing stable housing.

Turning Point Community Programs – New Direction is an outreach and engagement center providing housing support services and linkage to community resources for people experiencing chronic homelessness in Merced County. Located in Merced, they collaborate with other organizations to reduce homelessness and increase utilization of community resources.

Merced County Rescue Mission offers various programs, including emergency shelters and transitional housing, to support individuals experiencing homeless and chronic homelessness. They have initiatives like the Bridge to Hope program, which provides temporary shelter and permanent supportive housing opportunities.

Love Focus Youth Outreach operates a transitional housing program for youth, offering services such as educational support, employment assistance, and life skills development. They provide various housing models, including remote site, single site, and host family placements.

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

Introduction

Within the City of Merced's jurisdiction, there are four primary groups of individuals with non-homeless special needs. These groups include older adults and individuals who are frail or elderly, individuals living with HIV/AIDS and their families, individuals with substance use disorders (SUDs), and individuals with mental or physical disabilities. This section will provide an overview of these populations, their specific needs, and how the jurisdiction is addressing or should address those needs to ensure support and access to resources.

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

Elderly: The supportive housing needs of elderly individuals can vary significantly based on their health, mobility, and personal preferences. As people age, they are more likely to experience disabilities, chronic health conditions, and decreased mobility. Supportive housing for this population must be designed to accommodate these challenges, including features such as wheelchair accessibility, grab bars, and emergency response systems. Access to healthcare professionals and in-home care services is crucial for maintaining their health and well-being. Additionally, supportive housing should prioritize programs and modifications that promote independence and allow residents to age in place whenever possible, provided they prefer to remain in their homes. Proximity to social and community activities, as well as transportation services, can also enhance their quality of life by reducing isolation.

Individuals living with HIV/AIDS: For individuals living with HIV/AIDS, access to both medical and social support is paramount. Advances in medical treatment have significantly improved life expectancy and quality of life for those with HIV/AIDS; however, specialized care remains critical. Housing should be located near medical facilities that provide regular and advanced care, including antiretroviral therapy and mental health services. Emotional support from family, friends, and peer networks is equally important to ensure residents feel connected and supported. Additionally, housing providers should foster a stigma-free environment that encourages residents to engage in available services. Nutritional support and case management services tailored to their specific needs further contribute to their overall well-being.

Individuals with SUDs: Individuals recovering from substance use disorders require housing environments that are not only safe and stable but also free from triggers that could lead to relapse. Sober living environments are a critical component of supportive housing for this population, providing a structured setting where residents can focus on their recovery. Access to healthcare services, including counseling, medication-assisted treatment, and regular health check-ups, is essential. Strong community support networks, such as peer support groups and 12-step programs, can enhance their chances of maintaining sobriety. Employment assistance programs and life skills training help foster self-sufficiency, while access to family and friends can provide additional emotional support. For those in the early

stages of recovery, access to detoxification and rehabilitation facilities is vital to ensure a safe transition to sobriety.

Individuals with disabilities: The housing needs of individuals with mental and physical disabilities are varies depending upon the severity of their conditions and their level of independence. Many face challenges related to limited income, which restricts their access to affordable and appropriate housing options. Subsidized housing can serve individuals with higher levels of independence, while those requiring more intensive support may need specialized housing with on-site care providers and case managers. Features such as wheelchair accessibility, adaptive technologies, and sensory-friendly designs can significantly improve the quality of life for this population.

For individuals with mental health disabilities, housing should include access to health care and community-based programs. Additionally, many individuals with disabilities live with family members, placing financial and emotional burdens on caregivers. Expanding access to respite care, financial support, and long-term housing options is essential to address these challenges. Across all housing situations, a consistent and individualized support system is critical to meeting their unique needs and enabling them to live fulfilling lives.

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

To support individuals transitioning back into the community after leaving mental and physical health institutions, several programs are designed to provide comprehensive supportive housing and services. These programs aim to ensure stability, foster independence, and promote overall well-being by addressing housing needs and connecting individuals to critical resources.

Community Assistance Recovery Enterprise- Adult Full-Service Partnership (CARE-FSP): CARE-FSP offers a comprehensive and holistic approach to supporting individuals transitioning back into the community. This program focuses on crisis intervention services to address immediate needs and ensure safety and stability. Employment services are provided to help individuals gain job readiness skills, secure placements, and maintain employment, promoting financial independence. Housing support is a critical component, assisting participants in finding and sustaining stable living arrangements, including transitional or permanent housing. The program also connects individuals to vital community resources, ensuring they have access to the tools and networks needed for successful reintegration. Additionally, CARE-FSP provides psychiatric services, including therapy and medication management, to support mental health recovery and overall well-being.

Merced Adult Wellness Center: The Merced Adult Wellness Center offers a wide range of services aimed at helping individuals rebuild their lives. Housing assistance is provided to help participants secure safe and affordable living arrangements. Resource connection and referrals ensure access to essential services, including healthcare, social support, and employment opportunities. The center provides specialized dual diagnosis support for individuals dealing with both mental health and substance use disorders. Peer support programs and consumer advisory committees enable participants to engage in mentorship and advocacy, fostering a sense of community and empowerment. Employment assistance

and skills development services help individuals prepare for and find meaningful work. Social and recreational activities, such as arts, exercise, and community outings, promote engagement and emotional well-being. The center also offers specialized groups tailored to meet the needs of the population and provides training in anger management and essential life skills to promote self-sufficiency.

Dual Diagnosis Wellness Center: The Dual Diagnosis Wellness Center focuses on individuals with co-occurring mental health and substance use disorders, offering integrated and customized care. A multidisciplinary team of clinicians, counselors, and peer specialists collaborates to address the complex needs of participants. The program employs stage-wise interventions, tailoring support to each individual's readiness for treatment and recovery. Time-unlimited services ensure that individuals receive ongoing support based on their unique progress and needs. Outreach and motivational interventions proactively engage participants and encourage active involvement in their recovery journey. The center provides substance abuse counseling through individual and group sessions, addressing addiction and recovery strategies. Family interventions are offered to create a supportive environment for recovery, while pharmacological treatment is integrated into care plans when needed. Self-help and support groups for alcohol and drug addiction further promote a sense of accountability and community, empowering individuals to achieve lasting recovery.

Westside Transitional Wellness Center: The Westside Transitional Wellness Center supports individuals by equipping them with the skills and resources needed for independence and stability. The center provides employment development and job placement services, helping participants identify and secure meaningful work opportunities. Housing assistance is a key component, ensuring access to stable living environments and support with housing-related challenges. Continuing education programs enable individuals to enhance their skills and pursue personal growth. Financial management training helps participants build confidence in budgeting and maintaining financial stability. Mental health recovery groups focus on fostering resilience and supporting individuals in their recovery journeys. Peer support networks create a sense of community and shared understanding among participants. Additionally, medication education groups provide guidance on managing and understanding treatment plans, while self-discovery and enrichment activities encourage personal development and empowerment.

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

The City's programs are thoughtfully designed to balance the unique needs of its most vulnerable populations, including individuals with special needs, as well as invest in public and park improvements that enhance the overall quality of life for all. To achieve this, the City has established the following year 1 goals:

- Preserve, rehabilitate, and expand affordable rental and for-sale opportunities
- Housing and services for Merced's most vulnerable populations
- Invest in public infrastructure, parks, and recreation spaces to improve daily life

In January, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

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

See above.

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

Describe any negative effects of public policies on affordable housing and residential investment

In Merced, there are several public policies that may have negative effects on affordable housing development and residential investments.

- Public Facility Impact Fees: In March of 2022, Merced implemented new Public Facilities Impact Fees, which are levied on new developments to fund infrastructure and public services. While these fees support essential services, they can significantly increase the cost of construction, potentially deterring developers from pursuing affordable housing projects. Elevated development costs often translate into higher housing prices, thereby reducing affordability for residents.
- Inclusionary Zoning Policies: The City's inclusionary zoning policies have undergone several revisions, leading to uncertainty among developers. Initially, Merced required 12.5 percent of units in new residential developments be designated as affordable. This requirement was later reduced to 5 percent for single-family developments in certain areas, with an option for developers to pay in-lieu fees instead. Such policy fluctuations can create an unpredictable investment environment, potentially discouraging developers from committing to long-term affordable housing projects.
- Zoning Restrictions: Merced's zoning regulations have historically favored single-family homes, limiting the availability of and for high-density, multi-family housing developments. This preference restricts the potential for construction of affordable housing units, as multifamily developments are typically more cost-effective and can accommodate more residents. Although there have been efforts to modify zoning codes to encourage housing investments, restrictive zoning remains a barrier to increasing the affordable housing supply.
- Fair Housing Regional Collaboration: Fair housing services focus primarily on outreach and education; less emphasis is placed on enforcement. Rigorous enforcement of fair housing laws is most effective in deterring housing discrimination. However, not enough enforcement activities are pursued. Fair housing service providers should encourage victims to pursue litigation and refer victims to agencies and organizations with the capacity to handle litigation. Also, favorable outcomes in litigation should be publicized to encourage other victims to come forward.

Additionally, community feedback gathered during the outreach process highlighted a strong interest in revising zoning policies to allow for the conversion of underutilized commercial spaces and parking lots into housing developments. Additionally, there was a call to relax parking requirements for both businesses and housing projects, aiming to optimize land use and support the creation of more affordable and accessible housing options.

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

Introduction

Merced boasts an economy deeply rooted in its agricultural heritage while expanding into education, healthcare, and emerging industries. Situated in the heart of the San Joaquin Valley, Merced has long been recognized for its fertile land and robust agricultural output, which continues to be a cornerstone of its economy. Key agricultural markets include dairy, almonds, sweet potatoes, and other high-value crops that contribute significantly to the region's economic base and provide employment opportunities across the supply chain.

In recent years, Merced's economy has diversified with the establishment of the University of California, Merced (UC Merced), which has become a hub for education, research, and innovation. The university not only attracts students and faculty from across the globe but also fosters partnerships with industries such as biotechnology and renewable energy, spurring economic development and job creation.

Healthcare is another major economic driver in Merced, with facilities such as Mercy Medical Center providing critical services to the region while serving as a major employer. Additionally, the City benefits from its strategic location along major transportation corridors, which support logistics, warehousing, and retail markets.

This section provides insight into the economic development landscape within Merced. A discussion of employment trends, industries, business sectors, unemployment as well as commute time and educational attainment by job type is evaluated to determine economic needs of residents of Merced with low to moderate incomes.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	2,074	357	6.7%	1.4%	-5.3%
Arts, Entertainment, Accommodations	2,883	2,637	9.3%	10.0%	0.7%
Construction	1,975	882	6.3%	3.3%	-3.0%
Education and Health Care Services	7,971	8,652	25.6%	32.8%	7.2%
Finance, Insurance, and Real Estate	1,006	1,559	3.2%	5.9%	2.7%
Information	326	206	1.0%	0.8%	-0.3%
Manufacturing	3,210	1,901	10.3%	7.2%	-3.1%
Other Services	886	677	2.8%	2.6%	-0.3%
Professional, Scientific, Management Services	1,296	789	4.2%	3.0%	-1.2%
Public Administration	2,141	3,097	6.9%	11.7%	4.9%
Retail Trade	3,144	3,229	10.1%	12.2%	2.1%
Transportation and Warehousing	1,697	868	5.4%	3.3%	-2.2%
Wholesale Trade	1,043	809	3.3%	3.1%	-0.3%
Total	31,156	26,414	100%	100%	0%

Table 21 - Business Activity

Data Source: 2022 Longitudinal Employer-Household Dynamics

Labor Force

Total Population in the Civilian Labor Force	39,494
Civilian Employed Population 16 years and over	34,529
Unemployment Rate	8.7%
Unemployment Rate for Ages 16-24	1,600
Unemployment Rate for Ages 25-65	3,261

Table 22 - Labor Force

Data Source: 2018-2022 ACS

Table MA-45.03: Occupations by Sector

Occupations by Sector	Number of People
Management, business and financial	2,874
Farming, fisheries and forestry occupations	2,710
Service	6,987
Sales and office	6,808
Construction, extraction, maintenance and repair	3,012
Production, transportation and material moving	5,761

Table 23 – Occupations by Sector

Data Source: 2018-2022 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	21,613	70%
30-59 Minutes	5,319	17%
60 or More Minutes	4,048	13%
Total	30,980	100%

Table 24 - Travel Time

Data Source: 2018-2022 ACS

Education

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	5,122	1,033	3,317
High school graduate (includes equivalency)	6,789	985	3,117
Some college or associate's degree	10,219	1,024	3,323
Bachelor's degree or higher	5,750	219	931

Table 25 - Educational Attainment by Employment Status

Data Source: 2018-2022 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	422	911	1,392	2,535	1,575
9th to 12th grade, no diploma	1,110	1,229	1,330	2,075	810
High school graduate (includes equivalent)	3,258	3,771	2,562	4,573	2,100
Some college, no degree	5,012	3,933	2,939	3,622	1,774
Associate's degree	424	1,645	999	1,446	1,012
Bachelor's degree	962	1,698	1,042	1,712	1,047
Graduate or professional degree	67	803	675	970	615

Table 26 - Educational Attainment by Age

Data Source: 2018-2022 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	\$29,849
High school graduate (includes equivalency)	\$35,832
Some college or associate's degree	\$39,212
Bachelor's degree	\$59,844
Graduate or professional degree	\$82,035

Table 27 – Median Earnings in the Past 12 Months

Data Source: 2018-2022 ACS

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

As shown in Table MA-45.01, the three sectors with the greatest number of jobs in Merced are Education and Health Care (8,652 jobs), Retail Trade (3,229 jobs), and Public Administration (3,097 jobs). In some sectors, there are fewer jobs than workers, meaning that workers are commuting to other jurisdictions to work – for example, there are only 357 Agriculture, Mining, Oil & Gas Extraction jobs in Merced, but 2,074 workers. At the other end of the spectrum, there are more jobs than workers in the Public Administration sector demonstrating that additional people are commuting into Merced for work. Overall, there are about 31,156 workers in Merced but just 26,414 jobs.

Describe the workforce and infrastructure needs of the business community:

Merced several workforce and infrastructure challenges that require strategic interventions to support economic growth and improve job alignment. One significant workforce need is addressing the educational attainment gap, as a considerable portion of the population (17.8%) has less than a high school diploma. This limits access to higher-paying jobs, with median earnings significantly lower for those without post-secondary education compared to individuals with a bachelor's or graduate degree. Workforce development programs focusing on vocational training, certifications, and higher education access are essential to equipping residents with skills that align with high-demand sectors, particularly in education, healthcare, and professional services.

Unemployment remains a concern in Merced, with an overall rate of 8.7% and higher unemployment rates among youth aged 16–24. Targeted initiatives such as internships, apprenticeships, and entry-level opportunities in retail trade, construction, and manufacturing are crucial for reducing unemployment in this demographic. Additionally, there is a notable mismatch between the number of workers and available jobs in sectors like agriculture, construction, and manufacturing, where workers outnumber job opportunities. Efforts to create more employment in these industries can enhance labor force utilization. Education and healthcare services dominate the local economy, accounting for 32.8% of jobs, highlighting the need for continued investment in training and certification programs to meet workforce demands.

Infrastructure needs also play a critical role in supporting Merced's workforce. While 70% of residents have commutes under 30 minutes, 30% face longer travel times, indicating a need for expanded public transportation and infrastructure improvements. Investments in transit options connecting Merced to nearby cities and employment hubs could enhance job accessibility for residents. Housing affordability and accessibility are additional concerns. As the population grows, developing more affordable housing and mixed-use spaces can attract and retain workers. Policies encouraging the conversion of underutilized commercial spaces to residential use could address these challenges.

Moreover, Merced's limited representation in the information and professional services sectors underscores the need for investments in digital and technological infrastructure. Expanding broadband access and supporting technology-based industries can help diversify the economy and create high-skill job opportunities. Establishing local training centers and business incubators can further support

emerging industries and provide residents with pathways to entrepreneurship and professional development.

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

The California High-Speed Rail project is set to significantly impact Merced's economic landscape. The initial operating segment, spanning 171 miles from Merced to Bakersfield, is currently under construction, with passenger service anticipated to commence between 2030 and 2033.

The construction phase is expected to generate numerous jobs in construction, engineering, and related industries, benefiting local businesses through increased demand for materials and services. Upon completion, the high-speed rail station in Merced is likely to stimulate transit-oriented development, leading to long-term employment opportunities in real estate, urban planning, and various supporting sectors. This development is anticipated to attract new retail, office, and residential projects, diversifying the city's employment landscape.

Enhanced connectivity to major economic centers such as the Bay Area, Sacramento, and Los Angeles will make Merced an attractive location for businesses seeking affordable office space with efficient access to larger markets. The tourism and hospitality sectors are also poised for growth, as reduced travel times make Merced more accessible to visitors, particularly given its proximity to Yosemite National Park. Additionally, the rail system could position Merced as a logistics and warehousing hub, facilitating efficient goods movement and attracting companies in these industries.

The high-speed rail system will improve workforce mobility by enabling Merced residents to commute to higher-paying jobs in urban centers while continuing to reside locally. Conversely, it may attract skilled workers from outside the area, diversifying and strengthening the local workforce. Local entrepreneurs and small businesses stand to benefit from easier access to larger markets, providing new opportunities for growth and expansion.

However, this growth also presents challenges, such as potential increases in housing costs and pressure on local infrastructure. Proactive policies will be necessary to ensure inclusive and sustainable development, particularly through investments in affordable housing and workforce training initiatives. In summary, the high-speed rail system offers Merced a unique opportunity to drive economic growth, create jobs, and enhance regional connectivity, but careful planning and strategic investments will be essential to maximize its benefits for the community.

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

The skills and education of Merced's current workforce reflect a significant alignment challenge with the employment opportunities available in the region. Key sectors such as agriculture, construction, and

manufacturing have a surplus of workers compared to the number of available jobs, creating a mismatch that limits economic opportunities for residents. For example, the agriculture sector employs 6.7% of the workforce, while jobs in this sector represent only 1.4% of total employment opportunities. Similarly, the construction and manufacturing sectors each show a deficit of over 3%, highlighting the need for workforce diversification and skill realignment.

Merced's workforce faces notable educational challenges that influence job alignment. Nearly 17.8% of the population over 16 years old has less than a high school diploma, which restricts access to higher-paying and skilled positions. Workers with some college or an associate degree, who make up the largest proportion of the labor force, are more aligned with mid-level positions in sectors such as education, healthcare, and sales, which together account for a significant share of available jobs. However, higher-paying sectors like professional and technical services, which often require advanced degrees, are underrepresented in Merced's labor force.

The education and healthcare services sector, the largest employer in Merced at 32.8% of total jobs, offers opportunities that require varying skill levels. However, a lack of advanced degrees among workers limits the ability to fill higher-skilled roles in this growing sector. Similarly, the finance, insurance, and real estate sectors, which represent 5.9% of jobs, show a 2.7% surplus of jobs compared to the workforce, further demonstrating the gap between skills and market demands. Additionally, the high unemployment rate among young workers aged 16–24 highlights the need for targeted workforce development programs, internships, and apprenticeships to bridge the skills gap and connect younger residents with emerging opportunities.

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

Merced offers a variety of workforce training initiatives through collaborations among workforce investment boards, community colleges, and other organizations, aiming to enhance the skills and employability of its residents.

Worknet Merced County serves as the region's America's Job Center of California, providing comprehensive services to both job seekers and employers. For individuals aged 16 to 24, as well as adults, Worknet offers career advising, education, and job training programs. Employers can benefit from assistance with recruitment, skills assessment, job fairs, and hiring processes. Additionally, Worknet provides support through On-the-Job Training and Subsidized Employment programs, which may reimburse training costs from 50% to 100% during the training period.

Merced College plays a pivotal role in workforce development through its Workforce Education department. The college offers customized training programs tailored to meet the needs of local employers and residents. Notable programs include the nationally recognized Customer Service Academy and the Emerging Leaders Institute, which focus on enhancing customer service skills and developing leadership capabilities, respectively. The college also provides other business development

courses and can design specialized training with subject matter experts to meet specific organizational goals.

The Merced County Office of Education's Regional Occupational Program (ROP) offers high-quality occupational training programs directly aligned with students' career interests. The Adult ROP provides training in various industry sectors, preparing adult students with relevant, high-quality career skills to secure sustainable employment and advancement.

Additionally, the Gateway Adult Education Network, in partnership with Merced College, offers the Workforce Readiness Training Program designed to prepare students for the demands of the business community and the 21st-century workforce. These courses focus on self-awareness, evaluating career opportunities, essential skills, and employer expectations.

A goal included in this Consolidated Plan is to improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities. The above-mentioned initiatives and programs support the City's goal of improving economic opportunity for residents with low to moderate incomes. Organizations interested in receiving CDBG funds to support the operation and expansion of their programs may apply for funds through the annual competitive Notice of Funding Opportunity (NOFO).

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

No, the City does not participate in a Comprehensive Economic Development Strategy.

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

The 2030 Merced County General Plan's Economic Development Element aims to enhance economic growth in Merced by diversifying the economy, supporting existing businesses, attracting new industries, and improving workforce development. It promotes reducing reliance on agriculture by attracting industries like renewable energy, green technology, and value-added food processing. The plan leverages Merced's key assets, including the Castle Commerce Center, UC Merced, and the upcoming High-Speed Rail, to attract businesses and spur job creation.

Workforce development is a core focus, emphasizing partnerships with UC Merced and Merced College to provide vocational training and prepare residents for emerging industries. Business retention and attraction efforts, such as financial incentives and enterprise zones, aim to support small businesses and strengthen local retail and commercial hubs. Additionally, the plan emphasizes tourism and agritourism by promoting Merced's natural and agricultural resources, contributing to economic diversification and increased revenue.

Infrastructure investments, paired with policies to enhance quality of life and environmental sustainability, are designed to make Merced more competitive and appealing to businesses and

residents. Collectively, these strategies position Merced as a hub for sustainable economic growth and innovation.

The Merced County Foreign Trade Zone (FTZ) Economic Strategy directly benefits the City of Merced by encouraging economic diversification, attracting foreign and domestic investment, and fostering job creation. The FTZ strategy, which includes the Castle Commerce Center in Merced, provides businesses with key incentives such as tariff reductions, duty deferrals, and streamlined customs procedures. These benefits make Merced an attractive location for businesses involved in manufacturing, logistics, and international trade.

By leveraging its strategic location, the FTZ boosts Merced's competitiveness in attracting industries seeking cost-efficient operations. Businesses within the FTZ can reduce overhead expenses, particularly those related to importing and exporting goods, which encourages expansion and supports local supply chains. Additionally, the strategy supports infrastructure improvements and investment around the FTZ area, further enhancing the city's appeal as a hub for logistics and advanced manufacturing.

The FTZ strategy also aligns with Merced's broader economic goals by creating full-time, year-round jobs and increasing opportunities for local residents. These initiatives promote a more balanced and diversified economy while positioning Merced as a key player in the regional and global markets.

Discussion

See above

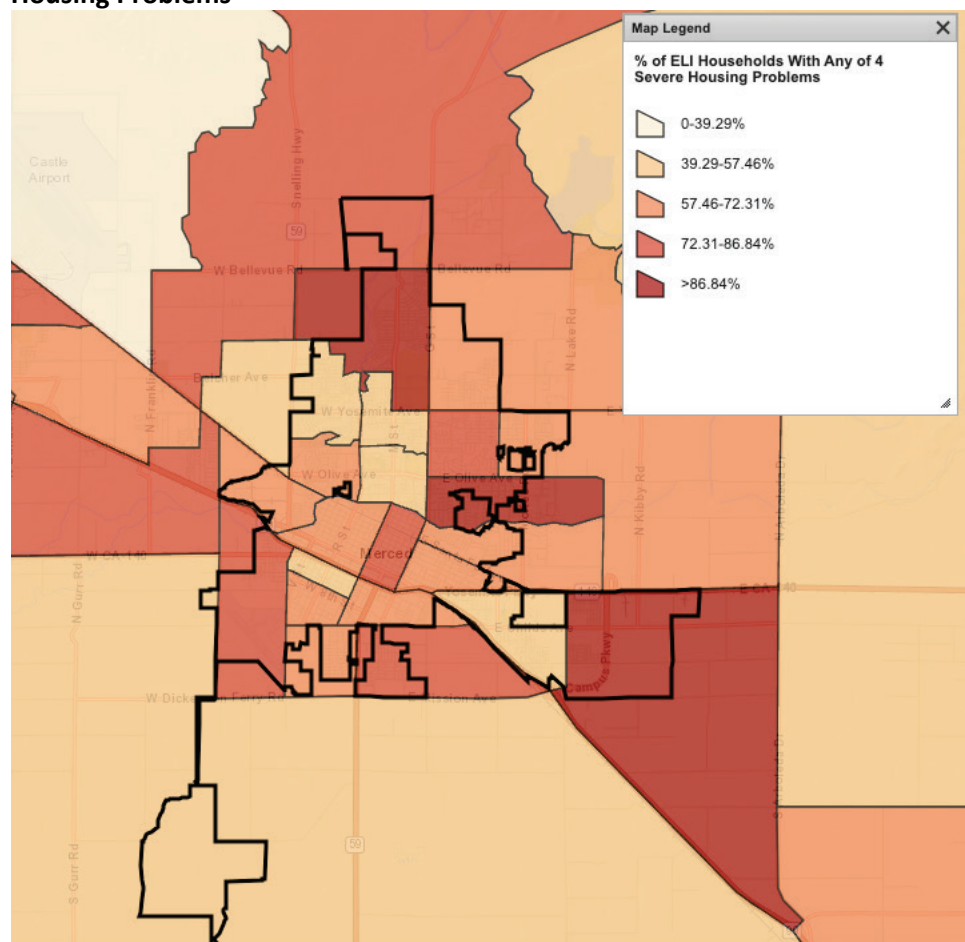
MA-50 Needs and Market Analysis Discussion

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

The four major housing problems recognized by HUD are a lack of complete kitchen facilities, a lack complete plumbing facility, more than one occupant per room (overcrowding), and cost burden greater than 30 percent. Severe housing problems include more than 1.5 occupants per room and a cost burden greater than 50 percent. Concentration is the degree to which a specific population, housing type, or socioeconomic condition is clustered or overrepresented within a particular geographic area, such as a neighborhood or census tract.

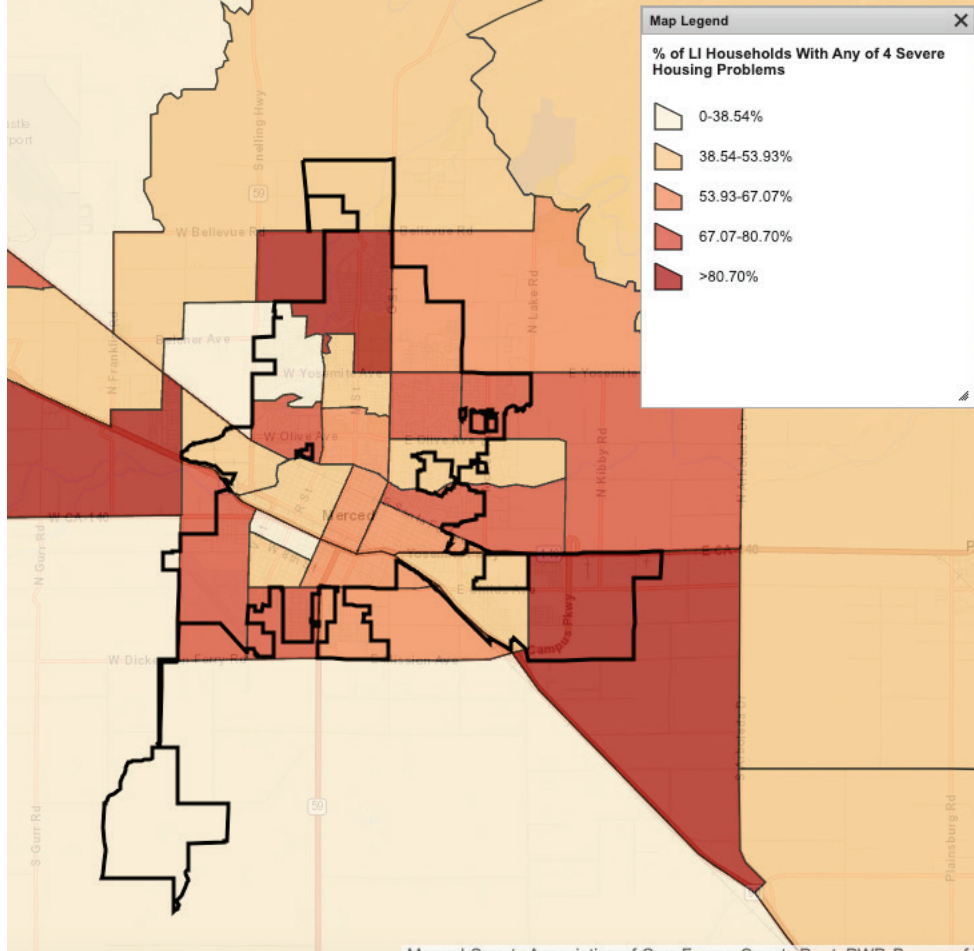
The following figures show areas in Merced where housing problems are concentrated for extremely low income, low income, and moderate-income households with any of the four severe housing problems.

Figure MA-50.01: Percentage of Extremely Low-Income Households with Any of the Four Severe Housing Problems



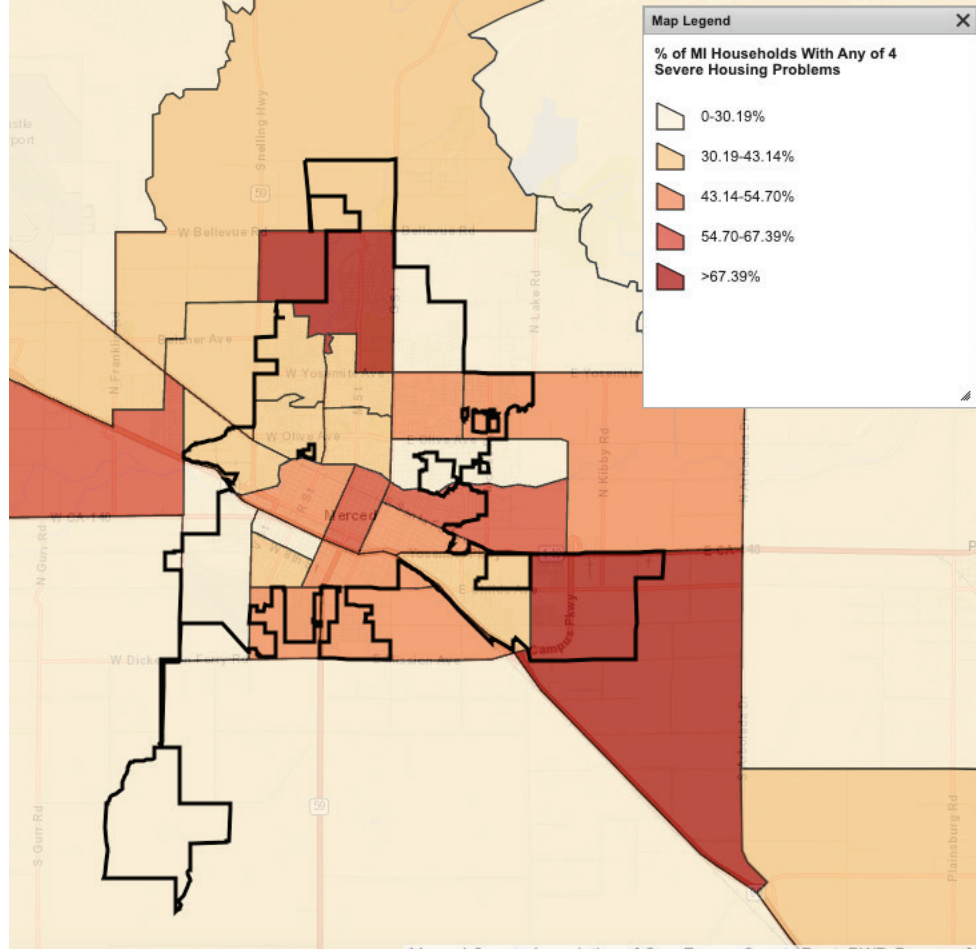
Data Source: HUD EGIS Maps

Figure MA-50.02: Percentage of Low-Income Households with Any of the Four Severe Housing Problems



Data Source: HUD EGIS Maps

Figure MA-50.03: Percentage of Moderate-Income Households with Any of the Four Severe Housing Problems

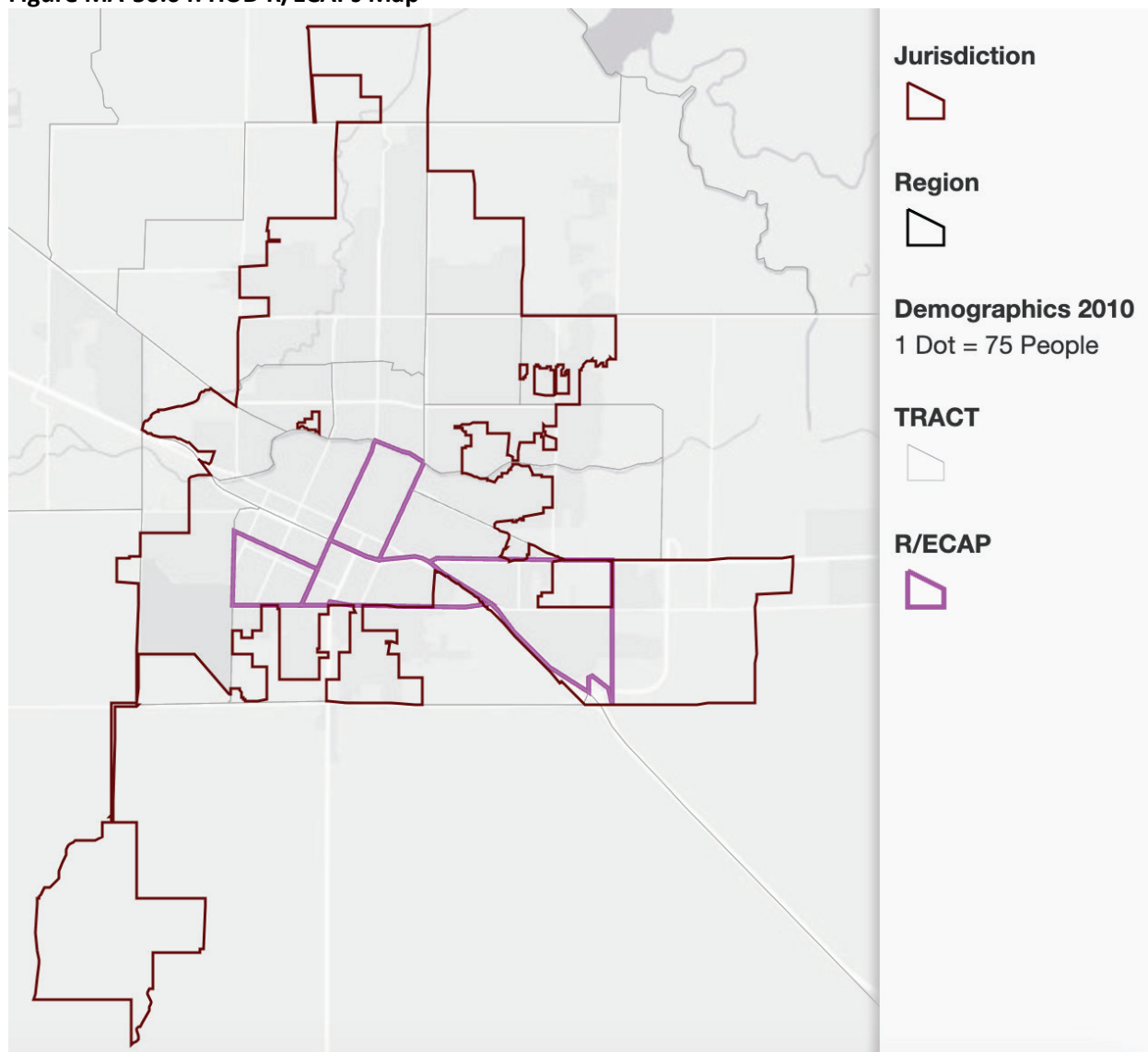


Data Source: HUD EGIS Maps

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

HUD has developed census-tract based areas called R/ECAPs, or racially/ethnically concentrated areas of poverty. These areas have a non-white population of more than 50 percent as well as 40 percent or more of the population living under the poverty line. According to Figure MA-05.04, there are not racially/ethnically concentrated areas of poverty in Merced.

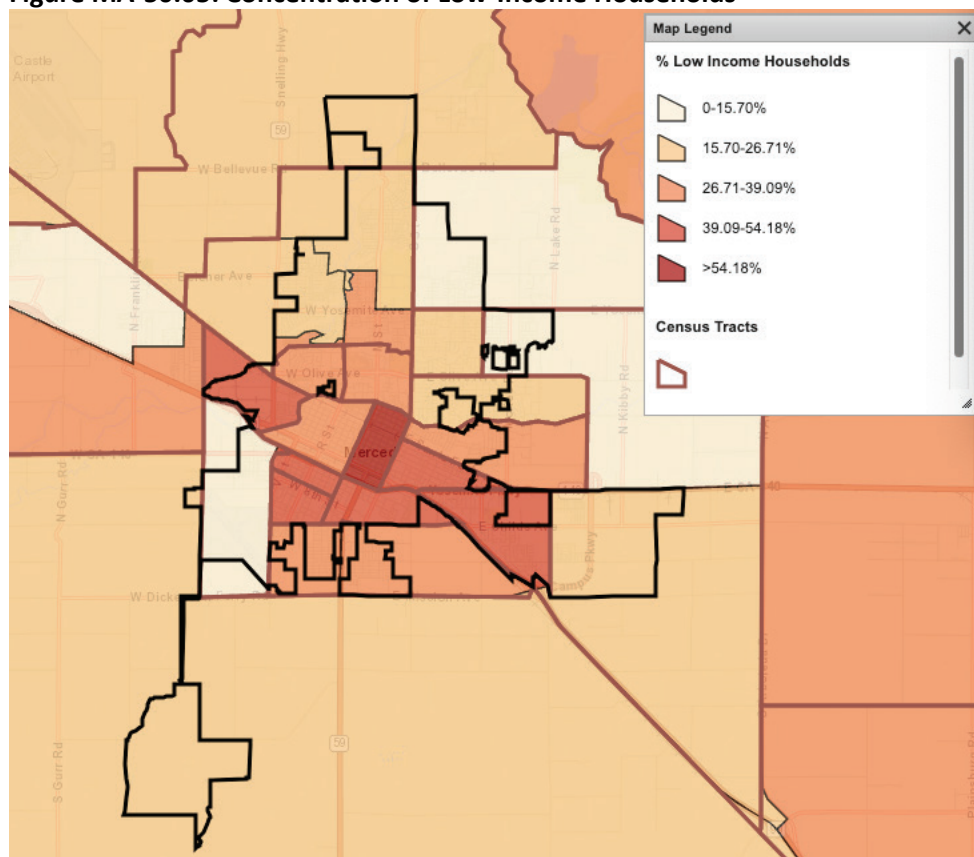
Figure MA-50.04: HUD R/ECAPs Map



Data Source: HUD EGIS Maps

Figure MA-50.05 shows the concentration of low-income households throughout Merced.

Figure MA-50.05: Concentration of Low-Income Households



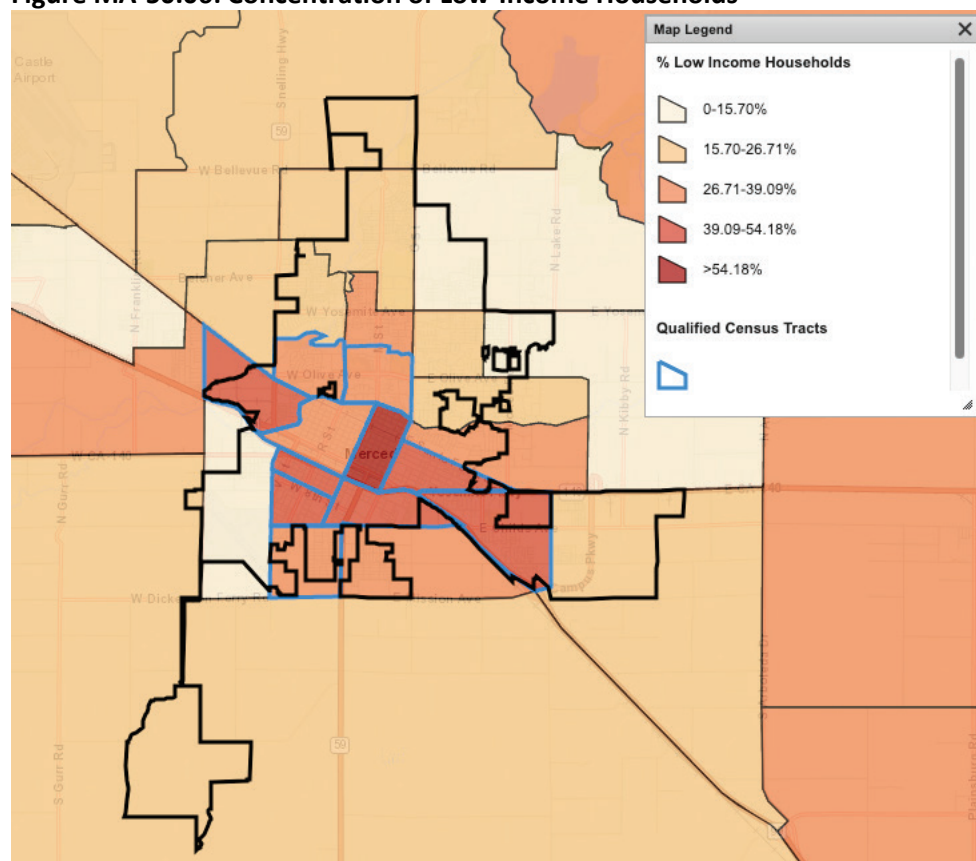
Data Source: HUD EGIS Maps

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

The areas of higher concentration of lower income households are located within HUD designated Qualified Census Tracts (QCTs). A QCT is a designation by HUD to identify areas with significant economic needs and where federal housing and development resources can be targeted. A census tract qualifies as a QCT if it meets one of two criteria: at least 25% of the population lives below the federal poverty level, or at least 50% of households have incomes below 60% of the area median gross income (AMGI), adjusted for family size. These designations are intended to focus investments in affordable housing and community development in areas with the greatest need, promoting revitalization and economic growth.

Figure MA-05.06 shows where the concentration of households with low-incomes in relation to the QCTs.

Figure MA-50.06: Concentration of Low-Income Households



Data Source: HUD EGIS Maps

Are there any community assets in these areas/neighborhoods?

There are several community assets within the neighborhoods with higher concentration of households with low income that provide essential services and opportunities for residents. Educational institutions, such as Merced High School offer programs like the Bear Academy (ASSETS), which provides academic support and enrichment activities for students. Parks such as Applegate Park and McNamara Park serve as key recreational facilities, offering amenities like playgrounds, sports fields, and open spaces for community gatherings and leisure activities. Municipal facilities, including the Merced Civic Center and the McCombs Youth Center, act as hubs for civic engagement, hosting events, providing public services, and offering programs focused on community development, health, and education.

Are there other strategic opportunities in any of these areas?

There is an opportunity to develop affordable housing projects and mixed-use developments within these areas. Such initiatives could help address housing shortages while stimulating local economic activity. Partnerships with institutions like Merced College and the Merced County Office of Education could lead to vocational training programs that align with local workforce needs, particularly in high-demand sectors such as healthcare, logistics, and green technology.

Furthermore, the proximity of these areas to key infrastructure projects like the planned High-Speed Rail station creates opportunities to integrate transit-oriented development (TOD), encouraging investments in retail, housing, and small business growth near transportation hubs.

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

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

Consolidated Plans are now required to account for the digital divide and resiliency to natural hazards within the relevant jurisdiction. To address the digital divide, the City included a question in its community needs survey that asked residents to rank different types of infrastructure in order of importance from greatest to lowest need in their community. In aggregate, the survey respondents ranked access to high-speed internet as a moderate need.

In Merced, individuals from households with low incomes have access to several programs that provide affordable internet services to help bridge the digital divide. The Affordable Connectivity Program (ACP), a federal initiative, offers eligible households a monthly discount of up to \$30 on internet services and a one-time discount of up to \$100 for purchasing a laptop, desktop computer, or tablet through participating providers. Eligibility is based on income (households earning at or below 200% of the Federal Poverty Line) or participation in programs such as SNAP, Medicaid, SSI, WIC, Pell Grants, or the National School Lunch Program.

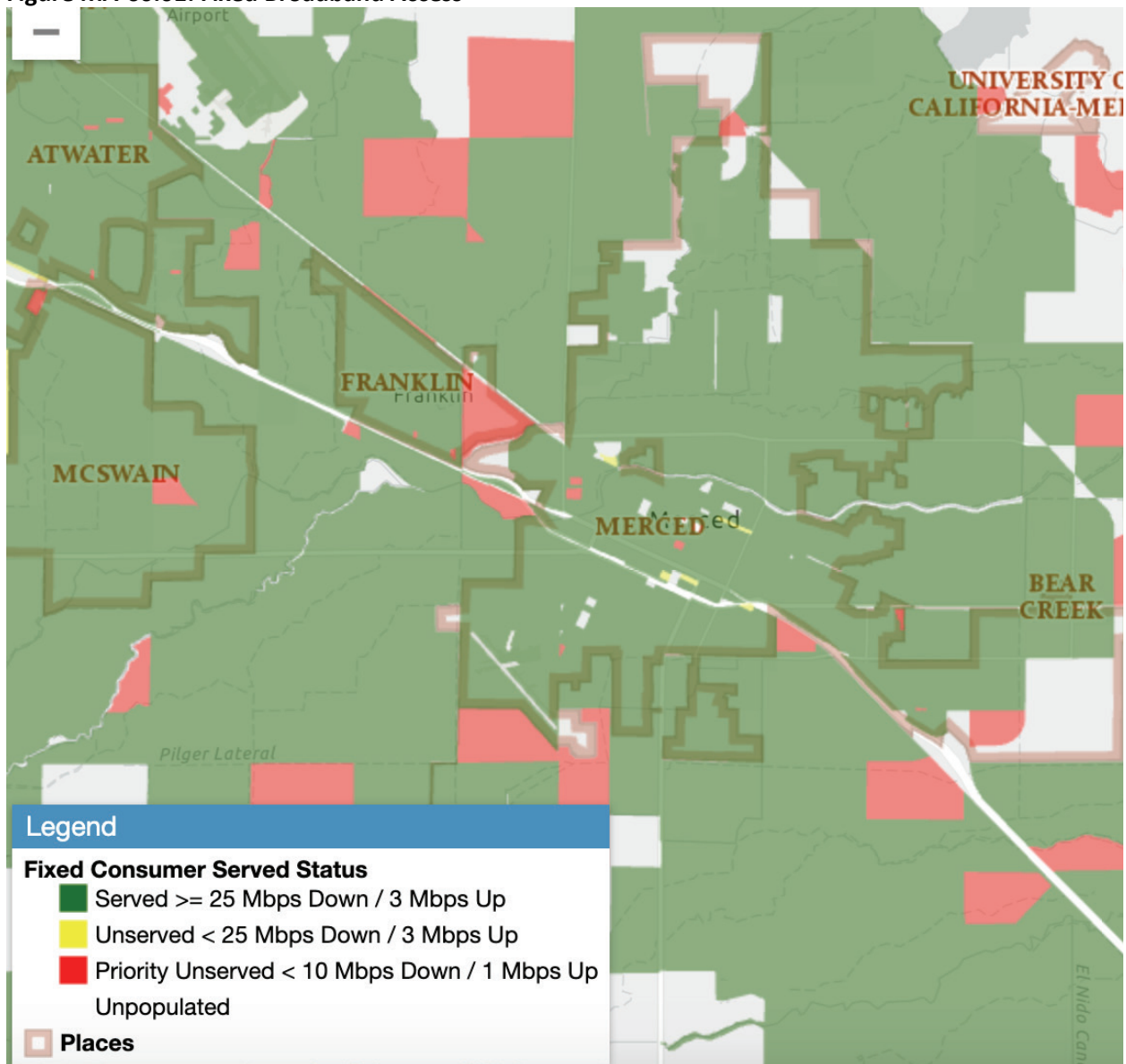
AT&T Access programs provide low-cost home internet services for households participating in programs like SNAP, SSI, or the National School Lunch Program, or for those meeting specific income thresholds. Similarly, Spectrum Internet Assist offers discounted internet access to individuals and families who qualify based on income or participation in assistance programs. Additionally, the California LifeLine Program offers discounted landline and mobile phone services, further supporting communication needs for individuals with limited financial resources.

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

HUD guidelines require all Consolidated Plans to include a discussion on the broadband needs of the jurisdiction and the prevalence of the digital divide, defined as the gap between households with access to computers and internet on a regular basis and those who do not. In drafting the Consolidated Plan, the City used data from the Federal Communications Commission (FCC) regarding the number of broadband internet service providers in the City and the US Census Bureau's American Community Survey to determine the number of households with and without internet access.

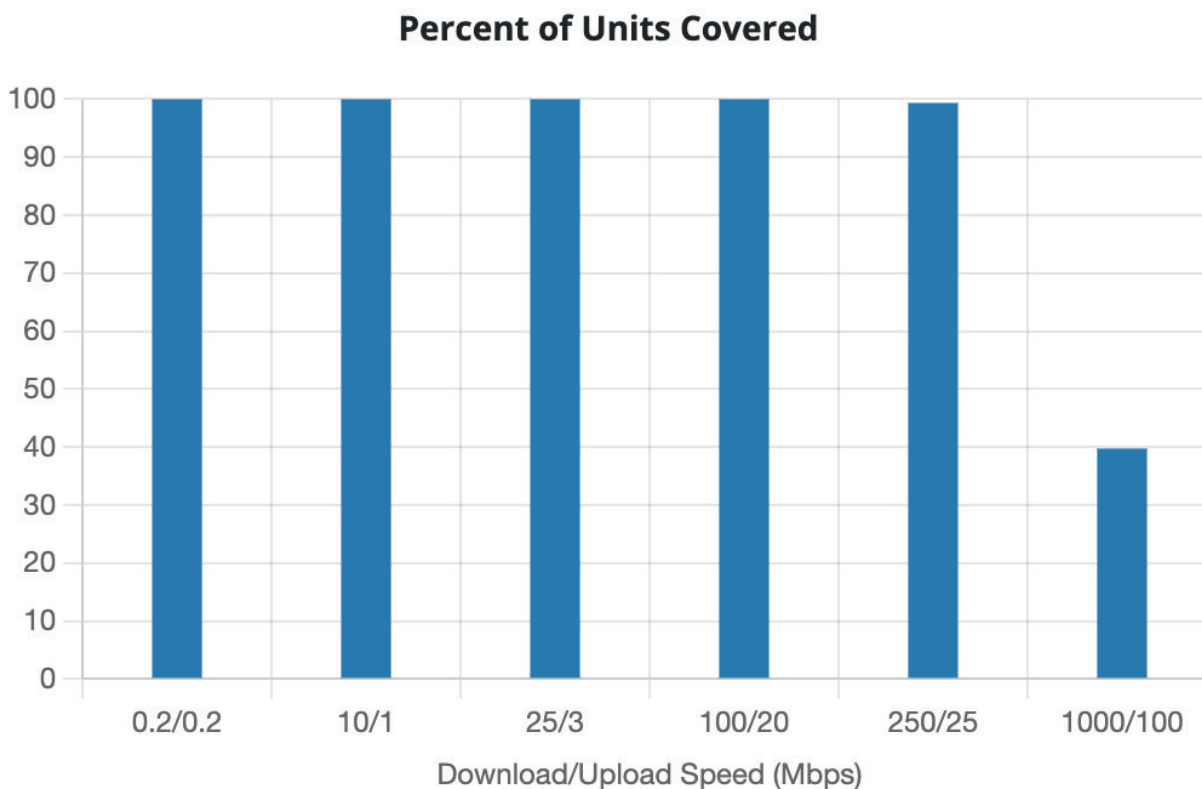
Figure MA-60.01 shows the City's access to providers offering broadband services. To be considered broadband, a provider must offer speeds of 25Mbps download and 3Mbps upload. Figure MA-60.02 shows the percent of units with fixed broadband access.

Figure MA-60.01: Fixed Broadband Access



Data Source: California Interactive Broadband Map (data as of December 31, 2021)

Figure MA-60.02: Percent of Units Covered

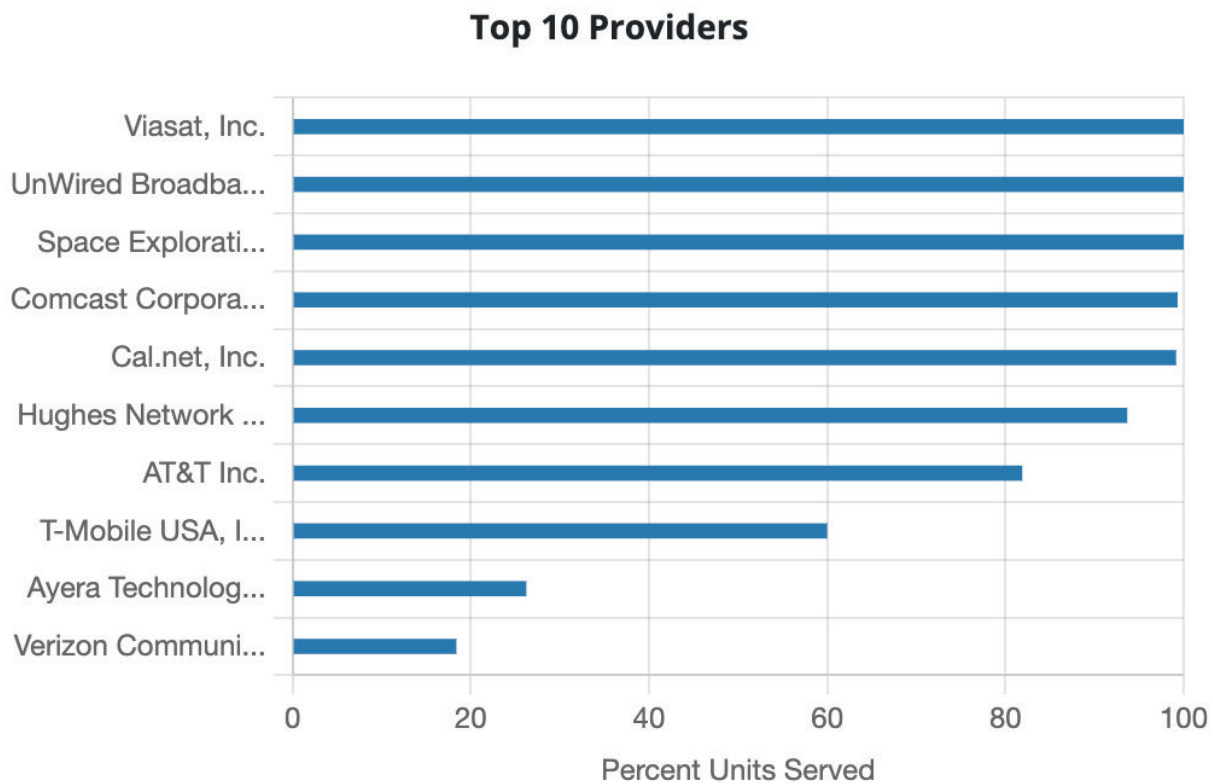


Source: Federal Communications Commission (data as of June 30, 2024)

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

Most residents of Merced have access to two or more broadband internet providers. This is significant as multiple providers drives competition in the broadband market and pushes rates lower, therefore making them more affordable to households. Figure MA-60.03 shows available broadband providers in Merced.

Figure MA-60.03: Top 10 Broadband Providers, 2024



Source: Federal Communications Commission (data as of June 30, 2024)

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

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

Merced faces heightened natural hazard risks due to climate change, impacting the community's safety, health, and economy. The City's Local Hazard Mitigation Plan identifies key threats such as flooding, earthquakes, wildfires, and fog. Climate change exacerbates these hazards by altering weather patterns, increasing the frequency and severity of extreme events, and straining existing infrastructure.

Floods: Flooding remains a significant risk for Merced, as demonstrated by the 2022–2023 California floods, which highlighted the increasing intensity and frequency of such events due to climate change. In Merced County, the floods affected over 500 residential properties and 40 commercial structures, causing substantial damage. Bear Creek in Merced exceeded 26 feet, overflowing its banks and resulting in widespread property damage in residential neighborhoods.

Droughts and Wildfires: Merced faces heightened risks of wildfires and other natural disasters due to prolonged dry conditions exacerbated by climate change. Droughts significantly reduce soil moisture and vegetation health, creating the dry and flammable conditions that contribute to the increased frequency and intensity of wildfires in the region. Even though Merced is not traditionally a high-risk wildfire zone compared to mountainous areas, indirect risks such as degraded air quality and strain on emergency resources have been growing as nearby wildfires become more frequent and severe.

Health Impacts: Climate change poses significant health risks, affecting respiratory and cardiovascular systems, increasing the prevalence of heat-related illnesses, and exacerbating the spread of vector-borne diseases. Poor air quality from rising temperatures and wildfires, as seen in Merced during the 2020 wildfires, aggravates conditions like asthma and heart disease. Heatwaves, which disproportionately impact vulnerable groups such as older adults and outdoor workers, have led to spikes in heat-related illnesses. Changes in climate also extend the breeding season for disease-carrying vectors, contributing to increased cases of West Nile virus in California.

Waterborne and foodborne illnesses are heightened by climate-driven events like flooding, which contaminate water supplies and increase the risk of gastrointestinal diseases. In Merced, the 2022–2023 floods not only caused physical damage but also heightened public health risks due to contaminated water and displaced residents. Mental health impacts, including anxiety and stress, are also significant, as individuals face the trauma of natural disasters and economic instability. Additionally, prolonged droughts in regions like Merced threaten food security, increasing malnutrition risks as agricultural yields decline.

To address these challenges, Merced has developed a Climate Action Plan aimed at reducing greenhouse gas emissions and enhancing community resilience. The plan outlines strategies to protect water and air resources, improve energy efficiency, and create healthy, livable communities.

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

Several studies and reports highlight the heightened vulnerability of households with low- and moderate-incomes to climate-related risks. The U.S. Environmental Protection Agency's report, "Climate Change and Social Vulnerability in the United States," emphasizes that socially vulnerable populations, including low-income communities, are disproportionately affected by climate impacts such as poor air quality, extreme heat, and flooding. These communities often reside in areas more susceptible to environmental hazards and may lack the resources necessary for effective disaster preparedness and recovery.

A survey conducted by the Federal Reserve Bank of San Francisco found that climate-related shocks and stresses disproportionately impact groups that have traditionally faced higher barriers to economic participation, including low-income communities and communities of color. The survey highlighted that these populations are more vulnerable due to factors such as limited financial resources, inadequate infrastructure, and higher exposure to environmental hazards.

In California, the Legislative Analyst's Office has reported that climate change is expected to impact housing in various ways, exacerbating the state's existing housing affordability challenges. Households with low-incomes are particularly at risk, as they often reside in housing that is more susceptible to climate-related damages and may lack the means to relocate or rebuild after disasters.

Furthermore, a study published in the journal *Environmental Justice* found that extreme heat poses significant health risks to residents of subsidized housing in California. The research indicated that a notable percentage of public housing units and Low-Income Housing Tax Credit units are located in areas with high vulnerability to extreme heat, underscoring the need for targeted housing and land-use policy interventions to reduce heat vulnerability among populations with low-incomes.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Strategic Plan establishes the approaches and policies the City intends to use to address the challenges and opportunities identified in the Needs Assessment and Market Analysis. This plan is designed to guide the City in achieving its overarching goal for the Consolidated Plan by prioritizing investments in low- and moderate-income neighborhoods.

From that input and assessment process, the following broadly stated Guiding Principles have been formulated that summarize the priority needs that the City will try to address over the next five years:

1. Enhance housing opportunities by increasing the availability of affordable housing options and improving the efficiency and cost-effectiveness of existing housing.
2. Promote housing stability for the city's most vulnerable residents by supporting a range of programs and services that address needs across the housing spectrum, from emergency to permanent housing.
3. Improve quality of life throughout communities by improving and expanding access to essential services, community infrastructure, and economic development opportunities

Section SP-25 of this Plan focuses the above Guiding Principles into more specific prioritized needs categories, with associated attainable and measurable goals. As projects are conceived, approved, and implemented in each Annual Action Plan for the first year and each year thereafter, these Needs and Goals will help guide National Objectives, anticipated Performance Objectives and Outcomes, and eventually, will assist in reporting accomplishments once completed.

The focused Priority Needs for the 2025-2029 Consolidated Plan cycle are:

1. Increase Economic Development and Job Opportunities
2. Expand and Improve Public Infrastructure and Facilities
3. Affordable Housing, Shelter, and Housing Stability
4. Quality of Life Services for LMI Residents
5. Increase and Rehabilitate Owner Housing

The Goals that will be closely associated with the above focused Priority Needs are listed in SP-25 and described further in Section SP-45.

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

Geographic Area

1	Area Name:	City Wide
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	54.30% of households living with the city limit boundaries are of Low- to Moderate Income. This percentage is based on Low- and Moderate-Incomed Area Data (LMISD) data supplied by HUD, which is based on 2016-2020 ACS data.
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	All residential areas within the City limit boundaries, including County pockets serviced by the City.
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Priority needs addressed city wide are those that will meet all Low-Mod National Objectives except for the LMA Area Benefit.
	Identify the needs in this target area.	All
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	No
2	Area Name:	LMI Census Tract Areas
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	

	Revital Type:	Other
	Other Revital Description:	Focus on infrastructure, recreation/park, and public facilities improvements
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
3	Area Name:	South Merced Area
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	This area is designated as all residential areas within the city limits that are south of Highway 99, which runs east-west through the city.
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	

	Are there barriers to improvement in this target area?	
4	Area Name:	East South Merced Area
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	To be determined
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	This priority area is are defined as all residential Block Groups within the city limits that are east of G Street (Glen Ave?), north of Highway 99 , and south of Bear Creek.
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
5	Area Name:	Loughborough Drive Area
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	To be determined
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	This priority area is defined as all residential block groups west of M Street, east of North Highway 59, north of Olive Avenue, and south of Buena Vista Drive.

	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
6	Area Name:	Merced Rail Station Planning Area
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	To be determined
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	See attached map
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	

General Allocation Priorities

The City of Merced has not generally allocated funding based on a specific geographic area, but historically has instead prioritized activities and programs that demonstrate high quality and align with the priorities and goals of the Consolidated Plan.

During this Consolidated Plan period, the City will likely continue in this practice. However, as there are areas of the City that warrant additional focus and improvement, the City is including specific target areas with which to allow the option to direct extra attention, should funding, projects, and implementation capacity align.

Funding distribution will still be guided by the quality and quantity of applications received, ensuring alignment with the city's strategic objectives, but the City will also consider how programs or projects might be more effectively used in the target areas for greater impact. While the City employs a place-based strategy during the planning period, the geographic allocation of funding will depend on the type of activity being funded. This considered, the primary focus will remain to support programs in areas most impacted by the needs of low-income residents and individuals with special needs.

Efforts to invest in specific census tracts or neighborhoods where at least 51% of residents are classified as low- or moderate-income, or LMI Census Tracts, will be prioritized to ensure access to resources and meet a Low-Mod Area (LMA) National Objective. As an example of a Targeted Area-activity, public infrastructure improvements such as ADA upgrades may be directed exclusively toward block groups in South Merced or East South Merced, which are in LMA Census Tracts. Such activities are intended to benefit all residents within a specific area, addressing critical needs and fostering community development.

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

Priority Needs

SP-25.01: Priority Needs

The City established its priority needs for the Consolidated Plan through community feedback, alignment with long-term city goals, and integration with regional plans. Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

As stated in the Section SP-05 overview, the focused Priority Needs for the 2025-2029 Consolidated Plan cycle are:

1. Increase Economic Development and Job Opportunities
2. Expand and Improve Public Infrastructure and Facilities
3. Affordable Housing, Shelter, and Housing Stability
4. Quality of Life Services for LMI Residents
5. Increase and Rehabilitate Owner Housing

These Priority Needs, and the funded activities meant to address them, align with HUD's approaches to developing viable communities: (1) providing decent housing; (2) providing a suitable living environment; and (3) expanding economic opportunity.

The Goals that will be closely associated with the above Priority Needs are:

- 1A Provide Community Based Job Training
- 1B Provide Business Assistance
- 2A Invest in Community Facilities & Centers
- 2B Invest in Public infrastructure & ADA improvements
- 2C Invest in Parks & Recreation Facility Improvements
- 3A Increase Affordable Rental Housing Opportunities
- 3B Rehabilitation of Existing Rental Housing
- 3C Assistance for Shelter/Supportive/Overnight/Transitional housing
- 3D Provide Housing Stability & Homeless Prevention Services
- 3E Provide Fair Housing Services
- 4A Provide vital services for LMI individuals and families
- 5A Increase and rehabilitate existing homeowner housing
- 5B Create new opportunities for homeownership
- 6 Administration and Planning

As projects are conceived, approved, and implemented in each Annual Action Plan for the first year and each year thereafter, these Needs and Goals will help guide National Objectives, anticipated

Performance Objectives and Outcomes, and eventually, will assist in reporting accomplishments once completed.

1	Priority Need Name	1 Increase Economic Development/Job Opportunities
	Priority Level	High
	Population	Extremely Low Low Moderate Middle Large Families Families with Children Public Housing Residents Chronic Homelessness Individuals Families with Children veterans Unaccompanied Youth Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	City Wide South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area
	Associated Goals	1A Provide Community Based Job Training 1B Provide Business and Industry Assistance 6 Administration and Planning
	Description	1. Investment in job training and education programs in industries of growth. 2. Create and retain jobs by investing in employers, jobs, and industries that will hire and keep LMI workers employed.
	Basis for Relative Priority	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

2	Priority Need Name	2 Expand/Improve Public Infrastructure/Facilities
	Priority Level	High
	Population	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	Geographic Areas Affected	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area
	Associated Goals	2A Invest in Facilities & Centers 2B Public Infrastructure & ADA Improvements 2C Parks & Recreation Facility Improvements 6 Administration and Planning

	Description	<p>1. Investment in Community Centers to support seniors, youth, families, and neighborhoods</p> <p>2. Invest in Street, Sidewalk, and Safety public infrastructure and facilities to improve accessibility and response; and, increase auto and alternative transportation safety investments to better connect households to work, commerce, and education centers</p> <p>3. Improve the health and quality of Merced life by investing in Public parks and recreation facilities</p>
	Basis for Relative Priority	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
	3	
	Priority Need Name	3 Affordable Housing/Shelter/Homeless/Prevention
	Priority Level	High
	Population	<p>Extremely Low</p> <p>Low</p> <p>Moderate</p> <p>Large Families</p> <p>Families with Children</p> <p>Elderly</p> <p>Public Housing Residents</p> <p>Chronic Homelessness</p> <p>Individuals</p> <p>Families with Children</p> <p>Mentally Ill</p> <p>Chronic Substance Abuse</p> <p>veterans</p> <p>Persons with HIV/AIDS</p> <p>Victims of Domestic Violence</p> <p>Unaccompanied Youth</p> <p>Elderly</p> <p>Frail Elderly</p> <p>Persons with Mental Disabilities</p> <p>Persons with Physical Disabilities</p> <p>Persons with Developmental Disabilities</p> <p>Persons with Alcohol or Other Addictions</p> <p>Persons with HIV/AIDS and their Families</p> <p>Victims of Domestic Violence</p>

	Geographic Areas Affected	City Wide South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area
	Associated Goals	3A Increase Affordable Rental Opportunities 3B Rehabilitation of Existing Rental Housing 3C Supportive, Shelter, & Transitional Housing 3D Provide Housing Stability & Homeless Prevention 3E Provide Fair Housing Services 5B Create New Opportunities for Homeownership 6 Administration and Planning
	Description	Create new long term affordable housing, housing for vulnerable populations, shelter and transitional housing opportunities; prevention resources such as short or long term rental assistance, security deposits, provide fair housing and dispute resolution services
	Basis for Relative Priority	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.
	Priority Need Name	4 Public Services & Quality of Life for Residents
4	Priority Level	High

	Population	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area
	Associated Goals	3E Provide Fair Housing Services 4A Provide Vital Services for LMI Residents 6 Administration and Planning
	Description	Programs to support seniors, youth, and families; nutrition, crime awareness, physical, mental, behavioral health, general healthcare, transportation, life skills, literacy programs; mental/behavioral health, substance abuse and other services for special needs
	Basis for Relative Priority	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

5	Priority Need Name	5 Increase/Preserve/Rehabilitate Homeowner Housing
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	City Wide South Merced Area East South Merced Area Loughborough Drive Area
	Associated Goals	5A Increase/Rehabilitate Homeowner Housing 6 Administration and Planning
	Description	Support households' transition from renters to homeowners with assistance to include First Time Home Buyer, owner-occupied rehabilitation, and housing counseling to help residents become homeowners
	Basis for Relative Priority	Input from residents, nonprofits, and stakeholders identified critical needs, particularly for low- and moderate-income populations.

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

Influence of Market Conditions

Table SP-30.01: Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The City has not run a TBRA program in all past years. In the future, this potential may be explored, as there is a very large need for long-term rental assistance. It should be noted that the Housing Authority has a total of [REDACTED] units in their Section 8 Housing Choice Voucher Program.
TBRA for Non-Homeless Special Needs	The City does not run a TBRA program at this time. CoC and City programs are designed to provide housing assistance for people with special needs.
New Unit Production	<p>There is a significant deficit in the total number of affordable units compared to the number of households that need housing. As shown in Table MA-15.05, this reality is most evident at the low income (1,775 units needed) and moderate income (1,180 units needed); however, extremely low and very low-income units lacked by over 800 units each. Several factors contribute to this low level of housing production. These include high construction and labor costs, prohibitive fees and permitting processes, and constrictive zoning and building codes. There have also been insufficient public funds to fill the affordability gap by subsidizing new income-restricted housing units.</p> <p>The City's most recent adopted Housing Element includes the goal of New Affordable Housing Construction. This includes housing for extremely low, very low-, low-, and moderate-income households; a mix of housing types and sizes to meet the needs of different income groups and household sizes; and encouraging new housing for special needs groups such as farmworkers, homeless, large families, seniors, and households with at least one physical or developmentally disabled family member.</p>
Rehabilitation	According to 2022 Five-Year ACS data, citywide there are about 12,809 units built before 1980, just two years after lead-based paints were prohibited in residential properties. This leads to the logical high probability that there is a need for lead-based paint remediation programs, as well as a need for owner-occupied rehabilitation and maintenance programs.

Acquisition, including preservation	<p>The high cost of housing and land, and the persistent need for affordable rents, lead to insufficient resources to adequately provide enough income-restricted housing. However, the City is committed to identifying affordable housing units nearing the end of their income-restricted affordability terms and leveraging resources to extend that affordability. As a result, the City is investigating several avenues through which to expand the affordable housing stock.</p> <p>Praised by HUD, the City has had great success with a model for converting market-rate single family, duplex, and triplex housing to affordable housing through the purchase, rehab, and subsequent renting of the units to LMI households for a minimum affordability period of 30 years. This has been accomplished multiple times since 2017 in close partnership with local non-profit organizations such as Sierra Saving Grace and the Merced Rescue Mission. It is an effective way of creating affordable units, but also providing permanent supportive housing, preserving the city's housing stock, and eliminating blighted properties throughout the City. This type of program likely will continue through this Consolidated Plan period, especially in years when there may be excess CDBG funding on hand.</p>
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Table ____ Influence of Market Conditions

Map of median household income by census tract/area
Map of poverty level ranges city wide

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

Introduction

For program year 2024-2025, the City received \$1,056,567 in CDBG funds and \$450,563 in HOME funds for a total allocation of \$1,507,130. HUD has yet to release the allocation for program year 2025-2026. This information will be updated once the allocation amounts are released.

Anticipated Resources

Table SP-35.01: Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public-federal	Acquisition Admin & Planning Economic Development Housing Public Improvements Public Services	\$1,000,000	\$108,000	\$22,593	\$1,130,593	\$4,432,000	Estimated CDBG program income in the amount of \$108,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of CDBG-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.

HOME	Public-federal	Acquisition Homeowner Rehab Homeowner Assistance Multifamily Rental Housing Development	\$450,000	\$60,000	\$1,218,701	\$1,728,701	\$2,040,000	Estimated HOME program income in the amount of \$60,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of HOME-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.
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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 makes its best effort to utilize HOME funds, State funds, and other funding sources, as appropriate, to achieve the objectives outlined in the Annual Action Plan, and emphasizes the need for local organizations to leverage these resources as they request funding for their programs. Additionally, the City may allocate local funds, including unexpended CDBG funds from prior years (when available), to provide additional support for organizations and individuals benefiting from CDBG funding. 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. Federal match requirements apply to the City's HOME funds. As PJs draw funds from HOME, they incur a match liability, which must be satisfied by the end each federal fiscal year. 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. With a 2023 estimated poverty rate of 25.76 percent and a PCI of \$21,518, the City of Merced's match in Program Year 2024 was reduced 100 percent.

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

The Housing Division is designated as the Housing Successor Agency (HSA) overseeing 10 vacant properties formerly belonging to the dissolved former Redevelopment Agency. A payoff of the former Redevelopment Agency loans in January 2021 brought in over \$2.2 million of HSA LMI Asset funds, the remaining of which are still earmarked to be used to support affordable housing projects. 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

The City has been working to dispose of these properties to three different affordable housing developers. Effective 1/1/2020, Assembly Bill 1486 amended the Surplus Lands Act, requiring cities to offer 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 April 2021, a Request for Proposal (RFP) for these affordable housing development opportunities was released, and the City received multiple proposals from affordable housing developers. 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)

As of April 2025, the City is nearing the end of 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, a Disposition and Development Agreement (DDA) has been recorded, and an initial set of construction plans have been submitted for Building Division review. Construction is still pending. CC915's project is nearing completion with occupancy expected by Summer 2025.

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 local and State funds and programs generate income from the loans and are included in the City's Fiscal Year 2025/26 budget:

- LMI Housing Assets (Local)
- CalHome 2021 (HCD)
- Cal HOME 06/12 (HCD)
- HOME 92/93/94 (HCD)
- NSP 3 (HUD)

Other funding sources (non-Federal) can also be contributed to HUD-assisted projects. These include:

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

Local funding sources are budgeted as part of the overall City and Housing Division budget. Local funds are not included as part of the anticipated resources in the HUD Strategic and each Annual Plan since they are non-federal funding sources. Non-federal funding sources are sometimes necessary to assist in financing the 'fiscal gap' of various projects, thereby allowing them the ability to move forward.

SP-40 Institutional Delivery Structure – 91.215(k)

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

The City, as an entitlement jurisdiction, receives direct allocations of HOME and CDBG funds from HUD and is responsible for the administration and reporting of these funds. These resources are allocated exclusively for projects within the City’s jurisdiction. The Housing Authority of the County of Merced serves as the regional public housing authority, managing the Housing Choice Voucher program and overseeing public housing properties and units. The City works in close partnership with the Housing Authority to address critical housing needs, particularly for its most vulnerable populations. Additionally, the Continuum of Care (CoC) operates at a regional level to address homelessness, collaborating with local municipalities to identify and respond to the most urgent priorities effectively.

In addition to working closely with the Housing Authority and CoC, the City works closely with local housing developers and services providers to ensure the success of their programs and projects. This includes Habitat for Humanity, Project Sentinel, Sierra Saving Grace, and Lifeline.

Table SP-40.01: Institutional Delivery Structure

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
MERCED	Government	Economic Development Homelessness Non-homeless special needs Planning neighborhood improvements public facilities public services	Jurisdiction
Housing Authority of the County of Merced	PHA	Public Housing	Region
Merced City and County COC	Continuum of care	Homelessness Planning public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Non-Profit Organizations	Non-profit organizations	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental public services	
CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING	CHDO	Ownership Rental	
Fair Housing Provider	Other	Ownership Planning Public Housing Rental	

Table 28 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Strengths

- A portion of CDBG funds is available to nonprofits to carry out needed projects in their communities.
- Stakeholders and the public are involved in the CDBG application process.
- The public is given the opportunity, through a series of public meetings, to receive information about the CDBG and HOME programs, eligible projects and activities, as well as how nonprofit organizations may apply for CDBG funds.
- City departments, subrecipients, non-profits, developers, etc. often leverage their awards with their other funding sources.
- Developers, nonprofits, and other potential subrecipients are provided technical assistance regarding their proposed projects.

Gaps

- Land use, zoning, permitting, environmental, and other project development issues that slow progress of construction projects, increase project costs, or result in project termination.
- Complexity of program regulations that discourage potential applicants.
- Grantee/subrecipient staff time constraints.
- Limited resources available to smaller non-profits, which can constrain administrative capacity.

- Public and stakeholder apathy

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

Table 29 - Homeless Prevention Services Summary

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

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

According to the HUD 2024 Continuum of Care Homeless Assistance Program Housing Inventory Count (HIC) Report, Merced County offers over 900 year-round beds to support individuals experiencing homelessness. This includes emergency shelters, transitional housing, permanent supportive housing (PSH), and rapid rehousing programs. Of these beds, 571 are designated for adults-only, while 260 are allocated for families. Additionally, 22 beds are reserved for individuals experiencing chronic homelessness, 34 beds are dedicated to veterans experiencing homelessness, and 9 beds are designated for youth.

Emergency shelter services are provided by the Merced County Community Action Agency, Merced County Human Services Agency, Merced County Office of Education (MCOE), Merced Rescue Mission,

and Valley Crisis Center. Transitional housing is offered by Merced Rescue Mission and Valley Crisis Center. PSH is facilitated by Merced County BHRS and Sierra Saving Grace. Rapid rehousing services are supported by the City of Los Banos, Healthy House, Merced County Human Services Agency, MCOE, Merced Rescue Mission, Sierra Saving Grace, and WestCare SSVF.

The Merced Office of Education provides resources and support for children and youth experiencing homelessness, ensuring they have access to education and related services.

Merced County Human Services Agency provides homeless assistance programs, including temporary and permanent housing solutions for eligible families. Services encompass shelter provisions and support in securing stable housing.

Turning Point Community Programs – New Direction is an outreach and engagement center providing housing support services and linkage to community resources for people experiencing chronic homelessness in Merced County. Located in Merced, they collaborate with other organizations to reduce homelessness and increase utilization of community resources.

Merced County Rescue Mission offers various programs, including emergency shelters and transitional housing, to support individuals experiencing homeless and chronic homelessness. They have initiatives like the Bridge to Hope program, which provides temporary shelter and permanent supportive housing opportunities.

Love Focus Youth Outreach operates a transitional housing program for youth, offering services such as educational support, employment assistance, and life skills development. They provide various housing models, including remote site, single site, and host family placements.

Free legal assistance and fair housing services play a critical role in supporting individuals experiencing homelessness by addressing the systemic and individual barriers that prevent stable housing. Legal assistance can help individuals resolve issues such as eviction disputes, landlord-tenant conflicts, and access to public benefits, which are often significant factors contributing to homelessness. For those facing discrimination based on race, disability, family status, or other protected characteristics, fair housing services provide vital advocacy and recourse. These services help individuals understand their rights under the law and hold landlords or property managers accountable for discriminatory practices. Together, these resources empower people experiencing homelessness to navigate complex legal and housing systems, secure stable housing, and protect their rights, thereby fostering long-term housing stability and reducing the cycle of homelessness.

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

The City's delivery system demonstrates key strengths, particularly in interdepartmental communication and collaboration. City staff from various departments work closely with one another, as well as with organizations, agencies supporting low-income individuals and families in Merced, and community

residents, to establish priorities for utilizing CDBG funding. However, the primary challenge in the delivery system is the inadequacy of funding resources. The demand for services and support far exceeds the available funding, resulting in delays even for high-priority projects as the City continues to actively pursue additional funding sources.

The jurisdiction also faces several operational challenges. Service providers who do not receive grant funding often fail to recognize the importance of the Homeless Management Information System (HMIS) and do not enter their clients into the system. Additionally, some stakeholders are either uncomfortable using HMIS or lack sufficient staffing, which forces the lead HMIS agency to input data on their behalf.

On a broader county-wide level, challenges persist in housing individuals and families experiencing chronic homelessness, as this population requires intensive case management to maintain stable housing. Landlords' reluctance to rent to this population exacerbates this issue. Additionally, there is a recognized need to shift focus from addressing immediate needs to achieving measurable, long-term outcomes for the system of care.

In response to these challenges, the City and its partners are taking targeted steps to create sustainable solutions. One effective strategy has been leveraging partnerships with non-profit organizations to acquire and rehabilitate market-rate housing, transforming it into permanent supportive housing for individuals and families, particularly those with children. This approach eliminates reliance on landlords by placing individuals and families directly into case-managed, stable housing, significantly increasing their chances of long-term success. Through these collaborative efforts, the City aims to address systemic barriers and create a more effective and inclusive system of care.

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

The City of Merced, in collaboration with the CoC, remains steadfast in its commitment to eradicating homelessness within the City and County. By aligning with the CoC's strategic goals, the City is actively pursuing initiatives aimed at addressing chronic homelessness through coordinated efforts and targeted interventions. These efforts emphasize not only the provision of immediate shelter and essential care but also the development of long-term solutions, including job training, skill-building, and comprehensive support services that empower individuals to achieve self-sufficiency.

Recognizing the multifaceted nature of homelessness, the City and its partners understand that resolving this complex issue requires a holistic and sustained approach. Strategies include expanding the availability of shelters and strengthening partnerships with organizations dedicated to addressing the root causes of homelessness. These organizations play a critical role in providing both immediate relief and the tools necessary for individuals and families to transition into stable housing.

However, addressing homelessness requires significant time, energy, and financial investment. The scarcity of adequate resources remains a substantial barrier to achieving the City's goals. The City and the CoC are actively working to overcome these obstacles by advocating for increased funding, fostering innovative partnerships, and leveraging available resources to maximize impact. Through this

unwavering dedication, the City is committed to creating a comprehensive system of care that addresses both the immediate and long-term needs of its most vulnerable residents, ultimately moving closer to a future where homelessness is eradicated.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Table SP-45.01: Goals Summary

NOTE: Amounts below are ESTIMATED at this time.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A Provide Community Based Job Training	2025	2029	Non-Homeless Special Needs Economic Development	City Wide South Merced Area East South Merced Area Loughborough Drive Area	1 Increase Economic Development/Job Opportunities	CDBG: \$104,154	Public service activities other than Low/Moderate Income Housing Benefit: 35 Persons Assisted
2	1B Provide Business and Industry Assistance	2025	2029	Economic Development	City Wide LMI Census Tract Areas Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities	CDBG: \$12,000	Businesses assisted: 1 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	2A Invest in Facilities & Centers	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$240,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6000 Persons Assisted Other: 1 Other
4	2B Public Infrastructure & ADA Improvements	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$636,800	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7000 Persons Assisted Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	2C Parks & Recreation Facility Improvements	2025	2029	Non-Housing Community Development	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$1,885,287	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 12000 Persons Assisted Other: 1 Other
6	3A Increase Affordable Rental Opportunities	2025	2029	Affordable Housing	City Wide LMI Census Tract Areas Merced Rail Station Planning Area	3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$3,125,601	Rental units constructed: 15 Household Housing Unit
7	3B Rehabilitation of Existing Rental Housing	2025	2029	Affordable Housing	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$40,000 HOME: \$278,100	Rental units rehabilitated: 3 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	3C Supportive, Shelter, & Transitional Housing	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	City Wide LMI Census Tract Areas	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$680,000 HOME: \$80,000	Rental units rehabilitated: 2 Household Housing Unit Overnight/Emergency Shelter/Transitional Housing Beds added: 5 Beds
9	3D Provide Housing Stability & Homeless Prevention	2025	2029	Affordable Housing Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$234,900	Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
10	3E Provide Fair Housing Services	2025	2029	Homeless Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention 4 Public Services & Quality of Life for Residents	HOME: \$166,047	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	4A Provide Vital Services for LMI Residents	2025	2029	Homeless Non-Homeless Special Needs	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area	4 Public Services & Quality of Life for Residents	CDBG: \$481,452	Public service activities other than Low/Moderate Income Housing Benefit: 12000 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 2400 Households Assisted
12	5A Increase/Rehabilitate Homeowner Housing	2025	2029	Affordable Housing	City Wide South Merced Area East South Merced Area Loughborough Drive Area	5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$120,000 HOME: \$40,000	Homeowner Housing Rehabilitated: 4 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	5B Create New Opportunities for Homeownership	2025	2029	Affordable Housing	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$20,000 HOME: \$20,000	Public service activities for Low/Moderate Income Housing Benefit: 5 Households Assisted Direct Financial Assistance to Homebuyers: 1 Households Assisted
14	6A Administration and Planning	2025	2029	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities 2 Expand/Improve Public Infrastructure/Facilities 3 Affordable Housing/Shelter/Homeless/Prevention 4 Public Services & Quality of Life for Residents 5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$1,108,000 HOME: \$58,953	

Goal Descriptions

1	Goal Name	1A Provide Community Based Job Training
	Goal Description	Work with partner non-profit organizations to provide job training opportunities to LMI residents in general or specific growth industries, including data technology, agricultural science, automotive or diesel repair, welding/fabrication, and other vital industries and trades.
2	Goal Name	1B Provide Business and Industry Assistance
	Goal Description	When need and opportunity arises, particularly with installation of a major rail station on the horizon, the City may explore opportunities to partner with commercial and/or industrial businesses to create and retain LMI jobs with CDBG funds. Creation and retention of jobs that pay a livable wage are essential to sustaining healthy communities. Projects under this goal could also include activities that rehabilitation of commercial property, acquisition of land for commercial or industrial development, and commercial or industrial infrastructure development to benefit businesses or create/retain jobs.
3	Goal Name	2A Invest in Facilities & Centers
	Goal Description	Invest CDBG funding to community centers and facilities that provide essential social and education gathering places to groups such as seniors, children, youth, families, and neighborhoods, as well as public safety investments such as fire station stations, apparatus, and equipment.
4	Goal Name	2B Public Infrastructure & ADA Improvements
	Goal Description	Invest CDBG funding to publicly owned street, sidewalk, water/sewer, stormwater, alternative transportation/transit, disabled access, and other qualifying infrastructure improvement projects.
5	Goal Name	2C Parks & Recreation Facility Improvements
	Goal Description	Invest CDBG funding to public as well as privately owned parks and recreation facilities that will be open to the general public, including safety and ADA accessibility improvements that increase access for all.

6	Goal Name	3A Increase Affordable Rental Opportunities
	Goal Description	Enhance housing opportunities by increasing the availability and affordability of rental housing options through new construction of rental housing, including the use of CDBG funding to purchase vacant land for HUD-assisted affordable housing projects. Whenever possible, new options for seniors and disabled individuals should be considered. Under this goal, consideration could be given to projects involving affordable commuter or workforce housing for LMI residents.
7	Goal Name	3B Rehabilitation of Existing Rental Housing
	Goal Description	Preserve and improve existing rental housing by improving the safety, efficiency, and affordability of the City's existing rental housing units through rehabilitation activities.
8	Goal Name	3C Supportive, Shelter, & Transitional Housing
	Goal Description	This goal provides an avenue for the City to continue to transfer market rate housing to affordable rental opportunities through acquisition and rehab of existing units. It also acknowledges a community need for more homeless housing and sets modest goals to invest in overnight or transitional shelters for homeless or other vulnerable populations. Under this goal, funding can be provided to activities that provide housing to individuals transitioning from homelessness to permanent housing and finally to a more stable housing environment. This goal would also support the possibility of City collaboration with another local agency and/or non-profit housing provider for temporary or transitional shelters for homeless individuals, including victims of domestic violence/sexual assault/stalking and seniors.
9	Goal Name	3D Provide Housing Stability & Homeless Prevention
	Goal Description	Nearly two-thirds of residents spend over 30% of their household income on the costs of housing, including rent, insurance, and utilities. The cost of housing represents the number one barrier to good housing options in Merced, as well as finding available, safe units. Therefore, this goal will focus on homelessness prevention and housing stabilization programs over the Consolidated Plan period. This could include: prevention services that link people to emergency resources, including allowable rapid rehousing, security deposit, and rental and utility assistance. Individualized case management, housing navigation, or other services that find housing and improve housing stability for those experiencing homelessness or those in transitional or permanent supportive housing, and including special needs such as elderly, disabled, and domestic violence victims.

10	Goal Name	3E Provide Fair Housing Services
	Goal Description	Expand fair housing knowledge and services by promoting awareness of housing rights, addressing discrimination, and providing resources to support equitable access to housing opportunities.
11	Goal Name	4A Provide Vital Services for LMI Residents
	Goal Description	Under this goal, the bulk of the City's public services programming will be provided, almost exclusively via partnerships with area community non-profit organizations to deliver quality of life programs that enhance community well-being and family balance, including not limited to: supporting youth and afterschool activities, self-sufficiency/life skills programs, senior programs, different types of physical and mental health programs, transportation services, nutrition and/or food distribution programs, and programs that aim to eliminate patterns of poverty in families and neighborhoods, sometimes targeting specific LMI areas within the city limits in which to deliver services. In instances where discrimination is not the problem, but there is still a need for mediation of disputes between tenants and landlords to prevent an eviction, counseling services can be provided under this goal as a CDBG-assisted public service.
12	Goal Name	5A Increase/Rehabilitate Homeowner Housing
	Goal Description	Enhance the safety, efficiency, and affordability of owned housing through rehabilitation activities. Programs under this goal would help make the often high costs of safely maintaining your home easier and more affordable by helping to repair and improve life, health, and safety issues within an owner's primary residence.
13	Goal Name	5B Create New Opportunities for Homeownership
	Goal Description	Make primary, first-time homebuying attainable and more affordable for families by making homebuying easier. This goal would also allow the exploration of eligible options to increase units to be occupied exclusively by LMI family members of an LMI homeowner (not income-producing units) through construction of ADU or JADU units on the LMI homeowner's property, to help address the overall need for affordable housing options in the community.
14	Goal Name	6A Administration and Planning
	Goal Description	This goal includes data gathering, planning, and strategizing HUD funding for housing, economic development, community development, fair housing services, and public service needs of LMI Merced residents, as well as general direct and indirect CDBG and HOME program management costs.

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

Affordable housing consistently remains the number one greatest need in the community. It is unfortunate, then, that affordable housing is generally very expensive and can be complicated for affordable housing developers to find the right, and enough, mix of funding sources and target income-mix of the units themselves. The City's housing needs are great; however, the City itself does not receive nearly enough HOME funds to tackle the problem all at once. Therefore, the best and only strategy for the use of HOME funds is to chip away at the issue as best we can, as well as work with proven affordable housing developers that have the capacity, expertise, and capital resources to get it done.

The City's General Plan sets the policies that the City follows in its day-to-day operations, and the Housing Element contained within the General Plan document sets the policies to follow for all housing types within the City.

The 2024-2032 Merced County Multi-Jurisdictional Housing Element (MJHE), while as of the preparation of this Con Plan occurs is itself in draft form, contains methodology and analysis results for the number of units that the City should build during the plan period (Regional Housing Needs Allocation, or RHNA) to meet the affordable housing needs of the community. The RHNA analysis takes into account adequate land with appropriate zoning and development standards, planned and/or approved housing projects, and estimated accessory dwelling unit (ADU) production to meet the RHNA numbers.

The following are the quantified unit number objectives the City of Merced has established in the MJHE for housing production with regard to the number of low-income units needing to be constructed by 2032 to fulfill the City's State requirements:

- Extremely Low-Income (0–30% AMI): 1,482 units
- Very Low-income (30-50% AMI): 1,055 units
- Low-Income (51-80% AMI): 1,742 units
- Moderate (81-120% AMI): 1,838 units

For consistency, this Consolidated Plan will consider these numbers the City's objectives, as well. The figures will be taken under consideration when partnering with affordable housing developers for construction of new units - or for the alternate model of acquiring market rate units, rehabbing, then renting them to low-income households.

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

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

The Housing Authority of the City of Merced (HACM) remains committed to maintaining high standards of accessibility and compliance. This includes conducting regular inspections and implementing policies to ensure that accessible units are utilized by individuals who need them. All public housing units in Merced have achieved passing scores on the Real Estate Assessment Center (REAC) inspections, demonstrating adherence to quality standards. Additionally, projects financed with Low-Income Housing Tax Credits (LIHTCs) are held to rigorous accessibility requirements, including the provision of ADA-compliant units.

Activities to Increase Resident Involvements

The Housing Authority of Merced County (HAMC) actively fosters resident engagement through a variety of initiatives designed to promote self-sufficiency and improve quality of life. HAMC connects residents and program participants with valuable services, activities, and partnerships that align with this mission. Residents have access to network centers, including public computer facilities, as well as partnerships with community organizations that provide additional resources and opportunities.

HAMC's website features dedicated "Resident" and "Resident Services" sections where individuals can locate relevant services, programs, and service providers to meet their needs. To ensure consistent communication, HAMC also distributes information to residents and participants through its webpage and regular mailings. These updates include details about the status of current programs, upcoming opportunities, and services available for both existing and prospective participants.

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

No

Plan to remove the 'troubled' designation

N/A

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

Barriers to Affordable Housing

Funding. The dissolution of redevelopment agencies (RDAs), diminishing HUD budgets, and insufficient State funding all make it difficult to construct enough affordable housing to meet the need for it. State tax credits, grants, and gap financing are highly competitive. A local source of revenue has not replaced the loss of RDAs.

Development Costs. The cost of developing housing, inclusive of land, material, and labor costs, has outpaced inflation in recent years. Development fees, often referred to as impact fees, also contribute to the increased cost of development and are gaining more attention as a barrier to construction. While the Merced's fees are not onerous relative to other jurisdictions, and such fees are normal practice across the country, the Turner Center found that, generally, fees in California are especially high. This is due in part to Proposition 13, which caps property tax increases, and the decreased federal investment in housing. These factors compel cities to seek alternative revenue sources, like development fees, for infrastructure and parks.

Zoning. Throughout the country, zoning reform continues to be a focal point of housing policy discussions. In recent years, California has passed significant legislation, such as Senate Bill (SB) 9 and SB 10, to promote higher-density housing. Increasing residential density – or rather, allowing apartment buildings – in more areas can increase housing affordability by increasing the supply of smaller and thus less expensive homes.

Education and Outreach. Educational opportunities regarding fair housing available to the public are limited, but fair housing education has been identified as an effective strategy for furthering fair housing. Outreach methods should be expanded beyond traditional newspaper and website press releases. Instead, it should utilize various neighborhood groups and organizations.

Overconcentration of Housing Choice Vouchers. Geographic disparities in housing costs across Merced contribute to where HCVs are used. Communities with more affordable housing often see a higher concentration of voucher holder.

Housing Options for Special Needs. Housing that is accessible for special needs groups, such as seniors or persons with disabilities, is limited. Significant portions of the voucher and public housing waiting lists are disabled or seniors due to these limited options. Universal design principles in new development would allow for more accessible housing options.

Enforcement. Enforcement is a key driver for expanding access to fair housing, but enforcement activities are limited throughout the region. Instead, services tend to focus on outreach and education. A shift to enforcing fair housing could lead to more results.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Merced has identified the following strategies to remove or ameliorate the barriers to affordable housing:

- Ensure ease of access to information about fair housing on websites with links between jurisdictions and contracted service provider.
- Increase knowledge of the process of reporting complaints and access/referral to government entities.
- Expand the affordable housing inventory, as funding allows.
- Promote the Housing Choice Voucher program to rental property owners.
- Increase education of Housing Choice Voucher recipients regarding choice and availability.
- Work collaboratively with local housing authorities and affordable housing providers to ensure affirmative fair marketing plans and de-concentration policies are implemented.
- Increase housing options for special needs populations.
- Encourage universal design principles in new housing developments.
- Educate city/county building, planning, and housing staff on accessibility requirements.
- Encourage inter-departmental collaboration.
- Provide press releases to local medias on outcomes of fair housing complaints and litigation.
- Support stronger and more persistent enforcement activity by fair housing service providers.
- Conduct random testing on a regular basis to identify issues, trends, and problem properties.
- Education and outreach activities need to be expanded to have a multi-media coverage, including social media such as Facebook, Twitter, and Instagram, as well as other meeting/discussion forums such as chat rooms and webinars.
- Involve neighborhood groups and other community organizations when conducting outreach and education activities.
- Include fair housing outreach as part of community events.
- Diversify and expand the housing stock to accommodate the varied housing needs of different groups.

SP-60 Homelessness Strategy – 91.215(d)

Describe how the jurisdiction's strategic plan goals contribute to:

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

The City engages in outreach efforts to individuals experiencing homelessness, particularly those living unsheltered, through a combination of direct services, collaborative partnerships, and data-driven strategies aimed at addressing their unique needs. These efforts focus on building trust, assessing individual circumstances, and connecting individuals to appropriate services and housing solutions.

Through partnerships with organizations such as the Merced County Behavioral Health and Recovery Services and the Merced Rescue Mission, the City deploys street outreach teams to actively engage with people living unsheltered in encampments, parks, and other locations. These teams offer immediate support, conduct needs assessments and make referrals to critical services. Additionally, the City collaborates with the Merced County Continuum of Care (CoC) to provide homeless navigators who work directly with individuals to guide them through accessing shelter, supportive services, and housing. These navigators are trained to assess needs such as mental health care, substance use treatment, employment assistance, and housing readiness.

The City's efforts are informed by the annual Point-in-Time Count conducted in partnership with the CoC. This count gathers valuable data on individuals living unsheltered to better understand their demographics and specific needs. The data informs outreach efforts and helps tailor services to specific populations, such as veterans, families, or individuals with chronic health conditions.

The City's work is further enhanced by partnerships with organizations such as the Merced Rescue Mission and Sierra Saving Grace. These groups provide housing solutions, case management, and direct outreach to people experiencing homelessness. Collaborative efforts with the Merced County Behavioral Health and Recovery Services ensure that individuals experiencing mental health crises or substance use disorders receive the necessary care. Faith-based organizations and nonprofits, including the Valley Crisis Center and Golden Valley Health Centers, complement these efforts by offering specialized services for vulnerable populations, including survivors of domestic violence, families, and youth. These partnerships provide trauma-informed care, emergency shelter, and other critical support.

To prevent homelessness, the City leverages CDBG funds to support public service activities that help individuals avoid or transition out of homelessness. This includes funding for emergency subsistence payments and rental assistance programs. Facilities such as the D Street Navigation Center provide centralized locations where individuals living unsheltered can access shelter, meals, healthcare, and case management services, making them essential to the City's outreach efforts.

The City also implements Housing First and Rapid Re-Housing approaches in collaboration with the CoC. These strategies prioritize immediate access to housing while providing supportive services to stabilize individuals and help them transition to permanent housing. This dual approach ensures that both short- and long-term needs are met.

The City regularly reviews its outreach and assessment strategies, using data from surveys and community feedback to enhance its efforts. By maintaining strong partnerships and focusing on individualized care, the City is making measurable progress in reducing homelessness and improving the quality of life for its residents.

Addressing the emergency and transitional housing needs of homeless persons

The City continues to collaborate with a wide range of service agencies to assist homeless individuals in transitioning to permanent housing and achieving independent living. As of 2024, there are 352 emergency shelter beds available in Merced County, including 50 beds at the D Street Navigation Center in Merced and 76 beds at the Merced Rescue Mission's Navigation Center.

These resources, combined with transitional housing and rapid rehousing programs, aim to address the needs of the homeless population, which totaled 837 individuals in the most recent 2024 Point-in-Time Count, an increase of 6.8% from the previous year.

The Merced County Community Action Board (MCCAB) continues to be a leading provider of emergency shelter services, while other organizations, such as the Merced Rescue Mission and Valley Crisis Center, contribute additional shelter and support services.

One notable permanent supportive housing facility is Pacheco Place, a 10-bed facility in Los Banos, operated in partnership with the Merced County Department of Behavioral Health and Recovery Services. Funded in part by a \$1.07 million Mental Health Services Act Housing Program grant, the project ensures operational sustainability and wraparound services for its residents.

Merced County's Continuum of Care (CoC) has fully adopted evidence-based practices, including the Housing First and Rapid Re-housing approaches. These programs have been critical in reducing chronic homelessness by emphasizing immediate access to housing and providing supportive services for long-term stability. For example, 68% of the total homeless population is located in Merced, where these strategies are being heavily implemented.

Housing First, recognized as a best-practice model, moves individuals directly into housing without preconditions, such as treatment for mental health or substance abuse. This method has been complemented by Rapid Re-housing, which provides short-term rental assistance and case management. The CoC's inventory also includes 434 permanent housing beds, serving families and individuals, including specialized programs for veterans and youth.

The City's efforts, combined with CoC strategies and local partnerships, have contributed to measurable progress, as evidenced by the continued enhancement of shelter and housing options. Nevertheless, challenges remain, particularly as the number of unsheltered individuals increased by 9.7% from the prior year, underscoring the need for sustained investment in housing solutions and supportive services.

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.

Merced continues to collaborate with Merced County to implement evidence-based strategies, including the Housing First and Rapid Re-housing approaches, which are essential components of its homelessness response framework. The 2024 Point-in-Time Count and survey data revealed that 43% of the unsheltered homeless population is chronically homeless, highlighting the critical need for long-term solutions such as rental assistance and comprehensive wraparound services, including healthcare, employment assistance, mental health care, and life skills training.

These findings reinforce the importance of a Housing First approach, which prioritizes moving chronically homeless individuals directly into stable housing and connecting them with supportive services to ensure long-term success.

Conversely, the data also indicated that 57% of the unsheltered population is not chronically homeless, suggesting they may benefit more from shorter-term interventions such as Rapid Re-housing, which provides time-limited rental assistance and minimal reliance on supportive services. This dual approach ensures tailored solutions that address the varying needs of the homeless population.

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

To prevent homelessness among low- to moderate-income families, the City will continue leveraging Community Development Block Grant (CDBG) funding to support public service activities. These include emergency subsistence payments for short-term rent, mortgage assistance, and utility payments to help families remain housed with access to essential services such as electricity for heating, cooling, and cooking. Additionally, the City is exploring the re-establishment of rental deposit assistance programs, which can play a critical role in helping individuals secure housing after being discharged from institutions or other temporary accommodations.

Since 2016, the City of Merced has actively supported housing acquisition programs through partnerships with Sierra Saving Grace Homeless Project and the Merced Rescue Mission. Leveraging CDBG and HOME funding, these programs have successfully acquired, rehabilitated, and rented single-family homes, duplexes, and triplexes for the benefit of formerly homeless individuals and families. Each year, these initiatives contribute to the development of permanent supportive housing units, a critical component in addressing the long-term challenge of homelessness in Merced. Alongside housing, participants benefit from comprehensive case management services that support their transition to permanent, independent living.

In addition to housing solutions, the City recognizes the importance of addressing the root causes of homelessness by funding programs that provide job and life skills training for low- to moderate-income

individuals. Programs offering instruction in computer skills, home budgeting, and literacy, particularly those integrated into transitional living environments, play a vital role in equipping participants with the tools necessary for sustainable independence.

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

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

In compliance with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, federal regulations, and the City of Merced's policies on lead-based paint hazard identification and abatement, all housing activities funded with federal assistance must undergo a lead-based paint assessment and follow HUD's hazard reduction requirements, regardless of the property's year of construction. This includes homes purchased, sold, or rehabilitated through the City's subrecipient programs, as well as multi-family housing projects receiving project-based assistance.

If an assessment or testing identifies deteriorated lead-based paint surfaces, they must be stabilized as part of the rehabilitation process. Abatement must be conducted by a certified lead-based paint professional, and a Clearance Inspection must be completed by a certified assessor before issuing a Notice of Completion. For homeowner-occupied rehabilitation projects, homeowners are provided with a Lead Hazard Information pamphlet to ensure they are informed of potential risks and safety measures. This process ensures compliance with federal standards while prioritizing the health and safety of residents.

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

The age of housing stock is a critical factor in estimating the prevalence of lead-based paint (LBP) in residential units. Since the use of lead-based paint in residential properties was banned in 1978, the relatively young housing stock in Merced, with most homes constructed after 1980, indicates a low likelihood of encountering lead-based paint. Nonetheless, the City remains committed to conducting lead-based paint testing as required.

It is estimated that approximately 7,000 housing units in Merced, occupied by low- or very low-income households, may contain lead-based hazards. While precise data is unavailable, many of these units are likely concentrated in South Merced, where poverty levels and substandard housing conditions are more prevalent factors often associated with lead poisoning risks. Lead-based paint hazards pose a significant threat, particularly to children, who are most vulnerable to lead exposure.

Lead poisoning prevention and abatement efforts in Merced are carried out through coordinated initiatives involving the County Public Health Department, Environmental Health Division, and the Child Health and Disability Program. Addressing lead-based hazards is also an integral component of the City's Housing Rehabilitation Loan Program, which ensures that all rehabilitation projects include a thorough assessment for lead-based paint. When hazards are identified, abatements are conducted by licensed contractors, underscoring the City's commitment to safeguarding public health and maintaining safe housing conditions.

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

In accordance with HUD and EPA Lead-Based Paint Disclosure regulations, the Lead Safe Housing Rule, and other federal requirements, the City of Merced has implemented policies and procedures to evaluate each project for potential lead-based paint hazards and ensure appropriate protections, including abatement when necessary.

For infrastructure projects, including public facility and infrastructure improvements, all project plans must include a statement indicating, "Any paint being removed shall be tested for Lead-Based Paint." Housing Division staff must receive this plan prior to finalizing the NEPA Environmental Review and Assessment, which is required to authorize project expenditures.

When acquiring properties with residential structures, all homes, regardless of the year of construction, must be tested for lead-based paint. If the testing results are negative, no further action is required and testing and clearance documentation is filed. If testing identifies lead-based paint, the affected areas must be stabilized and removed by a certified and licensed abatement contractor. Clearance certification is required before funds are released, and escrow cannot close until all lead-based paint issues are resolved. Documentation of all testing, abatement, and clearance processes is maintained in the project file.

For homeowner rehabilitation projects, all properties must undergo lead-based paint testing before other scheduled work begins unless there is an immediate threat to the safety or health of the occupants. Homeowners receive a Lead Hazard Information pamphlet as part of this process. If testing is negative, no further action is needed, and documentation is retained in the project file. If lead-based paint is identified, abatement is provided at no cost to the homeowner. Certified contractors handle stabilization and removal, followed by clearance inspections to certify the property is safe. Clearance certification must be issued prior to the project's Notice of Completion. All testing, abatement, clearance, and relevant documentation are maintained in the project file and shared with subrecipients or homeowners as necessary.

These procedures ensure compliance with federal lead safety standards, prioritizing the health and safety of residents while maintaining proper documentation for all projects.

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

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

The City of Merced, through the Housing Authority, has outlined anti-poverty strategies aimed at addressing the high levels of poverty and economic challenges in the region. The plan emphasizes providing comprehensive support to low, very low, and extremely low-income families, recognizing that approximately 25.9% of the population lives below the poverty line, and unemployment rates remain higher than state and national averages at 8.7%.

Key initiatives include partnerships with property managers, resource agencies, and homeless service providers to offer tools and resources tailored to families' specific needs. The Authority's programs also encourage self-sufficiency through initiatives like the Family Self-Sufficiency (FSS) program, which helps participants increase earned income, build financial capability, and transition to economic independence by integrating housing assistance with job training and educational opportunities. Furthermore, partnerships with local organizations and government agencies ensure that families in poverty have access to essential services like Temporary Assistance for Needy Families (TANF), food stamps, and rental subsidies.

The plan also identifies challenges such as the rising rental market, a shortage of affordable housing units, and overcrowding, all of which exacerbate poverty and homelessness in the region. To combat these issues, the City is actively pursuing the development of affordable housing projects, including "tiny home" initiatives, and providing housing vouchers and other assistance to vulnerable populations.

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

Aligned with the draft 2025-2029 Consolidated Plan, the City of Merced is committed to establishing clear and measurable goals that prioritize programs and services for its most vulnerable populations, including those living below the poverty line. These efforts emphasize a collaborative approach, working closely with the Continuum of Care (CoC) and the Housing Authority to develop and implement sustainable housing solutions that address critical needs across the community. Additionally, the City is focused on advancing economic development initiatives aimed at reducing the unemployment rate and addressing gaps in the qualified workforce. By fostering strategic partnerships, promoting skill-building opportunities, and supporting job creation, the City seeks to empower individuals and families to achieve greater economic stability and long-term self-sufficiency. These objectives reflect the City's dedication to reducing poverty and improving the quality of life for all residents.

SP-80 Monitoring – 91.230

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

The City's Development Services Department is responsible for ensuring that the receipt and expenditure of HUD funds comply with all program requirements through the careful monitoring of program performance. A comprehensive evaluation of the housing and public service delivery systems serves as a critical tool for identifying gaps and implementing appropriate modifications. Monitoring procedures include in-house reviews of progress reports and expenditures, as well as on-site visits to ensure compliance with federal regulations. This system fosters uniform reporting, enabling consistent tracking of beneficiary information. Monitoring efforts also focus on resolving programmatic or financial issues that could prevent organizations from meeting their contractual obligations. Where necessary, technical assistance will be provided to address identified challenges.

Project and financial data are maintained using HUD's Integrated Disbursement Information System (IDIS) software, which allows for efficient data tracking and provides HUD staff with easy access to local information for review and progress evaluation.

1. Monitoring Housing and Community Development Projects

The City implemented a monitoring plan that includes:

- Conducting a risk-based assessment to determine whether sub-recipients will undergo full, onsite monitoring or remote, desk monitoring.
- Establishing a detailed monitoring schedule.
- Developing and utilizing a comprehensive monitoring checklist.
- Conducting on-site visits where applicable.
- Providing sub-recipients with written notifications of monitoring results.
- Offering technical assistance as needed.
- Ensuring that corrective actions, if required, are promptly executed.

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

The City ensures compliance with the CDBG program by doing the following:

- Verifying project eligibility against regulatory requirements and maintaining consistent communication with the City's HUD CPD representative.
- Adhering to the City's Subrecipient Monitoring Plan.
- Referring to HUD's monitoring handbook to ensure alignment with national objectives, such as low- and moderate-income area benefits and limited clientele objectives, as well as financial management and other entitlement program requirements.
- Regularly reviewing HUD CPD notices on CDBG program and planning requirements.

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

- To maintain compliance with HUD regulations, the City conducts annual recertifications of Community Housing Development Organizations (CHDOs) and assesses a developer's capacity to complete HOME projects. Additionally, the City evaluates the long-term viability of proposed projects before awarding or committing HOME funds. This vetting process includes a thorough review of the developer's qualifications and project feasibility.
- In accordance with HOME Investment Partnerships Program rules, the City monitors all HOME-assisted rental developments annually through detailed reporting during the affordability period. On-site monitoring occurs at least once every three years or more frequently if concerns are identified through the annual reporting process. These efforts ensure ongoing compliance with program requirements and promote the success and sustainability of HOME-funded projects.

Expected Resources

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

Introduction

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

Anticipated Resources

Table AP-15.01: Expected Resources – Priority Table

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	Federal	Acquisition Admin & Planning Economic Development Housing Development Public Improvements Public Services	\$1,000,000 (estimated)	\$108,000	\$22,593	\$1,130,593	\$4,432,000	<p>At this time, HUD has not released the amount of the City's 2025 CDBG allocation. Therefore, the City has included an estimated allocation of \$1,000,000 with which to do preliminary budgeting.</p> <p>Estimated CDBG program income in the amount of \$108,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of CDBG-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.</p>

HOME	Federal	Acquisition Admin & planning Homeowner Rehab Homeowner Assistance Rental Housing Development	\$450,000 (estimated)	\$60,000	\$1,218,701	1,728,701	\$2,040,000	<p>At this time, HUD has not released the amount of the City's 2025 HOME allocation. Therefore, the City has included an estimated allocation of \$450,000 with which to do preliminary budgeting.</p> <p>Estimated HOME program income in the amount of \$60,000 annually is anticipated in years 2 through 5 of this Plan. This amount is a conservative estimate based upon the anticipated receipts of HOME-funded loan payments over the Con Plan period. This amount may be adjusted each year, as needed, as loans are paid off and/or created.</p>
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City will utilize HOME funds, grants, and other funding sources, as appropriate, to achieve the objectives outlined in the Annual Action Plan. Additionally, the City may allocate local funds, including unexpended CDBG funds from prior years (when available), to provide additional support for organizations and individuals benefiting from CDBG funding.

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

N/A

Discussion

See above discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Below are the annual goals for FY 2025-2026.

Table AP-20.01: Goals Summary Information

NOTE: Amounts below are ESTIMATED at this time.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A Provide Community Based Job Training	2025	2029	Non-Homeless Special Needs Economic Development	City Wide	1 Increase Economic Development/Job Opportunities	CDBG: \$48,154.00	Public service activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted
2	2C Parks & Recreation Facility Improvements	2025	2029	Non-Housing Community Development	LMI Census Tract Areas	2 Expand/Improve Public Infrastructure/Facilities	CDBG: \$733,287.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6000 Persons Assisted Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	3A Increase Affordable Rental Opportunities	2025	2029	Affordable Housing	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$1,683,701.00	Rental units constructed: 50 Household Housing Unit
4	3D Provide Housing Stability & Homeless Prevention	2025	2029	Affordable Housing Non-Homeless Special Needs	City Wide	3 Affordable Housing/Shelter/Homeless/Prevention	CDBG: \$46,100.00	Public service activities for Low/Moderate Income Housing Benefit: 18 Households Assisted Homelessness Prevention: 30 Persons Assisted
5	3E Provide Fair Housing Services	2025	2029	Homeless Non-Homeless Special Needs		3 Affordable Housing/Shelter/Homeless/Prevention	HOME: \$33,207.00	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	4A Provide Vital Services for LMI Residents	2025	2029	Homeless Non-Homeless Special Needs	City Wide	4 Public Services & Quality of Life for Residents	CDBG: \$81,452.00	Public service activities other than Low/Moderate Income Housing Benefit: 2200 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 40 Households Assisted
7	6A Administration and Planning	2025	2029	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City Wide LMI Census Tract Areas South Merced Area East South Merced Area Loughborough Drive Area Merced Rail Station Planning Area	1 Increase Economic Development/Job Opportunities 2 Expand/Improve Public Infrastructure/Facilities 3 Affordable Housing/Shelter/Homeless/Prevention 4 Public Services & Quality of Life for Residents 5 Increase/Preserve/Rehabilitate Homeowner Housing	CDBG: \$221,600.00 HOME: \$11,793.00	

Goal Descriptions

Table AP-20.02: Goals Descriptions

1	Goal Name	1A Provide Community Based Job Training
	Goal Description	Work with partner non-profit organizations to provide job training opportunities to LMI residents in general or specific growth industries, including data technology, agricultural science, automotive or diesel repair, welding/fabrication, and other vital industries and trades.
2	Goal Name	2C Parks & Recreation Facility Improvements
	Goal Description	Invest CDBG funding to public as well as privately owned parks and recreation facilities that will be open to the general public, including safety and ADA accessibility improvements that increase access for all.
3	Goal Name	3A Increase Affordable Rental Opportunities
	Goal Description	Enhance housing opportunities by increasing the availability and affordability of rental housing options through new construction of rental housing, including the use of CDBG funding to purchase vacant land for HUD-assisted affordable housing projects. Whenever possible, new options for seniors and disabled individuals should be considered. Under this goal, consideration could be given to projects involving affordable commuter or workforce housing for LMI residents.
4	Goal Name	3D Provide Housing Stability & Homeless Prevention
	Goal Description	Nearly two-thirds of residents spend over 30% of their household income on the costs of housing, including rent, insurance, and utilities. The cost of housing represents the number one barrier to good housing options in Merced, as well as finding available, safe units. Therefore, this goal will focus on homelessness prevention and housing stabilization programs over the Consolidated Plan period. This could include: prevention services that link people to emergency resources, including allowable rapid rehousing, security deposit, and rental and utility assistance. Individualized case management, housing navigation, or other services that find housing and improve housing stability for those experiencing homelessness or those in transitional or permanent supportive housing, and including special needs such as elderly, disabled, and domestic violence victims.
5	Goal Name	3E Provide Fair Housing Services
	Goal Description	Expand fair housing knowledge and services by promoting awareness of housing rights, addressing discrimination, and providing resources to support equitable access to housing opportunities.

6	Goal Name	4A Provide Vital Services for LMI Residents
	Goal Description	Under this goal, the bulk of the City's public services programming will be provided, almost exclusively via partnerships with area community non-profit organizations to deliver quality of life programs that enhance community well-being and family balance, including not limited to: supporting youth and afterschool activities, self-sufficiency/life skills programs, senior programs, different types of physical and mental health programs, transportation services, nutrition and/or food distribution programs, and programs that aim to eliminate patterns of poverty in families and neighborhoods, sometimes targeting specific LMI areas within the city limits in which to deliver services. In instances where discrimination is not the problem, but there is still a need for mediation of disputes between tenants and landlords to prevent an eviction, counseling services can be provided under this goal as a CDBG-assisted public service.
7	Goal Name	6A Administration and Planning
	Goal Description	This goal includes data gathering, planning, and strategizing HUD funding for housing, economic development, community development, fair housing services, and public service needs of LMI Merced residents, as well as general direct and indirect CDBG and HOME program management costs.

Projects

AP-35 Projects – 91.220(d)

Introduction

The City will provide activities that support one or more of the following projects during Program year FY 2025-2026.

Projects

Table AP-35: Program Year Projects

#	Project Name
1	CDBG & HOME: Direct Administration (FY 25/26)
2	CDBG & HOME: Housing & Development Activities (Non-CHDO)
3	CDBG: Public Facilities & Infrastructure
4	CDBG: Public Services
5	CDBG Indirect Administration (FY 25/26)

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

In January 2025, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

Most non-profit organizations do not have nearly enough funds to be able to provide all the services needed by residents. Therefore, the City tries to make public service and other types of project funding available to non-profit organizations in order to meet their organizations' missions. In turn, by providing funds to these organization to help the City address community need, the non-profits are also helping the City carry out the goals of this plan. It's a win-win scenario for all, especially our most important winners: our residents.

Project Summary

AP-38 Project Summary

Project Summary Information

This section will be updated upon the awards of NOFO.

Table AP-38: Project Summary

1	Project name	CDBG & HOME: Direct Administration (FY 25/26)
	Target area	Citywide
	Goals supported	6 Administration and Planning 3E Provide Fair Housing Services
	Needs addressed	1.Increase Economic Development & Job Opportunities 2.Expand & Improve Public Infrastructure & Facilities 3.Affordable Housing/Shelter/Housing Stability 4.Quality of Life Services for Residents 5.Increase & Rehabilitate Owner Housing
	Funding	CDBG: \$221,600 (estimated) HOME: \$45,000 (estimated)
	Description	This project allows Housing Division staff the ability to provide CDBG and HOME administrative services to ensure the implementation of all projects and management of HUD funding is successful and compliant. The City will use a portion of its HOME administrative funds to fund fair housing education, counseling, and antidiscrimination legal services program.
	Target date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Not applicable
	Location description	The majority of administration activities will be carried out at the City of Merced Housing Division office, 678 W 18 th Street, Merced, through subrecipients, collaborative agencies, or consultants. On-

		site project site visits necessary to carry out and monitor the overall program activities will also be part of this project.
	Planned activities	<p>Administration, planning, and related activities:</p> <p>Direct CDBG Administrative Costs: \$72,800; <i>IDIS Matrix Code:</i> 21A/General Program Administration; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.205.</p> <p>Direct HOME Administrative Costs: \$11,793; <i>IDIS Matrix Code:</i> 21H/CDBG Funding of HOME Administrative Costs; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(i)(2).</p> <p>CDBG: Administrative Support to City and County Continuum of Care: \$38,000 (meets ConPlan Goal 4A – Provide Homeless Prevention Services); <i>IDIS Matrix Code:</i> 20/Planning; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.205.</p> <p>HOME: Fair Housing Services: Project Sentinel, Inc. will be provided \$33,207 of HOME administrative funds to carry out a Fair Housing education, counseling, and legal services program available to all Merced residents regardless of income level; <i>IDIS Matrix Code:</i> 21D-Fair Housing Services (subject to Admin cap); <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(c).</p>

2	Project name	CDBG Indirect Administration - (FY 25/26)
	Target area	Citywide
	Goals supported	6 Administration and Planning
	Needs addressed	1.Increase Economic Development & Job Opportunities 2.Expand & Improve Public Infrastructure & Facilities 3.Affordable Housing/Shelter/Housing Stability 4.Quality of Life Services for Residents 5.Increase & Rehabilitate Owner Housing
	Funding	CDBG: \$110,800 (estimated)
	Description	To provide Indirect Administrative Services necessary to Housing activities.
	Target date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Not applicable
	Location description	Indirect administrative activities usually involve the services of other City departments to the Housing Division, such as the City Attorney, Finance, and Facilities Departments. All of these departments are located in the Merced Civic Center/City Hall, 678 W 18 th Street, Merced
	Planned activities	Indirect Administrative Costs: \$110,800; <i>IDIS Matrix Code:</i> 21B/Indirect Costs; <i>National Objective Met:</i> N/A; <i>Eligibility:</i> 24 CFR 570.206(e).
3	Project name	CDBG & HOME: Housing & Development Activities (Non-CHDO)
	Target area	Citywide
	Goals supported	3A Increase Affordable Rental Housing Opportunities
	Needs addressed	3.Affordable Housing/Shelter/Housing Stability
	Funding	HOME: \$1,683,701
	Description	Housing and development activities under this project will include CDBG and/or HOME-funded non-CHDO activities, including but not limited to: owner-occupied housing rehabilitation, construction and

		reconstruction, increased homeownership opportunities, rental housing development, and assistance to create and support supportive housing (including acquisition with rehabilitation). These activities will benefit LMI households.
	Target date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	No specific activity has been identified at this time. Affordable housing projects will be targeted to LMI households, especially special needs populations. New construction may generate approximately 100 units.
	Location description	City Wide
	Planned activities	<p>The Housing Division did not receive project funding applications for any HOME-assisted housing projects that are ready to move forward. Therefore, available HOME funds will be placed in a 2025 Annual Plan project that pre-designates the use of the HOME funds towards affordable rental housing, rental or homeowner rehabilitation of existing units, and/or acquisition of land for new construction of affordable rental housing.</p> <p>HOME funding from the 2024 (previous) program year was set aside in a similar way and is still available. HOME regulations give the City up to four years to commit (sign a contract) for each year of HOME funds that are allocated.</p> <p>Options are available to find a qualified and beneficial use of the funding. Staff could begin discussions with previous housing developer partners for a new project or can republish the City's previous and successful (and still open) Request for Qualifications (RFQ) that enables staff to keep a "portfolio" of qualified affordable housing developers on hand for times when funding is available.</p>
4	Project name	CDBG: Public Facilities & Infrastructure
	Target area	Citywide
	Goals supported	2C Invest in Parks & Recreation Facility Improvements
	Needs addressed	2.Expand & Improve Public Infrastructure & Facilities
	Funding	CDBG: \$733,287 (estimated)

	Description	Assistance for constructing or improving public infrastructure, parks, and facilities. The City will use CDBG funds to make improvements in residential areas within LMI Census Tracts, primarily focused in the South, Southeast, Central, East Central, and low-income areas of North Merced, that especially inhibit the mobility and accessibility of disabled and elderly persons.
	Target date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Improvements and neighborhood/public facilities will benefit approximately 4,000 households. The City expects 1 public facility (park) to be improved.
	Location description	CDBG Income Eligible Census Tracts
	Planned activities	<p>In the expectation that enough CDBG funding will be available to fund most or all of elements of the Joe Herb Park ADA Accessibility project that was included in the “alternative CDBG project list” presented to Council during the substantial amendment process for the 2024 Annual Plan (current year), this project is tentatively slated to be carried out during the 2025 program year.</p> <p>The Joe Herb Park ADA project was ranked as highest priority by the Parks and Community Services department. Housing staff is working with the Director to develop the scope of this project to match the potential 2025 available funding that may be available.</p> <p>The tentative scope of work includes ADA bathroom upgrades, new ADA accessible sidewalks, lighting, and more.</p>
5	Project name	CDBG: Public Services
	Target area	Citywide
	Goals supported	<p>1A Provide Community Based Job Training</p> <p>3D Provide Housing Stability & Homeless Prevention Services</p> <p>4A Provide vital services for LMI individuals and families</p>
	Needs addressed	<p>1.Increase Economic Development & Job Opportunities</p> <p>3.Affordable Housing/Shelter/Housing Stability</p> <p>4.Quality of Life Services for Residents</p>
	Funding	CDBG: \$175,706 (estimated)

Description	The City will provide supportive and vital services for low income and special needs populations in the jurisdiction. Public services will target LMI citizens and may include services to address homelessness, persons with physical and mental health disabilities, the elderly, and the youth. Services may also include recreational programs for special needs populations, and education and health programs for special needs households. Public services for LMI will include: tenant/landlord counseling, crime prevention programs, food assistance, case management for emergency assistance, rental and utility assistance, employment and life skills training programs, and health programs.
Target date	6/30/2026
Estimate the number and type of families that will benefit from the proposed activities	<p><i>NOTE: these outcomes are estimated at this time</i></p> <p>The following outcomes are expected:</p> <p>Public Service Activities other than Low/Moderate Income Housing Benefit: 2,550 Persons Assisted</p> <p>Public Service Activities for Low/Moderate Income Housing Benefit: 40 Household Housing Units</p> <p>Homeless Prevention: 30 Persons Assisted</p>
Location description	Services will generally be distributed city wide to qualifying low-income target groups, except where noted.
Planned activities	<p>The following organizations are tentatively moving forward to receive funding for their public service projects:</p> <p><u>Project Sentinel - Tenant and landlord dispute counseling \$31,451 (preliminary/estimated)</u></p> <p>The January 2023 storms brought an awareness that there is a need in our community for an agency that serves as a mediator between tenants and their landlords to settle disputes and provide educational resources about the rights and responsibilities of their respective sides. While HUD requires the City of Merced to provide fair housing services, which provides tenants and landlords protections under federal Fair Housing laws – protecting against discrimination in the sale, rental, or financing of housing based on race, religion, national origin, gender, disability, and family status – these services cease at the point where it is determined that there has not been a violation of those protections. Project Sentinel responded to this need for the 2023 and 2024 program year. For 2025, Project Sentinel has applied to provide tenant and landlord counseling services to City of Merced residents, initially requesting</p>

	<p>\$50,000. This amount may need to be reduced if the CDBG allocation is too low to support it.</p> <p><u>Harvest Time - Food box/homeless lunch distribution</u> <u>\$40,000 (preliminary/estimated)</u></p> <p>This organization provides prepared lunches and food box distributions to the homeless and low-moderate income residents via a partnership with the Merced Rescue Mission and through its drive-thru food box distribution warehouse located on the property of the Calvary Assembly of God Church. To continue providing consistent, dependable distributions to the community, funding is requested to cover staffing, gas/electric utility, insurance, and mileage costs to collect food donations and purchases. Providing this dependable food source to families is an indirect way of preventing chronic or at-risk homelessness, as it offsets these basic living costs, making more of a family's income available to pay rent or mortgage. Harvest Time initially requested \$75,820 for this program for 2025. This amount may need to be reduced if the CDBG allocation is too low to support it.</p> <p><u>Dr. Jennifer Jones Foundation - Rent-utility assistance/mental-health-substance abuse services</u> <u>\$37,900 (preliminary/estimated)</u></p> <p>The Dr. Jennifer Jones Foundation has applied for federal CDBG funding for the first time and is requesting financial assistance to expand their current "Legacy Project," which includes Enhanced Care Management and Community Support Services to Medi-Cal recipients through a partnership with Central California Alliance for Health, to include additional short-term rental and utility assistance resources and rapid re-housing funding, including rental security deposits. However, some aspects of a traditional rapid re-housing, such as medium-term rental assistance and/or voucher assistance, are not eligible uses of CDBG funds. CDBG can assist with other requested costs, such as staffing for case coordination, purchase of equipment, telephone utilities, and purchase of a vehicle as a capital expenditure for exclusive use in the program. The Dr. Jennifer Jones Foundation has initially requested \$450,000 in their application, which far exceeds what will be available. Housing Division staff will work with the organization to pare down the budget to specific items of cost that are eligible and necessary for the goal of service expansion. This year, no other organization has applied for CDBG funding to provide short-term rental/utility assistance.</p> <p><u>Love Never Fails/Bay Valley Foundation - Employment training</u> <u>\$40,000 (preliminary/estimated)</u></p> <p>Economic development needs such as job training, business building, and job creation or retention were repeated, both in its own category as well as the overall greatest needs in the community</p>
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		<p>(ranked 2nd greatest need). While general job training is not categorized by HUD as “economic development” in their regulation-based matrix of eligible activities, employment training in certain fields of work without being tied to a particular company or position can be accomplished as a public service program. Love Never Fails, Inc., a 501(c)(3) public charity organization, in collaboration with Bay Valley Foundation (the non-profit arm of Bay Valley Tech, or BVT) has requested \$120,000 to hold a series of three free 6-hour AI (Artificial Intelligence) Tools workshops, with the goal to improve participants’ employability and to support area entrepreneurs. Participants will acquire hands-on experience through BVT’s AI Tools training program, which will include learning in the following areas: marketing strategy, website/app design, project management, social media content, and app development. With \$120,000, approximately 60 residents can be trained – however, this amount will take a large bulk of the public service funding that will be available. As such, Housing Division staff is working with Love Never Fails to pare down the budget to eligible costs, which may reduce the number of beneficiaries.</p>
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Geographic Distribution

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.

The City of Merced will not allocate funding based on a specific geographic area but will instead prioritize activities and programs that demonstrate high quality and align with the priorities and goals of the Consolidated Plan. Funding distribution will be guided by the quality and quantity of applications received, ensuring alignment with the city's strategic objectives. While the City employs a place-based strategy during the planning period, the geographic allocation of funding will depend on the type of activity being funded. The primary focus is to support programs in areas most impacted by the needs of low-income residents and individuals with special needs.

Efforts to invest in neighborhoods where at least 51% of residents are classified as low- or moderate-income will be prioritized. Public infrastructure improvements, as an example of an area-benefit activity, are directed toward predominantly low- and moderate-income neighborhoods to ensure access to resources. These activities are intended to benefit all residents within a specific area, addressing critical needs and fostering community development.

Geographic Distribution

Table AP-50: Geographic Distribution

Target Area	Percentage of Funds
Citywide	75%
Eligible CDBG Census Tracts	25%

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, local plans and priorities, and the City's current Housing Element.

It's the City's intent to fund activities in the areas most directly affected by the needs of low to moderate income residents and communities 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 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 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 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. Some projects, such as infrastructure improvement projects, will be focused specifically to these areas, while other projects are intended to serve primarily residents with low to moderate incomes through projects themselves (i.e., public services, owner-occupied rehabilitation, and affordable housing).

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

This section provides an overview of affordable housing goals in Merced for FY 2025-26. It focuses on specific goals for the number of people experiencing homelessness, non-homeless populations, 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, the 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 households with extremely low incomes 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 will also encourage the development of supportive housing units for households earning up to 30 percent AMI.

The City's strategies related to CDBG & HOME funded efforts relate to providing funds for public services, 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 below goals will be finalized upon the finalizing of the NOFO released in January.

Table AP-55.01: One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	50
Special-Needs	20
Total	70

Table AP-55.02: One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	50
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	70

Discussion

N/A

AP-60 Public Housing – 91.220(h)

Introduction

Public housing was established to provide safe and quality rental housing for individuals and families with low and moderate incomes, including older adults and people with disabilities. Public housing encompasses federally subsidized, affordable housing owned and managed by public housing authorities. While the City of Merced does not own public housing, it works in close collaboration with the Housing Authority to ensure the availability of public housing options within the City and throughout Merced County.

The City of Merced remains committed to supporting low-income families by working independently and in partnership with the Housing Authority and local nonprofit organizations to provide housing assistance and develop public housing projects in Merced. The Housing Authority manages public housing programs, including the Housing Choice Voucher and Section 8 programs, which are critical resources for individuals and families in need. As of the 2024-2025 Public Housing Authority Plan, 2,379 families are on the waiting list for housing assistance, highlighting the ongoing need for affordable housing solutions.

The Housing Authority of Merced County serves as the public housing agency for both the City and the broader County. It operates independently of the City of Merced, with full control over its funding and program implementation. However, the City's Housing Division, in collaboration with local nonprofit developers, continues to work closely with the Housing Authority to support the development of future multi-family housing projects that address the community's needs. Together, these efforts demonstrate a shared commitment to expanding access to safe, affordable housing for Merced residents.

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

The HACM has established plans to address the critical housing needs in the region while ensuring compliance with federal regulations and expanding opportunities for vulnerable populations. A key focus of the PHA's strategy is the development and preservation of affordable housing. This includes ongoing efforts to maintain and improve the existing public housing stock through necessary capital improvements, ensuring these units remain safe, habitable, and viable for the long term. Innovative projects, such as the small/tiny homes initiative in Los Banos, are being pursued to expand the inventory of affordable housing and provide creative solutions for underserved populations.

In partnership with local entities, including the City and County of Merced, the PHA is spearheading several collaborative projects. These include Gateway Terrace II and Homekey initiatives, which aim to provide housing for vulnerable groups such as veterans and families who were formerly homeless. These partnerships also extend to private and nonprofit developers to facilitate the creation of affordable housing units, leveraging resources like Project-Based Vouchers (PBVs) to support long-term affordability. The PHA's commitment to addressing homelessness and poverty is further reflected in its efforts to convert existing housing into affordable units, creating more opportunities for families in need.

The PHA places a strong emphasis on fair housing and accessibility, ensuring that all new developments adhere to Fair Housing principles and are fully accessible for individuals with disabilities. This commitment includes addressing accessibility needs in both new and existing housing units to provide opportunities for all residents. These efforts align with the PHA's broader goal of creating inclusive communities that prioritize the needs of low-income individuals, families, seniors, and people with disabilities.

Programmatic enhancements are also a cornerstone of the PHA's strategy for the upcoming year. The agency is revising its policies to better align with updated HUD regulations and to address community-specific needs. These adjustments include refinements to eligibility criteria and financial management processes, as well as targeted strategies to reduce poverty concentrations. The integration of Project-Based Vouchers is a critical component of this effort, enabling the PHA to expand housing opportunities and support mixed-income developments that promote economic diversity.

To ensure effective program management and compliance, the PHA continues to leverage HUD systems like the Integrated Disbursement Information System (IDIS) for tracking and reporting progress. The agency is committed to monitoring measurable outcomes and providing technical assistance to strengthen operational effectiveness. This approach not only ensures regulatory compliance but also enhances the PHA's ability to deliver impactful housing solutions that address the pressing needs of the community.

In sum, the PHA's plan for the upcoming fiscal year reflects a proactive and collaborative approach to tackling housing challenges in the region. By focusing on development, partnerships, fair housing, and program improvements, the PHA is working to create sustainable housing opportunities that meet the needs of its residents while fostering long-term community stability.

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

The HACM places a strong emphasis on fostering resident involvement and supporting self-sufficiency to enhance the overall quality of life for its participants. Through a variety of methods, the HACM connects residents with services, activities, and community organizations that align with this vision. Resources such as a network center, public computer access, and community partnerships are available to residents, while the Authority's website provides dedicated sections for "resident" and "resident services," offering easy access to relevant services and service providers. Additionally, the HACM keeps residents and participants informed about program updates and opportunities through its website and regular mailings.

Public housing residents are actively encouraged to participate in shaping policies, procedures, and programs. They play a key role in the development of the HACM's five-year and annual plans, ensuring that their voices are heard and integrated into the decision-making process. This collaborative approach strengthens the connection between the HACM's and the communities it serves.

In the past, the HACM successfully implemented a Homeownership Program (HOP), which provided public housing tenants the opportunity to transition to homeownership. The program was designed to assist low-income families who might not otherwise be able to afford a home, offering them a path to ownership through eligibility requirements that included stable and sufficient income. Participants were required to attend educational courses on homeownership, credit counseling, home maintenance, and financial management. Although the program is no longer available due to the sale of all Section 3 HOP units, it served as a valuable initiative, enabling many families to achieve homeownership and financial independence. The success of the program reflects HACM's ongoing commitment to creating pathways for self-sufficiency and long-term stability for its residents.

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

N/A

Discussion

See above

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

Introduction

The City has developed a strategic approach to addressing the needs of individuals experiencing homelessness, those at risk of homelessness, and other special needs populations. This strategy involves allocating funding to supportive services within the City or to regional programs that specifically target homelessness within the City's limits.

Historically, the City used Community Development Block Grant (CDBG) public service funds to support the Merced Rescue Mission in operating an overnight warming center. This center provided temporary shelter for individuals experiencing homelessness during the cold and rainy winter months, utilizing large spaces made available by local churches. Since 2021, the Merced Rescue Mission has independently operated this service at the newly established Navigation Center on B Street in Merced, absorbing the associated operational costs into the center's budget without reliance on CDBG funds.

In addition to supporting emergency shelter efforts, the City has worked collaboratively with developers and nonprofit organizations to address housing affordability. For example, the City has partnered with Central Valley Coalition for Affordable Housing, The Richman Group, Merced Rescue Mission, and Sierra Saving Grace to provide grants for the preservation of existing affordable housing and the construction of new affordable rental units, significantly contributing to the community's affordable housing stock.

Currently, a wide array of homeless services is available within the City, coordinated by various organizations operating across Merced County. Many of these programs collaborate with the Merced County CoC, which serves as the County's Collaborative Applicant for Emergency Shelter Grant (ESG) and other funding sources administered annually by the California Department of Housing and Community Development (HCD). The City remains actively engaged with the CoC, working to identify how the needs of the homeless population can be further addressed through CDBG and HOME funding assistance. A City representative regularly attends CoC homeless committee meetings, fostering collaboration among the region's homeless service providers and advocates. These meetings play a critical role in minimizing the duplication of services and ensuring that limited funding resources are used efficiently and effectively across participating organizations.

Through these coordinated efforts, the City continues to advance its commitment to reducing homelessness, increasing affordable housing options, and supporting its most vulnerable residents.

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 individuals and families at risk of and experiencing homelessness. This will remain true for the upcoming program year.

In January, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

Addressing the emergency shelter and transitional housing needs of homeless persons

Same as above.

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

Same as above

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

Same as above

Discussion

See above

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

Introduction:

The development industry faces numerous constraints that impact the construction of new housing. These constraints, which can significantly limit the number of housing units built and increase their costs, can generally be categorized into governmental and non-governmental factors. While these factors are often interrelated, governmental policies and regulations at the federal, state, and local levels have the most direct influence on housing availability and affordability.

Federal monetary policies and national economic conditions, which have some of the most significant impacts on housing costs, are beyond the influence of local governments. However, local governments play a critical role in shaping the local housing market and can take proactive steps to encourage and facilitate housing production. One of the key objectives of the Housing Element is to require local governments to evaluate their performance in addressing local housing needs. By examining local conditions and regulations that may affect the housing market, municipalities can take action to prepare for future growth in a way that safeguards public health and safety while minimizing unnecessary costs associated with housing production. This analysis deliberately excludes federal and state policies that fall outside the jurisdiction of local governments.

The City has implemented several initiatives to reduce potential barriers and constraints to affordable housing development while supporting the creation of housing for special needs populations. These initiatives include providing regulatory and density incentives, as well as other measures designed to assist affordable housing developers. The City's Housing Element outlines these programs in greater detail, highlighting the City's commitment to creating a supportive environment for housing development.

Additionally, the City has adopted policy changes and employed a combination of housing development tools to ensure that affordable housing units are constructed alongside market-rate housing. These efforts demonstrate the City's proactive approach to fostering a balanced and inclusive housing market that meets the needs of its residents while addressing affordability and accessibility challenges.

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

In January, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

Discussion: N/A

AP-85 Other Actions – 91.220(k)

Introduction:

This section will outline the City's planned actions to implement the key strategies identified in the Consolidated Plan, including:

- Expand & improve public infrastructure and facilities
- Offer fair housing services to residents
- Preserve, rehabilitate, and expand affordable rental and for-sale opportunities
- Public services and quality of life improvements
- Housing and services for Merced's most vulnerable populations

Furthermore, the City will assess challenges in addressing the needs of underserved populations and propose targeted actions to overcome these barriers, ensuring access to housing and community resources.

Actions planned to address obstacles to meeting underserved needs

In January, the City issued a Notice of Funding Opportunity (NOFO) to engage established local non-profit organizations in leveraging CDBG and HOME funds. This proactive approach is aimed at fostering strategic partnerships to amplify the impact of these resources within the community. Updates to this section will be provided upon finalization of the NOFO outcomes, reflecting the City's continued commitment to transparency and collaboration in meeting its housing and service goals.

Actions planned to foster and maintain affordable housing

Same as above

Actions planned to reduce lead-based paint hazards

Same as above

Actions planned to reduce the number of poverty-level families

Same as above

Actions planned to develop institutional structure

Same as above

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

The City's Housing Department is primarily responsible for managing and coordinating the efforts of various organizations involved in housing and community development processes. Department staff work collaboratively with other City departments and community stakeholders to design and implement programs and activities aimed at improving low- and moderate-income neighborhoods throughout

Merced. These efforts encompass a wide range of initiatives, including housing, public facilities and infrastructure enhancements, social and public services, and economic development projects. To deliver these programs and services effectively, the City partners with public agencies, for-profit entities, and non-profit organizations.

The City remains committed to working closely with Merced County, which surrounds the City, as well as with local non-profit organizations, to address regional challenges that impact low-income individuals and families, as well as populations with special needs. A representative from the City's staff will continue to actively participate in CoC meetings to ensure that issues related to homelessness are being addressed in a collaborative and coordinated manner. Through these partnerships and initiatives, the City strives to create meaningful and sustainable improvements in the community.

Discussion

See above

Program Specific Requirements

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

Introduction:

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

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
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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:

[City to complete]

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:

[City to complete]

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:

[City to complete]

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:

[City to complete]

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities.
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)).

Not applicable.

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).

Not applicable.

Appendix A- Alternate/Local Data Sources

1	<p>Data Source Name</p> <p>2014-2018 ACS, 2019-2023 ACS</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau</p>
	<p>Provide a brief summary of the data set.</p> <p>The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p>
	<p>What was the purpose for developing this data set?</p> <p>ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2014-2018 ACS, 2019-2023 ACS</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
2	<p>Data Source Name</p> <p>2017-2021 CHAS</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)</p>
	<p>Provide a brief summary of the data set.</p> <p>Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.</p>

	What was the purpose for developing this data set? The CHAS data are used by local governments to plan how to spend HUD funds and may also be used by HUD to distribute grant funds.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Merced, CA
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? 2017-2021 CHAS
	What is the status of the data set (complete, in progress, or planned)? Complete
3	Data Source Name 2019-2023 ACS 5-Yr Estimates
	List the name of the organization or individual who originated the data set. US Census Bureau
	Provide a brief summary of the data set. The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.
	What was the purpose for developing this data set? Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Merced, CA
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? 2019-2023 ACS 5-Year Estimates
	What is the status of the data set (complete, in progress, or planned)? Complete

4	Data Source Name
	2019-2023 ACS (Workers), 2022 LEHD (Jobs)
	List the name of the organization or individual who originated the data set.
	2019-2023 ACS and 2022 Longitudinal Employee-Household Dynamics: United States Census Bureau
	Provide a brief summary of the data set.
	<p>The American Community Survey (ACS) is an ongoing survey that provides data every year -- giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.</p> <p>The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.</p>
	What was the purpose for developing this data set?
<p>ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.</p> <p>LEHD: Information from the LEHD help state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, and jobs with state-of-the-art confidentiality protections and no additional data collection burden.</p>	
How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?	
Merced, CA	
What time period (provide the year, and optionally month, or month and day) is covered by this data set?	
2019-2023 ACS (Workers), 2022 LEHD (Jobs) - The most recent data available for the LEHD was 2022. The 2019-2023 ACS data was used to match.	
What is the status of the data set (complete, in progress, or planned)?	
Complete	
5	Data Source Name
	HUD 2024 FMR and HOME Rents

	<p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p> <p>Provide a brief summary of the data set.</p> <p>Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for the Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.</p> <p>HOME Rents Limits are based on FMRs published by HUD. HOME Rent Limits are set to determine the rent in HOME-assisted rental units and are applicable to new HOME leases.</p> <p>What was the purpose for developing this data set?</p> <p>Fair Market Rents (FMRs) are used to determine payment standard amounts for HUD Programs.</p> <p>HOME Rent Limits are the maximum amount that may be charged for rent in HOME-assisted rental units and are applicable to new HOME leases.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2023/2024</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
6	<p>Data Source Name</p> <p>PIC (PIH Information Center)</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p> <p>Provide a brief summary of the data set.</p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p> <p>What was the purpose for developing this data set?</p> <p>IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of HAs, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users.</p>

	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>Merced, CA</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2023</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
7	<p>Data Source Name</p> <p>2024 Housing Inventory Count</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p>
	<p>Provide a brief summary of the data set.</p> <p>The Housing Inventory Count Reports provide a snapshot of a CoC's HIC, an inventory of housing conducted annually during the last ten days in January, and are available at the national and state level, as well as for each CoC. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing.</p>
	<p>What was the purpose for developing this data set?</p> <p>HIC provides the inventory of housing conducted annually during the last ten days in January. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>COC</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2024</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
8	<p>Data Source Name</p> <p>Bureau of Labor Statistics</p>

	List the name of the organization or individual who originated the data set. Bureau of Labor Statistics (BLS)
	Provide a brief summary of the data set. BLS unemployment rates are from the BLS Local Area Unemployment Statistics (LAUS). This program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence.
	What was the purpose for developing this data set? The purpose of the BLS data is to collect, analyze, and disseminate essential economic information to support public and private decision making.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Merced, CA
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? 2018-2022 ACS
	What is the status of the data set (complete, in progress, or planned)? Complete
9	Data Source Name Housing Authority of the County of Merced
	List the name of the organization or individual who originated the data set. Housing Authority of the County of Merced
	Provide a brief summary of the data set. The housing authority's public housing and voucher inventory.
	What was the purpose for developing this data set? The housing authority has developed this data set to keep track of its affordable housing portfolio.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Housing Authority of the County of Merced and the City of Merced.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? 2023-2024

	What is the status of the data set (complete, in progress, or planned)? Complete
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