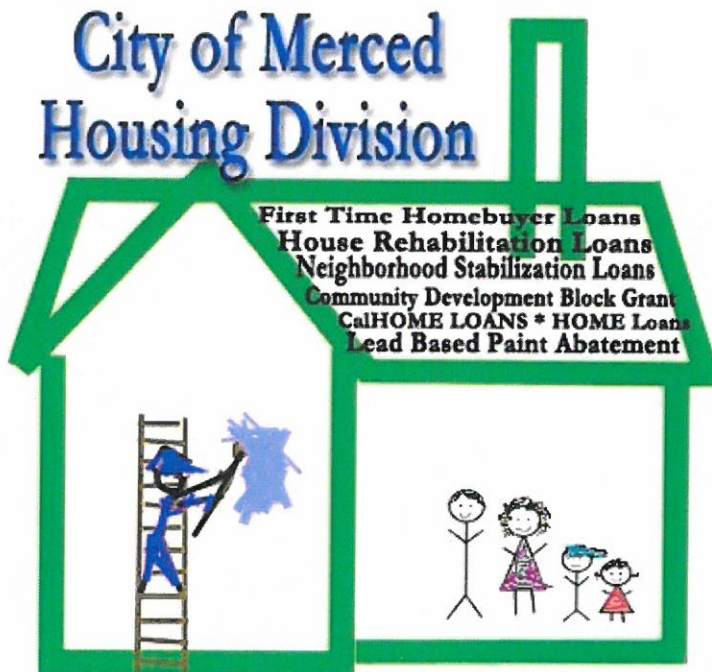


CITY OF MERCED 2016-17 CDBG & HOME ANNUAL ACTION PLAN



ADOPTED
April 18, 2016

Executive Summary

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

1. Introduction

The City of Merced has prepared the 2016 Action Plan, which covers the second year goals described in the 2015-2020 Consolidated Plan. The Action Plan identifies the activities to be funded with Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds to be received from the U.S. Department of Housing and Urban Development in 2016 during the program year.

In order to be eligible to receive Community Development Block Grant (CDBG) funds, the City of Merced must submit a Consolidated Plan to the Department of Housing and Urban Development (HUD) every five years, and is required to update that plan annually. The Consolidated Plan is an assessment and analysis of local conditions and issues related to housing, homelessness, community development, and economic development. Utilizing a comprehensive outreach and citizen participation process, the Consolidated Plan describes priority needs facing the community and develops strategies to address those needs. This 2016 Annual Action Plan is the second of five required annual updates to the 2015-2020 Consolidated Plan. The annual Plan also identifies funding priorities and details the projects proposed to receive Federal funds under the CDBG and HOME Investment Partnership (HOME) Programs. The 2016 Annual Action Plan also includes the HUD 108 Debt Service repayment program.

2. Summarize the objectives and outcomes identified in the Plan

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

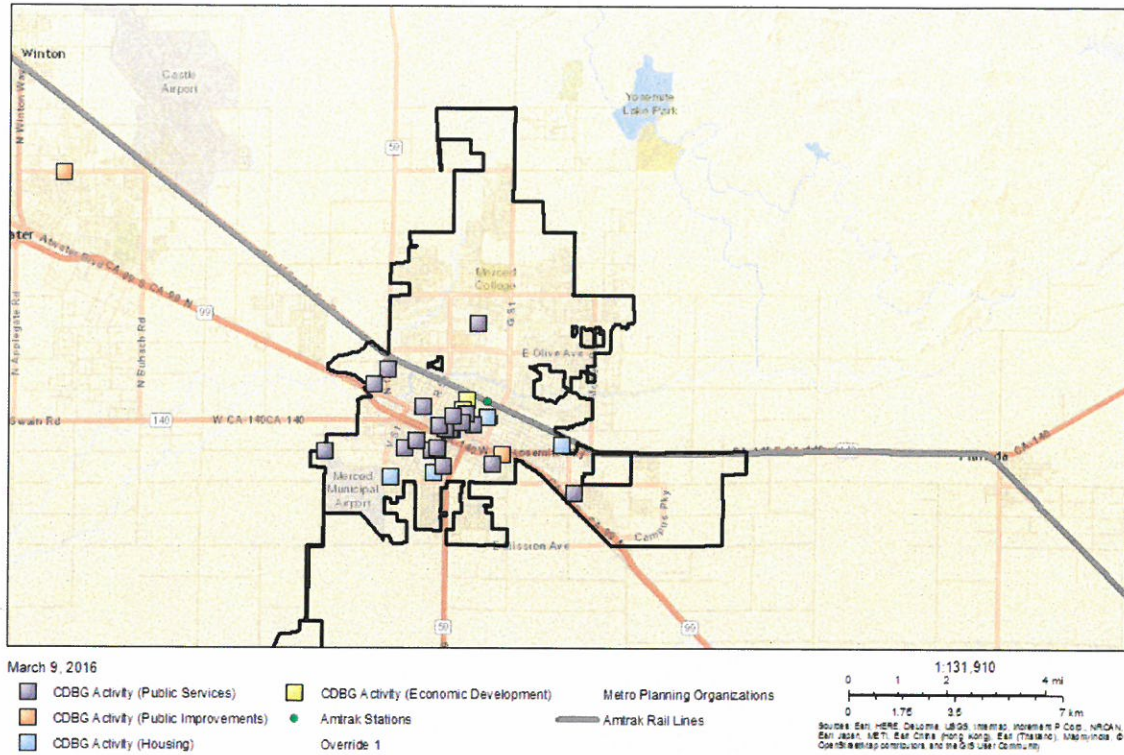
The Needs Assessment within the 2015-2020 Consolidated Plan identified several target populations:

- Extremely low-income and very low-income households;
- Seniors;
- Youth, primarily ages 6 – 17;
- Persons with disabilities;
- Foster youth;

- Public facilities (either new or upgrades/expansions to existing facilities), including community centers, youth facilities, community gardens and one-stop service centers;
- Affordable housing programs for new housing construction, the preservation and rehabilitation of existing rental housing, emergency housing repairs, down-payment assistance and tenant-based rental assistance;
- Crime prevention activities to provide resources to support law enforcement and crime prevention programming in designated neighborhoods;
- Public improvements, especially those focused on increasing accessibility, such as ADA curbs ramps and sidewalk infill, and storm drainage and flooding improvements;
- Public services for a wide range of populations, including seniors, youth, disabled persons, homeless households, foster youth, displaced workers, and households with fair housing issues;
- Employment development services to provide training and to support job creation.

Through the full five year term of the Consolidated Plan, the City of Merced anticipates funding projects related to all of these needs, although available funding resources, community-based organization partnerships, and market conditions may ultimately limit the City's ability to fund some project types. Given the City's relatively small CDBG and HOME allocations, funds for affordable housing or other large capital improvement projects will need to come from other sources such as the State of California's Affordable Housing and Sustainable Communities program, the Department of Housing and Community Development (HCD), and the Department of Housing and Urban Development (HUD).

City of Merced - 2015 HUD Annual Action Plan



City of Merced - 2015 HUD Annual Action Plan

3. Evaluation of past performance

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

The City of Merced received \$923,257 in CDBG and \$305,810 in HOME entitlement funds in FY 2015/16. The City funded 9 public service programs this past year. The funding for these programs encompassed a variety of services to benefit youth, needy families, seniors, homeless persons, and other special needs groups. Award amounts ranged from \$3,000 to \$18,000.

The City also supported community development projects based on clearly identified needs. Among these initiatives were programs that focused on handicap accessibility projects and public infrastructure improvements in low-income neighborhoods. Both the public service programs and the community development projects were based on priorities identified in the Consolidated Plan.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Two of the formal objectives of the Plan are to: 1) promote citizen participation in the development of local priority needs and objectives; and 2) encourage consultation with public and private agencies to identify shared needs and solutions to persistent community problems. The Housing Division of the Economic Development Department invites the community to provide input on the way grant funds from the HUD are spent. This Citizen's Participation Plan outlines the way the City communicates with residents regarding the use and expenditure of HUD funds. Community and neighborhood meetings are organized by City staff and/or by local community-based organizations to seek community input and identify community needs. These meetings serve several purposes:

- Obtains community input about how funds should be spent;
- Solicits information about neighborhood needs;
- Builds a sense of community among neighborhood residents;
- Encourages community empowerment and greater community voice;
- Provides neighborhoods with information about city services.
- The Housing Division staff work with various City Departments to ensure that capital improvement projects are on schedule, and that invoices are paid in a timely manner.
- The Housing Program Supervisor participates in the following community/collaborative committees on a regular basis: (a) Serves as a board member for the Merced Continuum of Care, (b) Serves as the committee chair for the "Affordable Housing Group" through the Merced COC, (c) participates in the yearly homeless street count, (d) serves on the City of Merced ADA Committee/Citizen Advisory Panel.
- The Housing Program Supervisor is involved in the update of the City's Housing Element, particularly in the discussions surrounding multi-family and affordable housing, and a review of existing HUD-funded housing programs and an evaluation of their effectiveness.
- The Housing Program Supervisor ensured the Analysis of Impediments to Fair Housing Choice was completed and works with a vendor to ensure the document is implemented in the community.

5. Summary of public comments

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

In order to get a broad range of communication between the City of Merced, its public citizens and its public agencies, the Housing Division has sponsored or participated in six separate functions. Housing division has participated in informing the citizens of Merced with an information table at three City of Merced Town Hall meetings. In addition, three HUD Annual Plans Meetings were held to address and inform of community assistance funds for FY 2016/17.

In order to reach and engage with the citizens, Housing Division set up an information table at each of the three City of Merced Town Hall budget meetings. At the Town Hall meetings, the citizens were able to informally address City Council with their requests for city budget funds. This gave the Housing Division the opportunity to directly engage with citizens before and after the meetings. For those citizens that left their contact information a telephone call was made to find out if there was any additional information the Housing Division could provide after the initial meeting contact.

Public legal notices were published in the Merced Sun-Star and Merced County Times newspapers regarding providing information and application assistance to engage with public agencies and non-profits. Local public agencies and non-profits were assisted and also given the opportunity to spend time to discuss their community goals and needs. Some goals included homeless continuum of care, affordable housing, existing home rehabilitation, and capital neighborhood improvement. In some instances, groups discussed sharing resources in order to expand connection to the community. Public notice was published on the City's web site and was mailed to approximately seventy-five local public agencies and non-profits.

A public City of Merced City Council hearing will be held on April 18, 2016, in which the Housing Division will be included in order to present outreach requests from public agencies and non-profit applications for CDBG and HOME funds. The needs of each organization project will be presented and addressed to the Council.

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

The City has not received any public comments that were not accepted.

7. Summary

City Council approved the Draft Annual Action Plan with attachments at the April 18th, 2016 Council Meeting.

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

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

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

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

Table 1 – Responsible Agencies

Narrative (optional)

The Economic Development Department – Housing Division is responsible for overseeing the administration of the City’s Community Development Block Grant and HOME Investment Partnership Program funding, including the preparation of the Annual Action Plan. The Housing Division Supervisor over-see the day-to-day administration of these programs.

Consolidated Plan Public Contact Information

City of Merced
Housing Division
678 W. 18th Street
Merced, CA 95340
Attn: Mark Hamilton
Housing Program Supervisor
(209) 385-6863
hamiltonm@cityofmerced.org

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

1. Introduction

In preparing the Action Plan, the City consulted with a variety of agencies, including local and regional community-based organizations, the Merced County Housing Authority, and many others. The goal of the consultation process was to provide detail of the priority needs identified in the Consolidated Plan and how those agencies best could focus their programs and activities to help address those priority needs and to explore opportunities for coordination to improve availability and access to services.

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

City staff has been meeting with several local health, mental health and service agencies to explore opportunities to increase service delivery through fixed locations in or at least closer to the neighborhoods where the clientele reside.

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 of Merced will continue to work as part of the Merced Continuum of Care (CoC) in 2016-17. The CoC is currently administered by the Merced County Association of Governments (MCAG), with several local agencies and organizations receiving funding. The City’s efforts to address the needs of homeless persons have included participation and support of "Housing First" and working with both the United Way and the Merced County Rescue Mission. These organizations will be partnering with Urban Initiatives to ensure the Continuum of Care is carried during the 2016-17 fiscal year.

The Continuum of care coordinates homeless services being offered within the City and County of Merced. The Continuum of Care members includes government and faith-based organizations, health services, private businesses and other community-based service providers. The CoC has a board and various committees that meet monthly to discuss homeless issues and effective ways of addressing current homeless issues.

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

The City of Merced does not have sufficient population to receive Emergency Shelter Grant (ESG) funding directly. The Merced COC administers several federal grant programs that provide direct assistance to homeless individuals and families. They include several Supportive Housing Programs (SHP) and a Shelter Plus Care (SPC) Program. The SPC program provides rent assistance for disabled homeless individuals. Supportive Housing Programs provide rent assistance and supportive services to homeless families and individuals to assist them in making a successful transition from homelessness to independent living. Funds for these programs are received through HUD's Continuum of Care Homeless Assistance Grant Application process. Additionally, the Merced COC will be applying for ESG funds through the Department of Housing and Community Development (HCD) during the 2016-17 fiscal year.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	INSTITUTE FOR URBAN INITIATIVES
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization is the primary contact for the Merced COC.
2	Agency/Group/Organization	MERCED COUNTY ASSOCIATION OF GOVERNMENTS
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Merced COC - Subrecipient
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization is currently overseeing the Merced CoC.
3	Agency/Group/Organization	CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Public Housing Needs Homelessness Needs - Veterans
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is an established Community Housing Development Organization and an Affordable Housing Developer.

4	Agency/Group/Organization	HEALTHY HOUSE WITHIN A MATCH COALITION
	Agency/Group/Organization Type	Services-Elderly Persons Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization provides services to non-English speaking individuals.
5	Agency/Group/Organization	United Way
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Services-Education Services-Employment Services - Victims Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization works with multiple service providers within the community.
6	Agency/Group/Organization	MERCED COUNTY
	Agency/Group/Organization Type	Housing PHA Other government - County Major Employer
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization oversees all county government operations.
7	Agency/Group/Organization	MERCED RESCUE MISSION
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization works with multiple service providers and provides homeless services within the community.

8	Agency/Group/Organization	MERCED CITY POLICE DEPARTMENT
	Agency/Group/Organization Type	Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This department is the local police department for the City of Merced.
9	Agency/Group/Organization	MERCED LAO FAMILY
	Agency/Group/Organization Type	Services-Children Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization provides services to non-English speaking individuals. Primarily serves the Hmong population within the community.
10	Agency/Group/Organization	THE POTTER'S PLACE
	Agency/Group/Organization Type	Services-Employment Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The organization provides services to low-income individuals and households, primarily serving the South Merced population.

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

The City consulted a variety of agencies serving Merced residents and the region. No agency types were specifically left out of the consultation process.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Merced County Association of Governments	Both address issues pertaining to homelessness and special needs housing.
Housing Element	City of Merced - Planning Division	Both include the goal of fostering affordable housing.
San Joaquin Valley Fair Housing Equity Assessment	California Coalition for Rural Housing	Both address issues impacting Fair Housing Choice, expanding economic opportunities, and building capacity and leadership in marginalized populations.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

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

In order to get a broad range of communication between the City of Merced, its public citizens and its public agencies, the Housing Division has sponsored or participated in six separate functions. Housing division has participated in informing the citizens of Merced with an information table at three City of Merced Town Hall meetings. In addition, three HUD Annual Plans Meetings were held to address and inform of community assistance funds for FY 2016/17.

In order to reach and engage with the citizens, Housing Division set up an information table at each of the three City of Merced Town Hall budget meetings. At the Town Hall meetings, the citizens were able to informally address City Council with their requests for city budget funds. This gave the Housing Division the opportunity to directly engage with citizens before and after the meetings. For those citizens that left their contact information a telephone call was made to find out if there was anything additional information that the Housing Division could provide after the initial meeting contact.

Public legal notices were published in the Merced Sun-Star and Merced County Times newspapers regarding providing information and application assistance to engage with public agencies and non-profits. Local public agency and non-profits were assisted and also given the opportunity to spend time to discuss their community goals and needs. Some goals included homeless continuum of care, affordable housing, existing home rehabilitation, and capital neighborhood improvement. In some instances, groups discussed sharing resources in order to expand connection to the community. Public notice was published on the City's web site and was mailed to approximately seventy-five local public agencies and non-profits.

A public City of Merced City Council hearing will be held on April 18, 2016, in which Housing Division will be included in order to present outreach requests from public agencies and non-profit applications for CDBG and HOME funds. The needs of each organization project will be presented and addressed to the Council.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Internet Outreach	Non-targeted/broad community Residents of Public and Assisted Housing	Various phone calls and emails requesting information.	Good to have source for Housing related questions.	None.	www.cityofmerced.org/depts/econdev/housing_division/
2	Mailed Letters to local organizations	Non-Profit Organizations currently performing services within in the City of Merced	Received 8 phone calls.	stating they would be interesting in obtaining more information and attending one of the Housing Division's CDBG/HOME Meetings.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting	Non-targeted/broad community Community Organizations	12/17/2015 - Two Community Organizations attended.	Request to apply for CDBG funding and if CDBG funds can pay for shared office space.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Meeting	Non-targeted/broad community Community Organizations	1/4/2015 - Five Community Organizations attended.	Organizations wanted to know more information regarding using CDBG funds for youth and homeless programs, Continuum of Care services, HOME program rehabilitation, and down-payment assistance for commercial property.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
5	Public Meeting	Community Organizations	2/2/2016 - Eight Community Organizations attended.	Organizations questions were focused on funding youth and homeless programs, housing programs, and program expansion.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	Non-targeted/broad community	4/18/2016 - Public Hearing before the City Council. Meeting was attended by various community members and televised to a broader viewing audience.	Valley Crisis Center described their program to the audience. One Council member asked the question regarding whether an application was received on time. Staff responding by confirming we did receive the application after the deadline. Staff was recommending the program to be funded due to the amount of available funds in the Annual Action Plan for this fiscal year.	None.	20

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
7	Public Meeting	Non-targeted/broad community	2/18/2016 - City Council Town Hall Meeting in South Merced. The meeting was attended by various community members and televised to a broader viewing audience. Housing Division set-up a table soliciting programs.	The comments and questions received were general.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
8	Public Meeting	Non-targeted/broad community	2/25/2016 - City Council Town Hall Meeting in North Merced. The meeting was attended by various community members and televised to a broader viewing audience. Housing Division set-up a table soliciting programs.	The comments and questions received were general. One individual requested information regarding the First Home Buyer Program which was mailed to them the following business day.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
9	Public Meeting	Non-targeted/broad community	3/3/2016 - City Council Town Hall Meeting in Central Merced. The meeting was attended by various community members and televised to a broader viewing audience. Housing Division set-up a table soliciting programs.	The comments and questions received were general. One individual inquired about delinquent property taxes. The housing division advised them the County of Merced Assessors office should be able to provide the information they requested.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
10	Newspaper Ad	Community organizations	12/15/2015 - There were no attendees. The ad was soliciting the notice of funding availability of CDBG & Home Funds for Fiscal Year 2016/17. The outreach was an ad placed in the Merced Sun-Star (largest circulated newspaper within the City of Merced).	Received calls from four organizations requesting additional information.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
11	Newspaper Ad	Community Organization	12/15/2015 - There were no attendees. The ad was soliciting the notice of funding availability of CDBG & Home Funds for Fiscal Year 2016/17. The outreach was an ad placed in the Merced County times (Second largest circulated newspaper within the City of Merced).	Received calls from four organizations requesting additional information.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
12	Newspaper Ad	Non-targeted/broad community	3/17/2016 - Public Hearing Notice for the April 18, 2016 Public Hearing. The outreach was an ad placed in the Merced Sun-Star (largest circulated newspaper within the City of Merced).	No comments received.	None	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
14	Public Meeting with the Board of Realtors	Non-targeted/broad community Real Estate and Lending Community	12/8/2015 - There were a total of 50 individuals in attendance.	The questions were focused on how the Homeowner Rehabilitation program and Down-Payment Assistance Program would benefit the community.	None.	
15	Public Meeting	Non-targeted/broad community	General May 2nd Council Meeting		None.	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The City of Merced will have a total of \$1,287,818 in new CDBG funds for program year 2016-2017. Allocation of funds and assignment of priorities for funding are based upon the national goals set forth by HUD regulations, and local goals for housing and community development. Local goals, consistent with HUD regulations, focus on building up and improving the City's residents and neighborhoods. The City intends on pursuing additional funding through the State Affordable Housing and Sustainable Communities Program, Cal-Home, and other state and federal resources as may be appropriate.

In terms of program income, the City does not anticipate a steady stream of program income during the term of the Consolidated Plan (2016-2020). The fluxuation in program income is due to payments received from the County of Merced through Chapter 8 - Tax default property sales. Program income received from the repayment of Rehabilitation loans, First Time Homebuyer loans, and residual receipt payments will be automatically be re-programmed for loan activities in those same or similar programs from which the funds were originally provided to the extent possible. If additional program income funds are received that are not automatically re-programmed, specific projects will be identified during a mid-year technical or substantial amendment process.

Additionally, with Assembly Bill (AB) 1335 – Building Homes and Jobs Act (Atkins) and AB 35 – Low-Income Housing Tax Credits (Chiu and Atkins). Through recording fees on real estate transactions, AB 1335 would generate on a yearly basis up to \$700 million for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing, and other housing needs. Funds under this bill would be distributed to local jurisdictions and provide more stable funding for housing programs. This bill will help to leverage additional federal and local funds, as well as, private investments. AB 35, if passed, would increase the state's Low-Income Housing Tax Credit by \$300 million to build and rehabilitate affordable housing. Increasing the available tax credits for low-income housing will help leverage additional federal tax credits and tax bond authority. Should these bills pass, the City may apply for additional funds from these new state resources.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	959,615	380,011	1,093,338	2,432,964	2,733,413	The City is anticipating an increase in grant and program funds for the 2016/17 fiscal year. The increase in program income should be considered a one-time increase and not anticipated for the 2017/18 fiscal year.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	328,203	337,493	420,656	1,086,352	895,037	The City is anticipating an increase in grant and program funds for the 2016/17 fiscal year. The increase in program income should be considered a one-time increase and not anticipated for the 2017/18 fiscal year.

Table 5 - Expected Resources – Priority Table

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

City staff, in its funding applications, emphasizes to applicants the need to leverage federal, state and local resources. These efforts have been fruitful and projects funded under CDBG and HOME have substantially exceeded accomplishments that could be achieved from federal funds alone. Although there is no official match requirement in the CDBG program, in most cases, other funds, such as private funds received through donors or fund raising activities, commercial loans, Gas Tax funds, non-federal funds, are used to supplement and defray project costs. HOME funds require a 25% match and ESG funds require a dollar for dollar match.

Federal match requirements apply to the City's HOME funds. The HOME program requires that for every HOME dollar spent, the City must provide a 25 percent match with non-federal dollars. In the past, redevelopment Low and Moderate Income Housing funds were the City's primary source for leveraging or providing matching funds for the City's Housing programs. With the dissolution of redevelopment in California, the City no longer has access to this funding source. Currently, the City still maintains an excess in match requirement from previous fiscal years. This excess match will fulfill the City's HOME match requirements for many years.

The City utilizes additional Federal, State and Local funding sources leverage the HUD Community Planning and Development (CPD) funds that the City or its Subrecipients, further described below.

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

State Programs: Low-Income Housing Tax Credits (LIHTC), Mental Health Services ACT (MHSA), Cal-Home Program, The California Housing Finance Agency (CalHFA), Multi-Family Housing Program (MHP), Emergency Housing Assistance Program (EHAP), Affordable Housing Program (AHP), and the Housing Related Parks Program (HRP).

Local Programs: City Density Bonus Program and loans from the Conventional Lending Industry.

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

The City as Successor Housing Agency to the former Redevelopment Agency (RDA), has a number of vacant properties that may be used to support additional affordable housing projects over the next five to ten years. These properties must be used to further the goal of the City in the development of additional affordable housing units.

Discussion

In addition, the City's Housing Division oversees all housing assets and functions acquired or assisted with Low and Moderate Income Housing Funds in February 2012. Although no new Low and Moderate Income funds will be available, the City's Housing Division has accepted the responsibility for the physical housing assets and loan portfolio which may continue to generate income as loans are repaid. The City's Housing Division will have the responsibility for determining the direction and focus of any income generated from original Low and Moderate Income Housing Funds. These funds may be used to purchase property to meet the goals and objectives included in this Plan.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	rehabilitate and enhance existing neighborhoods	2015	2019	Affordable Housing Non-Housing Community Development housing rehab	City Wide	Public Infrastructure and Capital Improvements Homeless Services Fair Housing	CDBG: \$1,360,100 HOME: \$250,000	Homeowner Housing Added: 20 Household Housing Unit Homeowner Housing Rehabilitated: 20 Household Housing Unit
2	Support Services	2015	2019	Non-Homeless Special Needs	City Wide	Homeless Services	CDBG: \$313,000 HOME: \$5,500	Homeless Person Overnight Shelter: 1000 Persons Assisted
3	Fair Housing	2015	2019	Non-Homeless Special Needs	City Wide	Fair Housing	HOME: \$25,000	Other: 300 Other
4	Public and Infrastructure Improvements	2015	2019	Non-Housing Community Development	Eligible CDBG Areas	Public Infrastructure and Capital Improvements	CDBG: \$355,470	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	NRSA Planning	2015	2020	Non-Housing Community Development	Eligible CDBG Areas	Public Infrastructure and Capital Improvements Job Creation Public Services Homeless Services	CDBG: \$0 HOME: \$0	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 3000 Households Assisted Facade treatment/business building rehabilitation: 2 Business Housing for Homeless added: 100 Household Housing Unit
6	Permanent Supportive Housing	2015	2020	Homeless	Eligible CDBG Areas	Public Infrastructure and Capital Improvements Job Creation Public Services Homeless Services	CDBG: \$232,500 HOME: \$50,000	Housing for Homeless added: 25 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	rehabilitate and enhance existing neighborhoods
	Goal Description	N/A

2	Goal Name	Support Services
	Goal Description	The funds will be used for the following: <ul style="list-style-type: none"> • Public Services • Reimbursement of CDBG and HOME Administrative Cost. • Merced Continuum of Care
3	Goal Name	Fair Housing
	Goal Description	Ensure that all housing programs are available without discrimination on any basis.
4	Goal Name	Public and Infrastructure Improvements
	Goal Description	To preserve, rehabilitate and enhance existing public facilities.
5	Goal Name	NRSA Planning
	Goal Description	Economic and Community Development in targeted area. The targeted area is the Martin Luther King Jr. Way corridor.
6	Goal Name	Permanent Supportive Housing
	Goal Description	Facilitate the construction of Permanent Supportive Housing.

Table 7 – Goal Descriptions

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 91.215(b):

The Fiscal Year 2016-17 goal for the total number of extremely low-, low-, and moderate- income households to be supported is _____. This includes _____ through permanent supportive housing projects, public facility infrastructure improvements, fair housing and other various public services offered in the community. Additionally, low and moderate-income households will continue to be supported through the Homeowner Rehabilitation Program as well as serving the Homeless population with a new permanent supportive housing project, currently in the eligibility stage.

In the 2016 program year, the City plans a developer partnerships to yield approximately four homeless permanent supportive housing projects.

AP-35 Projects – 91.220(d)

Introduction

The activities to be undertaken during 2016-2017 are summarized below. All of the Public Service activities identified are expected to be completed no later than June 30, 2017.

#	Project Name
1	Community Housing Development Organization (CHDO) - CVCAH
2	Community Housing Development Organization (CHDO) - CVCAH
3	Rehabilitation of Foreclosed Property
4	South Merced ADA Ramp Project #116033
5	HUD 108 Loan Payment
6	Sidewalk Repair
7	Fair Housing Services - Project Sentinel
8	Merced City and County Continuum of Care - United Way
9	ADA Ramp and Sidewalk Modifications - City of Merced Engineering Department
10	Existing Home Rehabilitation - Habitat for Humanity Merced County
11	Room at the Inn - Merced County Rescue Mission
12	Homeless Project - Sierra Saving Grace
13	Brush with Kindness - Habitat for Humanity Stanislaus County
14	Homeless Prevention for Domestic Violence Victims - Valley Crisis Center
15	Ethnic Elders Transportation Assistance and Support - Healthy House
16	Rental Deposit Assistance - Housing Authority of Merced County
17	SOAR Case Management Program - Merced County Rescue Mission
18	Rental Deposit Assistance - Merced County Rescue Mission
19	Warming Center - Merced County Rescue Mission
20	Supportive Housing Project - Sierra Saving Grace
21	Community Housing Development Organization

Table 8 – Project Information

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

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

While there are several constraints to meeting the needs of low-income residents, the primary obstacle

is that there is a lack of funding to fully address all needs. The economic challenges facing the nation have forced many nonprofits to cut services at a time when governmental entities and others are least able to provide them.

A second obstacle to meeting underserved needs is that the location of many available services is in the community. Housing staff works closely with the engineering department and regional agencies to improve access.

A third obstacle is the number of nonprofits that need assistance with basic management and fiscal policies. New nonprofits have formed in Merced and throughout the region, and they have small but passionate staffs and volunteers devoted to a variety of issues. Unfortunately, most new nonprofits do not have the capacity to meet the financial and reporting requirements of CDBG and other grant programs, and may need basic assistance, setting up bookkeeping systems, and applying for grants.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	Community Housing Development Organization (CHDO) - CVCAH
	Target Area	Eligible CDBG Areas
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$312,707
	Description	DEVELOPMENT OF A SINGLE FAMILY RESIDENCE (CONSISTING OF 4 UNITS) FOR THE PURPOSE OF RENTAL HOUSING.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	To provide housing to income eligible households.
	Location Description	3351 M St Merced, CA 95340
	Planned Activities	Construct up to 2 housing units.
2	Project Name	Community Housing Development Organization (CHDO) - CVCAH
	Target Area	Eligible CDBG Areas

	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Homeless Services
	Funding	CDBG: \$69,543
	Description	DEVELOPMENT OF A SINGLE FAMILY RESIDENCE (CONSISTING OF 4 UNITS) FOR THE PURPOSE OF RENTAL HOUSING.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	To assist income eligible households.
	Location Description	3351 M Street Merced, CA 95340
	Planned Activities	Construct
3	Project Name	Rehabilitation of Foreclosed Property
	Target Area	Eligible CDBG Areas
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$145,500
	Description	To fund the rehabilitation of a foreclosed property located at 241 E. Main Street. Once the rehabilitation is completed, the property will be resold to an income eligible household.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	One Low-Income Household.

	Location Description	The property is located at 241 E. Main Street.
	Planned Activities	Property rehabilitation to be resold to low income household.
4	Project Name	South Merced ADA Ramp Project #116033
	Target Area	Eligible CDBG Areas
	Goals Supported	Public and Infrastructure Improvements
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$115,000
	Description	THE CONSTRUCTION OF ADA HANDICAP RAMPS INCLUDING SIDEWALK MODIFICATIONS.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	N/A
	5	Project Name
Target Area		Eligible CDBG Areas
Goals Supported		rehabilitate and enhance existing neighborhoods
Needs Addressed		Public Infrastructure and Capital Improvements
Funding		CDBG: \$282,350
Description		Debt Service
Target Date		6/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	To make scheuled paymetns to HUD reimbursing the HUD 108 loan.
6	Project Name	Sidewalk Repair
	Target Area	Elgible CDBG Areas
	Goals Supported	Public and Infrastructure Improvements
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$107,000
	Description	Sidewalk Repair
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	Construct ADA sidewalks and ramps in designats areas within the Community.
7	Project Name	Fair Housing Services - Project Sentinel
	Target Area	City Wide
	Goals Supported	Fair Housing
	Needs Addressed	Fair Housing
	Funding	HOME: \$25,000

	Description	To Provide Fair Housing Services within the City of Merced.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Their goal is to assist and educate up to 68 individuals with various aspects of fair housing services.
	Location Description	They will provide their services at community outreach event throughout the community.
	Planned Activities	Some of the activities include Fair Housing Investigations, community presentations, and consultations.
8	Project Name	Merced City and County Continuum of Care - United Way
	Target Area	City Wide
	Goals Supported	Support Services
	Needs Addressed	Homeless Services
	Funding	CDBG: \$38,000
	Description	Administer the Continuum of Care program within the City of Merced.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	The Merced COC program will work with service providers to ensure coordination with Homeless Service providers located within Merced City and County.
	Location Description	United Way 658 W. Main Street Merced, CA
	Planned Activities	Administration activities necessary to ensure the Continuum of Care program is properly implemented.

9	Project Name	ADA Ramp and Sidewalk Modifications - City of Merced Engineering Department
	Target Area	Elgible CDBG Areas
	Goals Supported	Public and Infrastructure Improvements
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$133,410
	Description	Install 12 ADA ramps in Merced.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A - the project is a public infrastructure project.
	Location Description	City of Merced Engineering Department 678 W. 18th Street Merced, CA 95340
Planned Activities	Replace existing non-ADA compliant ramps with ADA compliance ramps.	
10	Project Name	Existing Home Rehabilitation - Habitat for Humanity Merced County
	Target Area	Elgible CDBG Areas
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$100,000
	Description	Purchase existing home for rehabilitation. The property would be sold to an income qualified household.

	Target Date	6/29/2018
	Estimate the number and type of families that will benefit from the proposed activities	Habitat for Humanity is anticipating serving 1-2 income qualified households.
	Location Description	Census Tract: 10.03, 13.02, 15.02, 15.03, and 16.01
	Planned Activities	Purchase an existing property and rehabilitate.
11	Project Name	Room at the Inn - Merced County Rescue Mission
	Target Area	Elgible CDBG Areas
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Homeless Services
	Funding	CDBG: \$200,000
	Description	A shelter service for homeless families with children located in the City of Merced.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Looking to provide transitional and case management to a mininum of eligible households.
	Location Description	Census Tract: 13.02, 16.01, and 14.01.
	Planned Activities	Provided transitional housing and case management to eligible/qualifying households.
12	Project Name	Homeless Project - Sierra Saving Grace
	Target Area	Elgible CDBG Areas
	Goals Supported	Permanent Supportive Housing
	Needs Addressed	Homeless Services

	Funding	CDBG: \$167,000
	Description	Purchase and rehabilitate a property to be used for permanent supportive housing.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Looking to assist 5 individuals and 2 families through permanent supportive housing.
	Location Description	looking to locate with HUD eligible census tracts.
	Planned Activities	Purchase and rehabilitate property for permanent supportive housing.
13	Project Name	Brush with Kindness - Habitat for Humanity Stanislaus County
	Target Area	Eligible CDBG Areas
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Public Infrastructure and Capital Improvements
	Funding	CDBG: \$200,000
	Description	Assist existing homeowners to rehabilitate their properties with a grant.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Habitat is planning to serve households with incomes below 80% of the average median income located within eligible census tracts.
	Location Description	
	Planned Activities	Rehabilitate existing property's located within eligible census tracts.
14	Project Name	Homeless Prevention for Domestic Violence Victims - Valley Crisis Center
	Target Area	City Wide

	Goals Supported	Support Services Permanent Supportive Housing
	Needs Addressed	Public Services
	Funding	CDBG: \$10,000
	Description	To assist low-income victims of domestic violence to successfully secure and maintain affordable housing.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Domestic Violence victims and their family's.
	Location Description	Valley Crisis Center 1960 P Street Merced, CA 95340
	Planned Activities	To provide funds necessary for down-payment/deposits for victims and their families to obtain housing.
15	Project Name	Ethnic Elders Transportation Assistance and Support - Healthy House
	Target Area	City Wide
	Goals Supported	Support Services
	Needs Addressed	Public Services
	Funding	CDBG: \$12,000
	Description	To provide education and transportation services to non-English speaking individuals.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	They hope to serve non-english speaking individuals in need of medical services.
	Location Description	Individuals are from census tract: 13.02. Services will be provided at: 301 W. 18th Street Merced, CA 95340
	Planned Activities	Provide Educational classes to non-english speaking individuals. Provide transportation to allow them the ability to access new services.
16	Project Name	Rental Deposit Assistance - Housing Authority of Merced County
	Target Area	City Wide
	Goals Supported	Support Services Permanent Supportive Housing
	Needs Addressed	Public Services Homeless Services
	Funding	CDBG: \$30,000
	Description	To secure the required deposits for housing and or utilities to secure or maintain housing.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	The project is to assist homeless or at-risk of becoming homeless individuals with monies for deposits.

	Location Description	405 U Street Merced, CA 95340
	Planned Activities	
17	Project Name	SOAR Case Management Program - Merced County Rescue Mission
	Target Area	City Wide
	Goals Supported	Support Services Permanent Supportive Housing
	Needs Addressed	Homeless Services
	Funding	CDBG: \$8,000
	Description	Provide expedited assistance to persons who are experiencing or at-risk for homelessness with mental and medical issues.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	To provide an expedited service to homeless individuals in need of accessing social security and disability programs.
	Location Description	405 W. 19th Street Merced, CA 95340
	Planned Activities	Administrative costs necessary to implement the SOAR program.
18	Project Name	Rental Deposit Assistance - Merced County Rescue Mission
	Target Area	City Wide
	Goals Supported	Support Services Permanent Supportive Housing

	Needs Addressed	Public Services Homeless Services
	Funding	CDBG: \$20,000
	Description	To assist with paying rental deposits for individuals currently experiencing homelessness.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	The program is designed to serve individuals currently living in a homeless situation with the funds necessary to pay for deposits to obtain housing.
	Location Description	1921 Canal Street Merced, CA 95340
	Planned Activities	Paying for first and last months deposits necessary to obtain housing.
19	Project Name	Warming Center - Merced County Rescue Mission
	Target Area	Eligible CDBG Areas
	Goals Supported	Support Services
	Needs Addressed	Public Services Homeless Services
	Funding	CDBG: \$15,000
	Description	To provide emergency shelter during the cold weather months to homeless individuals from December to March.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	To provide emergency shelter to men, women and children to the cold weather months when shelters are full.

	Location Description	1921 Canal Street Merced, CA 95340
	Planned Activities	Provide Emergency Shelter.
20	Project Name	Supportive Housing Project - Sierra Saving Grace
	Target Area	City Wide
	Goals Supported	Permanent Supportive Housing
	Needs Addressed	Public Services Homeless Services
	Funding	CDBG: \$7,500
	Description	To fund utility payments for homeless individuals requiring permanent supportive housing.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Serving homeless individuals currently receiving permanent supportive housing.
	Location Description	1345 E. Olive Avenue Merced, CA 95340
	Planned Activities	Assist with utility payments for individuals receiving permanent supportive housing.
21	Project Name	Community Housing Development Organization
	Target Area	City Wide
	Goals Supported	rehabilitate and enhance existing neighborhoods
	Needs Addressed	Public Infrastructure and Capital Improvements Homeless Services
	Funding	CDBG: \$50,000

Description	Required funding set-aside for HOME Program CHDO.
Target Date	6/30/2017
Estimate the number and type of families that will benefit from the proposed activities	N/A
Location Description	N/A
Planned Activities	N/A

AP-50 Geographic Distribution – 91.220(f)

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

Merced primarily selects projects based upon housing needs and various clientele served through public service activities. With most of the federal and state funding allocations being invested in qualifying Census Tracts. Not all of the activities funded through the CDBG and HOME programs will occur within these census tracts since some programs are community wide.

Geographic Distribution

Target Area	Percentage of Funds
City Wide	14
Eligible CDBG Areas	86

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Funds are generally concentrated within eligible Census Tracts due to less private investment from financial institutions and little interest from market rate developers.

Discussion

While there are several constraints to meeting the needs of target income residents (please refer to the Consolidated Plan for a detailed list), the primary obstacle to meeting the needs of target income residents is that there is a lack of funding to fully address all needs. The economic challenges facing the nation have forced many non profits to cut services at a time when governmental entities and others are least able to provide them. The City attempts to address significant and rising levels of need by evaluating leveraged funds in the grant application review, as well as by directly funding several programs with widespread benefit. The City also supports non profits' efforts to raise private funds.

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

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Although the Consolidated Plan and Action Plan focus on affordable housing, which has reduced the amount of monies being invested into the community due to the allocations being reduced significantly over the past five years. The City's strategies related to CDBG & HOME -funded efforts relate to providing funds for public service activities, developing partnerships with housing organizations, providing secondary financing to affordable housing developments, providing grants to homeowners, and secondary financing loans to qualified First Time Homebuyers.

One Year Goals for the Number of Households to be Supported	
Homeless	111
Non-Homeless	14
Special-Needs	58
Total	183

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	70
The Production of New Units	4
Rehab of Existing Units	8
Acquisition of Existing Units	4
Total	86

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

For 2016-17, the aforementioned number of households assisted relies primarily on the ability for the City to provide financial assistance to non-profit organizations. These organizations have been tasked with providing housing for Homeless individuals through HUD's "Housing First" concept. A variety of programs funded propose to house homeless individuals.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of County of Merced (HACM) is the public housing agency serving the City of Merced. HACM is independent of the City of Merced, and the City retains no control over their funding or implementation of programs.

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

Please refer to the HACM Public Housing Authority Annual Plan for information on the ways that HAMC plans to address public housing needs.

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

HACM encourages public housing residents to participate in policy, procedure, and program implementation and development. Public housing residents participate in the development of the HAMC's five-year and annual plans. The HACM distributes a survey to prioritize resident needs and schedule short- and long-term improvements.

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

HAMC is not designated as "troubled."

Discussion

A wealth of information on HAMC and their programs, housing resources, budgets, and financial planning and reporting is available on their website at <http://www.merced-pha.com>.

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

Introduction

The City's strategy related to the needs of the homeless, those at risk of homelessness, and other special needs populations involves the funding of supportive services in Merced or regional services, such as fair housing counseling or food assistance services. The City also assists with construction needs of emergency shelter and transitional housing facilities.

Currently, many homeless services are available in Merced through the Merced County Community Action Agency and the Merced Rescue Mission, and the City will continue to work closely with the Continuum of Care and other organizations to determine how the needs of the homeless population can be met. In recent years, the City assisted Merced County Mental Health, Central Valley Coalition for Affordable Housing and Merced County Community Action Agency with grants for rental assistance and transitional housing facilities.

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

In addition to facility improvement, the City will fund programs and services to assist its homeless and special needs populations in 2016/17. These include the following:

- United Way to provide Continuum of Care services for the City.
- Sierra Saving Grace will provide safe housing services as a public service.
- Merced County Housing Authority and Rescue Mission will provide deposits for apartments as a public service.
- Fair housing services will be provided by Project Sentinel.

A City staff representative regularly attends "Continuum of Care" homeless committee, which brings together the region's homeless service providers and advocates considering the best ways to address homelessness. The meetings help to ensure that there is little duplication of services, increasing the effectiveness of a limited amount of funding.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City continues to provide assistance for emergency shelter and transitional housing for the homeless through the following service providers:

- Sierra Saving Grace
- Valley Crisis Center
- Merced Rescue Mission
- United Way
- Merced County Housing Authority

The Housing Program Supervisor is the Chairperson for the Affordable Housing Committee through the Merced CoC. The goal of the committee is bring together homeless service providers and developers to develop new homeless units.

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

The City will attempt to create additional beds for chronically homeless persons through three primary strategies:

- Having the CoC apply for additional Emergency Shelter Grant (ESG) funding that will target the chronically homeless,
- Partnering with Merced County Housing Authority and Merced County Rescue Mission to provide monies for rental deposits; and,
- Partnering with the Rescue Mission to provide a winter warming center during inclemental weather.

The City works closely with the CoC to meet these goals.

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.

While there are several constraints to meeting the needs of target income residents (please refer to the Consolidated Plan for a detailed list), the primary obstacle to meeting the needs of target income residents is that there is a lack of funding to fully address all needs. The economic challenges facing the nation have forced many non profits to cut services at a time when governmental entities and others are least able to provide them. The City attempts to address significant and rising levels of need by evaluating leveraged funds in the grant application review, as well as by directly funding several programs with widespread benefit. The City also supports non-profit's efforts to raise private funds.

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

Discussion

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

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

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

Introduction

The City is undertaking a number of actions to reduce potential barriers and constraints to affordable housing, as well as promote housing for special needs populations. These include providing regulatory incentives, density incentives, and several other measures to affordable housing developers. These are described in more detail in the City's Housing Element.

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

Although the current economy offers significant challenges to many households, housing is more affordable as a result of falling prices and historically low interest rates. In spite of this, low income households continue to struggle because of high demand and limited inventory.

Many of the City's efforts to foster and maintain affordable housing relate to the Housing Element. The City recently updated its General Plan Housing Element, which was certified in 2011. Community input from public meetings substantiated much of what the Housing Authority and Housing Element had reported, housing is still lacking for senior citizens, foster youth who are aging out, and special needs adults. With identified areas of need, this and future plans will work toward addressing these specific populations.

The five-year strategy plan of the Consolidated Plan does not identify any significant gaps or needs in relation to institutional structure. Working with HUD staff, however, some institutional positions have been removed and or hours reduced as the Housing Program moves toward a program that is aligned with CDBG and HOME guidelines. The Housing Staff continue working to ensure compliancy of the City's Housing Programs and to identify community needs that meet HUD objectives.

Discussion

AP-85 Other Actions – 91.220(k)

Introduction

The City works with various service providers, developers, public and private agencies to serve our clientele and maintain affordable housing in the community. The City uses an application process for which requests for funding are submitted, reviewed and recommended to City Council for consideration.

Application Process

All entities applying must provide a check list of items to validate eligibility for the National HUD funding. Items include an annual audit of existing program, non-profit status, names of board members (to ensure no conflict of interest), insurance and bylaws. Agencies unable to satisfy contract requirements, complete their program, or who fail to correct deficiencies identified during monitoring will have 10 points deducted for their next application.

The 2015 – 2020 Consolidated Plan can be found on the City's website at: www.cityofmerced.org

Actions planned to address obstacles to meeting underserved needs

While there are several constraints to meeting the needs of target income residents (please refer to the Consolidated Plan for a detailed list), the primary obstacle to meeting the needs of target income residents is that there is a lack of funding to fully address all needs. The economic challenges facing the nation have forced many non profits to cut services at a time when governmental entities and others are least able to provide them. The City attempts to address significant and rising levels of need by evaluating leveraged funds in the grant application review, as well as by directly funding several programs with widespread benefit. The City also supports non profits' efforts to raise private funds.

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

Actions planned to foster and maintain affordable housing

Although the current economy offers significant challenges to many households, housing is more affordable as a result of falling prices and historically low interest rates. In spite of this, low income households continue to struggle because of high demand and limited inventory.

Many of the City's efforts to foster and maintain affordable housing relate to the Housing Element. The City recently updated its General Plan Housing Element, which was certified in 2011. Community input from public meetings substantiated much of what the Housing Authority and Housing Element had reported, housing is still lacking for senior citizens, foster youth who are aging out, and special needs adults. With identified areas of need, this and future plans will work toward addressing these specific populations.

The five-year strategy plan of the Consolidated Plan does not identify any significant gaps or needs in relation to institutional structure. Working with HUD staff, however, some institutional positions have been removed and or hours reduced as the Housing Program moves toward a program that is aligned with CDBG and HOME guidelines. The Housing Staff continue working to ensure compliancy of the City's Housing Programs and to identify community needs that meet HUD objectives.

Actions planned to reduce lead-based paint hazards

Since most housing units in the City of Merced were built before 1978 in Merced, the City routinely inspects all rehabilitation projects using CDBG, HOME, NSP or CALHOME grant funds to be tested for lead based paint. If lead based paint is detected within the project area, the Housing Division will have the lead based paint properly abated prior to project closeout. As required by Federal and State funding sources, housing rehabilitation programs will comply with the Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) and subsequent changes in September 1999.

The procedures regarding lead based paint in both rehabilitation programs will include:

- Notification of potential lead based paint hazards;
- Identification; and
- Treatment (if necessary).

Actions planned to reduce the number of poverty-level families

The City's anti poverty strategy is based on funding and supporting a range of housing, employment, and family service opportunities aimed at enabling those in poverty to move into the workforce. During the 2016-17 program year, the City will also continue to support activities that preserve and expand the supply of housing that is affordable to target income households.

Actions planned to develop institutional structure

The Economic Development Department is responsible for the management, implementation, and monitoring of the Consolidated Plan documents, including the Action Plan. The Housing Division within the department is specifically charged with these tasks. The division works in close consultation with the City's advisory committees and the City Manager.

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

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

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

Discussion

MONITORING PLAN

The City of Merced has developed a monitoring system to ensure that the activities carried out in furtherance of the Plan are done so in a timely manner in accordance with the federal monitoring requirements of 24 CFR 570.501(V) and 24 CFR 85.40 and all other applicable laws, regulations, policies, and sound management and accounting practices. The objectives of the monitoring plan are described in more detail in the Consolidated Plan.

As part of its affordable housing efforts, the City of Merced will undertake an annual evaluation of the housing programs included in the Consolidated Plan. To ensure that the City is meeting the long-term comprehensive planning requirements, a Consolidated Annual Performance and Evaluation Report (CAPER) will be compiled for submittal to HUD for review and approval. When bidding and performing work financed by HOME and CDBG funds, it is the adopted policy of the City of Merced to conduct outreach efforts to provide an equal opportunity for the participation of licensed minority and female contractors. This includes presentations to the Merced Building Industry Association, advertising, radio announcements, and flyers in an effort to increase contractors and sub-contractors from these respective areas.

Multi-Family Housing Program Monitoring

City Housing staff conducts site visits annually to multi-family housing sub-recipients to review record keeping, upkeep of facility, and ensure eligibility requirements are being maintained. A City inspector is part of this tour and if discrepancies are found, the sub-recipient will be informed during the on-site tour, provided a formal letter, and provided 30-days to correct the problem; and or work with staff for a reasonable timeline.

Annual audits are required by these sub-recipients for their programs. If discrepancies in this area are found, the sub-recipient is informed immediately and a formal letter is mailed. The sub-recipient is given 30 days to correct the problem or provide a timeline for correction. The City will work with the organization to ensure understanding of requirements and to achieve compliance. Once compliance has been achieved, the sub-recipient receives a closure letter from the City. The City Council is informed of any unresolved problems during the budget process. These same procedures will be followed with non-housing sub-recipients.

Single Dwelling Housing Program Monitoring

Homes rehabbed or purchased with HOME funds for use as rental properties for moderate to low income families are monitored annually by staff. The owner is provided a letter requesting information and income verification of the renter. With a shortage of staffing, housing visitations to all sites is unmanageable. Staff members have been instructed instead to visit "at least" one site per owner. A City Inspector is taken on site to ensure housing meets codes. Renters are interviewed to ensure compliance of HUD requirements. If discrepancies are found the home owner will be informed during the on-site tour, provided a formal letter, and provided 30-days to correct the problem; and or work with staff for a reasonable timeline.

Activity/Public Service Monitoring

The City Housing Division has established monitoring procedures for its Sub-recipients in order to ensure compliance with all CDBG requirements and objectives. Those procedures include written contracts and invoicing before funds are distributed; workshops with applicants and new sub-recipients to ensure an understanding of reporting requirements; clear timelines for measured success; reporting forms that include hours, task, client demographic information, and income range. Reports are required with each invoice, and year-end evaluations are required. All sub-recipients receive one on-site visit.

Program Specific Requirements

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

Introduction

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

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(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	0
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:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I)(2)

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

Not Applicable - No other forms of investment are anticipated during the fiscal year of 2016-17.

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

Income eligible applicants must take an 8-hour HUD approved home ownership class, and dependent upon amount of loan, will have covenants placed upon the home from 5 to 20 years. Through the CalHome program, homes can only be purchased in Census Tracts approved by HUD that show a high number of low income residents. This program is designed to assist moderate to low income families gain housing. All HOME loans provided by the City Program (except State CalHome Loans) to First Time Home Buyers include conditions to insure compliance with requirements of 24 CFR 92.254:

The house must be owner-occupied and deed restricted against resale for a period identified in the notice of affordability. Prepayment on the loan or a sale within the specified term from the date of loan origination results in the applicant obliged to pay the City a penalty of 4% on the original loan amount starting from the loan origination date and calculated on a per month basis. The loan is not assumable and must be paid in full upon sale or transfer of the property. Following the notice of affordability term obligation the borrower may prepay the loan plus interest, in part or in whole, at any time without penalty (CalHome Only). Funds collected are reused as program income.

If the home is sold or transferred within 10 years from the date of the loan origination the applicant shall also pay the City a percentage share of the difference between the price paid for the property and its value at the time of sale or transfer. The percentage share is determined on a declining scale, beginning at 10% in year 1, decreasing one percentage point each year to 1% in year 10. The City limits the amount subject to recapture to the net proceeds from the sale. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The limitation applies to all units regardless of the type of recapture provision used or to the nature of the sale (voluntary sales including foreclosures).

All other HUD and State loan programs have covenants based upon the amount invested into each house/unit. The City may require each house/unit assisted to have a "period of affordability" covenant recorded. The length of the "period of affordability" is determined by the amount of financial assistance invested into each property. The amount per-house/unit and correlating period are as follows: Assistance amount per-unit

Minimum period of affordability in years:

- Under \$15,000 - 5 Years
- \$15,000 to \$40,000 - 10 Years
- Over \$40,000 - 20 Years

During the "period of affordability" the property is limited to household members of the same income level as the original household members that qualified for the loan. To ensure the loan terms are not breached, a property that received a loan as a low-income household must have low-income members residing on the property for the duration of the loan. Annual reporting and bi-annual visits to the site will help ensure covenants remain in place and all properties meet health and safety code compliance.

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

The HOME loan program is intended to assist developers with construction of new multi-family residential units and loans to eligible home owners for health and safety rehabilitation.

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

The house must be owner-occupied and deed restricted against resale for a period of 10 years. Prepayment on the loan or a sale within 10 years from the date of loan origination results in the applicant obliged to pay the City a penalty of 4% on the original loan amount starting from the loan origination date and calculated on a per month basis. The loan is not assumable and must be paid in full upon sale or transfer of the property. Following the 10-year obligation the borrower may prepay the loan plus interest, in part or in whole, at any time without penalty. Funds collected are reused as program income.

If the home is sold or transferred within 10 years from the date of the loan origination the applicant shall also pay the City a percentage share of the difference between the price paid for the property and its value at the time of sale or transfer. The percentage share is determined on a declining scale, beginning at 10% in year 1, decreasing one percentage point each year to 1% in year 10. The City limits the amount subject to recapture to the net proceeds from the sale. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The limitation applies to all units regardless of the type of recapture provision used or to the nature of the sale (voluntary sales including foreclosures).

All other HUD and State loan programs have covenants based upon the amount invested into each house/unit. The City may require each house/unit assisted to have a "period of affordability" covenant recorded. The length of the "period of affordability" is determined by the amount of financial assistance invested into each property. The amount per-house/unit and correlating period are as follows: Assistance amount per-unit

Minimum period of affordability in years:

- Under \$15,000 - 5 Years
- \$15,000 to \$40,000 - 10 Years
- Over \$40,000 - 20 Years

During the "period of affordability" the property is limited to household members of the same income level as the original household members that qualified for the loan. To ensure the loan terms are not breached, a property that received a loan as a low-income household must have low-income members residing on the property for the duration of the loan. Annual reporting and bi-annual visits to the site will help ensure covenants remain in place and all properties meet health and safety code compliance.

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

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

Discussion

CDBG 70% Overall Low/Mod Benefit Period

The City uses a 5-year period to meet the 70% overall low mod benefit for its CDBG and HOME activities. Based on PR026 report in the City's 2015 CAPER, the City's 2016 Action Plan will cover the second year of its 5-year cycle, which extends from 2015 - 2020.

Attachments

Citizen Participation Comments

City of Merced Housing HUD Annual Plans Meeting For Fiscal Year 2016/2017

Presentation delivered by Mark Hamilton, Housing Supervisor/Assisting Secretary by Clifton Nakahara

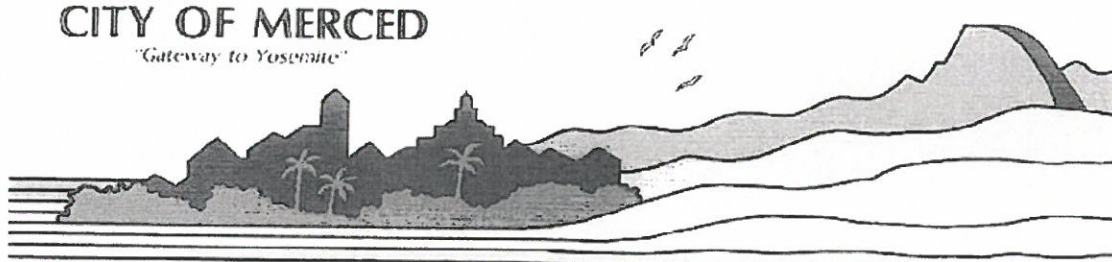
Handouts-Public notices, CDBG & HOME application instructions, questions & answers to programs, submittal check list, application to program.
Introductions including organization introductions

Mark has a power point presentation to introduce what the City of Merced Housing department offers for Merced

At the end of each presentation, Mark has a question and answer session with time given for organizations to speak to each other.

	Company Name	Representative Name	Notes
Thursday, December 17, 2015 - Merced Senior Center, 755 West 15th Street - 5:00 pm			
1	Project Sentinel	Zoha Khalili	Wanted to increase fair housing services in Merced area. She would like to set up in a location at least 2x/week.
2	Sierra Saving Grace	Margaret Simmons	Wanted to increase some of their local projects
NOTES: Both groups were familiar with City of Merced Housing projects already because their organizations have had help with past project work.			
Thursday, January 14, 2016 - Fire Station #55, 3520 North Parsons, 6:00 pm			
1	Habitat for Humanity, Stanislaus	Jessica Narayan	
2	Merced Lao Family	Lue Thao	
3	Merced Rescue Mission	Danielle Bohn	
4	Tranformation (Valley Crisis Center)	Brenda Troncoso-Zamora/Alison Tudor	
5	Merced Rescue Mission	Jason West	
NOTES:			
Tuesday, February 2, 2016 - Merced City Hall (Sam Pipes Room), 678 West 18th Street - 3:00 pm			
1	Young Life Merced County	Zak Ellison	
2	MCDMH	Maria Azevedo	
3	Sierra Saving Grace	Joe Carroll	
4	Habitat for Humanity Merced Healthy House- Within a	Don Spiva	
5	MATCH Coalition	Alicia De Los Santos	
6	Merced Rescue Mission	Danielle Campbell Bohn	
7	Merced Rescue Mission	Phil Schmauss	
8	Merced Rescue Mission	Jason West	
NOTES:			

Grantee Unique Appendices



CITY CLERK'S CERTIFICATE

I, STEVEN S. CARRIGAN, City Clerk of the City of Merced, California, do hereby certify that the attached document, entitled:

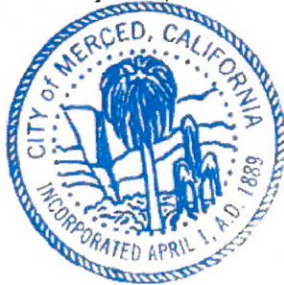
RESOLUTION 2016-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING THE 2016-2017 HUD ANNUAL ACTION PLAN, CERTIFYING COMPLIANCE WITH THE REQUIREMENTS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM, AND AUTHORIZING STAFF TO SUBMIT ALL APPROVED DOCUMENTS TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

is a true and correct copy of the original on file in the Office of the Merced City Clerk, Merced, California.

DATED: April 20, 2016

STEVEN S. CARRIGAN, CITY CLERK



BY: _____

John Tresidder
JOHN TRESIDDER
Assistant City Clerk

RESOLUTION NO. 2016-13

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING THE 2016-2017 HUD ANNUAL
ACTION PLAN, CERTIFYING COMPLIANCE
WITH THE REQUIREMENTS OF THE
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM AND HOME INVESTMENT
PARTNERSHIP (HOME) PROGRAM, AND
AUTHORIZING STAFF TO SUBMIT ALL
APPROVED DOCUMENTS TO THE U.S.
DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

WHEREAS, The U.S. Department of Housing and Urban Development (HUD) has determined that the City of Merced is estimated to receive \$1,287,818 under the Community Development Block Grant (CDBG) and Home Investment Partner Program (HOME) program year 2016-2017 of the Housing and Community Development Act of 1974, as amended; and,

WHEREAS, The City of Merced held three community meetings on December 17, 2015, January 4, 2016 and February 2, 2016, a public meeting on April 4, 2016, and public hearing on April 18, 2016; to consider public comments and proposals regarding the 2016-2017 HUD Annual Action Plan; and,

WHEREAS, During said meetings information was provided about HUD's National Goals and Objectives, the City of Merced's 5-Year Consolidated Plan, and discussion held about eligible uses of CDBG and HOME funds in the City of Merced; and,

WHEREAS, The City of Merced has provided citizens with an opportunity to review and comment on concerns involving the amount of funds available for proposed housing and community development, the range of activities and program requirements, and provided citizens with adequate opportunity to participate in development of the 2016-2017 HUD Annual Action Plan, including any submissions, revisions, changes or amendments thereto for a 30-day period commencing on March 17, 2016 and ending on April 18, 2016.

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

X:\Resolutions\2016\Housing\Approving HUD Annual Action Plan.doc

Grantee SF-424's and Certification(s)

Appendix A - 2016 HUD Annual Plan



SF 424

The SF 424 is part of the CPMP Appendix A - 2016 HUD Annual Plan

Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the 1CPMP.xls document of the CPMP tool.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet

5/16/2016	B16 MC 08 0044	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input checked="" type="checkbox"/> Construction	<input checked="" type="checkbox"/> Construction
		<input type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
City of Merced		CA62250 MERCED	
678 West 18 th Street		Organizational DUNS: 169-211-554	
		Organizational Unit	
Merced	California	Department: Department of Economic Development	
95340	Country U.S.A	Division: Housing Division	
Employer Identification Number (EIN):		County	
94-6000371		07/2015	
Applicant Type:		Specify Other Type if necessary:	
Local Government: City		Specify Other Type	
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
Community Development Block Grant Entitlement Grant:		City of Merced	
CDBG Grant Amount: \$959,615	Additional HUD Grants:		
Additional Federal Funds Leveraged:		\$Additional State Funds Leveraged:	
Local Funds Leveraged: \$0		\$Grantee Funds Leveraged	
Anticipated Program Income: \$251,500		Other (Describe) \$500,000 – 2015 Carry-Over	
Total Funds Leveraged for CDBG-based Project(s) \$1,711,115			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles: HOME Investment Partnerships		Description of Areas Affected by HOME Project(s):	
Program Participating Jurisdiction		City of Merced	
HOME Grant Amount: \$328,203	Additional HUD Grant(s) Leveraged		Describe

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Appendix A - 2016 HUD Annual Plan

		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income: \$170,913		Other (Describe) \$100,000 – 2015 Carry-Over	
Total Funds Leveraged for HOME-based Project(s): \$599,121			
Housing Opportunities for People with AIDS – N/A		14.241 HOPWA	
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			
Emergency Shelter Grants Program – N/A		14.231 ESG	
ESG Project Titles		Description of Areas Affected by ESG Project(s)	
\$ESG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s)			
Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts: 18	Project Districts: 18		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
<input type="checkbox"/> Yes	X	X	Program is not covered by EO 12372
		<input type="checkbox"/> N/A	Program has not been selected by the state for review
Person to be contacted regarding this application			
First Name: Steve	Middle Initial: S.	Last Name: Carrigan	
Title: City Manager	Phone: 209-385-6834	Fax: 209-388-7607	
email: carrigans@cityofmerced.org	Grantee Website: www.cityofmerced.org	Other Contact: Mark Hamilton, Housing Program, 209-385-6863	
Signature of Authorized Representative		Date Signed	

- This certification does not apply.
 This certification is applicable.

NON-STATE GOVERNMENT CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will --
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted --
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

8. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

Appendix B - Certificates
City of Merced Annual Action Plan FY 2016 - 2017

9. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
10. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

05/2/2016

Signature/Authorized Official

Date

Steve S. Carrigan

Name

City Manager

Title

678 W. 18th Street

Address

Merced, CA 95340

City/State/Zip

(209) 385-6863

Telephone Number

Page 2

- This certification does not apply.
 This certification is applicable.

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

11. **Maximum Feasible Priority** - With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
12. **Overall Benefit** - The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2016, 2017, 2018 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
13. **Special Assessments** - It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

14. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
15. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Appendix B - Certificates
City of Merced Annual Action Plan FY 2016 - 2017

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K and R, of title 24;

Compliance with Laws -- It will comply with applicable laws.

05/2/2016

Signature/Authorized Official

Date

Steve S. Carrigan

Name

City Manager

Title

678 W. 18th Street

Address

Merced, CA 95340

City/State/Zip

(209) 385-6863

Telephone Number

Page 4

This certification does not apply.
 This certification is applicable.

**OPTIONAL CERTIFICATION
CDBG**

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities, which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

_____	05/2/2016
Signature/Authorized Official	Date
Steve S. Carrigan	
Name	
City Manager	
Title	
678 W. 18 th Street	
Address	
Merced, CA 95340	
City/State/Zip	
(209) 385-6863	
Telephone Number	

- This certification does not apply.
 This certification is applicable.

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

05/2/2016

Signature/Authorized Official

Date

Steve S. Carrigan

Name

City Manager

Title

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Telephone Number

<input checked="" type="checkbox"/> This certification does not apply.
<input type="checkbox"/> This certification is applicable.

HOPWA Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

_____	<input type="text"/>
Signature/Authorized Official	Date
<input type="text"/>	
Name	
<input type="text"/>	
Title	
<input type="text"/>	
Address	
<input type="text"/>	
City/State/Zip	
<input type="text"/>	
Telephone Number	

- This certification does not apply.**
 This certification is applicable.

ESG Certifications

I, _____, Chief Executive Officer of Jurisdiction, certify that the local government will ensure the provision of the matching supplemental funds required by the regulation at 24 *CFR* 576.51. I have attached to this certification a description of the sources and amounts of such supplemental funds.

I further certify that the local government will comply with:

1. The requirements of 24 *CFR* 576.53 concerning the continued use of buildings for which Emergency Shelter Grants are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services.
2. The building standards requirement of 24 *CFR* 576.55.
3. The requirements of 24 *CFR* 576.56, concerning assurances on services and other assistance to the homeless.
4. The requirements of 24 *CFR* 576.57, other appropriate provisions of 24 *CFR* Part 576, and other applicable federal laws concerning nondiscrimination and equal opportunity.
5. The requirements of 24 *CFR* 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
6. The requirement of 24 *CFR* 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.
7. The requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act of 1988.
8. The requirements of 24 *CFR* 576.56(a) and 576.55(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted with ESG funds and that the address or location of any family violence shelter project will not be made public, except with written authorization of the person or persons responsible for the operation of such shelter.
9. The requirement that recipients involve themselves, to the maximum extent practicable and where appropriate, homeless individuals and families in policymaking, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR* 76.56.
10. The requirements of 24 *CFR* 576.57(e) dealing with the provisions of, and regulations and procedures applicable with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 *CFR* Part 58.

11. The requirements of 24 *CFR* 575.21(a)(4) providing that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services will meet the requirements that: (A) the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) the assistance must not supplant funding for preexisting homeless prevention activities from any other source.
12. The new requirement of the McKinney-Vento Act (42 *USC* 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that state and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of state and local resources.
13. HUD's standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information.

I further certify that the submission of a completed and approved Consolidated Plan with its certifications, which act as the application for an Emergency Shelter Grant, is authorized under state and/or local law, and that the local government possesses legal authority to carry out grant activities in accordance with the applicable laws and regulations of the U. S. Department of Housing and Urban Development.

Signature/Authorized Official	Date
Name	
Title	
Address	
City/State/Zip	
Telephone Number	

<input type="checkbox"/>	This certification does not apply.
<input checked="" type="checkbox"/>	This certification is applicable.

APPENDIX TO CERTIFICATIONS

Instructions Concerning Lobbying and Drug-Free Workplace Requirements

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant: Place of Performance (Street address, city, county, state, zip code). Check if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 21.

Place Name	Street	City	County	State	Zip

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules: "Controlled substance" means a controlled substance in Schedules I through V of the Controlled

Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance; "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including:

Appendix B - Certificates
City of Merced Annual Action Plan FY 2016 - 2017

- a. All "direct charge" employees;
- b. all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and
- c. temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Note that by signing these certifications, certain documents must be completed, in use, and on file for verification. These documents include:

1. Analysis of Impediments to Fair Housing
2. Citizen Participation Plan
3. Anti-displacement and Relocation Plan

05/2/2016

Signature/Authorized Official

Date

Steve S. Carrigan

Name

City Manager

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