



*Inventing California's Future*

# CITY OF MERCED

2015-2020 Consolidated Plan  
and Annual Action Plan  
May 2015

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# Executive Summary

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

### 1. Introduction

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

The entitlement formula utilizes population information, poverty and overcrowded housing data to establish funding allocations. The City of Merced (the “City”) qualifies as a Community Development Block Grant (CDBG) entitlement City based on the grant formula. The City, the County of Merced Housing Authority and other regional agencies coordinate their efforts to provide a balanced approach to community needs using their available resources. A five-year strategic plan has been developed by the City of Merced that identifies and prioritizes the future use of the City’s HOME and CDBG funds. The 2015-2020 ConPlan covers the timeframe from July 1, 2015 to June 30, 2020.

### *Methods of Evaluation*

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

### *Consolidated Plan Format*

In 2012, HUD released its new eCon Planning Suite with interactive tools and resources for grantees to use in the preparation of the Consolidated Plan and Action Plan in the Integrated Disbursement and Information System (IDIS). This new tool provides data from HUD-selected sources, primarily 2010 Census data and the American Community Survey (ACS) 2005-2009 data set. Despite the primary reliance on HUD-selected data sources, grantees are permitted opportunities to customize their ConPlan.

### ***Income Definitions***

The CDBG program is primarily focused on assisting low-income households. Throughout this document, there are several references to various income levels:

- Extremely Low Income: Households whose gross income is equal to or less than 30 percent of the area median family income (MFI).
- Low Income: Households whose gross income is between 31 percent and 50 percent of the area MFI.
- Moderate Income: Households whose gross income is between 51 percent and 80 percent of the area MFI.
- Above-Moderate Income: Households whose gross income is above 80 percent of the area MFI.

While moderate income and above-moderate income households are included in future tables and analysis, they are not the focus of the CDBG program. HUD defines the maximum income for each income level annually, and adjusts the figures based on household size. The income limits for various household sizes are noted in the below.

**Merced County  
Income Limits Per Households**

<b>Household Size</b>	<b>Extremely Low (30% of Median Income)</b>	<b>Very Low (50% of Median Income)</b>	<b>Low (80% of Median Income)</b>
1 Person	\$12,150	\$20,300	\$32,450
2 Persons	\$13,900	\$23,200	\$37,050
3 Persons	\$15,650	\$26,100	\$41,700
4 Persons	\$17,350	\$28,950	\$46,300
5 Persons	\$18,750	\$31,300	\$50,050
6 Persons	\$20,150	\$33,600	\$53,750
7 Persons	\$21,550	\$35,900	\$57,450
8 Persons	\$22,950	\$38,250	\$61,150

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

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

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

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

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

The City's priority need objectives and outcomes are based on the availability of CDBG and HOME funding allocation. An estimated \$939,105.00 for CDBG funding and \$306,401.00 for HOME funding per year over the 5-year ConPlan period. The figures proposed for each project are estimates based on the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

In late 2013, the State Department of Housing and Community Development (HCD) completed its review of the City's a *Draft Housing Element Update* that included an analysis of governmental constraints, which is summarized below along with recent changes to the City's zoning code that encourage affordable and transitional housing. The Housing Element was approved. As a result of the analysis, the City concluded that its policies and current practices do not create significant barriers to affordable housing. However, as a result of new State laws, such as SB 2, the City will need to adopt new land use and other standards to facilitate and encourage the production of affordable housing. For example, development standards for Single Room Occupancy (SRO) housing units will need to be established. In addition, some existing policies – such as density

bonuses – will need to be refined to address the requirements of a recently enacted law (SB 1818).

During the five-year period of the Consolidated Plan, the City will review any new policies and procedures to ensure they do not serve as an actual constraint to the development of affordable housing.

### **3. Evaluation of past performance**

Each year, the U.S. Department of Housing and Urban Development (HUD) assesses the City of Merced' management of CDBG program funds, the City's compliance with the ConPlan and the extent to which the City is preserving and developing decent affordable housing, creating a suitable living environment and expanding economic opportunities. Overall, the City has performed satisfactorily in addressing its priority needs and carrying out the programs described in the ConPlan. The City evaluated its performance during the last ConPlan period (2010-2015) in order to set goals and strategies for this ConPlan.

### **4. Summary of citizen participation process and consultation process**

City staff developed a detailed participation plan that is part of this ConPlan. As required by HUD, nonprofits and community residents were provided adequate opportunity to review and comment on the original Citizen Participation Plan and on substantial amendments to the plan, if necessary.

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

Citizens were encouraged to participate in 2 community meetings as well as 2 Public Hearings. The community meetings were held on September 18th, 2014 and November 3<sup>rd</sup> at Merced Community Senior Center, 755 W. 15th Street, Merced, CA.

A public hearing was held on April 20th, 2015. At this meetings, members of the public as well as City Council were asked to identify community needs and priorities before the final drafting of the ConPlan. A second public meeting was held May 4<sup>th</sup>, 2015. At this hearing, members of the public were asked to provide comments on the draft ConPlan and the City Council was asked to approve the required Entitlement Community documents before submission to HUD.

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

Upon completion of the draft ConPlan, it was available for public review and comment for 30 days, from March 1 -31, 2015. Copies of the ConPlan were available to the public at the City's Local Library, Senior Center, as well as on the City's website.

## **5. Summary of public comments**

City staff developed a detailed participation plan that is part of this ConPlan. As required by HUD, nonprofits and community residents were provided adequate opportunity to review and comment on the original Citizen Participation Plan and on substantial amendments to the plan, if necessary. Citizens were engaged through community meetings, surveys, public hearings, and individual meetings. Citizens who participated in the process received extensive information about the ConPlan, the citizen participation process, the HUD requirements for an entitlement City, the amount of funding that the City anticipates receiving and how those funds can be used by the City. Residents were given the opportunity to provide City staff with their input on the prioritization of community needs.

The City held 3 community meetings, 2 focus groups (housing and community services) and 1 public hearings. During these public meetings, residents and council members were asked to identify community needs and priorities before the drafting of the ConPlan. The following were some of the public comments during these meetings, focus groups and hearings:

- More programs and services are needed to respond to high levels of poverty especially in south Merced
- There is a growing concern for youth leaving high school with limited job opportunities. A specific discussion ensued regarding Hmong youth and their growing participation in street gangs
- Creation of Youth Council is the City Council is desired
- Better parks in older parts of Merced
- Homeless is a growing concern. Veterans, youth and the chronic homeless were specific sub-populations discussed.
- Better cooperation between police and gangs was recommended
- More affordable housing and better public transportation for seniors is needed

During the preparation of the Consolidated Plan, a Housing and Community Development Survey (in both English and Spanish) was administered. More than 100 surveys were made accessible at City Hall, Public Library and Senior Center. An electronic version of the survey was placed on the City's Website. A total of 114 respondents participated in our survey.

The final public hearing was held May 4<sup>th</sup>, 2015. At this hearing, members of the public were asked to provide comments on the draft ConPlan and the City Council was asked to approve the document before submission to HUD.



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

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

N/A

**7. Summary**

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

- Affordable Rental Housing
- Provide support services for the City's residents with an emphasis on at risk youth, the homeless and services to seniors
- Fair Housing
- Job Creation with an emphasis on youth between the ages of 16 and 24.
- Neighborhood Revitalization with an emphasis on south Merced
- To preserve, rehabilitate and enhance existing public facilities and infrastructure
- Permanent Supportive Housing for the Homeless

## The Process

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

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

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

Agency Role	Name	Department/Agency
Lead Agency	City of MERCED	Housing Division
CDBG Administrator		

Table 1 – Responsible Agencies

### Narrative

The City of Merced 's Housing Division is the lead agency for overseeing the development of the Consolidate Plan. This Department is also responsible for the preparation of the Annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) and CDBG program administration.

### Consolidated Plan Public Contact Information

Mark Hamilton – Housing Program Supervisor  
Housing Division, City of Merced  
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Merced, CA 95340  
(209) 385-6863

## **PR-10 Consultation - 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

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

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

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

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

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

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

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

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

The City is an active member of the Merced City and County Continuum of Care and has recently helped update the Merced County 10 Year Plan to End Homelessness which provides a series of recommendations to address the needs of homeless persons including chronically homeless individuals and families, families with children, veterans, unaccompanied youth, and persons at risk of homelessness. Recommendations include

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

intervention. Access to a CES assessment will occur through street outreach and engagement as well as shelters;

- Implement a community outreach and education campaign that will raise awareness about households at-risk of becoming homeless and provides information about resources available through homeless prevention programs. This effort should leverage the 2-1-1 System for easy access where appropriate.
- Develop partnerships between local government and nonprofit and for-profit affordable housing developers to develop additional units of permanent affordable housing for extremely low-, very low-, and low-income homeless families and individuals;
- Develop additional units of permanent affordable housing for extremely low and very low-income families and individuals during the next five (5) years of implementation of plan;
- Develop units of permanent affordable housing for homeless veterans during the next five (5) years of implementation of plan.

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

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

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

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

represented during the interview process. The participants in the public process served a broad range of populations, including:

- Organizations providing services to the chronically homeless, transitionally homeless and persons at risk of homelessness;
- Organizations serving Merced seniors;
- Organizations representing the business community;
- Housing developers;
- Organizations serving at-risk youth;
- Organizations working to ensure fair housing guidelines are followed;
- Organizations serving victims of domestic violence; and
- Merced City staff.

#### 5-Year Con Plan Community Group:

1. Jeanette Garcia – Continuum of Care

Contact Information

Jeanette Garcia  
Continuum of Care  
P.O. Box 2791  
Merced, CA 95344  
Phone: (209) 628-4765  
Email: [jeanettegarcia@urban-initiatives.org](mailto:jeanettegarcia@urban-initiatives.org)

2. Ann Marquart – Project Sentinel / Fair Housing Service Provider

Contact Information

Ann Marquart  
Executive Director  
Project Sentinel  
1490 El Camino Real  
Santa Clara, CA 95050  
Phone #1: 650-321-6291  
Phone #2: 408-470-3739  
Email: [amarquart@housing.org](mailto:amarquart@housing.org)  
Website: [www.housing.org](http://www.housing.org)

3. Todd Bender – Local Housing Developer

Contact Information

Todd D. Bender  
The Heritage Companies LLC  
755 E. Yosemite Ave., Suite J  
Merced, CA 95340  
Tele. 209.383.1211 ext. 119  
Fax. 209.383.1216  
Email: [tbender@cirruscompany.com](mailto:tbender@cirruscompany.com)

4. Christina Alley – Central Valley Coalition for Affordable Housing

Contact Information

Christina Alley  
3351 'M' Street, Suite 100  
Merced CA 95348  
Phone: 388-0782  
Email: Chris@centralvalleycoalition.com

5. **Type of Housing:** Permanent Supportive Housing Units

**Eligible Population(s):** Chronically Homeless Persons

**Program Source:** HUD Continuum of Care Program

**Agency Operator:** Sierra Saving Grace

**Contact Person:** Kathy Smith Case Manager

Phone: (209) 658-3306

katsmith55@att.net

6. **Type of Housing:** Permanent Housing Units

**Eligible Population(s):** homeless individuals and families

**Program Source:** Project Based Housing Choice Voucher Program

**Agency Operator:** Housing Authority of Merced County

**Contact Person:**

a. Gina Thexton

Director of Housing Programs

Phone: (209) 386-4115

ginat@merced-pha.com

b. Blanca Arrate

HCV Program Manager

Phone: (209) 386-4136

blancaa@merced-pha.com

7. **Type of Housing:** Permanent Housing Unit

**Eligible Population(s):** families

**Program Source:** Housing Choice Voucher Family Unification Program

**Agency Operator:** Housing Authority of Merced County

**Contact Person:**

Family Unification Program

Human Services Agency

Baljit Gill

(209) 385-3000 ext. 5232

bgill@hsa.co.merced.ca.us

8. **Type of Housing:** Permanent Housing Unit

**Eligible Population(s):** youth 18 - 24

**Program Source:** Independent Living Center

**Agency Operator:** Housing Authority of Merced County

**Contact Person:**

Independent Living Skills Program Aspiranet

Luis Madrid

(209) 725-2125

lmadrid@aspiranet.org

9. **Type of Housing:** Permanent Housing Units/Shelter  
**Eligible Population(s):** chronic homeless persons including persons with HIV/AIDS  
**Program Source:** Housing Opportunities for Persons with AIDS (HOPWA)  
**Agency Operator:** Merced County Community Action Agency  
**Contact Person:**  
Renee Mounce  
Merced County Community Action Agency  
209-947-8386  
Email: [rmounce@mercedcaa.org](mailto:rmounce@mercedcaa.org)  
Call between 8 am and 6 pm

10. **Type of Housing:** Permanent Supportive Housing Units  
**Eligible Population(s):** chronically homeless persons with mental illness  
**Program Source:** HUD Continuum of Care Program  
**Agency Operator:** Merced County Department of Mental Health  
**Contact Person:**  
Dolores Mejia  
Department of Mental Health  
(209) 710-6105  
[dmejia@co.merced.ca.us](mailto:dmejia@co.merced.ca.us)

11. **Type of Housing:** Shelter  
**Eligible Population(s):** single men  
**Program Source:** various sources  
**Agency Operator:** Merced County Rescue Mission  
**Contact Person:** 8AM to 4PM  
Armando Saenz, Director of Operations  
Merced County Rescue Mission  
Phone: (209) 819-0977  
Email: [armandosaenz98@yahoo.com](mailto:armandosaenz98@yahoo.com)

Bruce Metcalf, Executive Director  
Merced County Rescue Mission  
Phone: (209)480-3899  
Email: [brucemetcalf48@gmail.com](mailto:brucemetcalf48@gmail.com)

12. **Type of Housing:** Transitional Housing  
**Eligible Population(s):** single women and women with children  
**Program Source:** multiple sources including HUD Continuum of Care Program  
**Agency Operator:** Community Social Model Advocates  
**Contact Person:**  
Tranquility Village  
559 Mendocino Ct  
Atwater, CA 95301  
Phone: 209 357-5261  
Contact: any staff  
Days/hrs: 7 days a week between 7:00am-7:00pm

Table 2 – Agencies, groups, organizations who participated



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

N/A

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

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

Table 3 – Other local / regional / federal planning efforts

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

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

## **PR-15 Citizen Participation**

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

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

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

The 30-day review period ended on March 31, 2015. During the 30-day public review period the City did not receive comments.

Community Surveys were also administered at various public locations, including on-line on the City's website. Survey participants were asked about the levels of priority for 50 separate items that were categories under the following community needs: Housing; Infrastructure; Neighborhood Services; Community Services; Business and Jobs; Community Facilities; and, Special Needs Services. Under these categories, participants labeled each item's need as high, medium, low or no concern. We received 114 surveys which assisted the City in its goal setting. As stated previously, the following summarizes the results of the survey based on the first two highest priorities per categories:

### Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>The City actively encouraged low- and moderate-income residents, persons of color, persons with disabilities and non-English-speaking residents to attend community meetings and hearings. In accordance with the Citizen Participation Plan, the City provided access and assistance to all residents. This includes: interpreters for non-English-speaking citizens; information provided through workshops, churches, the school district, and local community centers; and utilize sites for the public meetings that are accessible for persons with disabilities. All public hearings and meetings were held at convenient and accessible locations that accommodate persons with disabilities.</p>	<p>More programs and services are needed to respond to high levels of poverty especially in south Merced</p> <p>There is a growing concern for youth leaving high school with limited job opportunities. A specific discussion ensued regarding Hmong youth and their growing participation in street gangs</p> <p>Creation of Youth services is desired</p> <p>Better parks in older parts of Merced</p> <p>Homeless is a growing concern. Veterans, youth and the chronic homeless were specific sub-populations discussed.</p> <p>Better cooperation between police and gangs was recommended</p> <p>More affordable housing and better public transportation for seniors is needed</p>	N/A	N/A
2	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	See above	<p>May-4 Public hearing. Bruce Metcalf from the Merced Rescue Mission requested that \$10,000 for a warming center in which \$6000 will be for the purchase of a trailer for winter warming and \$4000 for toilets and other items necessary to operate the center. This was determined to be a future agenda item.</p>	N/A	N/A

Table 4 – Citizen Participation Outreach

# Needs Assessment

## NA-05 Overview

### Needs Assessment Overview

The Needs Assessment of the Consolidated Plan, in conjunction with information gathered through consultations and the citizen participation process, will provide a clear picture of the City of Merced's needs related to affordable housing, community development, and homelessness. From this Needs Assessment, the City identified those needs with the highest priority, which will form the basis for the Strategic Plan and the programs and projects to be administered.

The housing needs of the community are assessed by analyzing various demographic and economic indicators. Developing a picture of the current needs in the community begins by looking at broad trends in population, area median income, the number of households, etc. The next step is intersecting those data points with a more nuanced analysis of variables such as family and household dynamics, race, and housing problems.

A key goal of the needs assessment is to identify the nature and prevalence of housing problems experienced by the residents of Merced. The main housing problems looked at are: (a) cost-burdened households; (b) substandard housing; and (c) overcrowding. Furthermore, these housing problems are juxtaposed with economic and demographic indicators to discern if certain groups carry a disproportionate burden. Are African-Americans more cost-burdened than other racial groups? Do low-income households experience higher levels of overcrowding? Do large families have more housing problems than small families? These sorts of questions are empirically answered through data analysis. Understanding the magnitude and incidence of housing problems in the community is crucial in aiding the City to set evidence-based priorities for the CDBG and HOME programs.

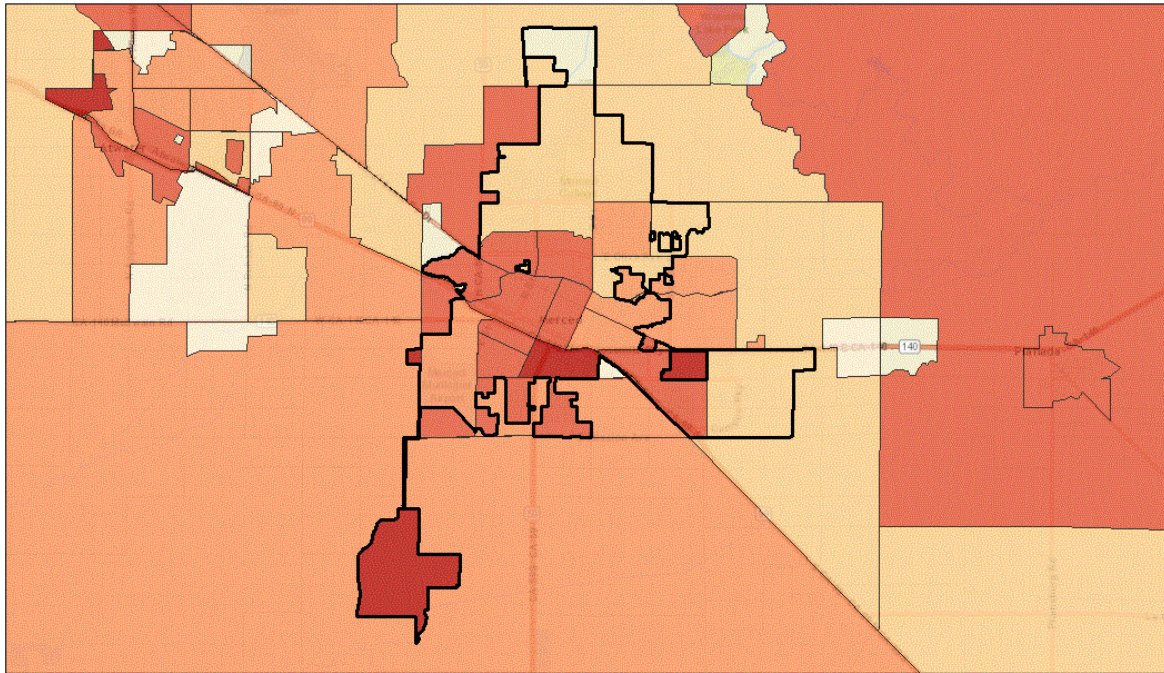
The area's public housing, homeless, and non-homeless special housing needs are also discussed. Finally, non-housing community development needs, such as public services, are looked at.

### LMI Households

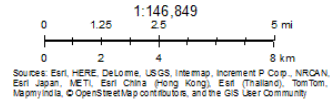
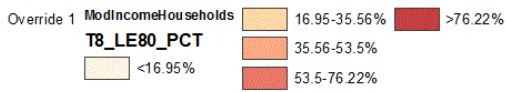
The following series of maps display concentrations of Low and Moderate Income (LMI) households throughout Merced. The first map displays the distribution of moderate income households, whereas the second map focuses on low-income and the third on extremely low-income households. The lighter beige and tan colored parts of the maps represent areas of the community that have a lower percentage of LMI households, and the orange to dark red shaded parts represent higher concentrations.

Looking at the geographical distribution of LMI households is a good way of highlighting areas of concentrated needs in the community, as lower income persons traditionally experience a higher degree of housing problems such as cost-burden and overcrowding.

City of Merced - % of Moderate Income Households

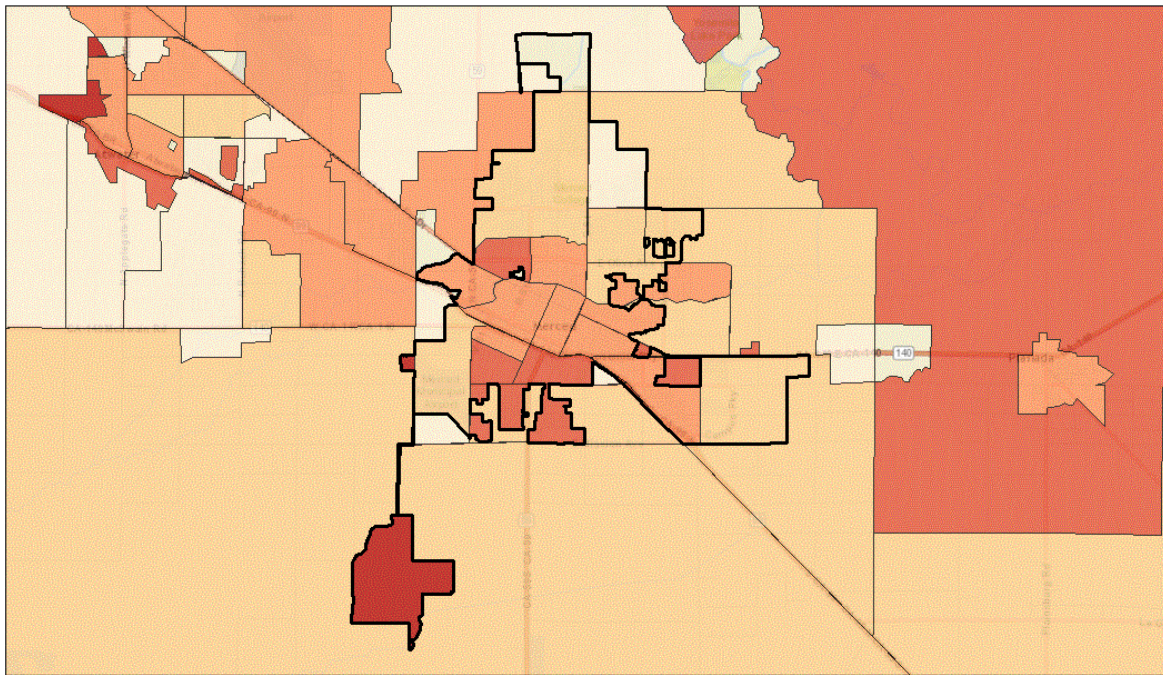


October 30, 2014

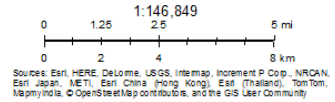
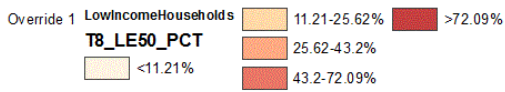


City of Merced - % of Moderate Income Households

City of Merced - % of Low Income Households



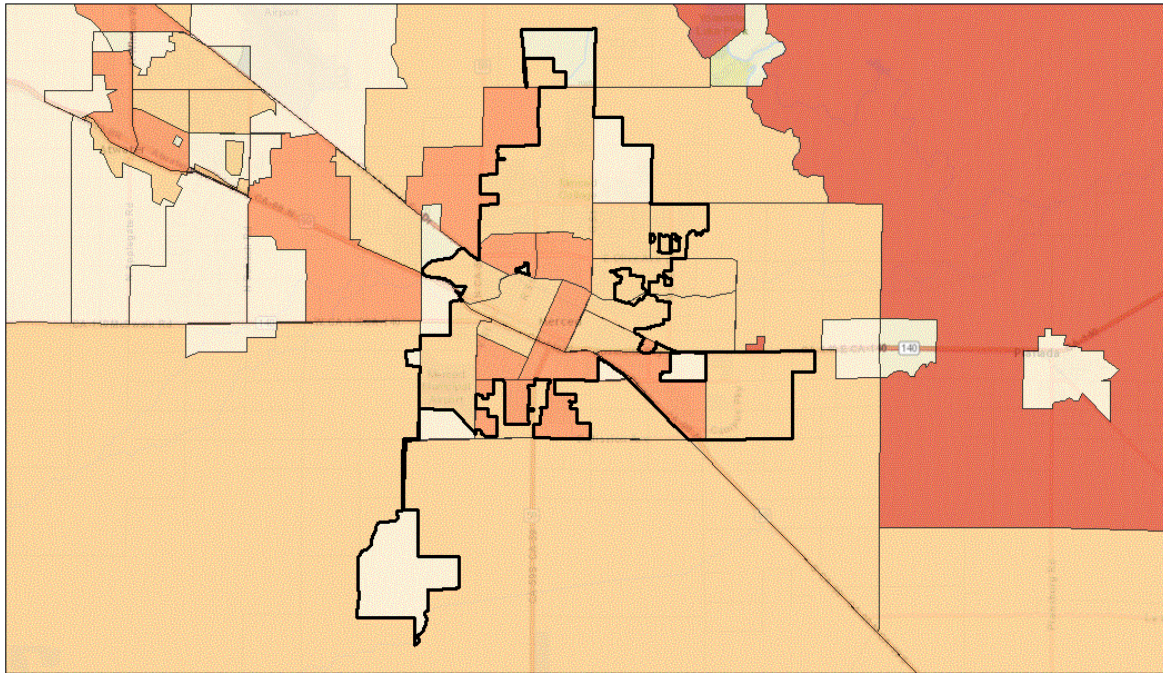
October 30, 2014



City of Merced - % of Low Income Households



City of Merced - % of Extremely Low Income Households



October 30, 2014

Override 1 ExtremeLowIncomeHouseholds  
**T8\_LE30\_PCT**  
 <6.72%  
 6.72-17.15%  
 17.15-32.52%  
 32.52-65.29%

1:146,849  
 0 1.25 2.5 5 mi  
 0 2 4 8 km  
 Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri, China (Hong Kong), Esri, Thailand, TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

City of Merced - % of Extremely Low Income Households

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

### Summary of Housing Needs

This section addresses the most significant housing needs of low- to moderate-income families in Merced. Those housing needs are summarized and projected over the five-year Consolidated Plan period. Current supportive housing needs are also summarized. Primary data sources include U.S. Census, HUDS Comprehensive Housing Affordability Strategy (CHAS), California Department of Finance Estimates, and American Community Survey (ACS) Estimates. Public community meetings and interviews with interested parties and City staff account for information sources as well.

The section documents many areas where households are facing a cost burden (housing costs that exceed 30 percent of gross household income) and a severe cost burden (housing costs that exceed 50 percent of gross household income). Many of the households identified as having housing problems that do not face cost burdens are subject to overcrowding or substandard conditions.

The following general housing needs have also been identified:

- More extremely low- to low- income units.
- Improved accessibility in units and range of accessibility features.
- Transitional housing options for families with children.
- Increased number of renter options and units for large families.

Demographics	Base Year: 2000	Most Recent Year: 2011	% Change
Population	63,985	78,111	22%
Households	20,496	24,016	17%
Median Income	\$30,429.00	\$37,025.00	22%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

### Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	3,780	3,570	4,705	1,970	9,995
Small Family Households *	1,655	1,515	1,940	810	4,970
Large Family Households *	495	605	800	530	1,685
Household contains at least one person 62-74 years of age	400	505	820	270	1,670
Household contains at least one person age 75 or older	290	430	620	115	600
Households with one or more children 6 years old or younger *	1,460	1,195	1,295	655	1,515
* the highest income category for these family types is >80% HAMFI					

Table 6 - Total Households Table



**Data** 2007-2011 CHAS  
**Source:**

## Housing Needs Summary Tables

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

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
Substandard Housing - Lacking complete plumbing or kitchen facilities	50	70	60	15	195	4	10	40	35	89
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	55	60	100	70	285	10	0	15	25	50
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	225	170	260	250	905	45	80	70	25	220
Housing cost burden greater than 50% of income (and none of the above problems)	2,210	1,060	255	10	3,535	265	280	290	155	990
Housing cost burden greater than 30% of income (and none of the above problems)	185	1,010	1,415	155	2,765	65	175	345	235	820
Zero/negative Income (and none of the above problems)	290	0	0	0	290	60	0	0	0	60

Table 7 – Housing Problems Table

Data 2007-2011 CHAS  
Source:

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

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	2,545	1,365	680	345	4,935	325	375	415	240	1,355
Having none of four housing problems	435	1,440	2,560	880	5,315	125	395	1,050	505	2,075
Household has negative income, but none of the other housing problems	290	0	0	0	290	60	0	0	0	60

Table 8 – Housing Problems 2

Data 2007-2011 CHAS  
Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,390	1,100	850	3,340	105	180	270	555
Large Related	380	355	360	1,095	75	140	190	405
Elderly	275	340	285	900	95	205	165	465
Other	660	565	400	1,625	114	15	90	219
Total need by income	2,705	2,360	1,895	6,960	389	540	715	1,644

Table 9 – Cost Burden > 30%

Data 2007-2011 CHAS  
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,320	510	95	1,925	85	130	125	340
Large Related	325	175	75	575	75	60	80	215
Elderly	190	145	50	385	55	95	50	200

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Other	620	300	90	1,010	110	15	45	170
Total need by income	2,455	1,130	310	3,895	325	300	300	925

Table 10 – Cost Burden > 50%

Data 2007-2011 CHAS  
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	240	150	265	210	865	45	45	70	0	160
Multiple, unrelated family households	50	70	80	105	305	10	45	24	50	129
Other, non-family households	0	10	25	0	35	0	0	0	0	0
Total need by income	290	230	370	315	1,205	55	90	94	50	289

Table 11 – Crowding Information – 1/2

Data 2007-2011 CHAS  
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present								

Table 12 – Crowding Information – 2/2

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

Household characteristics also influence housing preferences and needs. For instance, single-person households often occupy smaller apartments or condominiums due to the lower cost and size of such homes. Families with children often prefer larger single-family homes. Understanding changes in household composition can thus provide insight into current and future housing needs.

A single-person household is considered extremely low-income if their income is \$11,750 or less. Extremely low-income households typically consist of minimum wage workers, seniors on fixed

incomes, the disabled, and farm-workers. Although it is difficult to determine the exact housing assistance needed by a single person household, this income group is likely to live in overcrowded and substandard housing conditions. In addition, this group of households is likely to have housing needs that generally require greater government subsidies and assistance, housing with supportive services, single room occupancy (SRO) and or shared housing, and/or rental subsidies or vouchers. In recent years, rising rents, higher income and credit standards imposed by landlords, and insufficient government assistance has exacerbated the problem. Without adequate assistance, this group has a high risk of homelessness.

The 2009 median household income for a single-person household in Merced County is \$39,535, was an increase of 11.2 percent over the median household income of 2000. As illustrated in the chart below, single person’s household represented the least number of households in the City at 4,626, or 22.6 percent of all households. In 2000, this representation grew by less than 1% of total households in 1990.

**Household Type Characteristics  
City of Merced, 1990-2000**

	1990		2000	
	Number	Percent	Number	Percent
<b>Total Households</b>	<b>18,282</b>	<b>100.0</b>	<b>20,435</b>	<b>100.0</b>
<b>Family households (families)</b>	<b>13,296</b>	<b>72.7</b>	<b>14,632</b>	<b>71.6</b>
<b>Married-couple families</b>	<b>9,628</b>	<b>52.7</b>	<b>9,645</b>	<b>47.2</b>
<b>Nonfamily households</b>	<b>4,986</b>	<b>27.3</b>	<b>5,803</b>	<b>28.4</b>
<b>Householder living alone</b>	<b>3,962</b>	<b>21.7</b>	<b>4,626</b>	<b>22.6</b>
<b>Householder 65 years and over</b>	<b>1,498</b>	<b>8.2</b>	<b>1,731</b>	<b>8.5</b>
<b>Persons Per Household</b>	<b>3.03</b>		<b>3.06</b>	
<b>Total Persons in Households</b>	<b>55,350</b>		<b>62,523</b>	

Source: 1990 & 2000 U.S. Census

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

Disabled

U.S. Census data for 2000 indicated that for individuals between the ages of 21 and 64, approximately 26.3 percent of this age group in Merced had some form or type of disability that may impede their ability to earn an adequate income or find suitable housing accommodations to meet their special needs. Therefore, many in this group may be in need of housing assistance. Households containing handicapped persons may also need housing with special features to allow better physical mobility for occupants.

The number of the Disabled Population in Merced between 21 and 64 years of age in 2000 was 8,449 (reference Table 9.3.36). The percent of the disabled population in Merced County between 21 and 64 years of age in 2000 was 24.3 percent of the County’s total population. The percentage of the total 1990 population in Merced (age 16 to 64 years of age) with a work disability was 8.4 percent compared to 8.6 percent for the County.

It is not possible to discern whether the area has attracted the increase in the disabled population or whether there has been an increase because the questions asked in the 2000 Census were different than the 1990 Census. It is also difficult to discern the differences in the 2000 Census numbers and the American Factfinder estimates for 2009. However, the new estimates show a decrease in the percentage of disabled individuals.

The 1990 Census asked people if they were prevented from working or limited in the amount or kind of work that they could do, if they had difficulties taking care of their personal needs - dressing, bathing, and so forth - and if they had a mobility problem. The 2000 Census asked whether people have blindness, deafness, or severe vision or hearing impairment, which does not always translate into a work disability. The 2000 Census also asked about substantial limitations in physical activities, such as lifting things, getting around, difficulty learning, remembering or concentrating, and difficulty working at a job.

Additionally, many people with disabilities require supportive housing arrangements (i.e., housing where support services are readily available). This is particularly important for people with mental disabilities who are reentering the community from an institution and for people who have disabilities that make independent living difficult. In Merced, services for people with mental disabilities are provided by the Merced County Department of Mental Health. The department has the capacity to serve six individuals (women only) in supportive housing sites in the County.

The department also provides referrals to the Community Action Agency (CAA) and other organizations that provide motel vouchers and emergency shelter facilities. The department estimates that there are 400 people in the County with mental illnesses who are in need of supportive housing services of some type. The Department works closely with other facility and service providers in the County, such as the Community Action Agency and the Rescue Mission (a county-based shelter) to ensure that clients receive housing and other supportive services, such as rehabilitation and training programs.

Clients who are served include people returning to the community from mental health institutions, veterans from the Vietnam War, substance abusers, people with schizophrenia, and people with mute disorders. There are currently no supportive housing units for persons leaving mental/physical health facilities in Merced County. However, supportive housing is a permitted use in all residential zones and could be allowed as a conditional use in some commercial zones.

Social Security Disability Insurance (SSDI) family income equates to approximately two-thirds of the wage earners' recorded highest earnings. A disabled family person who earned \$30,000 a year receives \$21,204 annually from SSDI. The same earned income entitles a single disabled person to \$11,271 annually. Either scenario places the household in a lower-income category.

***Disabled Population, 1990-2000 & 2009 Estimates***

	1990 Non Institutionalized Persons With a Work Disability Age 16 to 64 Years		2000 Non Institutionalized Persons With a Work Disability Age 21 to 64 Years		2009 Estimates Non Institutionalized Persons with a Work Disability Age 16 to 64 Years	
	Number	Percent	Number	Percent	Number	Percent
Merced	2,800	8.4	8,449	26.3	8,712	18.4
Merced County	9,195	8.6	26,199	24.3	22,247	28.8

*Source: 1990 and 2000 U.S. Census; 2009 American Community Survey Estimate*

## Domestic Violence

Battered women with children comprise a sub-group of female-headed households that are especially in need. According to the California Department of Housing and Community Development and the National Low Income Housing Coalition’s Women and Housing Task Force, the female-headed household group is probably the group with the most extensive housing needs and is disproportionately affected by the current housing situation. This housing need is exacerbated by a lack of adequate and affordable child care, which would enable the mother to pursue ways of increasing her earning capacity. With rising child care costs, few women in this group are able to work and care for their children at the same time. The table below shows the number of female-headed households in Merced and Merced County according to the 2000 Census and 2009 American Community Survey (ACS).

### ***Female-Headed Household, 2000 & 2009 Estimates***

	<b>Total Households</b>	<b>Female-Headed Households No Husband Present</b>	<b>Percent of all Households</b>	<b>Female-Headed Households With Children Under 18, No Husband Present</b>	<b>Percent of all Households</b>
<b>2009 Estimates</b>					
Merced	25,344	4,606	18.2	2,799	11.0
Merced County	74,166	12,053	16.3	6,970	9.4
<b>2000</b>					
Merced	20,435	3,726	18.2	2,591	12.7
Merced County	63,815	9,013	14.1	5,876	9.2

*Source: U.S. Bureau of the Census, 2000 Census, American Community Survey 2009*

*Note: Female Headed Households No Husband Present includes those with children under 18, No Husband Present.*

By Housing Policy, the City of Merced provides support for special needs housing, including single-parent households. The Policy includes providing affordable housing through the City’s Housing Program. The affordable housing assistance programs (First Time Home Buyers Assistance, Rehabilitation Loans, etc.) administered through the City’s Housing Department are available to all single-parent households (male and female) meeting the income eligibility requirements of the programs.

### **What are the most common housing problems?**

Approximately 42 percent of households pay between \$500 and \$999 in housing costs and over 40 percent pay more than \$1000. In 2008, the median household income was \$34,955. For a family paying \$1,000 for housing costs and earning the median income of \$34,955, approximately 34 percent of their income would be used to pay for housing. Household earnings are split almost equally between those earning more than the median income and those earning less. The ACS estimates show 49.9 percent of households earn more than the median income and 50.1 percent earn less than the median income. However, 41.3 percent of the total households pay more than \$1000 for housing costs.

The 2000 Community Housing Affordability Survey (CHAS) Data in table below indicates that 3,147 households earned less than 30 percent of the Median Family Income (MFI), of that number, 88.2 percent reported housing problems.

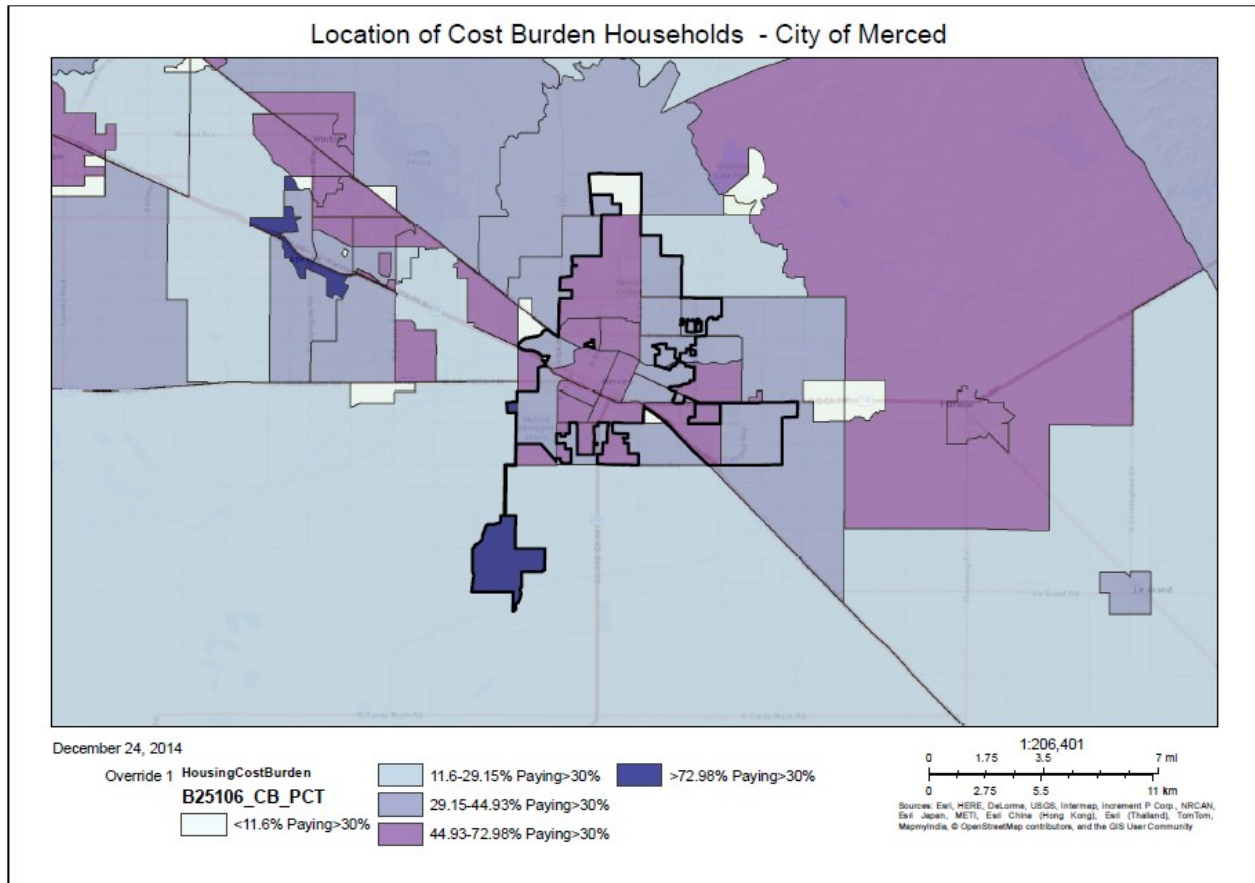
### ***Housing Problems for all Households CHAS Data Book***

	<b>Total Owners</b>	<b>Total Renters</b>	<b>Total Households</b>
<b>Household Income &lt;=30% MFI</b>	536	2,611	3,147
<b>% with any housing problems</b>	80.8%	89.7%	88.2%
<b>% Cost Burden &gt;30%</b>	78.2%	80.0%	81.4%
<b>% Cost Burden &gt;50%</b>	67.0%	66.0%	66.2%
<b>Household Income &gt;30% to &lt;=50% MFI</b>	770	2,200	2,970
<b>% with any housing problems</b>	67.7%	90.0%	84.2%
<b>% Cost Burden &gt;30%</b>	67.7%	73.3%	71.9%
<b>Household Income &gt;50% to &lt;=80% MFI</b>	1,338	2,593	3,931
<b>% with any housing problems</b>	62.7%	57.8%	59.5%
<b>% Cost Burden &gt;30%</b>	51.7%	29.5%	37.0%

*Source: 2000 CHAS Data*

This data also indicates that of those households, 81.4 percent had a housing cost burden greater than 30 percent of their income and 66.2 percent had a cost burden greater than 50 percent of their income. This data indicates that the majority of owner-occupied households earning less than \$35,000 annually are over-paying for housing costs. The number of renter-occupied households earning less than \$20,000 who are overpaying for housing costs is more than 80 percent. However, for those renter-occupied households earning between \$20,000 and \$35,000, the percentage overpaying for housing costs drops to 60 percent. The number of home-owners earning less than \$20,000 who are overpaying for housing is over 70 percent. The map below displays the location of households with server household cost burden within the City of Merced. As indicated, the majority of households with severe house burden are located in west and southwest Merced. Approximately 73 percent of households within this geographic area is paying more than 30 percent of income on housing.





As previously explained, with the recent fall of the real estate market, the City has experienced a large number of foreclosures. While this has resulted in an overall reduction in housing values making the purchase of homes more affordable, the market has become extremely competitive and it is often difficult for prospective home buyers to successfully bid on available properties. Many of the homes that have come on the market have been purchased by out of town owners who in turn, rent them out. In addition, the new lending rules make it more difficult to obtain a loan, so prospective buyers who have lost their jobs or have credit problems are unable to take advantage of the lower housing costs. In many cases, house payments may be less than rent for many people. Unfortunately, the lower-income households are typically unable to purchase these homes for the reasons previously mentioned or lack of down payment.

The City offers a First Time Home Buyer's Down Payment Assistance Program to assist lower-income households in purchasing a home. Again, because of the competitiveness of the market and the stricter rules for loans, many people are unable to purchase homes and are stuck paying higher costs to rent a home. The 2000 CHAS data revealed that a larger percentage of renters had a cost burden of 30 percent or more of their household income than owners. The City expects this trend continues today based on the conditions previously described. The CHAS data also reports that in 2000, there were 3,520 rental units available for households with an income less than or equal to 50 percent of Area Median Income (AMI). The data reveals that the majority of the houses available at this rate were constructed prior to 1970. At that time, 450 units (13 %) were available for rent. The CHAS data does not include information for owner-occupied units. The households with the lowest income have the highest incidence of overpaying for both

owner and renter occupied housing units. These figures are based on the 2000 U.S. Census. The City's 2010 Analysis of Impediments (AI) states that the number of renter households overpaying for housing increased to over 59 percent by 2007 with the majority (49 percent) paying over 35 percent of their income towards housing. The AI did not address owner-occupied units.

Based on the information provided, typical housing costs in Merced are higher than what can be supported by lower-income households. In fact, those households within the median income group have a relatively high incidence of overpayment. The median rent from 2000 to 2007 increased by 32 percent while the median household income only increased by 4 percent. According to the National Low Income Housing Coalition (NLIHC), the percent of the area median income (AMI) needed to be able to afford the fair-market rent in 2008 exceeded 30 percent for all rental units ranging in size from zero bedrooms to four bedrooms. The fair market rent for a four bedroom rental unit would require 104 percent of the AMI for Merced. The NLIHC data indicates that in order for a typical household to afford a one bedroom rental unit, they would have to make \$12.65 per hour or work 63 hours a week at minimum wage.

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

Household income level is probably the most significant factor limiting housing choice. Therefore, income patterns have been examined carefully to assess the extent of housing need. Certain population groups (elderly, female householders, farm workers, etc.) fall disproportionately into low-income groups, so they have been given special attention.

According to the Comprehensive Housing Affordability Strategy (CHAS) Data, there are 3,147 households with an income that is less than or equal to thirty percent of the area's median income. Of that number, 88.2 percent experience housing problems (defined as cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities). Approximately 81.4 percent of these households report a housing burden of more than 30% of their income and 66.2 percent have a housing burden greater than 50% of their income. This is compared to 16.1 percent of total households with a cost burden of more than 50% of their income. Extremely low-income households make up approximately 15.3 percent of the City's total households.

Table below identifies the number of Merced families and individuals, with incomes at or below 30 percent of the area's median income (AMI) and the number who experience housing burdens.

	Renters	Owners	Total
Total Number of ELI Households (<= 30% of AMI)	2,611	536	3,147
Percent with Any Housing Problem	89.7%	80.8%	88.2%
Percent with Cost Burden (30% of income)	82%	78.2%	81.4%
Percent with Severe Cost Burden (50% of income)	66%	67%	66.2%

***Housing Cost Burden of Extremely Low-Income Households***

*Source: HUD Comprehensive Housing Affordability Strategy (CHAS)*

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

Stable housing is fundamental to sustaining family living, to finding and keeping employment, and to our health and safety. Merced County faces numerous economic challenges that impact the ability of its residents to afford adequate housing. Housing is the single biggest monthly expense for most households. In 2011 Merced County's unemployment rate was 18.3 percent and fourth-highest in California. Additionally, the median household income of a Merced County resident is roughly \$17,700 less than California's median. These trends result in lower income households paying a greater portion of their income for housing, forcing them into debt and undesirable housing situations, including being at imminent risk of either residing in shelters or becoming unsheltered.

According to the Merced County Association of Governments, on any given day there are about 400 adults and children who are homeless in Merced County, according to the U.S. Census Bureau. About 25 percent of Merced County residents were living below the poverty line last in 2010, according to the 2009 American Community Survey, which works out to about 61,000 county residents that are at risk of becoming homeless.

High unemployment and a shortage of affordable housing have contributed to homelessness in Merced County. Community Action Agency's 2013 Strategic Plan describes the following estimates of Homeless Persons in Merced County

- 483 unduplicated homeless persons were sheltered in MCCAB emergency facilities during 2011. This description will be found in the "Agency Profile" section.
- 1,001 children attending high schools in Merced, Atwater and Livingston reported to school district officials in 2011 that they were homeless- living in a motel, on the streets, or some other homeless situation - or living in foster care.
- 496 homeless persons were counted throughout Merced County during a three hour period on January 24, 2012, only 13 of whom were children.

In September 2009, the City of Merced granted \$270,000 to MCCAB in Neighborhood Stabilization Program funding. By September 2010, the Agency had used these funds to assist 309 Merced households (751 persons) at risk of eviction to stay housed. The program was so successful that in May 2012, the City of Merced granted an additional \$19,980 in Community Development Block Grant funds to temporarily reinstitute the rapid re-housing program. Rental assistance is provided to five AIDS clients for approximately five months per year as a result of Housing Opportunities for Persons with AIDS (HOPWA) grant funding from HUD.

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

In the City of Merced, “at-risk” persons predominately belong to extremely low- and low-income households that pay a significant portion of their income on housing. According to the 2010 Census and 2009-2011 ACS 3-Year Estimates, approximately 20 percent of the total occupied housing units had a household income falling in the extremely low-income category with an additional 10 percent in the very-low income category. Among these households, those living in poverty, female-headed households (including households with children), and the elderly living on social security are most at-risk. Any unforeseen event or disruption in their income, could affect their ability to pay for housing.

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

As previously stated, stable housing is fundamental to sustaining family living, to finding and keeping employment, and to our health and safety. Merced faces numerous economic challenges that impact the ability of its residents to afford adequate housing. Housing is the single biggest monthly expense for most households.

Housing market conditions have influenced the City to focus its efforts on the occupancy of vacant and abandoned foreclosed homes. As observed elsewhere, heavy job losses in Merced, especially in the construction industry, has created a weak economy and reduced housing demand. The job losses, combined with increased mortgage payments have caused a high number of borrowers with subprime and prime loans to lose their home through the foreclosure process. The weak housing market, in turn, has contributed to lower sales prices.

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

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

A household is considered to have a housing problem when at least one of four problems exist: lack of complete kitchen facilities; lack of complete plumbing facilities; more than one person occupying a room (overcrowding); and/or when a cost burden greater than 30% exists (where 30% or more of income goes toward housing).

For the purposes of this ConPlan, disproportionately greater need is assumed to exist when the percentage of persons in an income category who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole (later referred as the “threshold” for disproportionately greater need). For example, 82% (percentages rounded to the nearest whole number) of the extremely low income households (0%-30% AMI) experience at least one of the four housing problems. Based on the aforementioned calculation, if more than 92% of a particular racial or ethnic group experienced any of the housing problems, a disproportionately greater need is presumed to exist.

### Introduction

#### 0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,815	415	250
White	1,225	130	75
Black / African American	395	4	60
Asian	155	20	10
American Indian, Alaska Native	25	0	0
Pacific Islander	0	0	0
Hispanic	1,940	260	99

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data 2007-2011 CHAS  
Source:

\*The four housing problems are:

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

**30%-50% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,445	795	0
White	1,070	245	0
Black / African American	255	35	0
Asian	385	45	0
American Indian, Alaska Native	35	0	0
Pacific Islander	0	0	0
Hispanic	1,630	450	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data 2007-2011 CHAS  
Source:

\*The four housing problems are:

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

**50%-80% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,580	1,980	0
White	790	815	0
Black / African American	210	70	0
Asian	265	95	0
American Indian, Alaska Native	20	0	0
Pacific Islander	0	15	0
Hispanic	1,225	970	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data 2007-2011 CHAS  
Source:

\*The four housing problems are:

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

**80%-100% of Area Median Income**

<b>Housing Problems</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	670	950	0
White	280	425	0
Black / African American	0	35	0
Asian	30	20	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	360	465	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data 2007-2011 CHAS  
Source:

\*The four housing problems are:

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

**Discussion**

In 2011, a total of 10,415 units (100% and below AMI) had one or more of four housing problems stated above.

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

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

### Introduction

Similar to the previous section (NA-15), a household is considered to have a housing problem when at least one of four problems exist: lack of complete kitchen facilities; lack of complete plumbing facilities; more than one person occupying a room (overcrowding); and/or when a cost burden greater than 30% exists (where 30% or more of income goes toward housing). For *severe* housing problems, overcrowding is defined by having more than 1.5 persons per room (excluding bathrooms and kitchens) and a cost burden exists when 50% or more of income goes toward housing. The same calculation for disproportionately greater need applies in this section as well.

### 0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,445	785	250
White	1,075	280	75
Black / African American	380	25	60
Asian	145	25	10
American Indian, Alaska Native	25	0	0
Pacific Islander	0	0	0
Hispanic	1,765	435	99

Table 17 – Severe Housing Problems 0 - 30% AMI

Data 2007-2011 CHAS  
Source:

\*The four severe housing problems are:

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

### 30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,090	2,145	0
White	655	660	0
Black / African American	190	105	0
Asian	215	215	0
American Indian, Alaska Native	35	0	0
Pacific Islander	0	0	0



<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Hispanic	975	1,100	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data 2007-2011 CHAS  
Source:

\*The four severe housing problems are:

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

### 50%-80% of Area Median Income

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	1,105	3,450	0
White	315	1,285	0
Black / African American	30	245	0
Asian	125	240	0
American Indian, Alaska Native	20	0	0
Pacific Islander	0	15	0
Hispanic	610	1,580	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data 2007-2011 CHAS  
Source:

\*The four severe housing problems are:

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

### 80%-100% of Area Median Income

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	255	1,365	0
White	60	645	0
Black / African American	0	35	0
Asian	30	20	0
American Indian, Alaska Native	0	0	0

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Pacific Islander	0	0	0
Hispanic	165	660	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data 2007-2011 CHAS  
Source:

\*The four severe housing problems are:

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

## Discussion

There are no groups with disproportionately greater needs (92%) in assessing the need of any racial or ethnic group in comparison to the needs of that category of need as a whole. However, within each category, Hispanics represented the vast majority of housing problems. Most notable is the 80-100% AMI category in which they represented approximately 65 percent (165) of all reported housing problems for the jurisdiction as a whole (255). Among groups with statistically significant samples, Whites tend to experience housing problems at a rate less than the average for each income category. Additionally, the lack of a true sample size exists for the Pacific Islander group across all income categories.

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

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

### Introduction:

Unlike previous sections, section NA-25 measures individuals rather than households. A person is considered to have a housing cost burden when he or she spends more than 30% of gross income on housing expenses. As before, the same methodology applies to calculating disproportionately greater need.

### Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	12,795	5,340	5,880	290
White	6,205	2,010	2,030	75
Black / African American	535	390	640	60
Asian	875	380	340	10
American Indian, Alaska Native	70	4	60	0
Pacific Islander	110	4	0	0
Hispanic	4,725	2,370	2,735	140

Table 21 – Greater Need: Housing Cost Burdens AMI

Data 2007-2011 CHAS  
Source:

### Discussion:

Overall, 12,795 of Merced residents live in a household that experiences a housing cost burden (calculated using figures in the 30-50% and >50% columns). No particular racial or ethnic group in Merced experiences a disproportionately greater need as it relates to housing cost burdens. Whites and Hispanics experience a level above 50%, but do not exceed the 53% threshold. Black / African American experience the lowest incidence of housing cost burden among all groups with a significant sample size.

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

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

No racial or ethnic group had disproportionately greater need than the needs of that income category as a whole. However, Hispanics consistently experienced a higher incidence of housing problems and severe housing problems when compared to other ethnic groups. When assessing housing cost burden, Whites had displayed the greater need amongst all groups (48%) , followed very closely by Hispanics (37%). Greater cost burden for Whites could be explained by the groups 71 percent homeownership and 11.2 percent unemployment rates, which are higher than the national average.

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

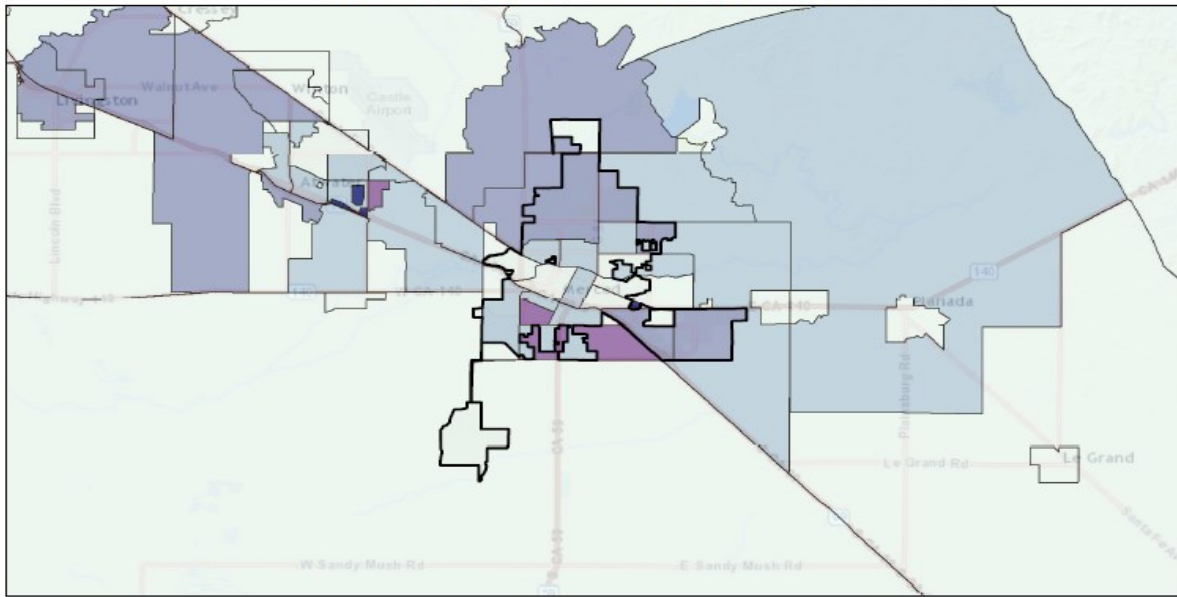
During the consultation process, when asked if certain groups should be the focus of additional services, needs were not broken down by race/ Ethnicity. However, other special needs groups identified during this process were the homeless and youth.

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

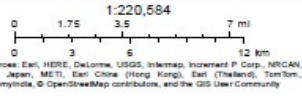
Merced County has experienced profound changes in the diversity of its population. The majority of Merced County residents are Hispanic; in 2010, approximately 55 percent of the County's population was Hispanic in origin, compared to 38 percent statewide.

During the past three decades, Merced County became home to the largest number of Southeast Asian refugees per capita in California. These Hmong, Laotian, and Cambodian immigrants were reportedly attracted by the agrarian economic base, and moved to Merced in large numbers. Between 1980 and 1990, the City of Merced's Asian population (inclusive of Southeast Asians) increased by more than 1300 percent.

### Location of Asian Population - City of Merced



January 28, 2015



## NA-35 Public Housing – 91.205(b)

### Introduction

The City of Merced does not own public housing. The City works in close collaboration with the Housing Authority of the County of Merced to provide public housing within the City. Merced will continue to work independently and closely with the HA and local nonprofits to provide assistance to low-income families. As population demographics continue to change, the City will continue to work with the county housing authority and local (and regional) nonprofits to develop public housing projects in Merced.

Subsidized housing is scarce in most of our communities. The Housing Authority of the County of Merced provides and manages public housing, including the Housing Choice Voucher program, also known as Section 8. The waiting list for this program typically exceeds 1,000 families.

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

### Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	410	2,614	0	2,587	0	27	0

Table 22 - Public Housing by Program Type

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

Data Source: PIC (PIH Information Center)

### Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	
Average Annual Income	0	0	16,486	12,814	0	12,830	0	11,328	

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program
Average length of stay	0	0	5	5	0	5	0	6
Average Household size	0	0	3	3	0	3	0	5
# Homeless at admission	0	0	0	1	0	1	0	0
# of Elderly Program Participants (>62)	0	0	78	432	0	432	0	0
# of Disabled Families	0	0	53	574	0	567	0	7
# of Families requesting accessibility features	0	0	410	2,614	0	2,587	0	27
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

### Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	343	1,839	0	1,816	0	23	0
Black/African American	0	0	33	447	0	446	0	1	0
Asian	0	0	32	285	0	282	0	3	0
American Indian/Alaska Native	0	0	1	33	0	33	0	0	0

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Pacific Islander	0	0	1	10	0	10	0	0	0
Other	0	0	0	0	0	0	0	0	0

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

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

**Ethnicity of Residents**

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	280	1,224	0	1,206	0	18	0
Not Hispanic	0	0	130	1,390	0	1,381	0	9	0

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

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)



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

Based on information provided by the applicable Housing Authority, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

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

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

Based on a consultation with HACM's Executive Director, the most immediate need for residents of Public Housing and Housing Choice voucher holders is additional services to ensure self-sufficiency. During the last planning period, revenue streams from State, Federal and local sources have declined. Therefore, despite the demand, services and programming have been reduced, particularly in the area of services to those at-risk of homelessness.

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

A major difference between the applicants on the waiting list and the population at large is that the low income population in Merced includes many homeowners. Owner-occupied housing predominates in Merced. The needs of homeowners, regardless of income level, are somewhat different than the needs of renters. For example, homeowners require mortgage and utilities services and assistance and sometimes home repair or rehabilitation programs. Renters do not require those resources or services.

**Discussion**

Overall, lower-income residents in Merced would benefit from additional affordable housing and resources, including public and social services. Through the consultation and public meeting processes, the following general housing needs have also been identified:

- More services for the homeless
- Increased number of renter options and units for large families
- Services and housing for Transitional Age Youth.

## **NA-40 Homeless Needs Assessment – 91.205(c)**

### **Introduction:**

The U.S. Department of Housing and Urban Development (HUD) provides the following definition of homelessness: “A person is considered homeless only when he/she resides in one of the places described below:

- in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- in an emergency shelter; or
- in transitional or supportive housing for homeless persons who originally came from the streets or emergency shelter.”

People can become homeless because of social structural issues such as increases in rent, loss of job, and rising health care costs. In addition, personal experiences such as domestic violence, physical disabilities, mental illness, and substance abuse can cause people to become homeless as well. Often, one or more of these experiences factor into a household’s homeless experience.

Not all homeless people are the same, but many fall under several categories: the mentally ill, alcohol and drug users, vagrants, the elderly, runaways and abandoned youths, single women with children who are often fleeing domestic violence, individuals and families who have recently lost jobs and are unable to make ends meet, as well as the working poor, those with jobs but whose income is too small to afford housing. Although each category has different specific needs, the most urgent need is for emergency shelter and case management (i.e., help with accessing needed services). Emergency shelters have minimal supportive services for homeless persons, and are limited to occupancy of six months or less by a homeless person per state law. No individual or household may be denied emergency shelter because of inability to pay.

Due to the transient nature of the homeless population, estimating the precise number of homeless persons in a community is a difficult, if not impossible, challenge. Measuring the number of homeless individuals is a difficult task in part because, in most cases, homelessness is a temporary, not permanent, condition. Therefore, a more appropriate measure of the magnitude of homelessness is the number of people who experience homelessness over time, not the exact number of homeless people at any given time.

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

Due to the transient nature of the homeless population, estimating the precise number of homeless persons in a community is a difficult, if not impossible, challenge. Measuring the number of homeless individuals is a difficult task in part because, in most cases, homelessness is a temporary, not permanent, condition. Therefore, a more appropriate measure of the

magnitude of homelessness is the number of people who experience homelessness over time, not the exact number of homeless people at any given time.

However, the most recent information available for the City and the County is a “point-in-time” count of sheltered and unsheltered homeless persons conducted by volunteers for the Merced County Continuum of Care (CoC) in January 2015. This “point-in-time” survey revealed a total of 899 adults and children of whom 872 were adults and 23 were children. Of the 899 persons counted, 743 adults were unsheltered and 156 (133 adults and 23 children) in temporary shelters or transitional housing programs as required by the U.S. Department of Housing and Urban Development (HUD) and will be the numbers officially reported to HUD as required of all Continuum’s of Care (CoCs). As recorded below, this represents an increase of 17% or 131 persons when compared to the 2014 homeless count and survey.

**Table 4-6**

Year	Total Number of Homeless Persons	Variance	
		#	%
2014	768		
2015	899	131	17

The total number of homeless persons counted in the City of Merced was 690 of which 592 (86%) were unsheltered and 98 (14%) were sheltered. All of the 592 unsheltered persons were adults and all of the 98 sheltered persons were adults. As noted in the beginning of this report, 23 children were counted in shelters. These shelters are located in other areas of the county.

A breakdown of the 690 unsheltered and sheltered adults by the subpopulations was based on the information gathered through surveys. Of the 228 surveys that were completed, 167 or 73% were administered to homeless persons counted in the City of Merced. The 167 surveys represents a sample of 24%. In other words, 690 unsheltered and sheltered adults were counted and 167 persons were surveyed. Thus, 24% or approximately one out of four persons were surveyed.

The following breakdown for each of these subpopulations is based on a homeless survey that was conducted from January 22 through 23, 2015 and administered to a sample of 228 homeless adults and four unaccompanied youth under age 18. The 228 homeless persons who were surveyed represent a 26% sample of the 876 homeless adults who were counted. The survey was administered at the same locations where homeless persons were counted. Following HUD guidelines, the information gathered through the sample was used to estimate numbers of adults that fall within each subpopulation category as noted in the table below. For example, 75 or 33% of the adults surveyed had mental illness. Thus, 289 or 33% of the 876 adults counted was

estimated to have mental illness.

### **Nature and Extent of Homelessness: (Optional)**

The total number of homeless persons counted in the City of Merced was 690 of which 592 (86%) were unsheltered and 98 (14%) were sheltered.

All of the 592 unsheltered persons were adults and all of the 98 sheltered persons were adults. As noted in the beginning of this report, 23 children were counted in shelters. These shelters are located in other areas of the county.

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

According to 2011 ACS data, there were 24,899 households, out of which 11,484 (46.1%) had children under the age of 18 living in them. Families with children often prefer larger single-family homes. Understanding changes in household composition can thus provide insight into current and future housing needs.

Household growth is influenced by marriages, the dissolution of marriages and the number of children entering adulthood. Household growth is also affected by future residents moving to Merced to either find employment or housing. Finally, because households must occupy a housing unit, the rate of new housing construction also influences whether a new household will be established or whether households will consolidate.

The City works closely with other facility and service providers in the County, such as the Community Action Agency and the Rescue Mission (a county-based shelter) to ensure that clients receive housing and other supportive services, such as rehabilitation and training programs. Clients who are served include veterans from the Vietnam War. According to the 2015 Point in time survey, there were 88 Homeless Veterans within the County. The percentage of veterans increased—from six percent (6%) of the homeless population in 2014 to 10% of the homeless population in 2015.

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

A breakdown of the 690 unsheltered and sheltered adults by the subpopulations noted below was based on the information gathered through surveys. Of the 228 surveys that were completed, 167 or 73% were administered to homeless persons counted in the City of Merced.

- The 167 surveys represents a sample of 24%. In other words, 690 unsheltered and sheltered adults were counted and 167 persons were surveyed;
- 14% were African American or Black;
- 4% were American Indian or Alaskan Native;
- 2% were Asian/Pacific Islander.
- 0% were Southeast Asian (Hmong, Cambodian, etc.);
- 23% were Hispanic or Latino; 45% were White; 3% were
- Other; and 8% did not have a recorded answer.

**Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

The total number of homeless persons counted in the City of Merced was 690 of which 592 (86%) were unsheltered and 98 (14%) were sheltered. All of the 592 unsheltered persons were adults and all of the 98 sheltered persons were adults.

Of the 690 unsheltered and sheltered persons,

- 28% were chronically homeless;
- 45% were homeless one year or more;
- 40% were homeless at least four times in the last three years;
- 42% had a physical disability;
- 25% had a developmental disability;
- 48% had a chronic health condition such as diabetes, heart trouble, high blood pressure, seizures, hepatitis, respiratory problems, epilepsy, tuberculosis, or arthritis;
- 2% had been diagnosed with AIDS or had tested positive for HIV.
- 32% had a mental health condition;
- 23% had a drug or alcohol problem;
- 11% were a veteran;
- 25% had been a victim of domestic or intimate partner violence;
- 22% were released from a correctional institution such as a prison or jail after serving a court-order sentence during the past 12 months.

**Discussion:**

The City is committed to continuing the relationships with other agencies to address the issues of homelessness in our City. To this end, the City has included the following policies in this Housing Element:

- 1.7.a Continued development and participation in the Merced County Continuum of Care.
- 1.7.b Promote and develop housing for special needs (including homeless shelters and transitional or supportive housing).

3.1.b Coordinate with local agencies to provide low and very-low income housing assistance (including homeless shelters and transitional or supportive housing).

The City is committed to continuing its relationship with the local Continuum of Care and will support the recommendations of the updated 10 Year Plan to End Homelessness which include:

- Ensure that all stakeholders fully understand Housing First and Rapid Re-housing approaches through presentations at CoC and CoC committee meetings;
- Encourage eligible public and private agencies to apply for rental assistance through the annual HUD CoC Homeless Assistance Permanent Supportive Housing Bonus program;
- Encourage eligible public and private agencies to apply for permanent supportive housing through federal, state, and local funding opportunities;
- Encourage private and public agencies including faith-based organizations to develop and implement a county-wide homeless prevention program that will prevent households at risk of becoming homeless from becoming homeless;
- Continue to support an annual county-wide homeless count and survey;
- Support a local Coordinated Assessment System (CAS) that fulfills HUD's requirement that all CoCs implement a CAS and meets HUD's specifications;
- Support a local winter warming center that will be operational during the period of December 16 through March 15;
- Develop partnerships between local government and nonprofit and for-profit affordable housing developers to develop additional units of permanent affordable housing for extremely low-, very low-, and low-income homeless families and individuals;
- Support the development of additional units of permanent affordable housing for extremely low and very low-income families and individuals;
- Support the development of units of permanent affordable housing for homeless veterans.

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

### **Introduction:**

Non-homeless special needs refer to the needs of population subgroups that have been identified by HUD as more commonly in need of housing assistance than the general population. Due to their economic, social, mental, and/or physical conditions, these populations have difficulty finding appropriate housing. These groups include:

- The elderly and frail elderly,
- Persons with disabilities,
- Persons with HIV/AIDS,
- Persons with alcohol or drug addictions; and
- Victims of domestic violence.

Additionally, individual regions often contain specific subgroups that face challenges unique to the region. This section is intended to identify the nature and extent of these needs as well as strategies being implemented to address these needs.

### **Describe the characteristics of special needs populations in your community:**

In an effort to support the development of farmworker housing, the City has included in its 2014 Housing Element a policy to encourage the construction of housing and facilities to meet special needs, including farmworkers. This Policy includes programs that promote and develop housing for special needs, including farmworkers and to assist in obtaining funding for farmworker housing.

#### Disabled Population

U.S. Census data for 2000 indicated that for individuals between the ages of 21 and 64, approximately 26.3 percent of this age group in Merced had some form or type of disability that may impede their ability to earn an adequate income or find suitable housing accommodations to meet their special needs. Therefore, many in this group may be in need of housing assistance. Households containing handicapped persons may also need housing with special features to allow better physical mobility for occupants.

The number of the Disabled Population in Merced between 21 and 64 years of age in 2000 was 8,449. The percent of the disabled population in Merced County between 21 and 64 years of age in 2000 was 24.3 percent of the County's total population. The percentage of the total 1990 population in Merced (age 16 to 64 years of age) with a work disability was 8.4 percent compared to 8.6 percent for the County.

It is not possible to discern whether the area has attracted the increase in the disabled population or whether there has been an increase because the questions asked in the 2000 Census were different than the 1990 Census. It is also difficult to discern the differences in the 2000 Census numbers and the American Factfinder estimates for 2009. However, the new estimates show a decrease in the percentage of disabled individuals.

The 1990 Census asked people if they were prevented from working or limited in the amount or kind of work that they could do, if they had difficulties taking care of their personal needs - dressing, bathing, and so forth - and if they had a mobility problem. The 2000 Census asked whether people have blindness, deafness, or severe vision or hearing impairment, which does not always translate into a work disability. The 2000 Census also asked about substantial limitations in physical activities, such as lifting things, getting around, difficulty learning, remembering or concentrating, and difficulty working at a job.

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

Many people with disabilities require supportive housing arrangements (i.e., housing where support services are readily available). This is particularly important for people with mental disabilities who are reentering the community from an institution and for people who have disabilities that make independent living difficult. In Merced, services for people with mental disabilities are provided by the Merced County Department of Mental Health. The department has the capacity to serve six individuals (women only) in supportive housing sites in the County. The department also provides referrals to the Community Action Agency (CAA) and other organizations that provide motel vouchers and emergency shelter facilities. The department estimates that there are 400 people in the County with mental illnesses who are in need of supportive housing services of some type. The Department works closely with other facility and service providers in the County, such as the Community Action Agency and the Rescue Mission (a county-based shelter) to ensure that clients receive housing and other supportive services, such as rehabilitation and training programs.

Clients who are served include people returning to the community from mental health institutions, veterans from the Vietnam War, substance abusers, people with schizophrenia, and people with mute disorders. There are currently no supportive housing units for persons leaving mental/physical health facilities in Merced County. However, supportive housing is a permitted use in all residential zones and could be allowed as a conditional use in some commercial zones. Social Security Disability Insurance (SSDI) family income equates to approximately two-thirds of the wage earners' recorded highest earnings. A disabled family person who earned \$30,000 a year receives \$21,204 annually from SSDI. The same earned income entitles a single disabled person to \$11,271 annually. Either scenario places the household in a lower-income category.

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

In California and the rest of the United States, HIV infections and AIDS diagnoses are reported through a combination of passive and active surveillance. Passive surveillance is conducted through state required reporting of HIV and AIDS cases by health care providers and reporting of HIV-positive test results from laboratories to Local Health Departments (LHDs). Active surveillance is accomplished through routine visits by LHD staff to hospitals, physician offices, laboratories, counseling and testing (C&T) clinics, and outpatient clinics to ensure completeness,



timeliness, and accuracy of reported data. In California and other states, HIV/AIDS surveillance has historically relied heavily upon local health department staff who perform:

- active case surveillance
- on-site chart reviews
- case report completion

According to the California Department of Public Health, Office of AIDS, HIV/AIDS Surveillance data, as of December 31, 2010 there were 53 HIV and 224 AIDS reported cases. The Merced County Community Action Agency administers the housing Opportunities for Persons with AIDS—STRMU program. This program is for short term rent, mortgage, and utility assistance. One of the main services under the STRMU program is emergency homeless prevention funding intended to assist persons with HIV/AIDS who cannot meet their monthly housing expenses. To be eligible for STRMU a person or family must be HIV/AIDS positive, be low-income, and currently be living in a rented or mortgaged housing unit. STRMU cannot exceed 21 weeks in a 52 week time period. The program is completely confidential. There are also information, referral, and food service programs available.

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

### Describe the jurisdiction’s need for Public Facilities:

Respondents to the Housing and Community Development Needs Survey indicated that within the *Public Facilities* category, youth and senior centers ranked first and second among priority of needs. In fact, the highest ranked priorities within the *Social Service Needs* category were (1) Senior Services and (2) Youth Services.

The 2007 Direction Finding Survey found that residents placed a high priority on park and recreation facilities. In this survey, the “quality of City parks and recreation facilities” was the third ranked priority. Residents were least satisfied with the number of City parks (43%). The long-term objective is to improve two facilities with a total CDBG budget of \$524,530. The short-term objective is to rehabilitate and renovate the Boys and Girls Club during the 2014/15 Program Year. Calculated feedback from respondents regarding the community’s prioritization of public facilities need:

- Park & Recreation Facilities 54.17%
- Health Care Facilities 37.50%
- Youth Centers 60.87%
- Libraries 41.67%
- Fire Stations & Equipment 39.13%
- Community Centers 29.17%
- Child Care Centers 37.50%
- Senior Centers 26.09%

### How were these needs determined?

Respondents to the Housing and Community Development Needs Survey indicated that ADA accessible facilities ranked high among the needs (42%). With that same survey, services for the disabled was also marked high at 56%.

### Describe the jurisdiction’s need for Public Improvements:

Public improvements typically include activities such as upgrades or expansion of streets, curbs and gutters, sewer and drainage systems, street lights, sidewalks, and public parking lots, and are, in general, an eligible expenditure of CDBG funds within low- and moderate-income neighborhoods. Although Merced has relied on other non-CDBG funding sources to pay for infrastructure improvements in the past (such as funding from the former Redevelopment Agency), Merced, as a continuing entitlement CDBG jurisdiction, will now have the capacity to focus its efforts in older low and moderate-income residential areas.

### How were these needs determined?

Community feedback on community development issues was gathered through a survey given to agencies, nonprofits, and interested citizens. These needs were determined during the consultation process, community development surveys, and at public meetings.

**Describe the jurisdiction’s need for Public Services:**

An essential part of the City’s community development strategy is to provide community services. Various specialty groups rely on specific programs that are provided either by the City or nonprofit organizations, using CDBG and non-CDBG funding. These programs are designed to fill voids left by a household’s lack of resources or lack of direct access to these necessities.

Based on the community survey responses, the following services were rated with high importance:

- Job Creation/Retention Programs      87.72%
- Youth Services/ Activities            74.55%
- Anti-Crime Programs                    69.64%
- Homeless Services                        66%

The City of Merced, as well as local non-profits, offers an array of services to low and moderate-income residents and special needs groups such as persons with disabilities. With the increase in the number of families and children over the last decade, these services are in demand and address a number of needs. Based on input obtained during the development of the Consolidated Plan, including the Analysis of Impediments to Fair Housing Choice and Fair Housing Acton Plan.

**How were these needs determined?**

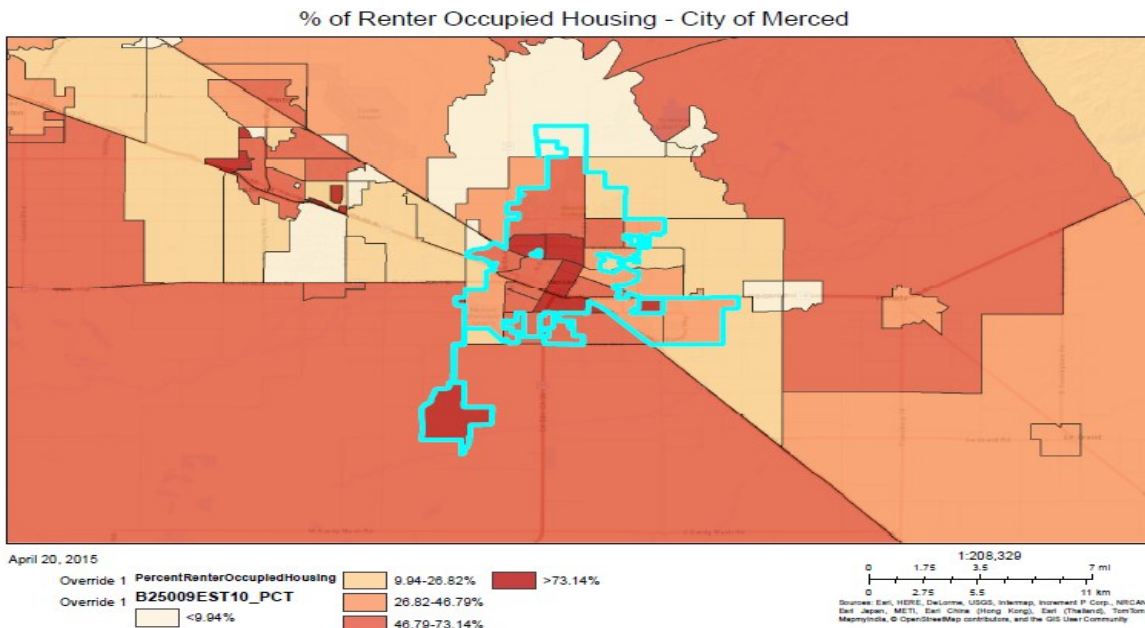
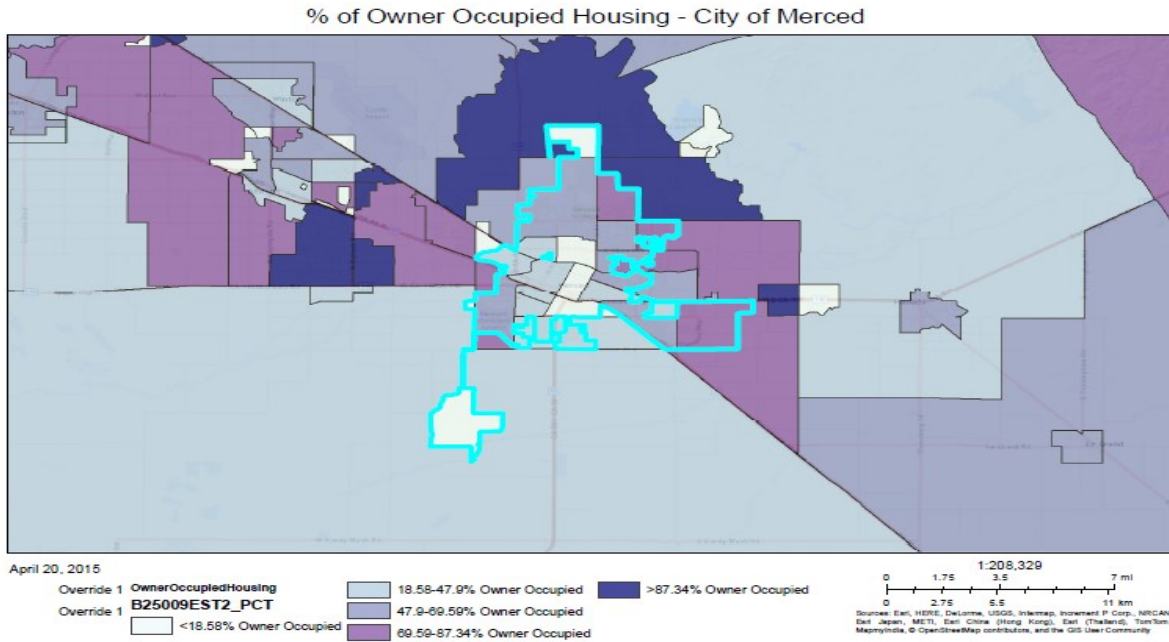
Community feedback on community development issues was gathered through a survey given to agencies, nonprofits, and interested citizens. These needs were determined during the consultation process, community development surveys, and at public meetings.

# Housing Market Analysis

## MA-05 Overview

### Housing Market Analysis Overview:

This section looks at the housing market and supply in Merced by analyzing various housing and economic indicators. Developing a picture of the current housing stock in the community begins by looking at trends in structure, age, price, and tenure. The analysis is supplemented by GIS maps to provide geographical visualization of the data. As illustrated in the maps below, the majority of owner occupied housing is located on the fringe of the city. Conversely, the majority of rental occupied housing is located centrally within the City.



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

### Introduction

In 1990 Merced had 18,848 housing units and increased by 14.2 percent in 2000 to 21,532. By 2010, the City experienced an increase of housing units to 27,446. Compared with Merced County, the city of Merced had a slower population increase from 1990-2000 but had a greater population change from 2000-2010. The majority of these housing units are single-family structures, representing 63 percent of the housing stock as noted in the table below. The housing units are also larger, having more bedrooms per unit.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	16,297	60%
1-unit, attached structure	838	3%
2-4 units	4,349	16%
5-19 units	3,482	13%
20 or more units	1,216	5%
Mobile Home, boat, RV, van, etc	788	3%
<b>Total</b>	<b>26,970</b>	<b>100%</b>

Table 26 – Residential Properties by Unit Number

Data Source: 2007-2011 ACS

### Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	13	0%	523	4%
1 bedroom	81	1%	2,535	18%
2 bedrooms	1,338	13%	5,210	38%
3 or more bedrooms	8,873	86%	5,443	40%
<b>Total</b>	<b>10,305</b>	<b>100%</b>	<b>13,711</b>	<b>100%</b>

Table 27 – Unit Size by Tenure

Data Source: 2007-2011 ACS

### Federal Programs

- Homelessness Prevention and Rapid Re-Housing Program- The city was awarded \$525,203 in 2009 by HUD to utilize within a 3 year period. The program targets families at risk to homelessness and persons that are already experiencing homelessness. The funds are intended to provide short-term support for housing stabilization, service support and to help develop a plan to prevent future housing instability. 3 Continuum of Care agencies administer the program.
- HOME Investment Partnership Program- The city of Merced is a Participating Jurisdiction for this grant that is awarded on an annual basis. Allocation amounts change each year based on Congress approval. HOME funds are only allowed to be used for housing programs.
- Community Development Block Grant- The city of Merced is an Entitlement City for this grant that is awarded on an annual basis. Allocation amounts change each year based on

Congress approval. CDBG funds can be used for housing programs, economic development projects and improving infrastructure which primarily assist low-moderate income households. The funds are used to administer the First Time Home Buyer Assistance program, the Housing Rehabilitation Loan Program, BEGIN Program and Cal Home Loans Fund.

- First Time Home Buyers Assistance Program– Since its start in 1993, the FTHB Program has funded over 700 loans which total over 6 million dollars. The low interest loans are awarded to families buying their first home to cover the down-payment and closing costs. A maximum loan amount is \$30,000 for a home that does not exceed a sales price of \$180,000. The household income cannot exceed the Merced County AMI of 80% and the household could not have purchased a home in the last 3 years. Also, applicants must have resided within city limits for at least 6 months exceptions are given to retirees and individuals who have a business or job within the city.

#### State Programs

- Building Equity and Growth In Neighborhoods (BEGIN) Program- Program disbursed through the Department of Housing and Community Development. The funds are specifically targeted to assist 22 first time home buyers in the Silverleaf at Bellevue Ranch subdivision. The applicants must intend to live in the residence for the first 5 years. 16 of the 22 loans are set aside for families who do not exceed 120% AMI and 6 loans are earmarked for families who do not exceed 80% AMI. To qualify for the 30 year deferred loan at 3% deferred simple interest, the applicant must have lived in the county of Merced for the last 6 months and had not owned a home for the last 3 years.
- Cal Home Loans- these funds are provided by the Department of Housing and Community Development. The loans can be used for housing rehabilitation of owner-occupied units or to assist first time home buyers. Applicants must have a household income that is 80% AMI.
- Neighborhood Stabilization Program – City awarded \$2,046,968 in 2009 by the Department of Housing and Community Development. The program seeks to acquire, rehabilitate and sell foreclosed properties located within city limits. 30% of the funds will also be provided to first-time homebuyers to buy foreclosed properties. Merced has been able to acquire 29 foreclosed properties and projects that 28 FTHB loans will be administered through the program.

#### Local Programs

- Housing Rehabilitation Loan Program- Program provides low interest loans to property owners who are low-income or rent their property to low income individuals. The loan is mainly used to correct code violations which affect the health and safety of the residents. To correct the code violations, repairs are made and in certain circumstances, the existing house is demolished to build a new one. Owner occupant loans have an interest of 3%,

while owners of renter-occupied units are provided a loan that covers up to half of the costs of the repairs. To qualify, the owner-occupant or the tenant-occupant must meet the Section 8 Income Guidelines.

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

There are a total of 340 units that are at risk of being converted to market rate units. Merced Commons I and II, Merced Gardens, Merced West Manor and Merced Meadows are housing structures that were built with public subsidies that as of 2010 were at risk of becoming market rate. The city of Merced only has the Section 8 Voucher program to assist families and is a critical lever needed to be preserved to ensure that low income families have continued affordable housing opportunities. Merced West Manor is a 50 unit development of affordable and low income senior residents. The Section 8 expiration date was in 2004 and has been renewed on a yearly basis since. Merced Gardens has 47 units which are affordable –low income. The Section 8 expiration date was in 2005 and has been renewed on a yearly basis since. Merced Commons I is a 76 unit development for low income families and has a subsidy termination date of 2020. Merced Commons II has 71 units for low income families, the financing subsidy termination in 2011. Merced Meadows is a 100 unit development for affordable to low income families whose Section 8 subsidies expired in 2013. Merced Meadows has the lowest risk of units being converted to market rate since it is managed by a non-profit organization whose mission is to preserve affordable housing units for the long term.

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

The City must also address the growth needs for very low- above moderate income households. The Regional Housing Needs Assessment (RHNA), calculates the projected housing needs of regional areas and divides the responsibility for providing for these needs amongst jurisdictions. The allocation takes into account factors such as market demand for housing, employment opportunities, availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and other considerations. In determining a jurisdiction's share of new housing needs by income category, the allocation is adjusted to avoid an over-concentration of lower income households in any one jurisdiction. The current RHNA prepared by MCAG allocates housing needs for the period from January 1, 2014 to October 31, 2021 (essentially an eight-year cycle). The RHNA identifies the City of Merced's share of the region's housing needs as 3,076 new housing units.

**Describe the need for specific types of housing:**

As previously stated, The RHNA identifies the City of Merced's housing needs as 3,076 new housing units. Below describe the need for specific types of housing and the percentage of overall new production.

- Very Low - 918 (29.8%)
- Low 574 (18.7%)
- Moderate 540 (17.6%)

- Above Moderate 1,044 (33.9%)



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

### Introduction

In 2000, 43 percent of the owner-occupied housing units were valued between \$50,000 and \$100,000 and 38.8 percent were valued between \$100,000 and \$149,999. Of the total owner-occupied units, approximately 4.7 percent were valued at \$200,000 or more, and 1.1 percent was valued at less than \$50,000. 2009 1 year estimates show an increase in overall property values, especially in home valued over \$150,000 and below \$50,000.

A search through a local paper, Merced SunStar revealed that the average monthly rent for a one-bedroom unit was \$500; a two-bedroom was \$650; a three bedroom was \$950 and a 4 bedroom was \$1200.

### Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	103,200	172,100	67%
Median Contract Rent	435	682	57%

Table 28 – Cost of Housing

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	3,317	24.2%
\$500-999	8,356	60.9%
\$1,000-1,499	1,628	11.9%
\$1,500-1,999	299	2.2%
\$2,000 or more	111	0.8%
<b>Total</b>	<b>13,711</b>	<b>100.0%</b>

Table 29 - Rent Paid

Data Source: 2007-2011 ACS

### Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	630	No Data
50% HAMFI	2,460	505
80% HAMFI	8,765	1,650
100% HAMFI	No Data	2,415
<b>Total</b>	<b>11,855</b>	<b>4,570</b>

Table 30 – Housing Affordability

Data Source: 2007-2011 CHAS

## Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	507	587	772	1,138	1,367
High HOME Rent	535	616	795	945	1,035
Low HOME Rent	507	543	652	753	840

**Table 31 – Monthly Rent**

Data Source: HUD FMR and HOME Rents

As previously stated, The RHNA identifies the City of Merced’s housing needs as 3,076 (pg 15, section 1-2 analysis) new housing units. Below describe the need for specific types of housing and the percentage of overall new production.

- Very Low - 918 (29.8%)
- Low 574 (18.7%)
- Moderate 540 (17.6%)
- Above Moderate 1,044 (33.9%)

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

The costs of home ownership and renting can be compared to a household’s ability to pay for housing. Housing affordability is defined as paying no more than 30 percent of the household income on housing expenses. Affordable rents and purchase prices by income categories based on the 2011 median family income of \$52,191 for Merced County assumes a four percent interest rate with a 30-year fully amortized mortgage.

#### Rental Affordability

In 2011, affordable rents for the very-low income group coincide with the average rent for a studio apartment. The average rents for studio to two bedroom units would be affordable for the low-income group.

-

#### Ownership Affordability

The median sales price for new and resale housing units in Merced in 2011 exceeds the affordability range for all income categories, except moderate and above-moderate income households. Lower-income households may have difficulty finding housing they can afford to purchase. This indicates greater affordability pressure for ownership housing.

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

Housing market conditions have influenced the City to focus its efforts on the occupancy of vacant and abandoned foreclosed homes. As observed elsewhere, heavy job losses in Central Valley, especially in the construction industry, has created a weak economy and reduced housing demand. The job losses, combined with increased mortgage payments have caused a high

number of borrowers with subprime and prime loans to lose their home through the foreclosure process. The weak housing market, in turn, has contributed to lower sales prices. The City's NSP efforts will help to stabilize housing prices and reduced the number of vacant homes in Merced's neighborhoods.

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

### Introduction

The age of housing stock is generally considered to be a reasonable indicator of housing conditions. In addition to structural deficiencies and standards, lack of infrastructure and utilities often serves as an indicator for substandard conditions. The 2000 U.S. Census shows 102 occupied units in Merced lacked complete plumbing facilities. Twenty-nine of the units were owner-occupied and 73 of the units were renter occupied. In addition, 123 occupied units in Merced lacked complete kitchen facilities. Of those lacking complete kitchen facilities, 103 (83.7 percent) were renter occupied units. There may be some overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities

### Definitions

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

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,629	35%	7,168	52%
With two selected Conditions	296	3%	831	6%
With three selected Conditions	18	0%	60	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	6,362	62%	5,652	41%
<b>Total</b>	<b>10,305</b>	<b>100%</b>	<b>13,711</b>	<b>99%</b>

Table 32 - Condition of Units

Data Source: 2007-2011 ACS

### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	2,758	27%	2,345	17%
1980-1999	2,833	27%	4,343	32%

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
1950-1979	3,809	37%	5,659	41%
Before 1950	905	9%	1,364	10%
<b>Total</b>	<b>10,305</b>	<b>100%</b>	<b>13,711</b>	<b>100%</b>

**Table 33 – Year Unit Built**

Data Source: 2007-2011 CHAS

### Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	4,714	46%	7,023	51%
Housing Units build before 1980 with children present	1,395	14%	2,435	18%

**Table 34 – Risk of Lead-Based Paint**

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

### Need for Owner and Rental Rehabilitation

By 2020 78% of Merced’s housing stock will be over 30 years old. Aging housing stock is an indication of the need for rehabilitation. The city of Merced has loan program initiatives available to residents for home repairs. CalHome Loans and the Housing Rehabilitation Program are two programs in which low income homeowners or owners who rent to low income families can address housing conditions that adversely affect the health and safety of the occupants.

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

According to ACS Data, there are 4714 owner occupied units and 7023 renter occupied units built before 1980. It is difficult to estimate the number of units within the jurisdiction that are occupied by low or moderate income families that contain lead-based paint hazards. Each of these units could be at risk of lead based poisoning.

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

### Introduction

#### Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
						Veterans Affairs Supportive Housing	Family Unification Program	Disabled *	
# of units vouchers available			415	2,705			0	239	0
# of accessible units									

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

**Table 35 – Total Number of Units by Program Type**

Data PIC (PIH Information Center)  
Source:

#### Describe the supply of public housing developments:

The PHA’s 5 year goal is to increase the inventory of affordable rental housing in Merced County and expand home ownership opportunities for first time homebuyers. To accomplish this they proposed the construction of 46 units of Year-round Rural Development and 72 units of seasonal migrant housing.

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

The Housing Authority of the County of Merced (HACM) is the primary provider of affordable housing for elderly individuals not requiring special assistance. The HACM has 473 units in their low-rent inventory and 2,705 units in their Section 8 Housing Choice Voucher program. Approximately 20 percent of their recipients are age 62 or older.

In addition, the Central Valley Coalition for Affordable Housing partners with certain apartment complexes to help provide affordable housing for the City’s residents. Two of the apartment complexes are designated for seniors only and provide 150 affordable units.

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

The PHA is committed to improving living environment for residents of Merced County living in public housing. The following details the PHA’s progress towards this goal as stated within their annual plan:

- Completed rehabilitation on 44 units, replacing; flooring, counter tops and cabinets
- 168 units in 5 developments received new windows
- 10 units received new roofing.
- 64 units received new siding.

- Electrical upgrades were made throughout 3 developments

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

Based on information provided in HACM's Annual Plan, The PHA will make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing jurisdiction needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

Housing Needs of Families on the HACM's Waiting Lists:

<b>Housing Needs of Families on the HACM's Waiting Lists</b>					
Waiting list type: <b>PUBLIC HOUSING</b>					
	# of Families	% of Families			
Waiting list total	3487				
Extremely low income (<=30% AMI)	3158	90.5%			
Very low income (>30% but <=50% AMI)	293	8.4%			
Low income (>50% but <=80% AMI)	36	1.0%	<b>Characteristics by Bedroom Size (Public Housing Only)</b>		
Families with children	2080	59.7%			
Elderly families	229	6.6%		# of Families	% of Families
Families with Disabilities	117	3.4%	1 BR	1531	43.9%
Race/ethnicity: White	2458	70.5%	2 BR	1382	39.6%
Race/ethnicity: Black	759	21.8%	3 BR	429	12.3%
Race/ethnicity: Asian	174	5.0%	4 BR	145	4.2%
Race/ethnicity: Hispanic	1715	49.2%	5 BR	0	0.0%
Race/ethnicity: American Indian	37	1.1%	5+ BR	0	0.0%

<b>Housing Needs of Families on the HACM's Waiting Lists</b>								
Waiting list type: <b>HCV/SECTION 8 TENANT-BASED ASSISTANCE</b>								
	<b># of Families</b>	<b>% of Families</b>						
Waiting list total	<b>3536</b>							
Extremely low income (<=30% AMI)	<b>2791</b>	<b>78.8%</b>						
Very low income (>30% but <=50% AMI)	<b>39</b>	<b>1.1%</b>						
Low income (>50% but <=80% AMI)	<b>706</b>	<b>19.9%</b>	<b>Characteristics by Bedroom Size (HCV/Section 8 Only)</b>					
Families with children	<b>2568</b>	<b>72.5%</b>					<b># of Families</b>	<b>% of Families</b>
Elderly families	<b>180</b>	<b>5.1%</b>						
Families with Disabilities	<b>67</b>	<b>1.9%</b>	1 BR	501	14%			
Race/ethnicity: White	<b>2198</b>	<b>62.1%</b>	2 BR	1417	40%			
Race/ethnicity: Black	<b>951</b>	<b>26.9%</b>	3 BR	806	23%			
Race/ethnicity: Asian	<b>190</b>	<b>5.4%</b>	4 BR	282	8%			
Race/ethnicity: Hispanic	<b>1630</b>	<b>46.0%</b>	5 BR	14	.04%			
Race/ethnicity: American Indian	<b>28</b>	<b>0.8%</b>	5+ BR	5	.01%			



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

### Introduction

#### Facilities and Housing Targeted to Homeless Households

Organization	Name	Type	Population	Beds for households w/ children	Beds for households w/o children	Overflow beds
<b>Valley Crisis Center</b>		Domestic Violence Shelter	Single males and females plus their children	12	0	
<b>Community Action Agency</b>	Canal Creek	Emergency Shelter	Single females and households plus children	16	0	
<b>Community Action Agency</b>	D Street Shelter	Emergency Shelter	Single males and females	0	62	
<b>Merced County Rescue Mission</b>	Rescue Mission	Emergency Shelter	Single males	0	25	
<b>Merced County Mental Health</b>	Parsons House	Transitional	Single females	0	4	
<b>Merced County Rescue Mission</b>	Rescue Mission	Transitional	Single males	0	20	
<b>Merced County Rescue Mission</b>	Haven of Hope	Transitional	Single females	0	6	
<b>Community Social Model Advocates</b>	Hobie House	Transitional	Single males	0	25	
<b>Motel Vouchers</b>		Voucher Beds				20
<b>Total</b>				28	142	20
						<b>190</b>

**Table 36 - Facilities and Housing Targeted to Homeless Households**

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

Please see above service chart for mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

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

A 60-bed homeless shelter was opened in 2008. The shelter was constructed with the help of several different types of funding. The City contributed \$300,000 towards the construction costs. The shelter is operated by the Merced County Community Action Agency. No CUP was required because it was a County-owned facility and they are generally exempt from City zoning laws.

Please see above service chart for homeless persons that list and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth.

**If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

N/A

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

Certain segments of the population have more difficulty in finding decent affordable housing due to special needs. This section identifies the needs for elderly persons, large households, and female-headed households, persons with disabilities, homeless persons and farmworkers. These groups are considered to be special needs populations.

The City of Merced, as well as local non-profits, offers an array of services to low and moderate-income residents and special needs groups such as persons with disabilities. With the increase in the number of families and children over the last decade, these services are in demand and address a number of needs. Based on input obtained during the development of the Consolidated Plan, including the Analysis of Impediments to Fair Housing Choice and Fair Housing Acton Plan

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

The non-homeless special needs populations include the:

- Elderly
- Frail Elderly
- Persons with disabilities (mental, physical, developmental)
- Persons with HIV/AIDS and their families
- Persons with alcohol or other drug addiction
- Victims of domestic violence
- Public housing residents (does not apply in Merced)
- Large households
- Female Headed households

HUD refers to individuals with a disabling condition that require some form of special housing accommodations in order to live in independent lifestyle. The city of Merced includes large households and female headed households as being a special needs population.

Elderly and persons with physical disabilities have similar needs in having homes that are adapted to accommodate their abilities and the need to be in close proximity to or have onsite supportive services. These groups are especially vulnerable since they are usually on a fixed income which limits their ability to find housing that can accommodate their needs within their financial means.

Persons with mental disabilities have the ability to live and work independently or in a group living environment, individuals with severe mental disabilities will need to have constant home care and supervision.

Individuals living with HIV/AIDS and their families have similar needs to the groups discussed before. Access to medical care, counseling, transportation and food would be required with the increase of life expectancy of individuals living with HIV/AIDS. The provision of stable housing

can promote the health and wellness of individuals and can decrease risk factors that can lead to the transmission of HIV and AIDS.

Persons with drug and alcohol addictions would need to have access to affordable healthcare and detoxification programs. Homeless persons have a higher rate of drug and alcohol addiction in addition to their need for supportive housing. Detoxification programs participation fees have been out of the financial reach of persons who fall between extremely low and moderate income levels

Victims of domestic violence have an immediate need for emergency shelter services, safe and stable housing and supportive case management to aid in permanently ending the cycle of violence. Most important for this specific population is the provision of housing that provides a safe and confidential.

Female-headed households are a special needs group due to their comparatively low rates of homeownership, lower incomes and high poverty rates, which often makes the search for affordable, decent and safe housing more difficult. In addition to difficulties faced by these households in finding and maintaining affordable housing, these households also typically have additional special needs relating to access to daycare/childcare, healthcare and other supportive services.

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

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

In the 2015-2016 FY, the City will continue to support and fund several nonprofits that provide supportive services. As in previous years, this includes at-risk youth programs and services for persons who are at risk of becoming homeless. This includes MCAG's Continue of Care.

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

N/A. The City is not a part of a Consortia

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

### **Negative Effects of Public Policies on Affordable Housing and Residential Investment**

Governmental constraints are policies, standards, requirements and actions imposed by various levels of government upon land and housing ownership and development. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures and site improvement costs. State and Federal agencies play a role in the imposition of governmental constraints; however these agencies are beyond the influence of local government and are therefore not addressed in this analysis.)

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

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

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

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

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

### Introduction

This section provides insight into the economic development landscape within Merced. Merced has experienced double-digit unemployment for years. In 2011, the unemployment rate varied from 15 to 21%. The last month of single digit unemployment was May 2007 at 9.4%. Although the *Milken Institute* recognized Merced as the “Biggest Gainer” in the Best Performing Cities of 2011, *US News & World Report* ranked Merced #1 as one of the 10 Worst Cities for Finding a Job.

In response, the City created a 2012 Economic Development Action Plan. The purpose of the Action Plan is to guide economic development priorities and initiatives based on assessment of success and opportunities to achieve the Council’s goals.

The Council identified and prioritized three key initiatives for action over the next 12 months; 1) enhancing competitiveness of site location factors will contribute to the successful retention, expansion and recruitment of industries, 2) growing industrial and base level jobs and income which will also contribute to the growth and attraction of 3) retail and commercial businesses. Although Entrepreneurship and Innovation are important (#4), it was agreed this should be put on the back burner until UC Merced has capacity built for aggressive tech transfer and innovation.

### Economic Development Market Analysis (overview)

- The average worker works 37 hours a week in Merced, CA.
- The poverty rate for Merced, CA is 22.8%.
- The median worker income in Merced, CA is \$20,656.
- Typical commute times differ throughout the city. However, overall 76.8% of works commute under 25 mins daily, 13.5% commute 25-45 mins, and 9.7% have a commute greater than 45 minutes.

### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	1,759	575	9	4	-5
Arts, Entertainment, Accommodations	2,337	2,207	12	14	2
Construction	812	286	4	2	-2
Education and Health Care Services	2,943	3,346	16	21	5
Finance, Insurance, and Real Estate	822	860	4	5	1
Information	362	231	2	1	-1
Manufacturing	2,634	1,482	14	9	-5
Other Services	1,438	1,418	8	9	1
Professional, Scientific, Management Services	1,316	1,541	7	10	3
Public Administration	0	0	0	0	0
Retail Trade	2,691	3,122	14	19	5
Transportation and Warehousing	729	305	4	2	-2
Wholesale Trade	1,054	831	6	5	-1

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Total	18,897	16,204	--	--	--

**Table 37 - Business Activity**

**Data** 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)  
**Source:**

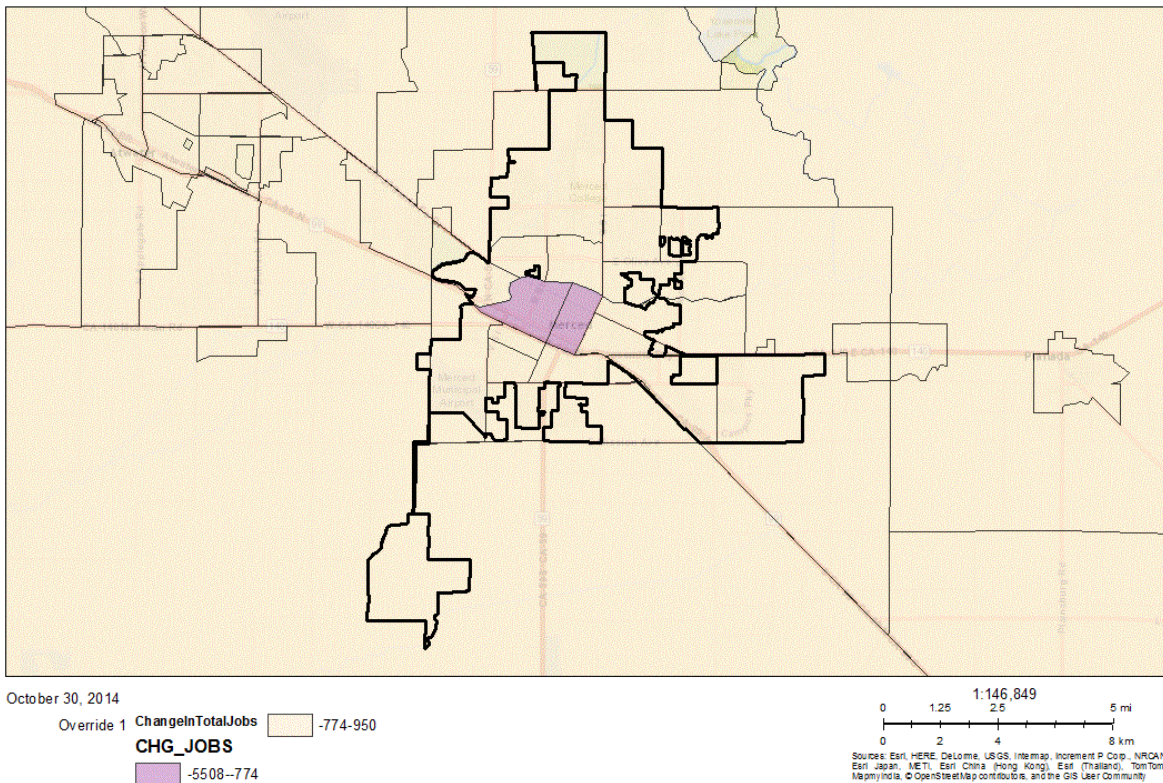
**Job Losses and Gains**

The top three employment sectors in Merced are Education and Health Care Services; Retail Trade; and Arts, Entertainment, & Accommodations. Education and Health Care Services provides the highest percentage of all jobs in the City, with 21% of all jobs coming from this sector. The second largest employment sector, is Retail Trade which accounts for 19% of jobs. Arts, Entertainment, & Accommodations is the third largest sector and comprises 14% of the total jobs in Merced.

The map below highlights the geographic distribution of job gains and losses throughout Merced since 2000. The darkest shaded purple areas of the map represent areas that loss more than 500 jobs over the time period. The lighter purple areas also experienced a net loss in jobs, with the number ranging between 250 and 500. The beige shaded areas saw a decrease between 250 and 0. The orange colored regions of the map are areas that saw net job growth. The lighter orange shaded regions gained between 0 and 500 jobs. The darker orange shades of the map are areas that experienced the highest job growth – more than 500 new jobs.



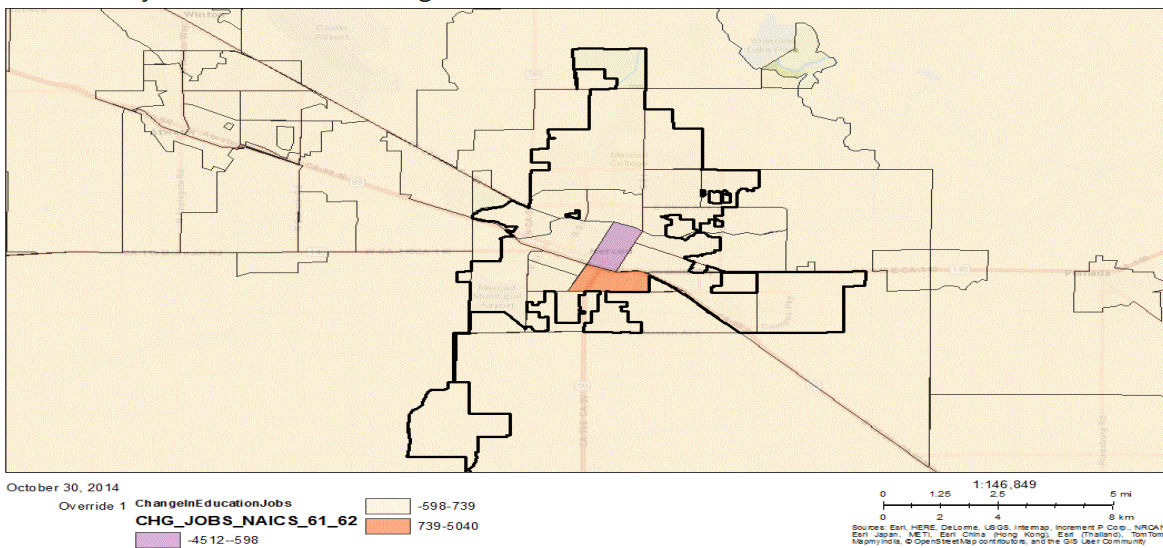
### City of Merced - Job Losses and Gains



### Job Losses and Gains by Sector

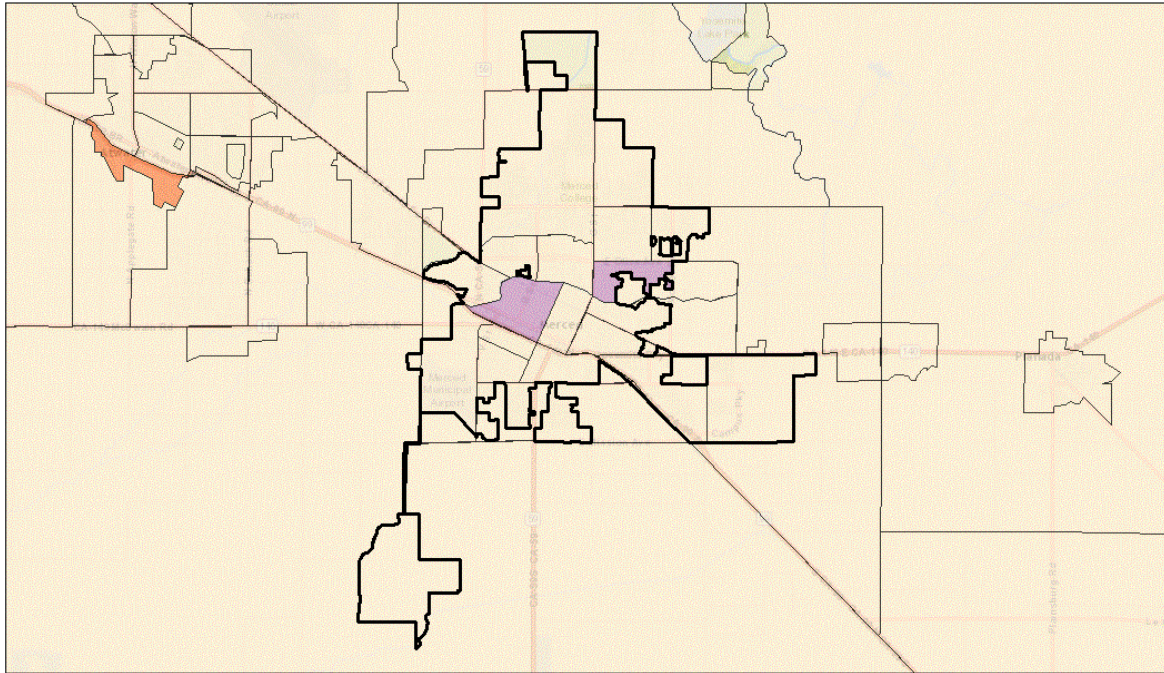
The following series of maps takes a deeper look into changes in the Merced job market by illustrating the geographic distribution of job losses and gains by business sector. The top three sectors that account for the largest percentage of the total workforce are looked at, which are: Education and Health Care; Retail Trade; Arts, Entertainment, & Accommodations. These maps follow a similar color scheme as the above Change in Total Jobs map. Purple shades represent areas of job loss, while beige and orange shades represent areas of job growth.

### City of Merced - Job Changes in the Education and Health Care Services Sector





**City of Merced - Job Changes in the Education and Health Care Services Sector**  
**City of Merced - Job Changes in the Retail Trade Sector**



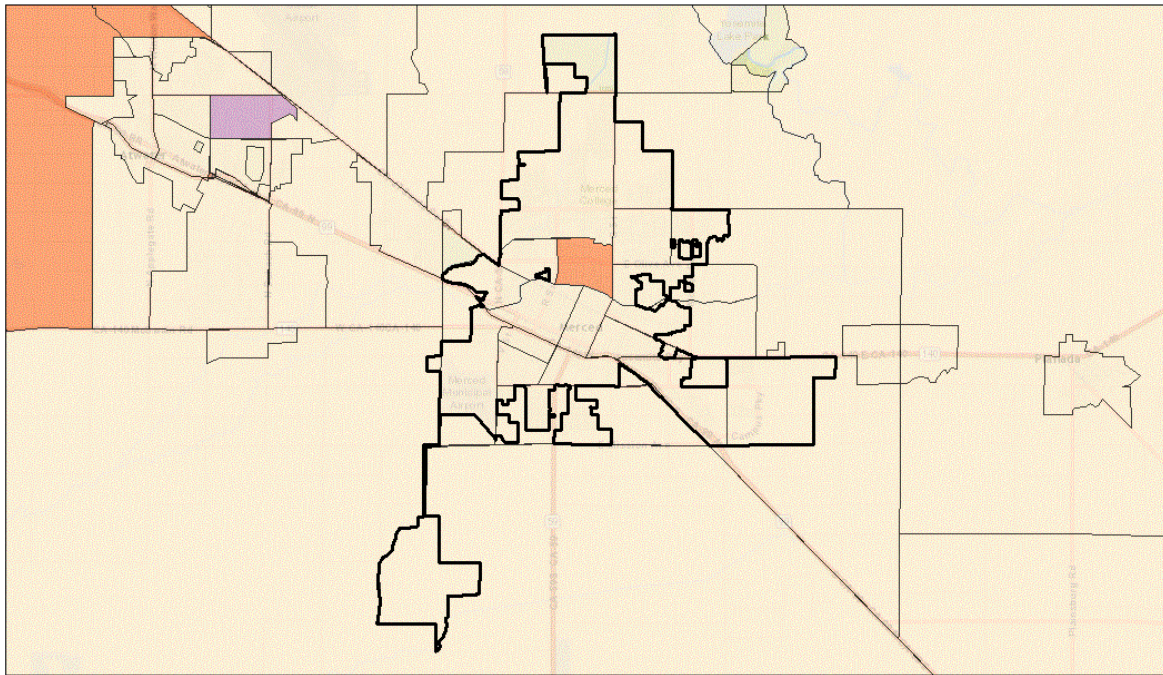
October 30, 2014

Override 1 **ChangeInRetailJobs**  
**CHG\_JOBS\_NAICS\_44\_45**  
 -186-138  
 138-749  
 -1324--186

1:146,849  
 0 1.25 2.5 5 mi  
 0 2 4 8 km  
Source: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, Mapbox, © OpenStreetMap contributors, and the GIS User Community

## City of Merced - Job Changes in the Retail Trade Sector

### City of Merced - Job Changes in the Arts, Entertainment, and Accommodations Sector



October 30, 2014

Override 1 **ChangeInArtsJobs**  
**CHG\_JOBS\_NAICS\_21**

Light Orange	-135-178
Dark Orange	178-8457
Purple	-2153--135

1:146,849  
 0 1.25 2.5 5 mi  
 0 2 4 8 km

Source: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, Mapbox, © OpenStreetMap contributors, and the GIS User Community

## City of Merced - Job Changes in the Arts, Entertainment, and Accommodations Sector



## Labor Force

Total Population in the Civilian Labor Force	33,127
Civilian Employed Population 16 years and over	28,461
Unemployment Rate	14.09
Unemployment Rate for Ages 16-24	32.50
Unemployment Rate for Ages 25-65	7.67

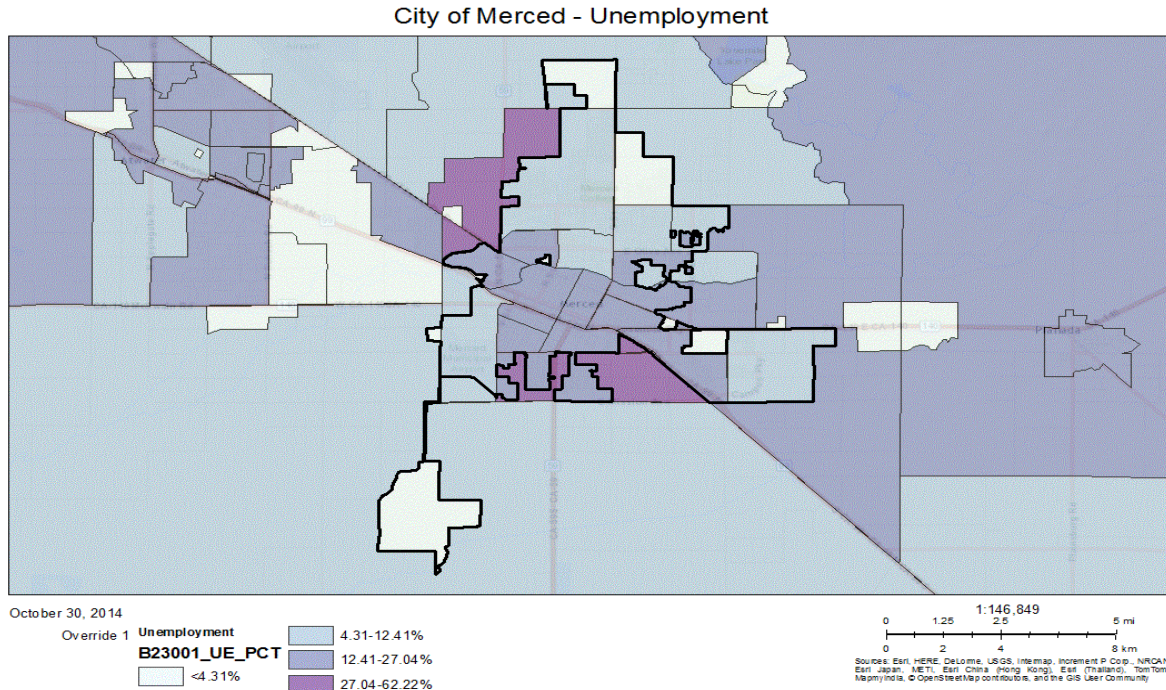
**Table 38 - Labor Force**

Data Source: 2007-2011 ACS

## Unemployment Rate

At the time of writing, HUD's eCon Planning Suite was utilizing 2011 American Community Survey data for all Consolidated Plans. At that time the unemployment rate was 14.1% for all persons in the civilian workforce. Nearly 33% of persons between the ages of 16 and 24 were unemployed. In terms of unemployment, Merced outperformed both the nation as a whole and the state of California. The City's unemployment rate was significantly higher than the national rate of 8.7% and the state rate of approximately 10%.

The map below displays the distribution of unemployment throughout the community, highlighting areas of higher and lower unemployment. The areas of highest unemployment are shaded in the medium blue, purple, and dark blue colors.



## City of Merced - Unemployment

Occupations by Sector	Number of People
Management, business and financial	4,362

<b>Occupations by Sector</b>	<b>Number of People</b>
Farming, fisheries and forestry occupations	1,458
Service	3,671
Sales and office	6,844
Construction, extraction, maintenance and repair	3,594
Production, transportation and material moving	1,269

**Table 39 – Occupations by Sector**

Data Source: 2007-2011 ACS

### Travel Time

<b>Travel Time</b>	<b>Number</b>	<b>Percentage</b>
< 30 Minutes	20,466	77%
30-59 Minutes	4,205	16%
60 or More Minutes	1,906	7%
<b>Total</b>	<b>26,577</b>	<b>100%</b>

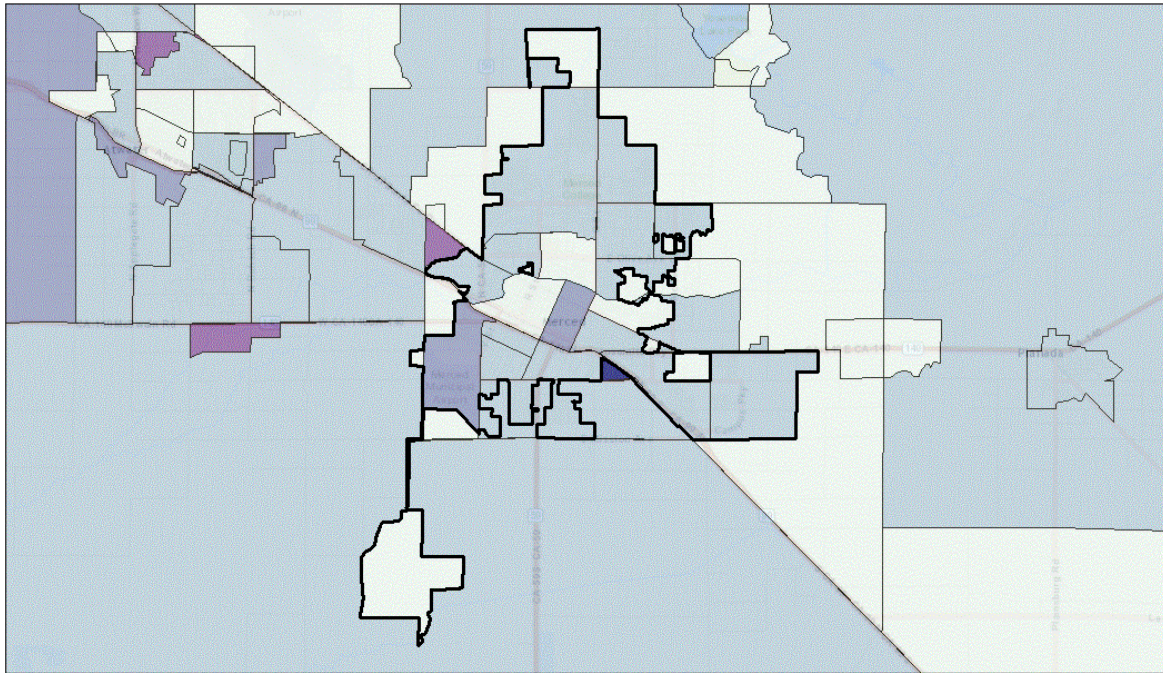
**Table 40 - Travel Time**

Data Source: 2007-2011 ACS

The above table provides a look at the commuting patterns of the City's workers. The majority of workers, 77%, drive less than 30 minutes to their place of employment. 16% have a commute of between 30 and 50 minutes. Only 7% of workers in Merced drive more than hour to work.

The map below utilizes commuting data to show the distribution of persons in Merced that commute more than one hour to their place of employment. The lightest shaded areas are those places where less than 10% of persons have a commute greater than one hour. The percentages increase as the shades get darker, with more than 40% of persons in the darkest blue/purple areas with a commute greater than one hour.

City of Merced - Commute Greater Than One Hour



October 30, 2014

Override 1 CommuteTimeGT60Min  
**B08303\_60PLUS\_TTW\_PCT**  
 <4.75%  
 4.75-13.8%  
 13.8-28.79%  
 28.79-64.1%  
 >64.1%

1:146,849  
 0 1.25 2.5 5 mi  
 0 2 4 8 km  
 Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri, China, Hong Kong, Esri, Thailand, TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

City of Merced - Commute Greater Than One Hour

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	4,799	1,111	4,262
High school graduate (includes equivalency)	4,337	689	2,560
Some college or Associate's degree	8,725	711	3,041
Bachelor's degree or higher	4,524	245	830

Table 41 - Educational Attainment by Employment Status

Data Source: 2007-2011 ACS

The table above correlates educational attainment with employment status in Merced for the 16 and older age cohort.

Educational Attainment by Age

	Age				
	18-24 yrs	25-34 yrs	35-44 yrs	45-65 yrs	65+ yrs
Less than 9th grade	308	1,290	1,800	2,460	1,686

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
9th to 12th grade, no diploma	1,605	1,722	1,294	1,606	765
High school graduate, GED, or alternative	3,531	2,452	1,983	3,151	1,607
Some college, no degree	4,342	3,535	2,217	3,328	1,349
Associate's degree	288	1,140	625	1,717	408
Bachelor's degree	292	1,511	807	1,535	590
Graduate or professional degree	31	363	479	921	418

**Table 42 - Educational Attainment by Age**

Data Source: 2007-2011 ACS

The table above details educational attainment by age for persons 18 years of age and older within Merced.

**Educational Attainment – Median Earnings in the Past 12 Months**

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	15,329
High school graduate (includes equivalency)	25,877
Some college or Associate's degree	30,100
Bachelor's degree	46,423
Graduate or professional degree	68,246

**Table 43 – Median Earnings in the Past 12 Months**

Data Source: 2007-2011 ACS

The table above correlates educational attainment with median earnings. As might be expected, median earnings are highly correlated with educational attainment in that higher levels of education yield higher incomes. Those individuals with some college or an Associate’s degree can expect to earn almost twice as much as those persons who have not completed a high school diploma. Furthermore, those with a graduate degree earn more almost three times what a person with only a high school degree earns.

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

The top three employment sectors in Merced are Education and Health Care Services; Retail Trade; and Arts, Entertainment, & Accommodations. Education and Health Care Services provides the highest percentage of all jobs in the City, with 21% of all jobs coming from this sector. The second largest employment sector, is Retail Trade which accounts for 19% of jobs. Arts, Entertainment, & Accommodations is the third largest sector and comprises 14% of the total jobs in Merced.



**Describe the workforce and infrastructure needs of the business community:**

According to the City’s 2012 Economic Development (ED) Action Plan, downtowns are the heart of the community and often are the “place making” identity for the community. Creating a healthy downtown as well as neighborhood centers requires a public/private partnership. The City is actively involved in downtown and retail business retention, expansion and attraction. In order to manage and support the infrastructure and workforce needs for the business community, the City currently does the following:

- Hosting Downtown Merchant Meetings.
- Hosting and/or sponsoring small business workshops.
- Increasing Customers for Local Businesses:
- Advertising: Downtown Life Magazine, Community Conversations (local radio).
- Maintaining Facebook pages for Downtown Merced & Streets of Merced.

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

The City Council’s top priority is making Merced competitive for new job-creating investment. As noted in the work session, not all factors for attracting business investment are under the City’s control. This initiative focuses on factors that the City can influence. The following represents new proposed actions, based on the 2012 E.D. Action Plan:

**Product Readiness**

- Provide available properties (buildings and land) and readiness status to Council.
- Initiate third-party Certified Shovel-Ready Site designation for priority sites, verifying that sites are development-ready.
- Conduct assessment and third-party community competitiveness certification.

**Research/Comparative Analysis**

- Conduct market analysis of land and development fees to competitive valley locations.
- Determine policy for city-owned land pricing.

**Management/Analyst Tools**

- Purchase MetroComp3
- Purchase Economic and Fiscal Impact Model.

**Policies – Development & Impact Fees** which will enable analysis of any project as to return on investment.

- Evaluate and establish policy for flexibility of local fees based on fiscal impact and economic

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

In 2012, the estimated population for Merced County was 259,898 with approximately 20.8% of the population having less than a 9th grade education and another 12.6% reporting having attended high school, but did not receive a diploma (see Exhibit 2.2). Merced County is a very diverse geographic area with 51.8% of the population reporting a language other than English spoken at home. Services provided for participants through formula funding through the Employment Resource Centers reflect the Merced population. In December 2012, the centers served 56.0% Hispanic/Latino, 36.0 % White, 9.5% Black, and 5.7% Asian job seekers which is aligned with the U.S. Census data reports that Merced County is 55.7% Hispanic/Latino, 31.3% White, 4.3% Black, and 7.9% Asian. Of the enrollments between July 2012 and December 2012 the data show that 86.9%, or 292 participants are low income and 113 individuals or 33.6% of the population served are considered basic skills deficient.

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

In August 2011, the Office of Community and Economic Development (OCED), California State University, Fresno received an Economic Adjustment grant from the U.S. Economic Development Administration (EDA), U.S. Department of Commerce, to prepare a Valley-wide industry cluster analysis and a regional strategy – Cluster Action Plan – to catalyze the growth of priority clusters. The analysis and the Cluster Action Plan have been prepared for OCED on behalf of the California Partnership for the San Joaquin Valley (Partnership). The goal of the project is to support improved regional economic performance, sustainability, and shared opportunity for Valley residents, businesses and communities.

The Regional Industry Clusters Initiative (RICI) is the result of an analysis of the Valley's industry clusters, directed by the Office of Community and Economic Development (OCED) and its partners. The economic and cluster analyses and the partner/stakeholder engagement process provides a platform for the evolution of the Valley's cluster initiatives; a framework to align initiatives and resources to capture value chain opportunities; and articulation of the role for OCED, including the organization of the Partnership's New Valley Work Groups to lead or support the clusters. The seven industry clusters identified in the analysis are: Agriculture, Energy, Health & Wellness, Logistics, Manufacturing, Public Sector Infrastructure, and Water Technology.

**Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDs)?**  
N/A

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



## **MA-50 Needs and Market Analysis Discussion**

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

Households with multiple housing problems seem to be located primarily in the Central and northern parts of the city. However, there doesn't seem to be a concentration of households with multiple housing problems. Concentration is defined as more than 70 % of households reporting a problem. The primary housing problems in these areas are cost burden and overcrowding, with cost burden being the most significant issue. The problem is largely due to the rise in home prices in the mid-2000s and the median family income of most of the City's population. The ability to find affordable housing in Merced is a significant issue. Decreased buying power and median family income not keeping up with inflation has led to many residents spending more than 30% of their income on housing.

The majority of households with multiple housing problems are concentrated in South Merced, where the occurrence of substandard housing is the highest. The City's Consolidated Plan has set a goal of achieving a more equitable mix of affordable housing throughout the City. Housing conditions for low-income families in South Merced will also be improved through the City's Housing Rehabilitation Program and new construction or rehabilitation that is designed to meet the needs of large families. Because of the Central and South Merced status, the City of Merced directs most CDBG and HOME activities in South and Central Merced.

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

The census tracts in South Merced have significant concentrations of racial and ethnic minorities. It is easy to see the strong correlation between areas of low-income concentration and areas of racial and ethnic minority concentration in Merced.

Merced's current mix of racial and ethnic groups makes it one of the most diverse cities in the country. It also has several important impacts on the local housing market. Thus, there is a higher degree of housing overpayment in these groups than there is among Whites. It is also more likely that households in these groups will require housing assistance, will live in substandard housing, and/or will live in overcrowded conditions. Overcrowding, in particular, is a widespread problem among these groups due to large family size and the desire to live in extended family situations. The dominant pattern of housing construction in Merced, as in most of the U.S., does not respond to the needs of these families, and the few large homes that exist are typically out of these families' range of affordability.

In addition, the majority of racial and ethnic minority households are concentrated in South Merced, where the cost of housing is lowest and the occurrence of substandard housing is the highest. The City has set a goal of achieving a more equitable mix of affordable housing throughout the City. However, it has been a difficult goal to achieve in light of land costs in the North Merced area. Recently, due to the number of foreclosures, housing and vacant land in the City of Merced has become more affordable. However, wages are still low and unemployment in the area makes it very difficult for families to take advantage of the current housing market.

Therefore, it is more likely that housing conditions for low income families in South Merced will be improved through the City's Housing Rehabilitation Program and new construction or rehabilitation that is designed to meet the needs of large families.

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

The survey of City housing conditions survey identified 1,502 housing units in the City that are substandard and in need of rehabilitation. Loss of these units from the City's housing stock would be extremely detrimental to the cause of affordable housing since most of these units are located in the older sections of Central and South Merced where there are significant concentrations of low and very low-income households.

Through renovations and additions, existing units can be modified and/or expanded to provide suitable housing at a much lower cost than new construction. The rehabilitation, reconstruction activities will help alleviate the current incidence of overcrowding in the City, most of which occurs at higher rates in minority populations, which are predominately located in Central and South Merced. These are areas of low-income concentration and racial/ethnic minority concentration. Central and South Merced are also areas where the majority of the City's older housing stock is located and, therefore, the areas with the greatest potential for lead-based paint hazards.

**Are there any community assets in these areas/neighborhoods?**

South Merced is home to portions of the Airport Industrial Park and the Santa Fe Industrial Park, commercial corridors in the community that run parallel to State Highway 99, Highway 140, and Highway 59, and residential areas south of Highway 99 and southeast of Highway 140.

It is also home to the City's Gateway Project. In July 2000, the Gateways Project Area was amended to add 45 acres of developed industrial land in the Airport Industrial Park. The Project Area was amended again in 2005 to add 1,239 acres of land in south and central Merced. The project area now consists of approximately 2,983 acres. Over 94% of the Project Area is developed, with a mixture of residential, commercial and industrial land uses. It is expected that cooperative efforts between the City and private developers will result in additional properties being made available for residential and commercial projects.

**Are there other strategic opportunities in any of these areas?**

According to the California Building Industry Association, the cost of land represents an ever-increasing proportion of the total housing development cost. Since the mid-1960's, raw land has cost significantly more in California than in the rest of the United States. Land costs in Merced are significantly less than in many other parts of California. Vacant residential lots in the City limits with improvements are selling for from approximately \$10,000 (bank-owned property) to \$30,000, in both North and South Merced. This represents a dramatic drop in land prices from 2003 when lots in North Merced were going for \$70,000 and lots in South Merced were selling for \$45,000. This drop is a direct reflection of the end of the "housing boom." Banks have foreclosed upon a number of undeveloped and partially developed subdivisions within the City. Lots within those subdivisions are now bank-owned and being sold at very low prices. This trend is expected to end as the economy improves. However, Merced had a larger supply of vacant

lots with improvements (2,508 lots) in 2009. With this much available inventory, prices may remain on the lower end for quite some time.

# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

The City of Merced' 2015-2020 Strategic Plan proposes projects and activities to meet the priorities described in the Consolidated Plan (the "ConPlan"). It describes eligible programs, projects and activities to be undertaken with anticipated funds made available over the next five years and their relationship to identified needs for housing, homelessness, and community and economic development. Each year, assuming funding levels remain the same, more specific projects throughout the City will be identified and implemented via the annual Action Plans.

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

The City has been awarded \$923,257 from the federal Community Development Block Grant (CDBG) program and \$305,810 from the federal HOME program. These figures are based on a 2015 HUD Grantee Summary and the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

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

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

- To preserve, rehabilitate and enhance existing neighborhoods, and housing as applicable with an emphasis on South and Central Merced;
- Create neighborhood revitalization opportunities within targeted areas of the City.
- Provide support services for the City's residents with an emphasis on at risk youth, the homeless and services to seniors;
- Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor;
- To address to City's significantly high unemployment rate with an emphasis on youth persons between the ages of 16 and 24.

- To preserve, rehabilitate and enhance existing public facilities

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

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

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

### **Geographic Area**

#### **Table 44 - Geographic Priority Areas**

#### **General Allocation Priorities**

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

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

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

### **Priority Needs**

#### **Table 45 – Priority Needs Summary**

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

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

### Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	HACM has 473 units in their low-rent inventory and 2,705 units in their Section 8 Housing Choice Voucher program. Approximately 20 percent of their recipients are age 62 or older.
TBRA for Non-Homeless Special Needs	The mortgage lending boom of the last several years has come to an end. Foreclosures are at record high rates, unemployment is up and the state of the economy is weak. Merced has not been immune to the foreclosure crisis. With a foreclosure rate of 12.2 percent, Merced has been one of the hardest hit communities in the nation.
New Unit Production	The number of new housing units required in the City of Merced, as determined in the Regional Housing Needs Plan (MCAG, 2007-2014), is 3,076.
Rehabilitation	In 2000, 38.6 percent of Merced’s housing stock was built prior to 1970. By 2020, nearly 78 percent (21,544 units) of the City’s current housing stock will be over 30 years old. This could indicate the potential need for rehabilitation and continued maintenance of approximately 21,544 units by the year 2020.
Acquisition, including preservation	<p>The following are descriptions of the five subsidized projects that may be at-risk of conversion to market rates during the 2000 to 2010 period.</p> <ul style="list-style-type: none"> <li>▪ <b>Merced West Manor (a.k.a. Merced Golden Manor).</b> This development includes 50 units. The development is occupied by seniors and is reportedly in good condition. All 50 units in the development are affordable to low-income individuals. Merced West Manor is a recipient of HUD 221(d)(3) financing and Section 8. The earliest date of subsidy termination was 1991. Based on conversations with the HUD regional office, Merced West Association, the project owner, filed a prepay notice on 4/2/96. The new Section 8 expiration date was 9/30/2004 and is renewed on a yearly basis. The owner has no current plans to terminate the Section 8 contract.</li> <li>▪ <b>Merced Gardens.</b> Merced Gardens includes 47 family units, all of them affordable to low income. The project is reportedly in good condition. Merced Gardens received HUD Section 221(d)(3) financing. The loan was fully repaid in 1995. However, the new Section 8 expiration date was 12/31/2005 and is renewed on a yearly basis. The owner, who has been the owner since the complex was built, has no plans of terminating the Section 8 contract.</li> <li>▪ <b>Merced Commons I.</b> This development includes 76 units. The development is occupied by low income families and is reportedly in good condition.</li> </ul>

Table 46 – Influence of Market Conditions



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

### Introduction

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

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning, Affordable Housing, Economic Development, Public Improvements, and Public Services Section 108	\$923,257	\$227,750		\$1,151,007	\$3,693,028	Merced anticipates an annual funding allocation of \$923,257 in CDBG for FY 15-16. d
HOME	public - federal	Admin and Planning, Affordable Housing	\$305,810	\$157,336		\$463,146	\$1,223,240	Merced anticipates an annual funding allocation of \$305,810 in HOME for FY 15-16.

Table 47 - Anticipated Resources

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

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

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

## **SP-40 Institutional Delivery Structure – 91.215(k)**

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

The City of Merced Housing Program will administer all of the activities specifically identified in the investment plan. This does not preclude the Housing Authority of the County of Merced or Central Valley Coalition for Affordable Housing from undertaking activities within the City of Merced. Other, as yet unidentified nonprofit housing entities are likewise welcome to participate in the delivery of affordable housing projects and activities.

The City of Merced Housing Program works closely with other housing-related organizations and service providers in the County to ensure that the housing needs of City residents are addressed to the best ability of the network of such providers given available resources. Organizations and service providers in this network include:

- Other City agencies, including planning and building inspection
- Housing Authority of the County of Merced (public)
- Merced County Planning Department (public)
- Merced county community action board (nonprofit)
- Central Valley Coalition for Affordable Housing (nonprofit)
- Merced Building Industry Association (private)

Public housing in the City of Merced is provided and managed by the Housing Authority of the County of Merced. The City of Merced Housing Program works in conjunction with the Housing Authority to ensure that the City and County housing programs work in tandem to provide quality housing for all low-income City residents. Operations of the Housing Authority are controlled by a 7-member Board of Directors, which are appointed by the Merced County Board of Supervisors. Five members serve 4-year terms and two members are "Tenant Representatives" and serve 2-year terms. The City of Merced is not involved in these appointments. It should be noted that the Housing Authority of the County of Merced is not designated a "troubled Public Housing Authority (PHA) by HUD.

The working relationships between the City and these organizations are strong and facilitative. Due to the City's relatively small size, communication is typically direct and immediate. As a result, gaps in program or service delivery are typically not the result of poor institutional structure or lack of intergovernmental cooperation, but rather due to shortcomings in available resources.

The City of Merced's Housing Action Plan and the descriptions of Implementing Programs presented in this Consolidated Plan identify the City departments and decision-making bodies responsible for each implementing program. Overall coordination of affordable housing efforts, particularly those to which federal funds are allocated, is provided by the City's Housing Program under the direction of the Housing Program Manager and Director of Development Services. The five-year strategy plan of this Consolidated Plan does not identify any significant gaps or needs

in relation to institutional structure. Therefore, the City of Merced Housing Program does not propose to take any actions or steps to improve the institutional structure over the coming year.

**Assess of Strengths and Gaps in the Institutional Delivery System**

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

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

<b>Table 16</b>					
<b>Merced County Shelter Programs</b>					
<b>Name of Facility</b>	<b>Provider</b>	<b>Type</b>	<b>2010 Beds</b>	<b>2011 Beds</b>	<b>2012 Beds</b>
Canal Creek	MCCAB	Emergency	16	16	Closed
D Street Shelter	MCCAB	Emergency	62	62	62
Havenwood	MCCAB	Emergency	20	Closed	Closed
New Hope	MCCAB	Transitional	24	24	Closed
Home Start	MCCAB	Perm Supp	4	4	4
Pacheco Place	MCCAB	Perm Supp	0	0	10
<b>Subtotal Beds</b>			<b>126</b>	<b>106</b>	<b>76</b>
Rescue Mission	Merced County Rescue Mission	Emergency	15	15	15
Domestic Violence Shelter	Valley Crisis Center	Emergency *	9	9	9
New Life	Merced County Rescue Mission	Transitional	15	15	15
Hobie House (men’s rehab)	Community Social Model Advocates	Transitional	25	25	25
Tranquility Village (women’s rehab)	Community Social Model Advocates	Transitional	42	42	42
<b>Subtotal Beds</b>			<b>106</b>	<b>106</b>	<b>106</b>
<b>Total Beds</b>			<b>232</b>	<b>212</b>	<b>182</b>

\* Valley Crisis Center provides shelter only to domestic violence victims.

Source: City of Merced HUD2011 Annual Action Plan, MCAG Continuum of Care Plan, MCCAB Records

Table 48 - Homeless Prevention Services Summary

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

Supportive housing refers to affordable housing that also provides supportive services on a continuing basis to its residents. Specific objectives and accomplishments are difficult to project due to the amount of housing subsidies required, which are exceedingly large, and the complexities of combined financing. There are needs in the City, so that allocating a large share of CDBG funds to supportive housing would prevent other needy persons, such as the homeless,

from receiving services.

During the five-year period of the Strategic Plan, the City will allocate CDBG public service funds to social service agencies addressing the needs of the homeless and non-homeless special populations, such as the disabled populations and victims of domestic violence.

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

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

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

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

## SP-45 Goals Summary – 91.215(a)(4)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	To preserve, rehabilitate and enhance existing neighborhoods, and housing as applicable	2015	2019	Decent Housing - Housing Rehabilitation	>51% AMI	Neighborhood Preservation Suitable Living Environments Public Improvements	HOME: \$TBD	Homeowner housing Rehabilitated
2	Provide support services for the City's residents with an emphasis on at risk youth, the homeless and services to seniors	2015	2019	Public Service	City Wide	Supporting Special Needs Programs Supporting Special Needs Services	CDBG: TBD	<ul style="list-style-type: none"> <li>• Homelessness prevention</li> <li>• Public service activities for low/moderate-income housing benefit</li> </ul>
3	Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor.	2015	2019	Fair Housing	City Wide	Fair Housing	CDBG: TBD	Public service activities for low/moderate-income housing benefit
4	To address to City's significantly high unemployment rate with an emphasis on youth persons between the ages of 16 and 24.	2015	2019	Non-housing Community Development - Economic Development	City Wide	Job Training	CDBG:	Public service activities for low/moderate-income housing benefit
5	To preserve, rehabilitate and enhance existing public facilities	2015	2019	Public Facility Improvements	>51% AMI	Neighborhood Preservation Suitable Living Environments Public Improvements	CDBG	Provide grants for Public Facilities for ADA improvements to existing public Facilities.
6	Economic Development (planning)	2015	2019	Non-housing Community Development - Economic Development	>51% AMI	Small business Assistance Job Training Revitalization	CDBG	Public service activities for low/moderate-income housing benefit
7	Facilitate the Construction of Permanent Supportive Housing	2015	2019	Public Service	City Wide	Supporting Special Needs Programs	HOME/CDBG	<ul style="list-style-type: none"> <li>• Homelessness prevention</li> </ul>
6	CDBG Grant Administration	2015	2019	Planning and Administration	City wide	CDBG Program Administration	CDBG:	N/A

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

The number of new housing units required in the City of Merced, as determined in the Regional Housing Needs Plan (MCAg, 2007-2014), is 3,076. Below details how the jurisdiction will provide affordable housing per income level.

	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
Atwater	517	402	488	974	2,381
Dos Palos	51	37	29	68	185
Gustine	55	26	33	88	202
Livingston	86	83	75	131	375
Los Banos	525	403	602	1,470	3,000
Merced	918	574	540	1,044	3,076
Merced County	1,648	1,241	1,430	3,045	7,364
<b>Total</b>	<b>3,800</b>	<b>2,766</b>	<b>3,197</b>	<b>6,820</b>	<b>16,583</b>

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

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

The County of Merced’s Housing Authority will implement modifications needed, if any, in public housing based on Section 504 Needs Assessment that it completed. Please refer to the HAMC Public Housing Authority Annual Plan for further information.

### **Activities to Increase Resident Involvements**

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

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

No

### **Plan to remove the ‘troubled’ designation**

HAMC is not designated as a “troubled” housing authority.

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

### **Barriers to Affordable Housing**

Governmental constraints are policies, standards, requirements and actions imposed by various levels of government upon land and housing ownership and development. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures and site improvement costs. State and Federal agencies play a role in the imposition of governmental constraints; however these agencies are beyond the influence of local government and are therefore not addressed in this analysis.)

The major barrier to providing housing for all economic segments of the community concerns the nature of the housing market itself. Over the last several years, development costs had risen to the point where building affordable housing for all economic segments of the community was difficult to provide in Merced. Due to the declining demand for all types of housing and the drop in costs of construction, development costs are dropping to a more reasonable rate. However, due to the abundance of housing currently available within Merced, it is unlikely the City will see much housing construction over the next 2 to 3 years.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

#### ***Efforts to Remove Constraints for First Time Home Buyers***

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

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

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

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



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

## **SP-60 Homelessness Strategy – 91.215(d)**

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

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

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

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

### **Addressing the emergency and transitional housing needs of homeless persons**

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

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

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

shelter services to Merced County's homeless, with 62 of the total 86 beds throughout Merced County.

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

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

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

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

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

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

Merced will continue to work with the County in using their Housing First and Rapid Re-housing approaches that were described on pages two and three. The 2015 homeless count and survey data revealed that 58% of the unsheltered homeless population is chronically homeless and in need of longer-term assistance such as rental assistance and wrap-around social services such as health care,

employment services, mental health care, and life skills training. Thus, a Housing First approach is needed. Conversely, the data showed that 48% of the unsheltered homeless population is not chronically homeless and will likely need shorter-term assistance, such as a few months of rental assistance, and are not as reliant on social services. Thus, a Rapid Re-housing approach is needed.

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

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

In accordance with federal regulations and the City of Merced's policy regarding the identification of lead-based paint hazards, all housing built prior to 1978 must undergo lead based paint testing. If deteriorated lead-based paint surfaces are found, it must be stabilized during the rehabilitation of the property. Abatement must be performed by a certified lead-based paint professional and a Clearance Inspection must be issued by the certified lead-based paint assessor prior to the issuance of the Notice of Completion.

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

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

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

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

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

In accordance with federal regulations and the City of Merced's policy regarding the identification of lead-based paint hazards, all housing built prior to 1978 must undergo lead based paint testing. If deteriorated lead-based paint surfaces are found, it must be stabilized during the rehabilitation of the property. Abatement must be performed by a certified lead-based paint professional and a Clearance Inspection must be issued by the certified lead-based paint assessor prior to the issuance of the Notice of Completion.

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

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

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

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

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

Goal: To reduce poverty level incomes below current levels by 2015.

Policy: To continue to support and coordinate with public and private efforts aimed at preventing and reducing poverty level incomes.

Policy: To conduct outreach with public and private agencies whose mission is to reduce poverty level incomes.

Program: To support and coordinate with the organizations who directly or indirectly contribute to a reduction in poverty such as the Community Action Partnership (CAP) of Merced County, County of Merced Housing Authority and Desert Alliance for Community Empowerment.

## **SP-80 Monitoring – 91.230**

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

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

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

### **a. Monitoring of Housing and Community Development Projects**

The City will prepare a PY 2014-2015 Monitoring Plan comprising of:

- Identifying which sub-recipients will be monitored
- Establishing a monitoring schedule
- Creating a monitoring checklist
- Conducting on-site visits
- Notifying sub recipients of monitoring results
- Providing technical assistance
- Ensuring that corrective actions, if needed, are taken

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

The City ensures compliance by:

- Checking project eligibility against regulations and staying in constant communication with the City's HUD CPD representative.
- Following the City's Subrecipient Monitoring Plan
- Reviewing HUD's monitoring handbook to ensure compliance with national objectives of low- and moderate-income area benefit and low-and moderate-income limited clientele, financial management requirements and other CDBG Entitlement Program requirements
- Reviewing CPD notices on CDBG program and planning requirements.

## Expected Resources

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

#### Introduction

Merced anticipates receiving an annual funding allocation of \$923,257 in CDBG and \$305,810 during the Annual Action Plan (AAP) period. These figures are estimates based on a 2015 HUD Grantee Summary and the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning, Affordable Housing, Economic Development, Public Improvements, and Public Services Section 108	\$923,257	\$227,750		\$1,151,007	\$3,693,028	Merced anticipates an annual funding allocation of \$923,257 in CDBG for FY 15-16. d
HOME	public - federal	Admin and Planning, Affordable Housing	\$305,810	\$157,336		\$463,146	\$1,223,240	Merced anticipates an annual funding allocation of \$305,810 in HOME for FY 15-16.

Table 49 - Expected Resources – Priority Table

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

The City will attempt to leverage state grants and other funding when appropriate to meet the objective of the AAP. The City does add local funds to meet matching requirements and to further support the organizations and individuals receiving CDBG funding.



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

241 E Main Street and 2785 Portola Way

These single family units were purchased using NSP3 Funds. Once rehabilitated, units will be sold to eligible households.

Duplex for Victims of Domestic Violence

Duplex purchased using HOME Funds. Once rehabilitated, the property will be turned over to a local nonprofit that provides housing for victims of domestic violence.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	To preserve, rehabilitate and enhance existing neighborhoods, and housing as applicable	2015	2019	Decent Housing - Housing Rehabilitation	>51% AMI	Neighborhood Preservation Suitable Living Environments Public Improvements	HOME:	Homeowner housing Rehabilitated
2	Provide support services for the City's residents with an emphasis on at risk youth, the homeless and services to seniors	2015	2019	Public Service	City Wide	Supporting Special Needs Programs Supporting Special Needs Services	CDBG	<ul style="list-style-type: none"> <li>• Homelessness prevention</li> <li>• Public service activities for low/moderate-income housing benefit</li> </ul>
3	Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor.	2015	2019	Fair Housing	City Wide	Fair Housing	CDBG	Public service activities for low/moderate-income housing benefit
4	To address to City's significantly high unemployment rate with an emphasis on youth persons between the ages of 16 and 24.	2015	2019	Non-housing Community Development - Economic Development	City Wide	Job Training	CDBG	Public service activities for low/moderate-income housing benefit
5	To preserve, rehabilitate and enhance existing public facilities	2015	2019	Public Facility Improvements	>51% AMI	Neighborhood Preservation Suitable Living Environments Public Improvements	CDBG	Provide grants for Public Facilities for ADA improvements to existing public Facilities.
6	Economic Development (planning)	2015	2019	Non-housing Community Development - Economic Development	>51% AMI	Small business Assistance Job Training Revitalization	CDBG	Public service activities for low/moderate-income housing benefit
7	Facilitate the Construction of Permanent Supportive Housing	2015	2019	Public Service	City Wide	Supporting Special Needs Programs	CDBG	<ul style="list-style-type: none"> <li>• Homelessness prevention</li> </ul>
6	CDBG Grant Administration	2015	2019	Planning and Administration	City wide	CDBG Program Administration	CDBG:	N/A

Table 50 – Goals Summary

#### Goal Descriptions

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

Table 51 – Project Information

#	Project Name	Amount Allocated	Funding Category (i.e. 15% Public Services)	Source
1	HUD 108 Loan Payment – Grove Apartments	\$292,610	Debt Repayment	CDBG
2	Single Family Rehabilitation	\$250,000	Housing	CDBG
3	Single Family New Construction – Veteran’s Preference	\$250,000	Housing	CDBG
4	Sidewalk Repair	\$107,000	Public Service – Infrastructure	CDBG
5	Public Service Activities	\$52,616	Public Service – Various To Be Approved by Council	CDBG
6	MCAG – Admin Expense	\$38,000	Administrative	CDBG
7	CDBG Administrative Expenses	\$150,401	Administrative	CDBG
8	New Construction Multi-Family Residential Veteran’s Preference	\$250,000	CHDO	HOME
9	Lot Acquisition Merced Habitat for Humanity	\$75,000	Housing	HOME
10	Fair Housing Vendor	\$25,000	Housing	HOME
11	HOME Administrative Expenses	\$5,581	Administrative	HOME

#### PUBLIC SERVICE PROJECTS:

Organization	Activity	Requested Amount	HUD Eligible Activity
Healthy House within a MATCH Coalition	Ethnic Elders Transportation and Education project	\$6,000	Senior Services
Merced Lao Family	Youth Cultural Activity Program	\$8,132	Youth Services
Sierra Saving Grace	Homeless Prevention/Rapid Rehousing	\$6,700	Security Deposits
Symple Equazion	Youth I Can	\$17,120	Youth Services
Valley Crisis Center	Youth Trek Groups	\$6,665	Youth Services
Yosemite Church	Affinity Hiking Group	\$8,000	Youth Services

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

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

One obstacle in meeting underserved need is acquiring rental assistance for Merced's extremely low and very low-income cost burdened households. A cost burdened household is one that spends 30% or more of their income on rent. The Housing Authority of the County of Merced provides and manages public housing, including the Housing Choice Voucher program, also known as Section 8. The waiting list for this program typically exceeds 1,000 families.

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

This obstacle is often exacerbated with extremely low- income households. Many of these of these households are homeless or recently transitioning from a structured living enrichment so additional costs for support service is required. The total number of homeless persons counted in the City of Merced was 690 of which 592 (86%) were unsheltered and 98 (14%) were sheltered. All of the 592 unsheltered persons were adults and all of the 98 sheltered persons were adults. As noted in the beginning of this report, 23 children were counted in shelters. These shelters are located in other areas of the county.

## AP-38 Project Summary

### Project Summary Information

#	Project Name	Amount Allocated	Funding Category (i.e. 15% Public Services)	Source
1	HUD 108 Loan Payment – Grove Apartments	\$292,610	Debt Repayment	CDBG
2	Single Family Rehabilitation	\$250,000	Housing	CDBG
3	Single Family New Construction – Veteran’s Preference	\$250,000	Housing	CDBG
4	Sidewalk Repair	\$107,000	Public Service – Infrastructure	CDBG
5	Public Service Activities	\$52,616	Public Service – Various To Be Approved by Council	CDBG
6	MCAG – Admin Expense	\$38,000	Administrative	CDBG
7	CDBG Administrative Expenses	\$150,401	Administrative	CDBG
8	New Construction Multi-Family Residential Veteran’s Preference	\$250,000	CHDO	HOME
9	Lot Acquisition Merced Habitat for Humanity	\$75,000	Housing	HOME
10	Fair Housing Vendor	\$25,000	Housing	HOME
11	HOME Administrative Expenses	\$5,581	Administrative	HOME

**AP-50 Geographic Distribution – 91.220(f)**

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

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

**Geographic Distribution**

Target Area	Percentage of Funds
N/A	N/A

Table 52 - Geographic Distribution

**Rationale for the priorities for allocating investments geographically**

The basis for assigning the priority to each category was based on the identified needs expressed during the consultation and citizen participation process. In addition, priorities were determined by information gathered from the Census, a market study and existing community documents, which include the City of Merced’s 2014 Housing Element.

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

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

<b>One Year Goals for the Number of Households to be Supported CDBG &amp; HOME</b>	
Homeless	44
Non-Homeless	2
Special-Needs	0
Total	46

**Table 53 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through CDBG &amp; HOME</b>	
Rental Assistance	0
The Production of New Units	45
Rehab of Existing Units	1
Acquisition of Existing Units	0
Total	46

**Table 54 - One Year Goals for Affordable Housing by Support Type**

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

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

The City shall encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Merced County. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-resident occupancies, transitional facilities and housing units serving temporary needs. The City will encourage development of housing for extremely-low income households through a variety of activities such as outreach to nonprofit and for-profit housing developers, providing in-kind technical assistance for housing developers, financing and funding assistance and expedited processing as appropriate. The City's objective shall be to encourage and facilitate construction of supportive housing units for extremely-low income housing units during the 2015-2020 planning period.

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

The City of Merced does not own public housing. The City works in close collaboration with the Housing Authority of the County of Merced to provide public housing within the City. The City will continue to work independently and closely with the HA and local nonprofits to provide assistance to low-income families. As population demographics continue to change, the City will continue to work with the county housing authority and local (and regional) nonprofits to develop public housing projects in Merced.

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

The HA encourages resident involvement through various methods, particularly focusing on self-sufficiency and enhancing the quality of one's own life. Housing Authority of the County of Merced connects residents and participants to services, activities, and other organizations that promote that vision. There are Neighborhood Network Centers (including public computer centers) and community partnerships for residents to utilize. On the HA website, resident can locate relevant services and service providers in dedicated "resident" and "resident services" sections. Additionally, HA provides newsletters and reports about the status of its programs and residents for current and future participants.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance N/A**

### **Discussion**



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

### **Introduction**

This section describes the City's one-year goals and the specific actions steps it will undertake in the program year to carry out the homeless strategy outlined in SP-60 Homelessness Strategy. It will also describe the jurisdiction's one-year goals and specify the activities it will undertake to serve the housing and supportive service needs of non-homeless populations who require supportive housing.

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

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

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

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

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

### **Introduction:**

**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**

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

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

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

#### Efforts to Remove Constraints for First Time Home Buyers

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

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

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

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

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

### Efforts to Provide Fair Housing

This is an on-going series of activities undertaken by the City of Merced's Housing Program to ensure that low and moderate-income households receive maximum benefit from the funds received by their local government. This area of activity includes constant attention to good communication between various service providing agencies in the community, knowledge of market conditions and forces that drive good policy decisions regarding the use of resources, and constant evaluation of program efforts. It also refers to the monitoring of the City's *Analysis of Impediments to Fair Housing Choice*. A total of \$25,000 in CDBG funds was spent in FY 2014 on Fair Housing activities, including a contract with Project Sentinel to provide fair housing services for the residents of Merced. This is an annual program.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

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

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

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

### **Actions planned to address obstacles to meeting underserved needs**

The City of Merced's 2015-2020 Strategic Plan proposes projects and activities to meet the priorities described in the Consolidated Plan (the "ConPlan"). It describes eligible programs, projects and activities to be undertaken with anticipated funds made available over the next five years and their relationship to identified needs for housing, homelessness, and community and economic development. Each year, assuming funding levels remain the same, more specific projects throughout the City will be identified and implemented via the annual Action Plans.

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

The City has been awarded \$923,257 from the federal Community Development Block Grant (CDBG) program and \$305,810 from the federal HOME program. These figures are based on a 2015 HUD Grantee Summary and the assumptions that CDBG funding, entitlement funding distribution formulas and/or the number of communities eligible to receive entitlement grants will remain constant. If any of these conditions change, projected activities and accomplishments are also subject to change.

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

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

- To preserve, rehabilitate and enhance existing neighborhoods, and housing as applicable with an emphasis on South and Central Merced;

- Create neighborhood revitalization opportunities within targeted areas of the City.
- Provide support services for the City's residents with an emphasis on at risk youth, the homeless and services to seniors;
- Ensure that all housing programs are available without discrimination on the basis of race, color, religion, sex, national origin, ancestry, marital status, age, household composition, income, size, disability or any other arbitrary factor;
- To address to City's significantly high unemployment rate with an emphasis on youth persons between the ages of 16 and 24.
- To preserve, rehabilitate and enhance existing public facilities

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

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

#### **Actions planned to foster and maintain affordable housing**

There are a total of 340 units that are at risk of being converted to market rate units. Merced Commons I and II, Merced Gardens, Merced West Manor and Merced Meadows are housing structures that were built with public subsidies that as of 2010 were at risk of becoming market rate. The City of Merced only has the Section 8 Voucher program to assist families and is a critical lever needed to be preserved to ensure that low income families have continued affordable housing opportunities. Merced West Manor is a 50 unit development of affordable and low income senior residents. The Section 8 expiration date was in 2004 and has been renewed on a yearly basis since. Merced Gardens has 47 units which are affordable –low income. The Section 8 expiration date was in 2005 and has been renewed on a yearly basis since. Merced Commons I is a 76 unit development for low income families and has a subsidy termination date of 2020. Merced Commons II has 71 units for low income families, the financing subsidy termination in 2011. Merced Meadows is a 100 unit development for affordable to low income families whose Section 8 subsidies expired in 2013. Merced Meadows has the lowest risk of units being converted to market rate since it is managed by a non-profit organization whose mission is to preserve affordable housing units for the long term.

#### *Action:*

The City will continue to contact owners and operators of such units at least annually to monitor when/if the units are being considered for conversion. The City will, as needed, assist potential

non-profit buyers to apply for California Housing Finance Agency funding to purchase and operate “At-Risk” facilities for continued affordability.

#### *Policy*

- Develop a more pro-active approach and incentives to encourage property owners to keep their properties affordable.
- Work with the Housing Authority to determine if there are ways the property owners can be involved in Housing Authority programs.

#### **Actions planned to reduce lead-based paint hazards**

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

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

#### **Actions planned to reduce the number of poverty-level families**

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

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

Goal: To reduce poverty level incomes below current levels by 2016.

Policy: To continue to support and coordinate with public and private efforts aimed at preventing and reducing poverty level incomes.

Policy: To conduct outreach with public and private agencies whose mission is to reduce poverty level incomes.

Program: To support and coordinate with the organizations who directly or indirectly contribute to a reduction in poverty such as the Community Action Partnership (CAP) of Merced County and County of Merced Housing Authority.

**Actions planned to develop institutional structure**

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

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

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

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

## Program Specific Requirements

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

#### Introduction:

#### 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	\$10,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$25,000
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
6. Total Program Income	\$35,000

#### Other CDBG Requirements

1. The amount of urgent need activities	0
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#### HOME Investment Partnership Program (HOME)

#### Reference 24 CFR 91.220(I)(2)

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