

G3 Housing Needs Assessment

This chapter provides an individual assessment of housing needs for the City of Merced. This section summarizes demographic, employment, and housing characteristics. The main source of the information is the pre-approved data package for jurisdictions approved by the California Department of Housing and Community Development (HCD). This data is primarily sourced from the United States (U.S.) Census, the U.S. Department of Housing and Urban Development’s (HUD’s) Comprehensive Housing Affordability Strategy (CHAS), and American Community Survey (ACS) 2017-2021 5-year estimates. Tables and Figures also include comparable data for Merced County and California where it is found most useful.

G3.1 Population Characteristics

Population characteristics, such as growth rate, age, and income levels, affect the type and amount of housing needed in a community. Residents’ age and income, employment trends, and other factors influence the type of housing needed and the community’s ability to afford housing. The following section analyzes the City of Merced’s population characteristics and trends.

G3.2 Population Growth

Table G3-1 analyzes population change from 2000 to 2021. Merced experienced a large percent change in population of 21.5 percent from 2000 to 2010, and 8.9 percent from 2010 to 2021. This was consistent with the county percentages but significantly higher than the statewide population growth.

Table G3-1 Population Change (2000 - 2021)

Jurisdiction	2000	2010	2021	Percent Change 2000-2010	Percent Change 2010-2021
Merced	63,893	78,958	85,993	23.6%	8.9%
Merced County	210,554	255,793	281,202	21.5%	9.9%
California	33,971,648	37,253,956	39,346,023	9.7%	5.6%

Source: U.S. Census Bureau, Census 2000, 2010; Social Explorer tables for Census 2021.

G3.3 Age Characteristics

Table G3-2 shows population by age group and each group’s percentage of the total population. The age groups include preschool (under five years), school-age students (five to seventeen years), college-age students (18 to 24 years), young adults (25 to 44), middle-aged adults (45 to 64), and seniors (65 and over). In Merced, the largest age group is the young adult category, representing 27.5 percent of the total population, similar to the county (27 percent) and state (28.6 percent). The second-largest group in Merced is school-age students at 22.8 percent. The smallest population by age are preschoolers at 7.3 percent, which is similar to the county (7.5 percent) and higher than the state (6 percent). Merced also has a higher proportion of residents 44 years and younger (70.4 percent) compared to the county (67.7 percent) and the state (60.7 percent). This is potentially due to the presence of a community college

(Merced College) and a university (University of California Merced) within and adjacent to city boundaries.

Table G3-2 Population by Age Group (2021)

Jurisdiction	Under 5 years (Preschool)	5 to 17 years (School-age Students)	18 to 24 years (College-age Students)	25 to 44 (Young Adults)	45 to 64 (Middle-aged Adults)	65 years and over (Seniors)	Total Population
Merced	6,291	19,636	11,048	23,620	16,962	8,436	85,993
Percent	7.3%	22.8%	12.8%	27.5%	19.7%	9.8%	
Merced County	20,969	61,609	31,111	75,342	59,131	30,988	279,150
Percent	7.5%	22.1%	11.1%	27%	21.2%	11.1%	
California	2,350,335	6,642,097	3,665,851	11,282,671	9,844,520	5,669,879	39,455,353
Percent	6.0%	16.8%	9.3%	28.6%	25.0%	14.0%	

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B01001.

G3.4 Race and Ethnicity

Table G3-3 shows race and ethnicity data for residents in Merced, Merced County, and California. In Merced, a majority of the population identifies as white at 45.5 percent, similar to the countywide (46.2 percent) and lower than the state (52.1 percent). The second largest population group is “Some Other Race” representing 28.7 percent of the total population in Merced. This is lower than Merced County (33.7 percent) and higher than the state (15.3 percent). In terms of ethnicity, 58.1 percent of the population of Merced identified as Hispanic or Latino. This percent is lower than countywide (61.2 percent) and higher than statewide (39.5).

Table G3-3 Population by Race

Jurisdiction	White Alone	Black or African American Alone	American Indian and Alaska Native Alone	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone ¹	Two or More Races ²	Hispanic or Latino, Any Race	Total
Merced	39,154	3,842	1,429	9,652	29	24,705	7,182	49,943	85,993
Percent	45.5%	4.5%	1.7%	11.2%	0.0%	28.7%	8.4%	58.1%	
Merced County	128,897	8,057	3,267	20,945	797	93,978	23,209	170,730	279,150
Percent	46.2%	2.9%	1.2%	7.5%	0.3%	33.7%	8.3%	61.2%	
California	20,553,732	2,233,258	360,607	5,887,396	148,278	6,036,865	4,235,217	15,593,787	39,455,353
Percent	52.1%	5.7%	0.9%	14.9%	0.4%	15.3%	10.7%	39.5%	

(1) Note: “Some other race alone” includes all other responses not included in the “white alone”, “Black or African American alone”, “American Indian and Alaska Native alone”, “Asian alone” and “Native Hawaiian and Other Pacific Islander alone” race categories

(2) Note: “Two or more races” includes responses from all individuals who identify themselves as two or more of the aforementioned race groups. If an individual responded with both “two or more races” and “some other race,” their response was only included under “two or more races.”

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B02001; U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B03001.

G3.5 Economic Characteristics

Employment

Understanding employment and occupation patterns can provide insight into present housing needs. Table G3-4 shows employment by industry. Educational Services, Health Care, and Social Assistance is the most common industry category in Merced, representing 25.5 percent of total employment. This is also the most common industry countywide (22 percent) and statewide (21.4 percent). The second largest industry in Merced is Retail Trade with 11 percent, similar to the state and county.

Table G3-4 Employment by Industry (2021)

Industry	Merced	Percent	Merced County	Percent	California	Percent
Educational Services, and Health Care and Social Assistance	8,429	25.5%	23,797	22%	3,990,094	21.4%
Retail Trade	3,639	11.0%	11,804	10.9%	1,919,513	10.3%
Arts, Entertainment, and Recreation, and Accommodation and Food Services	3,239	9.8%	7,682	7.1%	1,835,141	9.8%
Agriculture, Forestry, Fishing and Hunting, And Mining	2,781	8.4%	12,326	11.4%	394,881	2.1%
Manufacturing	2,690	8.1%	11,778	10.9%	1,676,715	9.0%
Public Administration	2,405	7.3%	5,058	4.7%	864,476	4.6%
Professional, Scientific, and Management, and Administrative, and Waste Management Services	2,067	6.3%	7,146	6.6%	2,612,859	14.0%
Construction	1,979	6.0%	8,623	8%	1,235,586	6.6%
Transportation And Warehousing, And Utilities	1,927	5.8%	7,626	7.1%	1,071,181	5.7%
Other Services, Except Public Administration	1,466	4.4%	4,275	4.0%	927,253	5.0%
Finance and Insurance, and Real Estate, and Rental and Leasing	1,149	3.5%	3,075	2.8%	1,107,961	5.9%
Wholesale Trade	902	2.7%	4,036	3.7%	501,378	2.7%
Information	378	1.1%	968	0.9%	539,683	2.9%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C24050.

Income Definitions and Income Limits

The state and federal governments classify household income into several categories based upon the relationship to the county area median income (AMI), adjusted for household size. HUD estimates of AMI is used to set income limits for eligibility in federal housing programs. The income categories include:

- Acutely low-income households, which earn up to 15 percent AMI;
- Extremely low-income households, which earn up to 30 percent AMI;
- Very low-income households, which earn between 31 and 50 percent AMI;

- Low-income households, which earn between 51 and 80 percent AMI; and
- Median-income households, which earn 100 percent AMI.

For all income categories, income limits are defined for various household sizes based on a four-person household as a reference point. Income limits for larger or smaller households are calculated by HUD (see Table G3-5). According to HUD, the AMI for a four-person household in Merced County was \$80,300 in 2022.

Table G3-5 HUD Income Limits by Person per Household (dollars)

Household Size:	1	2	3	4	5	6	7	8
Acutely Low	\$8,450	\$9,650	\$10,850	\$12,050	\$13,000	\$14,000	\$14,950	\$15,900
Extremely Low	\$16,350	\$18,700	\$23,030	\$27,750	\$32,470	\$37,190	\$41,910	\$46,630
Very Low	\$27,300	\$31,200	\$35,100	\$38,950	\$42,100	\$45,200	\$48,300	\$51,450
Low Income	\$43,650	\$49,850	\$56,100	\$62,300	\$67,300	\$72,300	\$77,300	\$82,250
Median Income	\$56,200	\$64,250	\$72,250	\$80,300	\$84,730	\$93,150	\$99,550	\$106,000
Moderate Income	\$67,450	\$77,100	\$89,700	\$96,350	\$104,050	\$111,750	\$119,450	\$127,200

Source: U.S. Department of Housing and Urban Development (HUD), 2022.

HCD uses the income categories shown in Table G3-6 to determine eligibility for state housing programs. HCD’s methodology for calculating AMI is slightly different from HUD’s methodology, and therefore the AMI and income limits vary.

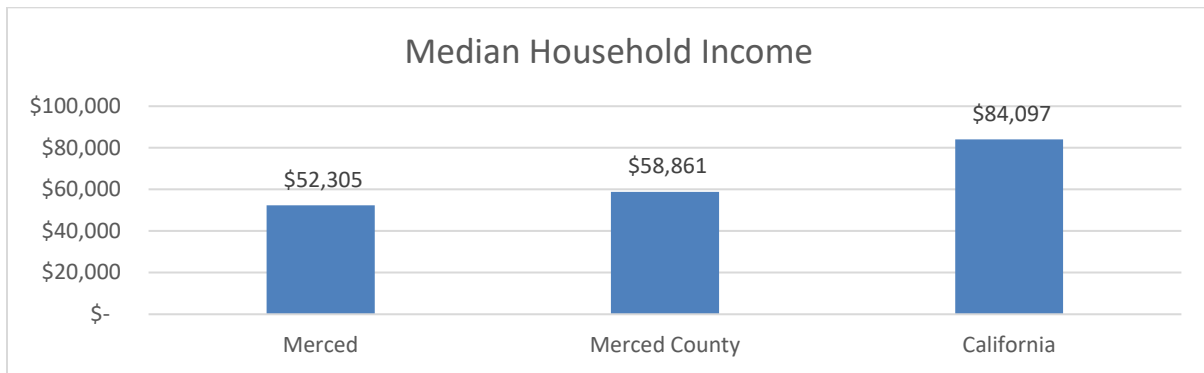
Table G3-6 State of California Income Categories

Income Category	Percent of County Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31%-50% AMI
Low	51%-80% AMI
Moderate	81%-120% AMI
Above Moderate	120% AMI or greater

Source: California, CA Health & Safety Code § 50093.

Figure G3-1 shows median household income in Merced as reported by the 2017-2021 ACS. This median income is for all households, regardless of household size. The median household income in Merced was \$52,305 in 2021, which was lower than in Merced County (\$58,861) and significantly lower than in California (\$84,097).

Figure G3-1 Median Household Income



Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B19013.

Table G3-7 compares the median household income by race in 2021. In Merced, Asian and Native Hawaiian/Other Pacific Islander households had the highest median incomes at \$71,868, which is generally consistent with the state and county. This is followed by two or more races with \$54,684, similar to the county but significantly lower than the state. American Indian and Alaskan Native households had the lowest median income in Merced, significantly lower than the state and county.

Table G3-7 Median Household Income by Race/Ethnicity (dollars)

Jurisdiction	White, alone	Black or African American, alone	American Indian and Alaskan Native, alone	Asian, alone	Native Hawaiian and Other Pacific Islander, alone	Some Other Race, alone	Two or More Races, alone	Hispanic or Latino, Any Race
Merced	\$53,261	\$42,868	\$19,107	\$71,868	\$71,868	\$49,071	\$54,684	\$46,092
Merced County	\$60,918	\$45,573	\$50,214	\$71,829	\$71,829	\$55,083	\$56,355	\$54,635
California	\$88,616	\$58,958	\$66,904	\$108,477	\$87,066	\$63,975	\$79,777	\$67,327

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B19013.

Overpayment and Housing Cost Burdens

Table G3-8 lists the number of households overpaying for housing by tenure. Generally, renters are more affected by overpayment than owners. As shown, overpaying renter-occupied households represent 29.6 percent of total households in Merced, which is greater than the county and state percentages of 21.4 percent and 22.9 percent, respectively. By contrast, overpaying owner-occupied households account for 9.7 percent of total households, which is lower than in the county (11.8 percent) and state (14.4 percent).

Table G3-8 Cost Burdened Households by Tenure

Jurisdiction	Owner-Occupied Overpaying	Renter-Occupied Overpaying	Total Overpaying
Merced	2,594	7,908	10,502
Percent	9.7%	29.6%	39.4%
Merced County	9,611	17,470	27,081
Percent	11.8%	21.4%	33.2%
California	1,904,162	3,030,934	4,935,096
Percent	14.4%	22.9%	37.3%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 17-21 (5-year Estimates), Table B25091 and B25070.

CHAS data provided by HUD provides information on cost burden based on the HUD Area Median Family Income (HAMFI). This data is included in Table G3-9 below. While the totals do not align exactly with 2021 ACS data presented above, the CHAS data identifies the level at which cost burdened households are overpaying for housing. As shown, 20.1 percent of households are cost burdened households that are paying 30 percent of their income on housing costs. Further, 20.8 percent of households are spending more than 50 percent of their income on housing. Based on CHAS data, Merced has higher rates of moderate and severe cost burden than Merced County, and a higher rate of severe cost burden than California.

Table G3-9 Overpayment by Tenure (dollars)

Jurisdiction	Moderate Cost Burden >30% to <=50%	Severe Cost Burden >50%	Total Households
Merced	5,129	5,310	25,490
Percent	20.1%	20.8%	100.0%
Merced County	14,710	12,285	80,010
Percent	18.4%	15.4%	100.0%
California	2,632,205	2,427,660	13,044,265
Percent	20.2%	18.6%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

G3.6 Household Characteristics

Table G3-10 provides information on household types. Of the 26,673 households in Merced, 10,645 are married-couple households with or without children, and 2,499 are cohabitating couple households with or without children. While in Merced, 39.9 percent of households are married couple households, approximately half of the total households in Merced County and California fall into this category.

Table G3-10 Households by Type

Jurisdiction	Married-Couple Household			Cohabiting Couple Household			Total Households
	Total	Children	No Children	Total	Children	No Children	
Merced	10,645	5,017	5,628	2,499	1,546	953	26,673
Percent	39.9%	18.8%	21.1%	9.4%	5.8%	3.6%	
Merced County	39,912	18,171	21,741	6,862	3,910	2,952	81,618
Percent	48.9%	22.3%	26.6%	8.4%	4.8%	3.6%	
California	6,539,445	2,780,272	3,759,173	938,780	338,874	599,906	13,217,586
Percent	49.5%	21.0%	28.4%	7.1%	2.6%	4.5%	

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B11012.

G3.7 Large Households

Table G3-11 provides information on large households by tenure. As shown, 19.4 percent of households in Merced consist of five or more people, which is greater than the state average but lower than the county average. In Merced, renter-occupied five-person households (7.1 percent of total households), owner-occupied five-person households (4 percent) and renter-occupied six-person households (2.9 percent) make up the largest percentage of large households, while owner-occupied seven-or-more person households make up the smallest percentage of large households. Additionally, both Merced and Merced County have a higher percentage of large households than in California.

Table G3-11 Large Households by Tenure

Jurisdiction	Total Large Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced	5,220	1,057	601	279	1,895	761	627
Percent	19.6%	4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
Merced County	17,710	4,737	1,952	1,649	5,380	2,184	1,808
Percent	21.7%	5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
California	1,830,468	580,759	246,420	200,281	456,013	199,263	147,732
Percent	13.9%	4.4%	1.9%	1.5%	3.5%	1.5%	1.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25009.

G3.8 Overcrowding

Table G3-12 provides information on overcrowding by tenure in Merced. There are 1,927 overcrowded households in the city, of which 21.6 percent (417) are owner-occupied households and 78.4 percent (1,510) are renter occupied.

Table G3-12 Overcrowding Severity by Tenure

Jurisdiction	Total	Owner-Occupied		Total	Renter-Occupied	
		1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room		1.0 to 1.5 Occupants per Room	More than 1.5 Occupants per Room
Merced	11,185	310	107	15,488	1,006	504
Percent	41.9%	1.2%	0.4%	58.1%	3.8%	1.9%
Merced County	42,146	1,766	551	39,472	3,090	1,362
Percent	51.6%	2.2%	0.7%	48.4%	3.8%	1.7%
California	7,335,247	229,637	82,236	5,882,339	453,625	321,169
Percent	55.5%	1.7%	0.6%	44.5%	3.4%	2.4%

Source: U.S. Census Bureau, ACS 06-10, 11-15, 17-21 (5-year Estimates), Table B25014.

G3.9 Special Needs Groups

Within the general population there are several groups of people who have special housing needs. These needs can make it difficult for members of these groups to locate suitable housing. The following subsections identify and discuss these special housing needs groups.

Seniors

Table G3-13 identifies senior households in Merced, Merced County, and California. The percentage row identifies the percent of the specified age range within the owner-occupied or renter-occupied categories for the total population. There are more owner-occupied senior households in Merced (3,484 total), than renter-occupied senior households (1,896 total), which is similar to the county and state. As shown, 18.9 percent of owner-occupied households and 8.71 percent of renter-occupied households are made up of seniors between the ages of 65 and 74.

Table G3-13 Senior Households by Tenure

Jurisdiction	Owner-Occupied			Renter-Occupied		
	65 to 74	75 to 84	85 and over	65 to 74	75 to 84	85 and over
Merced	2,114	1,076	294	1,351	423	122
Percent	18.9%	9.6%	2.6%	8.7%	2.7%	0.8%
Merced County	7,176	4,232	1,559	3,318	1,216	495
Percent	39.9%	23.5%	8.7%	18.4%	6.8%	2.8%
California	1,386,828	679,546	288,915	501,465	229,153	132,237
Percent	43.1%	21.1%	9.0%	15.6%	7.1%	4.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25007.

Table G3-14 shows the housing cost burdens by elderly family type and tenure in Merced based on data extracted through HUD’s CHAS (note that the CHAS data defines senior or elderly as age 62 and over, as opposed to the ACS that reports seniors as age 65 and older). Based on data in this table, of all elderly persons in lower-income categories (less than or equal to 80 percent HAMFI), approximately 18.8 percent of all senior-owner households and 61.0 percent of all senior-renter households in Merced had a housing cost burden of 30 percent or greater.

Table G3-14 Overpayment by Tenure Among Senior Households

	Owners		Renters		Total
	Elderly Family	Elderly Non-Family	Elderly Family	Elderly Non-Family	
Household Income <= 30% HAMFI Extremely Low-Income					
TOTAL HOUSEHOLDS <= 30% HAMFI	185	145	120	575	1,025
Number w/ Cost Burden <= 30%	40	45	15	120	220
Number w/ Cost Burden > 30% to <= 50%	50	50	20	145	265
Number w/ Cost Burden > 50%	95	50	85	310	540
Percent with Cost Burden >30% HAMFI	78%	69%	88%	79%	79%

	Owners		Renters		Total
	Elderly Family	Elderly Non-Family	Elderly Family	Elderly Non-Family	
Household Income > 30% to <= 50% HAMFI Very Low-Income					
TOTAL HOUSEHOLDS > 30% to <= 50% HAMFI	85	260	140	395	880
Number w/ Cost Burden <= 30%	55	95	30	45	225
Number w/ Cost Burden > 30% to <= 50%	15	70	85	160	330
Number w/ Cost Burden > 50%	15	95	25	190	325
Percent with Cost Burden >30% HAMFI	35%	63%	79%	89%	74%
Household Income > 50% to <= 80% HAMFI Low-Income					
TOTAL HOUSEHOLDS > 50% to <= 80% HAMFI	430	265	70	265	1,030
Number w/ Cost Burden <= 30%	250	250	30	40	570
Number w/ Cost Burden > 30% to <= 50%	155	15	40	195	405
Number w/ Cost Burden > 50%	25	-	-	30	55
Percent with Cost Burden >30% HAMFI	42%	6%	57%	85%	45%
Household Income > 80% to <= 100% HAMFI					
TOTAL HOUSEHOLDS > 80% to <= 100% HAMFI	130	215	110	55	510
Household Income > 100% HAMFI					
TOTAL HOUSEHOLDS > 100% HAMFI	1,160	505	130	245	2,040
Total Income <80% HAMFI and Cost Burden > 30%					
	635		1,285		1,920
Percent Income <80% HAMFI and Cost Burden > 30%					
	18.8%		61.0%		35.0%
GRAND TOTAL HOUSEHOLDS	1,990	1,390	570	1,535	5,485

Elderly family constitutes 2 persons with either or both age 62 and over.

HAMFI = HUD Area Median Family Income

Source: HUD Consolidated Planning / Comprehensive Housing Affordability Strategy (CHAS) database, 2015-2019 estimates, Table 7, accessed 2023. <https://www.huduser.gov/portal/datasets/cp.html>

Table G3-15 summarizes cost burden data for units occupied by senior households. As shown, 59.6 percent of senior households in Merced have a housing cost burden of less than or equal to 30 percent, 22.2 percent have a housing cost burden between 30 percent and 50 percent, and 18.1 percent have a cost burden greater than 50 percent. There is a significantly higher percentage of senior households with a housing cost burden of over 30 percent of household income in Merced (40.3 percent) than in Merced County (23.5 percent).

Table G3-15 Cost-Burdened Senior Households

Jurisdiction	Cost Burden <= 30%	Cost Burden >30% to <=50%	Cost Burden >50%	Total Senior Households
Merced	3,270	1,220	995	5,485
Percent	59.6%	22.2%	18.1%	100.0%
Merced County	12,080	3,220	2,880	18,180
Percent	66.4%	17.7%	15.8%	100.0%
California	1,963,195	620,335	736,510	3,320,040
Percent	59.1%	18.7%	22.2%	100.0%

Source: U.S. Department of Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Resources for Senior-Headed Households

The Merced County Housing Authority manages six senior housing complexes, two of which are located in Merced, including Sierra Meadows Apartments and Merced Golden Manor. Both facilities are deed restricted for lower-income senior households. As shown in Table G3-16, this accounts for a total of 149 senior rental units in Merced. As shown in Table G3-14, there are a total of 2,105 senior rental-occupied households, of which 1,565 are lower income. Based on this data, there is a gap between lower income senior rental-occupied households and available units of more than 1,400 units.

Table G3-16 Inventory of Senior Housing

Housing Development	Address	City	Affordable Units	Total Units
Sierra Meadows Apartments	720 West 15th Street	Merced	99	99
Merced Golden Manor	338 T St	Merced	50	50

Note: All locally assisted or restricted developments may not be included in this list.
 Source: California Housing Partnership, 2023.

To address the deficit in housing for senior households, the City will implement Housing Program 6 and 10 to amend the Zoning Code to facilitate the development of affordable housing for special needs households, such as senior households, including reducing parking requirements and encourage the use of density bonuses for housing developments for seniors.

Persons with Disabilities (including Developmental Disabilities)

Table G3-17 identifies the number of residents with one or more disabilities. In Merced, 6.5 percent of residents have one type of disability, while 7.1 percent of residents report two or more disabilities. The rate of the population with one disability in Merced (6.5 percent) is similar to the county (6.5 percent) but higher than the state (5.4 percent). However, the rate of the population with two or more disabilities is higher in Merced (7.1 percent) than in the county and state (6.3 and 5.2 percent, respectively). Among those with a disability, 47.6 percent have one disability, while 52.4 percent have two or more types of disability.

Table G3-17 Population by Number of Disabilities

Jurisdiction	Total	With One Type of Disability	With Two or More types of Disability	No Disability
Merced	85,330	5,542	6,097	73,691
Percent		6.5%	7.1%	86.4%
Merced County	276,304	18,099	17,266	240,939
Percent		6.5%	6.3%	87.2%
California	38,946,377	2,108,406	2,037,095	34,800,876
Percent		5.4%	5.2%	89.4%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C18108.

Table G3-18 summarizes the population with a disability by age. In Merced, residents aged 18 to 64 years make up the largest proportion of disabled individuals at 7.4 percent of the total population. The rate for this group is higher than countywide (6.6 percent) and statewide (5.1 percent). The under 18 years age group accounts for the smallest proportion of the population at 1.5 percent, similar to the

county (1.3 percent) but greater than the state (0.8 percent). In Merced, 4.7 percent of the population is 65 years and older with a disability, consistent with percentages in the county and state.

Table G3-18 Disability by Age for the Total Population

Jurisdiction	Total	Under 18 Years	18 to 64 Years	65 Years and Older
Merced	85,330	1,310	6,352	3,977
Percent		1.5%	7.4%	4.7%
Merced County	276,304	3,666	18,311	13,388
Percent		1.3%	6.6%	4.9%
California	38,946,377	315,849	1,964,845	1,864,807
Percent		0.8%	5.1%	4.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C18108.

Table G3-19 identifies residents with a developmental disability by age. In Merced, most residents with a developmental disability are under 18 years old, which is consistent with both the state and county.

Table G3-19 Developmental Disability by Age

Jurisdiction	Under 18 Years	18 Years and Older	Total Population with a Disability
Merced	607	578	1,185
Merced County	1,507	1,287	2,794
California	192,384	185,353	377,737

Source: California Department of Developmental Services, DDS Quarterly Consumer Report, December 2021.

Resources for Persons with Disabilities

The State Department of Developmental Services currently provides community-based services to persons with developmental disabilities through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. Regional centers provide “point of entry” services to those that are developmentally disabled. The California Department of Developmental Services operates a field office of the Central Valley Regional Center in Merced, which is a non-profit community agency that contracts with local businesses to provide services to developmentally disabled persons and their families. While there are no public housing resources that are specific to people with disabilities in Merced, there are 149 senior housing units and 1,472 total public housing units available to low and moderate-income families and individuals, including those with a disability. As shown in Table 11.17, there are 11,639 people with a disability in Merced, illustrating a significant gap in housing resources for residents with a disability.

To address the gap in housing resources for residents with a disability, the City will implement Housing Program 6 and Program 10 to amend the Zoning Code to expand resources for and facilitate the development of affordable housing for special needs households, such as households with persons with a disability, including revisions to include reasonable accommodations for persons with disabilities.

Large Households

Table G3-20 provides information on large households by tenure in Merced, Merced County, and California. See Section G3.7, *Large Households* for more information. As shown, there are 1,937 owner-occupied large households and 3,283 renter-occupied large households. The percentage of total large

households in Merced (19.6 percent) is lower than the county (21.7 percent) but higher than the state (13.9 percent).

Table G3-20 Large Households by Tenure

Jurisdiction	Total Households	Owner-Occupied Large Households			Renter-Occupied Large Households		
		5-Person	6-Person	7-or-More Person	5-Person	6-Person	7-or-More Person
Merced	26,673	1,057	601	279	1,895	761	627
Percent		4.0%	2.3%	1.0%	7.1%	2.9%	2.4%
Merced County	81,618	4,737	1,952	1,649	5,380	2,184	1,808
Percent		5.8%	2.4%	2.0%	6.6%	2.7%	2.2%
California	13,217,586	580,759	246,420	200,281	456,013	199,263	147,732
Percent		4.4%	1.9%	1.5%	3.5%	1.5%	1.1%

Source: U.S. Census Bureau, ACS 16-20 (5-year Estimates), Table B25009.

Resources for Large Households

Units with four or more bedrooms are the primary housing resource for large households. Table G3-21 compares the number of large households to the number of large units. Units with five or more rooms provide housing options for large households and work to lessen overcrowding. As shown, there are 746 units in Merced with five or more bedrooms but 5,220 large households, leaving a potential resource gap of 4,419 units. However, when considering units with four or more bedrooms (5,977 units), the number of large units exceeds the number of large households.

Table G3-21 Large Households and Units

Jurisdiction	Total Households	Large Households (5 or more persons)	Total Units	Large Units (4 bedrooms)	Large Units (5 or more bedrooms)
Merced	26,673	5,220	28,400	5,977	746
Percent		19.6%		22.4%	2.8%
Merced County	81,618	17,710	86,767	17,656	3,002
Percent		21.7%		21.6%	3.7%
California	13,217,586	1,830,468	14,328,539	2,373,268	596,588
Percent		13.8%		18.0%	4.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Tables DP04.

Female-Headed Households

Table G3-22 identifies single female-headed households with their own children under age 18. The table values do not include female-headed households with unrelated dependents. Merced has 2,808 single female-headed households with their own children under 18, representing 10.5 percent of total households. This rate is higher than the county (7.8 percent) and the state (4.7 percent).

Table G3-22 Single Female-Headed Households with Own Children

Jurisdiction	Total Households	Single Female-Headed Households*	Percent
Merced	26,673	2,808	10.5%
Merced County	81,618	6,365	7.8%
California	13,217,586	614,747	4.7%

Notes: Single Female-Headed Households with own children under age 18, does not include unrelated dependents.

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B11012.

Table G3-23 compares female-headed households by tenure. As shown, there is a larger percentage of renter-occupied female-headed households (80.1 percent) than owner-occupied households (19.9 percent). The percentage of renter-occupied households is significantly higher in Merced (80.1 percent) than in the county (68.9 percent) or state (58.3 percent).

Table G3-23 Female-Headed Family Households by Tenure

Jurisdiction	Owner-Occupied	Renter-Occupied	Total
Merced	1,143	4,589	5,732
Percent	19.9%	80.1%	
Merced County	4,569	10,129	14,698
Percent	31.1%	68.9%	
California	713,100	996,675	1,709,775
Percent	41.7%	58.3%	

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B17010.

Resources for Single-Parent and Female-Headed Households

Resources for lower-income female-headed households include existing affordable housing units in the city as well as rental assistance provided through the County’s Housing Choice Voucher (HCV) program. Below is a list of local agencies dedicated to assisting parents:

- First 5 Merced County is dedicated to improving the lives of Merced County’s young children, including Merced, and their families through a comprehensive system of education, health services, and other crucial programs. The Strong Families programs enable families to raise their children in a safe, stable, and nurturing home. These programs work with families, educators, health, and social services providers to support parents and guardians.
- Ace Overcomers Program, committed to helping teens and adults overcome the effects of adverse childhood experiences (ACEs).
- Merced County Office of Education, providing educational services to children and families including childcare subsidies to offset the costs of care.
- Sierra Vista Child and Family Services, committed to supporting the community by providing mental health services to children and youth from birth to 21.
- Maternal, Child, and Adolescent Health (MCAH) Services, providing information and services to mothers and children.

To address the need for affordable housing for single-parent female-headed households, the City will implement Housing Program 6 and 7 to remove development constraints and facilitate the development of affordable housing for special needs households, such as single-parent female-headed households.

Extremely Low-Income Residents

Table G3-24 identifies extremely low-income households by tenure in Merced. Renter-occupied extremely low-income households (4,205) make up 86 percent of total extremely low-income households. This is higher than in the county (74 percent) and the state (71 percent). Owner-occupied extremely low-income households (685) comprise 14 percent of total extremely low-income households. This is lower than in the county (26 percent) and the state (29 percent). There are 4,890 total extremely low-income households in Merced, which account for 19.2 percent of total households. This is higher than in the county (14.3 percent) and the state (15.3 percent).

Table G3-24 Extremely Low-Income Households by Tenure

Jurisdiction	Income <=30% HAMFI			Total Households
	Owner-Occupied	Renter-Occupied	Total ELI Households	
Merced	685	4,205	4,890	25,490
Percent	2.7%	16.5%	19.2%	100.0%
Merced County	2,940	8,540	11,480	80,010
Percent	3.7%	10.7%	14.3%	100.0%
California	592,010	1,427,405	2,019,415	13,217,586
Percent	4.5%	10.8%	15.3%	100.0%

Source: U.S. Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Table G3-25 summarizes cost burdens among extremely low-income households. As shown, 550 of 685 extremely low-income owner-occupied households (80 percent) in Merced are experiencing a moderate or severe housing cost burden. This is similar to the county (79 percent) and the state (80 percent). In addition, 3,800 out of 4,205 extremely low-income renter-occupied households (90 percent) are experiencing a moderate or severe housing cost burden. This is higher than in both the county (80 percent) and the state (88 percent). In Merced, 62.1 percent of extremely low-income households are renter-occupied households with a severe cost burden. This is higher than in the county (52 percent) and the state (51 percent).

Table G3-25 Extremely Low-Income Households Overpaying by Tenure

Jurisdiction	Owner-Occupied			Renter-Occupied			Total ELI Households
	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	Cost Burden <30%	Moderate Cost Burden 30%-50%	Severe Cost Burden >50%	
Merced	135	160	390	405	765	3,035	4,890
Percent	2.8%	3.3%	8.0%	8.3%	15.6%	62.1%	100.0%
Merced County	615	595	1,730	1,075	1,530	5,935	11,480
Percent	5.4%	5.2%	15.1%	9.4%	13.3%	51.7%	100.0%
California	117,890	92,945	381,175	172,130	216,880	1,038,395	2,019,415
Percent	5.8%	4.6%	18.9%	8.5%	10.7%	51.4%	100.0%

Source: US Housing and Urban Development, CHAS 2015-19 (5-Year Estimates), Table 7.

Resources for Extremely Low-Income Households

The Housing Authority of the County of Merced currently administers the Housing Choice Voucher Program, a federal rent subsidy program under HUD. The program provides rent subsidy to families in privately owned existing rental units in Merced County. The Housing Authority of the County of Merced currently administers 2,705 Housing Choice Vouchers.¹

In addition to the HCV program, the Housing Authority also administers Emergency Housing Vouchers (EHV). In order to be eligible for an EHV, an individual must meet one of the four eligibility criteria:

1. Homeless;
2. At risk of homelessness;
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
4. Recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having high risk of housing instability.²

The City will implement Housing Program 10 to expand awareness of and connect extremely low-income and low-income residents with housing assistance programs, including the Merced County Housing Authority HCV program, and conduct annual outreach with landlords to encourage greater participation in the HCV program.

Table G3-26 includes an inventory of publicly assisted affordable housing in Merced. As shown, there are 1,472 affordable units in the city. These units serve households making less than 80 percent of the area median income. Based on the identified need (4,205 extremely low-income rental households) there is a significant need for additional units affordable to extremely low-income households in the city.

Table G3-26 Inventory of Public Assisted Complexes, Merced

Name	Address	City	Zip	Affordable Units
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99
Merced Golden Manor	338 T St	Merced	95341	50
Merced Gardens	3299 Meadows Ave	Merced	95348	47
Merced Commons I	290 Q St.	Merced	95340	76
Merced Commons II	290 Q St.	Merced	95340	71
Gateway Terrace	410 Leshner Dr.	Merced	95340	65
Childs Avenue Apartments	1296 West First Street	Merced	95340	6
Alamar Apartments	218 South Canal St.	Merced	95340	24
Alamar Apartments II	286 South Canal Street	Merced	95340	79
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202
Sunnyside Apartments	988 D Street	Merced	95340	120
Sunny View Apartments	1108 D Street	Merced	95341	111

¹ Housing Authority of Merced County, *Housing Choice Voucher*, <http://www.merced-pha.com/housing-choice-voucher/> accessed June 2023.

² Housing Authority of Merced County, *Emergency Housing Vouchers*, <http://www.merced-pha.com/emergency-housing-vouchers-ehv-frequently-asked-questions-faq/> accessed June 2023.

Merced County Association of Governments
Merced County Multi-Jurisdictional Housing Element (2024-2032)

Name	Address	City	Zip	Affordable Units
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118
Laurel Glen	777 Loughborough Dr	Merced	95348	127
Homekey CC915 Merced	73 South R Street	Merced	95341	21
Twelvethirteen	1213 V Street	Merced	95341	96
Total				1,472

Note: All locally assisted or restricted developments may not be included in this list.
 Source: California Housing Partnership, 2023.

The City will implement Housing Program 7 to amend the Zoning Code to facilitate the development of affordable housing for special needs households, such as extremely low-income households, by updating the Density Bonus Ordinance to comply with state law, offering regulatory concessions and incentives for housing developments with an affordable component, and allowing negotiations for improvement requirements for affordable housing developments. The City will also implement Housing Program 10 to assist in the development of housing for extremely low-income households by pursuing funding for affordable housing production and assisting private individuals and nonprofit organizations in the pursuit of funding for affordable housing.

Farmworkers

The U.S. Department of Agriculture provides countywide farmworker population data generated by the Census of Agriculture. The most recent Census of Agriculture data (2017) identified 15,566 farmworkers in the county.³

Table G3-27 provides 2021 ACS data for the total population of residents working in the agriculture, forestry, fishing and hunting, and mining industries (including farmworkers) in Merced and Merced County. Merced had 2,781 farm workers in 2021, representing 22.6 percent of the total farmworker population across the county.

Table G3-27 Farmworker Population

Jurisdiction	Population in Agriculture, Forestry, Fishing and Hunting, and Mining Industries (Including Farmworkers)
Merced	2,781
Percent	22.6%
Total Merced County	12,326

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table C24050.

Resources for Farmworkers

The Housing Authority of Merced County funds four migrant housing centers, one of which is in Merced. It contains 49 units that offer temporary housing from April through November. To be eligible for migrant housing, households must earn a minimum of \$5,752.50 annually from farm labor employment. The Merced Migrant Center is located on N. Santa Fe Drive, in Merced. As reported in Table G3-27

³ U.S. Department of Agriculture, Census of Agriculture, <https://www.nass.usda.gov/AgCensus/> accessed June 2023, accessed June 2023.

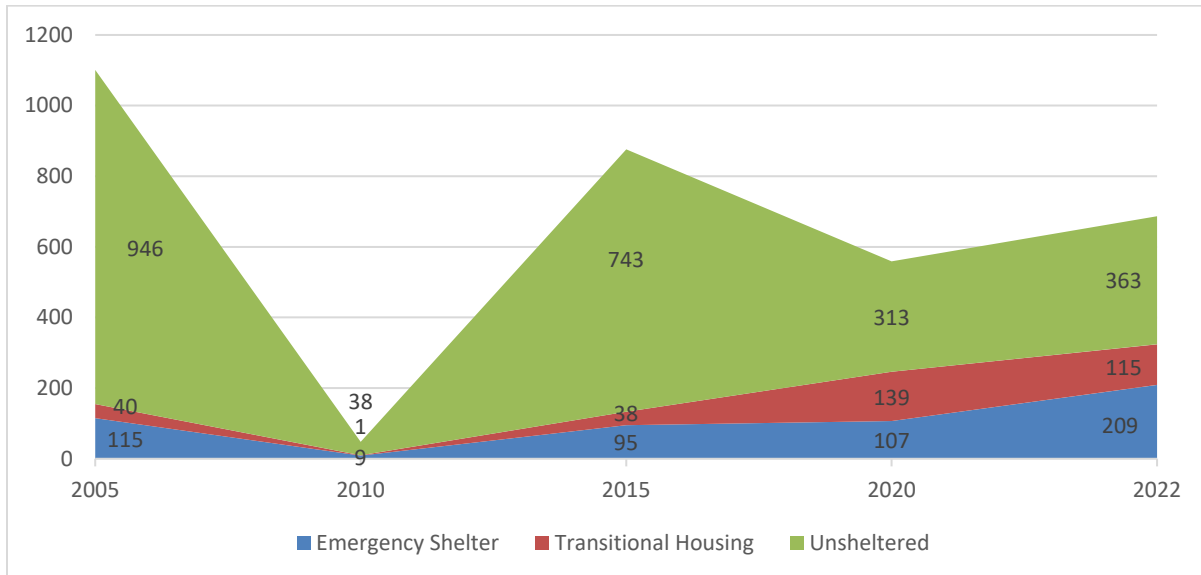
above, there were more than 2,781 farmworkers living in Merced in 2021. Despite the existing housing opportunities listed above, there is a significant gap in housing resources for farmworkers in the city.

The City will implement Housing Program 11 to amend the Zoning Code to facilitate the development of farmworker housing, including pursuing funding, identifying the number of farmworkers who need housing, and providing fast-track permit processing for farmworker housing development.

Persons Experiencing Homelessness

Figure G3-2 shows households experiencing homelessness by type between 2005 to 2022. As shown, 2005 had the highest reported number of households (1,101) by the Merced County Continuum of Care (CoC), the majority of which were unsheltered. Data for 2020 indicates that 559 households experienced homelessness in the county, including 313 of those counted as unsheltered. These numbers increased from 2020 to 2022, at which point over 680 households experienced homelessness in the county.

Figure G3-2 Homelessness by Type Over Time, Households, Merced County



Source: U.S. HUD, CoC Homeless Populations and Subpopulations Reports (2005, 2010, 2015, 2020, 2022)..

Point in time count data is reported by the CoC for Merced County, including the City of Merced. Table G3-28 provides the most recent (2023) point-in-time count for individual residents experiencing homelessness. In 2023, there were 784 people experiencing homelessness in Merced County, of which 72.8 percent live in the city of Merced (571 people).

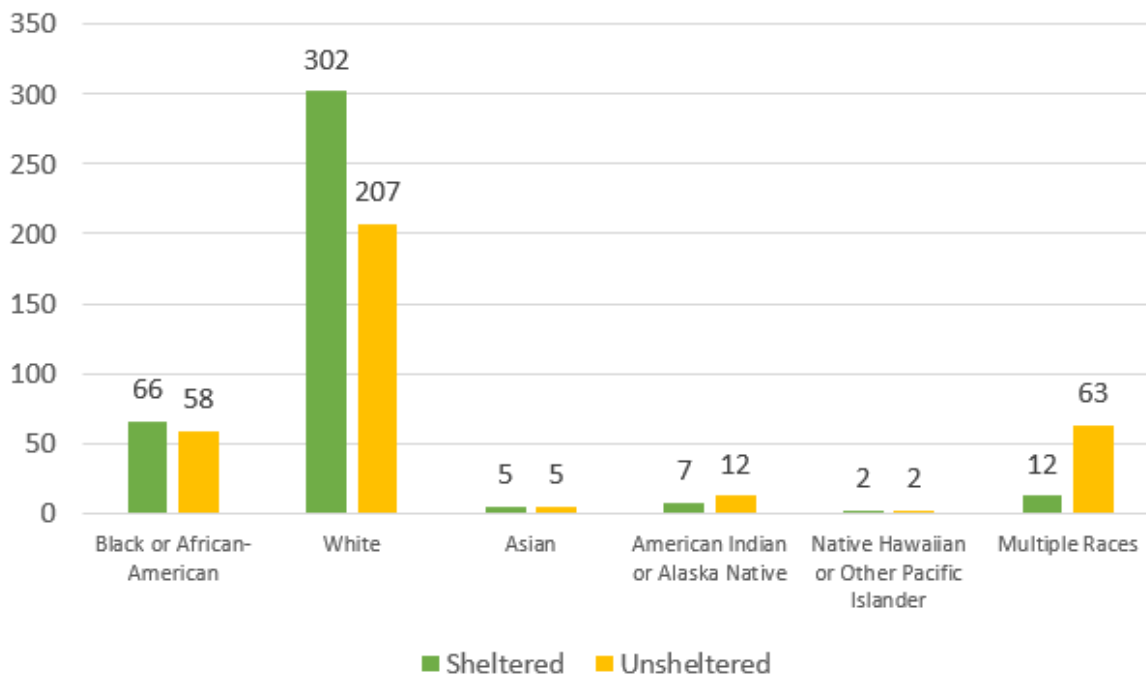
Table G3-28 Homelessness by Type (2023)

Jurisdiction	Sheltered	Unsheltered	Total
Merced	344	227	571
Percent	87.3%	58.2%	72.8%
Merced County	394	390	784

Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

Figure G3-3 identifies homelessness by type and race in Merced County for the year 2023. As shown, 53.2 percent of the homeless population countywide was reported as sheltered. In terms of race, 69 percent reported as white, 17 percent as Black or African American, one percent as Asian, three percent as American Indian or Alaska Native, less than one percent as Native Hawaiian or Other Pacific Islander, and 10 percent as multiple races.

Figure G3-3 Homelessness by Type by Race (2023)



Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

The 2023 Merced County CoC point in time count data also considers ethnicity, as shown in Table G3-29. Among those counted in the county, 332 of 784 individuals (42.3 percent) identified as Hispanic or Latino.

Table G3-29 Homelessness by Ethnicity (2023), Merced County

Ethnicity	Sheltered	Unsheltered	Total
Hispanic or Latino (any race)	186	146	332
Percent	23.7	18.6	42.3
Other	208	244	452
Percent	26.5	31.1	57.7

Source: Merced City and County Continuum of Care, Point-in-Time Count (2023).

The 2023 point-in-time count provides specific demographic data for unsheltered residents in Merced and Los Banos. In the City of Merced, 83 of 227 (37 percent) unsheltered residents identified as Hispanic or Latino.

Resources for Persons Experiencing Homelessness

Several programs and facilities exist in the City of Merced to serve the needs of those experiencing homelessness or at risk of becoming homeless, as shown in Table G3-30 below. There are a total of 103 emergency shelter beds, 90 transitional housing beds, and 17 permanent housing units. When considering the 2023 point-in-time count of residents experiencing homelessness (571), there is a gap of 361 housing units/beds.

Table G3-30 Emergency and Transitional Housing

Provider Name	Facility Name	Target Population	Family Beds	Individual Beds	Overflow and Voucher	Total
Emergency Shelter						
Valley Crisis Center - A Women's Place	Domestic Violence Shelter	SMF+DC, DV	8	4	3	15
Merced Community Action Agency	D Street Shelter	SMF+DC, DV	0	66	0	66
Merced County Rescue Mission	Rescue Mission	SM	0	22	0	22
Transitional Housing						
Community Social Model Advocates	Hobie House	SM	0	25	N/A	25
Merced County Mental Health	Parsons House	SF	0	4	0	4
Merced County Rescue Mission	New Life Transformation Program	SMF+SA	0	61	N/A	61
Permanent Supportive Housing						
Merced County Mental Health	Project Home Start	SMF	0	4	N/A	4
Sierra Saving Grace Homeless Project	Sierra Saving Grace Homeless Project	SMF	2	0	N/A	2
Turning Point Community Programs	Turning Point	SMF+HC	2	9	N/A	11

Source: FindHelp.org, Temporary Shelter Programs in Merced, CA, accessed June 2023.

The City will implement Housing Program 1 to collaborate with other jurisdictions in the region to address housing and supportive services for unhoused individuals. In addition, Housing Program 6 directs the City to amend the Zoning Code to remove constraints to the development of transitional and supportive housing, and allow emergency shelters and low barrier navigation centers in compliance with state law.

G3.10 Housing Stock Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age, condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. The following sections detail the housing stock characteristics of Merced to identify how well the current housing stock meets the needs of current and future residents.

Housing Growth

Table G3-31 summarizes the growth in the housing stock in Merced by providing the total number of units constructed each decade from 1980 and 2020. The largest growth rate occurred between 1980 and 1990 with a 41.7 percent increase during this 10-year period. Between 1990 and 2000 the housing stock grew at a slower pace of 13.5 percent. Between 2000 and 2010, the number of housing units in the city increased by 27.5 percent, however in the ten years from 2010 and 2020, the housing stock increased by just 2.5 percent.

Table G3-31 Total Housing Units Over Time (1980 to 2020)

Jurisdiction	1980	1990	2000	2010	2020
Merced	13,381	18,965	21,532	27,446	28,120
Percent Change		41.7%	13.5%	27.5%	2.5%

Source: U.S. Census Bureau, Census 1980(STF1:T65), 1990(STF1:H1), 2000(SF1:H1); ACS 16-20 (5-year Estimates), Table B25001.

Housing Type and Tenure

Table G3-32 identifies the total housing units by type in Merced, Merced County, and California. In Merced, single detached homes make up most of the housing stock, with 64.4 percent of total units. This is a lower percentage than the county with 73.8 percent but greater than the state with 57.6 percent. The second most common housing type are five to nine-unit complexes, comprising 8.8 percent of the total units in the city. This is higher than the county (4.5 percent) and the state (5.9 percent). The third largest housing type in Merced is three-to-four-unit complexes, comprising 8.5 percent of the total units in the city, which is higher than the county (4.8 percent) and the state (5.4 percent). Merced has a lower proportion of mobile homes (3.0 percent) than the county (6.7 percent), although its proportion of mobile homes is similar to that of the state (3.6 percent). Additionally, Merced has a higher proportion of 50 or more-unit complexes (4.4 percent) than the county (1.9 percent) but less than the state (7.8 percent).

Table G3-32 Total Housing Units by Type

Jurisdiction	Total	1, Detached	1, Attached	2	3 or 4	5 to 9	10 to 19	20 to 49	50 or more	Mobile Home	Boat, RV, Van, etc.
Merced	28,400	18,301	686	853	2,421	2,495	1,039	472	1,259	859	15
Percent		64.4%	2.4%	3.0%	8.5%	8.8%	3.7%	1.7%	4.4%	3.0%	0.1%
Merced County	86,767	64,045	1,908	2,785	4,172	3,876	1,634	801	1,649	5,775	122
Percent		73.8%	2.2%	3.2%	4.8%	4.5%	1.9%	0.9%	1.9%	6.7%	0.1%
California	14,328,539	8,248,814	1,031,608	340,666	777,600	842,158	721,058	713,636	1,121,470	514,764	16,765
Percent		57.6%	7.2%	2.4%	5.4%	5.9%	5.0%	5.0%	7.8%	3.6%	0.1%

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table C24050.

Table G3-33 indicates housing units by tenure. In Merced, there are more renter-occupied units (58.1 percent) than owner-occupied (41.9 percent). In contrast, the state and county have more owner-occupied housing units than renter-occupied housing units.

Table G3-33 Housing Units by Tenure

Jurisdiction	Total	Owner-Occupied	Renter-Occupied
Merced	26,673	11,185	15,488
Percent		41.9%	58.1%
Merced County	81,618	42,146	39,472
Percent		51.6%	48.4%
California	13,217,586	7,335,247	5,882,339
Percent		55.5%	44.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

Vacancy Rate

Table G3-34 provides data on vacancy status by type for the total vacant units. Of the total vacant units in Merced (1,727), “for rent” units make up the largest percentage of total vacant units. This could potentially be due to the presence of a nearby university, University of California, Merced. These units make up 56.9 percent of total vacant units in the city, greater than both the county (25.2 percent) and state (21.7 percent). By comparison to the county and state, Merced has far fewer vacant units for seasonal/recreational/occasional use. There are no vacant housing units in the city that are for migrant workers.

Table G3-34 Vacancy Status by Type for Total Vacant Units

Jurisdiction	Total Vacant Units	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant
Merced	1,727	983	60	166	136	35	0	347
Percent		56.9%	3.5%	9.6%	7.9%	2.0%	0.0%	20.1%
Merced County	5,149	1,298	112	377	553	556	202	2,051
Percent		25.2%	2.2%	7.3%	10.7%	10.8%	3.9%	39.8%
California	1,110,953	240,840	53,537	73,319	54,970	370,908	2,992	314,387
Percent		21.7%	4.8%	6.6%	5.0%	33.4%	0.3%	28.3%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25004.

Housing Unit Size

Table G3-35 provides housing unit size data for Merced, Merced County, and California. In Merced, three-bedroom units (39.8 percent) are the most common housing type, followed by two-bedroom (23.1 percent) and four-bedroom units (22.4 percent). This is a similar trend to the statewide and countywide housing unit size.

Table G3-35 Housing Unit Size

Jurisdiction	Total	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 or More Bedroom
Merced	26,673	908	2,261	6,168	10,613	5,977	746
Percent		3.4%	8.5%	23.1%	39.8%	22.4%	2.8%
Merced County	81,618	1,883	4,320	16,306	38,451	17,656	3,002
Percent		2.3%	5.3%	20.0%	47.1%	21.6%	3.7%
California	13,217,586	564,387	1,691,491	3,539,857	4,451,995	2,373,268	596,588
Percent		4.3%	12.8%	26.8%	33.7%	18.0%	4.5%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25042.

Age and Condition of Housing Stock

Table G3-36 provides data on the total occupied housing units by year built. The city experienced the most growth between 2000 to 2009. During this period, 6,271 units were constructed, representing 23.5 percent of the housing stock at the time. Merced County saw similar growth, with 16,856 units being constructed between 2000 to 2009. In contrast, the largest percentage of units in California were constructed in the 1970s, with 17.4 percent. Notably, in Merced, 1,248 units have been constructed since 2010 and account for 4.7 percent of the housing stock. Of the total 26,673 occupied housing units in the city, 12,357 units are more than 40 years old. This accounts for almost half (46.3 percent) of the total occupied housing units today.

Table G3-36 Total Occupied Housing Units by Year Built

Jurisdiction	Total	2020 or later	2010 to 2019	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1960 to 1969	1950 to 1959	1940 to 1949	1939 or earlier
Merced	26,673	31	1,217	6,271	2,706	4,091	5,040	2,096	2,610	1,368	1,243
Percent		0.1%	4.6%	23.5%	10.1%	15.3%	18.9%	7.9%	9.8%	5.1%	4.7%
Merced County	81,618	44	3,229	16,856	11,846	11,034	14,718	7,585	7,356	5,007	3,943
Percent		0.1%	4.0%	20.7%	14.5%	13.5%	18.0%	9.3%	9.0%	6.1%	4.8%
California	13,217,586	15,877	634,508	1,451,946	1,438,264	1,980,874	2,295,943	1,728,569	1,755,123	753,750	1,162,732
Percent		0.1%	4.8%	11.0%	10.9%	15.0%	17.4%	13.1%	13.3%	5.7%	8.8%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25036.

Table G3-37 provides information on substandard housing units. In Merced, there are more units lacking kitchen facilities (233) than lacking plumbing facilities (162). This is comparable to the statistics for both the state and county, though Merced County has a notably lower percentage of units lacking kitchen facilities (0.4 percent).

Concentrated areas of substandard housing in the city are in Downtown Merced, particularly between R Street and G Street and 16th to 23rd Street. Older homes are also concentrated south of the freeway and north to Bear Creek. Enforcement staff regularly distribute information about the City’s home rehabilitation program to property owners undergoing enforcement.

Table G3-37 Substandard Housing Units

Jurisdiction	Total	Lacking Plumbing Facilities	Lacking Kitchen Facilities
Merced	26,673	162	233
Percent		0.6%	0.9%
Merced County	81,618	298	357
Percent		0.4%	0.4%
California	13,217,586	53,643	149,252
Percent		0.4%	1.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25049.

Housing Costs

Median Home Sale Price

Table G3-38 provides information on the median housing value in Merced from 1980 to 2020. As shown, prices have been rising since 1980, with the lowest growth being between 1990 and 2000 (14.3 percent). The largest increase in value was between 2000 and 2010, with a growth of 116.6 percent. Between 2010 and 2020, median housing values in the city increased by 11.1 percent. A similar trend was seen across other jurisdictions in the county, where the smallest increase generally occurred between 1990 and 2000, followed by a large increase in values between 2000 and 2010, and a modest increase between 2010 and 2020.

Table G3-38 Median Housing Value Over Time (1980 to 2020)

Jurisdiction	1980	1990	2000	2010	2020
Merced	\$57,700	\$90,300	\$103,200	\$223,500	\$251,500
Percent Change		56.5%	14.3%	116.6%	11.1%
Atwater	\$56,000	\$89,400	\$99,900	\$214,600	\$251,100
Percent Change		59.6%	11.7%	114.8%	14.5%
Dos Palos	\$44,300	\$66,900	\$88,500	\$179,800	\$232,700
Percent Change		51.0%	32.3%	103.2%	22.7%
Gustine	\$50,800	\$96,000	\$111,400	\$183,700	\$273,500
Percent Change		89.0%	16.0%	64.9%	32.8%
Livingston	\$43,400	\$71,900	\$92,300	\$244,900	\$231,100
Percent Change		65.7%	28.4%	165.3%	-6.0%
Los Banos	\$49,000	\$110,100	\$138,200	\$248,900	\$315,500
Percent Change		124.7%	25.5%	80.1%	21.1%

Jurisdiction	1980	1990	2000	2010	2020
Unincorporated County	\$53,100	\$90,100	\$110,900	\$241,000	\$268,800
Percent Change		69.7%	23.1%	117.3%	10.3%

Note: Data are not inflation-adjusted to 2022 dollars.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25077.

Table G3-39 provides information on the median housing value in Merced over the past five years. As shown, housing values in Merced have steadily risen over this time period, with the greatest increase in value occurring between 2017 and 2018 (14.2 percent). The lowest growth occurred between 2019 and 2020 (5.9 percent). Other jurisdictions have experienced a similar trend, where the highest median housing value growth occurred between 2017 and 2018, followed by a modest increase between 2018 and 2019.

Table G3-39 Median Housing Value from 2017 to 2021

Jurisdiction	2017	2018	2019	2020	2021
Merced	\$185,700	\$212,100	\$237,500	\$251,500	\$268,600
Percent Change	-	14.2%	12.0%	5.9%	6.8%
Atwater	\$179,400	\$207,800	\$229,400	\$251,100	\$265,200
Percent Change	-	15.8%	10.4%	9.5%	5.6%
Dos Palos	\$134,000	\$183,500	\$194,500	\$232,700	\$252,800
Percent Change	-	36.9%	6.0%	19.6%	8.6%
Gustine	\$157,600	\$195,000	\$222,700	\$273,500	\$322,300
Percent Change	-	23.7%	14.2%	22.8%	17.8%
Livingston	\$187,500	\$222,400	\$229,900	\$231,100	\$242,400
Percent Change	-	18.6%	3.4%	0.5%	4.9%
Los Banos	\$226,700	\$265,500	\$293,400	\$315,500	\$340,800
Percent Change	-	17.1%	10.5%	7.5%	8.0%
Merced County	\$196,200	\$229,500	\$252,700	\$268,800	\$288,400
Percent Change	-	17.0%	10.1%	6.4%	7.3%

Note: Data are not inflation-adjusted to 2022 dollars.

Source: ACS 2017-2021 (5-year Estimates), Table B25077.

G3.11 Distribution of Owner-Occupied Units

Table G3-40 compares data on the number of owner-occupied housing units by race in Merced, Merced County, and California. In Merced, most owner-occupied units are occupied by residents that identify as white (59.7 percent). This percentage is greater than Merced County (59.4 percent) and California (41.6 percent).

Considering ethnicity, 46.3 percent of owner-occupied units are occupied by Hispanic or Latino residents of any race. This percentage is greater than Merced County (43.5 percent) and California (24.1 percent). Given that 58.1 percent of the total population of Merced identifies as Hispanic or Latino of any race, this group is underrepresented in the housing market.

Table G3-40 Owner Occupied Units by Race

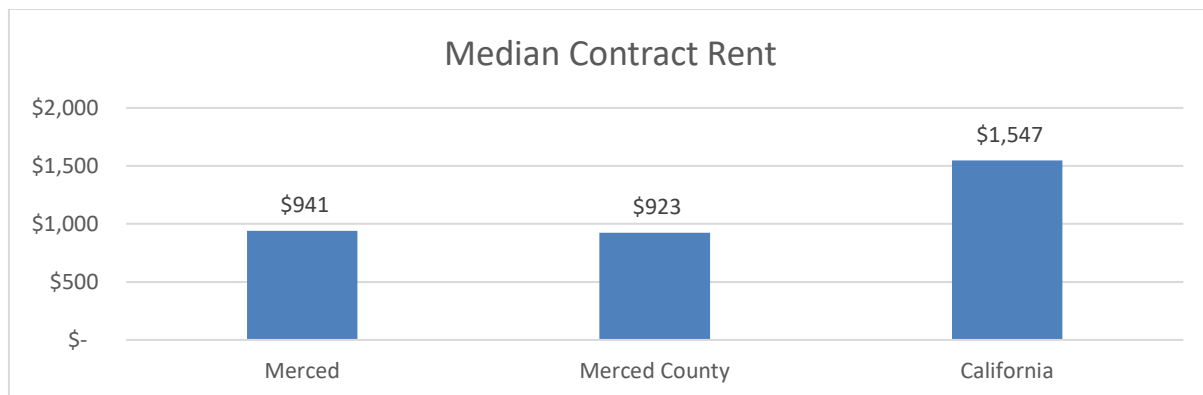
Jurisdiction	White	Black	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino of any Race
Merced	6,677	485	79	1,065	0	2,030	849	5,324
Percent	59.7%	4.3%	0.7%	9.5%	0.0%	18.1%	7.6%	46.3%
Merced County	25,012	1182	436	2,801	43	9,588	3,084	18,848
Percent	59.4%	2.8%	1.0%	6.7%	0.1%	22.8%	7.3%	43.5%
California	4,660,216	287,300	53,643	1,150,895	18,216	633,875	531,102	1,807,053
Percent	62.1%	3.8%	0.7%	15.3%	0.2%	8.4%	7.1%	24.1%

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25031.

G3.12 Housing Rents

According to the 2017-2021 ACS, the median contract rent in Merced was \$941 per month (Figure G3-4), which was similar to the median for the county at \$923 and lower than the state median of \$1,547.

Figure G3-4 Median Contract Rent



Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25058.

Table G3-41 below provides data on median gross rent from 1980 to 2020. Median gross rent has grown from \$239 per month in 1980 to \$1,032 in 2020. Between 2000 and 2010 rents in the city grew by 52.3 percent. From 2010 to 2020, rents grew at a slower rate of 25.6 percent.

Table G3-41 Median Gross Rent Over Time, Merced

	1980	1990	2000	2010	2020
Merced	\$239	\$438	\$509	\$775	\$1,032
Percent Change		83.3%	16.2%	52.3%	33.2%

Source: Source: U.S. Census Bureau, Census 1980(ORG STF3), 1990(STF3), 2000(SF3); ACS 06-10, 16-20 (5-year Estimates), Table B25064

Table G3-42 provides an overview of median rent for rental housing by number of bedrooms based on 2021 ACS data. The median rent data shows the estimated rent in Merced is \$1,041 for a two-bedroom and \$1,242 for a three-bedroom unit. Rents in Merced are comparable to those countywide but are significantly less than statewide.

Table G3-42 Median Rent by Number of Bedrooms

Jurisdiction	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Merced	\$862	\$890	\$1,041	\$1,242	\$1,533
Merced County	\$708	\$795	\$989	\$1,234	\$1,548
California	\$1,293	\$1,450	\$1,737	\$1,948	\$2,326

Source: U.S. Census Bureau, ACS 17-21 (5-year Estimates), Table B25031.

G3.13 Housing Affordability

Housing affordability levels are calculated using the median household income. Affordable monthly housing costs are calculated by taking 30 percent of the annual income and dividing it by 12 months. The rental utility allowance is a fixed number provided for each household size by the Merced County Housing Authority. Taxes, insurance, and homeowners' association fees are calculated as 20 percent of the monthly affordable rent. Affordable monthly rent is calculated by subtracting affordable monthly housing costs and the rental utility allowance. Affordable home prices assume a 30-year fixed mortgage with a seven percent interest rate and 10 percent down payment. Taxes, insurance, and homeowners' association fees only apply to homeowners.

Table G3-43 shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment) for Merced. A summary of each income category's ability to pay for housing is provided below the table.

Table G3-43 Housing Affordability Matrix – Merced (2021)

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
Extremely Low Income (0-30% AMI)						
1-Person (Studio)	\$12,150	\$304	\$192	\$22	\$112	\$40,583
2-Person (1 BR)	\$13,900	\$348	\$233	\$23	\$115	\$46,428
3-Person (2 BR)	\$15,650	\$391	\$236	\$31	\$155	\$52,274
4-Person (3 BR)	\$17,350	\$434	\$257	\$35	\$177	\$57,952
5-Person (4 BR)	\$18,750	\$469	\$279	\$38	\$190	\$62,628
Very Low Income (30-50% AMI)						
1-Person	\$20,250	\$506	\$192	\$63	\$314	\$67,638
2-Person	\$23,150	\$579	\$233	\$69	\$346	\$77,325
3-Person	\$26,050	\$651	\$236	\$83	\$415	\$87,011
4-Person	\$28,950	\$724	\$257	\$93	\$467	\$96,698
5-Person	\$31,250	\$781	\$279	\$100	\$502	\$104,380

Merced County Association of Governments
Merced County Multi-Jurisdictional Housing Element (2024-2032)

	Annual Income Limits	Affordable Monthly Housing Costs	Rental Utility Allowance (2020)	Taxes, Insurance, Homeowners Association Fees	Affordable Rent	Affordable Home Price
Low Income (50-80% AMI)						
1-Person	\$32,400	\$810	\$192	\$124	\$618	\$108,221
2-Person	\$37,050	\$926	\$233	\$139	\$693	\$123,753
3-Person	\$41,700	\$1,043	\$236	\$161	\$807	\$139,285
4-Person	\$46,300	\$1,158	\$257	\$180	\$901	\$154,650
5-Person	\$50,000	\$1,250	\$279	\$194	\$971	\$167,008
Median Income (80-100% AMI)						
1-Person	\$40,500	\$1,013	\$192	\$164	\$821	\$135,277
2-Person	\$46,300	\$1,158	\$233	\$185	\$925	\$154,650
3-Person	\$52,100	\$1,303	\$236	\$213	\$1,067	\$174,023
4-Person	\$57,900	\$1,448	\$257	\$238	\$1,191	\$193,396
5-Person	\$62,500	\$1,563	\$279	\$257	\$1,284	\$208,761
Moderate Income (100-120% AMI)						
1-Person	\$48,650	\$1,216	\$192	\$205	\$1,024	\$189,582
2-Person	\$55,600	\$1,390	\$233	\$231	\$1,157	\$216,666
3-Person	\$62,500	\$1,563	\$236	\$265	\$1,327	\$243,554
4-Person	\$69,450	\$1,736	\$257	\$296	\$1,479	\$270,637
5-Person	\$75,050	\$1,876	\$279	\$319	\$1,597	\$292,460

Source: U.S. Census Bureau, ACS17-21 (5-year Estimates), Table B19113.

Extremely Low-income Households

Extremely low-income households earn 30 percent or less of the county median income. Extremely low-income households have an annual income of \$12,150 or below for a one-person household and \$18,750 or below for a five-person household. Extremely low-income households cannot afford market-rate rental or ownership housing in Merced.

Very- Low-income Households

Very low-income households earn between 31 and 50 percent of the county median income—up to \$20,250 for a one-person household and up to \$31,250 for a five-person household in 2022. A very low-income household can generally afford to purchase homes offered at prices between \$67,638 and \$104,380, adjusting for household size. After deductions for utilities, a very low-income household can afford to pay approximately \$314 to \$502 in monthly rent, depending on household size. Given the cost of housing in Merced, very low-income households could not afford to purchase a home or rent an adequately sized unit.

Low-income Households

Low-income households earn between 51 and 80 percent of the county median income—up to \$32,400 for a one-person household and up to \$50,000 for a five-person household in 2022. A low-income household can generally afford to purchase homes offered at prices between \$108,221 and \$167,008, adjusting for household size. After deductions for utilities, a low-income household can afford to pay approximately \$618 to \$971 in monthly rent, depending on household size. Finding

appropriately sized market-rate rental housing can be challenging to households in this income group.

Median-Income Households

Median-income households earn between 80 and 100 percent of the county’s median income—up to \$40,500 for a one-person household and up to \$62,500 for a five-person household in 2022. The affordable home price for a median-income household ranges from \$135,277 to \$208,761. After deductions for utilities, a one-person median-income household could afford to pay up to \$821 in rent per month and a five-person low-income household could afford to pay as much as \$1,284. Finding appropriately sized market-rate rental housing can be challenging to households in this income group.

Moderate-Income Households

Moderate-income households earn between 100 and 120 percent of the county’s median income—up to \$48,650 for a one-person household and up to \$75,050 for a five-person household in 2022. The maximum affordable home price for a moderate-income household is \$189,582 for a one-person household and \$292,460 for a five-person family. Moderate-income households in Merced could afford to purchase the median priced home; however, finding an affordable adequately sized home could present a challenge for households earning incomes at the lower end of this category. The maximum affordable rent payment for moderate-income households is between \$1,024 and \$1,597 per month. Appropriately sized market-rate rental housing is generally affordable to households in this income group.

Workforce Housing

Federal guidelines define workforce housing as housing that is affordable to households earning incomes within the range of 60 to 120 percent of the median income (in Merced, that range is \$34,740 to \$69,480 for a household of four). A broader definition of workforce housing is housing that is affordable to people who work in the county. A four-person household with an annual income of \$57,900 could afford monthly rent of \$1,191 for a three-bedroom housing unit and a home purchase price of \$193,396 without being burdened by housing costs. As noted in Table G3-42, the average monthly rental price for a three-bedroom unit is \$1,242, slightly higher than what is affordable to this income group.

Cost Burden

Table G3-44 and Table G3-45 identify cost-burdened households by tenure over time in Merced. There has been a decrease in the number of owner-occupied cost-burdened households from 2,993 households in 2010 to 2,131 in 2020. The number of cost-burdened renter-occupied households also declined, as cost burdened households decreased from 2,993 units in 2010 to 2,131 units in 2020.

Table G3-44 Cost Burdened Owner-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Merced	809	1,030	1,762	2,993	2,131
Percent Change		27.3%	71.1%	69.9%	-28.8%

Note: Data are not inflation-adjusted to current 2023 dollars.

Source: U.S. Census Bureau, Census 1980 (ORG STF1), 1990 (STF3), 2000 (SF3); ACS 06-10, 17-21 (5-year Estimates), Table B25077.

Table G3-45 Cost Burdened Renter-Occupied Households Over Time

Jurisdiction	1980	1990	2000	2010	2020
Merced	2,409	3,828	4,058	6,529	6,536
Percent Change		58.9%	6.0%	60.9%	0.1%

Note: Data are not inflation-adjusted to current 2022 dollars.

Source: U.S. Census Bureau, Census 1980(ORG STF1), 1990(STF3), 2000(SF3); ACS 06-10, 17-21 (5-year Estimates), Table B25077.

CHAS data provided by HUD provides information on cost burden by income category based on the HUD Area Median Family Income (HAMFI). This data is included in Table G3-46 below. While the totals do not align exactly with 2020 ACS data presented above, the CHAS data gives insight into which income categories are currently experiencing costs burdens in the city. As shown, extremely low- and very low-income households experience a high rate of cost burden greater than 30 percent, including 9,790 of 11,480 extremely low-income households and 7,215 of 11,045 very low-income households.

Table G3-46 Cost Burden by Income and Tenure

Row Labels	Owner occupied	Renter occupied	Grand Total
Household income is <= to 30% of HAMFI (extremely low income)	2,940	8,540	11,480
Housing cost burden is <= to 30%	615	1,075	1,690
Housing cost burden > 30% but <= to 50%	595	1,530	2,125
Housing cost burden is > 50%	1,730	5,935	7,665
Income is greater than 30% but <= to 50% of HAMFI (very low income)	3,975	7,070	11,045
Housing cost burden is <= to 30%	1,780	2,050	3,830
Housing cost burden is > 30% but <= to 50%	1,010	3,100	4,110
Housing cost burden is > 50%	1,185	1,920	3,105
Income is > 50% but <= to 80% of HAMFI (low income)	7,150	8,580	15,730
Housing cost burden is <= to 30%	4,355	4,950	9,305
Housing cost burden is > 30% but <= to 50%	2,055	3,220	5,275
Housing cost burden is > 50%	740	410	1,150
Income is > 80% <= to 100% of HAMFI (median income)	4,495	3,625	8,120
Housing cost burden is <= to 30%	3,225	3,125	6,350
Housing cost burden is > 30% but <= to 50%	1,080	480	1,560
Housing cost burden is > 50%	190	20	210

Row Labels	Owner occupied	Renter occupied	Grand Total
Income is greater than 100% of HAMFI (moderate income)	22,960	9,610	32,570
Housing cost burden is <= to 30%	21,495	9,280	30,775
Housing cost burden is > 30% but <= to 50%	1,310	330	1,640
Housing cost burden is > 50%	155	-	155
Grand Total	41,520	37,425	78,945

Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) dataset, 2015-19 (5-Year Estimates), Table 6, Table 7.

G3.14 Assisted Housing Units

Assisted housing units are those that are restricted for use by occupants with limited household incomes. These units are assisted under federal, state, and/or local programs, including HUD programs, state and local bond programs, former redevelopment agency (RDA) programs, density bonus, or direct assistance programs.

At-Risk Housing Units

The California Housing Partnership maintains an affordable housing database to monitor changes in affordable housing and to identify units or housing developments that are at risk of converting to market-rate uses. Assisted units in the preservation data base are classified by the following risk categories:

- **Low Risk:** affordable housing units that are at-risk of converting to market rate in 10 or more years and/or are owned by a large/stable non-profit, mission-driven developer.
- **Moderate Risk:** affordable housing units that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.
- **High Risk:** affordable housing units that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

Table G3-47 shows assisted units in Merced by estimated affordability end date. As shown, there are 1,472 assisted units in the city, and 233 units are at risk of conversion to market rate by 2033. This means that 15.8 percent of the affordable units in Merced are at moderate or high risk of conversion.

The City will implement Housing Program 8 to preserve housing units that are deed restricted as affordable housing for lower-income households by monitoring and maintaining a database on all subsidized units in the city and maintaining annual contact with property owners of affordable housing.

Table G3-47 Inventory of Public Assisted Complexes – Merced

Name	Address	City	Zip	Affordable Units	Total Units	Active Program(s)	Estimated Affordability End Year/Date	Risk Level
Willowbrook Apartments II	1756 Willowbrook Drive	Merced	95348	21	96	LIHTC; CalHFA	4/1/2024	High
Willowbrook Apartments	1756 Willowbrook Drive	Merced	95348	16	80	CalHFA	9/1/2024	High
Sierra Meadows Apartments	720 West 15th Street	Merced	95340	99	99	LIHTC	2027	High
Merced Golden Manor	338 T St	Merced	95341	50	50	HUD	9/30/2030	Moderate
Merced Gardens	3299 Meadows Ave	Merced	95348	47	47	HUD	1/22/2032	Moderate
Merced Commons I	290 Q St.	Merced	95340	76	76	HUD	1/31/2025	Low*
Merced Commons II	290 Q St.	Merced	95340	71	71	HUD	9/30/2031	Low*
Gateway Terrace	410 Leshner Dr.	Merced	95340	65	66	LIHTC; CalHFA	2067	Low
Childs Avenue Apartments	1296 West First Street	Merced	95340	6	27	CalHFA	8/1/2043	Low
Alamar Apartments	218 South Canal St.	Merced	95340	24	24	LIHTC	2050	Low
Alamar Apartments II	286 South Canal Street	Merced	95340	79	80	LIHTC	2050	Low
The Grove Apartments	340 South Parsons Avenue	Merced	95340	202	204	LIHTC	2058	Low
Sunnyside Apartments	988 D Street	Merced	95340	120	121	LIHTC	2059	Low
Sunny View Apartments	1108 D Street	Merced	95341	111	113	LIHTC	2062	Low
Woodbridge Place	3028 Willowbrook Dr.	Merced	95348	74	75	LIHTC	2066	Low
Gateway Terrace II Apartments	K Street And W. 12th Street	Merced	95340	49	50	LIHTC	2073	Low
Childs & B Street Tod Affordable Housing	1137 B Street	Merced	95341	118	119	LIHTC; HCD	2074	Low
Laurel Glen	777 Loughborough Dr	Merced	95348	127	128	LIHTC	2055	Low
Homekey CC915 Merced	73 South R Street	Merced	95341	21	21	HCD	2077	Low
Twelvethirteen	1213 V Street	Merced	95341	96	96	HCD	2077	Low

Note: All locally assisted or restricted developments may not be included in this list.

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

Source: California Housing Partnership, Publicly Assisted Housing Units, 2023.

Acquisition/Rehabilitation

If these units were 100 percent deed-restricted affordable housing with an expiring regulatory agreement, transferring ownership of an at-risk project to a non-profit housing provider could be one of the least costly ways to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low-income restrictions can be secured, and the project would become potentially eligible for a greater range of governmental subsidies.

Under AB 1521, there are now proscribed steps for owners of deed-restricted properties to take prior to the expiration of those affordability requirements. This law requires that the owner consider an offer to purchase the deed-restricted units. In the case of Willowbrook Apartments, listed in Table G3-47, only a portion of the property has deed-restricted units and therefore it is unclear how a transaction like this could occur. Also, the feasibility of this option depends on funding sources to buy and potentially rehabilitate the property which might be challenging since it would not be a 100 percent deed-restricted property.

Another option to preserve the affordability of an at-risk project is to support a Joint Power Authorities purchase. If this option is exercised, it would require deed restrictions for 100 percent of the residential units on site, but would also allow for bond financing that would maintain the project as affordable housing.

Construction of Replacement Units

To understand the significance if these at-risk units are lost from the supply of city affordable housing, Merced has prepared a hypothetical analysis that identifies the cost of construction of new regulated housing to replace these at-risk units if they are converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e., square footage and number of bedrooms), location, land costs, and type of construction, as discussed in the Non-Governmental Constraints section of Chapter G4, *Constraints*. Based on recent projects, the cost of construction in the county is estimated to be between \$400,000 and \$675,000 per unit, including land costs.⁴ The total cost to replace the 136 high-risk affordable units with new construction would be between \$54,000,00 and \$91,000,000.

Cost Comparison of Preservation and New Construction

With the high cost of development, the cost of preserving these units is much less than the cost of new construction. The area median income in Merced County is \$52,305. Based on this, a lower income three-person household making 80 percent of the area median income can afford to pay \$12,804 for housing annually without a housing cost burden, which equates to \$1,067 per month. The 2023 median market rent for a three-bedroom unit in Merced is \$1,917 monthly⁵. Based on the difference between the affordable rent and current market rate, the cost of preserving such a unit is approximately \$850 per month, or \$10,200 per year. Using this total, the cost of preserving the 136 units identified as at medium or high risk of conversion above would be approximately \$1,387,200 per year.

⁴ Central Valley Voice, *City of Merced Affordable Housing Project Update*, October 1, 2022, <https://centralvalleyvoice.com/2023/02/22/city-of-merced-affordable-housing-project-update/> accessed June 2023.

⁵ Zillow, Inc., 2023, <https://www.zillow.com/rental-manager/market-trends/merced-ca/?bedrooms=3> accessed August 2023

Rental Subsidies

The Housing Authority of Merced County provides rental assistance to very low and moderate-income families, seniors and the disabled throughout the county. The Housing Authority offers many different programs, including the conventional public housing program, the housing choice voucher program, the farm labor program for families with farm labor income, senior housing programs, and other housing programs. All programs are handicap accessible. Reasonable accommodation may be requested from Housing Authority staff and will be reviewed on a case-by-case basis. A detailed list of rental assistance programs offered throughout the county is provided below.

- **Housing Choice Voucher Program.** The Housing Authority of the County of Merced administers Housing Choice Vouchers through HUD. Merced County currently administers 2,705 Housing Choice Vouchers.
- **Conventional Public Housing Program.** The Conventional Public Housing Program provides rental assistance to low and moderate-income families and individuals. The Housing Authority owns and manages 421 public housing units consisting of a variety of apartments, duplexes, and single-family homes.
- **Project Based Voucher (PBV) Housing.** PBV is one part of the Housing Choice Voucher program and helps pay for rent in privately owned rental housing in select privately-owned buildings or units.
- **Migrant Housing Centers.** The Housing Authority manages four Migrant Centers throughout Merced County. All units are furnished with a stove, refrigerator, beds, kitchen table, and chairs, and all utilities are included in the cost of rent.
- **HUD Veterans Affairs Supportive Housing (VASH).** The VASH program provides voucher rental assistance through HUD funding specifically for qualifying homeless veterans.
- **Emergency Housing Vouchers (EHV).** The EHV Program is a tenant-based voucher program providing housing vouchers to people experiencing homelessness, people at risk of homelessness, people fleeing domestic violence, and people recently experiencing homelessness.

Funding Sources for Assisted Housing

HUD Section 8 Program

Under the HUD Section 8 program, which is administered by the Housing Authority of the County of Merced, participating building owners are entitled to receive HUD Fair Market Rents (FMRs) for units with Section 8 contracts. For Section 8 units, HUD makes up the difference between 30 percent of a household's monthly income and the FMRs.

Low Income Housing Tax Credit (LIHTC)

Created in 1986 by the federal government, the LIHTC program offers tax incentives to encourage the development of affordable housing. The LIHTC is jointly administered by the IRS and State Housing Credit Agencies (HCA) and has funded over eight billion annual tax credit units nationwide. California's HCA is the State Tax Credit Allocation Committee (TCAC).

California Housing Finance Agency (CalHFA)

CalHFA uses approved private lenders and purchases loans that meet CalHFA standards to support very low, low, and moderate income assisted units. CalHFA partners with jurisdictions, developers, and other organizations to provide a variety of resources including loan assistance programs for homebuyers and renters aimed at increasing housing opportunities for low- and moderate-income residents.

Housing Rehabilitation Program

The Housing Rehabilitation Program provides financing to repair income-eligible and owner-occupied homes in need of essential health and/or safety repairs. The Housing Rehabilitation program is funded by HCD grant programs. Common home repairs include roofing, plumbing, electrical, heating, cooling, insulation, foundation, windows, and handicap assessable modifications. Participating property must be owner-occupied and located within city limits.

This page intentionally left blank.