

G7 Housing Plan

This eight-year Housing Plan (2024-2032) sets forth a strategy, including goals, policies, and programs, to address housing issues identified in the City of Merced.

G7.1 Goals and Policies

Goal 1: Regional Collaboration	Work collaboratively with jurisdictions in the county to efficiently address housing issues and find regional solutions.
---------------------------------------	---

Policy 1.1 Proactively coordinate with cities, Merced County, and other agencies and organizations to create effective policies and programs and respond to opportunities for achieving common housing goals.

Policy 1.2 Participate in, as appropriate, pursuit of state and federal housing funds to address regional housing issues.

Goal 2: Housing Development	Provide an adequate supply and range of housing types to meet the diverse needs of residents.
------------------------------------	--

Policy 2.1 Provide adequate sites for new housing development to accommodate the regional housing needs allocation (RHNA) throughout the planning period.

Policy 2.2 Facilitate a range of housing development that will meet the needs of all income levels including extremely low, very-low, low-, moderate- and above moderate households.

Policy 2.3 Encourage a range of housing types and sizes in large-scale development and annexations.

Policy 2.4 Promote infill development on vacant and underutilized sites within developed areas.

Policy 2.5 Encourage higher density and mixed use residential development along major transportation and transit corridors and/or near existing or planned community facilities and services.

Policy 2.6 Enact programs that facilitate well-designed, energy efficient development and flexible standards to encourage high quality projects.

Goal 3: Affordable Housing Options

Facilitate the development of affordable housing and protect the existing supply of affordable housing to extremely low, very low-, low- and moderate-income households.

- Policy 3.1** Provide a range of incentives and tools to encourage affordable housing for all lower-income levels, including extremely low-income.
- Policy 3.2** Support the Merced County Housing Authority (MCHA) by promoting Housing Choice Voucher (HCV) opportunities.
- Policy 3.3** Ensure permit processing procedures to ensure streamlining is available for affordable housing development projects (SB 35).
- Policy 3.4** Support the development of Accessory Dwelling Units (ADUs) as an affordable housing option.
- Policy 3.5** Promote home ownership for lower- and moderate- income households by pursuing grant funding for downpayment assistance and other homeownership loan programs.
- Policy 3.6** Monitor existing affordable housing developments and pursue preservation strategies to maintain their affordability.

Goal 4: Housing and Neighborhood Preservation

Maintain and improve the city’s existing housing stock.

- Policy 4.1** Preserve existing residential neighborhoods by promoting balanced design and architecture.
- Policy 4.2** Support code enforcement efforts to work with property owners with repairs and rehabilitation of housing to preserve existing housing stock.
- Policy 4.3** Utilize Capital Improvement Programs for repairs and improvements of public infrastructure and facilities in existing neighborhoods.

Goal 5: Housing for Persons with Special Needs

Support and provide housing and services for people with special needs in the community. People with special needs include, but are not limited to, seniors, families with children, people with disabilities, single-parent families, farmworkers, and people who are experiencing homelessness or at risk of becoming homeless.

- Policy 5.1** Assist in local and regional efforts that address the housing needs of special needs residents.
- Policy 5.2** Provide reasonable accommodation for individuals with disabilities to access housing opportunities.
- Policy 5.3** Support the development of affordable housing units for farmworkers and farmworker families by encouraging the use of federal, state, and local resources.

Policy 5.4 Coordinate with regional agencies and local non-profit/private developers on housing options and services for people who are experiencing homelessness or at risk of becoming homeless.

Policy 5.5 Proactively apply for and utilize available resources to provide and maintain housing for special needs groups.

Goal 6: Resource Conservation and Sustainable Development

Utilize energy conservation and sustainable measures for new and rehabilitated housing.

Policy 6.1 Support and, as appropriate, incentivize the use of green building techniques for new housing and rehabilitation.

Policy 6.2 Promote energy conservation and efficiency in residential developments.

Goal 7: Affirmatively Furthering Fair Housing

Promote housing opportunities and access for residents regardless of age, race, religion, sex, marital status, ancestry, national origin, color, disability, or economic level in compliance with local, state, and federal fair housing laws.

Policy 7.1 Promote meaningful and informed participation of residents, community groups, and governmental agencies in all local housing and community development activities.

Policy 7.2 Comply with federal, state, and local fair housing anti-discrimination laws ensuring equal access to housing regardless of circumstances as protected by fair housing laws.

Policy 7.3 Provide fair housing services to city residents and ensure that residents are aware of their fair housing rights.

Policy 7.4 Provide residents with housing mobility options by facilitating the development of a variety of housing types and expanding access to housing services.

Policy 7.5 Protect tenants from discriminatory housing practices and displacement.

Policy 7.6 Promote the integration of affordable and special needs housing in existing and planned neighborhoods.

G7.2 Implementing Programs

Program 1: Regional Collaboration

Collaborate with other jurisdictions in the region on housing efforts, including funding opportunities, best practices, and other efforts to address housing, transit, economic development, and homeless issues in Merced County.

Regional collaboration efforts can include, but are not limited to:

- Affordable housing development opportunities
- Regional housing programs and outreach efforts
- Economic development opportunities
- Creation of a regional Housing Trust Fund

- Coordination on funding applications and administration
- Identification of transit opportunities and access near new and established residential areas
- Development of environmental mitigation that can improve the quality of life for residents
- Efforts for the development of emergency shelters, low barrier navigation centers, transitional and supportive housing as well as support services for persons experiencing homelessness or at risk of becoming homeless in the county, including participation in services offered by the County

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Participate in regional meetings related to housing and homeless issues to pursue funding and coordination opportunities. Annually pursue funding opportunities for regional housing issues. ▪ Partner with the Merced County Human Services Agency and/or the Merced County Community Action Agency to proactively address shelter, housing and support services for people experiencing homelessness. ▪ Participate in the Merced County Association of Governments (MCAG) Authority to manage and implement regional transit and services, while providing a public forum for cross-jurisdictional issues. <ul style="list-style-type: none"> ▫ Hold at least one community workshop to identify transportation needs and apply for funding to implement projects using Measure V funds. ▪ Work with the Merced Continuum of Care to complete and implement the 10-Year Plan to End Homelessness during the planning period.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund; federal, state, and local grant funds
Relevant Policies	1.1, 1.2
AFFH Themes	<ul style="list-style-type: none"> ▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection
AFFH Geographic Targeting	Citywide
AFFH Outcomes	N/A

Program 2: Adequate Sites for RHNA and Monitoring of No Net Loss

For the 6th cycle Housing Element, Merced has been assigned a RHNA of 10,517 units, including:

- Very Low-Income: 2,543 units
- Low-Income: 1,742 units
- Moderate-Income: 1,838 units
- Above Moderate-Income: 4,394 units

The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. As of December 2023, the City has identified capacity for 4,302 units through projects under construction, approved, or permitted, that will be available during the RHNA projection period. The City also projects 16 ADUs affordable to above moderate income

households will be developed during the planning period. Accounting for these units, the City has a remaining RHNA of 5,454 units (2,169 very low income, 1,447 low income, and 1,838 moderate income) for which the City must identify adequate sites for potential development.

The City has identified vacant and nonvacant sites with potential for development/redevelopment, or adaptive reuse of existing uses over the next eight years. The City is divided into six geographic districts for the purpose of the Site Inventory. Sixty-two vacant opportunity sites have been identified throughout the six districts that do not require rezoning and have a capacity of 3,827 units (1,234 lower income, 772 moderate income and 1,821 above moderate income). An additional 37 sites have been identified for rezoning to meet the RHNA, with a potential capacity totaling 4,066 units (2,829 lower income and 1,237 moderate income). None of the 99 sites described above were used during previous Housing Element cycles. However, the sites identified for rezoning will be subject to by-right approval requirements of AB 1397 as the zoning was not in place as of the beginning of the statutory deadline of the Housing Element (January 31, 2024).

This program describes the actions the City will take to ensure that adequate sites are designated consistent with Government Code Section 65583c)(1)(A) and 65583.2. The rezoned sites shall include the following components pursuant to Government Code Section 65583.2(i):

- Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means approval without discretionary review.
- Permit the development of at least 16 units per site.
- Establish a minimum density of 20 units per acre and a maximum density of at least 20 units per acre for all rezone sites to accommodate lower income RHNA.
- Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.

During the planning period, the City will be reviewing the list of opportunity sites and will add or remove specific sites while maintaining RHNA goals. By making amendments to the Zoning Code, the City may add additional sites to the list, such as making residential principally permitted in all commercial (and equivalent PD zones), as well as aggressively pursuing annexations with large amounts of housing. Evaluation of the feasibility of these additional sites will be consistent with the criteria used in developing the original site inventory as outlined in the Housing Resources section of this Housing Element.

To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City's RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate-income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Facilitate the development of 10,517 units over 8 years (2,543 very low income, 1,742 low income, 1,838 moderate income, and 4,394 above moderate-income units). ▪ By January 31, 2025, rezone properties as outlined above and detailed in the Housing Resources section of this Housing Element to fully accommodate the remaining RHNA of 5,454 units (3,616 lower income and 1,838 moderate income units). As part of the rezoning, establish appropriate development standards (including parking, height, setback, lot coverage, etc.) to ensure maximum allowable densities at the respective zones can be achieved. ▪ Facilitate the development of 16 ADUs during the planning period. ▪ Maintain an inventory of available vacant and prospective sites that can accommodate new housing and update annually. Make this inventory available to the public and interested developers on the City website. ▪ Annually meet with property owners and interested developers to pursue housing development in the city. ▪ By January 31, 2025, develop a formal procedure to monitor no net loss in capacity pursuant to SB 166.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 2.2, 2.4, 3.1
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	N/A
AFFH Outcomes	N/A

Program 3: By-Right Approval

Pursuant to Government Code Section 65583.2, reusing the following types of sites in the City’s site inventory for lower-income RHNA are subject to by-right approval exempt from CEQA and subject only to design review based on objective standards when a project includes 20 percent of the units affordable to lower-income households and no subdivision is proposed:

Reuse Sites (No Rezoning Required):

- Vacant sites that were identified in the City’s 4th and 5th cycles Housing Element as sites for lower income RHNA; and
- Nonvacant sites that were identified in the City’s 5th cycle Housing Element as sites for lower income RHNA.

The by-right approval requirement of reuse sites is effective January 31, 2024. Currently, the site inventory does not contain any reuse sites.

Rezoning of sites past the statutory deadline of the Housing Element to meet the lower income RHNA are subject to the by-right approval requirement. The by-right approval requirement of rezone sites is triggered by the rezoning.

By-right shall mean the local government’s review shall not require:

- A conditional-use permit
- A planned unit development permit

- Other discretionary, local-government review or approval that would constitute a “project” as defined in Section 21100 of the Public Resources Code.

This provision does not preclude local planning agencies from imposing design review standards. However, the review and approval process must remain ministerial, and the design review must not constitute a “project” as defined in Section 21100 of the Public Resources Code.

No parcels in the City’s 6th Cycle Site Inventory are subject to by-right approval pursuant to state law.

Specific Actions, Objectives and Timelines	By January 31, 2025, concurrent with the Development Code update to provide adequate sites for the RHNA (see Program 2), update the Development Code to address the by-right approval requirements.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 2.2, 3.1
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide
AFFH Outcomes	N/A

Program 4: Replacement Housing

Development on non-vacant sites with existing residential units is subject to replacement requirements, pursuant to AB 1397. Specifically, AB 1397 requires sites occupied with a residential use within the last five years to replace these units affordable to the same or lower income level, as a condition of any development on a non-vacant site consistent with those requirements set forth in state Density Bonus Law.

Specific Actions, Objectives and Timelines	By January 31, 2025, amend the Zoning Code to address the replacement housing requirements.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 3.6
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	N/A

Program 5: Accessory Dwelling Units

ADUs provide an important affordable housing option in the city. The City’s ADU Ordinance was updated in September 2023 and complies with state law. In addition, the City has launched a Pre-Approved ADU program that includes pre-approved plans, a “how-to” guide, and a design workbook. The City also has permitted the development of tiny homes and tiny homes on wheels as ADUs.

Consistent with Government Code Section 65583 and Health & Safety Code Section 50504.5 City will continue to encourage the production of ADUs and work to provide affordable units for lower-income households.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Facilitate the development of 16 ADUs over 8 years. ▪ By January 31, 2025, facilitate the production of ADUs through efforts including, but not limited to: <ul style="list-style-type: none"> ▫ Updating ADU webpage to include available resources for ADU production, such as grants for pre-development costs available to lower-income homeowners through California Finance Agency (CalHFA). ▫ Conduct three educational workshops, campaigns, or outreach events to promote ADU development. ▪ Participate in regional collaboration efforts regarding pre-approved ADU plans. ▪ Explore an ADU amnesty program. If feasible, establish an ADU amnesty plan by December 2026. ▪ Continue to provide information about ADUs and their benefits via the City’s website, monthly newsletter and brochures at the front counter. ▪ Provide technical assistance when requested.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 2.3, 3.1, 3.4
AFFH Themes	<ul style="list-style-type: none"> ▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide with emphasis on high resource, single-family neighborhoods (Districts 4 and 6)
AFFH Outcomes	Support the development of at least 16 ADUs in Merced during the planning period.

Program 6: Zoning Code Amendments

In order to facilitate a variety of housing types, especially housing for lower-income households and those with special needs, the City will remove constraints to housing development by amending the Zoning Code.

Specific Actions, Objectives and Timelines	<p>Include the following Zoning Code Amendments by January 31, 2025:</p> <ul style="list-style-type: none"> ▪ Adequate Sites: Revise the City’s Zoning Map to upzone Low Density Residential zones throughout the city to allow for additional density to accommodate a range of housing types. ▪ SB 35: Establish procedure for implementing SB 35. ▪ SB 330: Amend the required findings for Site Plan Permits, CUPs, Design Review Permits, MUPs, and minor modifications, to remove subjective judgments from the review process, in accordance with SB 330. ▪ Development Standards: Review and revise the City’s development standards (including parking and height), particularly in relation to higher density affordable housing:
---	---

	<ul style="list-style-type: none"> ▫ Revise the Zoning Ordinance to reduce parking requirements for mobile homes, senior citizen housing, one-bedroom units, and studios to require no more than one space per unit. ▪ Transitional and Supportive Housing: Revise the Zoning Ordinance to reduce minimum parking requirements for transitional and supportive housing located within one-half mile of a public transit stop. Revise the Zoning Ordinance to increase the maximum number of persons for transitional and supportive housing in the R-1, R-R, R-MH, and R-2 districts to 6 people. ▪ Single-Room Occupancy (SRO) Housing: Revise the Zoning Ordinance to allow the development of SROs in zones allowing hotel or motel uses (C-T and C-G zones). ▪ Emergency Shelters: Revise the Zoning Ordinance to allow for emergency shelters as a permitted use without a conditional use or other discretionary permit in residential or mixed-use zones, or permit residential uses in the CG zone, in such a way that meets the requirements of AB 2339. Ensure that requirements for emergency shelters are objective. ▪ Low Barrier Navigation Centers: Amend the Zoning Code to explicitly allow the development of Low-Barrier Navigation Centers, by-right, in residential use and mixed-use districts and nonresidential districts permitting multi-family uses. ▪ Residential Care Facilities: Revise the Zoning Ordinance to permit residential care facilities for seven or more people by-right in the R-4, D-COR, D-CM, and R-IV zones. ▪ Farmworker Housing: Review and revise the Zoning Code to ensure compliance with the Employee Housing Act (H&S Code Section 17021.6), which requires that any farmworker housing consisting of no more than 36 beds in a group quarter or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use for the purposes of this section. For all local ordinances, farmworker housing shall not be deemed a use that implies that the farmworker housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this farmworker housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in farmworker housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the farmworker housing is located. ▪ Employee Housing: Review and revise the Zoning Code to ensure compliance with the Employee Housing Act (Health and Safety Code Section 17021.6), which requires that housing provided by an employer for up to six employees is considered a residential use, subject to the same standards as single-family residences.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.2, 3.1, 3.4, 5.2, 5.3, 7.4
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources ▪ Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	Facilitate the development of 50 units for special needs populations during the planning period.

Program 7: Facilitating Affordable Housing Development

The City is committed to expanding affordable housing options for households of all income levels using development tools such as density bonus provisions, waiving development fees and streamlining the application process. The City will contact local non-profit and private developers to facilitate the production of this housing as well as pursue funding opportunities available at the local, regional, state and federal levels and allocate monies to the City’s Affordable Housing Program

On a case-by-case basis, the City will provide opportunities for public, private and non-profit groups to develop affordable housing by constructing off-site improvements and physical infrastructure as Capital Improvement Projects. Assistance provided by the City may include traffic, street and sewer upgrades as well as other pedestrian and mobility improvements.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Annually pursue funding at the local, regional, state, and federal levels such as state CDBG, CalHome, PLHA, and Project Homekey funds. ▪ Work with other jurisdictions in Merced County to create a regional list of affordable housing developers. Annually conduct outreach to these developers with information on potential sites, available regulatory concessions and incentives, and potential funding opportunities. ▪ Facilitate the development of affordable housing by allowing improvements to be negotiated. ▪ Encourage the use of the City's Lot Split Process (Parcel Map) to subdivide large parcels into smaller parcels that would be more likely to be developed for affordable housing, including for special needs housing (see Program 11). ▪ Facilitate the development of affordable housing through the provision of the following regulatory concessions and incentives: <ul style="list-style-type: none"> ▫ Density increases under the City’s Density Bonus Ordinance. ▫ Potential fee waivers/reductions/deferrals. ▫ Reduced parking requirements. ▪ Continue to review permit fees annually to ensure fees do not inhibit the development of affordable housing. ▪ Ensure infrastructure is in place to accommodate new housing. ▪ Adopt an ordinance that establishes specific procedures to grant priority service within a year of the certification of the Housing Element to housing with units affordable to lower-income households whenever capacity is limited.
Primary Responsible Departments	Department of Development Services
Funding Sources	Local, state and federal resources, General Fund, CDBG
Relevant Policies	2.1, 2.2, 2.3, 3.1, 4.1, 4.3, 7.4
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility ▪ New Housing Opportunities in Areas of Higher Resources
Geographic Targeting	Citywide
AFFH Outcomes	Increase the percent of the city’s housing stock that is multi-family from 30 percent to 33 percent by December 2030, using 2017-2021 ACS data as a baseline.

Program 8: Preservation of At-Risk Housing

There are 1,472 assisted units in the city, and 233 units are at risk of conversion to market-rate units by 2033. The City will work to preserve these units and will proactively monitor all other units to encourage continued affordability beyond existing covenants and work proactively with owners of affordable units to assist in rehabilitation needs.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Prioritize the preservation of at-risk units with a goal of preserving 1,472 affordable units, including 233 at-risk units. ▪ Monitor affordable units during the planning period. ▪ Ensure tenants are properly noticed by the property owners should a Notice of Intent to opt out of low income use is filed. Notices must be filed three years, one year and six months in advance of conversion. ▪ Maintain annual contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance. ▪ Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. Update annually.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.6, 5.5
AFFH Themes	Anti-Displacement and Tenant Protection
Geographic Targeting	Citywide
AFFH Outcomes	Preserve all affordable housing units.

Program 9: Housing Preservation and Rehabilitation

Approximately 46 percent of the housing stock in Merced is more than 40 years old (built before 1980). The City’s Code Enforcement Officers and the Inspection Services Department works with citizens in a cooperative manner to achieve compliance with the Municipal Code. Additionally, the City continues to investigate potential funding sources for rehabilitation programs to determine the most applicable for the City. The City Housing Program Supervisor, Management Analyst, and Development Services Director review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income eligible households through the City’s Housing Rehabilitation Grant Program.

The City Housing Department continues to provide information on energy efficiency and to refer homeowners to the Community Action Agency for assistance with energy conservation and weatherization. The City will utilize information dissemination programs such as the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Utilize the Code Enforcement Division to track areas where rehabilitation needs are heightened. ▪ Continue to review funding opportunities and apply for funds when appropriate. The City currently receives CDBG and HOME funds to assist in the rehabilitation and conservation of existing housing units for income eligible households. ▪ Conduct a housing conditions survey by December 2026. ▪ Utilize the City's website and monthly newsletter to educate the public on low-cost preventative maintenance, as well as energy conservation measures, they can take to prolong the life and quality of their home and reduce their long-term utility and maintenance costs.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.6, 4.1, 4.2, 4.3, 5.5
AFFH Themes	<ul style="list-style-type: none"> ▪ Outreach and Education ▪ Place-Based Strategy for Neighborhood Improvements
Geographic Targeting	Citywide with emphasis on tracts with larger proportions of aging housing units (District 3)
AFFH Outcomes	Partnership with Self-Help Enterprises: 10 owner-occupied rehabs, 5 manufactured home rehabs and 5 ADU/JADU rehabs. Partnership with Habitat for Humanity: 6 rehab projects. Assist five units annually through the Weatherization Program.

Program 10: Lower-Income and Special Needs Housing

To assist in the development of housing to meet the needs of extremely low, very low- and low-income households, the Housing Authority of Merced County (HACM) offers the following programs:

- **Housing Choice Vouchers (HCVs):** Offers affordable, decent, and safe housing in open market rentals selected by voucher holders. Voucher holders receive a fixed subsidy, which the Housing Authority pays directly to the landlord, and tenants are responsible for payment of the remainder of the rent.
- **Public Housing:** Provides rental assistance to low and moderate income families and individuals. The HACM owns and manages all 421 rental units offered under this program, which are located in communities throughout Merced County.
- **Project-Based Voucher Program (PBVs):** The Housing Authority released a Request for Proposal (RFP) for the PBV Program in November 2023, seeking proposals from owners/developers who will commit up to 150 units of their rental housing to receive assistance through project-based vouchers.

The City will continue to work with the Housing Authority to obtain HCVs and provide information to the community about other available programs.

<p>Specific Actions, Objectives and Timelines</p>	<ul style="list-style-type: none"> ▪ Assist 3,110 Merced households through HCVs. ▪ Work with the Housing Authority to continue providing assistance in the community. ▪ Over the 8-year planning period, subsequent to each Point-in-Time Count, conduct workshops for the Planning Commission and City Council to share the data from the count. ▪ Develop an inventory of affordable housing, with contact information and the number of affordable units, and publish the inventory on the City’s website by January 2025. ▪ Connect low-income residents with housing assistance resources, including the HCV program. <ul style="list-style-type: none"> ▫ Add information on the HCV Program and other housing assistance programs to the City’s website by January 2025. ▫ Promote the availability of assistance programs through all City’s social media pages. ▫ Attend at least two community events to spread awareness and distribute fact sheets on available financial assistance programs. ▪ In collaboration with the Housing Authority, provide education to property owners and managers to expand awareness of the HCV program to increase acceptance of tenant-based HCVs and to facilitate mobility and provide choices for lower-income households throughout the city. Identify and address challenges that property owners/managers have with existing or prospective HCV holders. <ul style="list-style-type: none"> ▫ Starting in 2025, annually conduct one outreach event for landlords on the HCV program, for a total of seven events during the planning period (i.e., workshops, community events, mailings, etc.). ▪ Encourage the Use of the Density Bonus Provision to allow a 50% increase in the number of units allowed in medium and high density zones dedicated exclusively for Senior Housing, if at least 50% of the units are affordable to very low-income households. ▪ Work with UC Merced to Develop a Student Housing Plan. ▪ For extremely-low income housing projects, provide information referral, consultation regarding applications and assisting private individuals and nonprofit organizations in applying for state and federal funds. ▪ Work with other agencies to assist in identifying and procuring funding for extremely-low, very-low, and low- income rental programs. The City continues to work with the Merced County Housing Authority, the Community Action Agency, the Salvation Army, and other Continuum of Care partners to provide funding for income-eligible households. ▪ The City will continue to work with Merced County and the Merced County Association of Governments to implement the Continuum of Care to address the homeless issues in Merced.
<p>Primary Responsible Departments</p>	<p>Department of Development Services</p>
<p>Funding Sources</p>	<p>HUD, Self-Help Enterprise funding sources</p>
<p>Relevant Policies</p>	<p>3.2, 5.1, 5.4, 5.5, 7.4</p>
<p>AFFH Themes</p>	<ul style="list-style-type: none"> ▪ Outreach and Education ▪ Housing Mobility ▪ New Housing Opportunities in Areas of High Resources ▪ Anti-Displacement and Tenant Protection
<p>Geographic Targeting</p>	<p>Citywide</p>

AFFH Outcomes	<p>Promote, with the goal of expanding, the use of HCVs in the city by 10 percent by December 2030, using 2023 data as baseline.</p> <p>Conduct one HCV outreach event annually for a total of 7 events during the planning period.</p> <p>Complete at least one housing project annually for persons with special needs.</p>
----------------------	---

Program 11: Farmworker Housing

Merced had 2,781 farmworkers in 2021, representing 22.6 percent of the total farmworker population across the county. The Housing Authority manages four Migrant Centers throughout the County. The Migrant Housing Centers provide temporary housing to migrant farmworkers available to them during the peak growing and harvest season, which is typically April through November. Migrant Centers managed by the Housing Authority are located in Atwater, Merced, Los Banos, and Planada.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> • Apply for or support applications for funding for farmworker housing with the goal of developing 2 farmworker housing projects during the planning period. • Periodically review available funding programs to identify additional funding sources for farmworker housing. • Work with farm owners and central labor providers to determine the number of farmworkers who may need housing. The resulting report should address permanent workers, seasonal resident works, and migrant workers. • Provide fast-track permit processing: offer a reduction in the number of parking spaces required based on the number of vehicles used for transportation; Explore the use of modified site development standards, e.g. - street widths, paving, curbs/gutters, placement of public works improvements, or landscaping.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	2.1, 3.3, 3.5, 5.1, 5.3
AFFH Themes	<ul style="list-style-type: none"> ▪ Housing Mobility
Geographic Targeting	Citywide
AFFH Outcomes	Assist with the development of 2 farmworker housing projects during the planning period.

Program 12: Water and Sewer Service

The City of Merced is the provider of water and sewer services within city limits. The City confirms that adequate water and sewer services are available to fully accommodate the RHNA.

Pursuant to SB 1087, as the City’s water/sewer service provider, the City must adopt a policy to prioritize the allocation of water/sewer services to affordable housing projects in the event capacity is limited.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ By June 2025, complete update to water and sewer master plans. As part of the master plan updates, adopt a policy to prioritize the provision of water and sewer services for affordable housing development applications when capacity is limited and warrants allocation. ▪ Annually, conduct outreach and education on water conservation measure through a social media campaign. ▪ Pursue/provide rehabilitation assistance that includes energy conservation and weatherization improvements as eligible activities. ▪ By January 31, 2025, adopt a policy to prioritize the allocation of water and sewer services to affordable housing projects (SB 1087).
Primary Responsible Departments	Development Services Department
Funding Sources	General Fund
Relevant Policies	3.1, 4.4
AFFH Themes	N/A
Geographic Targeting	Citywide
AFFH Outcomes	N/A

Program 13: Community and Economic Development

Well-maintained infrastructure creates a safe and accessible urban environment, fostering a sense of community and belonging. Moreover, investing in such improvements attracts businesses and investments, contributing to economic growth and ensuring equal access to essential services. The City will implement the following actions to expand community and economic development citywide.

Upon adoption, the City of Merced will follow the requirement to prioritize water and sewer service allocation for new affordable housing development (Government Code Section 65589.7).

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Coordinate with the Public Works Department to review the City's Capital Improvement Projects (CIP) to ensure public facilities and infrastructure are supportive of the needs of underserved communities. ▪ Utilize the CMAQ grant to help fund infrastructure and sidewalk improvements. ▪ Work with MCAG on a Multi-Jurisdictional Active Transportation Plan and Local Road Safety Plan. ▪ Incorporate connected street and pedestrian/bicycle networks, with many connections between new and older neighborhoods and the Downtown area. Utilize standards from the City's Bicycle Transportation in all new developments.
Primary Responsible Departments	Department of Development Services
Funding Sources	General Funds
Relevant Policies	3.1, 4.4
AFFH Themes	Place-based Strategies for Neighborhood Improvement
Geographic Targeting	Citywide with emphasis on South Merced and other high poverty/high segregation areas of the City.
AFFH Outcomes	<ul style="list-style-type: none"> ▪ Complete 5 CIP projects during the planning period, including 3 in South Merced.

Program 14: Fair Housing Outreach and Enforcement

The City of Merced has a webpage for Fair Housing that includes information and resources for tenants, immigrants, families with children, veterans, licensed daycares, persons with service animals and retaliation concerns. Many of these resources are provided in multiple languages including Spanish, Vietnamese, Chinese, Korean, and Russian. Through federal funding provided by HUD, the City contracts with Project Sentinel, Inc. to assist the City with fair housing education, discrimination investigation and dispute resolution and advocacy. Contact information for Project Sentinel is included on the City’s fair housing webpage.

Specific Actions, Objectives and Timelines	<ul style="list-style-type: none"> ▪ Continue to provide information on the Housing Department website regarding available programs, current plans, and other information for tenants, landlords, and property owners. ▪ Continue to work with the County Housing Authority, the Merced County Rental Housing Association, and other relevant organizations. Provide sponsorship of Fair Housing and Tenant/Landlord relationships and rights workshops to educate tenants and landlords on their rights and responsibilities. ▪ Continue to contract with Project Sentinel for fair housing enforcement. ▪ In coordination with Project Sentinel, or equivalent organization, conduct housing workshops/outreach events to educate the public about fair housing rights. ▪ Support homeownership opportunities and home-buying education, particularly for racial and ethnic groups underrepresented in the homebuying market. ▪ Coordinate community group coordination to disseminate information about fair housing resources. This can include, but not limited to, the following: <ul style="list-style-type: none"> ▫ Senior Center, Boys and Girls Clubs ▫ Peach Jar subscription- school flyer advertising ▫ Radio conversations (Community Conversations show)
Primary Responsible Departments	Department of Development Services
Funding Sources	General Fund
Relevant Policies	3.1, 4.4
AFFH Themes	Enforcement and Outreach
Geographic Targeting	Citywide with emphasis on low resources areas and areas of high poverty and segregation in southern Merced (Districts 1, 2, 3, 5)
AFFH Outcomes	<p>Assist at least 30 residents and landlords with fair housing services annually, throughout planning period.</p> <p>Conduct one outreach event annually to disseminate fair housing information (workshop, community event, etc.)</p>

Program 15: AFFH Actions Summary

Government Code Section 8899.50 requires “meaningful actions” well beyond combating discrimination to overcome patterns of segregation and foster inclusive communities. Actions to affirmatively further fair housing include:

- Enhancing housing mobility strategies
- Encouraging development of new affordable housing in high resource areas
- Increasing fair housing enforcement and fair housing outreach capacity
- Improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing
- Protecting existing residents from displacement

Actions to affirmatively furthering fair housing are summarized below.

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

Affirmatively Furthering Fair Housing Action Matrix			
Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics
<ul style="list-style-type: none"> Partner with local nonprofits and/or agencies that conduct general financial literacy training and educational workshops on homeownership opportunities to expand these resources to black communities and very low-income households. 	2024-2032	LMI Areas (Districts 1, 2, 3, 4, 5)	Hold 2 workshops during the planning period.
<ul style="list-style-type: none"> Continue to advise developers of multi-family projects to host neighborhood meetings to help educate the neighborhood on their project. Utilize the vacant and developable land list that was part of the Residential Infill Study. 	2024-2032	Citywide	
<ul style="list-style-type: none"> Continue to promote development in the downtown area to include more housing and mixed-use developments. 	2024-2032	Downtown Merced	
<ul style="list-style-type: none"> Commit to developing pre-approved plans for duplexes and triples, similar to the pre-approved ADU program, to allow applicants to save on design and permit costs. 	December 2026	N/A	Facilitate the development of 16 ADUs during the planning period.
<ul style="list-style-type: none"> Promote neighborhoods that contain a variety of housing types, as allowed by the R-1, R-2, R-3, R-4, and P-D zones of the Merced Zoning Ordinance. 	2024-2032	Citywide	
<ul style="list-style-type: none"> Explore a feasibility study to limit the number of housing units that can be converted to short-term rentals. 	December 2026	N/A	
<ul style="list-style-type: none"> Seek public input from the community, Building Industry Association (BIA), and the Board of Realtors on options for an Inclusionary Zoning Ordinance Requirement. 	End of 2027	Citywide	Hold 2 workshops for the public and other interested parties by January 2027. If determined appropriate, adopt Inclusionary Ordinance by end of 2027.
<ul style="list-style-type: none"> Utilize the Citywide 2023 RFP list of affordable housing developers for notification for the City's streamlining review processes, the available properties for multi-family development (see Program 2) and potential funding opportunities for affordable housing development opportunities. 	Beginning in 2025 and every 2 years thereafter	N/A	3 workshops during the planning period.
<ul style="list-style-type: none"> Encourage the inclusion of childcare centers within multi-family developments 	2024-2032	Citywide	
<ul style="list-style-type: none"> Conduct studies to identify the needs of disadvantaged communities. Apply for funding that focus on addressing distressed communities. 	Conduct study by end of 2026 Funding – annually if applicable	Districts 1, 2, 3, 5, 6	Develop plan to address needs of disadvantaged communities by end of 2026.

G7.3 Quantified Objectives

Merced has established quantified objectives for housing production and rehabilitation for the Housing Element. These objectives are based upon expected availability of resources to address the City’s housing needs, expectations regarding future housing development, as well as prior objectives established in earlier housing plans. Table G7-1 below summarizes the City’s quantified objectives for implementing its various programs and actions outlined above.

Table G7-1 Quantified Objectives 2024-2032

Target Income and Affordability Level	New Construction	Rehabilitation	Conservation
Extremely Low	1,482	--	--
Very Low	1,055	--	--
Low	1,742	--	233
Moderate	1,838	--	--
Above Moderate	4,394	--	--
Total	10,517	31	233

This page intentionally left blank.